Esquire Knit Composite PLC

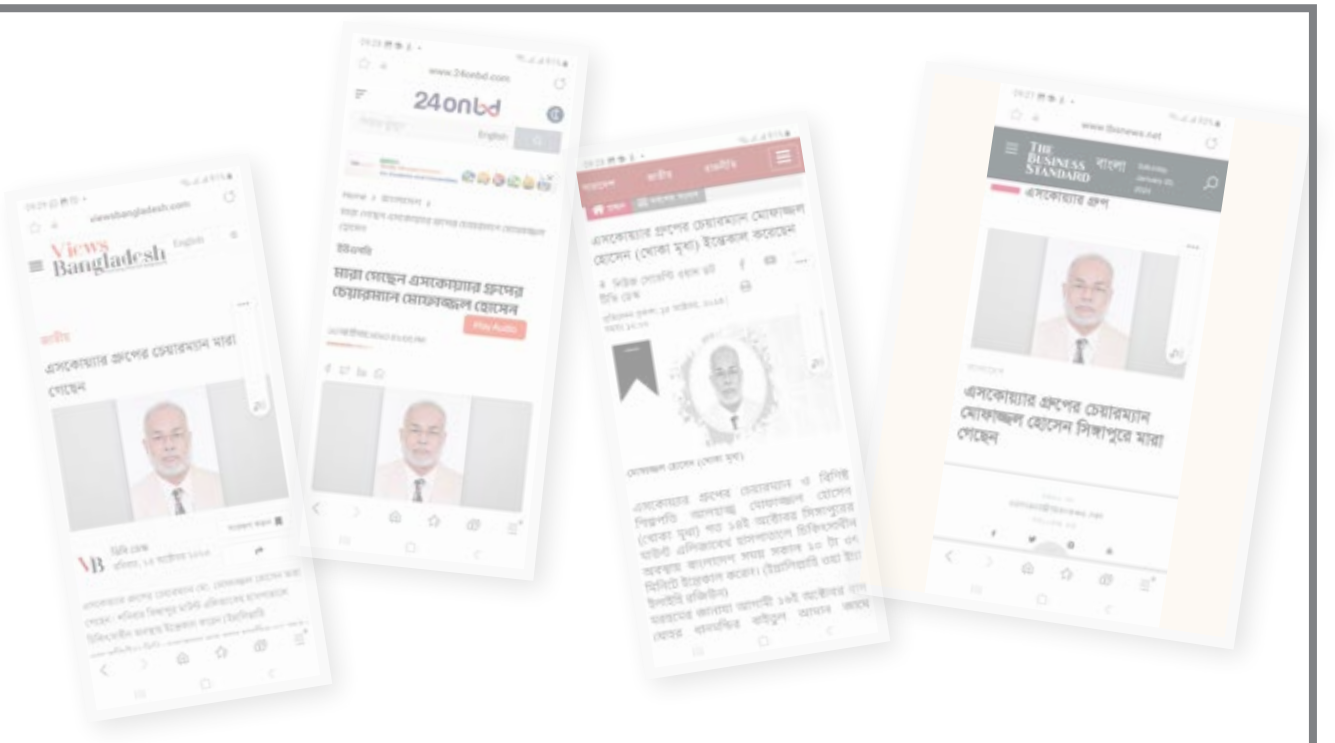


Esquire is committed to building

tomorrow

Annual Report

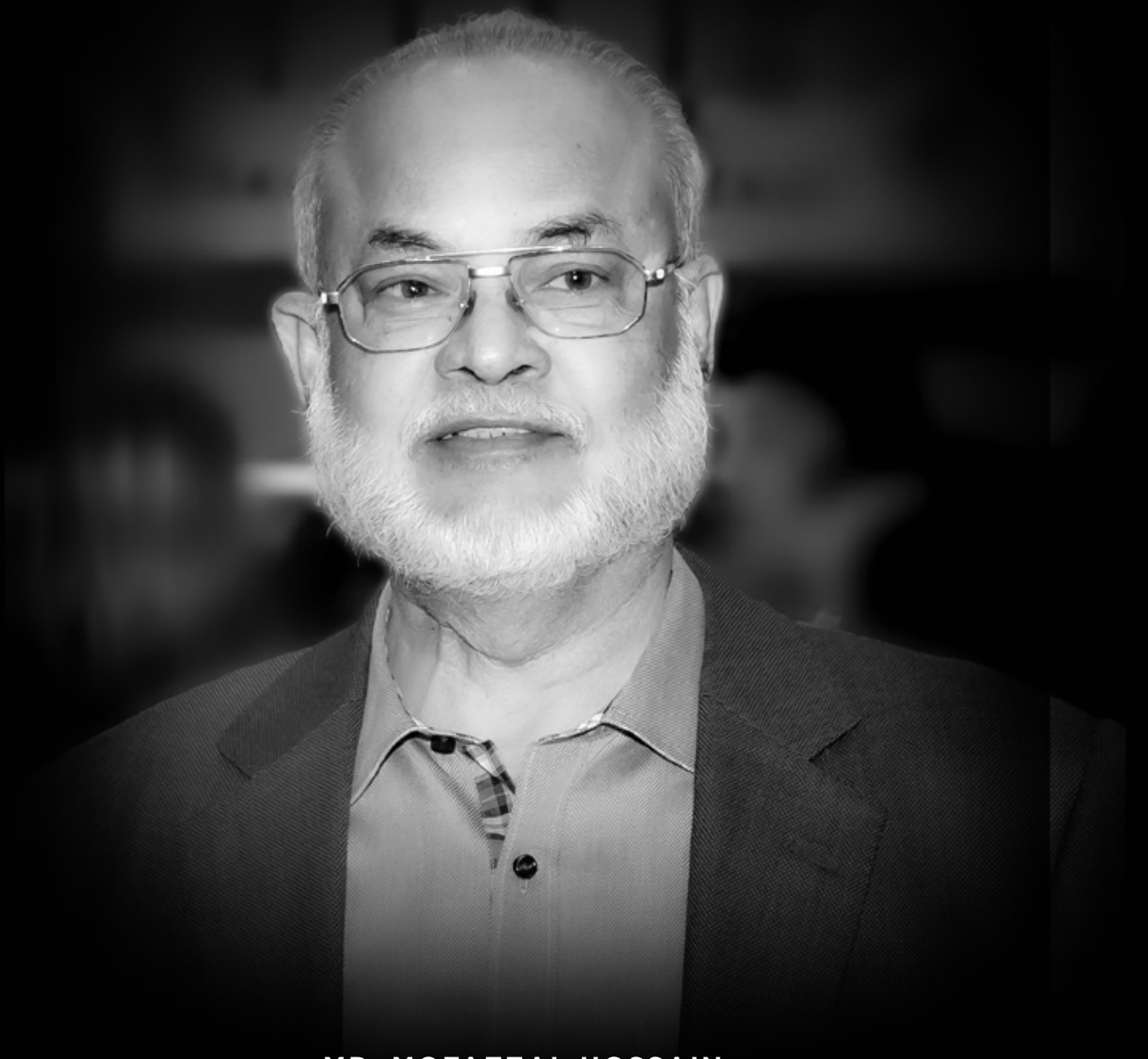
2022-23



আমরা গভীরভাবে শোকাহত

এসকোয়্যার পরিবার





MD. MOFAZZAL HOSSAIN
(1946-2023)

FOUNDER CHAIRMAN OF ESQUIRE GROUP

BORN	**DEATH**
FRIDAY, 28 JUNE 1946	SATURDAY, 14 OCTOBER 2023
14 ASHAR 1353 (BANGLA)	29 ASHIN 1430 (BANGLA)
28 RAJAB 1365 (HIJRI)	29 RABI UL AWAL 1445 (HIJRI)

HISTORICAL MOMENTS OF OURS

beloved founder chairman














Signing Ceremony of
Esquire Knit Composite Ltd.
Offshore Lender
DEG
Onshore Lende
Eastern Bank Ltd.

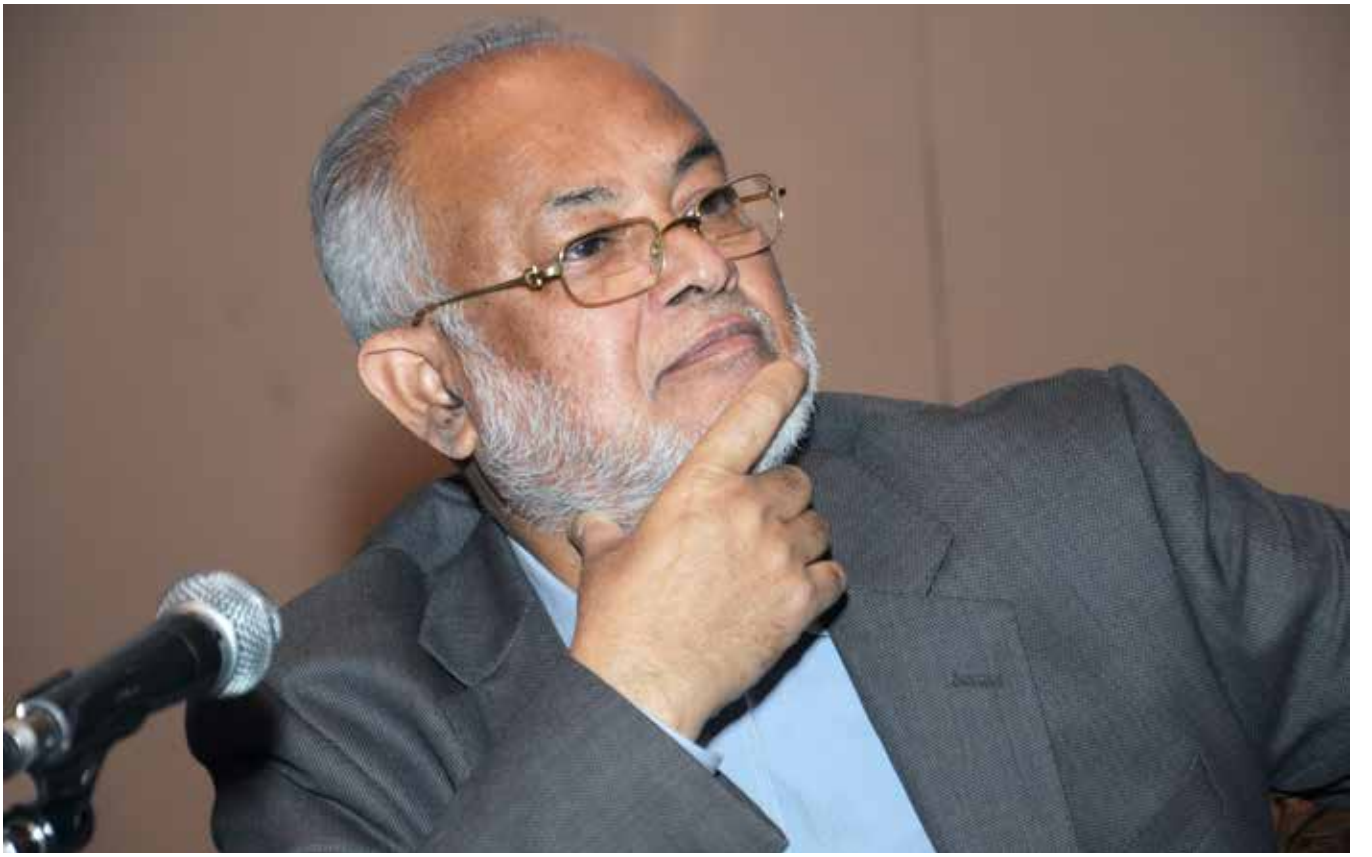





Road Show for IPO




Ground Breaking Cere



MD. MOFAZZAL HOSSAIN
(1946-2023)

FOUNDER CHAIRMAN OF ESQUIRE GROUP

ESQUIRE GROUP MOURNS DEEPLY

CONDOLENCE MEETING OF THE BOARD OF MEMBERS

To pay condolence and tribute to the departed Soul of the beloved and honorable late Md. Mofazzal Hossain, Founder and Chairman of the Board of the Company.

In the beginning, the sponsor director, as well as the Managing Director Mr. Md. Ehsanul Habib, informed the Board of Directors that Mr. Md. Mofazzal Hossain, the Founder and Chairman of the Board of the Company passed away (Inna lillahi wa inna ilayhi raji'un) under treatment on 14 October 2023, Saturday at 10.37 a.m. (Bangladesh time) at the Mount Elizabeth Hospital, Singapore. The news of the sudden demise of the Founder and the Board Chairman Mr. Md. Mofazzal Hossain brought immense sadness to his family members, colleagues, employees of the Esquire Group, the Business Community, Corporate Houses, Government Officials and countless well-wishers. His death was deeply felt in the business community and well-wishers continued to mourn after the burial.

Independent director and Chairman of the Board Mr. A.K.M. Shamsul Areefin called all the members of the Board to observe a minute of silence in honor of the departed soul of Mr. Md. Mofazzal Hossain, Founder and Chairman of the Board of Company. Then, he prayed to Almighty Allah for the forgiveness of his departed soul.

Thereafter, Mr. Ehsanul Habib said that the Founder Chairman of the Esquire Group Mr. Md. Mofazzal Hossain, that he was the Founder of Esquire Group as well as our father. With his sudden death, Esquire Group lost its founder as we lost our father.

Mr. Habib said, the Chairman was born in 1947 and died in 2023. In 77 years of life, he started his business life in Baitul Mukaram in 1993 through an electronics Showroom called "The General Brand". He has established himself i**n** the electronics business as well as dyeing, readymade garments, knit Garments and textiles. He created an opportunity for the three brothers to join him in his business after studying abroad. He was a workaholic person and tried tirelessly for the employment of the people of the country. He honestly tried to fulfil every dream for the welfare of the company. We know he is a successful person in his personal life and his business life. His patriotism, honesty and hand work will be exemplary for us. He is a man who stands in the present and sees the future in the light of experience.

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

Mr. Md. Mozammel Hossain, FCA, Independent Director recalled the history of industrial development, especially the dyeing and garment sector and the role played by the late Md. Mofazzal Hossain in achieving the present position of the group. He especially mentioned the late Chairman's deep concern for accountability to the shareholders, national exchequer, employees of the Company and CSR to the society at large. He said all these aspects made the late Chairman a shining example to those who would love to serve the people and the nation.

On the proposal by Mr. Md. Mozzamel Hossain, FCA, the Board of Directors unanimously passed the following resolutions:

RESOLUTIONS

RESOLVED THAT, the Board of Directors, being shocked and saddened at the sudden demise of the Founder and Chairman of the Board of the Company Mr. Md. Mofazzal Hossain, deeply mourn his death with heavy heart and pray for the salvation of his departed soul.

RESOLVED FURTHER THAT, the condolence be offered in writing to the wife of the late Mr. Md. Mofazzal Hossain on behalf of the Board of Directors.

RESOLVED FURTHER THAT, the Directorship as well as the Chairmanship of late Mr. Md. Mofazzal Hossain be and is hereby declared vacant w.e.f. 14 October 2023 and necessary returns be filed with appropriate authorities as per prevailing law.

সব শেষে যা চিরন্তন সত্য তাই মেনে নিতে হয়, কবিতার ভাষায় -

'যেতে নাহি দিব'। হায়,
তবু যেতে দিতে হয়, তবু চলে যায় ---



Bangladesh

RMG Industry

a global hub
for garment
manufacturing and
sourcing



With the highest number of green garment factories in the world, the Bangladesh RMG industry has been leading the world in sustainable garment manufacturing.

Overview

Renowned for its strong manufacturing capabilities and thriving ecosystem, the Bangladesh RMG industry has gone from strength to strength and has become a global hub for apparel sourcing. At present, the industry consists of over four thousand factories. RMG exports from Bangladesh include a wide variety of knitwear & woven garments products such as shirts, trousers, T-shirts, denim, jackets, sweaters, etc.

Growing at an annual rate of 7%, RMG exports from Bangladesh more than doubled between 2011 and 2019. As of December 2020, total exports stood at USD 27.4 billion, capturing a market share of 6.30% out of the global apparel market of USD 435 billion. While the industry suffered a temporary setback due to COVID-19, demand has started to recover and normalize again.

Today, Bangladesh leads the world in green garment manufacturing with 150 LEED (Leadership in Environmental and Energy in Design) certified factories in the country and another 500 waiting to obtain the LEED certification from the United States Green Building Council (USGBC). Currently, nine of the top 10 green garment factories and 40 of the top 100 are located in Bangladesh. Bangladesh's RMG sector has now transformed into a highly transparent and compliant industry regarding factory safety and value-chain responsibility after initiatives such as the Accord on Fire and Building Safety in Bangladesh, the Alliance for Bangladesh Worker Safety, and the RMG Sustainability Council were successfully undertaken.



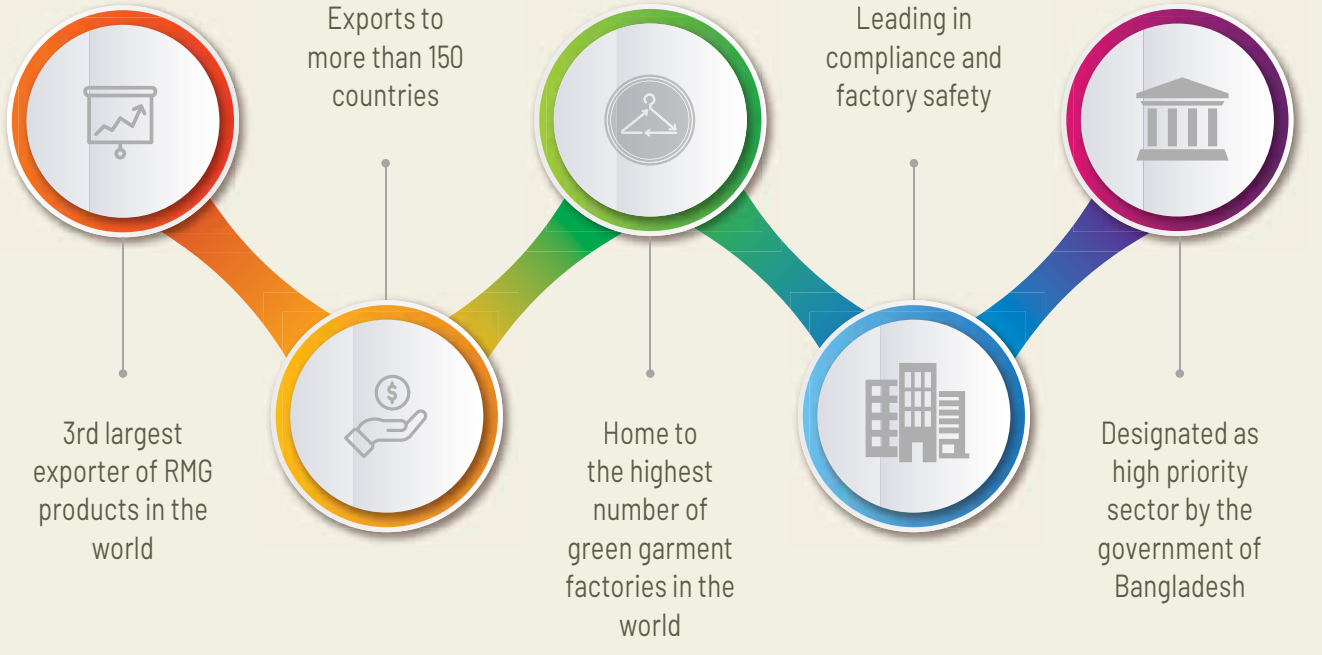
key indicators of Bangladesh

16% Contribution to GDP	**4000 +** Factories	**6% +** Share of global export in 20000
150 LEED-certified green garment factories	**USD 32 billion** Exportation 2020-2021	**7%** Industry CAGR 2011-2019
81% Contribution of export	**4000000 +** Employment generated	**100 +** International clothing brands manufactured
65% Value addition, Q1, FY21	**58%** Women's participation in the workforce	



BANGLADESH

leads the world in the RMG sector



GREETINGS FROM esquire knit

Esquire Knit was built

- to protect the investment of the investors 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 customers. 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 bring 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 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.

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

www.esquireelectronicsltd.com





ESQUIRE

Esquire Knit Composite PLC

Esquire Knit Composite PLC 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 Bhaluka, 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 PLC, in which the majority i.e., 99.01 % of shares are owned by Esquire Knit Composite PLC. The factory location of L' Esquire is Bhaluka, 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 mercerized 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

ESQUIRE A COMBINATION OF

Youth, Experience & Skill

"We have grown and evolved significantly over the past 23 years because we lead with an entrepreneurial approach and value relationships. This proven formula will drive Esquire Knit as we enter the future of our business."



Who we are

We are globally renowned for designing, sourcing, manufacturing, and bringing excitement and confidence to customers through the fashion we make.

REVENUE	TOTAL ASSETS	SHAREHOLDER'S EQUITY	SHAREHOLDERS	NAV WITH AND WITHOUT REVALUATION RESERVE
BDT 7,978.75 million	BDT 16,683.07 million	BDT 8,809.51 million	10,866	BDT 65.31 and 37.59

FACTORY PREMISES KANCHPUR, SONARGAON BHALUKA, MAYMENSINGH	FULLTIME EMPLOYEE	FEMALE EMPLOYEE	AVERAGE CASH DIVIDEND DECLARED AFTER LISTING	AVERAGE CASH DIVIDEND PAYOUT RATIO
2	6,820	55%	13%	75%

SUBSIDIARY COMPANY	LISTING WITH DSE & CSE	PUBLIC LIMITED COMPANY	YEAR OF INCORPORATION
1	2019	2015	2000

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CREDIT RATING

Report



Esquire Knit Composite PLC has been rated by the Credit Rating Agency of Bangladesh Limited (CRAB) based on Audited Financial Statements for the year ended 30 June 2023, 30 June 2022, 30 June 2021, 30 June 2020 and 30 June 2019 and Bank Liability position as on 29 October 2023 and other relevant as complied from client & Banks. The summary of the rating is presented below:

Valid From	Valid Till	Company Rating	Long Term Rating	Short-Term Rating	Outlook
15-Nov-23	25-Oct-24	AA3	AA3	ST-3	Stable
20-Nov-22	25-Oct-22	AA3	AA3	ST-3	Stable
5-Dec-21	25-Oct-22	AA3	AA3	St-3	Stable

MEANS OF

AA3 - Esquire Knit Composite PLC rated AA3 as having 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 PLC is rated in this category and the rating indicates that the degree of safety regarding timely payments on the loans/facilities are adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.

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 financial year ended 30 June 2023.

Dear Sir /Madam,

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 2023, Statement of Profit or Loss and other Comprehensive income, Changes in Equity and Cash Flows for the year ended 30 June 2023 along with notes thereon, all other Consolidated and Standalone Financial Statements, Corporate Governance Compliances and others of the Company for your kind information, records, and necessary measures.

Thanking You
Yours faithfully,

Md. Monir Hossain
Company Secretary

Monday, Dhaka
30 October 2023

N. B: The Annual Report 2022-2023 is also available on the Company's website at: www.esquireknit.com


JUKI

NOTICE OF THE 23RD annual general meeting

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of Esquire Knit Composite PLC will be held virtually by using a Digital Platform on Thursday, 25 January 2024 at 11:00 a.m. (Dhaka time) to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated) of the Company for the financial year ended 30 June 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend for the financial year ended 30 June 2023. The Board of Directors has recommended a Dividend of Tk. 1.00 per share of Tk. 10.00 each (excluding sponsors and directors) i.e., 10% cash dividend.
3. To elect/re-elect Mr. Md. Ehsanul Habib and Mr. Md. Muddasar Hossain, Directors of the Company in terms of the relevant provision of the Articles of Association, who retire by rotation and being eligible, offer themselves for re-election.
4. To appoint M/s. Pinaki & Company, Chartered Accountants as Statutory Auditors for the financial year 2023-2024 and fix their remuneration.
5. To appoint M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants as Corporate Governance Compliance Auditors for the financial year 2023-2024 and fix their remuneration.

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

By order of the Board

Monday, Dhaka
30 October 2023

Md. Monir Hossain
Company Secretary

Notes:

1. The 'Record Date' of the Company shall be on Tuesday, 5 December 2023. 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 2023, will be entitled to attend the 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. The Annual Report for the financial year 2022-2023 will be sent through the e-mail address of the Shareholders and will be available on the Website of the 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 24 (twenty-four) hours before 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 other credentials as proof by visiting the said link.

5. Members whose Name, TIN, Bank Account Number, e-mail addresses and 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 with the statement (both the hard & soft copy) on or before 21 December 2023 with details of their margin loan holders entitled to dividend for the financial year ended on 30 June 2023.
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 the circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013 issued by BSEC, no benefit in cash or kind shall offered to the members during the Annual General Meeting.



ABOUT this report

This is Esquire Knit's 23rd Annual General Meeting

Over the last 23+ 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.

Reporting frameworks

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 boundary

The financial metrics and information presented in the financial year 2022-2023 Integrated Report pertain to Esquire Knit Composite PLC, including its business operation and subsidiaries. The non-financial disclosures are limited to the Company's operation in Bangladesh unless otherwise specified in relevant sections.

Reporting Period

The report covers the financial and non-financial performance of the company and its subsidiary period from 1 July 2022 to 30 June 2023.

Management responsibility statement

The management of Esquire Knit acknowledges its responsibility to ensure 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 element Assurance status

Reporting Element	Assurance Status
Financial Information	The financial statements presented in the report have been audited by Pinaki & Company, Chartered Accountants.
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.



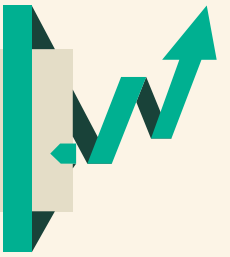
2022-2023 financial highlights

NON-CURRENT ASSETS

CONSOLIDATED

+ 18.03%

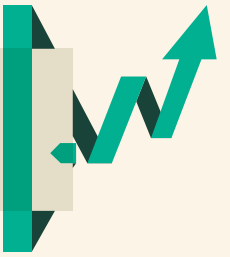
2022-2023	BDT 11,000.65 mil
2021-2022	BDT 9,319,.98 mil



SEPARATE

+ 3.57%

2022-2023	BDT 9,173.04 mil
2021-2022	BDT 8,857.15 mil

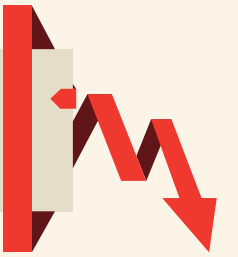


CURRENT ASSETS

CONSOLIDATED

- 10.77%

2022-2023	BDT 5,689.42 mil
2021-2022	BDT 6,368.15 mil



SEPARATE

+ 7.64%

2022-2023	BDT 7,181.08 mil
2021-2022	BDT 6,671.50 mil

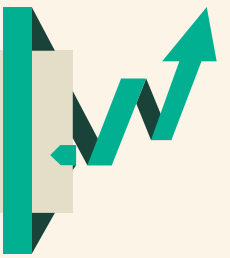


TOTAL ASSETS

CONSOLIDATED

+ 6.34%

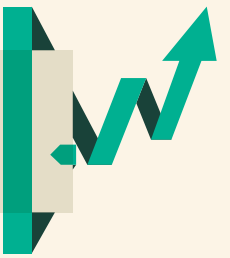
2022-2023	BDT 16.683.07 mil
2021-2022	BDT 15,688.13 mil



SEPARATE

+ 5.32%

2022-2023	BDT 16,354.12 mil
2021-2022	BDT 15,528.65 mil

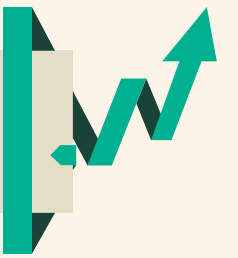


SHAREHOLDER'S EQUITY

CONSOLIDATED

+ 0.14%

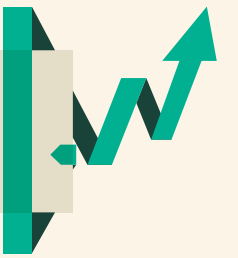
2022-2023	BDT 8,809.51 mil
2021-2022	BDT 8,796.76 mil



SEPARATE

+ 0.52%

2022-2023	BDT 8,857.40 mil
2021-2022	BDT 8,811.17 mil

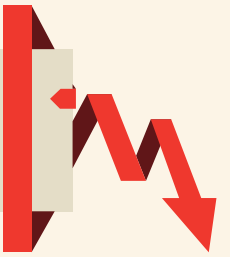


NON-CURRENT LIABILITIES

CONSOLIDATED

-15.77%

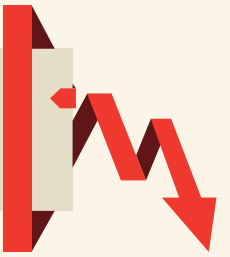
2022-2023	BDT 2,280.93 mil
2021-2022	BDT 2,708.13 mil



SEPARATE

-15.88%

2022-2023	BDT 2,276.18 mil
2021-2022	BDT 2,705.86 mil

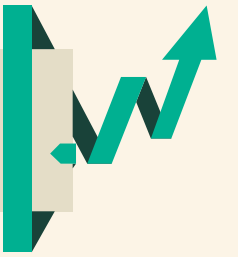


CURRENT LIABILITIES

CONSOLIDATED

+ 33.69%

2022-2023	BDT 5,592.63 mil
2021-2022	BDT 4,183.24 mil



SEPARATE

+ 30.14%

2022-2023	BDT 5,220.54 mil
2021-2022	BDT 4,011.60 mil

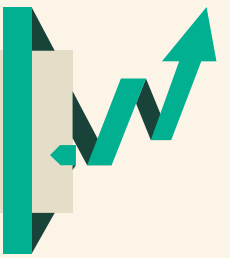


NAV PER SHARE WITH REVALUATION RESERVE

CONSOLIDATED

+ 0.15%

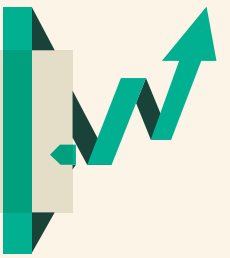
2022-2023	65.31
2021-2022	65.21



SEPARATE

+ 0.52%

2022-2023	65.66
2021-2022	65.32



NAV PER SHARE WITHOUT REVALUATION RESERVE

CONSOLIDATED

+ 0.29%

2022-2023	BDT 37.59
2021-2022	BDT 37.48



SEPARATE

+ 0.90%

2022-2023	BDT 37.93
2021-2022	BDT 37.59



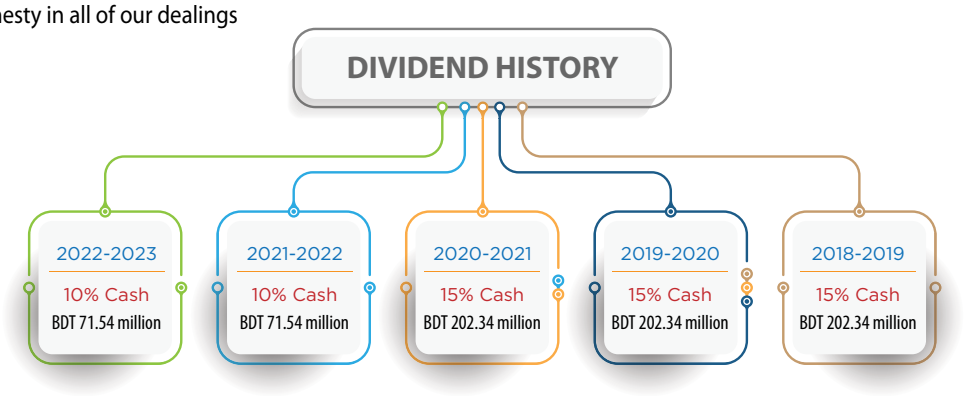
primary objective

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
- looking after our team members and providing a safe, fulfilling work environment
- fairly engaging with our suppliers, and sourcing ethically and sustainably
- supporting the communities in which we operate
- taking care of the environment
- acting with integrity and honesty in all of our dealings



Note:
In the financial year 2021-2022 and 2022-2023, the Company declared a 10% cash dividend excluding sponsors and directors.

Restatements
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.

Queries / Feedback
Any queries/feedback to be directed to cs@esquire.com.bd

Read the full report online at
www.esquireknit.com
www.esquire.com.bd

ABOUT esquire knit

Esquire Knit

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

Our Target

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.

Our customers

Our ready-made garments are popular among buyers in the outlets of the world's famous and popular clothing brands. Notable among these are, Best Seller, Sprit, next, Celio, champion, C & A, Ted Bernatardtz Group, scalpers, O' Stin, Ted Baker, Tee Javs, S. Oliver, Brand Machine Group, Walbach, Inditex, puma, Guess, mascot, Carrefore, P & C Clothing, Michael Kors, Cecill Street Ones, Kiabi and others.

Employment

Esquire Knit is a Company that creates employment for the people of this country. The Company presently employs a total of 5,594 workers and 1,226 staff and officers.

Location

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

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:

Tax Contributions Government tax contributions are computed according to the relevant rules and regulations and paid on time.	**Driving Stable Economic Growth**	**Foreign Exchange Earner** As a garment exporter, our company contributes to strengthening the foreign exchange reserves by contributing BDT 7,514.77 million to the national foreign exchange reserve of our country during the year under review. Furthermore, as an import substitute, we were able to save the depletion of foreign exchange reserves on the import of yarn, fabric required by apparel manufacturers.	**BDT 10.32 million** Tax contribution
Growth of the Garments Manufacturing Sector Esquire Knit contributed to the growth of the apparel sector of the country, by continuing operations under strict health guidelines even during the peak of the pandemic. We were able to adapt quickly and set an example for others to follow.		**Local Procurement** We procure materials from local suppliers whenever possible, contributing to the empowerment of Small and Medium Enterprises (SME) within the country.	**BDT 7,514.77 million** Export earnings
A Centre for Sustainable Innovation We act as a centre for sustainable innovation in Bangladesh, taking a holistic approach to environmental and social sustainability. Our innovation center provides us with a new dimension to our customer engagement processes and our business model, setting us apart from our competitors.		**Creating Opportunities for Employment and Training** We support the livelihood of the people by creating direct and indirect employment opportunities. As the main employer within a 15 km radius, we give preference to persons from the locality when recruiting individuals.	**6,820 persons** Total employment

OUR

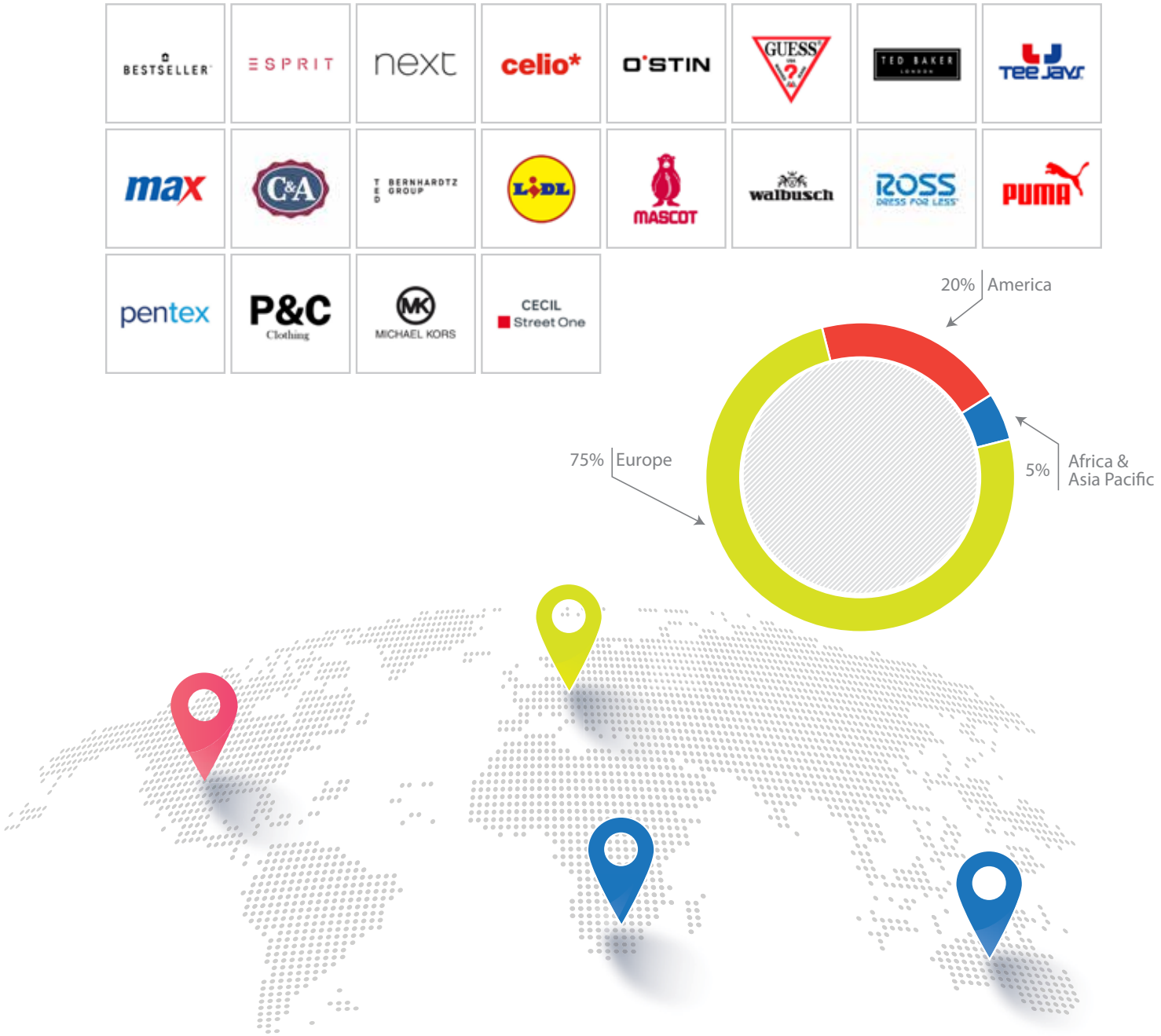
business summary



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

PERCENT-WISE OUR

customers demography



WHAT MAKE US

different ?

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

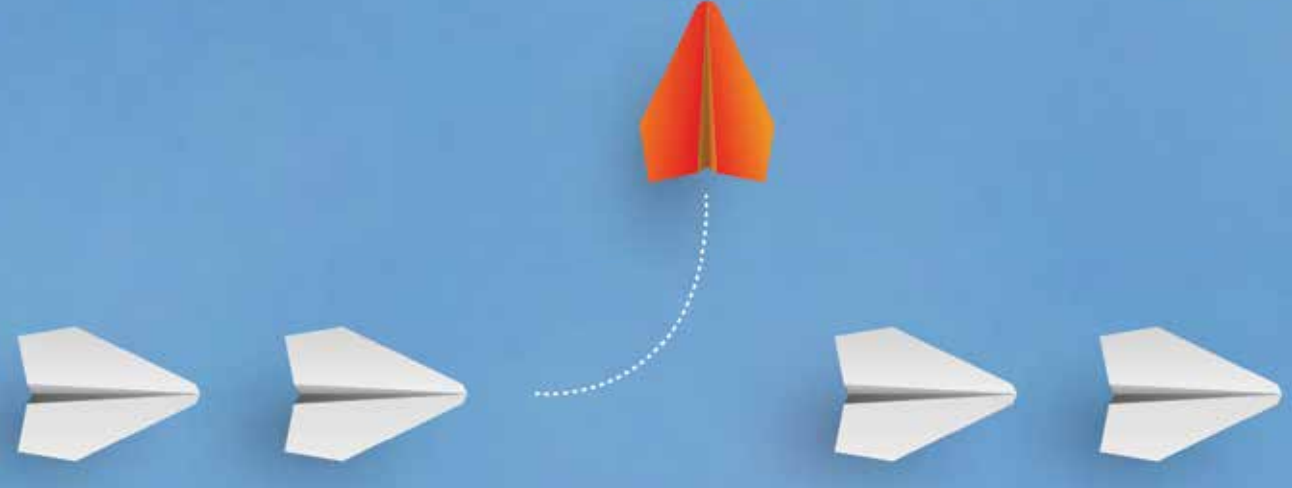
Machines are mere tools to yield the best out of human potential. And we take great pride in employing some of the most skilled human resource found in the country. Our workers are our pride... our true driving force.

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.



certificates


































BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2023/061

BAPLC

Date of issue : January 22, 2023

Renewed Certificate

This is to certify that

ESQUIRE KNIT COMPOSITE LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2023.

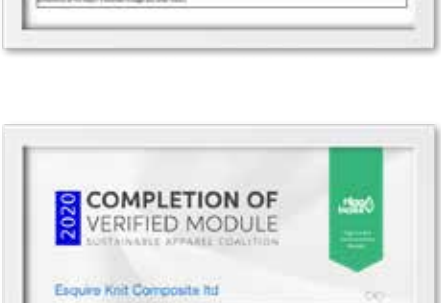
BAPLC

Secretary General













CSR sustainability

In alignment with SUSTAINABLE DEVELOPMENT GOALS



Her Finance



Her Health

Her Choice

Fair Price Shop

Apon Wellbeing is an initiative designed to provide affordable household items, health care, insurance and other benefits to our associates.



Happy App

Self Learning App

Upcoming project to track associates' productivity

Education Program

Education program for associates

Aastha (Unilever Scholarship)

Scholarship for talents

Project SEIP (BKMEA)

In-house training center



50 : 50



Napkin Project

WASH Project for hygiene & sanitation



UCEP Project

NARI Project



Beyond Border



Female Hostel

It allows female associates to manage their living expense while maximizing their efficiency and productivity in the work place.



E-Filing

E-Billing

Automation



E-Filing

E-Billing

Automation



E-Filing

E-Billing

Automation

OUR CONTRIBUTION ON

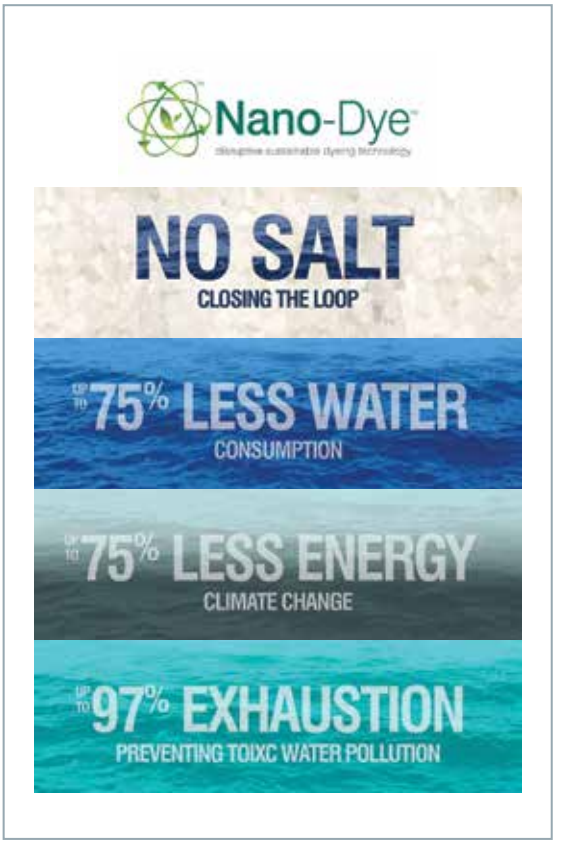
green industry

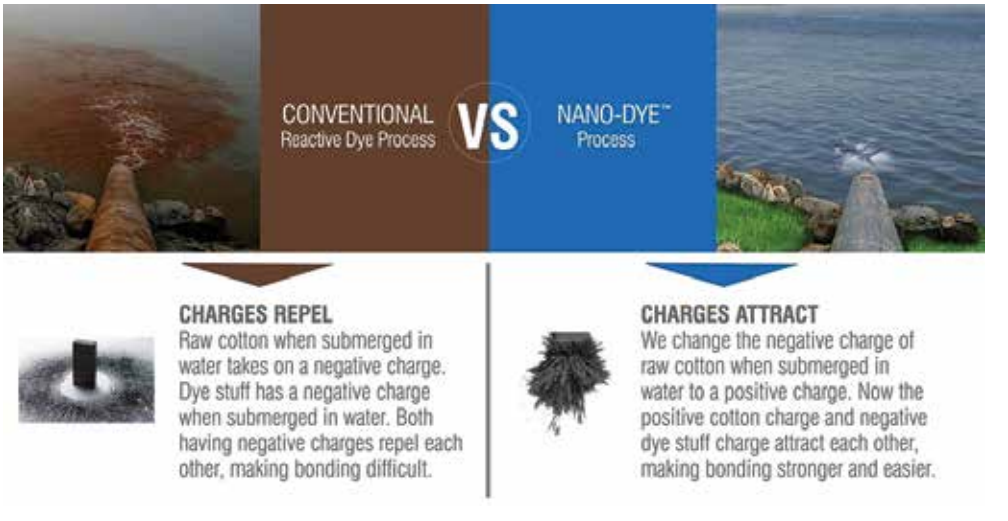
We have already introduced the Revolutionary new Green Dyeing Technology "Nano-DyeTM" in our Fabric Dyeing unit.

The Award-winning system Nano-DyeTM 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-DyeTM turn-key system is designed with the strategic intent to use the textile dye plant's current exhaust dye equipment and dyestuff library.

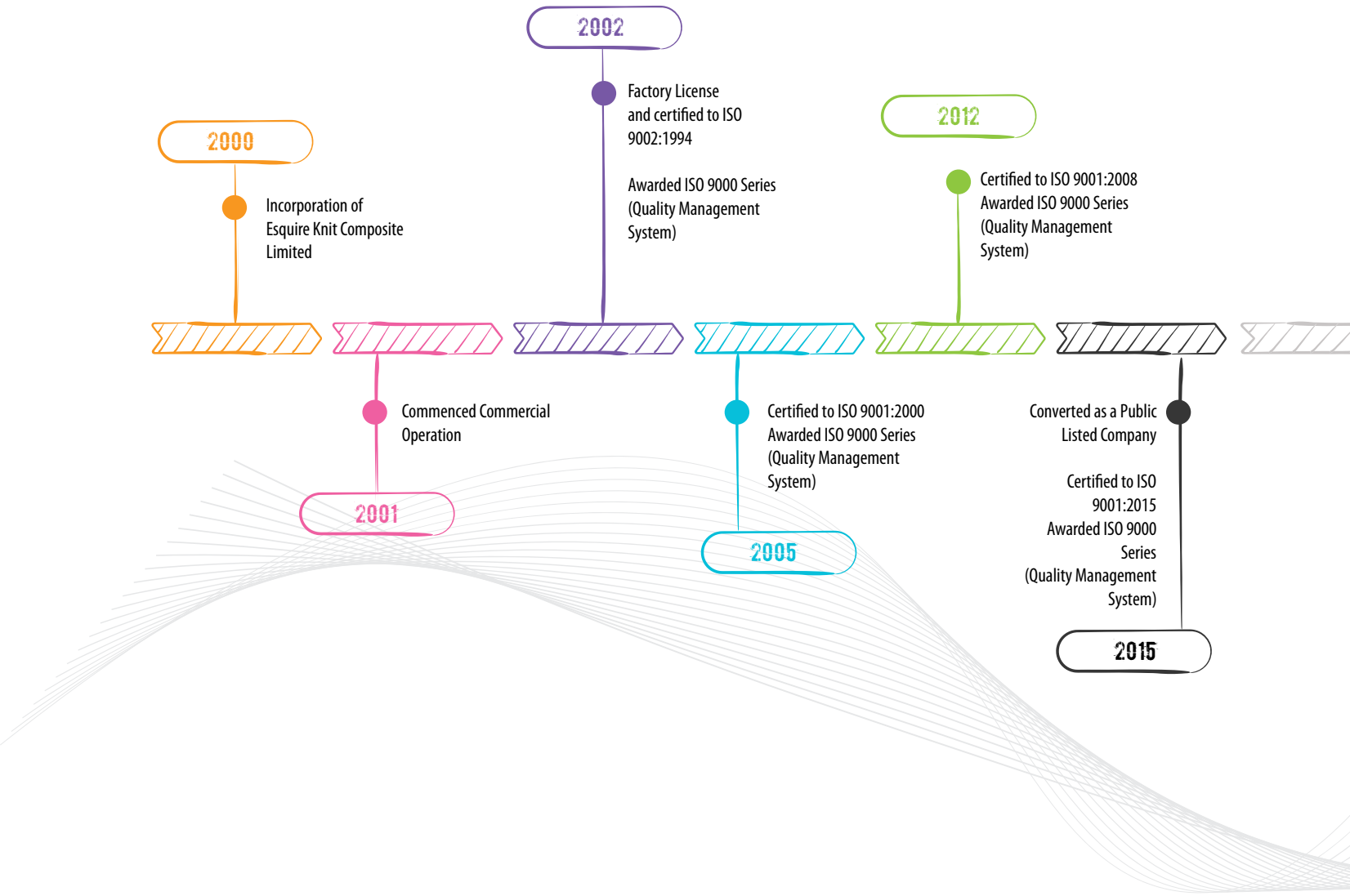
Nano-DyeTM's break-through dyeing technology now allows cotton exhaust dye jets to use no salt and exhaust up to 99% of dyestuff (eliminating solid waste). Use 75% less water and 90% less energy while yielding greater lot to lot shade reproducibility and consistent quality fabric in all colors.

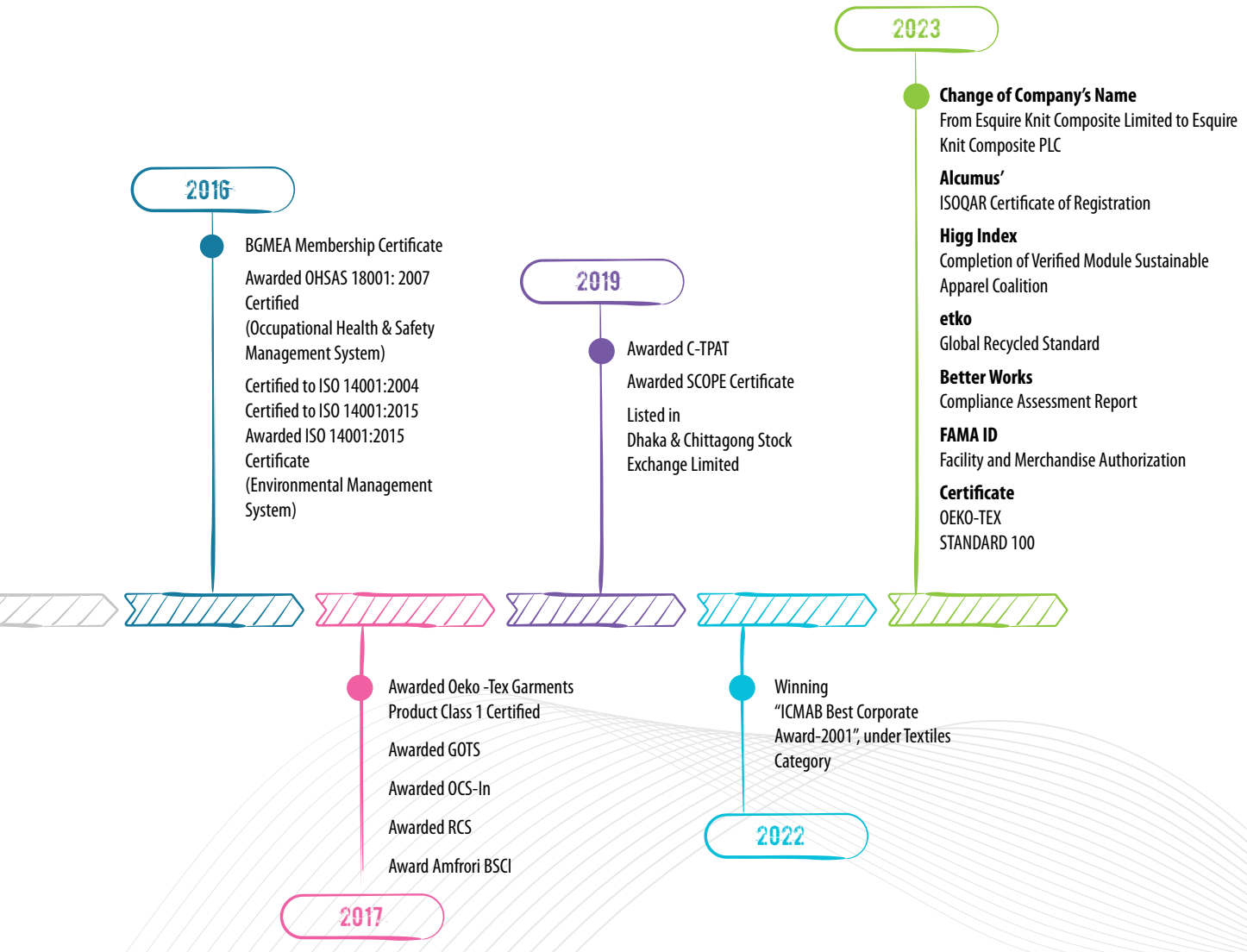
Additionally, the reduction of pollution in the effluent makes Zero Discharge Water Treatment plants economical to run and sets their position for future placement making textile dyeing a clean industry





OUR milestones




2023
Change of Company's Name
From Esquire Knit Composite Limited to Esquire Knit Composite PLC
Alcumus'
ISOQAR Certificate of Registration
Higg Index
Completion of Verified Module Sustainable Apparel Coalition
etko
Global Recycled Standard
Better Works
Compliance Assessment Report
FAMA ID
Facility and Merchandise Authorization
Certificate
OEKO-TEX
STANDARD 100
2022
Winning
"ICMAB Best Corporate Award-2001", under Textiles Category
2019
Awarded C-TPAT
Awarded SCOPE Certificate
Listed in
Dhaka & Chittagong Stock Exchange Limited
2017
Awarded Oeko -Tex Garments
Product Class 1 Certified
Awarded GOTS
Awarded OCS-In
Awarded RCS
Award Amfrori BSCI
2016
BGMEA Membership Certificate
Awarded OHSAS 18001: 2007
Certified
(Occupational Health & Safety Management System)
Certified to ISO 14001:2004
Certified to ISO 14001:2015
Awarded ISO 14001:2015
Certificate
(Environmental Management System)

values and achievements

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

(BDT in million)

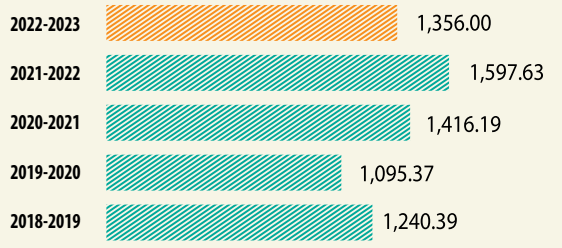
	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Turnover	7,514.77	10,014.28	7,905.84	5,000.52	5,919.58
Net Profit after Tax	177.77	327.49	301.86	266	283.61
Dividend to the Shareholders	71.54	71.54	202.34	202.34	202.34

OUR KEY performance indicators

Profit and loss metrics

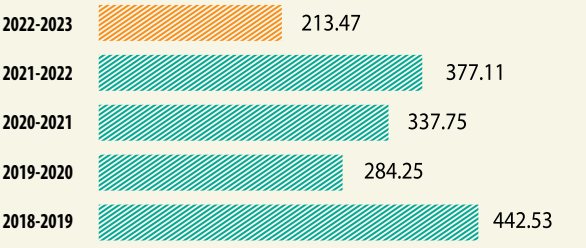
A robust topline and margins similar to year-ago levels ensured that we continue to deliver on the business front, delivering enhanced net profit.

GROSS PROFIT



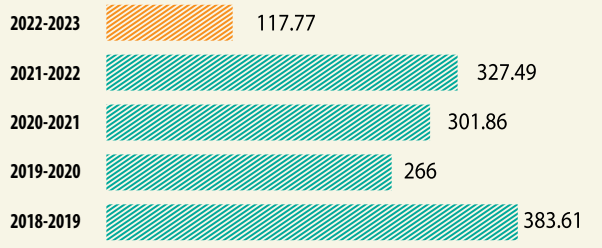
Taka in 'million'

NET OPERATING PROFIT



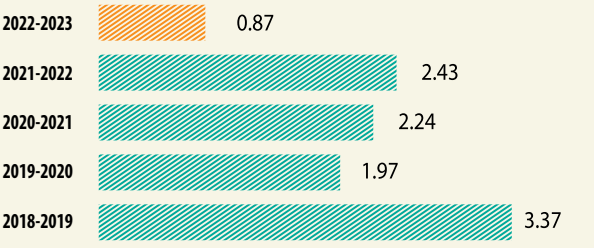
Taka in 'million'

PROFIT AFTER TAX



Taka in 'million'

EARNINGS PER SHARE

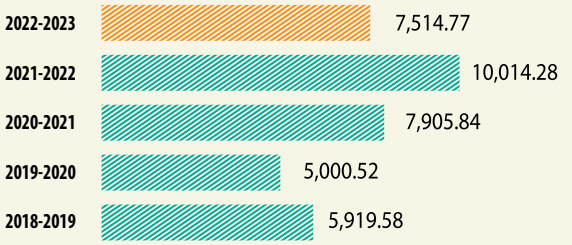


(Taka per share)

Operational metrics

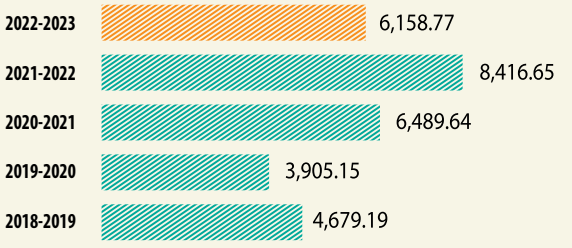
With new product innovations and a strong base of established brands, we were able to increase our sales volume and value during the year, while maintaining the share of international business in our portfolio.

Revenue



Taka in 'million'

Cost of goods sold

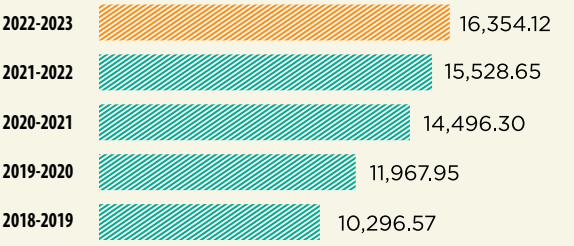


Taka in 'million'

Balance sheet metrics

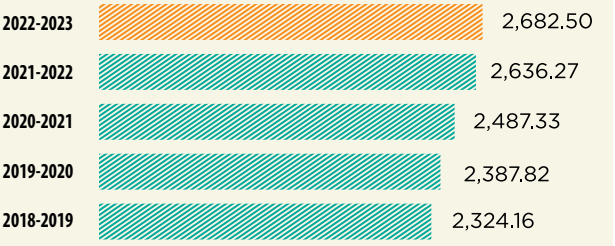
We operate our business with minimal debt on our books and fund our capital expenditure and operations through internal accruals and cash flows..

Debt/ Equity



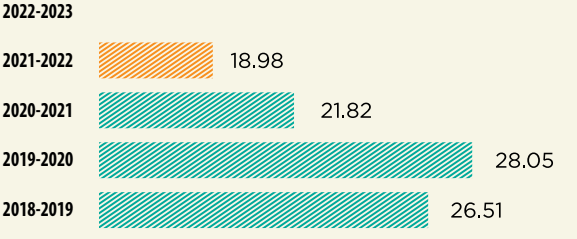
Taka in 'million'

Retained earnings



Taka in 'million'

Return on Investment

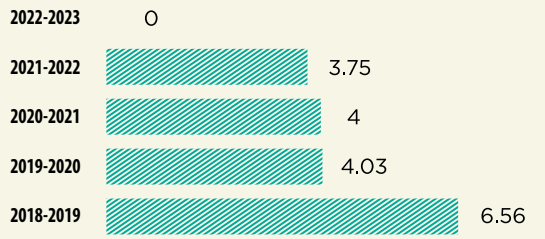


(Figure in %)

Shareholder's metrics

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

Return on net worth



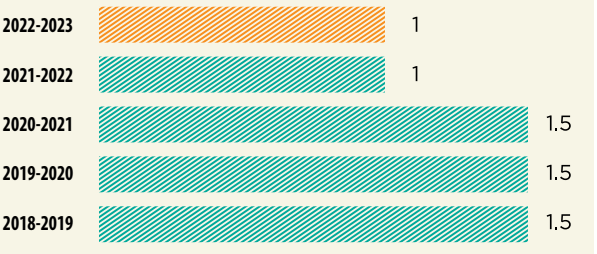
(Figure in %)

Return on capital employed



(Figure in %)

Dividend Declared



(Taka of face value)

SECRETARIAL compliance calendar

Calendar of Annual General Meeting

Monday, 30 October 2023

AGM NOTICE

Notice of 23rd Annual General Meeting

Wednesday, 10 January 2024

ANNUAL REPORT

Issuance and Submission of Annual Report

Within 24 February 2024

DIVIDEND

Payment of Dividend

Wednesday, 5 March 2024

COMPLIANCE REPORT

Dividend Compliance Report

Tuesday, 5 December 2023

RECORD DATE

The record date in place of Book Closure

Thursday, 25 January 2024

AGM DAY

23rd Annual General Meeting

Calendar of Board Meetings

Tuesday, 14 November 2023

FIRST QUARTER

Adoption of unaudited first quarter financial statements for the period ended 30 September 2023

Tuesday, 30 January 2024

SECOND QUARTER

Adoption of unaudited second quarter financial statements for the period ended 31 December 2023

Monday, 29 April 2024

THIRD QUARTER

Adoption of unaudited third quarter financial statements for the period ended 30 March 2024

Wednesday, 30 October 2024

FINANCIAL YEAR-END

Adoption of audited financial statements for the financial year ended 30 June 2024

Calendar of Committee Meetings

AUDIT COMMITTEE

Tuesday, 14 November 2023

FIRST QUARTER

Review and recommend the unaudited first quarter to the Board for adoption of the period ended 30 September 2023.

Tuesday, 30 January 2024

SECOND QUARTER

Review and recommend the unaudited second quarter to the Board for adoption of the period ended 31 December 2023.

Monday, 29 April 2024

THIRD QUARTER

Review and recommend the unaudited third quarter to the Board for adoption of the period ended 30 March 2024

Wednesday, 30 October 2024

FINANCIAL YEAR-END

Review and recommend the unaudited audited financial statements to the Board for adoption for the period ending 30 June 2024.

AUDIT COMMITTEE

Tuesday, 30 January 2024

NRC COMMITTEE MEETING

Review and recommend the various issues to the Board.

Calendar of Regulatory Requirements

AUDIT COMMITTEE

Sunday, 28 January 2024

SCRUTINIZER REPORT

The report submitted to the Commission and Exchange

Tuesday, 30 January 2024

AUDIO VISUAL RECORDING

The audio-visual recording submitted to the Commission and Exchange

Monday, 5 February 2024

AGM MEETING MINUTES

The minutes submitted to the Commission and Exchange



OUR core object

MISSION

To become a leading manufacturer of Knit Garments Products in the international market and 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 make 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 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 garment 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.

The term describes the department of a company devoted to handling inquiries from shareholders and investors, as well as others who might be interested in a company's stock or financial stability.

Share & 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

Quarter accounts

(Amount in BDT)

	Revenue (Amount in BDT "million")	EPS	NAV		NOCFPS
			With revaluation reserve	Without revaluation reserve	
First quarter	1,676.37	0.14	65.46	37.74	2.67
Second quarter	2,205.38	(0.71)	64.99	37.27	0.27
Third quarter	2,207.33	0.46	65.06	37.34	0.89

Key financial data

	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
Shareholders' equity	8,857,403,770	8,811,173,323	8,662,233,922	6,827,436,987	6,763,777,435
Number of shares	134,895,833	134,895,833	134,895,833	134,895,833	134,895,833
Earnings per share	0.87	2.43	2.24	1.97	3.37
Break-up value per share	65.66	65.32	64.21	50.61	50.14
Face value per share on 30 June	10	10	10	10	10
Cash Dividend %	10%	10%	15%	15%	15%
Bonus Shares %	Nil	Nil	Nil	Nil	Nil
Profit after tax	177,770,310	327,485,893	301,859,226	266,003,303	383,607,218
The dividend amount in Taka	71,539,863	71,539,863	202,343,749	202,343,749	202,343,749
% Of dividend against Net Profit	40.24%	41.15%	67.02%	76.07%	44.51%
The highest price during the year	40.1	41.8	43.5	33.7	32.5
The lowest price during the year	33.7	31.8	20	21.9	27.7

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




XL

FINANCIAL SPREAD sheet analysis

(FOR FIVE YEARS OF AUDITED FINANCIAL STATEMENTS)

Particulars	30-Jun-23		30-Jun-22		30-Jun-21		30-Jun-20		30-Jun-19	
	Amount (BDT)	% on Total Asstes	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets
Non-current Assets	**9,173,042,782**	**56.09**	**8,857,148,816**	**57.04**	**8,342,503,179**	**55.76**	**5,538,701,226**	**46.28**	**5,326,047,982**	**51.73**
Property, plant and equipment	6,480,082,550	39.62	6,432,000,664	41.42	6,511,975,328	43.53	4,675,599,621	39.07	4,487,335,605	43.58
Capital Work in Process	2,550,960,233	15.60	2,272,873,152	14.64	1,682,752,850	11.25	715,326,604	5.98	690,937,377	6.71
Investment in shares	142,000,000	0.87	152,275,000	0.98	147,775,000	0.99	147,775,000	1.23	147,775,000	1.44
Current Assets	**7,181,081,813**	**43.91**	**6,671,497,178**	**42.96**	**6,618,709,277**	**44.24**	**6,429,251,222**	**53.72**	**4,970,526,758**	**48.27**
Inventories	3,599,858,687	22.01	3,738,209,728	24.07	3,392,689,572	22.68	3,099,843,476	25.90	2,669,649,923	25.93
Accounts receivables	632,365,842	3.87	1,297,557,977	8.36	1,236,543,152	8.26	470,602,348	3.93	534,955,129	5.20
Other receivables	38,551,047	0.24	4,146,703	0.03	3,818,089	0.03	13,504,400	0.11	1,871,871	0.02
Advance deposit and payment	2,338,918,719	14.30	1,017,833,764	6.55	1,210,102,389	8.09	858,868,308	7.18	806,256,844	7.83
Investment	136,704,117	0.84	102,180,441	0.66	98,507,093	0.66	260,034,065	2.17	89,297,144	0.87
Cash and cash equivalents	434,413,402	2.66	511,568,565	3.29	677,048,982	4.53	1,726,398,625	14.43	868,495,847	8.43
Total Assets	**16,354,124,596**	**100.00**	**15,528,645,994**	**100.00**	**14,961,212,455**	**100.00**	**11,967,952,449**	**100.00**	**10,296,574,740**	**100.00**
Equity & Liabilities										
Shareholders' Equity	**8,857,403,770**	**54.16**	**8,811,173,323**	**56.74**	**8,769,762,527**	**58.62**	**6,827,436,988**	**57.05**	**6,763,777,435**	**65.69**
Share capital	1,348,958,330	8.25	1,348,958,330	8.69	1,348,958,330	9.02	1,348,958,330	11.27	1,348,958,330	13.10
Minority interest	-	-	-	-	359,823	0.00	-	-	-	-
Share premium account	1,086,653,150	6.64	1,086,653,150	7.00	1,086,653,150	7.26	1,104,070,338	9.23	1,104,070,338	10.72
Revaluation surplus	3,739,289,135	22.86	3,739,289,135	24.08	3,857,804,160	25.79	1,986,590,489	16.60	1,986,590,489	19.29
Retained earnings	2,682,503,155	16.40	2,336,272,708	15.04	2,475,987,064	16.55	2,387,817,832	19.95	2,324,158,278	22.57
Non-Current Liabilities	**2,276,181,242**	**13.92**	**2,705,875,205**	**17.43**	**2,691,517,822**	**17.99**	**2,495,243,627**	**20.85**	**1,336,766,795**	**12.98**
Deferred Tax liabilities	285,544,999	1.75	277,513,981	1.79	277,800,049	1.86	191,187,753	1.60	164,722,043	1.60
Long term loan net off current maturity	1,990,636,243	12.17	2,427,474,711	15.63	2,410,210,984	16.11	2,275,685,650	19.01	1,162,262,296	11.29
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
Current Liabilities	**5,220,539,583**	**31.92**	**4,011,597,466**	**25.83**	**3,499,932,107**	**23.39**	**2,645,271,834**	**22.10**	**2,196,030,510**	**21.33**
Short term loan	3,341,819,932	20.43	2,173,862,378	14.00	1,479,436,051	9.89	984,070,652	8.22	898,998,063	8.73
Current portion of long term loan	464,594,631	2.84	291,839,388	1.88	638,302,027	4.27	465,013,712	3.89	184,459,567	1.79
Current portion of finance lease obligation	4,282,137	0.03	5,049,509	0.03	8,461,764	0.06	13,515,944	0.11	8,797,815	0.09
Unclaimed dividend	1,983,588	0.01	3,475,908	0.02	4,176,706	0.03	-	-	-	-
Accounts payable	974,131,816	5.96	1,185,400,836	7.63	1,008,849,576	6.74	866,491,799	7.24	916,507,610	8.90
Liabilities for expenses	433,727,480	2.65	351,969,446	2.27	360,705,982	2.41	316,178,727	2.64	187,267,456	1.82
Total Equity & Liabilities	**16,354,124,596**	**100.00**	**15,528,645,994**	**100.00**	**14,961,212,455**	**100.00**	**11,967,952,449**	**100.00**	**10,296,574,470**	**100.00**

corporate profile

REGISTERED 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

Bhaluka Plant
Jamiredia, Bhaluka
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

Mr. Md. Sameer Sattar, Barrister
Unit-E3, House-/A, Road-35,
Gulshan-2, Dhaka-1212, Bangladesh

STATUTORY AUDITORS

Pinaki & Company
Chartered Accountants
AHSANDELL, 2/A,
Mymensingh Road (2nd Floor)
Shahbag, Dhaka-1000.

COMPLIANCE AUDITOR

Chowdhury Bhattacharjee & Co.
Chartered Accountants
47/8, Indira Road (Fr. Floor)
Dhaka-1215, Bangladesh

ADVISOR (TAX & VAT)
Mr. Mesbah Uddin, FCA

BANKERS
Dutch-Bangla Bank Limited
Al Arafa 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)





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

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

OUR LEADERSHIP

know our board members

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.



MRS. PIARA HOSSAIN
Chairman &
Non-Executive Director
(w.e.f. 31 October 2023)



MR. MD. EHSANUL HABIB
Managing Director



MR. ARIFUR RAHMAN
Non-Executive Director



MR. MD. MUDDASAR HOSSAIN
Non-Executive Director



MR. A.K.M. SHAMSUL AREEFIN
Independent &
Non-Executive Director



MR. MD. MOZAMMEL HOSSAIN, FCA
Independent &
Non-Executive Director

OUR LEADERSHIP

know our management members

Leading with *Experience and Expertise*

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.



MD. EHSANUL HABIB
Managing Director



DEBASISH KUMAR SAHA
Chief Operating Officer



MD. MUSTAFIZUR RAHMAN
Chief Financial Officer



MD. MONIR HOSSAIN
Company Secretary



MOHAMMAD FARUK HOSSAIN, FCMA
Finance Controller



MD. FAKHRUZZAMAN
Senior General Manager & Head of Operation



ISLAM-UN-NABI (TUHIN)
Senior General Manager & Head of Knitting



MD. SAIDUR RAHMAN
Senior General Manager & Head of Supply Chain Managment



MD. RAKIBUR RAHMAN
General Manager Accounts &Finance



S.K. SIKDER
Chief Engineer



MUSFUQ-US-SALAHIN (SUZON)
General Manager Accounts & Treasury



MD. MONIRUZZAMAN KHAN MANIK
General Manager Commercial



MOHAMMAD MUSA
Head of IT

PROFILE OF board members

MRS. PIARA HOSSAIN
Chairman

MRS. PIARA HOSSAIN is the Chairman of the Board of Directors of Esquire Knit Composite PLC. She is a non-executive director of the Company. She is the wife of the Late Mr. Md. Mofazzal Hossain, the founder and Chairman of the Esquire Knit Composite PLC and the Esquire Group.

Mrs. Piara Hossain has long experience in running industrial units successfully. She has contributed to the Group through her leadership skills 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 Sponsor director and Chairman of the Board of Directors of Esquire Dyeing Industries Limited, Director of Esquire Electronics Limited, and Esquire Accessories Limited.

Mrs. Piara Hossain came from a novel Muslim family. The family legacy and his 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 PLC 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 his own merit and dynamic decision-making capacity, he has been able to materialize several 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-cultural associations.

ARIFUR RAHMAN
Non-Executive Director

MR. ARIFUR RAHMAN is a Sponsor Director of Esquire Knit Composite PLC 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 a 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.

MD. MUDDASAR HOSSAIN
Non-Executive Director

MR. MD. MUDDASAR HOSSAIN is a Sponsor Director of Esquire Knit Composite PLC 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 a 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.

A.K.M. SHAMSUL AREEFIN
Independent & Non-Executive 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 PLC 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 PLC, where L' Esquire is a subsidiary of Esquire Knit Composite PLC. Mr. Areefin joined the Board of Directors of Esquire Knit Composite PLC from the date of 1 July 2022.

MD. MOZZAMAL HOSSAIN, FCA
Independent & Non-Executive Director

MR. MD. MOZAMMEL HOSSAIN is a Fellow Member of the Institute of Chartered Accountants of Bangladesh and a 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 PLC 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. Mozzamal joined the Board of Directors of Esquire Knit Composite PLC from the date of 1 July 2022.



CORPORATE information

Board of Directors

Mrs. Piara Hossain
Chairman

Md. Muddasar Hossain
Director

Md. Ehsanul Habib
Managing Director

A.K.M. Shamsul Areefin
Independent Director

Arifur Rahman
Director

Md. Mozammel Hossain
Independent Director

Chief Financial Officer (CFO)
Md. Mustafizur Rahman

Company Secretary
Md. Monir Hossain

Head of Internal Audit & Compliance
Md. Rakibur Rahman

Audit Committee

Md. Mozzamel Hossain, FCA
Chairperson

Md. Muddasar Hossain
Member
(w.e.f. 1 November 2023)

A. K. M. Shamsul Areefin
Member

Md. Monir Hossain
Secretary to the Company

Nomination and Remuneration Committee

A. K. M. Shamsul Areefin
Chairperson

Md. Muddasar Hossain
Member
(w.e.f. 1 November 2023)

Md. Mozzamel Hossaon, FCA
Member

Md. Monir Hossain
Secretary to the Company

Risk Management Committee

A. K. M. Shamsul Areefin
Chairperson

Md. Muddasar Hossain
Member
(w.e.f. 1 November 2023)

Md. Mozzamel Hossaon, FCA
Member

Md. Monir Hossain
Secretary to the Company

Corporate Governance Committee

A. K. M. Shamsul Areefin
Chairperson

Md. Muddasar Hossain
Member
(w.e.f. 1 November 2023)

Md. Mozzamel Hossaon, FCA
Member

Md. Monir Hossain
Secretary to the Company

Advisor

Mesbah Uddin, FCA
Tax and VAT

MESSAGE FROM THE CHAIRMAN

Esquire is committed to building tomorrow



"As I look ahead, given the trust of our clients, the dedication of our employees, the strength of our capabilities, and the guidance of our Board, I remain confident of our ability to serve our clients and continue to create impact for them."

Mrs. Piara Hossain
Chairman

বিসমিল্লাহির রাহমানির রাহিম,
পরম করুণাময় ক্ষমাশীল আল্লাহর নামে শুরু করছি

Dear Shareholders,

আসসালামু আলাইকুম, ওয়া রাহমাতুল্লাহি ওয়াবারকাতুহু

First of all, I seek the forgiveness of Almighty Allah for the departed soul of our Chairman of Esquire Knit Composite PLC as well as the Founder Chairman of Esquire Group. We the Esquire family are all saddened by the demise of our founder Chairman Late Md. Mofazzal Hossain. May Allah, the most merciful and benevolent, grant his full mercy and place him at Jannatul Firdaus, Ameen.

At such a time of Esquire Group, I express my gratitude to the great Creator for the opportunity given to me for the first time as the Chairman of your Company to present to you the 23rd Annual Report for the financial year 2022-2023 of Esquire Kint Composite PLC. I express my further gratitude and sincere thanks to the all-Board Members from the bottom of my heart for entrusting me with this responsibility of the Company. At the same time, I hope that all my Board Members, employees, workers, shareholders and stakeholders of the Company will continue to cooperate with me as before.

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.

As you all know in financial year 2022-2023, our Company has delivered a fairly resilient performance in a rather challenging business environment. Escalating geo-political tensions, volatile commodity prices, inflationary pressure and rising interest rates market the operating environment during the year. Consequently, the RGM sector grappled with a subdued demand sentiment, which was more evident in apparel user consumption trends.

Team of Esquire Knit has dealt with these global situations, the Company has achieved a revenue of BDT 7,514.77 million in the financial year 2022-2023, where a Net Profit after tax of BDT 117.77 million. Out of which the Board of Directors of the Company has recommended 10% cash Dividend to the shareholders of the Company except Sponsors and Directors of the Company. I hope that all the shareholders present at the 23rd Annual General Meeting will approve agenda no. 2 in the AGM Notice including

other agendas and continue this trend of cash Dividend distribution.

You 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.

Despite such adverse conditions, Esquire Knit's increased by 5.37% (separate) and 6.34% (consolidated) total assets to the compare of the financial year 2021-2022 and Net Asset Value per Share stood at BDT 65.66 with revaluation reserve and BDT 37.93 without revaluation reserve, where BDT 65.32 and 37.59 in the financial year 2021-2022.

Dear Shareholders, you will be pleased to know that in light of your approval in the 22nd Annual General Meeting according to the 2nd Amendment to the Companies Act 2020, your Company name has been changed to Esquire Knit Composite PLC from Esquire Knit Composite PLC. We have received the Certificate of Incorporation after a necessary amendment to the Article of Memorandum of the Company from the Registrar of Joint Stock Companies and Firms under the new name of the Company, and have already received approval from the Bangladesh Securities and Exchange Commission and the Dhaka and Chittagong Stock Exchanges.

You may also be pleased to hear that as per the unanimous decision of the 136th Board Meeting of the Company held on 30 October 2023, all the Directors except Mr. Md. Ehsanul Habib, the Managing Director of the Company, all other members of the Board are now Non-Executive Directors. Out of which two Directors are Independent and three Directors are sponsors. As per the said Board decision, the new two Non-Executive Directors are Mr. Arifur Rahman and Mr. Md. Muddasar Hossain, with effect from 1 November 2023. 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

Now the Company's Board consists of Six Directors comprising one Executive, and five 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 Corporate Governance Code's requirements for Directors.

At the end of the financial year, we were the leading Company among our peers in total shareholder return over the past five years. In the past few quarters, we have seen the total global economy dealing with inflation, interest rate increases, and changes in the demand environment for Companies in various clients. Our strength in digital, cloud, and automation, along with cost-efficiency capabilities have held us in good stead. These will continue to be critical in the evolving economic environment.

As I look ahead, given the trust of our clients, the dedication of our employees, the strength of our capabilities, and the guidance of our Board, I remain confident of our ability to serve our clients and continue to create impact for them.

The Board has continued to exhibit an unwavering commitment to your Company's mission to drive growth and innovation while upholding the highest standards of corporate governance. I am for the first time acting as the Non-Executive Chairman of the Board and Mr. Md. Ehsanul Habib is our Managing Director, while Mr. Md. Ehsanul Habib continues to lead your Company's strategic growth initiatives.

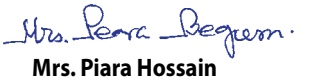
I also continue to lead efforts to improve the collective functioning of the Board. I am pleased to welcome Mr. A.K.M. Shamsul Areefin and Mr. Md. Mozammel Hossain as Independent Directors on the Board. Mr. Areefin and Mr. Hossain bring with them keen business acumen and a fresh perspective which I am sure your Company will greatly benefit.

I want to express my heartfelt appreciation to the Board for their ongoing engagement and guidance and to our shareholders for placing their unfettered faith in Esquire Knit. I am grateful for the steadfast commitment of our members, even amidst fairly challenging times. I would also like to express my sincere gratitude towards governments, all our business partners, vendors, bankers and associates for their sustained support as we continue to chart our way forward towards building a future-focused Esquire Knit.

I pray for good health for everyone in the coming days. Hopefully 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.

Best Warm regards



Monday & Dhaka
30 October 2023

Mrs. Piara Hossain
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Esquire is committed to building strongly strong



"After all, as many have said, imagination is our visible power to create all things. Our future can be as bright as we imagine it to be."

Md. Ehsanul Habib
Managing Director

বিসমিল্লাহির রাহমানির রাহিম
পরম করুণাময় ক্ষমাশীল আল্লাহর নামে শুরু করছি

Dear Shareholders,

আসসালামু আলাইকুম, ওয়া রাহমাতুল্লাহি ওয়াবারকাতুহু

On behalf of the Esquire Family, I extend our deepest sympathy and condolences on the sudden demise of our beloved Chairman of the Company as well as the Founder Chairman of Esquire Group Mr. Md. Mofazzal Hossain. All family Members of the Esquire Group unite in extending our wholehearted compassion to the grieving family Members of the departed. May Allah, the most merciful and benevolent, grant his full mercy and place him at Jannatul Firdaus, Ameen.

It is with great pleasure that I share my thoughts in mind with you as a part of your Company's twenty-third Annual Report for the financial year 2022-2023. In another year marked by Challenges, we maintained our position as one of the preferred business partners for our customers and employers for our diverse workforce.

I, the Managing Director of the Company am proud to say that, 6,820 people have played a key role in our Company's working team, where there are 3,751 female and 10,866 investors who have shown their trust and faith in us by investing in the Company. At the same time, I feel prouder that even in this global scenario, our customers or buyer Organizations have put their trust in us.

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.

You will be happy to know that-

company's new plant and subsidiary company

We started our journey with the Kacnhpur Plant in 2000, today we are supplying ready-made garments to almost all fashion brands of

ready-made garments importers in the fashion world through our 2 Plants and Offices in Bangladesh. Whereas our new Bhaluka, Plant is infrastructurally ready to manufacture and export garments in the of L' Esquire Limited, which is a subsidiary of Esquire Knit Composite PLC. We have initiated all compliance audits and certifications required to start commercial production and export of the L' Esquire Limited, where trial production is currently underway and the manufactured products are also being supplied to buyers. We hope that the Subsidiary Company will be able to start commercial operation at the end of FY2024, Insha'Allah.

We have already completed various audit activities of buyer organizations in favour of our Subsidiary Companies and we have received many certificates including SMETA. Version 6.1 (Sedex Members Ethical Trade Audit Report), Global Recycled Standard, GLOBAL ORGANIC TEXTILES STANDARD (GOTS)- Version 4.0 -, Version 6.0 – and amfrori-BSCI (Trade with purpose).

In Bangladesh

business environment in 2022-2023

It was an extraordinary time from a global perspective. The ongoing Russia-Ukraine war and related sanctions are impacting all economies in the world. The euro has fallen below the dollar for the second time after 20 years when the first time it traded below the dollar was in December 2022. Similarly, BDT also lost value against the dollar by 10.08% Bangladesh made a rapid recovery from the COVID-19 pandemic supported by prudent macroeconomic policies.

But the economy now faces considerable challenges with global economic uncertainty, rising inflationary pressure, energy shortages, a balance-of-payments deficit, and a revenue shortfall. Rising commodity prices and a surge in imports in the second half of FY22 resulted in a Balance of Payments (BoP) deficit, accelerating inflation and leading to a sharp depreciation of the exchange rate.

The volatility in the Foreign Exchange (forex) market has reached a new height. The supply and demand imbalance and panic purchases made it look harder. Reserve pressure can easily be felt by the numbers causing higher trade deficits during the first nine months (July-March) of the 2021-2022 fiscal year where import payments increased by 44% whereas export income increased by 33% and remittances have fallen by 18%. The economic downturn, inflationary pressure, and price hikes of commodities, fuel etc. reduced the purchasing power of the consumer which impacted reduced world economic growth. Considering the overall situation business environment was not favorable to business and the entrepreneurs as well.

Esquire Knit's

business operation results in FY23

As we reflect on fiscal year 2022-23, your Company has delivered a fairly resilient performance in a rather challenging business environment. Escalating geo-political tensions, volatile commodity prices, inflationary pressures and rising interest rates marked the operating environment during the year. Consequently, the RMG sector grappled with a subdued demand sentiment, which was even more pronounced in customer trends.

In FY23, the Total Assets of our Company increased by 5.32% and consolidated by 6.34%, as compared to last year's BDT 15,525.65 million and BDT 15,688.13 million. Shareholder's Equity also increased by 0.52% and consolidated by 0.14%, as compared to the previous year's BDT 8,811.17 million and BDT 8,796.76 million. Net Asset Value per Share increased by 0.52% with revaluation reserve and without revaluation reserve by 0.99%, as compared to the year's BDT 65.32 and BDT 37.59 and consolidation by 0.15% and 0.29% respectably with revaluation reserve and without revaluation reserve, as compared to the last year BDT 65.21 and BDT 37.48.

On the Other hand, in FY23, Esquire Knit recorded revenue of BDT 7,514.75 million and consolidated revenue of BDT 7,978.75 million, as compared to last year's BDT 10,014.28 million and 10,150.62 million, which is proportionally less than 24.96% and 21.40%. During the year, Net Profit after Tax decreased by 64.04 % and consolidated decreased by 73.63%, as compared to last year's BDT 327.48 million and BDT 318.67 million. Earnings per Share decreased by 64.20% and consolidated decreased by 73.73 %, as compared to last year's BDT 2.43 and BDT 2.36. Net Operating Cash Flow per Share decreased by 151.99% and consolidated decreased by 145.66%, as compared to last year's BDT 3.27 and BDT 3.11.

Reasons against

lower revenue, net profit and negative cash flow-

We believe that the unstable global economic conditions are the main and only reason for our Company achieving lower revenue, earnings and negative cash flow per share as compared to the last year. In which escalating geo-political tensions, volatile commodity prices, inflationary pressures and rising interest rates marked the operating environment during the year. Consequently, the RMG sector grappled with a subdued demand sentiment, which was even more pronounced in customer trends.

Like many countries in the world, the economy of Bangladesh is facing the extreme of this global economic situation. In this situation, the Bangladesh Government has formally discouraged imports in various sectors other than daily necessities to prevent high prices of foreign currencies including the US dollar and British pound and deal with the foreign currencies crisis in the country. As a result, like the import-dependent Companies we are facing high raw material prices and supply shortages, as banks are unable or take time to open import LCs due to the dollar crisis. In addition, the government has almost doubled the price of fuels like gas and electricity, and the fuel supply deficit is higher than ever before.

I do not hesitate to say with satisfaction that our financial and operational team of Esquire Knit has made no mistake in their efforts to deliver the products to the buyer Company on time by solving

various issues related to production including the purchase of CNG at a higher price with their adequate capacity.

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 not able to reach the milestones in terms of revenue and well as did not succeed in achieving net profit as expected. As a result, our cash flow is negative.

Credit Rating

having a very strong capacity to meet financial commitments

Esquire Knit Composite PLC has been rated by the Credit Rating Agency of Bangladesh Limited (CRAB) based on Audited Financial Statements for the financial year ended 30 June 2023, 30 June 2022, 30 June 2021, 30 June 2020 and 30 June 2019 and Bank Liability position as on 29 October 2023 and other relevant as complied from client and Banks. The summary of the rating is presented below:

Credit Rating Agency of Bangladesh Limited (CRAB) has reaffirmed the AA3 rating of our Company, and the AA3 (Lr) rating of BDT 3,338.02 million long-term outstanding (LTO) availed by the company in the Long Term. CRAB has also assigned an ST-3 rating to the BDT 2,854.40 million short-term funded limit and BDT 7,240.00 short-term non-funded limit availed by the Company.

AA3 means -

Esquire Knit Composite PLC rated AA3 as having a very strong capacity to meet financial commitments. The Companies are judged to be very high quality, subject to very low CREDIT RISK.

ST-3 means –

Esquire Knit Composite PLC is rated in this category and rating indicates that the degree of safety regarding timely payments 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.

Gratifying

esquire knit's shareholders

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.

Recommended 10% cash dividend (excluding sponsors and directors) by the Board of Directors, at its meeting held on 30 October 2023. The payment is subject to the approval of the shareholders at the ensuing AGM of the Company to be held on 25 January 2024. The record date for the final dividend will be 5 December 2023 and will be paid before 24 February 2024. The Payout ratio is computed as a percentage of Free cash flow prepared under IFRS.

The Company didn't declare any interim dividend for the financial year 2022-2023. You are all aware that after listing the Board of Directors of Esquire Knit Composite PLC have declared cash dividends of 15%, 15% 15%, 10% and 10% for the financial year 2018-219, 2019-20, 2020-21, 2021-22 and 2022-23 respectively, where financial years 2021-22 and 2022-23 declared only the general shareholders except the sponsors and directors of the Company.

L' Esquire Limited

a subsidiary of esquire knit composite PLC

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 PLC 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, Bhaluka, 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 PLC.

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 2022-2023, the Company started its operation and export activities on a limited scale (trial basis).

On a consolidated basis, the Company reports revenue of BDT 7,978.75 million during the financial year ended 30 June 2023 and a consolidated Net Profit after tax BDT of 84.29 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 the Company at www.esquireknit.com

Forward Together

building esquire knit for the Future

In the Current times, the business landscape is in a constant state of flux and Companies must evolve and adapt to changing market conditions and customer trends. I believe that organizations, which embrace digital technologies, focus on innovation by incorporating a culture of creativity, ingrain sustainability considerations in business

strategies and foster a culture of learning, are most likely to create long-term value for their stakeholders.

As we aim to become a leading RMG multinational in each of the chosen emerging markets of Asia, Middle-East and Africa, we remain focused on accelerating our portfolio diversification, strengthening our infrastructure, leveraging advanced digital technologies and empowering our people. Your Company will continue its steadfast commitment to propel the levers of growth across its diverse product portfolio and markets while maintaining a long-term perspective on sustained growth and competitive advantage.

Sustainability

always creating sustainable long-term value for our stakeholders

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.

Outlook

esquire knit perfectly equipped to accomplish future profitable growth

Together we have made huge strides this past year, and looking forward, I believe 2024 will present more opportunities. As we continue to strengthen One Team collaboration, stay focused on people development, and improve operating efficiency to build competitive advantage, we are perfectly equipped to accomplish future profitable growth. The geopolitical concerns and doubts around inflation may continue to impact the customer's sentiments in the short term. However, we are positive about the growth and profitability outlook for the Company.

Words of appreciation

who accompany us in good times and bad

Acknowledgements on behalf of the Esquire Knit Management Team, I would like to take this opportunity to sincerely thank our experienced Board of Directors who provided crucial guidance in a year marked by turbulence. I am also deeply appreciative of the commitment and resilience demonstrated by the Esquire Knit team, from those on the factory floor to the senior management. Finally, I wholeheartedly thank our valued community of stakeholders, including our customers, suppliers, and financiers, for their continued partnership despite a challenging year and look forward to greater levels of collaboration in the year ahead. In closing, I thank our shareholders for their continued confidence in Esquire Knit and reiterate our commitment to delivering value to you.

After all, as many have said, imagination is our visible power to create all things. Our future can be as bright as we imagine it to be."

Warm regards



Md. Ehsanul Habib
Managing Director

Monday & Dhaka
30 October 2023

FINANCIAL ratios analysis

[FIVE YEARS COMPARATIVE (SEPARATE)]

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Liquidity Ratios					
Current Ratio (Times)	1.38	1.66	1.85	2.42	2.66
Quick Ratio (Times)	1.01	0.73	0.86	1.25	1.05
Debt/Equity Ratio (Times)	0.69	0.59	0.52	0.58	0.36
Operating Efficiency Ratios					
Accounts Receivable Turnover Ratio (Times)	7.79	7.9	9.26	9.95	10.83
Inventory Turnover Ratio (Times)	1.68	2.36	2	1.35	1.91
Asset Turnover Ratio (Times)	0.47	0.67	0.6	0.45	0.66
Profitability Ratios					
Gross Margin Ratio (%)	18.04%	15.95%	17.91%	21.91%	20.95%
Operating Profit Ratio (%)	7.68%	7.09%	7.64%	11.18%	11.26%
Net Profit Ratio (Before tax) (%)	3.05%	3.98	4.62	6.46	7.49
Net Profit Ratio (After tax) (%)	1.57%	3.27	3.82	5.32	6.48
Return on Assets (ROA) Ratio (%)	0.74%	2.18%	2.28%	2.39%	4.29%
Return on Equity (ROE) Ratio (%)	1.33%	3.75%	4.00%	4.03%	6.56%
Earnings Per Share (EPS)	0.87	2.43%	2.24%	1.97%	3.37%

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.

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 Virous-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 strategies. Highly competent merchandisers' team are working effective bridge between the production team and customer so that the 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 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 dying, 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 6,820 employees working in the company, serving the needs of for European & American Chain store customers.

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 and 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.





BOARD'S report

Dear Members,

আসসালামু আলাইকুম, ওয়া রাহমাতুল্লাহি ওয়াবারকাতুহু।

The Board of Directors of your Company are pleased to present the 23rd Annual Report together with the Annual Audited Standalone and Consolidated Financial Statements on the business and operations of the Company for the Financial Year ended 30 June 2023.

Results of our operations and state of affairs

Amount in BDT (million)

Particulars	Standalone		YoY growth (%)	Consolidated		YoY growth (%)
	For the year ended 30 June			For the year ended 30 June		
	2023	2022		2023	2022	
Total income	7,532.95	10,038.25	(24.96)	7,997.65	10,167.41	(21.34)
Revenue from operations	7,514.77	10,014.28	(24.96)	7,978.75	10,150.62	(21.40)
Other income, net	18.18	23.29	(21.94)	18.9	16.79	12.57
Total expenses	6,937.74	9,304.15	(25.43)	7,387.82	9,440.89	(21.75)
Cost of goods sold	6,158.77	8,416.65	(26.83)	6,608.85	8,549.48	(22.70)
Office and administrative expenses	330.18	309.00	6.85	330.18	310.95	6.18
Selling and distribution expenses	448.79	578.50	(22.42)	448.79	580.46	(22.68)
Gross operating profit	577.02	710.12	(18.74)	558.74	709.73	(21.27)
Financial cost	363.55	333.01	9.17	376.73	333.00	13.13
Profit before tax	229.13	398.22	(42.46)	198.39	390.64	(49.21)
Profit before tax (% of revenue)	3.04	3.98	(23.58)	2.48	3.58	(30.71)
Tax expenses	111.35	70.73	57.43	114.1	71.98	58.52
Profit after tax	117.77	327.49	(64.04)	87.29	318.67	(72.61)
Profit after tax (% of revenue)	1.56	3.27	(52.19)	1.09	3.14	(65.24)
Total comprehensive income/loss, net of tax	117.77	327.49	(64.04)	83.96	318.37	(73.63)
Profit attributable to owners of the company	0	-		83.96	318.58	(73.65)
Total comprehensive income for the year attributable to the owners of the company	0	-		84.29	318.58	(73.54)
Non-contrilling interests	0	-		(0.33)	(0.08)	312.50
Earning per share (EPS)						
Basic	0.87	2.43	(64.20)	0.62	2.36	(73.73)


WARNING

Financial Position

Amount in BDT (million)

Particulars	Standealone		YoY growth %	Consolidated		YoY growth %
	For the year ended 30 June			For the year ended 30 June		
	2023	2022		2023	2022	
Non-current assets	9,173.04	8,857.15	3.57	11,000.65	9,319.98	18.03
Property, plant and equipment	6,480.08	6,432.00	0.75	6,694.94	6,509.71	2.85
Capital Work-in-progress	2,550.96	2,272.87	12.24	4,205.70	2,699.99	55.77
Investment in shares	142	152.28	(6.75)	100.00	110.28	(9.32)
Current assets	7,181.08	6,671.50	7.64	5,682.42	6,368.15	(10.77)
Inventories	3,599.86	3,738.21	(3.70)	3,625.29	3,746.16	(3.23)
Accounts receivables	632.64	1,297.56	(51.24)	782.75	1,311.12	(40.30)
Other receivables	38.55	4.15	828.92	38.55	4.15	828.92
Advance, deposite and prepayments	2,338.92	1,017.83	129.79	607.31	640.81	(5.23)
Investment	136.7	102.18	33.78	136.7	102.18	33.78
Cash and cash equivalents	434.41	511.57	(15.08)	491.82	563.73	(12.76)
Total assets	16,354.12	15,528.65	5.32	16683.07	15,688.13	6.34
Shareholders' equity	8,857.40	8,811.17	0.52	8,809.51	8,796.76	0.14
Share capital	1,348.96	1,348.96	-	1,348.96	1,348.96	-
Non-controlling interest		-		(0.62)	0.27	(329.63)
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	2,682.50	2,636.27	1.75	2,634.67	2,621.58	0.50
Opening balance	2,636.27	2,487.33	5.99	2,621.58	2,481.38	5.65
Add: Net profit after tax for the year	117.77	327.49	(64.04)	84.63	318.76	(73.45)
Less: Cash dividend	71.54	178.55	(59.93)	71.54	178.55	(59.93)
Non-current liabilities	2,276.18	2,705.88	(15.88)	2,280.93	2,708.13	(15.77)
Non-current lease liabilities	-	-		0	-	
Other non-current liabilities	2,276.18	2,705.88	(15.88)	2,280.93	2,708.13	(15.77)
Current liabilities	5,220.54	4,011.60	30.14	5,592.63	4,183.24	33.69
Short term loan	3,341.82	2,173.86	53.73	3,476.68	2,307.89	50.64
Current portion of long-term loan	464.60	291.84	59.20	464.59	291.84	59.19
Current portion of finance lease obligation	4.28	5,05		9.3	9.64	(3.53)
Unclaimed Dividend	1.98	3.48	(43.10)	1.98	3.48	(43.10)
Accounts payable	974.13	1,185.40	(17.82)	1,166.18	1,192.57	(2.21)
Liabilities for expenses	433.73	351.97	23.23	473.89	390.94	21.22
Total equity and liabilities	16,354.12	15,528.65	5.32	16,683.07	15,688.13	6.34
Net asset value per share						
with revaluation reserve	65.66	65.32	0.52	65.31	65.21	0.15
without revaluation reserve	37.93	37.59	0.90	37.59	37.48	0.29

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 2023, we had BDT 1,960 million in working capital on a standalone basis, and BDT 90 million on a consolidated basis.

Consolidated cash and investments stand at BDT 1,056 million on a standalone basis and BDT 2,502 million on a consolidated basis as on 30 June 2023, as against BDT 1,569 million on a standalone basis, and BDT 1,868 million on a consolidated basis as on 30 June 2022.

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

	2022-2023		2021-2022	
	Dividend per share (in Tk.)	Dividend payout (in Tk. million)	Dividend per share (in Tk.)	Dividend payout (in Tk. million
Interim dividend	0	0	0	0
Final dividend	1	71.54	1	71.54
Total dividend	1	71.54	1	71.54
Payout ratio (Interim and final dividend)			41.15%	

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 2023. The payment is subject to the approval of the shareholders at the ensuing AGM of the Company to be held on 25 January 2024. The record date for the purposes of the final dividend will be 5 December 2023 and will be paid on 14 February 2024.
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 2023, the Company achieved a revenue of BDT 7,514.77 million as compared to the revenue of BDT 710,014.28 million recorded during the previous financial year ended 30 June 2022. The Company reported negative growth in revenue of (24.96%) during the financial year 2022.2023 from the previous financial year 2021-2022.

The company reports a Net Profit after tax of BDT 117.77 million for the financial year ended 30 June 2023 as against the Net Profit after tax of BDT 327.49 million for the financial year ended 30 June 2022. The Net Profit after tax for the financial year ended reflects a negative growth of (64.04%) over the corresponding Profit for the financial year ended 30 June 2022.

Consolidated

During the financial year 2022-2023, 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 7,978.75 million during the financial year ended 30 June 2023 and a consolidated Net Profit after tax of BDT 84.29 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.

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:

	2022-2023			
	Consolidated	Separate	Consolidated	Separate
Earnings per Share (EPS)	0.62	0.87	2.36	2.43
Net Operating Cash Flows per Share (NOCFPS)	(1.42)	(1.7)	3.27	3.27
Financial Position	**As of June 2023**		**As of June 2022**	
Net Asset Value (NAV) per Share with revaluation reserve	65.31	65.66	65.21	65.32
Net Asset Value (NAV) per Share without revaluation reserve	37.59	37.93	37.48	37.59

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 PLC was Tk. 2.43 solo and consolidated Tk. 2.36 per share in 2022, which is Tk. 0.87 and 0.62 per share respectively in 2023. EPS has been decreased due to a decrease in Net Profit of Tk. 234,209,000 as well as revenue for the amount of Tk. 2,171,870,961 than last year in the consolidated financial statements.

NAV

NAV with revaluation is Tk. 65.31 in 2023 which is more than Tk. 0.10 per share than that last year of Tk. 65.21 due to incremental net profit, NAV without revaluation is Tk. 37.59 in 2023 which was Tk. 37.48 in 2022. NAV without revaluation has been increased due to net profit increase.

NOCFPS

In respect of the decrease in revenue and net profit, NOCFPS has been decreased to Tk. (1.42) in 2023 which is lower for Tk. 4.69 per share than last year's NOCFPS.

Change in Capital Structure of the Company

The issued, subscribed, and paid-up share capital of the Company is BDT 1,348,958,330 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 2022-2023.

Retained Earnings

The Company has transferred an amount of BDT 46.23 million to the Retained Earnings during the financial year ended 30 June 2032.

Share Capital

The Authorized Share Capital of our Company as on 30 June 2023 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 3,338.02 million long-term outstanding (LTO) availed by the company in the Long Term. CRAB has also assigned an ST-3 rating to BDT 2,854.40 million short-term funded limit and BDT 7,240.00 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 2023, 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.

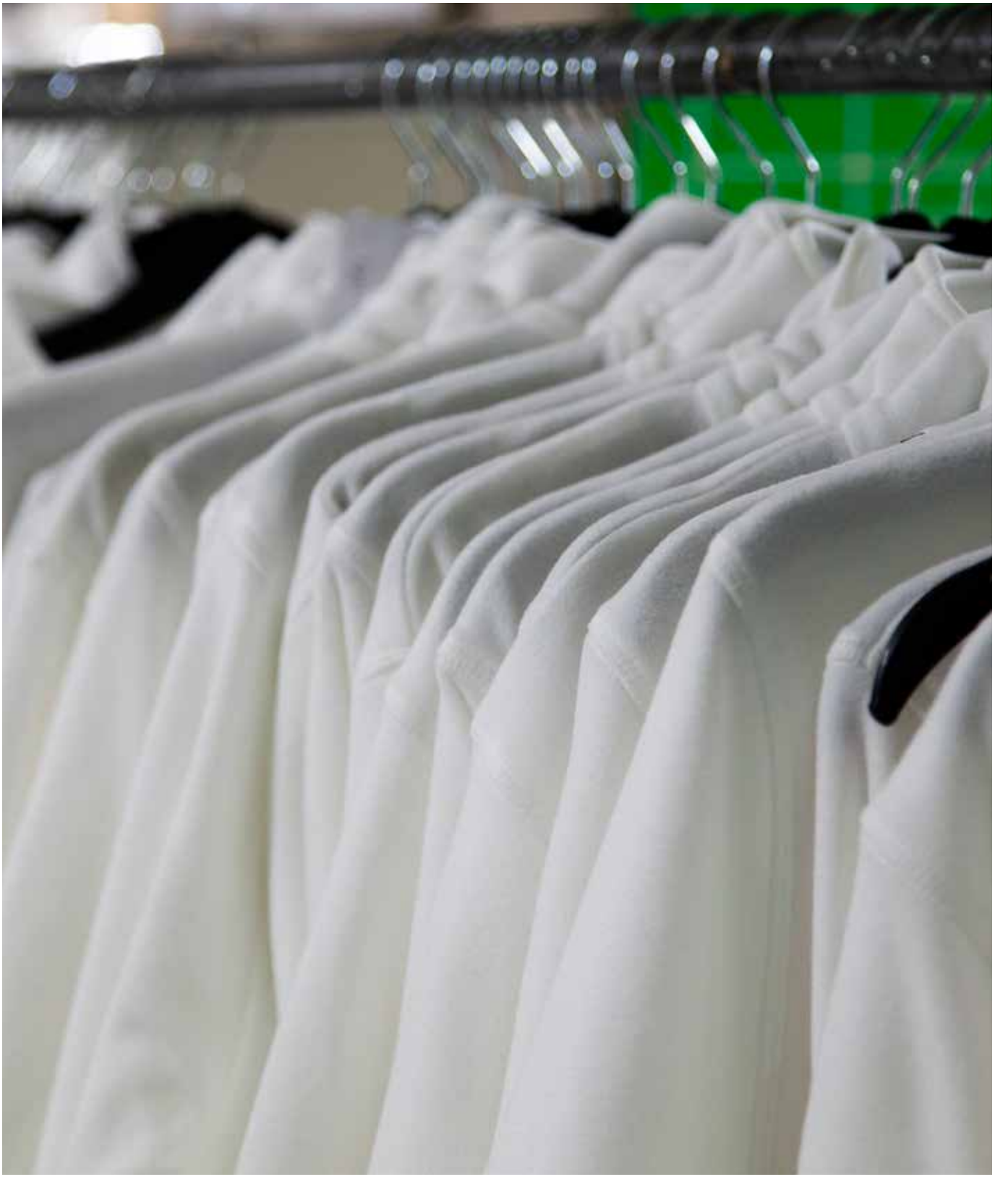
L' Esquire Limited is a subsidiary company of Esquire Knit Composite PLC as Esquire Knit has controlling power over of the company. At present, Esquire Knit holds 99.01% shares of L' Esquire Limited.

The location of the company is in Jamirdia, Bhaluka, 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 PLC.

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.

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





Investment in Subsidiaries

Esquire Knit Composite PLC 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 PLC, and as such Directors' Report along with Auditor's 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 2022-2023, 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 463.99 million during the year 2022-2023 by exporting its lingerie products. During the financial year, the Company registered its Net Profit after Tax of BDT (33.48) million which was BDT (8.82) million during the corresponding year. The total assets of the Company stood at BDT 1,970.68 million as of 30 June 2023 from the assets at BDT 613.99 million as on 30 June 2022.

Declaration of Dividend of L' Esquire Limited

The Board of L' Esquire Limited has not declared any dividend for the financial year 2022-2023. 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 2023, 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 PLC was considered in the consolidation of the Financial Statements of Esquire Knit Composite PLC.

Withdrawal of investment from two associate Companies

The Board of Directors of Esquire Knit Composite PLC 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 PLC 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.

During the financial year 2022-2023, the Company has withdrawn the entire amount invested by the Company in Esquire Accessories Limited i.e., BDT 10,275,000/- as per the decision of the 124th Board Meeting, which is presented in Note No. 6 of our Company's audited financial statements for the financial year ended 30 June 2023.

Bangladesh RMG Industry- A global hub for garments manufacturing and sourcing

With the highest number of green garment factories in the world, the Bangladesh RMG industry has been leading the world in sustainable garment manufacturing.

Overview

Renowned for its strong manufacturing capabilities and thriving ecosystem, the Bangladesh RMG industry has gone from strength to strength and has become a global hub for apparel sourcing. At present, the industry consists of over four thousand factories. RMG exports from Bangladesh include a wide variety of knitwear & woven garments products such as shirts, trousers, T-shirts, denim, jackets, sweaters, etc.

Growing at an annual rate of 7%, RMG exports from Bangladesh more than doubled between 2011 and 2019. As of December 2020, total exports stood at USD 27.4 billion, capturing a market share of 6.30% out of the global apparel market of USD 435 billion. While the industry suffered a temporary setback due to COVID-19, demand has started to recover and normalize again.

Today, Bangladesh leads the world in green garment manufacturing with 150 LEED (Leadership in Environmental and Energy in Design) certified factories in the country and another 500 waiting to obtain the LEED certification from the United States Green Building Council (USGBC). Currently, nine of the top 10 green garment factories and 40 of the top 100 are located in Bangladesh. Bangladesh's RMG sector has now transformed into a highly transparent and compliant industry regarding factory safety and value-chain responsibility after initiatives such as the Accord on Fire and Building Safety in Bangladesh, the Alliance for Bangladesh Worker Safety, and the RMG Sustainability Council were successfully undertaken.

Global Economy Overview

The global economic growth in 2023 remains highly uncertain due to the impact of the COVID-19 pandemic over the past three years and the growing adverse effects of the ongoing Russia's war in Ukraine. In the World Economic Outlook (WEO) April 2023, International Monetary Fund (IMF) has expected the global economy to slow down from 3.4 percent in 2022 to 2.8 percent in 2023 and rebound to 3.0 percent in 2024. This projection is 0.1 percentage point lower than in the January 2023 WEO update. The slowdown of economic activity is observed due to spikes in commodity prices and supply chain disruption driven by the effects of war. Sluggish growth rates between advanced economies and emerging market and developing economies will be divergent. Growth in advanced economies is expected to decline from 2.7 percent in 2022 to 1.3 percent in 2023 and rebound 1.4 percent in 2024. In emerging market and developing economies, however, growth is expected to drop from 4.0 percent in 2022 to 3.9 percent.

Global Inflation

At the beginning of 2021, global inflation reached its highest level in the last few decades. The inflation rates in the United States and some emerging and developing economies continue to rise. In most cases, inflation in these countries is extreme due to demand-supply mismatch and increase in commodity prices during the period of pandemic. The Russia-Ukraine war has fueled global inflation. Central bank policies in many countries around the world, including the US Federal Reserve (Fed), have increased interest rates several times to control inflation. This move by the Fed caused the US dollar to appreciate. As a result, the negative impact on the current account balance of various countries continues to increase causing the increase of the inflationary pressures in import-dependent economies. The global inflation rates have been declining since mid-2022. Commodity prices including energy are decreasing. Central bank's initiative on increasing interest rates has contributed to lower inflation. Global inflation is estimated at 8.8 percent in 2022 (annual average), which will decrease to 6.6 percent in 2023 and 4.5 percent in 2024. However, this rate of inflation is higher than the pre-pandemic inflation rate.

Overview of Bangladesh Economy

Macroeconomic Situation: Bangladesh Perspective

Bangladesh's economy has recovered from the economic damage caused by the impact of COVID-19 and the ongoing Russia-Ukraine crisis, although the recent slowdown in the global economy has adversely affected the country's economic growth. Bangladesh's economic growth in the pre-COVID-19 fiscal year (FY 2018-19) was 7.88 percent. During the COVID-19 period, this growth rate declined to 3.45 percent in FY 2019-20, which increased to 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 6.03 percent in FY 2022-23.

As per the provisional estimate of BBS, per capita GDP and per capita national income stood at US$ 2,657 and US$ 2,765 respectively in FY 2022-23 compared to US$ 2,687 and US$ 2,793 in the previous fiscal year. The per capita national income in dollar terms has declined slightly in FY 2022-23 due to the appreciation of the US dollar. However, the per capita national income in terms of Taka increased by about 30 thousand and stood at Tk. 2,70,414.

Provisionally, the consumption expenditure as a percentage of GDP in FY 2022-23 decreased to 73.98 percent from 74.78 percent of the previous fiscal year. At the same time, total investment reached to 31.25 percent of GDP, with public investment and private investment accounting for 7.61 percent and 23.64 percent of GDP, respectively. The Medium-Term Macroeconomic Framework (MTMF) envisaged the GDP growth to pick up to 8.0 percent in FY 2025-26.

While economic recovery efforts have been strong in response to the impact of COVID-19, there has been a mismatch between global demand and supply due to supply chain issues. As a result, since the beginning of 2021, an increase in the prices of all types of products, including energy have been observed in the world market and it has accelerated due to the ongoing Russia-Ukraine war. As a result, like other countries of the world, the upward trend of the price level is being observed in Bangladesh. The average inflation rate in FY 2021-22 stood at 6.15 percent, which is 0.59 percentage point higher than in FY 2020-21. Of this, food inflation is 6.05 percent and non-food inflation is 6.31 percent. On a point-to-point basis,

inflation stood at 9.24 percent in April 2023, as against 6.29 percent in April 2022. In order to keep inflation at a tolerable level, the government has taken various measures under fiscal and monetary policy. The coverage of the OMS has increased and 'Family Cards' have been issued to nearly 1 crore poor people so that they can buy essential commodities at low cost. Besides, reduction of duty on import of essential goods and increase of central bank policy interest rate etc. are significant.

The revised revenue mobilization target was set at Tk. 4,33,000 crore in FY 2022-23, which is 9.68 percent of GDP. Of them, revenue receipt from NBR sources was marked at Tk. 3,70,000 crore (8.27% of GDP), tax revenue from non NBR sources at Tk. 18,000 crore (0.40% of GDP) and non-tax revenue at Tk. 45,000 crore (1.00% of GDP). As per provisional data from iBAS++, total revenue mobilization up to February 2023 stood at Tk. 2,36,035 crore, up by 0.92 percent of the same period of previous fiscal year, achieving 55.49 percent of the target. During this period, NBR collected revenue of Tk. 1,96,039.95 crore, which is 52.98 percent of the target and 8.92 percent higher than the previous fiscal year.

According to the revised budget, the total expenditure target for FY 2022-23 has been set at Tk. 6,60,507 crore (14.76% of GDP), which is 11.38 percent higher compared to FY 2021-22. The volume of the revised ADP in FY 2022-23 stood at Tk. 2,27,564 crore (excluding autonomous bodies/ corporations own funding), which is 8.79 per cent higher than the previous fiscal year. The Government is highly concerned in maintaining the budget deficit within 5 percent of GDP by increasing efficiency in revenue management. However, due to the increase in government expenditure for COVID-19 pandemic, target was set at 5.1 percent of current fiscal year. The actual budget deficit for FY 2021-22 stood at 4.6 percent of GDP.

The FY 2022-23 monetary policy has been formulated in order to discourage unproductive financial flows to tame the demand-side pressures without circumventing the required flow of funds to the productive sectors easing supply-side conditions and supporting the country's long-term growth aspirations. Thus, the formulation of a contractionary cautious monetary and credit program for FY 2022-23 is expected to support the economic recovery process in the coming days as well as mitigate inflationary and exchange rate pressures. The last monetary and credit programs were designed in line with the targeted real GDP growth and CPI inflation as outlined in the national budget for FY 2022-23. As per the policy stance, the broad money growth is pegged at 11.50 percent of foreign grants and loans received during FY 2021-22 was US$ 10,969.29 million, which is 37.97 percent higher than the previous fiscal year. The inflow of foreign grants and loans received during the first eight months of the current FY 2022-23 (up to February 2023) is US$ 4,876.52 million, which is 17.33 percent lower than the same period of the previous fiscal year. The foreign deposit position at the end of February 2023 is US$, 59,213.81 million, which is 13.4 percent of GDP.





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')			
	2022-2023		2021-2022	
	Consolidated	Separate	Consolidated	Separate
Revenue	7,978.75	7,514.77	10,150.62	10,014.28
Cost of Goods Sold	6,608.85	6,158.77	8,549.48	8,416.65
Gross Profit	1,369.90	1,356.00	1,601.14	1,597.63
Operating Expenses	811.16	778.98	891.41	887.51
Gross Operating Profit	558.74	577.02	709.73	710.12
Net Operating Profit	182.01	213.47	376.73	377.11
Financial Expenses	376.73	363.55	333.01	333.01
Non-Operating Income	18.9	18.18	16.79	23.97
Net Profit before WPPF & WP	200.91	231.64	393.51	401.09
Contribution WPPF & WP	2.52	2.52	2.87	2.87
Net Profit before Tax	198.39	229.13	390.64	398.22
Net Profit after Tax	84.29	117.77	318.67	327.49
Earnings Per Share (Tk.)	0.62	0.87	2.36	2.43

Key Performance Ratios

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Gross Margin Ratio	18.04%	15.59%	17.91%	21.91%	20.95%
Operating Profit Ratio	7.68%	7.09%	7.64%	11.18%	11.26%
Return on Assets (ROA)	0.74%	2.18%	2.28%	2.39%	4.29%
Return on Equity (ROE)	1.33%	3.75%	4.00%	4.03%	6.56%
Earnings per Share	0.87	2.43	2.24	1.97	3.37
Net Assets Value Per Share with revaluation Reserve	65.66	65.32	64.21	50.61	50.14
Net Assets Value Per Share without revaluation Reserve	37.93	37.59	36.48	35.88	35.41

Profit and its Appropriation

Directors propose the appropriation of profit as follows:

Amount in 'BDT'

Particulars	Esquire Knit Composite PLC (stand-alone)	
	2022-2023	2021-2022
Net Profit After Tax	117,770,310	327,485,893
Adjustment for depreciation of Revalued Assets	-	-
Profit Brought Forward	2,636,272,707	2,487,333,307
Profit Available for Appropriation	**2,754,043,017**	**2,814,819,200**
Proposed Dividend:		
Cash Dividend	71,539,863	178,546,493
Profit Carried Forward	2,682,503,155	2,636,272,707



Contribution to the National Exchequer

Esquire Knit Composite PLC contributed an amount of BDT 103.32 million during the year of 2022-2023 to the national Exchequer as against BDT 66.08 million for the previous year of 2021-2022.

Company's Operation

Esquire Knit Composite PLC 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 PLC has over twenty-four 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 7,919,463 Kgs of Textiles and 26,223,683 Pcs of Apparel.

Production Capacity & Utilization

Details of production capacity & utilization

Particulars	Installed Capacity	Actual Production	Production Efficiency in %	Installed capacity	Actual Production	Production Efficiency In %
Financial Year	**2022-2023**			**2021-2022**		
Unit	**Kgs**	**Kgs**		**Kgs**	**Kgs**	
Textiles	12,775,000	7,919,463	61.99%	8,030,000	6,088,892	75.83%
Unit	**Pcs**	**Pcs**		**Pcs**	**Pcs**	
Apparels	49,920,000	26,223,683	52.53%	49,920,000	34,690,032	69.49%

Capital Expenditures

Esquire Knit Composite PLC made an additional net capital expenditure of BDT 597.05 million to civil construction, import of machinery and other fixed assets under Kanchpur and Bhaluka Project during the financial year 2022-2023 as follows:

Figure in 'million'

	2022-2023	2021-2022
Bhaluka Project	597.05	447.38
Machineries in work in process	-	345.2
Building materials	-	153.91
Total Taka	597.05	946.49

The total amount was spent from the Company's own source and borrowing from commercial banks.

Foreign Exchange Earned/Saved

Esquire Knit Composite PLC has contributed a substantial amount to the Foreign Exchange Reserve of the Country. During the year BDT 4,887.36 million has earned/saved and contributed through its export marketing operation, which is depicted below:

"Amount in Taka"

	2022-2023	2021-2022
Total Export Earning	7,514,765,316	10,014,280,416
Less: Import Costs	2,627,408,956	4,597,895,043
Yarn	1,863,224,750	4,021,035,722
Dyes	283,356,954	165,142,421
Chemicals	310,295,114	307,637,091
Spare Parts	170,532,138	104,079,809
Misc. (with BMRE)	-	-
Net Export Earnings	4,887,356,360	5,416,385,373

Capital Machinery

During the reporting year 2022-2023, the Company spent BDT 275.50 million on purchasing capital machinery.

Segment Information

Esquire Knit Composite PLC manufactures a single product 'Knit Garments' of varied specifications, compositions, colours, 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 financial year 2022-2023, 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:

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 have 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, worker 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 risk concerns 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 EKCPLC's are

Esquire Knit Composite PLC 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 PLC.

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 2023

Worker	5,594
Staff and officer	1,226

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 2022-2023, 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 every quarter. 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, the details required to be provided do not apply 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 2023.

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, no material changes and commitments are affecting the financial position of the company between the end of the financial year ended 30 June 2023 and the date of this Report.

Management

The Management of Esquire Knit tries to improve the production process and human resources by conducting R&D and internal training programs. Esquire Knit 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 for overseeing the day-to-day operations of the business.

The Managing Director is the Head of the factory and head office, including day-to-day operations of the business; he also oversees the Company's 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 Esquire Knit. The Company is managed by a team of qualified and experienced professionals.

The Company formed various committees to oversee different internal issues. Esquire Knit has around 5,594 workers in the factory and 1,226 officers and staff in the head office and factory total of 6,820 employees were working in Esquire Knit Composite PLC on 30 June 2023.



Audit and Auditors

Appointment of Statutory Auditors

The existing Auditors of the Company M/S. Pinaki & Company, Chartered Accountants, AHSANDELL, 2/A, Mymensingh Road (2nd floor), Shahbag, Dhaka-1000, retire at this 23rd Annual General Meeting on completion of their audit works for the year ended on 30 June 2023.

They are, however, eligible for re-appointment as per BSEC notification. M/s. Pinaki & Company, Chartered Accountants, expressed their interest to be re-appointed as Statutory Auditors of the Company for the Financial year 2023-2024 at a fee of Tk. 7,50,000/- (taka seven lac fifty thousand) plus VAT.

The Board requested the Shareholders to confirm the appointment at their 23rd Annual General Meeting.

Appointment of Compliance Auditors

The existing Compliance Auditors of the Company M/S. Chowdhury Bhattacharjee & Co., Chartered Accountants, retired at this 23rd Annual General Meeting on completion of their audit works for the year ended on 30 June 2023.

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 2023-2024 at a fee of Tk. 50,000/- (taka fifty thousand) plus VAT.

The Board requested the Shareholders to confirm the appointment at their 23rd 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.

Significant and Material Litigations/Orders

During the financial year under review, there were no significant material orders passed by the Regulations/Courts and no litigation was outstanding as of 30 June 2023, which would impact the ongoing concern status and future operations of our company.

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 following two independent directors have been appointed by the Board of Directors in its 125th Board Meeting held on 28 June 2022 as per the recommendation of the NRC Committee:

1. Mr. A.K.M. Shamsul Areefin - Additional Secretary (Retired)
2. Mr. Md. Mozammel Hossain, FCA - Ex-Company Secretary, NRBC Commercial Bank Ltd.

This appointment is effective from 1 July 2023. The appointment of these two independent directors was confirmed by the shareholders at the 22nd Annual General Meeting of the Company held on 25 January 2023.

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 as well as comply with Corporate Governance Code 2018, issued by Bangladesh Securities and Exchange Commission. 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 and three Key Personnel as of 30 June 2023. Among the Directors, Mr. A.K.M Shamsul Areefin and Mr. Md. Mozammel Hossain, FCA are the independent Directors of the Company and Mr. Md. Mustafizur Rahman, Chief Financial Officer, Mr. Md. Monir Hossain, Company Secretary and Mr. Md. Rakibur Rahman, Head of Internal Audit & Compliance are the Board Member of the Company as per BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 for three years term.

Board and Sub-Committee Meetings

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

Name of the Meeting	2022-2023	2021-2022	2020-2021	2019-2020
Board of Directors	7	8	5	4
Audit Committee	4	4	4	4
NRC Committee	1	2	2	1

Retirement and Re-election

Mr. Md. Ehsanul Habib and Mr. Md. Muddasar 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 154.

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. 200. 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 7 (seventh) Board Meetings were held. The attendance record of the Board Members is as follows:

Name of Directors and Position of the Company	Position of the Board	Meeting Held	Attended the Meeting	Percentage
Sponsor Directors				
Mr. Md. Mofazzal Hossain Non-Executive Director	Chairman	7	7	100%
Mr. Md. Ehsanul Habib Managing Director	Director	7	7	100%
Mr. Arifur Rahman Executive Director	Director	7	7	100%
Mr. Md. Muddasar Hossain Executive Director	Director	7	7	100%
Mrs. Piara Hossain Non-Executive Director	Director	7	7	100%
Independent Directors				
Mr. A. K. M. Shamsul Areefin Independent Non-Executive Director	Director	7	7	100%
Mr. Md. Mozammel Hossain, FCA Independent Non-Executive Director	Director	7	7	100%
Key Personnel				
Mr. Md. Mustafizur Rahman Chief Financial Officer	Member	7	7	100%
Mr. Md. Monir Hossain Company Secretary	Member	7	7	100%
Mr. Md, Rakibur Rahman Head of Internal Audit & Compliance	Member	7	7	100%

Key Managerial Personnel

As of the date of this Report, Mr. Md. 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 Personal (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.

Position of Directorship and the Chairmanship post Vacant

Mr. Md. Mofazzal Hossain, our beloved Founder of Esquire Group as well as the Sponsor Director and Chairman of the Board of the Company



passed away (Inna lillahi wa inna ilayhi raji'un) on Saturday, 14 October 2023 at 10:37 a.m. (BD time) at Singapore Mount Elizabeth Hospital.

The Board announce in the 136th Board Meeting of the Company held on 30 October 2023 that on the death of Mr. Md. Mofazzal Hossain, the position of Directorship post of the Company is vacant from the date of his death on 14 October 2023, so the position of the Chairmanship post of the Board of the Company automatically vacant from 14 October 2023.

Election of Chairman

In light of the collective support and unanimous decision of all the Directors and Members present in the 136th Board Meeting held on 30 October 2023, Mrs. Piara Hossain, Non-Executive Director of the Company has been elected as the Chairman of the Board of the Esquire Knit Composite PLC. Appointment of Mrs. Piara Hossain as a Chairman of the Borad of the Company was effective from 31 October 2023.

Declared as Non-Executive Directors

In light of the unanimous decision of all the Directors and Members present in the 136th Board Meeting held on 30 October 2023, that Mr. Arifur Rahman and Mr. Md. Muddasar Hossain are Non-Executive Director of the Board of the Company with effect from 1 November 2023.

Change the Company's Registered Name

To change the Company's registered name to 'Esquire Knit Composite PLC' from 'Esquire Knit Composite Limited' as per the Companies Act 1994 (2nd Amendment 2020).

Pursuant to the 2nd Amendment of the Companies ACT 1994, the registered name of the Company has been Changed from Esquire Knit Composite Limited to Esquire Knit Composite PLC in light of the unanimous decision of the Board of Directors and Members of the 130th Board Meeting of the Company held on 21 December 2023. The change in the name of the Company was finally approved at the 22nd Annual General Meeting of the Shareholders of the Company held on 25 January 2023.

Accordingly, we have already received the Certificate of Incorporation from the Registrar of Joint Stock Companies and Firms and the Commission and the Exchanges have approved this change of name of the Company.

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 2023, 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:

Name of the Shareholders	BOID Number	Number of Shareholdings	Percentage of holding	Number of Share Pledge	Pledging status	Taking credit facility
Esquire Dyeing Industries Limited	1604420062000449	29,581,343	21.93%	29,581,343	Pledged entire holding	Bank Asia Limited
Mr. Md. Mofazzal Hossain	1604420062000612	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 2023, 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 personnel of our company. The policy provides criteria for fixing the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel 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 the 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

	Shareholders
Accountable to:	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:

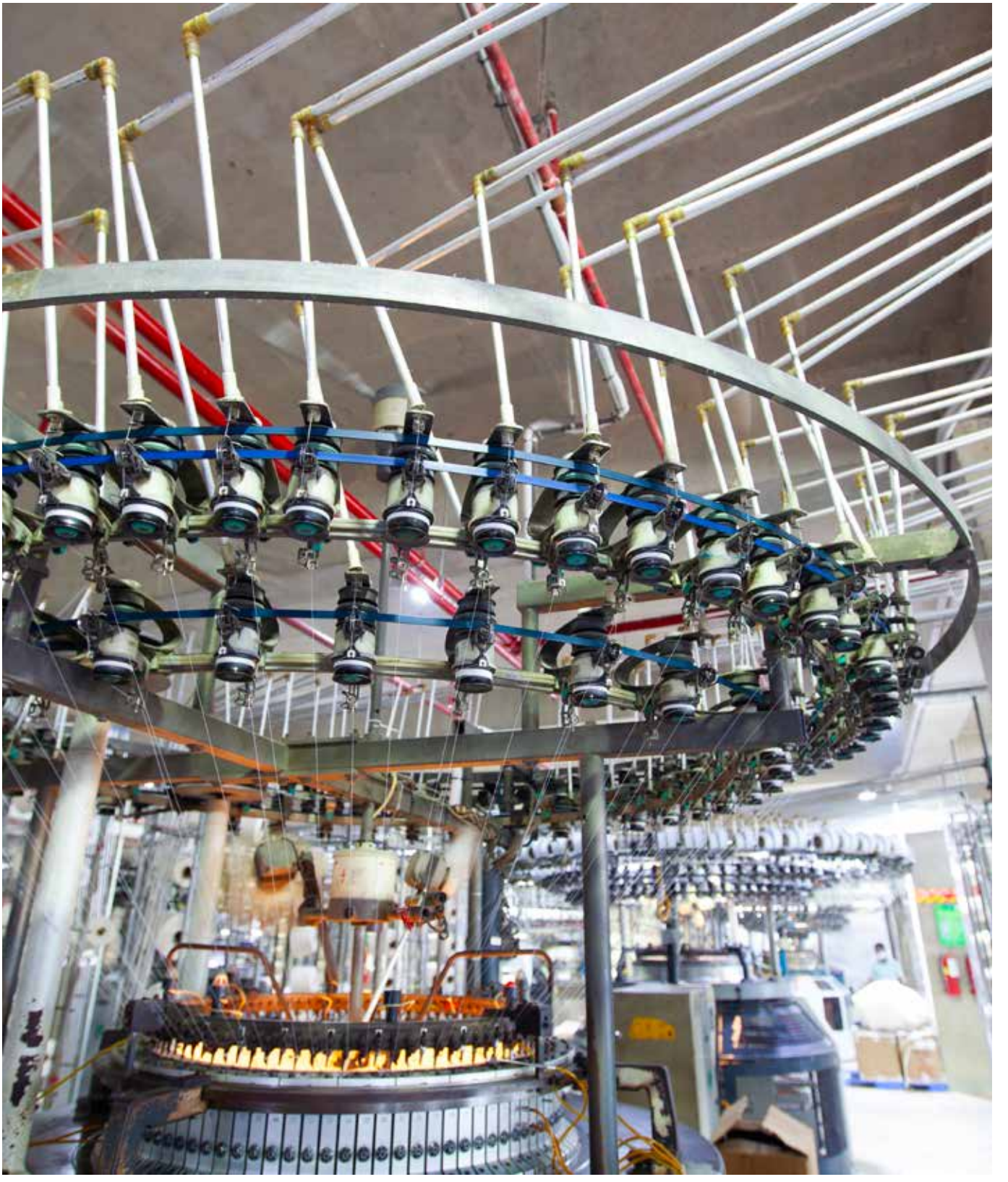
- Quarterly and annual financial statements
- Annual General Meeting
- Price-sensitive disclosure and other disclosure to the BSEC and Stock Exchange.

In additional information, the Company is under a legal and regulatory requirement to publish via the newspaper. Esquire Knit 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 the Company (Esquire Knit Composite PLC) has not declared any interim cash dividend and 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.

Unclaimed or undistributed or unsettled dividend

Bangladesh Securities and Exchange Commission issued a directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 to transfer unclaimed or undistributed dividends to the capital market stabilization fund. In compliance with the circular, Esquire Knit deposited the unclaimed IPO subscription share and unclaimed dividend amount for the financial year 2018-2019 to the "Capital Market Stabilization Fund" on 12 June 2023. Details of the deposited amount are given below:

Unclaimed /undistributed IPO and dividend deposited to the capital market stabilization fund.

Nature of Fund	Financial Year	Amount of Taka or Number of Shares	Pay order details	Transfer to the account or BOID number of CMSF
Unclaimed IPO Shares	2018-2019	100		1201530074571230
Unclaimed Final Dividend	2018-2019	1,940,529/-	No. 3166797 dated 12 June 2023 Dutch-Bangla Bank Limited	

The name and BO number of Shareholders whose dividends remain unclaimed / unpaid are given on the Company's website under Price Sensitive Information dated on 10 May 2023.

Preference Share

We (the Management) are informing on behalf of the Company that as per decision of the 130th Board Meeting of the Company dated 21 December 2023, the decision of the Company to issue and offer 100,000,000 preference shares at a face value of BDT 10.00 each for an amount of BDT 1,000.00 million 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) with the intention of increasing the production capacity and reduce the financial cost, which is approved by the shareholders present at the 22nd Annual General Meeting of the Company as Special Business agenda.

Our Company has not yet offered and issued these preference shares in the market despite the approval given by the Shareholders in the 22nd Annual General Meeting dated 25 January 2023.

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 PLC 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 2023 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 2022-2023 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.

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 and safety Policy to its employees/workers based on EKCPLC'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.

To ensure 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 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 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

Acknowledgements

The Board of Esquire Knit Composite PLC 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 make 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.

Mrs. Piara Begum.

Monday, Dhaka
30 October 2023

Mrs. Piara Hossain
Chairman

REPORT OF THE corporate governance

[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 2023. 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 2023, 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 female Director out of the total composition of the Board.

The composition of the Board as on 30 June 2023, 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 2022-2023
Mr. Md. Mofazzal Hossain	Chairman and Non-Executive Director	N/A	N/A	7 out of 7
Mr. Md. Ehsanul Habib	Managing Director (Executive)	N/A	N/A	7 out of 7
Mr. Arifur Rahman	Director (Executive)	N/A	N/A	7 out of 7
Mr. Md. Muddasar Hossain	Director (Executive)	N/A	N/A	7 out of 7
Mrs. Piara Hossain	Non-Executive Director	2	N/A	7 out of 7
Mr. A. K. M. Shamsul Areefin	Independent Non-Executive Director	2	1	7 out of 7
Mr. Md. Mofazzel Hossain, FCA	Independent Non-Executive Director	2	1	7 out of 7

The Committee positions are based on the latest disclosures received by the Company. The last AGM held on 25 January 2023 (22nd 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 7 (seventh) times during the financial year that ended on 30 June 2023. 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 2023. The details are as follows:

Meeting Number	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Director Present
126th of 2022-2023	13-Aug-22	7	7	2
127th of 2022-2023	29-Sep-22	7	7	2
128th of 2022-2023	30-Oct-22	7	7	2
129th of 2022-2023	14-Nov-22	7	7	2
130th of 2022-2023	21-Dec-22	7	7	2
131st of 2022-2023	30-Jan-23	7	7	2
132nd of 2022-2023	17 April 2023	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 establish 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 2023, 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 interests and aspirations of the Company, while also discharging the 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. 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 decisions and delivery.

Independent Director

In order to ensure the good governance of the company, according to the guidelines of the Bangladesh Securities and Exchange Commission, the directors of the Company's Board Meeting have appointed the following two persons as independent directors in the Board of the Company:

Mr. A.K.M. Shamsul Areefin

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 PLC 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 PLC, where L' Esquire is a subsidiary of Esquire Knit Composite PLC. Mr. Areefin joined the Board of Directors of Esquire Knit Composite PLC from the date of 1 July 2023.

Mr. Md. Mozammel Hossain

Mr. Md. Mozammel Hossain is a Fellow Member of the Institute of Chartered Accountants of Bangladesh and a 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 PLC 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. Mozzamal joined the Board of Directors of Esquire Knit Composite PLC from the date of 1 July 2022.

Audit Committee

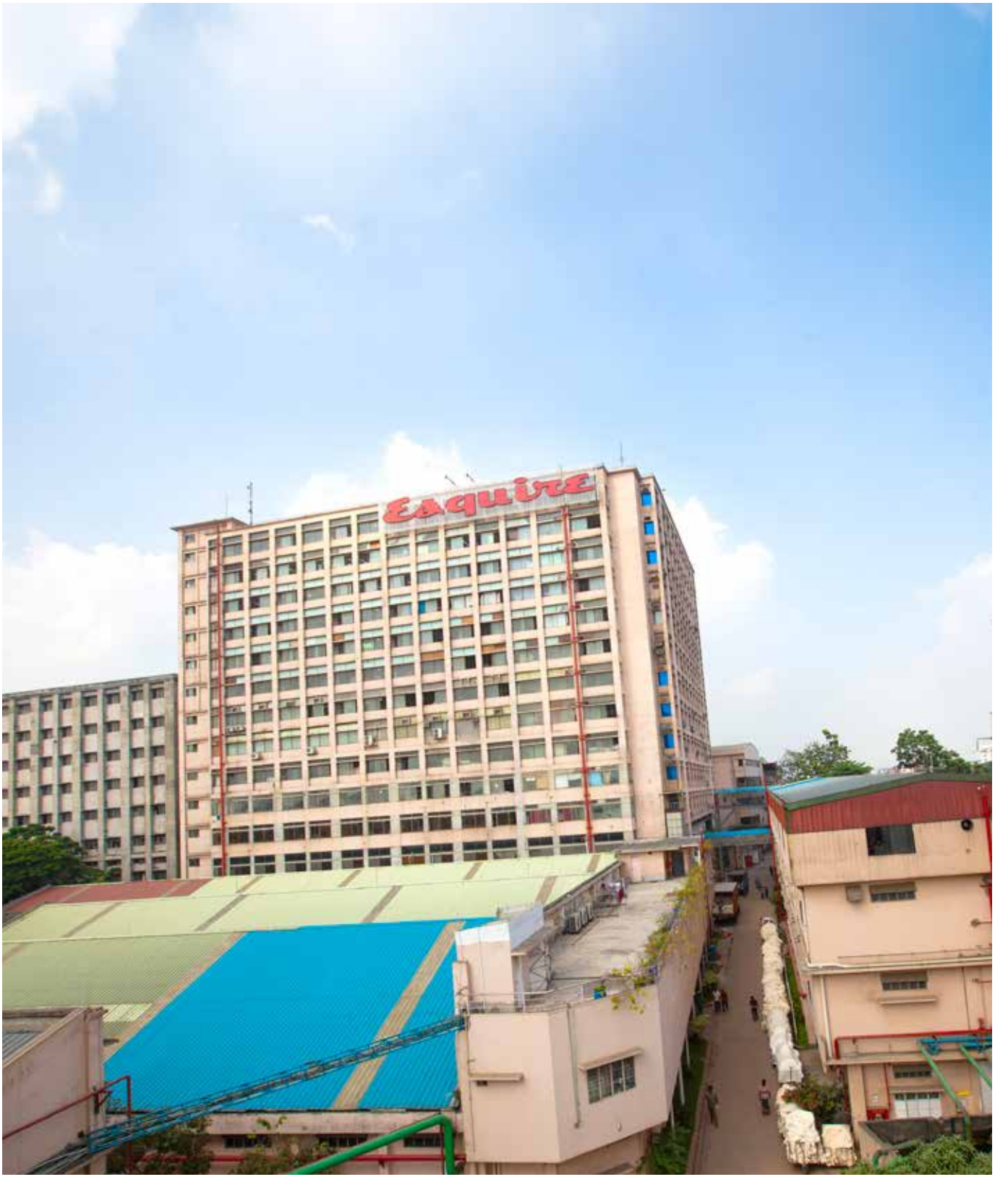
The Board has constituted a qualified and independent Audit Committee that acts as a link between the management, the Statutory and Internal Auditors, and the Board. The composition of the Audit Committee is in accordance with the provisions of the BSEC Notification no. BSEC/CMMRRCD/2006-158/2007/admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission. As of 30 June 2023, the Audit Committee has comprised 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 2023 and the time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days. The Committee met in four times during the financial year 2022-2023. The composition and attendance of the members of the Audit Committee are-

Meeting Number	Date of Meeting	Name of the Committee Members & Position of the Board	Position of the Committee	No. of meetings attended
25th of 2022-2023	29-Oct-22	Mr. Md. Mozammel Hossain, FCA Independent Non-Executive Director	Chairperson	4 out of 4
26th of 2022-2023	14-Nov-22	Mr. A. K. M. Shamsul Areefin Independent Non-Executive Director	Member	4 out of 4
27th of 2022-2023	30-Jan-23	Mrs. Piara Hossain Non-Executive Director	Member	4 out of 4
28th of 2022-2023	17-Apr-23	Mr. Md. Monir Hossain Company Secretary	Member Secretary	4 out of 4




Esquire

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. The Committee met one (1) time during the financial year 2022-2023. The NRC Committee is 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:

Meeting Number	Date of Meeting	Name of the Committee Members & Position of the Board	Position of the Committee	No. of meetings attended
24th of 2022-2023	16-Apr-2023	Mr. A.K.M. Shamsul Areefin Independent Non-Executive Director	Chairperson	1 out of 1
		Mr. Md. Mozammel Hossain, FCA Independent Non-Executive Director	Member	1 out of 1
		Mrs. Piara Hossain Non-Executive Director	Member	1 out of 1
		Mr. Md. Monir Hossain Company Secretary	Member Secretary	1 out of 1

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

The Committee met one (2) time during the financial year 2022-2023. The Corporate Governance Compliance Committee is comprised of 3 (three) Non-Executive Directors, where 2 (two) 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	Number of meetings attended
Mr. A.K.M. Shamsul Areefin	Independent Non-Executive Director	Chairperson	2 out of 2
Mr. Md. Mozammel Hossain, FCA	Independent Non-Executive Director	Member	2 out of 2
Mrs. Piara Hossain	Non-Executive Director	Member	2 out of 2
Mr. Monir Hossain	Company Secretary	Member Secretary	2 out of 2

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

The Committee met one (2) time during the financial year 2022-2023. The Corporate Governance Compliance Committee is comprised of 3 (three) Non-Executive Directors, where 2 (two) 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	Number of meetings attended
Mr. A.K.M. Shamsul Areefin	Independent Non-Executive Director	Chairperson	2 out of 2
Mr. Md. Mozammel Hossain, FCA	Independent Non-Executive Director	Member	2 Out of 2
Mrs. Piara Hossain	Non-Executive Director	Member	2 Out of 2
Mr. Monir Hossain	Company Secretary	Member Secretary	2 Out of 2

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 parodic 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, rematerialize ion 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.

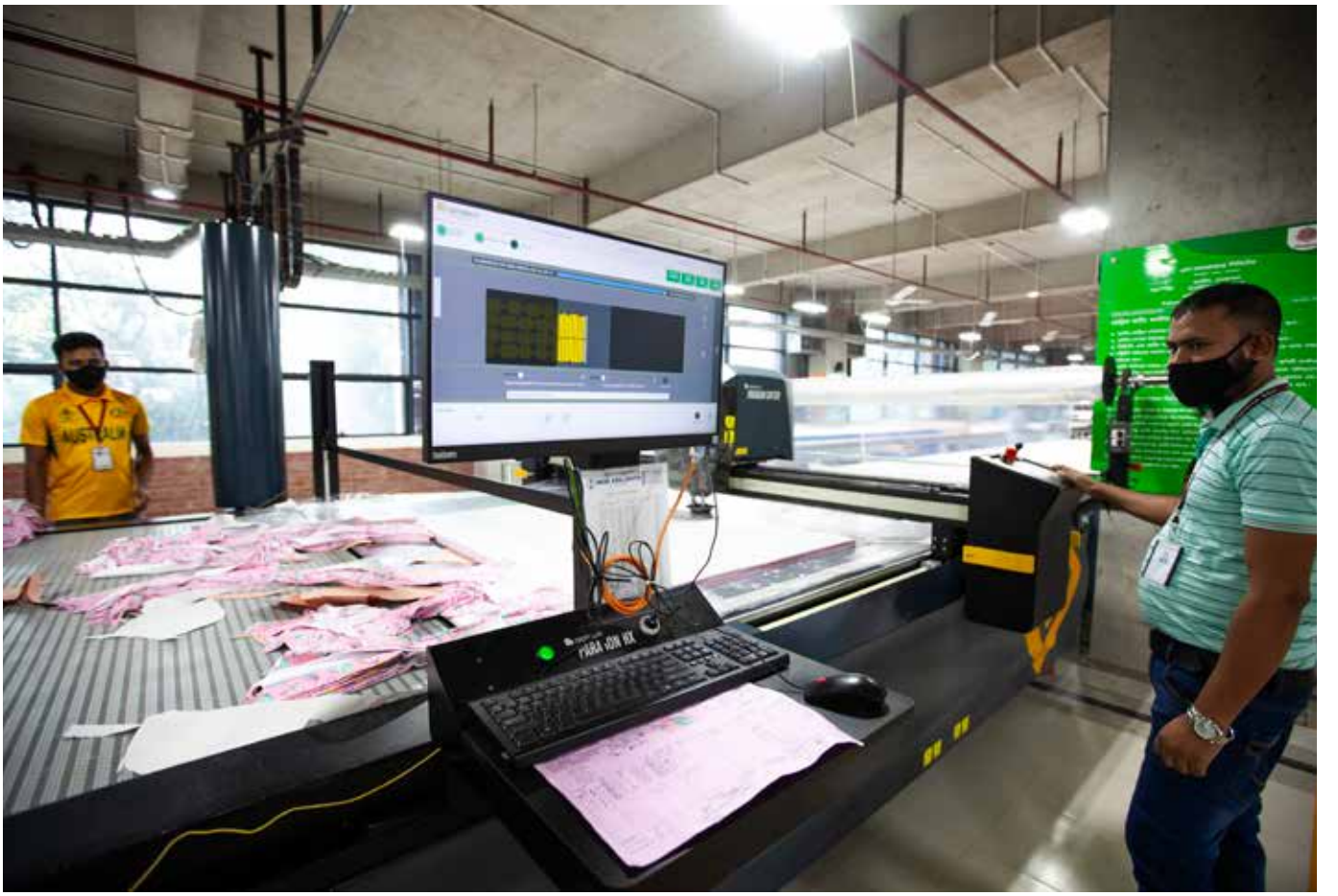
Corporate Social Responsibilities (CSR)

The Board of Directors is also aware of the Corporate Social Responsibilities (CSR), especially in the areas of gender equality, race-religion, regional 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 PLC 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 PLC has appointed a Company Secretary. He is responsible for dealing with various corporate matters the Esquire Knit Composite PLC 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 PLC 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

The Board is comprised of 6 (six) Directors, of which 2 (two) are representatives of Esquire Knit Composite PLC. During the financial year 2022-2023, the Board of Directors of L' Esquire Limited meet 7 (seven) time.

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:

Meeting Number	Date of meeting	Name of the Directors	Position of the Board	No. of meetings attendant
12th of 2022-2023	7-Aug-2022	Mr. Md. Ehsanul Habib	Chairman	7 out of 7
13th of 2022-2023	29-Sep-2022	Mr. Arifur Rahman	Managing Director	7 out of 7
14th of 2022-2023	29-Oct-2022	Mr. Md. Mofazzal Hossain	Director	7 out of 7
15th of 2022-2023	14-Nov-2022	Mr. Md. Muddasar Hossain	Director	7 out of 7
16th of 2022-2023	21-Dec-2022	Mr. Md. Ehsanul Habib (Representative of Esquire Knit Composite PLC)	Director	7 out of 7
17th of 2022-2023	30-Jan-2023	Mr. A.K.M. Shamsul Areefin (Representative of Esquire Knit Composite PLC and Independent Director of EKCPLC)	Director	7 out of 7
18th of 2022-2023	17-Apr-2023			

Activities of Subsidiary Company during the Year

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

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 property 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 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 Pinaki & Company, 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 PLC 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 PLC appointed by its Shareholders in the Annual General Meeting.

Compliances

EKCPLC 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 issuers 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 2023 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 the General Meeting with a due notice period. All inquiries are attended to by the Company Secretary. Where necessary, the 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 PLC is a cent per cent 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 about 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 23rd 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 2023-2024

Quarter Name	Period ended	Tentative Dates
1st Quarter	30-Sep-23	By mid - November 2023
2nd Quarter	31-Dec-23	By the end - January 2024
3rd Quarter	31-Mar-24	By the end – April 2024
4th Quarter and Annual Audited Financial Performance	30-Jun-24	By the end – October 2024

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

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 Depositary 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 FINANCIAL YEAR 2022-2023)

	2022-2023	2021-2022
Source of Fund		
Net Revenue	7,514,765,316	10,014,280,416
Less: Bought in Materials & Service	18,176,697	6,331,434,377
Add: Other Income	4,279,792,364	23,973,365
Valued Added (Available for distribution to stakeholders)	3,253,149,649	3,706,819,404
Applied in the following ways:		
Employees	2,389,587,227	2,720,938,626
Salaries, Wages, Gratuity, and other benefits	23,387,067,631	2,718,067,938
Contribution to workers' profit participation & welfare fund	2,519,596	2,870,688
Government	103,323,755	66,079,024
Income Tax	103,323,755	66,079,024
Provider of Capital	370,706,657	535,349,152
	363,552,671	333,005,402
Interest		
Dividend	7,153,986	202,343,750
Retained by the Company	389,532,010	384,452,602
Depreciation	270,884,669	254,658,401
Retain Earnings	118,647,341	129,794,202

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

Annexure-I
to the directors' report

Day and date: Monday and 30 October 2023

THE BOARD OF MEMBERS
Esquire Knit Composite PLC
Esquire Tower, 21 Shaheed Tajuddin Ahmed Sarani
Tejgaon, Dhaka-1208, Bangladesh.

Subject: Declaration on Financial Statements for the financial year ended on 30 June 2023.

Dear Sirs / Madam,

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 PLC for the financial year ended on 30 June 2023 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 concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainly 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 financial year ended on 30 June 2023 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)

Annexure-II
to the directors' report

THE PATTERN OF shareholding

(FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023)

The Shareholding Pattern of Esquire Knit Composite PLC showing Parent/Subsidiary/Associated companies and other related parties as on 30 June 2023.

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. Piara Hossain	Director	3,681,343	2.73
6	Mr. A.K.M. Shamsul Areefin	Independent Director	NIL	0
7	Mr. Md. Mozammel Hossain, 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	27,791,667	20.60
2	Mr. Md. Ehsanul Habib	15,032,960	11.14
3	Esquire Dying Industry Limited	29,581,343	21.93
Total Shares held		**72,405,970**	**53.67**

KEY OPERATING AND financial data

[FIVE YEARS COMPARATIVE STATISTICS (SEPARATE)]

Annexure-III
to the directors' report

Revenue and results from the operation

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
					(Amount in BDT)
Total Revenue	7,514,765,316	10,014,280,416	7,905,836,002	5,000,518,624	5,919,576,583
Gross Profit	1.355,997,670	8,416,654,434	6,489,644,641	1,095,372,960	1,240,388,495
Gross Operating Profit	577,020,652	1,597,625,982	603,724,063	558,916,208	666,754,391
Net Operating Profit	213,467,981	377,114,298	337,746,954	284,254,319	442,530,063
Net Profit before tax	229,125,082	398,216,975	365,357,000	323,133,237	443,390,953
Net Profit after tax	117,770,310	327,485,893	301,859,226	266,003,303	383,607,218
Earnings per share (EPS)	0.87	2.43	2.24	1.97	3.37

Statement of financial position

	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
					(Amount in BDT)
Total Assets	16,354,124,596	15,528,645,994	14,496,303,312	11,967,952,448	10,296,574,740
Total Non-Current assets	9,173,042,782	8,857,148,816	8,176,938,032	5,538,701,226	5,326,047,982
Total Current Assets	7,181,081,813	6,671,497,178	6,319,365,280	6,429,251,222	4,970,526,758
Shareholders' Equity	8,857,403,770	8,811,173,323	8,662,233,922	6,827,436,987	6,763,777,435
NAV per share with revaluation reserve	65.66	65.32	64.21	50.61	50.14
NAV per share without revaluation reserve	37.93	37.59	36.48	35.88	35.41

Changes in the financial position

	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
(Amount in BDT)					
Share capital	1,348,958,330	1,348,958,330	1,348,958,330	1,348,958,330	1,000,000,000
Revaluation surplus	3,739,289,135	3,739,289,135	3,739,289,135	1,986,590,489	1,986,590,489
Retained earnings	2,682,503,155	2,636,272,708	2,487,333,307	2,387,817,831	2,324,158,278

Statements of cash flow

	2022-2023	2021-2022	2021-2020	2020-2019	2019-2018
					(Amount in BDT)
Net cash flow from operating activities	(229,062,685.00)	440,613,772.00	(173,066,389.00)	290,429,710.00	230,817,660.00
Net cash flow from investing activities	(621,302,313.00)	(1,057,841,414.00)	(1,158,149,856.00)	(731,484,644.00)	(1,710,587,509.00)
Net cash flow from financing activities	780,495,110.00	445,686,645.00	287,760,442.00	1,300,013,236.00	2,270,258,719.00
Net Operating Cash Flow per share (NOCFPS)	(1.70)	3.27	(1.30)	2.13	2.16

Statements of Shareholding

	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
Total Number of Shares	134,895,833	134,895,833	134,895,833	134,895,833	134,895,833
Sponsors	63,355,970	63,355,970	63,355,970	63,355,970	63,355,970
Institutions	53,944,843	52,812,784	54,007,107	54,007,107	53,710,367
General Public	17,595,020	18,727,079	17,532,756	17,532,756	17,829,495

Statements of Employees

	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
Number of Employees	6,820	8,428	8,418	8,272	8,281
Officers & Staff	1,226	1,435	1,435	1,490	1,522
Workers	5,594	6,993	6,983	6,782	6,759

Annexure-iv
to the directors' report

REPORT OF THE MANAGEMENT

discussion and analysis

Under Condition No. 1 (5) (xxv) of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission, the Management Discussion and 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, concerning our Consolidated business, comprising domestic and international business. The Consolidated entity has been referred to as 'Esquire Knit Composite PLC' 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 per cent in 2022 (significantly lower than the 4.1 percent that was anticipated in January) per the 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 per cent 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 PLC 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:

"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)	(1,710,587,5090	(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.



Annexure-V
to the directors' report

CORPORATE GOVERNANCE

compliance report

চৌধুরী ভট্টাচার্য্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS
SINCE 1985

HEAD OFFICE :
BSEC Bhaban, Level-4, 102, Kazi Nazrul Islam Avenue
Kawran Bazar, Dhaka-1215, Phone: +88 02 41025390
Mob: 01711-115171, 01711-832387, 01819-227413
E-mail : saptamcbc@gmail.com, bimalcbc@gmail.com
bimal_cbc@yahoo.com, kalkch57@gmail.com
Web : www.chowdhurybhattacharjee.com

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

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

We have examined the compliance status to the Corporate Governance Code by **Esquire Knit Composite PLC** for the year ended on 30 June, 2023. 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:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The governance of the Company is satisfactory.

Place: Dhaka
Date : 10 December, 2023.

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

Chowdhury Bhattacharjee & Co. Chartered Accountants Dhaka

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BRANCH OFFICE : 922, Jubilee Road, Chattogram-4000. Ph: 031-614907, Mob : 01971-115171, E-mail : cbcctg1980@gmail.com

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.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	√		
1(4)(c)	The Chairperson shall be elected from among the non-executive directors.	√		
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.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	√		
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 flew 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	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	√		
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.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	√		
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.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	√		
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium form 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.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	√		
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 director's report whether the company has complied with these conditions or not.	√		

DECLARATION of directors

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. The 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/-
Mrs. Piara Hossain
Chairman

Sd/-
Md. Ehsanul Habib
Managing Director

Sd/-
Arifur Rahman
Director

Sd/-
Md. Muddasar Hossain
Director

Sd/-
A.K.M. Shamsul Areefin
Independent Director

Sd/-
Md. Mozzamel Hossain, FCA
Independent Director

REPORT TO THE

audit committee

(FOR THE FINANCIAL YEAR 2022-2023)

Annexure-VII
to the directors' report

The audit committee ("the Committee") comprises only two non-executive independent directors and one non-executive director. As on 30 June 2023, the Committee comprised:

1. Md. Mozammel Hossain, FCA — Chairperson
   Non-Executive Independent Director
2. Mr. A.K.M. Shamsul Areefin — Member
   Non-Executive Independent Director
3. Mrs. Piara Hossain — Member
   Non-Executive Director
4. Md. Monir Hossain — Member Secretary
   Company Secretary



MD. MOZZAMEL HOSSAIN, FCA
Chairperson

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 PLC 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 Members & Position of the Committee	Committee Meeting Dates				Held during tenure	Present	% of attendance
	1	2	3	4			
	29.10.2022	14.11.2022	30.01.2023	17.04.2023			
Md. Mozammel Hossain, FCA Chairperson	Present	Present	Present	Present	4	4	100
A.K.M. Shamsul Areefin Member	Present	Present	Present	Present	4	4	100
Mrs. Piara Hossain Member	Present	Present	Present	Present	4	4	100
Md. Monir Hossain Member Secretary	Present	Present	Present	Present	4	5	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.


Allocated
for OCS

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.

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 PLC, prepared in accordance with BAS, for the year ended 30 June 2023 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 PLC and its subsidiaries, prepared in accordance with BAS, for the year ended 30 June 2023, 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 PLC and its subsidiaries, prepared in Bangladeshi taka in accordance with IFRS, for the year ended 30 June 2023, be accepted by the Board as a true and fair statement of the financial status of the Group.
- The appointment of M/s. Pinaki & Company, Chartered Accountants as the statutory auditors of the Company for the financial year 2023-2024 under the Companies Act, 1994 and Corporate Governance Code-2018 subject to the approval of the Shareholders of the Company in the 23rd AGM at an agreed fee of Tk. 750,000/- (taka seven lac fifty thousand only) plus VAT. M/s. Pinaki & Company, Chartered Accountants will hold office for a term of three consecutive years, where they successfully completed the financial year 2022-2023 i.e., one year.

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

Monday, Dhaka
30 October 2023

NOMINATION AND REMUNERATION

committee report

(FOR THE FINANCIAL YEAR 2022-2023)

Annexure-VIII
to the directors' report

The nomination and remuneration committee ("the Committee") comprises only two independent directors and one non-executive director. As of 30 June 2023, the Committee comprised:

1. **Mr. A.K.M. Shamsul Areefin** - Chairperson
   Non-Executive Independent Director
2. **Mrs. Piara Hossain** - Member
   Non-Executive Director
3. **Mr. Md. Mozammel Hossain, FCA** - Member
   Non-Executive Independent Director
4. **Md. Monir Hossain** - Member Secretary
   Company Secretary

The Company Secretary acts as the secretary to the audit committee



A.K.M. SHAMSUL AREEFIN
Chairperson

Composition and attendance

100%	3	1	100%
Independence	**Members**	**Meeting**	**Attendance**

Attendance details of the NRC Committee

Nomination and Remuneration Committee Meeting				
Name of the Members and position of the Committee	**Committee Meeting Dates** 16-Apr-23	**Held during tenure**	**Present**	**% of attendance**
A.K.M. Shamsul Areefin Chairperson	Present	1	1	100
Md. Mozammel Hossain, FCA Member	Present	1	1	100
Mrs. Piara Hossain Member	Present	1	1	100
Md. Monir Hossain Member Secretary	Present	1	1	100%
Attendance percentage	**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 in selecting 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 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 in devising the criteria for the evaluation of the performance of Independent Directors and other Board Members.
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 detailed 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 PLC except the Director, Mrs. Piara Hossain, Independent Directors, Mr. Md. Mozammel Hossain, FCA, and 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 Board of Directors of the Company in its 136th Board Meeting held on 30 October 2023 has declared all the Board of Directors other Mr. Md. Ehsanul Habib, the Managing Director of the Company as Non-Executive Directors.

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 the 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
Monday, 30 October 2023

Md. Monir Hossain
Company Secretary

Annexure-IX
to the directors' report

BOARD OF DIRECTORS INVOLVEMENT

in other organizations

Mrs. Piara Hossain
Chairman

Involvement in other organizations

Esquire Dyeing Industries Limited
Esquire Accessories Limited
Esquire Electronics 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

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

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
Independent Director

Involvement in other organizations — He is not involved with any other company

EVALUATION OF QUARTERLY financial statements (FOR THE FINANCIAL YEAR 2022-2023)

Annexure-IX
to the directors' report

In compliance with the BSEC directives, Esquire Knit Composite PLC 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 2022, the total profit after tax of the Company recorded BDT 19.50---- million, which was BDT 101.50 million from the same period 30 September 2021.

Un-Audited Second Quarter

During the period ended 31 December 2022, the total profit after tax of the Company BDT (95.72) million, which was BDT 104.57 million from the same period 30 September 2020.

Un-Audited Third Quarter

During the period ended 31 March 2023, the total profit after tax of the Company BDT 61.64 million, which was BDT 91.48 million from the same period 31 March 2022.

Comparative quarterly financial performance is stated below:

Un-audited financial position

"Amount in million"

Particulars	2022-2023			2021-2022		
	31-Mar-23	31-Dec-22	30-Sep-22	31-Mar-22	31-Dec-21	30-Sep-21
Non-Current Assets	9,419.47	8,899,.24	8,910.45	8,461.41	8,410.37	8,230.28
Current Assets	6,507.91	6,997.90	6,109.35	6,387.00	6,138.77	6,544.93
Total assets	15,927.07	15,897.14	15,019.84	14,848.40	14,549.14	14,775.21
Shareholders' Equity	8,776.95	8,767.53	8,830.67	8,757.69	8,868.31	8,763.73
Non-Current Liabilities	2,547.23	2,572.50	22,522.27	2,077.77	2,376.44	2,386.36
Current Liabilities	4,602.89	4,557.10	3,666.90	4,012.95	3,304.38	3,625.19
NAV with Revolution Reserve	65.06	64.99	65.46	64.92	65.74	64.97
NAV without Revaluation Reserve	37.34	37.27	37.74	37.2	38.02	37.25

Un-audited income statement

"Amount in million"

Particulars	2022-2023			2021-2022		
	31-Mar-2023	31-Dec 2022	30-Sep 2022	31-Mar-2022	31-Dec-2021	30-Sep 2021
Revenue	2,207.33	2,205.38	1,676.37	2,278.13	2,351.06	2,657.65
Less: Cost of Goods Sold	1,736.07	1,916.31	1,428.84	1,869.93	1,939.94	2,149.64
Gross Profit	417.26	289.07	247.53	408.2	411.12	508.01
Less: Operating expenses	298.9	289.07	142.63	212.79	232.38	310.02
Gross operating Profit	172.36	0	104.9	195.41	178.75	197.99
Less: Financial Expenses	84.35	95.15	83.93	88.22	57.75	57.75
Net operating profit	88.01	-95.15	20.97	107.19	121.1	140.24
Non-operating Income	2.13	2.13	2.13	3.1	3.04	3.15
Profit before WPPF	90.14	-93.02	23.1	110.28	124.04	143.4
Provision for WPPF	0.56	0.66	0.62	0.77	0.77	0.62
Profit before Tax	89.58	-93.68	22.48	109.51	123.27	142.78
Less: Income tax expenses	27.93	2.04	2.99	18.03	18.69	41.28
Current Tax	20.33	0.99	2.21	14.44	14.87	16.28
Deferred Tax	7.61	1.05	0.78	3.59	3.82	25.01
Net Profit after tax	61.64	-95.72	19.5	91.48	107.57	101.5
Earnings Per Share	0.46	-0.71	0.14	0.68	0.78	0.75

STATEMENT OF

market value-added

(for the financial year ended 30 June 2023)

Market Value Added (MAV) reveals the Company's external performance evaluated by the market through the share price of the Company. It is a measurement of the wealth a Company has been able to generate for its stakeholders since its founding.

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.

The MVA of a Company reveals its ability to raise shareholder value steadily.

A high measurement demonstrates excellent operational capability and efficient management. A low measurement may indicate that the efforts and investments of management are not worth as much as the capital provided by shareholders. A negative market value indicates that the management's decisions and investments have reduced the value of the capital shareholders have provided.

Investors are drawn to companies with high measurements, not just because there is a higher possibility that they will generate positive returns but also because it is a sign that they have solid governance and competent leadership.

The following statement illustrates how the Market Value has been calculated for the year ended 30 June 2023 and 30 June 2022.

	2022-2023	2021-2022
	Amount in BDT	Amount in BDT
Market Price per Share	34.5	35.3
Number of Shares	134,895,833	134,895,833
Market Value of the Company	**4,653,906,238**	**4,761,822,904**

Annexure-X
to the directors' report

NOMINATION AND REMUNERATION

policy of the company

The Board of Directors ('the Board') of Esquire Knit Composite PLC ("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;

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 Mediclaim 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.

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.

Annexure-XI
to the directors' report

DIVIDEND DISTRIBUTION

policy of the company

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 PLC "(Esquire Knit Composite" or the "Company") publishes this statement as a guiding framework for the shareholders with regard 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 PLC

The Dividend Distribution Policy of Esquire Knit Composite PLC 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 PLC shall pay off the interim dividend to the entitled shareholders, within 30 (thirty) days of the record date. Esquire Knit Composite PLC 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 PLC

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, EKCPLC 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, EKCPLC 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.

3.2. Stock dividend

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

3.2.1. EKCPLC 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 (e¨envwiK) cÖweavbgvjv, 2003 for issuance of bonus shares. EKCPLC 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) EKCPLC 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) EKCPLC 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

EKCPLC shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force. EKCPLC 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

EKCPLC 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.

Annexure-XII
to the directors' report

RISK management

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.

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.

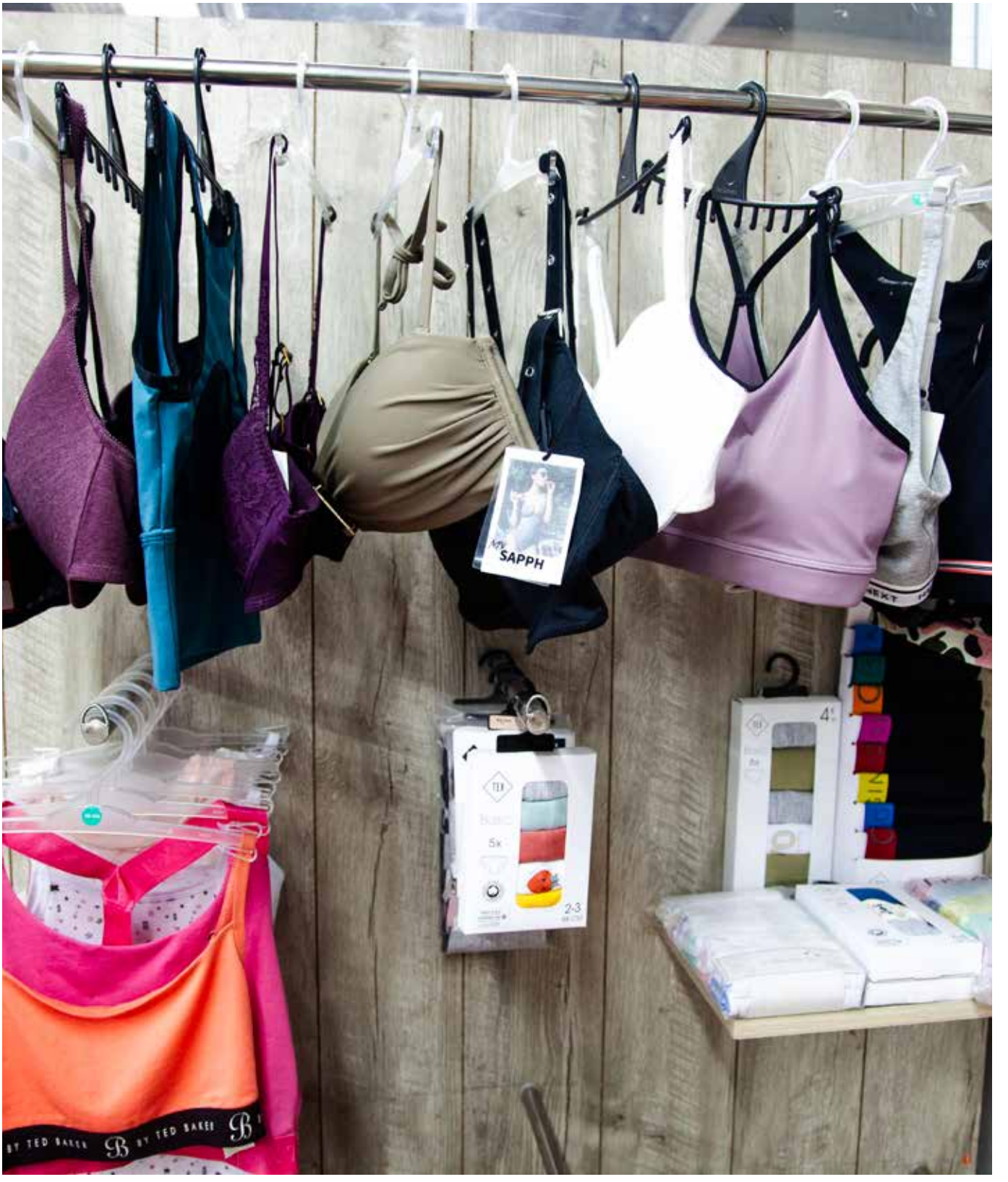
Liquidity/Funding Risk

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


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BY TED BAKER
BY TED BAKER

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 the one hand and the society and environment on the other hand. CSR is traditionally driven by a moral obligation and humanitarian spirit. Esquire Knit has a heritage of being 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 fulfil 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, colour, 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 coronavirus. 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. 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 to come 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 televisions 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 supermarket.

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 has been 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

(election / appointment and re-appointment of directors)

Annexure-XIV
to the directors' report

Re-appointment of Directors

Md. Ehsanul Habib
Director



Mr. Md. Ehsanul Habib is a Sponsor Director as well as Managing Director of Esquire Knit Composite PLC since its inception in 2000. He is the eldest son of Mr. Md. Mofazzal Hossain, founder 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

Mr. Habib is 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 is as well as the Chairman of the Board of L' Esquire Limited, Esquire Dyeing Industries Limited and Esquire Accessories Limited.

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

Md. Muddasar Hossain
Non-executive Director



Mr. Md. Muddasar Hossain is a Sponsor Director of Esquire Knit Composite PLC 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 a 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.

Election / appointment of Chairman

Mrs. Piara Hossain

Chairman



MRS. PIARA HOSSAIN is the Chairman of the Board of Directors of Esquire Knit Composite PLC. She is a non-executive director of the Company. She is the wife of the Late Mr. Md. Mofazzal Hossain, the founder and Chairman of the Esquire Knit Composite PLC and the Esquire Group.

Mrs. Piara Hossain has long experience in running industrial units successfully. She has contributed to the Group through her leadership skills 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 Sponsor director and Chairman of the Board of Directors of Esquire Dyeing Industries Limited, Director of Esquire Electronics Limited, and Esquire Accessories Limited.

Mrs. Piara 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.

financials



ESQUIRE KNIT COMPOSITE PLC
AND ITS SUBSIDIARY
CONSOLIDATED

AUDITOR'S REPORT
&
AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023

Independent Auditor's Report

To The Shareholders of Esquire Knit Composite PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Esquire Knit Composite PLC and its subsidiary (the Group) as well as the separate financial statements of Esquire Knit Composite PLC (the Company), which comprise the consolidated and separate statement of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated and separate financial statements of the Company give a true and fair view of the consolidated and separate financial position of the Group and the separate financial position of the Company as at 30 June 2023, 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), the Companies Act 1994, the Securities and Exchange Rules 1987, 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 Auditors' Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters are discussed below together with an explanation of how the risk and our audit response were tailored to address these specific areas.

Please refer to Annexure: 1 Key Audit Matters (KAM) for illustrative purposes.

Annexure-1

Key audit matter description	How the scope of our audit responded to the key audit matter.
PROPERTY, PLANT AND EQUIPMENT	
The carrying value of the PPE amounted to Tk. 6,694,942,555 as at 30 June, 2023. There is a risk of: ● determining which costs meet the criteria for capitalization; ● determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; ● the estimation of economic useful lives and residual values assigned to Fixed asset. We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements. See note no. 04 for details.	Our audit procedures to assess the carrying value of property, plant and equipment included the following: ● We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ● We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals. ● We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate. ● We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. ● We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to make it ready for use, with the date of the completion of the work.
REVENUE RECOGNITION	
The Company has reported sales revenue of Tk. 7,978,750,392 All of the Company's sales are made under sales invoice, delivery challan. It's products primarily comprise sale of 100% export oriented knit garments. Revenue is recognized at the point of generating invoice . We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. As all sales are translated from USD currency to BDT, there is a risk that foreign exchange gain/loss might not be correctly recognized in the Financial Statements. See note no. 24 for details.	We have tested the design and operating effectiveness of key controls focusing on the following: ● We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 "Revenue from contracts with customers" ● Tested the internal control over financial reporting. We also assessed the existence and accuracy of the sales recorded; ● We performed analytical test to understand how the revenue has trended over the year among other parameters, we performed a detailed substantive testing on transactions around the year end to ensure revenues were recognized in the correct accounting period. We also tested journal entries focusing on sales transactions; ● Verified VAT return with General Ledger. ● We obtained supporting documents for sales, transactions recorded during the year; and ● Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Key audit matter description	How the scope of our audit responded to the key audit matter.
VALUATION OF RECEIVABLES	
The Company has accounts receivable of Tk. 782,750,195 as at 30 June 2023. Accounts receivable of the company comprise mainly receivables regarding the sale of RMG which is secured by Letter of Credit (L/C). See note no. 08 for details.	Our substantive procedures in relation to the assessing valuation of receivable comprises the following: ● Obtained a list of outstanding receivables; ● Reconciliation of receivables ageing to general ledger; ● Conducting cut-off testing at the year-end; ● Reviewing subsequent receipt of receivables balance.
CAPITAL WORK IN PROGRESS	
The Company's assets held under capital work in progress as on the closing date are amounted to BDT 4,205,703,532 equivalent to 38.23% of total non current assets. Due to the high value of transactions, utilization of IPO proceeds, terms and valuation of these assets, it was significant to our audit. See note no. 05 for details.	Our audit procedures to address the risk of material misstatement relative to capital work in progress includes obtaining understanding of the internal control over capital work in progress, assessing the risk of material misstatement. Our audit procedures address the risk material statement relating to capital work in progress to the financial statements included: ● Obtaining and assessing the movement of the capital work in progress. ● 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 personal, comparison of the progress and the cost incurred up-to-date with the budgets, policy and plan. ● Reconciling the movement of capital working progress from opening to closing, specially verifying additions during the year and transfer to Property, Plant and Equipment during the year. ● Verify 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 observation of the work on-going for capital work in progress.

Key audit matter description	How the scope of our audit responded to the key audit matter.
VALUATION OF INVENTORIES	
The amount of inventory is Tk.3,625,292,627 as at 30 June, 2023 which amounted to 63.80% of the total current assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost of inventories. EKCPLC valued its inventories at cost or net realizable value whichever is lower. See note no. 07 for details.	We obtained assurance over relevance and appropriateness of management's assumptions applied in calculating the value of the inventories by: ● We observed EKPLC's year-end inventory count, performed test counts and reconciled count sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts; ● We tested the purchase costs of a sample of inventory items by inspecting invoices; ● We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2; ● We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method; ● Testing, on a sample basis the stock expiry dates and the market price used in assessing the net realizable values of inventories of the related supporting documents. ● 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.
RELATED PARTY TRANSACTION	
The Company has related party transaction as described in notes to the financial statements. See note no. 32 for details.	Our audit procedures amongst other included the following: ● 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 materials accounts balances. ● Evaluated the disclosures in the financial statement in compliance with IAS 24.

Other Information:

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include 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 consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated and separate 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 consolidated and separate 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 within the Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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. However, documentation process need be strengthened further.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest/benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

a) 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;

b) In our opinion, proper books of accounts as required by law have been kept by the Company and so far as it appeared from our examination of these books;

c) The consolidated and separate statement of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) The expenditure incurred was for the purposes of the Company's business.

Pinaki Das

Place: Dhaka, Bangladesh
Dated: 08 November 2023
DVC: N/A

Pinaki Das, FCA
Senior Partner
Enrollment Number: 0151
Pinaki & Company
Chartered Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

Particulars	Notes	Amount in Taka	
		30-Jun-2023	30-Jun-2022
Assets			
Non-Current Assets		**11,000,646,087**	**9,319,977,107**
Property, plant and equipment	4	6,694,942,555	6,509,714,765
Capital work-in-progress	5	4,205,703,532	2,699,987,342
Investment in shares	6	100,000,000	110,275,000
Current Assets		**5,682,423,290**	**6,368,151,868**
Inventories	7	3,625,292,627	3,746,164,398
Accounts receivables	8	782,750,195	1,311,122,533
Other receivables	9	38,551,047	4,146,703
Advance, deposit and prepayments	10	607,308,912	640,809,299
Investment	11	136,704,117	102,180,441
Cash and cash equivalents	12	491,816,393	563,728,494
TOTAL ASSETS		**16,683,069,377**	**15,688,128,975**
EQUITY & LIABILITIES			
Shareholders' Equity		**8,809,512,142**	**8,796,757,255**
Share capital	13	1,348,958,330	1,348,958,330
Non-Controlling Interest	13	(62,515)	272,241
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	2,634,674,043	2,621,584,399
Non Current Liabilities		**2,280,926,134**	**2,708,128,459**
Deferred Tax liabilities	17	285,829,900	278,376,872
Long term loan net of current maturity	18	1,990,636,243	2,427,474,711
Finance lease obligation net of current maturity	19	4,459,992	2,276,877
Current Liabilities		**5,592,631,099**	**4,183,243,261**
Short term loan	20	3,476,684,177	2,307,892,211
Current portion of long term loan	18	464,594,631	291,839,388
Current portion of finance lease obligation	19	9,298,589	9,635,741
Unclaimed Dividend	21	1,983,588	3,475,908
Accounts payable	22	1,166,180,510	1,192,574,016
Liabilities for expenses	23	473,889,604	377,825,997
TOTAL EQUITY & LIABILITIES		**16,683,069,377**	**15,688,128,975**
Net Asset Value (NAV) per share with revaluation reserve		**65.31**	**65.21**
Net Asset Value (NAV) per share without revaluation reserve		**37.59**	**37.48**

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

Pinaki Das, FCA
Senior Partner
ICAB Enrollment No. 151
Pinaki & Company
Chartered Accountants

Place: Dhaka, Bangladesh
Date: 08 November 2023
DVC: N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

Particulars	Notes	Amount in Taka	
		30-Jun-2023	30-Jun-2022
Revenue	24	7,978,750,392	10,150,621,352
Less: Cost of Goods Sold	25	6,608,849,977	8,549,479,730
Gross profit		**1,369,900,414**	**1,601,141,623**
Less: Operating expenses	26	811,157,634	891,411,110
Gross operating profit		**558,742,781**	**709,730,513**
Less: Financial expenses	27	376,728,021	333,005,402
Net operating profit		**182,014,760**	**376,725,111**
Add: Non-Operating income	28	18,896,863	16,788,193
Profit before WPPF & WF		**200,911,623**	**393,513,303**
Less: Provision for contribution to WPPF & WF	23.01	2,519,596	2,870,688
Profit before tax		**198,392,028**	**390,642,615**
Less: Income tax expenses		114,097,276	71,975,126
Current Tax	23.02	106,644,248	66,460,176
Deferred Tax	17.02	7,453,028	5,514,950
Profit after tax		**84,294,752**	**318,667,489**
Total comprehensive income for the year, net of tax			
Profit attributable to:			
Owners of the Company		84,294,752	318,667,490
Non-controlling Interest		(334,756)	(88,184)
		83,959,996	**318,579,306**
Total Comprehensive Income attributable to:			
Owners of the Company		84,294,752	318,667,490
Non-controlling Interest		(334,756)	(88,184)
		83,959,996	**318,579,306**
Earnings Per Share (EPS) - Basic	**29.01**	**0.62**	**2.36**

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

Pinaki Das, FCA
Senior Partner
ICAB Enrollment No. 151
Pinaki & Company
Chartered Accountants

Place: Dhaka, Bangladesh
Date: 08 November 2023
DVC: N/A

CONSILIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

Amount in Taka

Particulars	Share Capital	Share premium	Revaluation Surplus	Non-controlling interest	Retained Earnings	Total Equity
Balance at 01 July 2022	1,348,958,330	1,086,653,150	3,739,289,135	-	2,621,584,398	8,796,485,013
Net profit for the year	-	-	-	-	84,629,508	84,629,508
Non-controlling interest				(62,515)	-	(62,515)
Dividend paid	-	-	-	-	(71,539,863)	(71,539,863)
Balance at 30 June 2023	**1,348,958,330**	**1,086,653,150**	**3,739,289,135**	**(62,515)**	**2,634,674,043**	**8,809,512,142**
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
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**	**2,621,584,398**	**8,796,757,255**

Chairman **Managing Director** **Director** **Company Secretary** **Chief Financial Officer**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

Particulars	Notes	Amount in Taka	
		30-Jun-2023	30-Jun-2022
A. Cash flows from operating activities			
Cash receipts from customers		8,507,122,730	10,082,652,535
Cash receipt from other income		(15,507,481)	16,459,578
Payment to suppliers for import of Raw materials		(3,340,945,866)	(5,467,153,456)
Payment to others		(4,879,269,173)	(3,966,204,114)
Interest paid		(359,046,258)	(186,570,599)
Income tax paid		(104,483,174)	(60,060,668)
Net cash flow from operating activities		**(192,129,222)**	**419,123,277**
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(479,985,791)	(376,235,917)
Investment in capital work in progress		(1,505,716,190)	(842,257,392)
Advance paid to Valuka project		-	(119,298,882)
Investment in shares		10,275,000	37,500,000
Investment in FDR		(34,523,676)	(3,673,348)
Net cash used in investing activities		**(2,009,950,657)**	**(1,303,965,538)**
C. Cash flows from financing activities			
Proceeds from share issue		-	-
Share premium received		-	-
TDS on dividend		-	-
Dividend paid		(73,032,182)	(179,247,292)
Receipt of Long Term Loan		1,107,061,619	(65,625,278)
Receipt/(Repayment) of Short Term Loan		1,103,423,616	945,278,292
Net cash flow from/(used in) financing activities		**2,137,453,052**	**700,405,723**
D. Net cash surplus during the year (A+B+C)		(64,626,827)	(184,436,538)
E. Cash and bank balances at beginning of the year		563,728,494	742,195,902
Effect of movements in exchange rates on cash held		(7,285,275)	5,969,129
F. Cash and bank balances at the end of the year		**491,816,393**	**563,728,494**
Cash and bank balances			
Cash in hand		1,062,630	2,876,893
Cash at bank		490,753,763	560,851,601
Total		**491,816,393**	**563,728,494**
Net Operating Cash Flow Per Share (NOCFPS)	**30.00**	**(1.42)**	**3.11**

Chairman | **Managing Director** | **Director** | **Company Secretary** | **Chief Financial Officer**

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

1.00 Incorporation and Business Activities

Reporting entity

Esquire Knit Composite PLC (EKCPLC) (herein after referred to as EKCPLC 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 PLC 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, EKCPLC is also required to comply and has complied with the following laws and regulations:

- The Income Tax Ordinance 1984;
- The Income Tax Rules 1984;
- The Value Added Tax and Supplementory 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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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 2022 to 30 June 2023.

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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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. EKCPLC 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 2022 to June 30, 2023.

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 occured 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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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 Measurment	Complied
15	Revenue from Contracts with Customer	Complied
16	Leases	Complied

3.24 General

i. Figures have been rounded off to the nearest Taka.
ii. Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
4.00	**Property, plant and equipment**			
	(A) Cost/ Revaluation			
	i) Freehold assets			
	Opening balance		9,090,003,341	8,718,926,424
	Add: Addition during the year		318,966,556	371,076,917
			9,408,969,897	**9,090,003,341**
	ii) Leasehold assets			
	Opening balance		99,420,368	99,420,368
	Add: Addition during the year		-	-
			99,420,368	**99,420,368**
	Total (A)		**9,508,390,265**	**9,189,423,709**
	Add: Property Plant and Equipment of L'Esquire Ltd		256,398,630	95,379,395
			9,764,788,895	**9,284,803,104**
	(B) Accumulated depreciation			
	i) Freehold assets			
	Opening balance		2,685,272,482	2,443,042,346
	Add: Charged during the year		258,457,123	242,230,137
			2,943,729,605	**2,685,272,482**
	ii) Leasehold assets			
	Opening balance		72,150,564	59,723,018
	Add: Charged during the year		12,427,546	12,427,546
			84,578,110	**72,150,564**
	Total (B)		**3,028,307,715**	**2,757,423,046**
	Add: Property Plant and Equipment of L'Esquire Ltd		41,538,626	17,665,292
			3,069,846,341	**2,775,088,338**
	(C) Written Down Value (A-B)		**6,694,942,554**	**6,509,714,766**
	A schedule of property, plant and equipment is given in **Annexure-A.**			
5.00	**Capital work-in-progress**			
	Opening balance		2,272,873,152	1,671,580,884
	Add: Addition during the year	5.01	597,053,637	946,495,332
			2,869,926,789	2,618,076,216
	Less: Transferred to Property, Plant & Equipment		318,966,556	345,203,064
			2,550,960,233	2,272,873,152
	Add: Work in Progress of L'Esquire Ltd		1,654,743,298	427,114,189
			4,205,703,532	**2,699,987,342**
5.01	**Addition during the year**			
	Valuka Project		597,053,637	447,384,527
	Machineries in work in process		-	345,203,064
	Building materials		-	153,907,741
			597,053,637	**946,495,332**
	A schedule of capital work in progress addition during the year is given in **Annexure-B.**			

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
6.00	**Investment in shares**		
	Esquire Accessories Limited	-	10,275,000
	L' Esquire Ltd	42,000,000	42,000,000
	Investment in ICL Unit Fund	100,000,000	100,000,000
		142,000,000	**152,275,000**
	Less: Investment of L'Esquire Ltd	**42,000,000**	**42,000,000**
		100,000,000	**110,275,000**

7.00 Inventories

	Quantity		30.06.2023	30.06.2022
	30.06.2023	30.06.2022	Taka	Taka
Yarn (kg)	2,423,761	23,290,864	853,886,704	659,657,698
Dyes (kg)	227,552	229,866	224,161,620	226,045,504
Chemical (kg)	1,062,218	1,267,368	150,753,397	132,240,273
Finishing Materials	-	-	867,065,866	1,185,015,121
Materials in transit	-	-	136,261,024	160,307,088
Spare parts and consumable items	-	-	279,659,700	287,638,311
Work in process	-	-	868,014,022	857,289,380
Finished goods (pcs.)	1,215,613	1,728,752	220,056,353	230,016,352
			3,599,858,687	**3,738,209,728**
A schedule of inventories is given in **Annexure-C.**				
Add: Inventories of L'Esquire Ltd			25,433,940	7,954,670
			3,625,292,627	**3,746,164,398**

7.01 Finishing Materials

Packing materials	256,392,555	293,218,130
Accessories	499,288,825	775,827,818
Sewing Thread	107,243,479	107,243,479
Printing & Embroidery materials	4,141,006	8,725,694
	867,065,866	**1,185,015,121**

A schedule of finishing materials is given in **Annexure-C.**

7.02 Materials in transit

	Quantity		Amount in Taka	Amount in Taka
	30.06.2023	30.06.2022		
Yarn (kg)	13,887	16,935	50,864,296	59,840,348
Dyes (kg)	9,292	12,729	22,124,703	26,656,269
Chemical (kg)	13,777	17,663	24,406,628	28,713,680
Machine	-	-	14,494,999	16,471,590
Finishing Materials	-	-	11,184,342	12,566,676
Spare Parts	-	-	13,186,057	16,058,526
			136,261,024	**160,307,088**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

7.03 Spare parts and consumable items

Spareparts & Consumable items	279,659,700	287,638,311
	279,659,700	**287,638,311**

A schedule of spare parts and consumable items is given in **Annexure-D.**

7.04 Work in Process

	Quantity		Amount in Taka	Amount in Taka
	30.06.2023	30.06.2022		
Knitting (kg)	149,485	79,496	23,783,129	30,999,932
Finished Fabric (kg)	1,148,760	1,069,147	399,924,675	424,631,528
Cutting (Pcs)	1,053,281	1,818,365	388,006,887	284,967,596
Embroidery (Pcs)	101,044	44,827	2,592,419	4,697,724
Printing (Pcs)	580,641	301,279	16,177,204	12,919,963
Sewing (Pcs)	529,259	551,251	37,529,707	99,072,636
			868,014,022	**857,289,380**

A schedule of work in process is given in **Annexure-E.**

7.05 Finished Goods (pcs.)

	Quantity		Amount in Taka	Amount in Taka
	30.06.2023	30.06.2022		
Opening	1,728,752	1,267,708	230,016,352	274,046,370
Add: Production during the year	26,223,683	46,565,488	6,616,369,249	7,799,293,224
	27,952,435	47,833,196	6,846,385,601	8,073,339,594
Less: Delivered during the year	26,736,822	46,104,444	6,608,849,977	7,843,323,242
	1,215,613	**1,728,752**	**237,535,624**	**230,016,352**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
8.00	**Accounts receivables**		632,635,842	1,297,557,977
	A schedule of account receivable is given in **Annexure-F**.			
	Add: Accounts Receivables of L Esquire Ltd		150,114,353	13,564,556
			782,750,195	**1,311,122,533**

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 2023.

III. Debt considered doubtful or bad
The company does not make any provision for doubtful debts as on 30 June 2023, 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 2023.

V. Debt due by Common Management
There are no amount due from sister company under common management as on 30 June 2023.

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 2023.

Aging of accounts receivable
The aging of gross trade receivables as at the statement of financial position date was:

Past due 0-90 days	632,635,842	1,297,557,977
Past due 91-180 days	-	-
Past due 181 -365 days	-	-
Past due more than 365 days	-	-
	632,635,842	**1,297,557,977**

9.00	**Other receivables**		
	Cash incentive	18,839,450	3,089,000
	Rental Income	14,762,592	-
	Accrued interest on FDR	4,949,005	1,057,703
		38,551,047	**4,146,703**
10.00	**Advance, deposit and prepayments**		
	Advance	10.01	365,326,491	391,442,266
	Deposit	10.02	218,507,080	229,033,513
	Prepayments	10.03	748,331	12,320,052
			584,581,903	**632,795,831**
	Add: Advance ,deposit and Prepayments of L Esquire Ltd		22,727,009	8,013,468
			607,308,912	**640,809,299**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
10.01	**Advance**			
	Advance to creditors		136,215,940	272,596,564
	Advance against salaries		18,200,562	12,418,886
	Payment to L'esquire for Valuka project		1,754,336,816	385,037,935
	Advance Income Tax	10.1.1	210,909,989	106,426,815
			2,119,663,307	**776,480,199**
	A schedule of advance given to creditors is given in **Annexure-G**.			
	Less: Payment to L'Esquire Ltd		1,754,336,816	385,037,935
			365,326,491	**391,442,265**
10.1.1	**Advance Income Tax**			
	Opening balance		106,426,815	83,175,302
	Add: Addition during the year	10.1.1.1	104,483,174	60,060,668
			210,909,989	**143,235,970**
	Less: Adjustment for assessment year-2018-19		-	-
	Less: Adjustment for assessment year-2019-20		-	-
	Less: Adjustment for assessment year-2020-21		-	36,809,155
			210,909,989	**106,426,815**
10.1.1.1	**Advance Income Tax addition**			
	Advance Income Tax on Car		2,940,000	2,919,000
	Advance Income Tax on FDR Interest		597,279	388,683
	Tax on unit fund-ICL		600,000	1,695,000
	TDS on Cash Incentive		15,346,200	4,035,380
	TDS on Import Stage		1,566,315	3,007,336
	TDS on Export Proceeds		83,433,380	48,015,269
			104,483,174	**60,060,668**
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	202,923,709	213,450,141
			218,507,080	**229,033,513**
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**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
10.2.2	**FBPAR & margin account**			
	FBPAR A/C with DBBL -in Dollar (783)		-	10,773,990
	FBPAR A/C with DBBL -in Dollar (63)		-	3,524,284
	FBPAR A/C with DBBL -in EURO		-	139,974
	FBPAR A/C with EBL -in Dollar		202,923,709	183,332,220
	FBPAR A/C with EBL -in EURO		-	13,575,790
	Margin A/C with EBL -in Dollar		-	59,041
	Margin A/C with EBL -in EURO		-	2,044,843
			202,923,709	**213,450,141**
10.03	**Prepayments**			
	Insurance premium		748,331	12,320,052
			748,331	**12,320,052**
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		2,119,663,307	776,480,199
	Past due 91-180 days		83,433,380	48,015,269
	Past due 181 -365 days		(1,631,206,138)	(204,390,993)
	Past due more than 365 days		12,691,354	12,691,354
			584,581,903	**632,795,830**
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		(1,618,514,784)	(191,699,639)
	Advance, deposit and prepayments not exceeding 6 months		83,433,380	48,015,269
	Other advance, deposit and prepayments less provision		218,507,080	54,682,360
	Advance, deposit and prepayments considered good and secured		1,882,955,665	736,796,521
	Advance, deposit and prepayments due by Other Officers (against Salary)		18,200,562	12,418,886
11.00	**Investment**			
	Investment in FDR	11.01	136,704,117	102,180,441
			136,704,117	**102,180,441**

11.01 Investment in FDR

Bank Name	A/C No	Principle	Term (Months)	Maturity Date	Amount in Taka
Alarafa	0541310044115	33,000,000	12	11.10.23	33,711,556
IPDC	1001251000027860	5,000,000	12	03.02.24	5,217,000
IPDC	1001251000038986	7,500,000	12	17.04.24	7,500,000
IPDC	100125000038987	7,500,000	12	18.04.24	7,500,000
IFIL	0012970004858	20,000,000	12	02.09.23	22,775,560
Shimanto	1001344001080	60,000,000	12	25.05.24	60,000,000
					136,704,117

These FDRs have been liened with above bank and Financial Institutions for complied with the terms of sanctioned loan facilities.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
12.00	**Cash and cash equivalents**			
	Cash in hand	12.01	1,062,630	2,526,893
	Cash at bank	12.02	433,350,772	509,041,672
			434,413,402	**511,568,565**
	Add: Cash and Cash Equivalents of L Esquire Ltd		**57,402,991**	**52,159,929**
			491,816,393	**563,728,494**

12.01 Cash in hand

Head Office	800,000	800,000
Factory	262,630	1,726,893
	1,062,630	**2,526,893**

12.02 Cash at bank

Bank Name	Branch	A/C Type	A/C No.		
Dutch Bangla Bank Ltd.	Local office	FCAD($)	101.117.163	18,241,584	8,501,685
Dutch Bangla Bank Ltd.	Local office	FCAD(€)	101.119.20	-	530,147
Dutch Bangla Bank Ltd.	Local office	FCAD($)	101.110.0006900	30,555	26,234
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.110.36941	9,086,998	12,825
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5645	219,041	267,856
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5692	35,236	29,750
Eastern Bank Ltd.	Principal	FCAD($)	101.305.3310	-	63,990
Eastern Bank Ltd.	Principal	EOQ($)	101.310.060.5881	4,809,250	31,989,757
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	107.120.484	108,152	108,484
BRAC Bank Ltd.	Motijheel	CD	1505203551787001	-	5
BRAC Bank Ltd.	Motijheel	FCAD($)	1505203551787002	-	-
Jamuna Bank Ltd.	Mohakhali	CD	102.100.15098	10,656	2,043
NCC Bank CD A/C	Baridhara	CD	107.021.000.1597	21,578	21,837
One Bank Ltd.	Agrabad, Ctg.	CD	003.105.0001366	170,580	20,386
Al -Arafa Islami Bank ltd	VIP Road	CD	0141020047786	6,239	3,485
Al -Arafa Islami Bank ltd	Gulshan	CD	541.020.010.677	3,730,249	12,981,794
Al -Arafa Islami Bank ltd	Gulshan	FCAD($)	0549580000352	3,721,511	23,152
Al -Arafa Islami Bank ltd	Gulshan	FCAD($)	0549880000366	905,029	19,579
Al -Arafa Islami Bank ltd	Gulshan	FCAD($)	0549850000453	347,696,996	58,028,198
Bank Asia	Tower	CD	62733000256	3,471,462	6,079,129
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	107.110.0031497	1,183	1,880,972
Shahajalal Islamic Bank	Eskaton	CD	40331100000679	-	-
South Bangla Ariculture	Gulshan	CD	001.011.1005482	29,547	16,446
United Commercial Bank	Mohakhali	CD	781.101.000002124	18,452,647	50,631,409
United Commercial Bank	Mohakhali	SND	0781301000000653	485,374	-
United Commercial Bank	Mohakhali	SND	0781301000000584	5,360	-
United Commercial Bank	Mohakhali	FCAD($)	0781184000000267	18,434,909	321,459,164

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AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Bank Name	Branch	A/C Type	A/C No.		
UCBL -FACD in USD A/C	Mohakhali	FCAD ($)	0781181000000193	23,437	14,611,250
HSBC	Management	CD	001-011576-011	69,427	91,657
Dutch Bangla Bank Ltd.	Local office	CD	101.120.0007676	809,605	840,314
One Bank Ltd.	Agrabad, Ctg.	CD	0031020009947	12,538	14,838
Dutch Bangla Bank Ltd.	Local office	CD	1011200007863	688,610	754,622
Shimanto Bank Ltd.	Corporate	CD	1005241000165	55,858	-
City Bank	Gulshan	CD	1103309469001	2,016,962	28,048
One Bank Ltd.	Mirpur		110039901005	201	2,616
				433,350,772	**509,041,672**

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

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**

Details of the shareholdings are as under:

Name of Shareholders	% held	No. of shares		30.06.2023 Taka	30.06.2022 Taka
		30.06.2023	30.06.2022		
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%	34895833	34,895,833.00	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.

13.01 Non-controlling Interest

Share Capital (42000 Ordinary shares @ Tk.10 each)	420,000	420,000
Retained Earnings		
Opening balance	(147,759)	(59,575)
Add: Net profit after tax for the year	(334,756)	(88,184)
	(482,515)	(147,759)
	(62,515)	**272,241**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
14.00	**Share premium**			
	Share premium		1,086,653,150	1,086,653,150
	Less: IPO Expense		-	-
			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		2,621,584,399	2,481,375,217
	Add: Net profit after tax for the year		84,629,508	318,755,674
	Less: Cash dividend		71,539,863	178,546,493
			2,634,674,043	**2,621,584,399**
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	129,741,285	121,710,267
	Deferred tax Liabilities related to other comprehensive income		155,803,714	155,803,714
			285,544,999	**277,513,981**
	Add: Deferred Tax of L' Esquire Ltd		**284,900**	**862,890**
			285,829,900	**278,376,872**

17.01 Deferred tax liabilties

As at 30 June 2023	Carrying amount	Tax base	Taxable temporary difference
	Taka	Taka	Taka
Deferred tax liabilities related to Profit and Loss A/C			
Property, plant and equipment excluding land	2,461,536,550	1,380,359,171	1,081,177,378
Applicable tax rate			12.00%
Deferred tax liability			**129,741,285**
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 TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

As at 30 June 2022	Carrying amount	Tax base	Taxable temporary difference
	Taka	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	1,014,252,229
Applicable tax rate			12%
Deferred tax liability			**121,710,267**

	Carrying amount	Tax base	Taxable temporary difference
	Taka	Taka	Taka
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**

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
17.02	**Deferred Tax Expenses**			
	Deferred Liabilities at the end of the period		129,741,285	121,710,267
	Deferred Liabilities at the beginning of the period		121,710,267	117,058,209
	Deferred Tax expenses		**8,031,018**	**4,652,058**
	Add: Deferred Tax of L'Esquire Ltd		(577,990)	862,890
			7,453,028	**5,514,949**
18.00	**Long term loan net of current maturity**			
	International Finance Corporation	18.01	879,567,259	1,177,976,188
	Jamuna Bank Limited	18.02	22,869,262	24,661,058
	Dutch Bangla Bank Limited-Term Loan	18.03	-	-
	Al arafa Islamic Bank Ltd	18.04	1,552,794,353	1,489,314,847
	IDLC Finance Limited		-	27,362,006
			2,455,230,874	**2,719,314,099**
	Less: Current portion of long term loan		464,594,631	291,839,388
	International Finance Corporation		151,786,087	-
	Al arafa Islamic Bank Ltd		287,927,002	256,271,616
	Jamuna Bank Limited		13,045,392	15,495,492
	IDLC Finance Limited		11,836,150	20,072,280
			1,990,636,243	**2,427,474,711**
	Add: Long Term Loan of L'Esquire Ltd		-	-
			1,990,636,243	**2,427,474,711**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
18.01	International Finance Corporation	879,567,259	1,177,976,188

Particulars of the term loans are given below.

(Amount in USD)

Bank Name	Loan Account	Particulars	Outstanding as on 30.06.2023
International Finance Corportion	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	22,869,262	24,661,058

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.

18.03	Dutch Bangla Bank Ltd	-	-

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
18.04	Al arafa Islamic Bank Ltd	1,552,794,353	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: 9.00% 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 -1)	Limit: 106,900,000, Tenor: Sight/Deferred/360 days UPAS Pricing: 0.20% 1st Qtr.
	Term Loan - HPSM (Industrial) Facility	Limit: 1,460,000,000, Tenor: 8 Years Pricing: 9.00% p.a.
	Term Loan - HPSM (Transport) Facility	Limit: 9,600,000 Tenor: 2.5 Years Pricing: 9.00% p.a.
	Term Loan - HPSM (RE) Facility	Limit: 2,72,400,000 Tenor: 6 Years Pricing: 9.00% 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: 9.00% p.a.
	FBP/FBC/Quard against cash assistance	As per Export Policy

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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 within 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.

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
19.00	**Finance lease obligation net of current maturity**		
	Loan against Vehicle		
	One Bank Limited		
	IDLC Finance Limited	2,561,293	4,215,177
	IPDC Finance Limited	1,720,844	1,720,844
		4,282,137	**5,936,022**
	Less: Current portion of finance lease obligation-IDLC	2,561,293	3,328,665
	Less: Current portion of finance lease obligation-IPDC	1,720,844	1,720,844
		4,282,137	**5,049,509**
		-	886,513
	Net Changes of L' Esquire Lease	4,459,992	1,390,364
		4,459,992	**2,276,877**
19.01	Lease Liabilities (Current Portion)	4,282,137	5,049,509
	Add: Lease Liability of L'Esquire Ltd	5,016,452	4,586,232
		9,298,589	**9,635,741**

IDLC Finance Limited

Esquire Knit Composite PLC entered into lease agreement with IDLC Finance Limited from the year 2016 to 2022 for vehicles. Esquire Knit Composite PLC 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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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 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	26,438,707	2,561,293
IPDC	Vehicle	11,450,000	5 Years	249,462	9,729,156	1,720,844
		40,450,000		**814,772**	**36,167,863**	**4,282,137**

Sl. No.	Particulars		Amount in Taka 30-Jun-2023	Amount in Taka 30-Jun-2022
20.00	**Short term loan**			
	Dutch Bangla Bank Limited	20.01	-	217,891,244
	Al arafa Islamic Bank Ltd	20.02	657,384,511	605,882,000
	Eastern Bank Limited	20.03	317,260,044	81,421,780
	United commercial Bank Limited	20.04	505,389,263	228,656,365
	Bank Asia limited		200,800,000	250,000,000
	The City Bank limited		18,206,720	13,980,103
	Lankan Alliance		301,620,204	300,025,000
	South Bangla		264,501,387	250,000,000
	Shimanto Bank		252,734,962	
	IFIL		91,200,541	124,497,541
	IDCOL		632,722,601	-
	IPDC Finance Limited		99,999,699	101,508,345
			3,341,819,932	**2,173,862,378**
	Add: Short term Loan of L Esquire Ltd		134,864,245	134,029,833
			3,476,684,177	**2,307,892,211**
20.01	**Short Term Loan Dutch Bangla Bank Limited**			
	Estimulas fund		-	217,891,244
			-	**217,891,244**
20.02	**Al arafa Islamic Bank Ltd**			
	HPSM (Transport) Short Term		6,172,810	9,600,000
	LTR- MPI (Trust Receipt)		-	78,360,000
	Overdraft	20.02.1	651,211,701	517,922,000
			657,384,511	**605,882,000**

20.02.1 Overdraft

Name of the Bank	Branch	Account #	Amount in Taka	Amount in Taka
OD- Bai-Muazzal (Gen) MEF			651,211,701	517,922,000
			651,211,701	**517,922,000**

Particulars such as the terms & conditions of the above short term loans are same as stated under Note # 18.4

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
20.03	**Eastern Bank Limited**		
	Overdraft	30,632,439	30,634,280
	Time loan normal	88,833,857	50,787,500
	Export cash credit	111,920,328	-
	Loan against EDF	85,873,421	-
		317,260,044	**81,421,780**

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: 9.00% 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.

Bank Name	Facilities	Particulars
Eastern Bank Limited	Pre Shipment Credit	Limit: (125,000,000) Tenor: 180 days Pricing: As per BB Circular
	Manufacturer's Demand Loan	Limit: 85,000,000 Tenor: 120 days Pricing: 9.00% p.a.
	Overdraft (OD)	Limit: 30,000,000 Tenor: 360 days Pricing: 9.00% p.a.
	Time Loan [Within Line # 7]	Limit: (50,000,000) Tenor: 180 days Pricing: 9.00% 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: 9.00% 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 PLC. 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 PLC. Registered Mortgage as well as subsequent EBL charge to be created with RJSC for BDT 50.00 Million.

20.04 United Commercial Bank Ltd.

	Branch	A/C #	Amount in Taka	Amount in Taka
Overdraft		0781749000000347	61,215,516	26,263,190
Time loan normal			298,035,105	192,072,437
Export cash credit			35,084,380	-
EDF			111,054,263	10,320,738
			505,389,263	**228,656,365**

Particulars of the above banking facilities are given below:

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Bank Name	Facilities	Particulars
United Commercial Bank Ltd.	Back to Back LC (Usance/sight under EDF Including acceptance liability)	Limit: 1,600,000,000 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: 360 days Pricing: 9.00% PQ.
	LBPD	Limit: 100,000,000 Tenor: 120 days Pricing: 9.00% PQ.
	Letter of Guarantee	Limit: 50,000,000 Tenor: As per requirement 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 96.00 decimal Land with 04 storied building (57,400 sft) at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite PLC. Pari-passu security sharing with other lenders: AIBL, & EBL) over floating assets of the company. Personal Gurantee of all director of Esquire Knit Composite Ltd. & Esquire Dyeing Industries Limited except independent directors of Esquire Knit Composite Ltd. Corporate gurantee 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 TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
21.00	**Unclaimed Dividend**		**1,983,588**	**3,475,908**

SL #	Account Number	Bank	Branch	AGM No	AGM date	Taka
1	101-120-000-7676	DBBL	Local Office	20th	11.02.21	809,605
2	101-120-000-7863	DBBL	Local Office	21th	26.01.22	688,610
3	078-130-100-000-0653	UCBL	Mohakhali	22th	25.1.22	485,374
						1,983,588

22.00	**Accounts payable**			
	Import liability and other creditors		974,131,816	1,185,400,837
	A schedule of import liability and other creditors is given in **Annexure-H.**			
	Add: Accounts Payable of L Esquire Ltd		192,048,694	7,173,179
			1,166,180,510	**1,192,574,016**
23.00	**Liabilities for expenses**			
	Directors' remunerations		47,444,565	64,282,255
	Salary and wages		43,440,852	39,735,070
	Gas Bills		18,725,148	9,473,051
	Electricity		2,644,331	5,111,674
	Telephone bill		35,000	11,670
	Mobile Bill			
	WPPF payable	23.01	-	-
	Wasa bill		30,000	30,000
	Provision for Income Tax	23.02	252,826,908	146,434,804
	Provision for Head office Floors		1,837,169	1,837,169
	Financial Interest		17,681,763	47,621,772
	TDS on Dividend and Expenses		48,693,150	33,995,039
	Audit fees		862,500	862,500
	Head office rent		3,044,000	3,044,000
			437,265,387	**352,439,004**
	Add: Liabilities for Expenses		36,624,217	25,386,993
			473,889,604	**377,825,997**
23.01	**WPPF payable**			
	Opening Balance		-	-
	Add: Addition during the year		2,519,596	2,870,688
			2,519,596	**2,870,688**
	Less: Payment during the year		2,519,596	2,870,688
			-	**-**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
23.02	**Provision for Income Tax**			
	Opening balance		146,434,804	116,783,783
	Add: Provision made for the year		106,480,509	66,460,176
			252,915,312	**183,243,959**
	Less: Adjustment for assessment year-2018-19		-	
	Less: Adjustment for assessment year-2019-20		-	
	Less: Adjustment for assessment year-2020-21 of L Esquire Ltd		88,404	36,809,155
			252,826,908	**146,434,804**
	Income Tax provision			
	Export		98,943,319	60,085,682
	Non operating income		4,544,174	5,993,341
			103,487,494	66,079,024
	Add: Current tax of L Esquire Ltd		**3,156,754**	**381,152**
			106,644,248	**66,460,176**
24.00	**Sales**			
	Export sales		**7,514,765,316**	**10,014,280,416**
	Add: Export of L Esquire Ltd		**463,985,076**	**136,340,936**
			7,978,750,392	**10,150,621,352**
	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:		26,736,822	46,104,444
	ii. Foreign currency earned against export on FOB Basis:			
	In USD		75,919,079	115,261,110
	In BDT		**7,514,765,316**	**10,014,280,416**
	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 2023.			
25.00	**Cost of Goods Sold**			
	Cost of materials consumed	25.01	3,460,953,319	5,301,133,492
	Cost of direct labor	25.02	2,310,769,657	2,539,092,908
	Prime cost		**5,771,722,976**	**7,840,226,400**
	Factory overheads	25.03	855,370,915	737,453,357
	Cost of Goods put into Process		**6,627,093,891**	**8,577,679,756**
	Opening Work -in- process		857,289,381	791,466,248
	Closing Work- in- process	25.04	(868,014,023)	(857,289,381)
	Cost of Goods Manufactured		**6,616,369,249**	**8,511,856,623**
	Opening Finished Goods		230,016,353	275,594,128
	Cost of Goods Available for Sale		**6,846,385,601**	**8,787,450,752**
	Closing Finished Goods	25.05	(237,535,624)	(237,971,022)
			6,608,849,977	**8,549,479,730**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
25.01	**Raw Materials Consumption**			
	Yarn	25.1.1	1,863,224,750	4,021,035,722
	Dyes	25.1.2	283,356,954	165,142,421
	Chemical	25.1.3	310,295,114	307,637,091
	Finishing Materials	25.1.4	752,802,889	735,057,562
			3,209,679,707	**5,228,872,796**
	Add: Raw Materials Consumption of L Esquire Ltd		251,273,613	72,260,696
			3,460,953,319	**5,301,133,492**

25.1.1 Yarn Consumption

	Quantity in kg			
	2022-23	**2021-22**		
Opening	2,340,588	2,649,002	659,657,698	837,871,652
Add: Purchase during the year	5,878,439	9,432,790	2,057,453,755	3,842,821,769
	8,219,027	**12,081,792**	2,717,111,453	4,680,693,420
Less: Closing stock	2,423,761	2,340,588	853,886,704	659,657,698
	5,795,266	**9,741,204**	**1,863,224,750**	**4,021,035,722**

25.1.2 Dyes Consumption

	Quantity in kg			
	2022-23	**2021-22**		
Opening	215,529	210,191	226,045,504	242,337,642
Add: Purchase during the year	236,360	210,191	281,473,070	148,850,283
	451,889	**420,382**	507,518,574	391,187,925
Less: Closing stock	227,552	215,529	224,161,620	226,045,504
	224,337	**204,853**	**283,356,954**	**165,142,421**

25.1.3 Chemical Consumption

	Quantity in kg			
	2022-23	**2021-22**		
Opening	1,316,954	1,418,353	132,240,273	130,155,983
Add: Purchase during the year	1,733,026	1,957,537	328,808,238	309,721,381
	3,049,980	**3,375,890**	461,048,511	439,877,364
Less: Closing stock	1,062,218	1,316,954	150,753,397	132,240,273
	1,987,762	**2,058,936**	**310,295,114**	**307,637,091**

25.1.4 Finishing materials Consumption

Opening	1,185,015,121	740,178,282
Add: Purchase during the year	434,853,633	1,179,894,401
	1,619,868,755	1,920,072,683
Less: Closing stock	867,065,866	1,185,015,121
	752,802,889	**735,057,562**

Disclosure as per requirement of Schedule XI, Part II, Para 8

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Raw Materials, Spare Parts, Packing Materials and Capital Machinery

Items	Purchase	
	Import	Local (BBLC)
Yarn	925,854,190	1,131,599,565
Dyes & Chemical	122,056,262	488,225,046
Packing Materials	41,619,563	160,336,712
Accessories	16,644,868	316,252,491
Store & Spare-Parts	54,425,852	8,127,676
	1,160,600,734	**2,104,541,491**

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
25.02	**Cost of direct labor**		
	Workers wages	1,506,203,230	1,764,527,051
	Workers overtime	219,033,054	267,226,857
	Daily labor	7,114,816	17,138,313
	Salary	422,346,432	444,952,674
	Festival bonus and Provident Fund	3,277,279	7,033,603
		2,157,974,811	**2,500,878,498**
	Add: Direct labor of L Esquire Ltd	**152,794,846**	**38,214,410**
		2,310,769,657	**2,539,092,908**
25.03	**Factory overheads**		
	Gas and electricity	327,773,225	237,451,991
	Insurance premium	17,064,024	16,021,044
	Tiffin expenses for workers	15,084,011	16,037,521
	Spare Parts Consumption	173,631,028	202,627,919
	Vehicle running (Oil and fuel)	19,344,776	13,742,019
	Local conveyance	7,521,612	5,250,435
	Telephone & Mobile bills	3,358,233	2,961,367
	Depreciation	228,100,862	214,603,958
		791,877,772	**708,696,255**
	Add: Factory Overheads	**63,493,143**	**28,757,102**
		855,370,915	**737,453,357**

25.04 Work in Process

	Quantity in kg			
	2022-23	2021-22		
Knitting (kg)	149,485	89,549	23,783,129	30,999,932
Finished Fabric (kg)	1,148,760	1,101,933	399,924,675	424,631,528
Cutting (Pcs)	1,053,281	3,395,163	388,006,887	284,967,596
Embroidery (Pcs)	101,044	4,336	2,592,419	4,697,724
Printing (Pcs)	580,641	7,546	16,177,204	12,919,964
Sewing (Pcs)	529,259	1,096,381	37,529,707	99,072,636
			868,014,023	**857,289,381**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022

25.05 Finished Goods (pcs.)

	Quantity in kg			
	2022-23	2021-22		
Opening	1,267,708	1,021,663	230,016,353	274,046,371
Add: Production during the year	26,223,683	39,025,299	6,616,369,249	7,799,293,224
	27,491,391	40,046,962	6,846,385,601	8,073,339,595
Less: Delivered during the year	26,736,822	38,779,254	6,608,849,977	7,843,323,242
Closing stock	**754,569**	**1,267,708**	**237,535,624**	**230,016,353**

A detail of cost of materials consumed is given in **Annexure-C.**

Add: Finished Goods of L Esquire Ltd		**25,433,940**	**7,954,669**
		262,969,564	**237,971,022**

26.00 Operating expenses

Office & administrative expenses	26.01	330,182,667	310,949,828
Selling & distribution expenses	26.02	448,794,351	580,461,382
		778,977,018	**891,411,210**
Add: Admin and selling expenses of L Esquire Ltd		32,180,616	3,904,829
		811,157,634	**895,316,038**

26.01 Office & administrative expenses

Director remuneration	18,000,000	30,000,000
Salary & allowances	209,252,661	184,771,013
Contribution to employees provident fund	1,840,159	3,355,687
Vehicle maintenance	1,161,501	917,872
Vehicle running expenses	6,581,836	8,527,727
Entertainment	3,917,325	2,371,467
Insurance premium	868,770	868,770
Printing expenses	415,219	471,775
Stationery expenses	3,359,495	1,426,457
Telephone, mobile & internet	2,755,229	2,563,823
Floor rent	3,044,000	3,044,000
Travelling & conveyance	851,210	1,969,877
Bank charges	15,850,666	14,932,756
License, renewal & registration	7,064,089	5,826,498
Utility expenses	2,735,051	2,431,174
Audit fees	862,500	931,500
Scrutinizer fees	30,000	30,000
Exchange loss/(gain)	7,625,112	5,969,129
Depreciation	42,783,807	40,054,443
Miscellaneous expenses(AGM expenses)	1,184,036	485,860
	330,182,667	**310,949,828**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
26.02	**Selling & distribution expenses**		
	Inspection & certificate issue expenses	29,031,904	3,785,002
	Export permission	12,524,704	21,769,983
	Foreign Travel for marketing	18,302,440	5,713,560
	Sample and courier expenses	118,013,875	186,082,451
	Bank charges on export proceeds	201,441,046	242,016,711
	Freight charges on export	35,299,605	58,764,551
	C&F expenses on export	20,584,013	23,589,769
	Carriage outward on export(Transportation)	13,596,763	38,739,355
		448,794,351	**580,461,382**
27.00	**Financial expenses**		
	Interest on Short term loan	174,514,010	170,140,200
	Interest on Long term loan	188,747,225	162,345,438
	Interest on Finance lease	291,435	519,764
		363,552,671	**333,005,402**
	Add: Financial expenses of L Esquire Ltd	**13,175,350**	**-**
		376,728,021	**333,005,402**
28.00	**Non operating income**	**18,176,697**	**16,592,069**
	FDR Interest	7,795,401	5,854,336
	Dividend on unit fund-ICL	3,000,000	8,500,000
	Bank Interest		2,237,733
	Rental income	7,381,296	-
	Add: Other Income of L Esquire Ltd	720,167	196,124.00
		18,896,864	**16,788,193**
29.00	**Net Asset Value (NAV) Per Share**		
	Total assets	16,683,069,377	15,688,128,975
	Total Liabilities	(7,873,557,233)	(6,891,371,720)
	Net Asset Value (NAV)(A)	8,809,512,143	8,796,757,255
	Revaluation reserve	(3,739,289,135)	(3,739,289,135)
	Net Asset Value (NAV) without revaluation reserve (B)	5,070,223,009	5,057,468,120
	Weighted Average Number of shares (C)	134,895,833	134,895,833
	Net Asset Value (NAV) per share with revaluation reserve (A÷C)	**65.31**	**65.21**
	Net Asset Value (NAV) per share without revaluation reserve (B÷C)	**37.59**	**37.48**
29.01	**Earnings Per Share (EPS)**		
	Earning attributable to ordinary shareholders (Taka)	84,294,752	318,667,489
	Weighted Average Number of shares	134,895,833	134,895,833
	Earnings Per Share (Taka)	**0.62**	**2.36**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

30.00 Net Operating Cash Flow Per Share (NOCFPS)

Net operating cash flows	(192,129,222)	419,123,277
Weighted Average Number of shares	134,895,833	134,895,833
Net operating cash flows per shares	**(1.42)**	**3.11**

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	84,294,752	318,667,490
Adjustment for non-cash items:		
Depreciation	302,041,638	254,658,401
Deferred Tax Adjustment	7,453,028	5,514,949
Changes in Working Capital:		
(Increase)/decrease in Inventory	120,871,771	(353,474,825)
Decrease in Accounts receivable	493,967,995	(68,297,431)
(Increase)/decrease in Advance deposit and Payments	(1,079,793,613)	11,761,079
Increase in Accounts payable	(26,393,506)	165,223,963
Decrease in Accrued Expenses	(94,571,287)	85,069,652
Net cash flow from operating activities	**(192,129,222)**	**419,123,278**

32.00 Related party disclosures

i) Related party transactions (Amount in Taka)

Name	Nature of relationship	Nature of Transaction	Opening Balance	Purchase/ receipts	Payment	Outstanding as on 30.06.2022 (Receivable)/ Payable
Esquire Accessories Limited	Common Management	Purchase	74,481,939	133,402,422	140,048,517	67,835,844
Esquire Electronics Limited	Common Management	Purchase		3,012,287	3,012,287	-
Esquire Dyeing Industries Limited	Common Management	Dyeing	98,385,850	471,566,150	472,616,388	97,335,612
Esquire Testing Services (BD) Limited	Common Management	Fabric testing fees		50,075,978	50,075,978	-
L'Esquire Ltd			(385,037,935)	656,711,943	2,026,010,824	(1,754,336,816)
Esquire Plasitc Ltd	Common Management	Purchase	-			-
						(1,589,165,361)

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

ii) Particulars of Directors of Esquire Knit Composite PLC as at 30 June 2023

Name of Directors	BOD of Esquire Knit Composite PLC	Entities where they have interests
Md. Ehsanul Habib	Managing Director	Esquire Knit Composite PLC
		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 PLC
		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

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Name of Directors	BOD of Esquire Knit Composite PLC	Entities where they have interests
Md. Mofazzal Hossain	Chairman	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
		Thakral One Private Ltd
		Esquire Travels Ltd.
Mrs. Peara Begum	Director	Esquire Knit Composite PLC
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Accessories Limited
Arifur Rahman	Director	Esquire Knit Composite PLC
		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
Arifur Rahman	Director	Esquire Sourcing Limited
		Sharp Media Limited
		Trust Solution Private Limited
		Esquire Travels Ltd.
Md. Muddasar Hossain	Director	Esquire Knit Composite PLC
		Esquire Dyeing Industries Limited
		L'Esquire Ltd
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Name of Directors	BOD of Esquire Knit Composite PLC	Entities where they have interests
Md. Muddasar Hossain	Director	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 2023 are as under:

Particulars	Total Cost value estimated	Paid till 30.06.23	to be paid
Valuka Project	2,800,000,000	2,550,960,233	249,039,767

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

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)	1,046	1,216
Number of full-time employee (Workers)	5,594	6,993
Head Office:		
Number of full-time employee (Officers & Staff)	180	219
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

Directors are also executives of the company. Their executive compensation for the year ended on 30 June 2023 is given below:

Managing Director's remuneration and benefit	35.01	6,000,000	6,000,000
Other Directors' salary and benefit	35.02	12,000,000	24,000,000
Other key management personnels' salary and benefit	35.03	37,995,319	25,995,319
		55,995,319	**55,995,319**

35.01 Managing Director's remuneration and benefit

Salary	6,000,000	6,000,000

35.02 Other Directors' salary and benefit

Salary	12,000,000	24,000,000

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
35.03	**Other key management personnels' salary and benefit**		
	Salary	31,951,685	19,951,685
	Allowance	590,274	590,274
	Bonus	3,530,615	3,530,615
	Providend fund	1,922,745	1,922,745
		37,995,319	**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 7of the Companies Act 1994

Particulars		
Textiles:		
Installed Capacity (Kg)	12,775,000	8,030,000
Actual Production (Kg)	7,919,463	6,089,992
Utilization	61.99%	75.84%
Apparels:		
Installed Capacity (Pcs)	49,920,000	49,920,000
Actual Production (Pcs)	26,223,683	34,691,032
Utilization	52.53%	69.49%

37.00 Transaction in foreign currency

C & F value of import		
Finishing Materials	7,035,541	7,865,785
Yarn	19,228,540	41,121,688
Dyes & Chemicals	5,703,564	4,907,134
Capital Machinery	2,574,850	3,693,987
	34,542,494	**57,588,594**
FOB Value of Export (USD)	**75,919,079**	**115,261,110**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Sl. No.	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022

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	782,750,195	1,311,122,533
Advance, deposit and prepayments	10.00	607,308,912	640,809,299
Cash & Bank Balances	12.00	491,816,393	563,728,494
		1,881,875,500	**2,515,660,325**

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic regions was:

Domestic	1,495,625,788	995,556,384
Foreign	386,249,711	1,520,103,941
	1,881,875,500	**2,515,660,325**

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.

The following are the contractual maturities of financial liabilities of the company:

As on 30 June 2023

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	2,455,230,874	-	2,455,230,874
Finance Lease obligation	13,758,581	-	13,758,581
Short term loan	3,476,684,177	2,086,010,506	1,390,673,671
Provision for income tax	252,826,908	252,826,908	-
Liabilities for expenses	184,438,478	184,438,478	-
Accounts payable	1,166,180,510	1,166,180,510	-
	7,549,119,528	**3,689,456,403**	**3,859,663,125**

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	**2,849,339,353**	**3,594,795,072**

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 EKCPLC single buyer concentration is not a major issue and they have longstanding relationship with overseas buyers. All of them regard EKCPLC as their global partners and the relationship can only be disrupted if EKCPLC fails to perform its commitments. Also, because of its dominant position in the export market it is always sought after by many buyers.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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:

	30.06.2023 USD	30.06.2022 USD
Foreign currency denominated assets		
Accounts Receivable	5812530.712	13,885,051
FBPAR A/C with DBBL-in USD(78)3	-	13,885,051
FBPAR A/C with Dutch Bangla Bank Limited (USD)	-	37,713
FBPAR A/C with Dutch Bangla Bank Limited (Euro)	-	1,631
Margin A/C with Eastern Bank Limited (USD)	-	632
Margin A/C with Eastern Bank Limited (Euro)	-	23,828
Dutch Bangla Bank Limited FCAD (USD account)	167,600	90,976
Dutch Bangla Bank Limited FCAD (Euro account)	-	6,178
DBBL FCAD-in Dollar	281	281
Eastern Bank Limited (USD account)	-	685
	5,980,411	**27,932,023**
Foreign currency denominated liabilities		
DBBL-EDF	-	-
EBL-EDF	(788,988)	-
IFC Loan	(10,428,140)	(10,856,035)
Accounts Payable	(8,645,845)	(16,088,953)
	(19,862,973)	**(26,944,988)**
Net exposure	**(13,882,561)**	**987,035**

The following rate has been applied:

	30.06.2023 Taka	30.06.2022 Taka
Taka/USD	108.84	93.45
Taka/EURO	118.67	97.55

38.05 Business Risk

Managing Compliance – Currently RMG buyers specially the large buyers are very demanding and constantly tightening the compliance criteria. EKCPLC 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. EKCPLC 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, EKCPLC 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

EKCPLC 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 EKCPLC. It is the company risk of gain or losses on assets and liabilities due to changes in interest rates.

Sl. No.	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
	Exposure of Interest Rate Risk		
	Fixed Rate Bearing		
	Term Loan	2,468,989,454	2,725,250,121
	Short Term Loan	3,476,684,177	2,173,862,378

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. EKCPLC 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, EKCPLC 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 2023.

Chairman **Managing Director** **Director** **Company Secretary** **Chief Financial Officer**

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

AS AT 30 JUNE 2023

(ANNEXURE-A)

Name of the assets	Cost			Rate (%)	Depreciation			Written Down Value as on 30.06.2023
	Balance as on 01.07.2022	Addition During the period	Balance as on 30.06.2023		Balance as on 01.07.2022	Charges for the period	Balance as on 30.06.2023	
a. Freehold assets								
Land & Land development	123,453,152		123,453,152	-	-	-	-	123,453,152
Building	1,222,820,029		1,222,820,029	5%	599,389,632	61,141,001	660,530,634	562,289,395
Plant & Machinery	3,523,323,965	275,508,981	3,798,832,946	7%	1,841,339,531	166,959,861	2,008,299,392	1,790,533,554
Furniture and Office Equipment	263,978,144	43,457,575	307,435,719	10%	201,672,773	27,112,185	228,784,959	78,650,760
Motor Vehicle	28,894,445		28,894,445	13%	28,894,445		28,894,445	-
Software & IT	32,440,757		32,440,757	10%	13,976,100	3,244,076	17,220,175	15,220,582
Sub-Total	**5,194,910,491**	**318,966,556**	**5,513,877,047**		**2,685,272,481**	**258,457,123**	**2,943,729,605**	**2,570,147,443**
b. Revalued assets								
Land & Land Development	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**
c. Leasehold assets								
Motor Vehicle	99,420,368		99,420,368	13%	72,150,564	12,427,546	84,578,110	14,842,258
Sub-Total	**99,420,368**	**-**	**99,420,368**		**72,150,564**	**12,427,546**	**84,578,110**	**14,842,258**
Grand total as on 30 June 2023	**9,189,423,708**	**318,966,556**	**9,508,390,265**		**2,757,423,045**	**270,884,669**	**3,028,307,715**	**6,480,082,550**
Grand total as on 30 June 2022	**6,936,935,539**		**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	83,297,266
Land development cost	40,155,886
	123,453,152

Allocation of depreciation:

Factory overhead	228,100,862
Office & Administrative Expenses	42,783,807
	270,884,669

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 2023

(ANNEXURE-B)

1. Expansion project -Valuka

Particulars	Total Cost	Cost incurred
Valuka Building construction	2,900,000,000	2,550,960,233
Total	**2,900,000,000**	**2,550,960,233**

STORE LEDGER SUMMARY

AS AT 30 JUNE 2023

(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	659,657,698	5,878,439	2,057,453,755	5,795,266	1,863,224,750	2,423,761	853,886,704
2	Dyes	229,866	226,045,504	236,360	281,473,070	238,674	283,356,954	227,552	224,161,620
3	Chemical	1,267,368	132,240,273	1,733,026	328,808,238	1,938,176	310,295,114	1,062,218	150,753,397
Finishing Materials									
4	Packing materials	-	293,218,130	-	101,956,275	-	138,781,850	-	256,392,555
5	Accessories	-	775,827,818	-	315,262,036	-	591,801,029	-	499,288,825
6	Sewing Thread	-	107,243,479	-		-		-	107,243,479
7	Printing & Embroidery materials	-	8,725,694	-	17,635,322	-	22,220,010	-	4,141,006
WIP and Finished Goods									
8	Work in Process	-	857,289,381	-	-	-	-	-	868,014,023
9	Finished goods-pcs	1,728,752	230,016,352	-	-	-	-	1,215,613	220,056,353
10	Materials in transit	-	160,307,088		-	-	-	-	136,261,024
Sub-Total			**3,450,571,417**	**7,847,825**	**3,102,588,697**	**7,972,116**	**3,209,679,707**	**4,929,144**	**3,320,198,986**
Factory overhead (Repair and Maintenance)									
1	Spare parts & consumable items	-	287,638,311	-	162,553,528	-	170,532,138	-	279,659,700
2								-	-
Sub-Total		**-**	**287,638,311**	**-**	**162,553,528**	**-**	**170,532,138**	**-**	**279,659,700**
Grand Total		**-**	**3,738,209,728**	**7,847,825**	**3,265,142,225**	**7,972,116**	**3,380,211,845**	**-**	**3,599,858,687**

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
1	Air Conditioner	BOTTLE	8	71,517	8	62,134
2	Air Conditioner	PCS	14	96,715	14	70,849
3	Air Conditioner	SET	6	714,270	7	523,237
4	Ball Bearing	PCS	3,044	1,925,286	2,435	2,163,242
5	Timing Belt	MTR	88	11,141	71	12,379
6	Timing Belt	PCS	1,038	773,866	831	859,852
7	Toothed Belt	PCS	562	859,603	450	955,114
8	V-Belt	PCS	3,565	881,338	2,852	979,264
9	Common (All)	KG	9	1,605	7	1,783
10	Common (All)	LBS	935	1,073,002	748	1,341,253
11	Common (All)	PCS	5,577	330,727	4,462	367,474
12	Common (All)	SET	24	12,919	19	14,354
13	Band Knife M/C	SET	22	5,411	18	6,012
14	Common M/C (Cutting)	PCS	6,436	671,199	5,149	745,777
15	FK Spreading Machine 590	PCS	26	2,773	21	3,081
16	FK Top Cut 9 M/C	PCS	212	490,820	169	545,356
17	Manual M/C	PCS	5,788	8,128,665	4,630	11,612,379
18	Spreader M/C (Brio 100)	PCS	477	841,397	381	1,201,996
19	VT-7000 M/C	BOX	1,728	571,045	1,382	634,495
20	VT-7000 M/C	PCS	1,759	1,200,052	1,407	1,500,065
21	VT-MX M/C	PCS	1,330	2,168,299	1,064	2,710,374
22	VT-MX M/C	PAIR	10	28,918	8	32,131
23	Automatic Tubular Emb M/C	PCS	1,478	330,052	1,183	471,503
24	Laser Cutter M/C	PCS	62	263,582	50	292,869
25	MG M/C	MTR	23	11,727	18	13,030
26	MG M/C	PCS	6,524	619,847	5,219	688,719
27	MG M/C	SET	12	2,648	10	2,942
28	Sunstar M/C	PCS	1,428	128,799	1,143	143,110
29	Tajima M/C	PCS	4,473	232,286	3,578	331,837
30	Auto Brass M/C	PCS	45	3,799	36	4,222
31	Biancalani Dryer Machine	PCS	14	358,221	11	447,776
32	Corino Slitting Machine	PCS	711	250,582	569	357,975
33	Dozzatex M/C	PCS	10	58,372	8	64,858
34	Egalizing Dryer M/C	PCS	12	528,823	10	755,462
35	Ferraro Compacting M/C	FEET	146	30,621	117	34,024
36	Ferraro Compacting M/C	PCS	233	911,524	186	1,302,177
37	Ferraro Compacting M/C	ROLL	24	307,020	19	383,775
38	Ferraro Compacting M/C	SET	10	576	8	640
39	Fongs M/C (F/D)	PCS	96	68,807	77	76,452
40	Fongs M/C (F/D)	SET	89	62,373	72	69,303

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
41	Lafer Compacting M/C	PCS	28	700,850	22	778,722
42	Lafer Sueding M/C	MTR	807	211,844	646	235,382
43	Mario Crosta(Brassing) M/C	MTR	136	57,887	109	64,319
44	Mario Crosta(Brassing) M/C	PCS	12	11,513	10	12,792
45	NPL M/C	PCS	46	691	37	768
46	NPL M/C	SET	19	691	15	768
47	Q Sun M/C	PCS	40	42,599	32	47,332
48	Robolab M/C	PCS	1,595	647,129	1,276	719,032
49	Santex M/C	FEET	122	2,095	98	2,328
50	Santex M/C	PCS	177	169,503	142	188,336
51	Sclavos M/C	PCS	2,186	1,245,649	1,748	1,557,062
52	Sclavos M/C	SET	131	28,818	105	32,020
53	Slitting M/C	FEET	174	69,559	139	77,288
54	Slitting M/C	MTR	222	10,537,756	178	21,075,513
55	Slitting M/C	PCS	398	3,572,227	319	4,465,284
56	Slitting M/C	SET	124	216,052	99	240,058
57	Smartex M/C	FEET	141	5,761	113	6,402
58	Smartex M/C	PCS	194	73,362	155	81,513
59	Soft Flow Dyeing M/C	PCS	126	141,901	101	202,715
60	Soft Flow Dyeing M/C	SET	124	20,165	99	22,405
61	Stenter M/C	COIL	119	17,092	95	18,991
62	Stenter M/C	FEET	191	13,305	153	14,784
63	Stenter M/C	MTR	1,112	237,129	889	263,476
64	Stenter M/C	PCS	2,930	787,016	2,344	1,124,309
65	Tube Tex M/C	FEET	355	85,460	284	94,956
66	Tube Tex M/C	PCS	344	5,814,464	275	8,306,377
67	Tube Tex M/C	SET	126	138,273	101	153,637
68	Ultra Soft M/C	PCS	143	43,961	114	54,952
69	Washing M/C	PCS	121	73,832	97	82,036
70	Bartack M/C	PCS	117	413	93	459
71	Bartack M/C	SET	117	3,681	93	4,090
72	Button Hole & Stitch M/C	PCS	2,538	355,323	2,030	507,605
73	Button Hole & Stitch M/C	SET	129	28,789	103	31,987
74	Common (Garments)	PCS	1,242	244,032	993	271,147
75	Common (Garments)	POT	119	3,457	95	3,841
76	Feet of the Arm M/C	PCS	114	1,023	91	1,137
77	Feet of the Arm M/C	SET	121	11,523	97	12,803
78	Finishing Section	PCS	948	335,170	758	372,411
79	Finishing Section	SET	124	111	99	123
80	Flat Lock M/C	PCS	4,574	742,813	3,659	825,348

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
81	Flat Lock M/C	SET	189	72,661	151	80,735
82	Flat Seamer M/C	PCS	160	11,139	128	12,376
83	Fusing M/C	PCS	114	37,548	91	41,720
84	Kancai M/C	PCS	129	6,507	103	7,230
85	Kancai M/C	SET	145	61,031	116	67,813
86	Needle (Garments)	PCS	148	305	118	339
87	Needle (Garments)	PKT	12,050	1,466,310	9,640	1,543,484
88	Over Lock M/C	PCS	5,383	1,034,279	4,307	1,118,140
89	Over Lock M/C	SET	153	64,154	122	51,323
90	Pattern Cutting M/C	PCS	117	8,891	93	7,113
91	Plain M/C	PCS	8,055	458,994	6,444	367,195
92	Plain M/C	SET	218	95,620	174	76,496
93	Rib Cutter M/C	PCS	5,111	906,078	4,089	724,862
94	Rib Cutter M/C	SET	459	233,881	367	187,105
95	Snap Button M/C	PCS	117	42,973	93	34,379
96	Snap Button M/C	SET	112	-	89	-
97	8 Needles Cord Knitting Machin	PCS	112	-	89	-
98	Fukuhara M/C	PCS	1,336	1,960,820	1,068	1,568,656
99	Jack	PCS	8,424	1,063,594	6,739	850,875
100	Mayer & Cie M/C	BOX	119	167	95	133
101	Mayer & Cie M/C	PCS	6,542	2,635,828	5,234	2,108,662
102	Mayer & Cie M/C	PKT	121	8,150	97	6,520
103	Mayer & Cie M/C	SET	177	33,712	141	26,969
104	Needle (Knitting)	PCS	335,107	1,561,407	268,085	1,249,126
105	Orizo M/C	FEET	-	-	-	-
106	Orizo M/C	PCS	60	2,732,403	48	2,185,923
107	Orizo M/C	SET	3,383	203,827	2,706	163,062
108	Pailung M/C	PCS	109	2,002,319	87	1,601,855
109	Re-winder M/C	PCS	2,335	516,131	1,868	412,905
110	Santoni Machine	PCS	321	133,014	257	106,411
111	Shima Shiki M/C	LTR	128	42,344	102	33,875
112	Shima Shiki M/C	PCS	411	1,811,985	328	1,449,588
113	Shima Shiki M/C	SET	2,098	64,165	1,678	51,332
114	Sinker	PCS	109	1,248,647	87	998,917
115	Stoll M/C	KG	44,388	124,032	35,510	99,225
116	Stoll M/C	LTR	109	196,269	87	157,015
117	Stoll M/C	SET	282	46,050	226	36,840
118	Photo Copier	PCS	99	136,317	79	109,054
119	Injection Moulding M/C SA-3	PCS	109	167,458	87	133,966
120	Label Cutting(Hy-2080) M/C	PCS	130	169,784	104	135,827

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
121	Label Printer(PT-6/2) M/C	PCS	139	354,416	111	283,532
122	Thermal Printer(SP4011-R) M/C	PCS	141	73,499	113	58,799
123	Alpha-8 26 Station 12Color M/C	PAIR	112	107,393	89	85,914
124	Alpha-8 26 Station 12Color M/C	PCS	96	833,423	77	666,738
125	Auto M/C	PCS	190	858,248	152	686,598
126	Caynne Quartz Flash "D" M/C	PCS	391	359,000	313	287,200
127	Caynne Quartz Flash "E" M/C	PCS	138	225,273	110	180,219
128	Challenger M/C	PCS	102	1,017,783	82	814,226
129	Chamelion M/C (Manual)	PCS	115	384,975	92	307,980
130	Diamond Back M/C	PCS	205	364,658	164	291,727
131	Exposer M/C (Manual)	PCS	131	305,500	105	244,400
132	Gas Dryer M/C	PCS	196	245,613	157	196,491
133	Hit Press M/C	PCS	115	345,635	92	276,508
134	Motif Setter Machine	SET	144	198,196	115	158,557
135	Performa-18 Colour Auto M/C	PCS	272	594,950	218	475,960
136	Takana Quartz Flash (CE03) M/C	PCS	612	370,459	490	296,367
137	Value Jet 1638 Printer (Sublim)	PCS	170	2,231,667	136	1,785,334
138	Rubber & Seal Items	COIL	187	12,421	150	9,937
139	Rubber & Seal Items	FEET	99	69,417	79	55,534
140	Rubber & Seal Items	LBS	1,207	37,517	966	30,014
141	Rubber & Seal Items	PCS	443	3,678,066	354	2,942,453
142	Rubber & Seal Items	SET	25,337	720,649	20,270	576,519
143	Tools	BOX	179	682,028	143	545,622
144	Tools	PAIR	239	559,172	191	447,337
145	Tools	PCS	359	2,725,319	287	2,180,255
146	Tools	PKT	1,601	55,000	1,281	44,000
147	Tools	SET	144	202,761	115	162,209
148	Boiler	KG	93	536,433	74	429,146
149	Boiler	LBS	700	520,434	560	416,347
150	Generator (Gas)	PCS	353	2,075,360	282	1,660,288
151	Valve	PCS	393	1,333,379	314	1,066,703
152	S.S.M. M/C	PCS	297	53,663	238	42,930
153	Tong Gang M/C	PCS	97	541,943	77	433,555
154	Automobile	LTR	72	413,804	58	331,043
155	Automobile	ML	1,195	9,864,294	956	10,664,102
156	Automobile	MTR	-	68,184	-	54,548
157	Automobile	PCS	309	690,915	248	552,732
158	Automobile	POT	10	10,190	8	8,152
159	Computer Accessories	COIL	31	864,236	25	691,389
160	Computer Accessories	PCS	846	2,948,425	677	2,358,740

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
161	Computer Accessories	PKT	213	310,660	171	248,528
162	Medical Equipment	SET	45	352,629	36	282,103
163	Medicine	BOTTLE	-	81,316	-	65,053
164	Medicine	BOX	-	19,470	-	15,576
165	Medicine	PCS	-	7,050,781	-	5,640,625
166	Medicine	TUBE	-	80,811	-	64,649
167	Auxilary Contructor	PCS	777	674,620	622	539,696
168	Balast	PCS	210	232,610	168	186,088
169	Cable	COIL	724	3,307,793	579	2,646,234
170	Cable	FEET	1,160	113,030	928	90,424
171	Cable	KG	327	980,219	261	784,175
172	Cable	MTR	880	2,215,880	704	1,772,704
173	Cable Socket	PCS	74,267	1,079,301	59,414	863,441
174	Capacitor	PCS	6,739	784,350	5,391	627,480
175	Charger Battery	PCS	1,463	148,939	1,170	119,151
176	Circuit Breaker	PCS	64	2,176,413	51	1,741,130
177	Common (Electrical)	FEET	84	629	67	503
178	Common (Electrical)	KG	122	134,090	98	107,272
179	Common (Electrical)	MTR	2,441	195,959	1,953	156,767
180	Common (Electrical)	PCS	14,970	1,103,376	11,976	882,701
181	Common (Electrical)	PKT	586	324,920	469	259,936
182	Common (Electrical)	SET	153	60,821	122	48,657
183	Converter	PCS	122	1,754,987	98	1,403,989
184	Cooling Fan	PCS	682	817,153	546	653,722
185	Cut Out	PCS	846	59,467	677	47,574
186	DB Board	PCS	363	199,179	290	159,343
187	Electric Bulb	PCS	2,442	1,501,309	1,954	1,201,047
188	Electronic Card	PCS	33	1,527,960	26	1,222,368
189	Fuse	PCS	16,668	796,503	13,335	637,203
190	Holder	PCS	1,464	154,279	1,172	123,423
191	Holder	SET	667	295,477	534	236,381
192	Inverter	PCS	7	2,164,618	6	1,731,695
193	Magnetic Contructor	PCS	107	3,577,761	85	2,862,209
194	Meter	PCS	210	2,330,740	168	1,864,592
195	Motor	PCS	438	1,047,473	351	837,978
196	Overload Relay	PCS	452	2,669,797	362	2,135,838
197	Plug (Electrical)	PCS	684	501,517	547	401,214
198	Plug (Electrical)	PKT	260	23,078	208	18,463
199	Relay	PCS	1,193	615,469	954	492,375
200	Relay Base	PCS	69	25,789	55	20,631

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
201	Saddle Clamp	PCS	7,425	2,462,733	5,940	1,970,187
202	Saddle Clamp	PKT	-	30,936	-	24,748
203	Socket (Electrical)	PCS	327	373,108	261	298,486
204	Solenoide Valve	PCS	146	336,972	117	269,577
205	Starter	PCS	1,219	20,241	975	16,193
206	Switch	PCS	304	1,526,735	243	1,221,388
207	Tape (Electrical)	FEET	17,791	726,205	14,233	580,964
208	Tape (Electrical)	MTR	5,055	13,064	4,044	10,451
209	Tape (Electrical)	PCS	12,428	1,666,392	9,943	1,333,113
210	Tape (Electrical)	ROLL	167	18,501	133	14,801
211	Tape (Electrical)	SET	10	3,135	8	2,508
212	Timer	PCS	70	172,609	56	138,087
213	Transformer	PCS	55	218,011	44	174,409
214	Tube Light	PCS	1,543	979,757	1,235	1,187,584
215	Warning Light	PCS	144	162,683	116	130,147
216	Fire Fighting Equipment	COIL	-	7,873,824	-	9,842,280
217	Fire Fighting Equipment	PCS	1,086	6,873,822	869	8,592,277
218	Fire Fighting Equipment	SET	33	2,105,341	26	1,684,273
219	Band	PCS	564	753,147	451	602,517
220	Channel	PCS	603	86,584	483	69,267
221	Elbow	PCS	397	1,544,161	318	1,235,328
222	Flanges	PCS	380	1,365,067	304	1,092,053
223	Nipple	PCS	335	149,057	268	119,246
224	Nut	PCS	-	15,783	-	12,627
225	Nut Bolt	PCS	-	332,130	-	265,704
226	Pipe	FEET	9,969	1,256,723	7,975	1,005,378
227	Plug	PCS	536	12,205	429	9,764
228	Reducer	PCS	210	179,464	168	143,571
229	Socket	PCS	7,236	336,653	5,789	269,323
230	Tee Socket	PCS	552	321,066	441	256,852
231	Union Socket	PCS	215	109,434	172	87,547
232	Hardware	COIL	33	944,373	26	755,498
233	Hardware	LBS	5	2,083	4	1,893
234	Hardware	KG	553	9,221,105	443	11,526,381
235	Hardware	LTR	24	474,803	19	379,843
236	Hardware	PKT	-	6,973,822	-	8,717,278
237	Hardware	POT	213	654,087	171	523,270
238	Hardware	ROLL	31	263,444	25	210,755
239	Hardware	SET	91	36,448	73	29,158
240	Paint & Vernish	PCS	363	147,079	290	117,664

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
241	Paint & Vernish	PKT	431	16,551	345	13,241
242	Sanitary	GM	9,489	817,686	7,591	654,149
243	Sanitary	KG	163	29,800	131	23,840
244	Sanitary	LTR	156	273,832	125	219,066
245	Sanitary	PCS	2,650	1,054,619	2,120	843,695
246	Sanitary	PKT	33	3,629	26	2,903
247	Sanitary	SET	332	105,662	265	84,529
248	Laboratory Instrument	BOX	115	105,071	92	84,057
249	Laboratory Instrument	LTR	1,052	40,333	842	32,266
250	Laboratory Instrument	PAIR	110	29,786	88	23,829
251	Laboratory Instrument	PCS	1,767	3,443,468	1,414	2,550,717
252	Laboratory Instrument	PKT	45	86,598	36	64,147
253	Laboratory Instrument	ROLL	724	855,257	579	633,524
254	Oil & Lubricants	DRUM	48	7,622,930	39	5,625,779
255	Oil & Lubricants	PCS	3,248	1,540,972	2,599	1,648,098
256	Other Material	BOX	2,494	2,150,263	1,995	1,593,840
257	Other Material	MTR	-	2,493,279	-	1,846,874
258	Other Material	YDS	-	2,820,849	-	2,091,222
259	Pack & Package	MTR	1,566	2,366,089	1,253	1,752,645
260	Pack & Package	PCS	1,994,957	3,288,855	1,595,965	2,436,189
261	Pack & Package	ROLL	9,352	2,241,520	7,481	1,793,216
262	Supplies Items	BOOK	1,461	5,306,916	1,169	7,581,309
263	Supplies Items	PCS	53,625	5,364,508	42,900	3,973,709
264	Supplies Items	SHEET	17,918	9,650,698	14,334	12,867,597
265	Supplies Items	BOX	713	3,824,829	571	2,833,206
266	Supplies items	KG	4,469	776,799	3,575	575,406
267	Supplies items	PKT	3,491	600,278	2,793	444,650
268	Supplies items	POT	31	641,771	25	475,386
269	Supplies items	SET	-	697,885	-	835,790
270	Supplies Items	PCS	158,665	8,840,743	126,932	11,190,813
271	Supplies Items	REAM	150	3,146,698	120	3,365,453
272	Supplies Items	ROLL	605	6,571,329	484	7,016,902
	Total			**279,659,700**		**287,638,311**

WORK- IN- PROCESS
(ANNEXURE-E)

As at 30 June 2023

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	30,999,932	1,360,115,151	1,367,331,954	23,783,129
Finished Fabric	424,631,528	1,412,967,862	1,437,674,715	399,924,675
Cutting	284,967,596	1,549,303,626	1,446,264,334	388,006,887
Embroidery	4,697,724	358,716,024	360,821,329	2,592,419
Printing	12,919,963	353,336,271	350,079,030	16,177,204
Sewing	99,072,637	4,826,774,338	4,888,317,268	37,529,707
Total	**857,289,381**			**868,014,023**

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	79,496	5,892,161	5,822,173	149,485
Finished Fabric (kg)	1,069,147	7,919,463	7,839,849	1,148,760
Cutting (Pcs)	1,818,365	31,731,102	32,496,186	1,053,281
Embroidery (Pcs)	44,827	1,964,476	1,908,260	101,044
Printing (Pcs)	301,279	4,488,761	4,209,398	580,641
Sewing (Pcs)	551,251	29,401,054	29,423,045	529,259

As at 30 June 2022

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	99,072,637
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	1,069,147
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

ACCOUNTS RECEIVABLE AND AGING

AS AT 30 JUNE 2023

(ANNEXURE-F)

Sl. No.	Parties	Total	0-3 Months	3-6 Months	More than 1 Year
1	Abloom Design	876,793	876,793	-	-
2	Antim Knit Composite Ltd	341,057	341,057	-	-
3	Apex Fashion wear Limited	256,805	256,805	-	-
4	APS APPARELS LTD	200,502	200,502	-	-
5	Badgetex Apparels	4,577,140	4,577,140	-	-
6	Ballycare GMBH	14,817,750	14,817,750	-	-
7	Belamy Tex	168,021	168,021	-	-
8	CARREFOUR IMPORTS SAS	31,331,850	31,331,850	-	-
9	Celio Sourcing Ltd	172,077,225	172,077,225	-	-
10	Charm fashion	2,579,618	2,579,618	-	-
11	Divine Design	635,419	635,419	-	-
12	Divine Intimates Ltd	60,462	60,462	-	-
13	Esprit Macao Commercial Offshore Ltd	24,919,981	24,919,981	-	-
14	Fakir Fashion Limited	1,276,984	1,276,984	-	-
15	Four H apparels	246,165	246,165	-	-
16	Four H Dyeing & printing	43,413	43,413	-	-
17	Four H Fashion	333,773	333,773	-	-
18	Garma C.B	5,379,981	5,379,981	-	-
19	GUESS Eur Sagl	88,365,997	88,365,997	-	-
20	Hoflers APS	99,333,495	99,333,495	-	-
21	Impress Newtex Composite Textile Ltd	12,436,636	12,436,636	-	-
22	KARIBAN	33,730,038	33,730,038	-	-
23	KIABI (Int. Trading Fashion & App. Supp.)	27,600,804	27,600,804	-	-
24	Masco Industries	380,790	380,790	-	-
25	Mascot International	25,222,134	25,222,134	-	-
26	Metro Knitting & Dyeing Mills Ltd	855,215	855,215	-	-
27	Michael Kors [USA]	44,740,356	44,740,356	-	-
28	Next Limited	892,746	892,746	-	-
29	Oxford Knit Composite Ltd	1,585,233	1,585,233	-	-
30	P & C [Peek Und Cloppenburg]	2,432,678	2,432,678	-	-
31	Pentex Limited	26,418,645	26,418,645	-	-
32	Radical Design Ltd	145,619	145,619	-	-
33	RAHAMAT FASHION WEAR LTD	456,035	456,035	-	-
34	Rose Garden Apparels	326,520	326,520	-	-
35	Salted Basics LLC	1,458,456	1,458,456	-	-
36	Seacotex Fabrics	3,536,791	3,536,791	-	-
37	Tasniah Fabrics Ltd	2,594,717	2,594,717	-	-
Total		**632,635,842**	**632,635,842**	**-**	**-**

SCHEDULE OF ADVANCE GIVEN TO CREDITORS

AS AT 30 JUNE 2023

(ANNEXURE-G)

Sl. No.	Name of the creditors	Nature of Transaction	Balance	3-6 Month	6-12 Month	Exceeding 1 year
1	AL- Barr Engineering & Contracting Co.	Service	1,096,000	1,096,000	-	-
2	Automan Steel Building System Ltd.	Electrtical Items	765,190	765,190	-	-
3	Automation Engineering & Controls Ltd.		1,611,098	-	-	-
4	Badsha Enterprise	Service	284,881	284,881	-	-
5	Barchi Testing Services (BD) Ltd.	Accessories	120,700	120,700	-	-
6	BASIC POWER ENGINEERING LTD.	Service	1,255,656	627,828	627,828	-
7	BRB Cable Industries Ltd.	Accessories	850,678	850,678	-	-
8	BROTHERS METAL INDUSTRIES	Consulatncy	770,840	770,840	-	-
9	COMPUTER SOURCE	Accessories	138,600	138,600	-	-
10	Con Engineering	Accessories	360,000	360,000	-	-
11	Dingi Technologies Ltd.	Accessories	200,000	200,000	-	-
12	ENGINEERING DEVELOPMENT CONSULTANTS	Insurance	284,000	284,000	-	-
13	ETKO Certification	Accessories	625,000	187,500	437,500	-
14	G-Trade Enterpreneur	Accessories	129,400	129,400	-	-
15	HABIBI STEEL TRADING COMPANY	Service	709,400	709,400	-	-
16	Halftime Digital	Service	140,000	84,000	56,000	-
17	Hasan Tanvir Fashion Wears Ltd.	Service	231,108	92,443	138,665	-
18	HM Safety	Service	480,000	480,000	-	-
19	H. R. S Trading Corporation	Chemicals	624,000	-	624,000	-
20	HTL Trans (BD) Ltd.	Accessories	451,696	650,000	(198,304)	-
21	Kanchpur CNG Re-Fueling & Conversion Center	Accessories	200,000	80,000	60,000	60,000
22	MAK Consultants.	Accessories	1,549,786	619,914	464,936	464,936
23	Mega Trading Information Ltd.	Consultancy	160,500	64,200	48,150	48,150
24	MG CORPORATION INTERNATIONAL	Chenicals	548,000	219,200	164,400	164,400
25	M.M.Corporation	Service	686,302	274,521	205,890	205,890
26	MOHAMMED TRADING CENTRE	Service	3,230,787	1,292,315	969,236	969,236
27	M/S Babul Construction	Service	200,000	80,000	60,000	60,000
28	M/S. BONOFUL CONSTRUCTION COMPANY	Chemicals	999,900	399,960	299,970	299,970
29	M/S. M. K. Steel	Service	172,800	69,120	51,840	51,840
30	M/S. Nazrul & Brothers	Service	377,300	150,920	113,190	113,190
31	Multibrand WORKSHOP Ltd.	Accessories	110,055	44,022	33,017	33,017
32	Mymensingh Palli Bidyut Samity	Accessories	182,936	73,174	54,881	54,881
33	Nano-Dye Bangladesh Ltd.	Service	436,240	174,496	130,872	130,872

SCHEDULE OF ADVANCE GIVEN TO CREDITORS

AS AT 30 JUNE 2023

(ANNEXURE-G)

Sl. No.	Name of the creditors	Nature of Transaction	Balance	3-6 Month	6-12 Month	Exceeding 1 year
34	Novelty Infrastructures Limited	Accessories	233,787	93,515	70,136	70,136
35	Orbit Flat Floor Systems	Accessories	290,509	116,203	87,153	87,153
36	PNL Holdings Limited	Accessories	102,161	40,864	30,648	30,648
37	POPULAR ENGINEERING WORKS	Accessories	364,000	145,600	109,200	109,200
38	Prime Finance Capital Management Ltd.	Accessories	1,015,000	406,000	304,500	304,500
39	RAHMAN MILL STORE	Accessories	311,481	124,592	93,444	93,444
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	111,413	44,565	33,424	33,424
44	SAGORICA CORPORATION	Accessories	252,000	100,800	75,600	75,600
45	SGS International Certification Services	Service	145,763	58,305	43,729	43,729
46	Esquire Deying Industries Ltd	Dyeing	109,655,235	43,862,094	32,896,571	32,896,571
47	SHOPNO S.S. AND THAI ALUMINIUM FABRICATORS	Accessories	353,064	141,225	105,919	105,919
48	Sonali Paper & Board Mills Limited		1,260,902	504,361	378,271	378,271
49	Steelmark Pipes Limited	Accessories	468,073	187,229	140,422	140,422
50	Surovi Technologies Corporation	Service	150,300	60,120	45,090	45,090
51	Systems Nine Thousands (Pvt.) Ltd.	Accessories	159,375	63,750	47,813	47,813
52	UTTARA IRON STORE	Accessories	309,750	123,900	92,925	92,925
	Total		**136,215,940**	**57,866,537**	**39,211,997**	**37,526,308**

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
1	A AND J Printing & Accessories	Accessories	1,369,628	1,369,628	-	-
2	A.K Tex International	Accessories	842,675	842,675	-	-
3	A.K.H Khan Knit Fashion Ltd.	Accessories	1,559,677	1,559,677	-	-
4	A.S.F Fiber Mills Ltd.	Yarn	642,156	642,156	-	-
5	A.S.K Design	Accessories	1,131,936	1,131,936	-	-
6	A.T& T Spinning Mills Limited	Accessories	6,040,620	6,040,620	-	-
7	AA Knit Spin Limited	Yarn	1,988,425	1,988,425	-	-
8	AA Synthetic Fibers Ltd.	Yarn	2,693,790	2,693,790	-	-
9	Aariz International	Accessories	1,566,491	1,566,491	-	-
10	AB EXIM SDN. BHD.	Accessories	2,699,232	2,699,232	-	-
11	Accurate Plastic and Accessories	Accessories	331,037	331,037	-	-
12	Accurate International	Accessories	275,581	275,581	-	-
13	Adamjee Knit Fabric	Accessories	598,962	598,962	-	-
14	Adury Fashion and Print Ltd.	Accessories	618,897	618,897	-	-
15	Adzi Trims Ltd.	Accessories	2,741,870	2,741,870	-	-
16	Affan Interlinnings Ltd.	Accessories	558,633	558,633	-	-
17	AGA MI Accessories Limited	Accessories	352,472	352,472	-	-
18	Alpha Plastic & Packing Ltd.	Accessories	117,098,957	117,098,957	-	-
19	American and Efird (BANGLADESH) Ltd.	Accessories	333,059	333,059	-	-
20	ARC ACCESSORIES	Accessories	240,793	240,793	-	-
21	Armada Spinning Mills Ltd.	Accessories	2,181,692	2,181,692	-	-
22	Asia Composite Mills Ltd.	Yarn	11,790,093	11,790,093	-	-
23	AT Print Bangladesh Ltd.	Accessories	6,351,296	6,351,296	-	-
24	Badsha Textiles Ltd.	Yarn	16,083,504	16,083,504	-	-
25	Blue Planet Sweater Ltd.	Accessories	341,683	341,683	-	-
26	BSB Spinning Mills Ltd.	Accessories	3,018,133	-	3,018,133	-
27	BTS.	Accessories	3,126,229	3,126,229	-	-
28	BVM Overseas Ltd.	Yarn	8,139,752	8,139,752	-	-
29	Chistia Silzing Mills	Accessories	473,921	473,921	-	-
30	Charming Trims & Packing (BD) Ltd.	Accessories	699,642	699,642	-	-
31	Chorka Textile Ltd.	Accessories	270,505	270,505	-	-
32	Christoph Liebers GMBH and Co.KG	Accessories	1,852,457	1,852,457	-	-
33	CHT Turkey Kimya San VE TIC.A.S.	Machinery	1,398,812	1,398,812	-	-
34	Continental Spinning Molls Ltd.	Yarn	700,385	700,385	-	-
35	Core Solution	Accessories	2,057,590	2,057,590	-	-
36	Cytrax Business International	Accessories	3,718,002	-	3,718,002	-
37	Daika (Chemiland) Ltd.	Dyes & Chemicals	239,308	239,308		-
38	Digitex Incorporation	Accessories	1,243,142	1,243,142		-
39	Ehwha Glotech Co. Ltd.	Machinery	48,760,320	48,760,320		-
40	Emaaj Accessories (BD) Ltd.	Accessories	144,888	144,888		-
41	Enayetpur Spinning Mills Ltd.	Yarn	9,833,694	9,833,694		-
42	Epyllion Limited	YARN	140,830	-	140,830	-
43	Erum Bangladesh Limited	Accessories	435,026	435,026		-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
44	Esquire Accessories Ltd.	Accessories	67,835,844	67,835,844		-
45	Esquire Dyeing Industries Ltd.	Accessories	97,335,612	97,335,612		-
46	Etasia Interlinings Ltd.	Accessories	109,221	-	109,221	-
47	Faisal Spinning Mills Ltd.	Yarn	413,592	413,592	-	-
48	FARIHA SPINNING MILLS LTD.	Yarn	3,848,691	3,848,691	-	-
49	Fashion Trims	Accessories	2,754,492	2,754,492	-	-
50	Fintex Accessories	Accessories	684,736	684,736	-	-
51	FKN Textile Limited	Accessories	451,570	451,570	-	-
52	Fortune Zipper Ltd.	Accessories	424,172	424,172	-	-
53	Friends Accessories	Accessories	292,953	292,953	-	-
54	FR Traders	Accessories	1,432,272		1,432,272	
55	Fujian SBS Zipper Science and Technology Co.Ltd.	Accessories	4,953,949		4,953,949	
56	GMS Trims Ltd.	Accessories	172,627	172,627		-
57	GMS Composite Knitting Industries Ltd.	Accessories	293,195	-	293,195	-
58	Green Tex	Accessories	940,922	940,922		-
59	Gunze United Limited	Accessories	182,348	182,348		-
60	HNF Fashion Tex	Accessories	3,120,637	3,120,637		-
61	Holyim Export Co. Ltd.	Accessories	6,080,891	6,080,891		-
62	Hyosung Vietnam Co. Ltd.	Yarn	5,809,016	5,809,016		-
63	Impress Accessories Ltd.	Accessories	114,111	-	114,111	-
64	Infinia SPINNING MILLS LIMITED	Yarn	22,435,733	22,435,733		-
65	Jean Wan International Co. Ltd.	Yarn	3,691,064	3,691,064		-
66	Jiangsu Cmz Sci and Tech Co. Ltd.	Accessories	369,940	-	369,940	-
67	JIST Industrial Co. Ltd.	Accessories	2,683,118	2,683,118		-
68	K.M. Accessories	Accessories	1,029,670	1,029,670		-
69	Kamal Yarn Limited	Yarn	53,364,524	53,364,524		-
70	Kazi Knitwear	Accessories	1,591,398	1,591,398		-
71	Kexin Patches and Accessories MFG. Ltd.	Accessories	122,728	122,728		-
72	Lectra	Spare parrts	1,189,812	1,189,812		-
73	LSI Industries Ltd.	Accessories	1,976,344	1,976,344		-
74	M AND U Packing Ltd.	Accessories	5,788,954	-	5,788,954	-
75	M M Accessories	Accessories	329,415	329,415		-
76	M R Tex	Accessories	176,647	176,647		-
77	M.S. Printing & Accessories	Accessories	475,786	475,786		-
78	M.S. Printing & Packing	Accessories	633,077	633,077		-
79	M/S Best Trims Care & Accessories	Accessories	1,312,350	1,312,350		-
80	M/S Haji Textile	Yarn	4,414,267	4,414,267		-
81	M/S Rafik Enterprise	Accessories	448,032	448,032		-
82	M/S. Kabir Knitting	Accessories	837,306	837,306		-
83	M/S. Mukul Textile	Accessories	872,252	872,252		-
84	M/S. R.I Packaging Industries	Accessories	2,732,265	-	2,732,265	-
85	M/S Bismillah Print Plus	Accessories	1,726,978	1,726,978	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
86	M/S Mohammad Knit	Accessories	293,868	293,868	-	-
87	Maa-Monowara Knitting	Accessories	1,092,907	1,092,907	-	-
88	Mahin Printing House	Accessories	233,413	233,413	-	-
89	Mainetti Packaging Bangladesh Pvt.	Accessories	268,738	268,738	-	-
90	Maria Knitting	Accessories	4,462,579	4,462,579	-	-
91	Matam Fiber Mills Ltd.	Yarn	9,025,013	9,025,013	-	-
92	Maxim Label and Packaging (BD) Pvt. Ltd.	Accessories	1,001,481	1,001,481	-	-
93	Medusa Kimya Proje Makineteknolo Jil Eri Ve Muhendi Slik	Machinery	6,530,400	6,530,400	-	-
94	Meghmani Dyes and Intermediates LLP	Dyes & Chemicals	9,418,742	9,418,742	-	-
95	Mehmud Industries (Pvt.) Ltd.	Yarn	3,182,482	3,182,482	-	-
96	Metro Knitting & Dyeing Mills Limited	Accessories	2,257,520	2,257,520	-	-
97	Modern Poly Industries Limited	Accessories	15,120,140	15,120,140	-	-
98	Mohiuddin Textile Limited	Yarn	425,867	425,867	-	-
99	Mondol Knitwears Ltd.	Accessories	821,249	-	821,249	-
100	Montrims Ltd.	Accessories	641,688	641,688	-	-
101	MS Accessories	Accessories	127,077	127,077	-	-
102	Multazim Textile Mills Ltd.	Yarn	11,224,397	11,224,397	-	-
103	N.S.I. International Trading Ltd.	Accessories	2,537,082	2,537,082	-	-
104	Natco Global Packaging Dhaka Ltd.	Accessories	552,629	552,629	-	-
105	Nice Denim Mills Ltd.	Yarn	269,809	269,809	-	-
106	Nova Accessories Industries Ltd.	Accessories	10,914,099	10,914,099	-	-
107	NRG Hometex Limited	Yarn	13,063,793	13,063,793	-	-
108	NRG Spinning Mills Limited	Yarn	5,710,019	5,710,019	-	-
109	NZ Textiles Ltd.	Yarn	6,357,889	6,357,889	-	-
110	Orix Packaging and Accessories	Accessories	799,871	-	799,871	-
111	Osman Interlinings Ltd.	Accessories	1,891,922	1,891,922	-	-
112	Pacific Thread and Accessories Industries	Accessories	2,884,652	2,884,652	-	-
113	Pahartali Textile & Hosiery Mills	Yarn	72,917,520	72,917,520	-	-
114	Pakiza Apparels Ltd.	Accessories	900,161	900,161	-	-
115	Pannatex International	Accessories	4,171,647	4,171,647	-	-
116	Prime Polymer Industries (PTE) Ltd.	Yarn	5,606,397	5,606,397	-	-
117	Prominent Plus	Accessories	177,902	177,902	-	-
118	Quanzhou Zhuobao IMP. and EXP. Trade Co. Ltd.	Accessories	10,678,419	10,678,419	-	-
119	R.R International	Accessories	93,359	93,359	-	-
120	R.R Textile	Yarn	182,109	182,109	-	-
121	Rabeya Knit Fashion	Accessories	469,753	469,753	-	-
122	Rafid Accessories	Accessories	479,984	479,984	-	-
123	Rainbow International (HK)	Accessories	2,543,257	2,543,257	-	-
124	Rapidrop Middle East Trading LLC	Machinery	7,618,800	7,618,800	-	-
125	Reedisha Blended Yarn Limited	Yarn	4,700,391	4,700,391	-	-
126	RMT Textiles Mills Ltd.	Yarn	37,154,602	37,154,602	-	-
127	Root Source	Accessories	799,974	799,974	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
128	Rotex Bangladesh Ltd.	Accessories	254,250	254,250	-	-
129	S.M.M Textiles Ltd.	Yarn	3,741,375	3,741,375	-	-
130	Saiham Cotton Mills Ltd.	Yarn	9,932,738	9,932,738	-	-
131	Saiham Textile Mills Ltd.	Yarn	26,523,192	26,523,192	-	-
132	Sami Printing Limited	Yarn	838,657	838,657	-	-
133	Satata Printing	Accessories	568,440	568,440	-	-
134	Sedo Treepoint GMBH	Spare parrts	2,003,866	2,003,866	-	-
135	Shenzhen Yiming Da Industrial and Trading Development Co. Ltd.	Spare parrts	1,514,617	1,514,617	-	-
136	Shinest Button	Accessories	224,722	224,722	-	-
137	Shining Moon Trims Ltd.	Accessories	129,480	129,480	-	-
138	Siam Computerized Elastic	Accessories	636,603	636,603	-	-
139	SIF Textile Industries Ltd.	Accessories	2,064,352	2,064,352	-	-
140	SK. Knitwear	Accessories	3,408,267	3,408,267	-	-
141	Smart Narrow Fabrics	Accessories	330,764	330,764	-	-
142	SML Packaging Solutions Bngladesh Limited	Accessories	781,725	781,725	-	-
143	Soa Knit Fabrics	Accessories	1,116,045	1,116,045	-	-
144	Square Textiles Ltd.	Yarn	7,243,411	7,243,411	-	-
145	Sunny Foils and Polymer Industries Limited	Accessories	6,530,454	6,530,454	-	-
146	T- Shirt Printers Ltd.	Accessories	157257.474	157,257	-	-
147	T.S Print	Accessories	2,098,149	2,098,149	-	-
148	Taehung Packaging (BD) Ltd.	Accessories	113,072	113,072	-	-
149	Tamijuddin Textile Mills Limited	Yarn	3,086,702	3,086,702	-	-
150	T and S Buttons (Bangladesh) Ltd.	Accessories	618,044	618,044	-	-
151	Thermax Color Cotton Ltd.	Yarn	1,028,687	1,028,687	-	-
152	Tianjin One Touch Business Service Co. Ltd.	Dyes & Chemicals	4,822,766	4,822,766	-	-
153	TK Chemical Corporation	Dyes & Chemicals	1,489,558	1,489,558	-	-
154	Trim Style International INC.	Accessories	177,215	177,215	-	-
155	Tubengen Chemicals (BD) Ltd.	Dyes & Chemicals	5,573,043	5,573,043	-	-
156	Uniglory Packaging Industries Ltd.	Accessories	1,789,265	1,789,265	-	-
157	Uniglory Paper & Packaging Ltd.	Accessories	2,351,525	2,351,525	-	-
158	Union Label and Accessories Ltd.	Accessories	254,285	254,285	-	-
159	Unitex Composite Mills Ltd.	Yarn	707,460	707,460	-	-
160	Viyellatex Spinning Ltd.	Yarn	5,359,010	5,359,010	-	-
161	VTS	Accessories	256,458	256,458	-	-
162	Walid Offset Printers	Accessories	98,793	98,793	-	-
163	Weixing Industrial Bangladesh Co. Ltd.	Accessories	61,785	61,785	-	-
164	Well Accessories Ltd.	Accessories	621,715	621,715	-	-
165	Western Paper Industries (BD) (PVT) Ltd.	Accessories	337,404	337,404	-	-
166	Yester Accessories Company (BD) Ltd.	Accessories	172,185	172,185	-	-
167	Yokohama Labels & Printing (BD) Co. Ltd.	Accessories	1,755,243	1,755,243	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
168	York Composite Ltd.	Accessories	1,387,379	1,387,379	-	-
169	Young Labels Ltd.	Accessories	534,734	534,734	-	-
170	Young Shine Pack Trims Limited	Accessories	341,683	341,683	-	-
171	Yunusco T and A (BD) Limited	Accessories	207,754	207,754	-	-
172	Zadid Labels Ltd.	Accessories	136,336	136,336	-	-
173	ZW Accessories	Accessories	5,961,218	5,961,218	-	-
174	Akram Mill Store	Accessories	111,175	111,175	-	-
175	Alanoor Electric Store	Accessories	35,200	35,200	-	-
176	ALIF SEWING CENTER	Accessories	7,250	7,250	-	-
177	Amin Rent A Car	Accessories	7,000	7,000	-	-
178	ARG Corporation	Accessories	26,150	26,150	-	-
179	A. R. International Bangladesh	Accessories	4,000	4,000	-	-
180	Asian Powertec Co. Ltd.	Accessories	100,000	100,000	-	-
181	Barrister Kamal Uddin & Associates	Accessories	195,688	195,688	-	-
182	Bismillah Corporation	Accessories	18,046	18,046	-	-
183	Bismillah Hardware & Electric Store	Accessories	2,770	2,770	-	-
184	Bismillah Scientific Co.	Accessories	9,300	9,300	-	-
185	Botesshor Engineering Workshop	Accessories	143,400	143,400	-	-
186	Brachi Testing Services (BD) Ltd	Accessories	120,700	120,700	-	-
187	Central Depository Bangladesh Limited	Accessories	106,000	106,000	-	-
188	Chittagong Stock Exchange PLC	Accessories	543,069	543,069	-	-
189	Crystal Bearing & Machineries	Accessories	12,640	12,640	-	-
190	Damador Enterprise	Accessories	638,186	638,186	-	-
191	Delcot Limited	Accessories	74,442	74,442	-	-
192	Dhaka Metal & Machinery Stores	Accessories	6,921	6,921	-	-
193	Dhaka Stock Exchange Ltd.	Accessories	543,069	543,069	-	-
194	Farhan Fabrics	Accessories	7,700	7,700	-	-
195	Federal Insurance Company Ltd.	Accessories	26,273	26,273	-	-
196	First Lead Limited	Accessories	3,600	3,600	-	-
197	FREIGHT MANAGEMENT LTD.	Accessories	492,567	492,567	-	-
198	Friends Network	Accessories	2,100	2,100	-	-
199	GEA Solutions	Accessories	300,000	300,000	-	-
200	GOTI ONLINE	Accessories	5,600	5,600	-	-
201	GPI CORPORATION	Accessories	2,527,772	2,527,772	-	-
202	HAZI NOOR HOSSAIN ELECTRIC WORL	Accessories	2,200	2,200	-	-
203	HEMON ENGINEERING WORKS	Accessories	7,000	7,000	-	-
204	Hohenstein Laboratories Bangladesh Limited	Accessories	2,446,293	2,446,293	-	-
205	HVAC Engineering Intl and Applianc	Accessories	6,000	6,000	-	-
206	Image Steel Engineering	Accessories	225,000	225,000	-	-
207	INNOVATE ENGINEERING WORK	Accessories	18,400	18,400	-	-
208	INTEGRITY ENGINEERING & CONSULTANCY	Accessories	1,446,228	1,446,228	-	-
209	Iqbal Hossain	Accessories	546,983	546,983	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
210	IT SOLUTION BD.	Accessories	16,965	16,965	-	-
211	Janata Machinery Store	Accessories	19,326	19,326	-	-
212	J MARKER PAPER HOUSE - Cr.	Accessories	145,000	145,000	-	-
213	JRT POWER	Accessories	46,500	46,500	-	-
214	KABIR AUTOMOBILE	Accessories	38,300	38,300	-	-
215	Khalil Auto Electric Workshop	Accessories	3,583	3,583	-	-
216	Maa Noor Jahan Trading	Accessories	99,996	99,996	-	-
217	Machine Resources	Accessories	9,000	9,000	-	-
218	Mahbub Electronics	Accessories	12,000	12,000	-	-
219	MAHBUB MOTORS	Accessories	9,000	9,000	-	-
220	Mahir Enterprise	Accessories	2,700	2,700	-	-
221	Mars Bangla	Accessories	1,175,775	1,175,775	-	-
222	MAXIM CORPORATION	Accessories	7,500	7,500	-	-
223	MERINO TRADE	Accessories	258,970	258,970	-	-
224	Metrocem Cement Limited	Accessories	639,565	639,565	-	-
225	M. H. Sewing	Accessories	13,350	13,350	-	-
226	M/S Achia Enterprise	Accessories	484,500	484,500	-	-
227	M/S. Al-Imran Enterprise	Accessories	4,500	4,500	-	-
228	M/S. ARFAN MOTORS	Accessories	19,240	19,240	-	-
229	M/S. Bappy Electric Store	Accessories	4,050	4,050	-	-
230	M/S BISMILLAH ELECTRIC	Accessories	960	960	-	-
231	M/S. Bismillah Enterprise	Accessories	3,800	3,800	-	-
232	M/S. Bismillah Traders	Accessories	928,760	928,760	-	-
233	M/S. Dulal & Brothers	Accessories	81,400	81,400	-	-
234	M/S. Fair Traders	Accessories	1,200	1,200	-	-
235	M/S Haque Enterprise	Accessories	133,908	133,908	-	-
236	M/S Idrish Trade Center	Accessories	15,400	15,400	-	-
237	M/S. JAHANARA STEEL	Accessories	959,675	959,675	-	-
238	M/S Jamal Enterprize	Accessories	21,500	21,500	-	-
239	M/S Kazi Store	Accessories	1,961,638	1,961,638	-	-
240	M/S Khan Traders	Accessories	64,400	64,400	-	-
241	M/S LINDA SOURCING	Accessories	18,800	18,800	-	-
242	M/S. Matin Motors	Accessories	1,580	1,580	-	-
243	M/S. MOHAN ELECTRIC	Accessories	17,734	17,734	-	-
244	M/S MOMOTA ENTERPRISE	Accessories	681,010	681,010	-	-
245	M/S M.S. Enterprise	Accessories	63,001	63,001	-	-
246	M/S RUMA TRADERS	Accessories	9,360	9,360	-	-
247	M/s. Sabuj Enterprise	Accessories	1,100	1,100	-	-
248	M/S SHAFIQ ENTERPRISE	Accessories	551,461	551,461	-	-
249	M/S Vai Vai Enterprise	Accessories	535,848	535,848	-	-
250	Munna Cargo Service	Accessories	861,600	861,600	-	-
251	Nadim Battery & Auto Electric Works	Accessories	3,000	3,000	-	-
252	NAKSHI COLOR CHEM	Accessories	56,000	56,000	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
253	NATIONAL GARDEN CENTER - 1	Accessories	14,000	14,000	-	-
254	NATIONAL LIGHT HOUSE	Accessories	3,750	3,750	-	-
255	NATIONAL TESTING CALIBRATION & INSPECTION LTD	Accessories	45,000	45,000	-	-
256	Nazmul Engineering	Accessories	11,900	11,900	-	-
257	New Asgar Electric	Accessories	4,500	4,500	-	-
258	NEW JEWEL AUTOS	Accessories	1,000	1,000	-	-
259	New Mitshu Electronics	Accessories	1,700	1,700	-	-
260	NEW M. K. ELECTRIC	Accessories	55,525	55,525	-	-
261	New Mohammadi Steel Corporation	Accessories	9,360	9,360	-	-
262	New Sattar Electric	Accessories	1,050	1,050	-	-
263	New Stone Gallery	Accessories	17,500	17,500	-	-
264	NEW TYRE & BATTERY HOUSE	Accessories	4,267	4,267	-	-
265	Nextgen Corporation	Accessories	8,500	8,500	-	-
266	N.S. Enterprise	Accessories	1,174,085	1,174,085	-	-
267	OLYMPIA MACHINERY	Accessories	6,414	6,414	-	-
268	Orange & Half Cafe	Accessories	4,300,000	4,300,000	-	-
269	Pacific Associates Ltd.	Accessories	223,590	223,590	-	-
270	PRIME ASIA LIMITED	Accessories	35,000	35,000	-	-
271	Radius Engineering	Accessories	1,220,000	1,220,000	-	-
272	RAHAMAN MILL STORE	Accessories	353,701	353,701	-	-
273	Rainbow	Accessories	24,000	24,000	-	-
274	Remeza Bangladesh	Accessories	394,000	394,000	-	-
275	Rocky's Auto Ltd	Accessories	13,211	13,211	-	-
276	RSK Marketing Limited	Accessories	639,275	639,275	-	-
277	SABUJ ELECTRIC	Accessories	9,750	9,750	-	-
278	SADIA PRINTERS	Accessories	14,750	14,750	-	-
279	Sarkar Transport Agency	Transport	1,498,400	1,498,400	-	-
280	Satcom IT Limited	Accessories	271,570	271,570	-	-
281	Sattar & Co.	Lawyer	127,000	127,000	-	-
282	SCALE MUSEUM	Accessories	18,500	18,500	-	-
283	SFM Textile Mills Ltd.	Accessories	389,346	389,346	-	-
284	Shohagh Enterprise	Accessories	232,857	232,857	-	-
285	Shongshar Crockeries & Gift Corner	Accessories	5,600	5,600	-	-
286	SHOVON MOTORS	Accessories	417,979	417,979	-	-
287	Sigma Oil Industries Limited	Accessories	16,200	16,200	-	-
288	SS Energypower Engineering Ltd.	Accessories	406,000	406,000	-	-
289	Studio Mason	Accessories	104,800	104,800	-	-
290	SUMON AUTO ELECTRIC	Accessories	13,030	13,030	-	-
291	Techpark Information Systems	Accessories	49,438	49,438	-	-
292	TEXEEM ENGINEERING (PVT.) LTD.	Accessories	160,000	160,000	-	-
			-	-	-	
Total			974,131,816	949,839,824	24,291,992	-

SCHEDULE OF FINANCIAL ASSET AND LIABILITIES HELD IN FOREIGN CURRENCY

AS AT 30 JUNE 2023

(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	5,812,531	-	632,635,843	632,382,722	(253,121)
2	FBPAR A/C with DBBL-in USD(783)	-	-	-	-	-
3	FBPAR A/C with DBBL -in Euro		-	-	-	-
4	FBPAR A/C with DBBL-in USD(63)	-	-	-	-	-
5	FBPAR A/C with EBL-in USD(621)	1,864,422	-	202,923,709	202,923,709	-
6	FBPAR A/C with EBL -in Euro	-	-	-		-
7	Margin A/C with EBL-in USD	-	-	-		-
8	Margin A/C with EBL -in EURO	-	-	-		-
9	DBBL FCAD-in Dollar	167,600	-	18,241,584	18,241,584	-
10	DBBL FCAD-in Euro	-	-	-	-	-
11	DBBL FCAD-in Dollar (6900)	281		30,555	30,555	-
12	EBL FCAD in USD	-	-	-	-	-
13	EBL -EOQ/FCAD in USD	44,186		4,809,250	4,809,250	-
14	BRAC Bank FCAD in USD	-		-	-	
15	UCBL -FACD in USD A/C # 0193	215		23,437	23,437	-
16	UCBL -FACD in USD A/C # 0267	169,376		18,434,909	330,230,923	-
17	AIBL-USD (352)	34,192		3,721,511	23,784	-
18	AIBL-USD (366)	8,315		905,029	20,113	-
19	AIBL-USD (453)	3,194,570		347,696,996	59,611,632	-
		8,058,612	**-**	**877,099,286**	**1,188,642,179**	**(253,121)**
	Monetary Liabilites			-		-
20	AIBL-EDF	-	-	-		-
21	EBL-EDF	788,988		85,873,421	85,873,421	-
22	UCBL-EDF	1,020,344		111,054,263	111,054,263	-
23	IFC loan	10,428,140	-	1,134,998,778	1,134,998,778	-
24	Accounts Payable	8,645,845	-	941,013,741	948,045,895	(7,032,154)
		20,883,317	**-**	**2,272,940,204**	**2,279,972,358**	**(7,032,154)**
	Total	**28,941,928**	**-**	**3,150,039,489**	**3,468,614,537**	**(7,285,275)**

Conversion rate at closing rate

Euro	118.67
USD	108.84

30.06.2023 Bangladesh Bank

ESQUIRE KNIT COMPOSITE PLC

AUDITOR'S REPORT
&
AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023

Independent Auditor's Report

To The Shareholders of Esquire Knit Composite PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Esquire Knit Composite PLC (the Company) which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our 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.

The key audit matters are discussed below together with an explanation of how the risk and our audit response were tailored to address these specific areas.

Please refer to Annexure: 1 Key Audit Matters (KAM) for illustrative purposes.

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 observation to that effect.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable 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 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 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 financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest/benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

a) 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;

b) in our opinion, proper books of accounts as required by law have been kept by the Company and so far as it appeared from our examination of these books;

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred was for the purposes of the Company's business.

Annexure-1

Key audit matter description	How the scope of our audit responded to the key audit matter.
PROPERTY, PLANT AND EQUIPMENT	
The carrying value of the PPE amounted to Tk. 6,480,082,550 as at 30 June, 2023. There is a risk of: • determining which costs meet the criteria for capitalization; • determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; • the estimation of economic useful lives and residual values assigned to Fixed asset. We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements. See note no. 04 for details.	Our audit procedures to assess the carrying value of property, plant and equipment included the following: ● We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ● We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals. ● We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate. ● We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. ● We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to make it ready for use, with the date of the completion of the work.
REVENUE RECOGNITION	
The Company has reported sales revenue of Tk. 7,514,765,316 All of the Company's sales are made under sales invoice, delivery challan. It's products primarily comprise sale of 100% export oriented knit garments. Revenue is recognized at the point of generating invoice. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. As all sales are translated from USD currency to BDT, there is a risk that foreign exchange gain/loss might not be correctly recognized in the Financial Statements. See note no. 24 for details.	We have tested the design and operating effectiveness of key controls focusing on the following: ● We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 "Revenue from contracts with customers" ● Tested the internal control over financial reporting. We also assessed the existence and accuracy of the sales recorded; ● We performed analytical test to understand how the revenue has trended over the year among other parameters, we performed a detailed substantive testing on transactions around the year end to ensure revenues were recognized in the correct accounting period. We also tested journal entries focusing on sales transactions; ● Verified VAT return with General Ledger. ● We obtained supporting documents for sales, transactions recorded during the year; and ● Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Key audit matter description	How the scope of our audit responded to the key audit matter.
VALUATION OF RECEIVABLES	
The Company has accounts receivable of Tk. 632,635,842 as at 30 June 2023. Accounts receivable of the company comprise mainly receivables regarding the sale of RMG which is secured by Letter of Credit (L/C). See note no. 08 for details.	Our substantive procedures in relation to the assessing valuation of receivable comprises the following: ● Obtained a list of outstanding receivables; ● Reconciliation of receivables ageing to general ledger; ● Conducting cut-off testing at the year-end; ● Reviewing subsequent receipt of receivables balance.
CAPITAL WORK IN PROGRESS	
The Company's assets held under capital work in progress as on the closing date are amounted to BDT 2,550,960,233 equivalent to 27.80% of total non current assets. Due to the high value of transactions, utilization of IPO proceeds, terms and valuation of these assets, it was significant to our audit. See note no. 05 for details.	Our audit procedures to address the risk of material misstatement relative to capital work in progress includes obtaining understanding of the internal control over capital work in progress, assessing the risk of material misstatement. Our audit procedures address the risk material statement relating to capital work in progress to the financial statements included: ● I Obtaining and assessing the movement of the capital work in progress. ● I 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. ● I Verifying the supporting documents with reference to the underlying contractor bills, work orders, certification of work performed by expert personal, comparison of the progress and the cost incurred up-to-date with the budgets, policy and plan. ● I Reconciling the movement of capital working progress from opening to closing, specially verifying additions during the year and transfer to Property, Plant and Equipment during the year. ● I Verify 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; ● I Site visit and physical observation of the work on-going for capital work in progress.
VALUATION OF INVENTORIES	
The amount of inventory is Tk.3,599,858,687 as at 30 June, 2023 which amounted to 50.12% of the total current assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost of inventories. EKCPLC valued its inventories at cost or net realizable value whichever is lower. See note no. 07 for details.	We obtained assurance over relevance and appropriateness of management's assumptions applied in calculating the value of the inventories by: ● We observed EKPLC's year-end inventory count, performed test counts and reconciled count sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts; ● We tested the purchase costs of a sample of inventory items by inspecting invoices; ● We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2; ● We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method; ● Testing, on a sample basis the stock expiry dates and the market price used in assessing the net realizable values of inventories of the related supporting documents. ● 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.

Key audit matter description	How the scope of our audit responded to the key audit matter.
BANK LOAN	
The company reported short term & long term loan Tk. 3,810,696,700 & 1,990,636,243 respectively in the statement of financial position at the reporting date. The above borrowing were considered as key audit matter because this external form of credit facilities availed by the company required fulfillment of several terms and conditions as mentioned in sanction letter issued by lending bank. Any non-compliance with those stipulated terms and conditions might result in subsequent withdrawal and pose a threat to ongoing operation of the company. Besides, risk of material misstatement also lies due to non-disclosure of all those terms and conditions in the financial statements. See note no. 18,19,20 & 18 for details.	Our substantive audit procedures adopted during the audit includes the following test or details. • Inspecting relevant board minutes in support of bank loan reported in the financial statements. • Tracing existence and completeness of reported borrowings with supporting evidence such as sanction letters, loan certificates and statements. • Sending out and obtaining confirmation from the lenders. • Recalculating and testing accuracy and completeness of finance costs charged by the company during the year with corresponding loan statements provided by bank.

Pinaki Das

Pinaki Das, FCA
Senior Partner
Enrollment Number: 0151
Pinaki & Company
Chartered Accountants

Place: Dhaka
Dated: 08 November 2023
DVC:2311080151AS825472

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

Particulars	Notes	Amount in Taka	
		30-Jun-2023	30-Jun-2022
Assets			
Non-Current Assets		**9,173,042,782**	**8,857,148,816**
Property, plant and equipment	4	6,480,082,550	6,432,000,664
Capital work-in-progress	5	2,550,960,233	2,272,873,152
Investment in shares	6	142,000,000	152,275,000
Current Assets		**7,181,081,813**	**6,671,497,178**
Inventories	7	3,599,858,687	3,738,209,728
Accounts receivables	8	632,635,842	1,297,557,977
Other receivables	9	38,551,047	4,146,703
Advance, deposit and prepayments	10	2,338,918,719	1,017,833,764
Investment	11	136,704,117	102,180,441
Cash and cash equivalents	12	434,413,402	511,568,565
TOTAL ASSETS		**16,354,124,596**	**15,528,645,994**
EQUITY & LIABILITIES			
Shareholders' Equity		**8,857,403,770**	**8,811,173,323**
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	2,682,503,155	2,636,272,708
Non Current Liabilities		**2,276,181,242**	**2,705,875,205**
Deferred Tax liabilities	17	285,544,999	277,513,981
Long term loan net of current maturity	18	1,990,636,243	2,427,474,711
Finance lease obligation net of current maturity	19	-	886,513
Current Liabilities		**5,220,539,583**	**4,011,597,466**
Short term loan	20	3,341,819,932	2,173,862,378
Current portion of long term loan	18	464,594,631	291,839,388
Current portion of finance lease obligation	19	4,282,137	5,049,509
Unclaimed Dividend	21	1,983,588	3,475,908
Accounts payable	22	974,131,816	1,185,400,836
Liabilities for expenses	23	433,727,480	351,969,446
TOTAL EQUITY & LIABILITIES		**16,354,124,596**	**15,528,645,994**
Net Asset Value (NAV) per share with revaluation reserve		**65.66**	**65.32**
Net Asset Value (NAV) per share without revaluation reserve		**37.93**	**37.59**

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

Pinaki Das, FCA
Senior Partner
ICAB Enrollment No. 151
Pinaki & Company
Chartered Accountants

Place: Dhaka, Bangladesh
Date: 08 November 2023
DVC:2311080151AS825472

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 30 JUNE 2023

Particulars	Notes	Amount in Taka	
		30-Jun-2023	30-Jun-2022
Revenue	24	7,514,765,316	10,014,280,416
Less: Cost of Goods Sold	25	6,158,767,646	8,416,654,434
Gross profit		**1,355,997,670**	**1,597,625,982**
Less: Operating expenses	26	778,977,018	887,506,281
Gross operating profit		**577,020,652**	**710,119,701**
Less: Financial expenses	27	363,552,671	333,005,402
Net operating profit		**213,467,981**	**377,114,298**
Add: Non-Operating income	28	18,176,697	23,973,365
Profit before WPPF & WF		**231,644,678**	**401,087,663**
Less: Provision for contribution to WPPF & WF	23.01	2,519,596	2,870,688
Profit before tax		**229,125,082**	**398,216,975**
Less: Income tax expenses		111,354,772	70,731,082
Current Tax	23.02	103,323,755	66,079,024
Deferred Tax	17.02	8,031,018	4,652,058
Profit after tax		**117,770,310**	**327,485,893**
Earnings Per Share (EPS) - Basic	**29.01**	**0.87**	**2.43**
Other comprehensive income for the year, net of tax (Land Revaluation)		-	-
Total comprehensive income for the year, net of tax		**117,770,310**	**327,485,893**

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

Pinaki Das, FCA
Senior Partner
ICAB Enrollment No. 151
Pinaki & Company
Chartered Accountants

Place: Dhaka, Bangladesh
Date: 08 November 2023
DVC:2311080151AS825472

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

Amount in Taka

Particulars	Share Capital	Share premium	Revaluation Surplus	Retained Earnings	Total Equity
Balance at 01 July 2022	1,348,958,330	1,086,653,150	3,739,289,135	2,636,272,708	8,811,173,323
Land Revaluation	-		-	-	-
Net profit for the year	-	-	-	117,770,310	117,770,310
Dividend paid	-	-	-	(71,539,863)	(71,539,863)
Balance at 30 June 2023	**1,348,958,330**	**1,086,653,150**	**3,739,289,135**	**2,682,503,154**	**8,857,403,770**
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**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Particulars	Notes	Amount in Taka	
			30-Jun-2023	30-Jun-2022
A.	**Cash flows from operating activities**			
	Cash receipts from customers		8,179,687,451	9,953,265,591
	Cash receipt from other income		(16,227,647)	23,644,751
	Payment to suppliers for import of Raw materials		(3,274,547,767)	(5,373,666,751)
	Payment to others		(4,899,227,880)	(3,915,528,996)
	Interest paid		(114,263,669)	(187,040,155)
	Income tax paid		(104,483,174)	(60,060,668)
	Net cash flow from operating activities		**(229,062,686)**	**440,613,772**
B.	**Cash flows from investing activities**			
	Acquisition of property, plant and equipment		(318,966,556)	(371,076,917)
	Investment in capital work in progress		(278,087,081)	(601,292,268)
	Advance paid to Valuka project		-	(119,298,882)
	Investment in shares		10,275,000	37,500,000
	Investment in FDR		(34,523,676)	(3,673,348)
	Net cash used in investing activities		**(621,302,313)**	**(1,057,841,413)**
C.	**Cash flows from financing activities**			
	Proceeds from share issue		-	-
	Share premium received		-	
	TDS on dividend		(48,693,150)	
	Dividend paid		(73,032,183)	(179,247,291)
	Receipt of Long Term Loan		(265,737,111)	(69,492,391)
	Receipt/(Repayment) of Short Term Loan		1,167,957,554	694,426,326
	Net cash flow from/(used in) financing activities		**780,495,110**	**445,686,644**
D.	**Net cash surplus during the year (A+B+C)**		(69,869,889)	(171,540,997)
E.	Cash and bank balances at beginning of the year		511,568,565	677,140,433
	Effect of movements in exchange rates on cash held		(7,285,275)	5,969,129
F.	**Cash and bank balances at the end of the year**		**434,413,401**	**511,568,565**
	Cash and bank balances			
	Cash in hand		1,062,630	2,526,893
	Cash at bank		433,350,772	509,041,672
	Total		**434,413,402**	**511,568,565**
	Net Operating Cash Flow Per Share (NOCFPS)	**30.00**	**(1.70)**	**3.27**

Chairman | Managing Director | Director | Company Secretary | Chief Financial Officer

NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

1.00 Incorporation and Business Activities

Reporting entity

Esquire Knit Composite PLC (EKCPLC) (herein after referred to as EKCPLC 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 PLC 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, EKCPLC is also required to comply and has complied with the following laws and regulations:

- The Income Tax Act 2023;
- The Value Added Tax and Supplementory 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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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 2022 to 30 June 2023.

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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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. EKCPLC 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 163 of the Income Tax Act 2023 except other income. Income tax has been deducted at source under section 123 of the Income Tax Act 2023 on export from 1 July 2022 to June 30, 2023.

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 occured 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 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 Measurment	Complied
15	Revenue from Contracts with Customer	Complied
16	Leases	Complied

3.24 General

i. Figures have been rounded off to the nearest Taka.

ii. Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
4.00	**Property, plant and equipment**			
	(A) Cost/ Revaluation			
	i) Freehold assets			
	Opening balance		9,090,003,341	8,718,926,424
	Add: Addition during the year		318,966,556	371,076,917
			9,408,969,897	9,090,003,341
	ii) Leasehold assets			
	Opening balance		99,420,368	99,420,368
	Add: Addition during the year		-	-
			99,420,368	99,420,368
	Total (A)		9,508,390,265	9,189,423,709
	(B) Accumulated depreciation			
	i) Freehold assets			
	Opening balance		2,685,272,481	2,443,041,626
	Add: Charged during the year		258,457,124	242,230,855
			2,943,729,605	2,685,272,481
	ii) Leasehold assets			
	Opening balance		72,150,564	59,723,018
	Add: Charged during the year		12,427,546	12,427,546
			84,578,110	72,150,564
	Total (B)		3,028,307,715	2,757,423,045
	(C) Written Down Value (A-B)		**6,480,082,550**	**6,432,000,664**
	A schedule of property, plant and equipment is given in **Annexure-A.**			
5.00	**Capital work-in-progress**			
	Opening balance		2,272,873,152	1,671,580,884
	Add: Addition during the year	5.01	597,053,637	946,495,332
			2,869,926,789	2,618,076,216
	Less: Transferred to Property, Plant & Equipment		318,966,556	345,203,064
			2,550,960,233	**2,272,873,152**
5.01	**Addition during the year**			
	Valuka Project		597,053,637	447,384,527
	Machineries in work in process		-	345,203,064
	Building materials		-	153,907,741
			597,053,637	**946,495,332**
	A schedule of capital work in progress addition during the year is given in **Annexure-B.**			

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
6.00	**Investment in shares**		
	Esquire Accessories Limited	-	10,275,000
	L' Esquire Ltd	42,000,000	42,000,000
	Investment in ICL Unit Fund	100,000,000	100,000,000
		142,000,000	**152,275,000**
7.00	**Inventories**		

		Quantity		30.06.2023	30.06.2022
		30.06.2023	30.06.2022	Taka	Taka
Yarn (kg)		2,423,761	23,290,864	853,886,704	659,657,698
Dyes (kg)		227,552	229,866	224,161,620	226,045,504
Chemical (kg)		1,062,218	1,267,368	150,753,397	132,240,273
Finishing Materials	7.01	-	-	867,065,866	1,185,015,121
Materials in transit	7.02	-	-	136,261,024	160,307,088
Spare parts and consumable items	7.03	-	-	279,659,700	287,638,311
Work in process	7.04	-	-	868,014,022	857,289,380
Finished goods (pcs.)	7.05	1,215,613	1,728,752	220,056,353	230,016,352
				3,599,858,687	**3,738,209,728**

A schedule of inventories is given in **Annexure-C.**

7.01 Finishing Materials

Packing materials	256,392,555	293,218,130
Accessories	499,288,825	775,827,818
Sewing Thread	107,243,479	107,243,479
Printing & Embroidery materials	4,141,006	8,725,694
	867,065,866	**1,185,015,121**

A schedule of finishing materials is given in **Annexure-C.**

7.02 Materials in transit

	Quantity			
	30.06.2023	30.06.2022		
Yarn (kg)	13,887	16,935	50,864,296	59,840,348
Dyes (kg)	9,292	12,729	22,124,703	26,656,269
Chemical (kg)	13,777	17,663	24,406,628	28,713,680
Machine	-	-	14,494,999	16,471,590
Finishing Materials	-	-	11,184,342	12,566,676
Spare Parts	-	-	13,186,057	16,058,526
			136,261,024	**160,307,088**

7.03 Spare parts and consumable items

Spareparts & Consumable items	279,659,700	287,638,311
	279,659,700	**287,638,311**

A schedule of spare parts and consumable items is given in **Annexure-D.**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

7.04 Work in Process

	Quantity		30.06.2023	30.06.2022
	30.06.2023	30.06.2022	Taka	Taka
Knitting (kg)	149,485	79,496	23,783,129	30,999,932
Finished Fabric (kg)	1,148,760	1,069,147	399,924,675	424,631,528
Cutting (Pcs)	1,053,281	1,818,365	388,006,887	284,967,596
Embroidery (Pcs)	101,044	44,827	2,592,419	4,697,724
Printing (Pcs)	580,641	301,279	16,177,204	12,919,963
Sewing (Pcs)	529,259	551,251	37,529,707	99,072,636
			868,014,022	**857,289,380**

A schedule of work in process is given in **Annexure-E.**

7.05 Finished Goods (pcs.)

	Quantity		30.06.2023	30.06.2022
	30.06.2023	30.06.2022	Taka	Taka
Opening	1,728,752	1,267,708	230,016,352	274,046,370
Add: Production during the year	26,223,683	46,565,488	6,148,807,647	7,799,293,224
	27,952,435	47,833,196	6,378,823,999	8,073,339,594
Less: Delivered during the year	26,736,822	46,104,444	6,158,767,646	7,843,323,242
	1,215,613	**1,728,752**	**220,056,353**	**230,016,352**

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
8.00	**Accounts receivables**	**632,635,842**	**1,297,557,977**

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 2023.

III. Debt considered doubtful or bad
The company does not make any provision for doubtful debts as on 30 June 2023, 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 2023.

V. Debt due by Common Management
There are no amount due from sister company under common management as on 30 June 2023.

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 2023.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-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		632,635,842	1,297,557,977
	Past due 91-180 days		-	-
	Past due 181 -365 days		-	-
	Past due more than 365 days		-	-
			632,635,842	**1,297,557,977**
9.00	**Other receivables**			
	Cash incentive		18,839,450	3,089,000
	Rental Income		14,762,592	-
	Accrued interest on FDR		4,949,005	1,057,703
			38,551,047	**4,146,703**
10.00	**Advance, deposit and prepayments**			
	Advance	10.01	2,119,663,308	776,480,199
	Deposit	10.02	218,507,080	229,033,513
	Prepayments	10.03	748,331	12,320,052
			2,338,918,719	**1,017,833,764**
10.01	**Advance**			
	Advance to creditors		136,215,940	272,596,564
	Advance against salaries		18,200,562	12,418,886
	Payment to L'esquire for Valuka project		1,754,336,816	385,037,935
	Advance Income Tax	10.1.1	210,909,989	106,426,815
			2,119,663,308	**776,480,199**
	A schedule of advance given to creditors is given in **Annexure-G.**			
10.1.1	**Advance Income Tax**			
	Opening balance		106,426,815	83,175,302
	Add: Addition during the year	10.1.1.1	104,483,174	60,060,668
			210,909,989	143,235,970
	Less: Adjustment for assessment year-2020-21		-	36,809,155
			210,909,989	**106,426,815**
10.1.1.1	**Advance Income Tax addition**			
	Advance Income Tax on Car		2,940,000	2,919,000
	Advance Income Tax on FDR Interest		597,279	388,683
	Tax on unit fund-ICL		600,000	1,695,000
	TDS on Cash Incentive		15,346,200	4,035,380
	TDS on Import Stage		1,566,315	3,007,336
	TDS on Export Proceeds		83,433,380	48,015,269
			104,483,174	**60,060,668**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
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	202,923,709	213,450,141
			218,507,080	**229,033,513**
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
	FBPAR A/C with DBBL -in Dollar (63)		-	3,524,284
	FBPAR A/C with DBBL -in EURO		-	139,974
	FBPAR A/C with EBL -in Dollar		202,923,709	183,332,220
	FBPAR A/C with EBL -in EURO		-	13,575,790
	Margin A/C with EBL -in Dollar		-	59,041
	Margin A/C with EBL -in EURO		-	2,044,843
			202,923,709	**213,450,141**
10.03	**Prepayments**			
	Insurance premium		**748,331**	**12,320,052**
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		2,119,663,308	776,480,199
	Past due 91-180 days		83,433,380	60,060,668
	Past due 181 -365 days		123,130,677	168,601,543
	Past due more than 365 days		12,691,354	12,691,354
			2,338,918,719	**1,017,833,764**
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		135,822,031	181,292,897
	Advance, deposit and prepayments not exceeding 6 months		83,433,380	36,767,770
	Other advance, deposit and prepayments less provision		218,507,080	54,682,360
	Advance, deposit and prepayments considered good and secured		1,882,955,665	736,796,521
	Advance, deposit and prepayments due by Other Officers (against Salary)		18,200,562	12,418,886

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
11.00	**Investment**			
	Investment in FDR	11.01	136,704,117	102,180,441
			136,704,117	**102,180,441**

11.01 Investment in FDR

Bank Name	A/C No	Principle	Term (Months)	Maturity Date		
Alarafa	0541310044115	33,000,000	12	11.10.23	33,711,556	3,635,780
IPDC	1001251000027860	5,000,000	12	03.02.24	5,217,000	3,408,201
IPDC	1001251000038986	7,500,000	12	17.04.24	7,500,000	13,537,570
IPDC	100125000038987	7,500,000	12	18.04.24	7,500,000	27,075,140
IFIL	0012970004858	20,000,000	12	02.09.23	22,775,560	26,109,836
Shimanto	1001344001080	60,000,000	12	25.05.24	60,000,000	13,028,299
					136,704,117	**86,794,826**

These FDRs have been liened with above bank and Financial Institutions for complied with the terms of sanctioned loan facilities.

12.00	**Cash and cash equivalents**			
	Cash in hand	12.01	1,062,630	2,526,893
	Cash at bank	12.02	433,350,772	509,041,672
			434,413,402	**511,568,565**

12.01 Cash in hand

Head Office	800,000	800,000
Factory	262,630	1,726,893
	1,062,630	**2,526,893**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

12.02 Cash at bank

Bank Name	Branch	A/C Type	A/C No		
Dutch Bangla Bank Ltd.	Local office	FCAD($)	101.117.163	18,241,584	8,501,685
Dutch Bangla Bank Ltd.	Local office	FCAD(€)	101.119.20	-	530,147
Dutch Bangla Bank Ltd.	Local office	FCAD($)	1011100006900	30,555	26,234
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.110.36941	9,086,998	12,825
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5645	219,041	267,856
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5692	35,236	29,750
Eastern Bank Ltd.	Principal	FCAD($)	101.305.3310	-	63,990
Eastern Bank Ltd.	Principal	EOO($)	1013100605881	4,809,250	31,989,757
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	107.120.484	108,152	108,484
BRAC Bank Ltd.	Motijheel	CD	5203551787001	-	5
BRAC Bank Ltd.	Motijheel	FCAD($)	203551787002	-	-
Jamuna Bank Ltd.	Mohakhali	CD	102.100.15098	10,656	2,043
NCC Bank CD A/C	Baridhara	CD	1070210001597	21,578	21,837
One Bank Ltd.	Agrabad, Ctg.	CD	0031050001366	170,580	20,386
Al -Arafa Islami Bank ltd	VIP Road	CD	141020047786	6,239	3,485
Al -Arafa Islami Bank ltd	Gulshan	CD	541020010677	3,730,249	12,981,794
Al -Arafa Islami Bank ltd	Gulshan	FCAD($)	0549580000352	3,721,511	23,152
Al -Arafa Islami Bank ltd	Gulshan	FCAD($)	0549880000366	905,029	19,579
Al -Arafa Islami Bank ltd	Gulshan	FCAD($)	0549850000453	347,696,996	58,028,198
Bank Asia	Tower	CD	62733000256	3,471,462	6,079,129
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	1071100031497	1,183	1,880,972
Shahajalal Islamic Bank	Eskaton	CD	0331100000679	-	-
South Bangla Ariculture	Gulshan	CD	0010111005482	29,547	16,446
United Commercial Bank	Mohakhali	CD	1101000002124	18,452,647	50,631,409
United Commercial Bank	Mohakhali	SND	1301000000653	485,374	-
United Commercial Bank	Mohakhali	SND	1301000000584	5,360	-
United Commercial Bank	Mohakhali	FCAD ($)	1184000000267	18,434,909	321,459,164
UCBL -FACD in USD A/C	Mohakhali	FCAD ($)	1181000000193	23,437	14,611,250
HSBC	Management Office	CD	001-011576011	69,427	91,657
Dutch Bangla Bank Ltd.	Local office	CD	1011200007676	809,605	840,314
One Bank Ltd.	Agrabad, Ctg.	CD	0031020009947	12,538	14,838
Dutch Bangla Bank Ltd.	Local office	CD	1011200007863	688,610	754,622
Shimanto Bank Ltd.	Corporate office	CD	1005241000165	55,858	-
City Bank	Gulshan	CD	1103309469001	2,016,962	28,048
One Bank Ltd.	Mirpur		110039901005	201	2,616
				433,350,772	**509,041,672**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

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**

Details of the shareholdings are as under:

Name of Shareholders	% held	No. of shares		30.06.2023 Taka	30.06.2022 Taka
		30.06.2023	30.06.2022		
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%	34895833	34,895,833.00	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.

14.00 Share premium

Share premium	1,086,653,150	1,086,653,150
Less: IPO Expense	-	-
	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	2,636,272,708	2,487,333,307
Add: Net profit after tax for the year	117,770,310	327,485,893
Less: Cash dividend	71,539,863	178,546,493
	2,682,503,155	**2,636,272,708**

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	129,741,285	121,710,267
Deferred tax Liabilities related to other comprehensive income		155,803,714	155,803,714
		285,544,999	**277,513,981**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

17.01 Deferred tax liabilties

	Carrying amount Taka	Tax base Taka	Taxable temporary difference Taka
As at 30 June 2023			
Deferred tax liabilities related to Profit and Loss A/C			
Property, plant and equipment excluding land	2,461,536,550	1,380,359,171	1,081,177,378
Applicable tax rate			12.00%
Deferred tax liability			**129,741,285**
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**

	Carrying amount Taka	Tax base Taka	Taxable temporary difference Taka
As at 30 June 2022			
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%
Deferred tax liability			**121,710,268**

	Carrying amount Taka	Tax base Taka	Taxable temporary difference Taka
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-2023	30-Jun-2022
17.02	**Deferred Tax Expenses**		
	Deferred Liabilities at the end of the period	129,741,285	121,710,267
	Deferred Liabilities at the beginning of the period	121,710,268	117,058,209
	Deferred Tax expenses	**8,031,018**	**4,652,058**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
18.00	**Long term loan net of current maturity**			
	International Finance Corporation	18.01	879,567,259	1,177,976,188
	Jamuna Bank Limited	18.02	22,869,262	24,661,058
	Dutch Bangla Bank Limited-Term Loan	18.03	-	-
	Al arafa Islamic Bank Ltd	18.04	1,552,794,353	1,489,314,847
	IDLC Finance Limited		-	27,362,006
			2,455,230,874	2,719,314,099
	Less: Current portion of long term loan		464,594,631	291,839,388
	International Finance Corporation		151,786,087	-
	Al arafa Islamic Bank Ltd		287,927,002	256,271,616
	Jamuna Bank Limited		13,045,392	15,495,492
	IDLC Finance Limited		11,836,150	20,072,280
			1,990,636,243	**2,427,474,711**
18.01	**International Finance Corporation**		**879,567,259**	**1,177,976,188**

Particulars of the term loans are given below.

(Amount in USD)

Bank Name	Loan Account	Particulars	Outstanding as on 30.06.2023
International Finance Corportion	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 — **22,869,262** — **24,661,058**

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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
18.03	Dutch Bangla Bank Ltd	-	-
18.04	Al arafa Islamic Bank Ltd	1,552,794,353	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: 9.00% 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 -1)	Limit: 106,900,000, Tenor: Sight/Deferred/360 days UPAS Pricing: 0.20% 1st Qtr.
	Term Loan - HPSM (Industrial) Facility	Limit: 1,460,000,000, Tenor: 8 Years Pricing: 9.00% p.a.
	Term Loan - HPSM (Transport) Facility	Limit: 9,600,000 Tenor: 2.5 Years Pricing: 9.00% p.a.
	Term Loan - HPSM (RE) Facility	Limit: 2,72,400,000 Tenor: 6 Years Pricing: 9.00% 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: 9.00% 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 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 within 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-2023	30-Jun-2022
19.00	**Finance lease obligation net of current maturity**		
	IDLC Finance Limited	2,561,293	4,215,177
	IPDC Finance Limited	1,720,844	1,720,844
		4,282,137	5,936,022
	Less: Current portion of finance lease obligation-IDLC	2,561,293	3,328,665
	Less: Current portion of finance lease obligation-IPDC	1,720,844	1,720,844
		4,282,137	5,049,509
		-	**886,513**

IDLC Finance Limited

Esquire Knit Composite PLC entered into lease agreement with IDLC Finance Limited from the year 2016 to 2022 for vehicles. Esquire Knit Composite PLC 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 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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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	26,438,707	2,561,293
IPDC	Vehicle	11,450,000	5 Years	249,462	9,729,156	1,720,844
		40,450,000		**814,772**	**36,167,863**	**4,282,137**

Notes	Particulars		Amount in Taka 30-Jun-2023	30-Jun-2022
20.00	**Short term loan**			
	Dutch Bangla Bank Limited	20.01	-	217,891,244
	Al arafa Islamic Bank Ltd	20.02	657,384,511	605,882,000
	Eastern Bank Limited	20.03	317,260,044	81,421,780
	United commercial Bank Limited	20.04	505,389,263	228,656,365
	Bank Asia limited		200,800,000	250,000,000
	The City Bank limited		18,206,720	13,980,103
	Lankan Alliance		301,620,204	300,025,000
	South Bangla		264,501,387	250,000,000
	IFIL		91,200,541	124,497,541
	IDCOL		632,722,601	-
	Shimanto Bank		252,734,962	-
	IPDC Finance Limited		99,999,699	101,508,345
			3,341,819,932	**2,173,862,378**
20.01	**Short Term Loan Dutch Bangla Bank Limited**			
	Estimulas fund		-	217,891,244
			-	**217,891,244**
20.02	**Al arafa Islamic Bank Ltd**			
	HPSM (Transport) Short Term		6,172,810	9,600,000
	LTR- MPI (Trust Receipt)		-	78,360,000
	Overdraft	20.02.1	651,211,701	517,922,000
			657,384,511	**605,882,000**

20.02.1 Overdraft

Name of the Bank	Branch	Account #		
OD- Bai-Muazzal (Gen) MEF	Mohakhali	0781749000000347	651,211,701	517,922,000
			651,211,701	**517,922,000**

Particulars such as the terms & conditions of the above short term loans are same as stated under Note # 18.4

20.03	**Eastern Bank Limited**		
	Overdraft	30,632,439	30,634,280
	Time loan normal	88,833,857	50,787,500
	Export cash credit	111,920,328	-
	Loan against EDF	85,873,421	-
		317,260,044	**81,421,780**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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: 9.00% 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.
	Pre Shipment Credit	Limit: (125,000,000) Tenor: 180 days Pricing: As per BB Circular
	Manufacturer's Demand Loan	Limit: 85,000,000 Tenor: 120 days Pricing: 9.00% p.a.
	Overdraft (OD)	Limit: 30,000,000 Tenor: 360 days Pricing: 9.00% p.a.
	Time Loan [Within Line # 7]	Limit: (50,000,000) Tenor: 180 days Pricing: 9.00% 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: 9.00% 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 PLC. 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 PLC. 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-2023	30-Jun-2022

20.04 United Commercial Bank Ltd.

Facilities	Branch	A/C #		
Overdraft	Mohakhali	0781749000000347	61,215,516	26,263,190
Time loan normal			298,035,105	192,072,437
Export cash credit			35,084,380	-
EDF			111,054,263	10,320,738
			505,389,263	**228,656,365**

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: 1,600,000,000 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: 360 days Pricing: 9.00% PQ.
	LBPD	Limit: 100,000,000 Tenor: 120 days Pricing: 9.00% PQ.
	Letter of Guarantee	Limit: 50,000,000 Tenor: As per requirement Pricing: 0.25% PQ
	FBPD/OBU Discounting	Limit: 150,000,000 Tenor: 21 days Pricing: 9.00% p.a.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Bank Name	Facilities	Particulars
United Commercial Bank Ltd.	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 96.00 decimal Land with 04 storied building (57,400 sft) at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite PLC. Pari-passu security sharing with other lenders: AIBL, & EBL) over floating assets of the company. Personal Gurantee of all director of Esquire Knit Composite PLC & Esquire Dyeing Industries Limited except independent directors of Esquire Knit Composite PLC. Corporate gurantee 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-2023	30-Jun-2022
21.00	**Unclaimed Dividend**	**1,983,588**	**3,475,908**

SL #	Account Number	Bank	Branch	AGM No	AGM date	Taka
1	101-120-000-7676	DBBL	Local Office	20th	11.02.21	809,605
2	101-120-000-7863	DBBL	Local Office	21th	26.01.22	688,610
3	078-130-100-000-0653	UCBL	Mohakhali	22th	25.1.22	485,374
						1,983,588

22.00 Accounts payable

Import liability and other creditors	**974,131,816**	**1,185,400,836**

A schedule of import liability and other creditors is given in **Annexure-H**.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
23.00	**Liabilities for expenses**			
	Directors' remunerations		47,444,565	64,282,255
	Salary and wages		43,440,852	39,735,070
	Gas Bills		18,725,148	9,473,051
	Electricity		2,644,331	5,111,674
	Telephone bill		35,000	11,670
	WPPF payable	23.01	-	-
	Wasa bill		30,000	30,000
	Provision for Income Tax	23.02	249,289,002	145,965,247
	Provision for Head office Floors		1,837,169	1,837,169
	Financial Interest		17,681,763	47,621,772
	TDS on Dividend and Expenses		48,693,150	33,995,039
	Audit fees		862,500	862,500
	Head office rent		3,044,000	3,044,000
			433,727,480	**351,969,446**
23.01	**WPPF payable**			
	Opening Balance		-	-
	Add: Addition during the year		2,519,596	2,870,688
			2,519,596	2,870,688
	Less: Payment during the year		2,519,596	2,870,688
			-	-
23.02	**Provision for Income Tax**			
	Opening balance		145,965,247	116,695,379
	Add: Provision made for the year		103,323,755	66,079,024
			249,289,002	182,774,402
	Less: Adjustment for assessment year-2020-21		-	36,809,155
			249,289,002	**145,965,247**
	Income Tax provision		**Taka**	**Taka**
	Export		98,779,580	60,085,682
	Non operating income		4,544,174	5,993,341
			103,323,755	**66,079,024**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
24.00	**Sales**			
	Export sales		7,514,765,316	10,014,280,416
	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:		26,736,822	46,104,444
	ii. Foreign currency earned against export on FOB Basis:			
		In USD	75,919,079	115,261,110
		In BDT	**7,514,765,316**	**10,014,280,416**
	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 2023.			
25.00	**Cost of Goods Sold**			
	Cost of materials consumed	25.01	3,209,679,707	5,228,872,796
	Cost of direct labor	25.02	2,157,974,811	2,500,878,498
	Prime cost		**5,367,654,517**	**7,729,751,294**
	Factory overheads	25.03	791,877,772	708,696,255
	Cost of Goods put into Process		**6,159,532,289**	**8,438,447,548**
	Opening Work -in- process		857,289,381	791,466,248
	Closing Work- in- process	25.04	(868,014,023)	(857,289,381)
	Cost of Goods Manufactured		**6,148,807,647**	**8,372,624,415**
	Opening Finished Goods		230,016,352	274,046,371
	Cost of Goods Available for Sale		**6,378,823,999**	**8,646,670,786**
	Closing Finished Goods	25.05	(220,056,353)	(230,016,352)
			6,158,767,646	**8,416,654,434**
25.01	**Raw Materials Consumption**			
	Yarn	25.1.1	1,863,224,750	4,021,035,722
	Dyes	25.1.2	283,356,954	165,142,421
	Chemical	25.1.3	310,295,114	307,637,091
	Finishing Materials	25.1.4	752,802,889	735,057,562
			3,209,679,707	**5,228,872,796**

25.1.1 Yarn Consumption

	Quantity in kg			
	2022-23	**2021-22**		
Opening	2,340,588	2,649,002	659,657,698	837,871,652
Add: Purchase during the year	5,878,439	9,432,790	2,057,453,755	3,842,821,769
	8,219,027	12,081,792	2,717,111,453	4,680,693,420
Less: Closing stock	2,423,761	2,340,588	853,886,704	659,657,698
	5,795,266	**9,741,204**	**1,863,224,750**	**4,021,035,722**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

25.1.2 Dyes Consumption

	Quantity in kg			
	2022-23	2021-22		
Opening	215,529	210,191	226,045,504	242,337,642
Add: Purchase during the year	236,360	210,191	281,473,070	148,850,283
	451,889	420,382	507,518,574	391,187,925
Less: Closing stock	227,552	215,529	224,161,620	226,045,504
	224,337	**204,853**	**283,356,954**	**165,142,421**

25.1.3 Chemical Consumption

	Quantity in kg			
	2022-23	2021-22		
Opening	1,316,954	1,418,353	132,240,273	130,155,983
Add: Purchase during the year	1,733,026	1,957,537	328,808,238	309,721,381
	3,049,980	3,375,890	461,048,511	439,877,364
Less: Closing stock	1,062,218	1,316,954	150,753,397	132,240,273
	1,987,762	**2,058,936**	**310,295,114**	**307,637,091**

25.1.4 Finishing materials Consumption

Opening	1,185,015,121	740,178,282
Add: Purchase during the year	434,853,633	1,179,894,401
	1,619,868,755	1,920,072,683
Less: Closing stock	867,065,866	1,185,015,121
	752,802,889	**735,057,562**

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	925,854,190	1,131,599,565
Dyes & Chemical	122,056,262	488,225,046
Packing Materials	41,619,563	160,336,712
Accessories	16,644,868	316,252,491
Store & Spare-Parts	54,425,852	8,127,676
	1,160,600,734	**2,104,541,491**

25.02 Cost of direct labor

Workers wages	1,506,203,230	1,764,527,051
Workers overtime	219,033,054	267,226,857
Daily labor	7,114,816	17,138,313
Salary	422,346,432	444,952,674
Festival bonus and Provident Fund	3,277,279	7,033,603
	2,157,974,811	**2,500,878,498**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
25.03	**Factory overheads**			
	Gas and electricity		327,773,225	237,451,991
	Insurance premium		17,064,024	16,021,044
	Tiffin expenses for workers		15,084,011	16,037,521
	Spare Parts Consumption		173,631,028	202,627,919
	Vehicle running (Oil and fuel)		19,344,776	13,742,019
	Local conveyance		7,521,612	5,250,435
	Telephone & Mobile bills		3,358,233	2,961,367
	Depreciation		228,100,862	214,603,958
			791,877,772	**708,696,255**
25.04	**Work in Process**			
		Quantity in kg		
		2022-23 / **2021-22**		
	Knitting (kg)	149,485 / 89,549	23,783,129	30,999,932
	Finished Fabric (kg)	1,148,760 / 1,101,933	399,924,675	424,631,528
	Cutting (Pcs)	1,053,281 / 3,395,163	388,006,887	284,967,596
	Embroidery (Pcs)	101,044 / 4,336	2,592,419	4,697,724
	Printing (Pcs)	580,641 / 7,546	16,177,204	12,919,964
	Sewing (Pcs)	529,259 / 1,096,381	37,529,707	99,072,636
			868,014,023	**857,289,381**
25.05	**Finished Goods (pcs.)**			
		Quantity in kg		
		2022-23 / **2021-22**		
	Opening	1,267,708 / 1,021,663	230,016,353	274,046,371
	Add: Production during the year	26,223,683 / 39,025,299	6,148,807,647	7,799,293,224
		27,491,391 / 40,046,962	6,378,823,999	8,073,339,595
	Less: Delivered during the year	26,736,822 / 38,779,254	6,158,767,646	7,843,323,242
	Closing stock	**754,569** / **1,267,708**	**220,056,354**	**230,016,353**
	A detail of cost of materials consumed is given in **Annexure-C.**			
26.00	**Operating expenses**		**778,977,018**	**887,506,281**
	Office & administrative expenses	26.01	330,182,667	309,009,560
	Selling & distribution expenses	26.02	448,794,351	578,496,721

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
26.01	**Office & administrative expenses**	**330,182,667**	**309,009,560**
	Director remuneration	18,000,000	30,000,000
	Salary & allowances	209,252,661	183,833,753
	Contribution to employees provident fund	1,840,159	3,355,687
	Vehicle maintenance	1,161,501	917,872
	Vehicle running expenses	6,581,836	8,260,844
	Entertainment	3,917,325	2,367,517
	Insurance premium	868,770	868,770
	Printing expenses	415,219	471,775
	Stationery expenses	3,359,495	1,426,457
	Telephone, mobile & internet	2,755,229	2,558,950
	Floor rent	3,044,000	3,044,000
	Travelling & conveyance	851,210	1,907,520
	Bank charges	15,850,666	14,715,530
	License, renewal & registration	7,064,089	5,661,976
	Utility expenses	2,735,051	2,349,478
	Audit fees	862,500	862,500
	Scrutinizer fees	30,000	30,000
	Exchange loss/(gain)	7,625,112	5,969,129
	Depreciation	42,783,807	40,054,443
	Miscellaneous expenses(AGM expenses)	1,184,036	353,359
26.02	**Selling & distribution expenses**	**448,794,351**	**578,496,721**
	Inspection & certificate issue expenses	29,031,904	3,525,993
	Export permission	12,524,704	21,769,983
	Foreign Travel for marketing	18,302,440	5,688,246
	Sample and courier expenses	118,013,875	186,003,871
	Bank charges on export proceeds	201,441,046	240,818,516
	Freight charges on export	35,299,605	58,444,310
	C&F expenses on export	20,584,013	23,506,448
	Carriage outward on export(Transportation)	13,596,763	38,739,355
27.00	**Financial expenses**	**363,552,671**	**333,005,402**
	Interest on Short term loan	174,514,010	170,140,200
	Interest on Long term loan	188,747,225	162,345,438
	Interest on Finance lease	291,435	519,764
28.00	**Non operating income**	**18,176,697**	**23,973,365**
	FDR Interest	7,795,401	5,854,336
	Dividend on unit fund-ICL	3,000,000	8,500,000
	Bank Interest	-	2,237,733
	Rental income	7,381,296	7,381,296

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
29.00	**Net Asset Value (NAV) Per Share**		
	Total assets	16,354,124,596	15,528,645,994
	Total Liabilities	(7,496,720,826)	(6,717,472,669)
	Net Asset Value (NAV)(A)	8,857,403,770	8,811,173,325
	Revaluation reserve	(3,739,289,135)	(3,739,289,135)
	Net Asset Value (NAV) without revaluation reserve (B)	5,118,114,635	5,071,884,189
	Weighted Average Number of shares (C)	134,895,833	134,895,833
	Net Asset Value (NAV) per share with revaluation reserve (A÷C)	**65.66**	**65.32**
	Net Asset Value (NAV) per share without revaluation reserve (B÷C)	**37.93**	**37.59**
29.01	**Earnings Per Share (EPS)**		
	Earning attributable to ordinary shareholders (Taka)	117,770,310	327,485,893
	Weighted Average Number of shares	134,895,833	134,895,833
	Earnings Per Share (Taka)	**0.87**	**2.43**
30.00	**Net Operating Cash Flow Per Share (NOCFPS)**		
	Net operating cash flows	(229,062,686)	440,613,772
	Weighted Average Number of shares	134,895,833	134,895,833
	Net operating cash flows per shares	(1.70)	3.27

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	117,770,310	327,485,893
Adjustment for non-cash items:		
Depreciation	270,884,669	254,658,401
Deferred Tax Adjustment	8,031,018	4,652,058
Changes in Working Capital:		
(Increase)/decrease in Inventory	138,351,041	(347,067,911)
Decrease in Accounts receivable	630,517,792	(61,343,439)
(Increase)/decrease in Advance deposit and Payments	(1,313,799,680)	7,710,685
Increase/(decrease) in Accounts payable	(211,269,020)	186,449,972
Increase/(decrease) in Accrued Expenses	130,451,183	68,068,114
Net cash flow from operating activities	**(229,062,686)**	**440,613,772**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

32.00 Related party disclosures

i) Related party transactions **(Amount in Taka)**

Name	Nature of relationship	Nature of Transaction	Opening Balance	Purchase/ receipts	Payment	Outstanding as on 30.06.2023 (Receivable)/ Payable
Esquire Accessories Limited	Common Management	Purchase	74,481,939	133,402,422	140,048,517	67,835,844
Esquire Electronics Limited	Common Management	Purchase		3,012,287	3,012,287	-
Esquire Dyeing Industries Limited	Common Management	Dyeing	98,385,850	471,566,150	472,616,388	97,335,612
Esquire Testing Services (BD) Limited	Common Management	Fabric testing fees		50,075,978	50,075,978	-
L'Esquire Ltd			(385,037,935)	656,711,943	2,026,010,824	(1,754,336,816)
Esquire Plasitc Ltd	Common Management	Purchase	-	-	-	-
						(1,589,165,361)

ii) Particulars of Directors of Esquire Knit Composite PLC as at 30 June 2023

Name of Directors	BOD of Esquire Knit Composite PLC	Entities where they have interests
Md. Ehsanul Habib	Managing Director	Esquire Knit Composite PLC
		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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Name of Directors	BOD of Esquire Knit Composite PLC	Entities where they have interests
Md. Mofazzal Hossain	Chairman	Esquire Knit Composite PLC
		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
		Thakral One Private Ltd
		Esquire Travels Ltd.
Mrs. Peara Begum	Director	Esquire Knit Composite PLC
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Accessories Limited
Arifur Rahman	Director	Esquire Knit Composite PLC
		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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

Name of Directors	BOD of Esquire Knit Composite PLC	Entities where they have interests
Md. Muddasar Hossain	Director	Esquire Knit Composite PLC
		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.

Notes	Particulars		Amount in Taka	
			30-Jun-2023	30-Jun-2022
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 2023 is given below:			
	Managing Director's remuneration and benefit	35.01	6,000,000	6,000,000
	Other Directors' salary and benefit	35.02	12,000,000	24,000,000
	Other key management personnels' salary and benefit	35.03	37,995,319	25,995,319
			55,995,319	**55,995,319**
35.01	**Managing Director's remuneration and benefit**			
	Salary		6,000,000	6,000,000
35.02	**Other Directors' salary and benefit**			
	Salary		12,000,000	24,000,000
35.03	**Other key management personnels' salary and benefit**			
	Salary		31,951,685	19,951,685
	Allowance		590,274	590,274
	Bonus		3,530,615	3,530,615
	Providend fund		1,922,745	1,922,745
			37,995,319	**25,995,319**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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	

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022
36.00	**Disclosure as per Schedule XI, Part II, Para 7of the Companies Act 1994**		
	Particulars		
	Textiles:		
	Installed Capacity (Kg)	12,775,000	8,030,000
	Actual Production (Kg)	7,919,463	6,088,892
	Utilization	61.99%	75.83%
	Apparels:		
	Installed Capacity (Pcs)	49,920,000	49,920,000
	Actual Production (Pcs)	26,223,683	34,690,032
	Utilization	52.53%	69.49%
37.00	**Transaction in foreign currency**		
	C & F value of import		
	Finishing Materials	7,035,541	7,689,252
	Yarn	19,228,540	16,155,253
	Dyes & Chemicals	5,703,564	4,546,032
	Capital Machinery	2,574,850	671,136
		34,542,494	**29,061,673**
	FOB Value of Export (USD)	**75,919,079**	**115,261,110**

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

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

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	632,635,842	1,297,557,977
Advance, deposit and prepayments	10.00	2,338,918,719	1,017,833,764
Cash & Bank Balances	12.00	434,413,402	511,568,565
		3,405,967,963	**2,826,960,306**

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic regions was:

Domestic	2,986,577,449	1,306,856,366
Foreign	419,390,514	1,520,103,941
	3,405,967,963	**2,826,960,306**

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.

The following are the contractual maturities of financial liabilities of the company:

As on 30 June 2023

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	2,455,230,874	-	2,455,230,874
Finance Lease obligation	4,282,137	-	4,282,137
Short term loan	3,341,819,932	2,005,091,959	1,336,727,973
Provision for income tax	249,289,002	249,289,002	-
Liabilities for expenses	184,438,478	184,438,478	-
Accounts payable	974,131,816	974,131,816	-
	7,209,192,239	**3,412,951,255**	**3,796,240,984**

As on 30 June 2022

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	2,719,314,100	-	2,719,314,100
Finance Lease obligation	5,936,022	-	5,936,022
Short term loan	3,341,819,932	2,005,091,959	1,336,727,973
Provision for income tax	145,965,247	145,965,247	-
Liabilities for expenses	206,004,199	206,004,199	-
Accounts payable	1,185,400,836	1,185,400,836	-
	7,604,440,336	**3,542,462,242**	**4,061,978,095**

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 EKCPLC single buyer concentration is not a major issue and they have longstanding relationship with overseas buyers. All of them regard EKCPLC as their global partners and the relationship can only be disrupted if EKCPLC 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:

	30.06.2023 USD	30.06.2022 USD
Foreign currency denominated assets		
Accounts Receivable	5812530.712	14650354.45
FBPAR A/C with DBBL-in USD(78)3	-	14,650,354
FBPAR A/C with Dutch Bangla Bank Limited (USD)	-	87,612
FBPAR A/C with Dutch Bangla Bank Limited (Euro)	-	1,630
Margin A/C with Eastern Bank Limited (USD)	-	378,593
Margin A/C with Eastern Bank Limited (Euro)	-	863
Dutch Bangla Bank Limited FCAD (USD account)	167,600	579,942
Dutch Bangla Bank Limited FCAD (Euro account)	-	63
DBBL FCAD-in Dollar	281	4,693,862
Eastern Bank Limited (USD account)	-	684
	5,980,411	**35,043,958**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

	30.06.2023 USD	30.06.2022 USD
Foreign currency denominated liabilities		
DBBL-EDF	-	(2,193,651)
EBL-EDF	(788,988)	(532,888)
IFC Loan	(10,428,140)	(14,000,000)
Accounts Payable	(8,645,845)	(11,777,303)
	(19,862,973)	**(28,503,842)**
Net exposure	**(13,882,561)**	**6,540,116**

	30.06.2023 Taka	30.06.2022 Taka
The following rate has been applied:		
Taka/USD	108.84	93.45
Taka/EURO	118.67	97.55

38.05 Business Risk

Managing Compliance – Currently RMG buyers specially the large buyers are very demanding and constantly tightening the compliance criteria. EKCPLC 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. EKCPLC 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, EKCPLC has been successful to achieve its sales target after expansion as most of its expansions are planned after receiving order indications from its buyers.

Notes	Particulars	Amount in Taka	
		30-Jun-2023	30-Jun-2022

38.06 Interest Rate Risk

EKCPLC 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 EKCPLC. It is the company risk of gain or losses on assets and liabilities due to changes in interest rates.

Exposure of Interest Rate Risk

Fixed Rate Bearing		
Term Loan	2,459,513,011	2,794,742,511
Short Term Loan	3,341,819,932	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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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. EKCPLC 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, EKCPLC 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 2023.



Chairman | **Managing Director** | **Director** | **Company Secretary** | **Chief Financial Officer**

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

AS AT 30 JUNE 2023

(ANNEXURE-A)

Name of the assets	Cost			Rate (%)	Depreciation			Written Down Value as on 30.06.2023
	Balance as on 01.07.2022	Addition During the period	Balance as on 30.06.2023		Balance as on 01.07.2022	Charges for the period	Balance as on 30.06.2023	
a. Freehold assets								
Land & Land development	123,453,152	-	123,453,152	-	-	-	-	123,453,152
Building	1,222,820,029	-	1,222,820,029	5%	599,389,632	61,141,001	660,530,634	562,289,395
Plant & Machinery	3,523,323,965	275,508,981	3,798,832,946	7%	1,841,339,531	166,959,861	2,008,299,392	1,790,533,554
Furniture and Office Equipment	263,978,144	43,457,575	307,435,719	10%	201,672,773	27,112,185	228,784,959	78,650,760
Motor Vehicle	28,894,445	-	28,894,445	13%	28,894,445		28,894,445	-
Software & IT	32,440,757	-	32,440,757	10%	13,976,100	3,244,076	17,220,175	15,220,582
Sub-Total	**5,194,910,491**	**318,966,556**	**5,513,877,047**		**2,685,272,481**	**258,457,123**	**2,943,729,605**	**2,570,147,443**
b. Revalued assets								
Land & Land Development	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**
c. Leasehold assets								
Motor Vehicle	99,420,368	-	99,420,368	13%	72,150,564	12,427,546	84,578,110	14,842,258
Sub-Total	**99,420,368**	**-**	**99,420,368**		**72,150,564**	**12,427,546**	**84,578,110**	**14,842,258**
Grand total as on 30 June 2023	**9,189,423,708**	**318,966,556**	**9,508,390,265**		**2,757,423,045**	**270,884,669**	**3,028,307,715**	**6,480,082,550**
Grand total as on 30 June 2022	**6,936,935,539**	**-**	**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	83,297,266
Land development cost	40,155,886
	123,453,152

Allocation of depreciation:	
Factory overhead	228,100,862
Office & Administrative Expenses	42,783,807
	270,884,669

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 2023

(ANNEXURE-B)

1. Expansion project -Valuka

Particulars	Total Cost	Cost incurred
Valuka Building construction	2,900,000,000	2,550,960,233
Total	**2,900,000,000**	**2,550,960,233**

STORE LEDGER SUMMARY

AS AT 30 JUNE 2023

(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	659,657,698	5,878,439	2,057,453,755	5,795,266	1,863,224,750	2,423,761	853,886,704
2	Dyes	229,866	226,045,504	236,360	281,473,070	238,674	283,356,954	227,552	224,161,620
3	Chemical	1,267,368	132,240,273	1,733,026	328,808,238	1,938,176	310,295,114	1,062,218	150,753,397
Finishing Materials									
4	Packing materials	-	293,218,130	-	101,956,275	-	138,781,850	-	256,392,555
5	Accessories	-	775,827,818	-	315,262,036	-	591,801,029	-	499,288,825
6	Sewing Thread	-	107,243,479	-		-		-	107,243,479
7	Printing & Embroidery materials	-	8,725,694	-	17,635,322	-	22,220,010	-	4,141,006
WIP and Finished Goods									
8	Work in Process	-	857,289,381	-	-	-	-	-	868,014,023
9	Finished goods-pcs	1,728,752	230,016,352	-	-	-	-	1,215,613	220,056,353
10	Materials in transit	-	160,307,088		-	-	-	-	136,261,024
Sub-Total			3,450,571,417	7,847,825	3,102,588,697	7,972,116	3,209,679,707		3,320,198,986
Factory overhead (Repair and Maintenance)									
1	Spare parts & consumable items	-	287,638,311	-	162,553,528	-	170,532,138	-	279,659,700
2								-	-
Sub-Total		**-**	**287,638,311**	**-**	**162,553,528**	**-**	**170,532,138**	**-**	**279,659,700**
Grand Total		**-**	**3,738,209,728**	**7,847,825**	**3,265,142,225**	**7,972,116**	**3,380,211,845**	**-**	**3,599,858,687**

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
1	Air Conditioner	BOTTLE	8	71,517	8	62,134
2	Air Conditioner	PCS	14	96,715	14	70,849
3	Air Conditioner	SET	6	714,270	7	523,237
4	Ball Bearing	PCS	3,044	1,925,286	2,435	2,163,242
5	Timing Belt	MTR	88	11,141	71	12,379
6	Timing Belt	PCS	1,038	773,866	831	859,852
7	Toothed Belt	PCS	562	859,603	450	955,114
8	V-Belt	PCS	3,565	881,338	2,852	979,264
9	Common (All)	KG	9	1,605	7	1,783
10	Common (All)	LBS	935	1,073,002	748	1,341,253
11	Common (All)	PCS	5,577	330,727	4,462	367,474
12	Common (All)	SET	24	12,919	19	14,354
13	Band Knife M/C	SET	22	5,411	18	6,012
14	Common M/C (Cutting)	PCS	6,436	671,199	5,149	745,777
15	FK Spreading Machine 590	PCS	26	2,773	21	3,081
16	FK Top Cut 9 M/C	PCS	212	490,820	169	545,356
17	Manual M/C	PCS	5,788	8,128,665	4,630	11,612,379
18	Spreader M/C (Brio 100)	PCS	477	841,397	381	1,201,996
19	VT-7000 M/C	BOX	1,728	571,045	1,382	634,495
20	VT-7000 M/C	PCS	1,759	1,200,052	1,407	1,500,065
21	VT-MX M/C	PCS	1,330	2,168,299	1,064	2,710,374
22	VT-MX M/C	PAIR	10	28,918	8	32,131
23	Automatic Tubular Emb M/C	PCS	1,478	330,052	1,183	471,503
24	Laser Cutter M/C	PCS	62	263,582	50	292,869
25	MG M/C	MTR	23	11,727	18	13,030
26	MG M/C	PCS	6,524	619,847	5,219	688,719
27	MG M/C	SET	12	2,648	10	2,942
28	Sunstar M/C	PCS	1,428	128,799	1,143	143,110
29	Tajima M/C	PCS	4,473	232,286	3,578	331,837
30	Auto Brass M/C	PCS	45	3,799	36	4,222
31	Biancalani Dryer Machine	PCS	14	358,221	11	447,776
32	Corino Slitting Machine	PCS	711	250,582	569	357,975
33	Dozzatex M/C	PCS	10	58,372	8	64,858
34	Egalizing Dryer M/C	PCS	12	528,823	10	755,462
35	Ferraro Compacting M/C	FEET	146	30,621	117	34,024
36	Ferraro Compacting M/C	PCS	233	911,524	186	1,302,177
37	Ferraro Compacting M/C	ROLL	24	307,020	19	383,775
38	Ferraro Compacting M/C	SET	10	576	8	640
39	Fongs M/C (F/D)	PCS	96	68,807	77	76,452

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
40	Fongs M/C (F/D)	SET	89	62,373	72	69,303
41	Lafer Compacting M/C	PCS	28	700,850	22	778,722
42	Lafer Sueding M/C	MTR	807	211,844	646	235,382
43	Mario Crosta(Brassing) M/C	MTR	136	57,887	109	64,319
44	Mario Crosta(Brassing) M/C	PCS	12	11,513	10	12,792
45	NPL M/C	PCS	46	691	37	768
46	NPL M/C	SET	19	691	15	768
47	Q Sun M/C	PCS	40	42,599	32	47,332
48	Robolab M/C	PCS	1,595	647,129	1,276	719,032
49	Santex M/C	FEET	122	2,095	98	2,328
50	Santex M/C	PCS	177	169,503	142	188,336
51	Sclavos M/C	PCS	2,186	1,245,649	1,748	1,557,062
52	Sclavos M/C	SET	131	28,818	105	32,020
53	Slitting M/C	FEET	174	69,559	139	77,288
54	Slitting M/C	MTR	222	10,537,756	178	21,075,513
55	Slitting M/C	PCS	398	3,572,227	319	4,465,284
56	Slitting M/C	SET	124	216,052	99	240,058
57	Smartex M/C	FEET	141	5,761	113	6,402
58	Smartex M/C	PCS	194	73,362	155	81,513
59	Soft Flow Dyeing M/C	PCS	126	141,901	101	202,715
60	Soft Flow Dyeing M/C	SET	124	20,165	99	22,405
61	Stenter M/C	COIL	119	17,092	95	18,991
62	Stenter M/C	FEET	191	13,305	153	14,784
63	Stenter M/C	MTR	1,112	237,129	889	263,476
64	Stenter M/C	PCS	2,930	787,016	2,344	1,124,309
65	Tube Tex M/C	FEET	355	85,460	284	94,956
66	Tube Tex M/C	PCS	344	5,814,464	275	8,306,377
67	Tube Tex M/C	SET	126	138,273	101	153,637
68	Ultra Soft M/C	PCS	143	43,961	114	54,952
69	Washing M/C	PCS	121	73,832	97	82,036
70	Bartack M/C	PCS	117	413	93	459
71	Bartack M/C	SET	117	3,681	93	4,090
72	Button Hole & Stitch M/C	PCS	2,538	355,323	2,030	507,605
73	Button Hole & Stitch M/C	SET	129	28,789	103	31,987
74	Common (Garments)	PCS	1,242	244,032	993	271,147
75	Common (Garments)	POT	119	3,457	95	3,841
76	Feet of the Arm M/C	PCS	114	1,023	91	1,137
77	Feet of the Arm M/C	SET	121	11,523	97	12,803
78	Finishing Section	PCS	948	335,170	758	372,411
79	Finishing Section	SET	124	111	99	123

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
80	Flat Lock M/C	PCS	4,574	742,813	3,659	825,348
81	Flat Lock M/C	SET	189	72,661	151	80,735
82	Flat Seamer M/C	PCS	160	11,139	128	12,376
83	Fusing M/C	PCS	114	37,548	91	41,720
84	Kancai M/C	PCS	129	6,507	103	7,230
85	Kancai M/C	SET	145	61,031	116	67,813
86	Needle (Garments)	PCS	148	305	118	339
87	Needle (Garments)	PKT	12,050	1,466,310	9,640	1,543,484
88	Over Lock M/C	PCS	5,383	1,034,279	4,307	1,118,140
89	Over Lock M/C	SET	153	64,154	122	51,323
90	Pattern Cutting M/C	PCS	117	8,891	93	7,113
91	Plain M/C	PCS	8,055	458,994	6,444	367,195
92	Plain M/C	SET	218	95,620	174	76,496
93	Rib Cutter M/C	PCS	5,111	906,078	4,089	724,862
94	Rib Cutter M/C	SET	459	233,881	367	187,105
95	Snap Button M/C	PCS	117	42,973	93	34,379
96	Snap Button M/C	SET	112	-	89	-
97	8 Needles Cord Knitting Machin	PCS	112	-	89	-
98	Fukuhara M/C	PCS	1,336	1,960,820	1,068	1,568,656
99	Jack	PCS	8,424	1,063,594	6,739	850,875
100	Mayer & Cie M/C	BOX	119	167	95	133
101	Mayer & Cie M/C	PCS	6,542	2,635,828	5,234	2,108,662
102	Mayer & Cie M/C	PKT	121	8,150	97	6,520
103	Mayer & Cie M/C	SET	177	33,712	141	26,969
104	Needle (Knitting)	PCS	335,107	1,561,407	268,085	1,249,126
105	Orizo M/C	FEET	-	-	-	-
106	Orizo M/C	PCS	60	2,732,403	48	2,185,923
107	Orizo M/C	SET	3,383	203,827	2,706	163,062
108	Pailung M/C	PCS	109	2,002,319	87	1,601,855
109	Re-winder M/C	PCS	2,335	516,131	1,868	412,905
110	Santoni Machine	PCS	321	133,014	257	106,411
111	Shima Shiki M/C	LTR	128	42,344	102	33,875
112	Shima Shiki M/C	PCS	411	1,811,985	328	1,449,588
113	Shima Shiki M/C	SET	2,098	64,165	1,678	51,332
114	Sinker	PCS	109	1,248,647	87	998,917
115	Stoll M/C	KG	44,388	124,032	35,510	99,225
116	Stoll M/C	LTR	109	196,269	87	157,015
117	Stoll M/C	SET	282	46,050	226	36,840
118	Photo Copier	PCS	99	136,317	79	109,054
119	Injection Moulding M/C SA-3	PCS	109	167,458	87	133,966

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
120	Label Cutting(Hy-2080) M/C	PCS	130	169,784	104	135,827
121	Label Printer(PT-6/2) M/C	PCS	139	354,416	111	283,532
122	Thermal Printer(SP4011-R) M/C	PCS	141	73,499	113	58,799
123	Alpha-8 26 Station 12Color M/C	PAIR	112	107,393	89	85,914
124	Alpha-8 26 Station 12Color M/C	PCS	96	833,423	77	666,738
125	Auto M/C	PCS	190	858,248	152	686,598
126	Caynne Quartz Flash "D" M/C	PCS	391	359,000	313	287,200
127	Caynne Quartz Flash "E" M/C	PCS	138	225,273	110	180,219
128	Challenger M/C	PCS	102	1,017,783	82	814,226
129	Chamelion M/C (Manual)	PCS	115	384,975	92	307,980
130	Diamond Back M/C	PCS	205	364,658	164	291,727
131	Exposer M/C (Manual)	PCS	131	305,500	105	244,400
132	Gas Dryer M/C	PCS	196	245,613	157	196,491
133	Hit Press M/C	PCS	115	345,635	92	276,508
134	Motif Setter Machine	SET	144	198,196	115	158,557
135	Performa-18 Colour Auto M/C	PCS	272	594,950	218	475,960
136	Takana Quartz Flash (CE03) M/C	PCS	612	370,459	490	296,367
137	Value Jet 1638 Printer (Sublim)	PCS	170	2,231,667	136	1,785,334
138	Rubber & Seal Items	COIL	187	12,421	150	9,937
139	Rubber & Seal Items	FEET	99	69,417	79	55,534
140	Rubber & Seal Items	LBS	1,207	37,517	966	30,014
141	Rubber & Seal Items	PCS	443	3,678,066	354	2,942,453
142	Rubber & Seal Items	SET	25,337	720,649	20,270	576,519
143	Tools	BOX	179	682,028	143	545,622
144	Tools	PAIR	239	559,172	191	447,337
145	Tools	PCS	359	2,725,319	287	2,180,255
146	Tools	PKT	1,601	55,000	1,281	44,000
147	Tools	SET	144	202,761	115	162,209
148	Boiler	KG	93	536,433	74	429,146
149	Boiler	LBS	700	520,434	560	416,347
150	Generator (Gas)	PCS	353	2,075,360	282	1,660,288
151	Valve	PCS	393	1,333,379	314	1,066,703
152	S.S.M. M/C	PCS	297	53,663	238	42,930
153	Tong Gang M/C	PCS	97	541,943	77	433,555
154	Automobile	LTR	72	413,804	58	331,043
155	Automobile	ML	1,195	9,864,294	956	10,664,102
156	Automobile	MTR	-	68,184	-	54,548
157	Automobile	PCS	309	690,915	248	552,732
158	Automobile	POT	10	10,190	8	8,152
159	Computer Accessories	COIL	31	864,236	25	691,389

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
160	Computer Accessories	PCS	846	2,948,425	677	2,358,740
161	Computer Accessories	PKT	213	310,660	171	248,528
162	Medical Equipment	SET	45	352,629	36	282,103
163	Medicine	BOTTLE	-	81,316	-	65,053
164	Medicine	BOX	-	19,470	-	15,576
165	Medicine	PCS	-	7,050,781	-	5,640,625
166	Medicine	TUBE	-	80,811	-	64,649
167	Auxilary Contructor	PCS	777	674,620	622	539,696
168	Balast	PCS	210	232,610	168	186,088
169	Cable	COIL	724	3,307,793	579	2,646,234
170	Cable	FEET	1,160	113,030	928	90,424
171	Cable	KG	327	980,219	261	784,175
172	Cable	MTR	880	2,215,880	704	1,772,704
173	Cable Socket	PCS	74,267	1,079,301	59,414	863,441
174	Capacitor	PCS	6,739	784,350	5,391	627,480
175	Charger Battery	PCS	1,463	148,939	1,170	119,151
176	Circuit Breaker	PCS	64	2,176,413	51	1,741,130
177	Common (Electrical)	FEET	84	629	67	503
178	Common (Electrical)	KG	122	134,090	98	107,272
179	Common (Electrical)	MTR	2,441	195,959	1,953	156,767
180	Common (Electrical)	PCS	14,970	1,103,376	11,976	882,701
181	Common (Electrical)	PKT	586	324,920	469	259,936
182	Common (Electrical)	SET	153	60,821	122	48,657
183	Converter	PCS	122	1,754,987	98	1,403,989
184	Cooling Fan	PCS	682	817,153	546	653,722
185	Cut Out	PCS	846	59,467	677	47,574
186	DB Board	PCS	363	199,179	290	159,343
187	Electric Bulb	PCS	2,442	1,501,309	1,954	1,201,047
188	Electronic Card	PCS	33	1,527,960	26	1,222,368
189	Fuse	PCS	16,668	796,503	13,335	637,203
190	Holder	PCS	1,464	154,279	1,172	123,423
191	Holder	SET	667	295,477	534	236,381
192	Inverter	PCS	7	2,164,618	6	1,731,695
193	Magnetic Contructor	PCS	107	3,577,761	85	2,862,209
194	Meter	PCS	210	2,330,740	168	1,864,592
195	Motor	PCS	438	1,047,473	351	837,978
196	Overload Relay	PCS	452	2,669,797	362	2,135,838
197	Plug (Electrical)	PCS	684	501,517	547	401,214
198	Plug (Electrical)	PKT	260	23,078	208	18,463
199	Relay	PCS	1,193	615,469	954	492,375

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
200	Relay Base	PCS	69	25,789	55	20,631
201	Saddle Clamp	PCS	7,425	2,462,733	5,940	1,970,187
202	Saddle Clamp	PKT	-	30,936	-	24,748
203	Socket (Electrical)	PCS	327	373,108	261	298,486
204	Solenoide Valve	PCS	146	336,972	117	269,577
205	Starter	PCS	1,219	20,241	975	16,193
206	Switch	PCS	304	1,526,735	243	1,221,388
207	Tape (Electrical)	FEET	17,791	726,205	14,233	580,964
208	Tape (Electrical)	MTR	5,055	13,064	4,044	10,451
209	Tape (Electrical)	PCS	12,428	1,666,392	9,943	1,333,113
210	Tape (Electrical)	ROLL	167	18,501	133	14,801
211	Tape (Electrical)	SET	10	3,135	8	2,508
212	Timer	PCS	70	172,609	56	138,087
213	Transformer	PCS	55	218,011	44	174,409
214	Tube Light	PCS	1,543	979,757	1,235	1,187,584
215	Warning Light	PCS	144	162,683	116	130,147
216	Fire Fighting Equipment	COIL	-	7,873,824	-	9,842,280
217	Fire Fighting Equipment	PCS	1,086	6,873,822	869	8,592,277
218	Fire Fighting Equipment	SET	33	2,105,341	26	1,684,273
219	Band	PCS	564	753,147	451	602,517
220	Channel	PCS	603	86,584	483	69,267
221	Elbow	PCS	397	1,544,161	318	1,235,328
222	Flanges	PCS	380	1,365,067	304	1,092,053
223	Nipple	PCS	335	149,057	268	119,246
224	Nut	PCS	-	15,783	-	12,627
225	Nut Bolt	PCS	-	332,130	-	265,704
226	Pipe	FEET	9,969	1,256,723	7,975	1,005,378
227	Plug	PCS	536	12,205	429	9,764
228	Reducer	PCS	210	179,464	168	143,571
229	Socket	PCS	7,236	336,653	5,789	269,323
230	Tee Socket	PCS	552	321,066	441	256,852
231	Union Socket	PCS	215	109,434	172	87,547
232	Hardware	COIL	33	944,373	26	755,498
233	Hardware	LBS	5	2,083	4	1,893
234	Hardware	KG	553	9,221,105	443	11,526,381
235	Hardware	LTR	24	474,803	19	379,843
236	Hardware	PKT	-	6,973,822	-	8,717,278
237	Hardware	POT	213	654,087	171	523,270
238	Hardware	ROLL	31	263,444	25	210,755
239	Hardware	SET	91	36,448	73	29,158

SPARE PARTS ITEMS

AS AT 30 JUNE 2023

(ANNEXURE-D)

Sl. No.	Items	Unit	30.06.2023		30.06.2022	
			Qty	Amount	Qty	Amount
240	Paint & Vernish	PCS	363	147,079	290	117,664
241	Paint & Vernish	PKT	431	16,551	345	13,241
242	Sanitary	GM	9,489	817,686	7,591	654,149
243	Sanitary	KG	163	29,800	131	23,840
244	Sanitary	LTR	156	273,832	125	219,066
245	Sanitary	PCS	2,650	1,054,619	2,120	843,695
246	Sanitary	PKT	33	3,629	26	2,903
247	Sanitary	SET	332	105,662	265	84,529
248	Laboratory Instrument	BOX	115	105,071	92	84,057
249	Laboratory Instrument	LTR	1,052	40,333	842	32,266
250	Laboratory Instrument	PAIR	110	29,786	88	23,829
251	Laboratory Instrument	PCS	1,767	3,443,468	1,414	2,550,717
252	Laboratory Instrument	PKT	45	86,598	36	64,147
253	Laboratory Instrument	ROLL	724	855,257	579	633,524
254	Oil & Lubricants	DRUM	48	7,622,930	39	5,625,779
255	Oil & Lubricants	PCS	3,248	1,540,972	2,599	1,648,098
256	Other Material	BOX	2,494	2,150,263	1,995	1,593,840
257	Other Material	MTR	-	2,493,279	-	1,846,874
258	Other Material	YDS	-	2,820,849	-	2,091,222
259	Pack & Package	MTR	1,566	2,366,089	1,253	1,752,645
260	Pack & Package	PCS	1,994,957	3,288,855	1,595,965	2,436,189
261	Pack & Package	ROLL	9,352	2,241,520	7,481	1,793,216
262	Supplies Items	BOOK	1,461	5,306,916	1,169	7,581,309
263	Supplies Items	PCS	53,625	5,364,508	42,900	3,973,709
264	Supplies Items	SHEET	17,918	9,650,698	14,334	12,867,597
265	Supplies Items	BOX	713	3,824,829	571	2,833,206
266	Supplies items	KG	4,469	776,799	3,575	575,406
267	Supplies items	PKT	3,491	600,278	2,793	444,650
268	Supplies items	POT	31	641,771	25	475,386
269	Supplies items	SET	-	697,885	-	835,790
270	Supplies Items	PCS	158,665	8,840,743	126,932	11,190,813
271	Supplies Items	REAM	150	3,146,698	120	3,365,453
272	Supplies Items	ROLL	605	6,571,329	484	7,016,902
	Total			**279,659,700**		**287,638,311**

WORK- IN- PROCESS

AS AT 30 JUNE 2023

(ANNEXURE-E)

As at 30 June 2023

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	30,999,932	1,360,115,151	1,367,331,954	23,783,129
Finished Fabric	424,631,528	1,412,967,862	1,437,674,715	399,924,675
Cutting	284,967,596	1,549,303,626	1,446,264,334	388,006,887
Embroidery	4,697,724	358,716,024	360,821,329	2,592,419
Printing	12,919,963	353,336,271	350,079,030	16,177,204
Sewing	99,072,637	4,826,774,338	4,888,317,268	37,529,707
Total	**857,289,381**			**868,014,023**

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	79,496	5,892,161	5,822,173	149,485
Finished Fabric (kg)	1,069,147	7,919,463	7,839,849	1,148,760
Cutting (Pcs)	1,818,365	31,731,102	32,496,186	1,053,281
Embroidery (Pcs)	44,827	1,964,476	1,908,260	101,044
Printing (Pcs)	301,279	4,488,761	4,209,398	580,641
Sewing (Pcs)	551,251	29,401,054	29,423,045	529,259

As at 30 June 2022

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	99,072,637
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	1,069,147
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

ACCOUNTS RECEIVABLE AND AGING

AS AT 30 JUNE 2023

(ANNEXURE-F)

Sl. No.	Parties	Total	0-3 Months	3-6 Months	More than 1 Year
1	Abloom Design	876,793	876,793	-	-
2	Antim Knit Composite Ltd	341,057	341,057	-	-
3	Apex Fashion wear Limited	256,805	256,805	-	-
4	APS APPARELS LTD	200,502	200,502	-	-
5	Badgetex Apparels	4,577,140	4,577,140	-	-
6	Ballycare GMBH	14,817,750	14,817,750	-	-
7	Belamy Tex	168,021	168,021	-	-
8	CARREFOUR IMPORTS SAS	31,331,850	31,331,850	-	-
9	Celio Sourcing Ltd	172,077,225	172,077,225	-	-
10	Charm fashion	2,579,618	2,579,618	-	-
11	Divine Design	635,419	635,419	-	-
12	Divine Intimates Ltd	60,462	60,462	-	-
13	Esprit Macao Commercial Offshore Ltd	24,919,981	24,919,981	-	-
14	Fakir Fashion Limited	1,276,984	1,276,984	-	-
15	Four H apparels	246,165	246,165	-	-
16	Four H Dyeing & printing	43,413	43,413	-	-
17	Four H Fashion	333,773	333,773	-	-
18	Garma C.B	5,379,981	5,379,981	-	-
19	GUESS Eur Sagl	88,365,997	88,365,997	-	-
20	Hoflers APS	99,333,495	99,333,495	-	-
21	Impress Newtex Composite Textile Ltd	12,436,636	12,436,636	-	-
22	KARIBAN	33,730,038	33,730,038	-	-
23	KIABI (Int. Trading Fashion & App. Supp.)	27,600,804	27,600,804	-	-
24	Masco Industries	380,790	380,790	-	-
25	Mascot International	25,222,134	25,222,134	-	-
26	Metro Knitting & Dyeing Mills Ltd	855,215	855,215	-	-
27	Michael Kors [USA]	44,740,356	44,740,356	-	-
28	Next Limited	892,746	892,746	-	-
29	Oxford Knit Composite Ltd	1,585,233	1,585,233	-	-
30	P & C [Peek Und Cloppenburg]	2,432,678	2,432,678	-	-
31	Pentex Limited	26,418,645	26,418,645	-	-
32	Radical Design Ltd	145,619	145,619	-	-
33	RAHAMAT FASHION WEAR LTD	456,035	456,035	-	-
34	Rose Garden Apparels	326,520	326,520	-	-
35	Salted Basics LLC	1,458,456	1,458,456	-	-
36	Seacotex Fabrics	3,536,791	3,536,791	-	-
37	Tasniah Fabrics Ltd	2,594,717	2,594,717	-	-
Total		**632,635,842**	**632,635,842**	**-**	**-**

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

AS AT 30 JUNE 2023

(ANNEXURE-A)

Sl. No.	Name of the creditors	Nature of Transaction	Balance	3-6 Month	6-12 Month	Exceeding 1 year
1	AL- Barr Engineering & Contracting Co.	Service	1,096,000	1,096,000	-	-
2	Automan Steel Building System Ltd.	Electrtical Items	765,190	765,190	-	-
3	Automation Engineering & Controls Ltd.		1,611,098	-	-	-
4	Badsha Enterprise	Service	284,881	284,881	-	-
5	Barchi Testing Services (BD) Ltd.	Accessories	120,700	120,700	-	-
6	BASIC POWER ENGINEERING LTD.	Service	1,255,656	627,828	627,828	-
7	BRB Cable Industries Ltd.	Accessories	850,678	850,678	-	-
8	BROTHERS METAL INDUSTRIES	Consulatncy	770,840	770,840	-	-
9	COMPUTER SOURCE	Accessories	138,600	138,600	-	-
10	Con Engineering	Accessories	360,000	360,000	-	-
11	Dingi Technologies Ltd.	Accessories	200,000	200,000	-	-
12	ENGINEERING DEVELOPMENT CONSULTANTS	Insurance	284,000	284,000	-	-
13	ETKO Certification	Accessories	625,000	187,500	437,500	-
14	G-Trade Enterpreneur	Accessories	129,400	129,400	-	-
15	HABIBI STEEL TRADING COMPANY	Service	709,400	709,400	-	-
16	Halftime Digital	Service	140,000	84,000	56,000	-
17	Hasan Tanvir Fashion Wears Ltd.	Service	231,108	92,443	138,665	-
18	HM Safety	Service	480,000	480,000	-	-
19	H. R. S Trading Corporation	Chemicals	624,000	-	624,000	-
20	HTL Trans (BD) Ltd.	Accessories	451,696	650,000	(198,304)	-
21	Kanchpur CNG Re-Fueling & Conversion Center	Accessories	200,000	80,000	60,000	60,000
22	MAK Consultants.	Accessories	1,549,786	619,914	464,936	464,936
23	Mega Trading Information Ltd.	Consultancy	160,500	64,200	48,150	48,150
24	MG CORPORATION INTERNATIONAL	Chenicals	548,000	219,200	164,400	164,400
25	M.M.Corporation	Service	686,302	274,521	205,890	205,890
26	MOHAMMED TRADING CENTRE	Service	3,230,787	1,292,315	969,236	969,236
27	M/S Babul Construction	Service	200,000	80,000	60,000	60,000
28	M/S. BONOFUL CONSTRUCTION COMPANY	Chemicals	999,900	399,960	299,970	299,970
29	M/S. M. K. Steel	Service	172,800	69,120	51,840	51,840
30	M/S. Nazrul & Brothers	Service	377,300	150,920	113,190	113,190
31	Multibrand WORKSHOP Ltd.	Accessories	110,055	44,022	33,017	33,017
32	Mymensingh Palli Bidyut Samity	Accessories	182,936	73,174	54,881	54,881
33	Nano-Dye Bangladesh Ltd.	Service	436,240	174,496	130,872	130,872

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

AS AT 30 JUNE 2023

(ANNEXURE-A)

Sl. No.	Name of the creditors	Nature of Transaction	Balance	3-6 Month	6-12 Month	Exceeding 1 year
34	Novelty Infrastructures Limited	Accessories	233,787	93,515	70,136	70,136
35	Orbit Flat Floor Systems	Accessories	290,509	116,203	87,153	87,153
36	PNL Holdings Limited	Accessories	102,161	40,864	30,648	30,648
37	POPULAR ENGINEERING WORKS	Accessories	364,000	145,600	109,200	109,200
38	Prime Finance Capital Management Ltd.	Accessories	1,015,000	406,000	304,500	304,500
39	RAHMAN MILL STORE	Accessories	311,481	124,592	93,444	93,444
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	111,413	44,565	33,424	33,424
44	SAGORICA CORPORATION	Accessories	252,000	100,800	75,600	75,600
45	SGS International Certification Services	Service	145,763	58,305	43,729	43,729
46	Esquire Deying Industries Ltd	Dyeing	109,655,235	43,862,094	32,896,571	32,896,571
47	SHOPNO S.S. AND THAI ALUMINIUM FABRICATORS	Accessories	353,064	141,225	105,919	105,919
48	Sonali Paper & Board Mills Limited		1,260,902	504,361	378,271	378,271
49	Steelmark Pipes Limited	Accessories	468,073	187,229	140,422	140,422
50	Surovi Technologies Corporation	Service	150,300	60,120	45,090	45,090
51	Systems Nine Thousands (Pvt.) Ltd.	Accessories	159,375	63,750	47,813	47,813
52	UTTARA IRON STORE	Accessories	309,750	123,900	92,925	92,925
	Total		**136,215,940**	**57,866,537**	**39,211,997**	**37,526,308**

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
1	A AND J Printing & Accessories	Accessories	1,369,628	1,369,628	-	-
2	A.K Tex International	Accessories	842,675	842,675	-	-
3	A.K.H Khan Knit Fashion Ltd.	Accessories	1,559,677	1,559,677	-	-
4	A.S.F Fiber Mills Ltd.	Yarn	642,156	642,156	-	-
5	A.S.K Design	Accessories	1,131,936	1,131,936	-	-
6	A.T& T Spinning Mills Limited	Accessories	6,040,620	6,040,620	-	-
7	AA Knit Spin Limited	Yarn	1,988,425	1,988,425	-	-
8	AA Synthetic Fibers Ltd.	Yarn	2,693,790	2,693,790	-	-
9	Aariz International	Accessories	1,566,491	1,566,491	-	-
10	AB EXIM SDN. BHD.	Accessories	2,699,232	2,699,232	-	-
11	Accurate Plastic and Accessories	Accessories	331,037	331,037	-	-
12	Accurate International	Accessories	275,581	275,581	-	-
13	Adamjee Knit Fabric	Accessories	598,962	598,962	-	-
14	Adury Fashion and Print Ltd.	Accessories	618,897	618,897	-	-
15	Adzi Trims Ltd.	Accessories	2,741,870	2,741,870	-	-
16	Affan Interlinnings Ltd.	Accessories	558,633	558,633	-	-
17	AGA MI Accessories Limited	Accessories	352,472	352,472	-	-
18	Alpha Plastic & Packing Ltd.	Accessories	117,098,957	117,098,957	-	-
19	American and Efird (BANGLADESH) Ltd.	Accessories	333,059	333,059	-	-
20	ARC ACCESSORIES	Accessories	240,793	240,793	-	-
21	Armada Spinning Mills Ltd.	Accessories	2,181,692	2,181,692	-	-
22	Asia Composite Mills Ltd.	Yarn	11,790,093	11,790,093	-	-
23	AT Print Bangladesh Ltd.	Accessories	6,351,296	6,351,296	-	-
24	Badsha Textiles Ltd.	Yarn	16,083,504	16,083,504	-	-
25	Blue Planet Sweater Ltd.	Accessories	341,683	341,683	-	-
26	BSB Spinning Mills Ltd.	Accessories	3,018,133	-	3,018,133	-
27	BTS.	Accessories	3,126,229	3,126,229	-	-
28	BVM Overseas Ltd.	Yarn	8,139,752	8,139,752	-	-
29	Chistia Silzing Mills	Accessories	473,921	473,921	-	-
30	Charming Trims & Packing (BD) Ltd.	Accessories	699,642	699,642	-	-
31	Chorka Textile Ltd.	Accessories	270,505	270,505	-	-
32	Christoph Liebers GMBH and Co.KG	Accessories	1,852,457	1,852,457	-	-
33	CHT Turkey Kimya San VE TIC.A.S.	Machinery	1,398,812	1,398,812	-	-
34	Continental Spinning Molls Ltd.	Yarn	700,385	700,385	-	-
35	Core Solution	Accessories	2,057,590	2,057,590	-	-
36	Cytrax Business International	Accessories	3,718,002	-	3,718,002	-
37	Daika (Chemiland) Ltd.	Dyes & Chemicals	239,308	239,308		-
38	Digitex Incorporation	Accessories	1,243,142	1,243,142		-
39	Ehwha Glotech Co. Ltd.	Machinery	48,760,320	48,760,320		-
40	Emaaj Accessories (BD) Ltd.	Accessories	144,888	144,888		-
41	Enayetpur Spinning Mills Ltd.	Yarn	9,833,694	9,833,694		-
42	Epyllion Limited	YARN	140,830	-	140,830	-
43	Erum Bangladesh Limited	Accessories	435,026	435,026		-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
44	Esquire Accessories Ltd.	Accessories	67,835,844	67,835,844		-
45	Esquire Dyeing Industries Ltd.	Accessories	97,335,612	97,335,612		-
46	Etasia Interlinings Ltd.	Accessories	109,221	-	109,221	-
47	Faisal Spinning Mills Ltd.	Yarn	413,592	413,592	-	-
48	FARIHA SPINNING MILLS LTD.	Yarn	3,848,691	3,848,691	-	-
49	Fashion Trims	Accessories	2,754,492	2,754,492	-	-
50	Fintex Accessories	Accessories	684,736	684,736	-	-
51	FKN Textile Limited	Accessories	451,570	451,570	-	-
52	Fortune Zipper Ltd.	Accessories	424,172	424,172	-	-
53	Friends Accessories	Accessories	292,953	292,953	-	-
54	FR Traders	Accessories	1,432,272		1,432,272	
55	Fujian SBS Zipper Science and Technology Co.Ltd.	Accessories	4,953,949		4,953,949	
56	GMS Trims Ltd.	Accessories	172,627	172,627		-
57	GMS Composite Knitting Industries Ltd.	Accessories	293,195	-	293,195	-
58	Green Tex	Accessories	940,922	940,922		-
59	Gunze United Limited	Accessories	182,348	182,348		-
60	HNF Fashion Tex	Accessories	3,120,637	3,120,637		-
61	Holyim Export Co. Ltd.	Accessories	6,080,891	6,080,891		-
62	Hyosung Vietnam Co. Ltd.	Yarn	5,809,016	5,809,016		-
63	Impress Accessories Ltd.	Accessories	114,111	-	114,111	-
64	Infinia SPINNING MILLS LIMITED	Yarn	22,435,733	22,435,733		-
65	Jean Wan International Co. Ltd.	Yarn	3,691,064	3,691,064		-
66	Jiangsu Cmz Sci and Tech Co. Ltd.	Accessories	369,940	-	369,940	-
67	JIST Industrial Co. Ltd.	Accessories	2,683,118	2,683,118		-
68	K.M. Accessories	Accessories	1,029,670	1,029,670		-
69	Kamal Yarn Limited	Yarn	53,364,524	53,364,524		-
70	Kazi Knitwear	Accessories	1,591,398	1,591,398		-
71	Kexin Patches and Accessories MFG. Ltd.	Accessories	122,728	122,728		-
72	Lectra	Spare parrts	1,189,812	1,189,812		-
73	LSI Industries Ltd.	Accessories	1,976,344	1,976,344		-
74	M AND U Packing Ltd.	Accessories	5,788,954	-	5,788,954	-
75	M M Accessories	Accessories	329,415	329,415		-
76	M R Tex	Accessories	176,647	176,647		-
77	M.S. Printing & Accessories	Accessories	475,786	475,786		-
78	M.S. Printing & Packing	Accessories	633,077	633,077		-
79	M/S Best Trims Care & Accessories	Accessories	1,312,350	1,312,350		-
80	M/S Haji Textile	Yarn	4,414,267	4,414,267		-
81	M/S Rafik Enterprise	Accessories	448,032	448,032		-
82	M/S. Kabir Knitting	Accessories	837,306	837,306		-
83	M/S. Mukul Textile	Accessories	872,252	872,252		-
84	M/S. R.I Packaging Industries	Accessories	2,732,265	-	2,732,265	-
85	M/S Bismillah Print Plus	Accessories	1,726,978	1,726,978	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
86	M/S Mohammad Knit	Accessories	293,868	293,868	-	-
87	Maa-Monowara Knitting	Accessories	1,092,907	1,092,907	-	-
88	Mahin Printing House	Accessories	233,413	233,413	-	-
89	Mainetti Packaging Bangladesh Pvt.	Accessories	268,738	268,738	-	-
90	Maria Knitting	Accessories	4,462,579	4,462,579	-	-
91	Matam Fiber Mills Ltd.	Yarn	9,025,013	9,025,013	-	-
92	Maxim Label and Packaging (BD) Pvt. Ltd.	Accessories	1,001,481	1,001,481	-	-
93	Medusa Kimya Proje Makineteknolo Jil Eri Ve Muhendi Slik	Machinery	6,530,400	6,530,400	-	-
94	Meghmani Dyes and Intermediates LLP	Dyes & Chemicals	9,418,742	9,418,742	-	-
95	Mehmud Industries (Pvt.) Ltd.	Yarn	3,182,482	3,182,482	-	-
96	Metro Knitting & Dyeing Mills Limited	Accessories	2,257,520	2,257,520	-	-
97	Modern Poly Industries Limited	Accessories	15,120,140	15,120,140	-	-
98	Mohiuddin Textile Limited	Yarn	425,867	425,867	-	-
99	Mondol Knitwears Ltd.	Accessories	821,249	-	821,249	-
100	Montrims Ltd.	Accessories	641,688	641,688	-	-
101	MS Accessories	Accessories	127,077	127,077	-	-
102	Multazim Textile Mills Ltd.	Yarn	11,224,397	11,224,397	-	-
103	N.S.I. International Trading Ltd.	Accessories	2,537,082	2,537,082	-	-
104	Natco Global Packaging Dhaka Ltd.	Accessories	552,629	552,629	-	-
105	Nice Denim Mills Ltd.	Yarn	269,809	269,809	-	-
106	Nova Accessories Industries Ltd.	Accessories	10,914,099	10,914,099	-	-
107	NRG Hometex Limited	Yarn	13,063,793	13,063,793	-	-
108	NRG Spinning Mills Limited	Yarn	5,710,019	5,710,019	-	-
109	NZ Textiles Ltd.	Yarn	6,357,889	6,357,889	-	-
110	Orix Packaging and Accessories	Accessories	799,871	-	799,871	-
111	Osman Interlinings Ltd.	Accessories	1,891,922	1,891,922	-	-
112	Pacific Thread and Accessories Industries	Accessories	2,884,652	2,884,652	-	-
113	Pahartali Textile & Hosiery Mills	Yarn	72,917,520	72,917,520	-	-
114	Pakiza Apparels Ltd.	Accessories	900,161	900,161	-	-
115	Pannatex International	Accessories	4,171,647	4,171,647	-	-
116	Prime Polymer Industries (PTE) Ltd.	Yarn	5,606,397	5,606,397	-	-
117	Prominent Plus	Accessories	177,902	177,902	-	-
118	Quanzhou Zhuobao IMP. and EXP. Trade Co. Ltd.	Accessories	10,678,419	10,678,419	-	-
119	R.R International	Accessories	93,359	93,359	-	-
120	R.R Textile	Yarn	182,109	182,109	-	-
121	Rabeya Knit Fashion	Accessories	469,753	469,753	-	-
122	Rafid Accessories	Accessories	479,984	479,984	-	-
123	Rainbow International (HK)	Accessories	2,543,257	2,543,257	-	-
124	Rapidrop Middle East Trading LLC	Machinery	7,618,800	7,618,800	-	-
125	Reedisha Blended Yarn Limited	Yarn	4,700,391	4,700,391	-	-
126	RMT Textiles Mills Ltd.	Yarn	37,154,602	37,154,602	-	-
127	Root Source	Accessories	799,974	799,974	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
128	Rotex Bangladesh Ltd.	Accessories	254,250	254,250	-	-
129	S.M.M Textiles Ltd.	Yarn	3,741,375	3,741,375	-	-
130	Saiham Cotton Mills Ltd.	Yarn	9,932,738	9,932,738	-	-
131	Saiham Textile Mills Ltd.	Yarn	26,523,192	26,523,192	-	-
132	Sami Printing Limited	Yarn	838,657	838,657	-	-
133	Satata Printing	Accessories	568,440	568,440	-	-
134	Sedo Treepoint GMBH	Spare parrts	2,003,866	2,003,866	-	-
135	Shenzhen Yiming Da Industrial and Trading Development Co. Ltd.	Spare parrts	1,514,617	1,514,617	-	-
136	Shinest Button	Accessories	224,722	224,722	-	-
137	Shining Moon Trims Ltd.	Accessories	129,480	129,480	-	-
138	Siam Computerized Elastic	Accessories	636,603	636,603	-	-
139	SIF Textile Industries Ltd.	Accessories	2,064,352	2,064,352	-	-
140	SK. Knitwear	Accessories	3,408,267	3,408,267	-	-
141	Smart Narrow Fabrics	Accessories	330,764	330,764	-	-
142	SML Packaging Solutions Bngladesh Limited	Accessories	781,725	781,725	-	-
143	Soa Knit Fabrics	Accessories	1,116,045	1,116,045	-	-
144	Square Textiles Ltd.	Yarn	7,243,411	7,243,411	-	-
145	Sunny Foils and Polymer Industries Limited	Accessories	6,530,454	6,530,454	-	-
146	T- Shirt Printers Ltd.	Accessories	157257.474	157,257	-	-
147	T.S Print	Accessories	2,098,149	2,098,149	-	-
148	Taehung Packaging (BD) Ltd.	Accessories	113,072	113,072	-	-
149	Tamijuddin Textile Mills Limited	Yarn	3,086,702	3,086,702	-	-
150	T and S Buttons (Bangladesh) Ltd.	Accessories	618,044	618,044	-	-
151	Thermax Color Cotton Ltd.	Yarn	1,028,687	1,028,687	-	-
152	Tianjin One Touch Business Service Co. Ltd.	Dyes & Chemicals	4,822,766	4,822,766	-	-
153	TK Chemical Corporation	Dyes & Chemicals	1,489,558	1,489,558	-	-
154	Trim Style International INC.	Accessories	177,215	177,215	-	-
155	Tubengen Chemicals (BD) Ltd.	Dyes & Chemicals	5,573,043	5,573,043	-	-
156	Uniglory Packaging Industries Ltd.	Accessories	1,789,265	1,789,265	-	-
157	Uniglory Paper & Packaging Ltd.	Accessories	2,351,525	2,351,525	-	-
158	Union Label and Accessories Ltd.	Accessories	254,285	254,285	-	-
159	Unitex Composite Mills Ltd.	Yarn	707,460	707,460	-	-
160	Viyellatex Spinning Ltd.	Yarn	5,359,010	5,359,010	-	-
161	VTS	Accessories	256,458	256,458	-	-
162	Walid Offset Printers	Accessories	98,793	98,793	-	-
163	Weixing Industrial Bangladesh Co. Ltd.	Accessories	61,785	61,785	-	-
164	Well Accessories Ltd.	Accessories	621,715	621,715	-	-
165	Western Paper Industries (BD) (PVT) Ltd.	Accessories	337,404	337,404	-	-
166	Yester Accessories Company (BD) Ltd.	Accessories	172,185	172,185	-	-
167	Yokohama Labels & Printing (BD) Co. Ltd.	Accessories	1,755,243	1,755,243	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
168	York Composite Ltd.	Accessories	1,387,379	1,387,379	-	-
169	Young Labels Ltd.	Accessories	534,734	534,734	-	-
170	Young Shine Pack Trims Limited	Accessories	341,683	341,683	-	-
171	Yunusco T and A (BD) Limited	Accessories	207,754	207,754	-	-
172	Zadid Labels Ltd.	Accessories	136,336	136,336	-	-
173	ZW Accessories	Accessories	5,961,218	5,961,218	-	-
174	Akram Mill Store	Accessories	111,175	111,175	-	-
175	Alanoor Electric Store	Accessories	35,200	35,200	-	-
176	ALIF SEWING CENTER	Accessories	7,250	7,250	-	-
177	Amin Rent A Car	Accessories	7,000	7,000	-	-
178	ARG Corporation	Accessories	26,150	26,150	-	-
179	A. R. International Bangladesh	Accessories	4,000	4,000	-	-
180	Asian Powertec Co. Ltd.	Accessories	100,000	100,000	-	-
181	Barrister Kamal Uddin & Associates	Accessories	195,688	195,688	-	-
182	Bismillah Corporation	Accessories	18,046	18,046	-	-
183	Bismillah Hardware & Electric Store	Accessories	2,770	2,770	-	-
184	Bismillah Scientific Co.	Accessories	9,300	9,300	-	-
185	Botesshor Engineering Workshop	Accessories	143,400	143,400	-	-
186	Brachi Testing Services (BD) Ltd	Accessories	120,700	120,700	-	-
187	Central Depository Bangladesh Limited	Accessories	106,000	106,000	-	-
188	Chittagong Stock Exchange PLC	Accessories	543,069	543,069	-	-
189	Crystal Bearing & Machineries	Accessories	12,640	12,640	-	-
190	Damador Enterprise	Accessories	638,186	638,186	-	-
191	Delcot Limited	Accessories	74,442	74,442	-	-
192	Dhaka Metal & Machinery Stores	Accessories	6,921	6,921	-	-
193	Dhaka Stock Exchange Ltd.	Accessories	543,069	543,069	-	-
194	Farhan Fabrics	Accessories	7,700	7,700	-	-
195	Federal Insurance Company Ltd.	Accessories	26,273	26,273	-	-
196	First Lead Limited	Accessories	3,600	3,600	-	-
197	FREIGHT MANAGEMENT LTD.	Accessories	492,567	492,567	-	-
198	Friends Network	Accessories	2,100	2,100	-	-
199	GEA Solutions	Accessories	300,000	300,000	-	-
200	GOTI ONLINE	Accessories	5,600	5,600	-	-
201	GPI CORPORATION	Accessories	2,527,772	2,527,772	-	-
202	HAZI NOOR HOSSAIN ELECTRIC WORL	Accessories	2,200	2,200	-	-
203	HEMON ENGINEERING WORKS	Accessories	7,000	7,000	-	-
204	Hohenstein Laboratories Bangladesh Limited	Accessories	2,446,293	2,446,293	-	-
205	HVAC Engineering Intl and Applianc	Accessories	6,000	6,000	-	-
206	Image Steel Engineering	Accessories	225,000	225,000	-	-
207	INNOVATE ENGINEERING WORK	Accessories	18,400	18,400	-	-
208	INTEGRITY ENGINEERING & CONSULTANCY	Accessories	1,446,228	1,446,228	-	-
209	Iqbal Hossain	Accessories	546,983	546,983	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
210	IT SOLUTION BD.	Accessories	16,965	16,965	-	-
211	Janata Machinery Store	Accessories	19,326	19,326	-	-
212	J MARKER PAPER HOUSE - Cr.	Accessories	145,000	145,000	-	-
213	JRT POWER	Accessories	46,500	46,500	-	-
214	KABIR AUTOMOBILE	Accessories	38,300	38,300	-	-
215	Khalil Auto Electric Workshop	Accessories	3,583	3,583	-	-
216	Maa Noor Jahan Trading	Accessories	99,996	99,996	-	-
217	Machine Resources	Accessories	9,000	9,000	-	-
218	Mahbub Electronics	Accessories	12,000	12,000	-	-
219	MAHBUB MOTORS	Accessories	9,000	9,000	-	-
220	Mahir Enterprise	Accessories	2,700	2,700	-	-
221	Mars Bangla	Accessories	1,175,775	1,175,775	-	-
222	MAXIM CORPORATION	Accessories	7,500	7,500	-	-
223	MERINO TRADE	Accessories	258,970	258,970	-	-
224	Metrocem Cement Limited	Accessories	639,565	639,565	-	-
225	M. H. Sewing	Accessories	13,350	13,350	-	-
226	M/S Achia Enterprise	Accessories	484,500	484,500	-	-
227	M/S. Al-Imran Enterprise	Accessories	4,500	4,500	-	-
228	M/S. ARFAN MOTORS	Accessories	19,240	19,240	-	-
229	M/S. Bappy Electric Store	Accessories	4,050	4,050	-	-
230	M/S BISMILLAH ELECTRIC	Accessories	960	960	-	-
231	M/S. Bismillah Enterprise	Accessories	3,800	3,800	-	-
232	M/S. Bismillah Traders	Accessories	928,760	928,760	-	-
233	M/S. Dulal & Brothers	Accessories	81,400	81,400	-	-
234	M/S. Fair Traders	Accessories	1,200	1,200	-	-
235	M/S Haque Enterprise	Accessories	133,908	133,908	-	-
236	M/S Idrish Trade Center	Accessories	15,400	15,400	-	-
237	M/S. JAHANARA STEEL	Accessories	959,675	959,675	-	-
238	M/S Jamal Enterprize	Accessories	21,500	21,500	-	-
239	M/S Kazi Store	Accessories	1,961,638	1,961,638	-	-
240	M/S Khan Traders	Accessories	64,400	64,400	-	-
241	M/S LINDA SOURCING	Accessories	18,800	18,800	-	-
242	M/S. Matin Motors	Accessories	1,580	1,580	-	-
243	M/S. MOHAN ELECTRIC	Accessories	17,734	17,734	-	-
244	M/S MOMOTA ENTERPRISE	Accessories	681,010	681,010	-	-
245	M/S M.S. Enterprise	Accessories	63,001	63,001	-	-
246	M/S RUMA TRADERS	Accessories	9,360	9,360	-	-
247	M/s. Sabuj Enterprise	Accessories	1,100	1,100	-	-
248	M/S SHAFIQ ENTERPRISE	Accessories	551,461	551,461	-	-
249	M/S Vai Vai Enterprise	Accessories	535,848	535,848	-	-
250	Munna Cargo Service	Accessories	861,600	861,600	-	-
251	Nadim Battery & Auto Electric Works	Accessories	3,000	3,000	-	-
252	NAKSHI COLOR CHEM	Accessories	56,000	56,000	-	-

SCHEDULE OF ACCOUNTS PAYABLE

AS AT 30 JUNE 2023

(ANNEXURE-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
253	NATIONAL GARDEN CENTER - 1	Accessories	14,000	14,000	-	-
254	NATIONAL LIGHT HOUSE	Accessories	3,750	3,750	-	-
255	NATIONAL TESTING CALIBRATION & INSPECTION LTD	Accessories	45,000	45,000	-	-
256	Nazmul Engineering	Accessories	11,900	11,900	-	-
257	New Asgar Electric	Accessories	4,500	4,500	-	-
258	NEW JEWEL AUTOS	Accessories	1,000	1,000	-	-
259	New Mitshu Electronics	Accessories	1,700	1,700	-	-
260	NEW M. K. ELECTRIC	Accessories	55,525	55,525	-	-
261	New Mohammadi Steel Corporation	Accessories	9,360	9,360	-	-
262	New Sattar Electric	Accessories	1,050	1,050	-	-
263	New Stone Gallery	Accessories	17,500	17,500	-	-
264	NEW TYRE & BATTERY HOUSE	Accessories	4,267	4,267	-	-
265	Nextgen Corporation	Accessories	8,500	8,500	-	-
266	N.S. Enterprise	Accessories	1,174,085	1,174,085	-	-
267	OLYMPIA MACHINERY	Accessories	6,414	6,414	-	-
268	Orange & Half Cafe	Accessories	4,300,000	4,300,000	-	-
269	Pacific Associates Ltd.	Accessories	223,590	223,590	-	-
270	PRIME ASIA LIMITED	Accessories	35,000	35,000	-	-
271	Radius Engineering	Accessories	1,220,000	1,220,000	-	-
272	RAHAMAN MILL STORE	Accessories	353,701	353,701	-	-
273	Rainbow	Accessories	24,000	24,000	-	-
274	Remeza Bangladesh	Accessories	394,000	394,000	-	-
275	Rocky's Auto Ltd	Accessories	13,211	13,211	-	-
276	RSK Marketing Limited	Accessories	639,275	639,275	-	-
277	SABUJ ELECTRIC	Accessories	9,750	9,750	-	-
278	SADIA PRINTERS	Accessories	14,750	14,750	-	-
279	Sarkar Transport Agency	Transport	1,498,400	1,498,400	-	-
280	Satcom IT Limited	Accessories	271,570	271,570	-	-
281	Sattar & Co.	Lawyer	127,000	127,000	-	-
282	SCALE MUSEUM	Accessories	18,500	18,500	-	-
283	SFM Textile Mills Ltd.	Accessories	389,346	389,346	-	-
284	Shohagh Enterprise	Accessories	232,857	232,857	-	-
285	Shongshar Crockeries & Gift Corner	Accessories	5,600	5,600	-	-
286	SHOVON MOTORS	Accessories	417,979	417,979	-	-
287	Sigma Oil Industries Limited	Accessories	16,200	16,200	-	-
288	SS Energypower Engineering Ltd.	Accessories	406,000	406,000	-	-
289	Studio Mason	Accessories	104,800	104,800	-	-
290	SUMON AUTO ELECTRIC	Accessories	13,030	13,030	-	-
291	Techpark Information Systems	Accessories	49,438	49,438	-	-
292	TEXEEM ENGINEERING (PVT.) LTD.	Accessories	160,000	160,000	-	-
			-	-	-	
Total			**974,131,816**	**949,839,824**	**24,291,992**	**-**

SCHEDULE OF FINANCIAL ASSET AND LIABILITIES HELD IN FOREIGN CURRENCY

AS AT 30 JUNE 2023

(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	5,812,531	-	632,635,843	632,382,722	(253,121)
2	FBPAR A/C with DBBL-in USD(783)	-	-	-	-	-
3	FBPAR A/C with DBBL -in Euro		-	-	-	-
4	FBPAR A/C with DBBL-in USD(63)	-	-	-	-	-
5	FBPAR A/C with EBL-in USD(621)	1,864,422	-	202,923,709	202,923,709	-
6	FBPAR A/C with EBL -in Euro	-	-	-		-
7	Margin A/C with EBL-in USD	-	-	-		-
8	Margin A/C with EBL -in EURO	-	-	-		-
9	DBBL FCAD-in Dollar	167,600	-	18,241,584	18,241,584	-
10	DBBL FCAD-in Euro	-	-	-	-	-
11	DBBL FCAD-in Dollar (6900)	281		30,555	30,555	-
12	EBL FCAD in USD	-	-	-	-	-
13	EBL -EOQ/FCAD in USD	44,186		4,809,250	4,809,250	-
14	BRAC Bank FCAD in USD	-		-	-	
15	UCBL -FACD in USD A/C # 0193	215		23,437	23,437	-
16	UCBL -FACD in USD A/C # 0267	169,376		18,434,909	330,230,923	-
17	AIBL-USD (352)	34,192		3,721,511	23,784	-
18	AIBL-USD (366)	8,315		905,029	20,113	-
19	AIBL-USD (453)	3,194,570		347,696,996	59,611,632	-
		8,058,612	**-**	**877,099,286**	**1,188,642,179**	**(253,121)**
	Monetary Liabilites			-		-
20	AIBL-EDF	-	-	-		-
21	EBL-EDF	788,988		85,873,421	85,873,421	-
22	UCBL-EDF	1,020,344		111,054,263	111,054,263	-
23	IFC loan	10,428,140	-	1,134,998,778	1,134,998,778	-
24	Accounts Payable	8,645,845	-	941,013,741	948,045,895	(7,032,154)
		20,883,317	**-**	**2,272,940,204**	**2,279,972,358**	**(7,032,154)**
	Total	**28,941,928**	**-**	**3,150,039,489**	**3,468,614,537**	**(7,285,275)**

Conversion rate at closing rate

Euro	118.67
USD	108.84

30.06.2023 Bangladesh Bank

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

L' ESQUIRE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

চৌধুরী ভট্টাচার্য্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS
SINCE 1985

HEAD OFFICE :
BSEC Bhaban, Level-4, 102, Kazi Nazrul Islam Avenue
Kawran Bazar, Dhaka-1215, Phone: +88 02 41025390
Mob: 01711-115171, 01711-832387, 01819-227413
E-mail : saptamcbc@gmail.com, bimalcbc@gmail.com
bimal_cbc@yahoo.com, kalkch57@gmail.com
Web : www.chowdhurybhattacharjee.com

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, 2023 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, 2023 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.

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Kawran Bazar, Dhaka-1215, Phone: +88 02 41025390
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bimal_cbc@yahoo.com, kalkch57@gmail.com
Web : www.chowdhurybhattacharjee.com

- 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 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.

Place: Dhaka
Date: 31 October, 2023

Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2310311615AS782231

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

Particulars	Notes	30-Jun-2023	30-Jun-2022
		Taka	Taka
ASSETS			
Non-Current Assets :		**1,970,679,293**	**613,990,362**
Property, Plant and Equipment	3.00	214,860,004	77,714,103
Right of Use Assets	4.00	101,075,991	109,162,070
Capital Work in Progress	5.00	1,654,743,298	427,114,189
Current Assets :		**255,678,293**	**81,692,623**
Inventories	6.00	25,433,940	7,954,670
Accounts Receivables		150,114,353	13,564,556
Advance, Deposit and Prepayments	7.00	22,727,009	8,013,468
Cash and Cash Equivalents	8.00	57,402,991	52,159,929
TOTAL ASSESTS		**2,226,357,586**	**695,682,985**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity :		**(5,891,626)**	**27,583,932**
Share Capital	9.00	42,420,000	42,420,000
Retained Earnings		(48,311,626)	(14,836,068)
Non-Current Liabilities :		**1,860,157,698**	**496,453,259**
Long Term Loan	10.00	1,754,336,816	385,037,935
Deferred Tax Liability	11.00	284,900	862,890
Lease Liability	12.00	105,535,982	110,552,434
Current Liabilities :		**372,091,514**	**171,645,794**
Lease Liability	13.00	5,016,452	4,586,232
Short Term Loan	14.00	134,864,245	134,029,833
Liabilities for Expenses	15.00	40,162,123	25,856,549
Accounts payable		192,048,694	7,173,179
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,226,357,586**	**695,682,985**

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

Signed as per our annexed report of even date.

Managing Director **Director**

Place: Dhaka
Date: 31 October, 2023

Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2310311615AS782231

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE, 2023

Particulars	Notes	2022-2023	2021-2022
		Taka	Taka
Revenue	16.00	463,985,076	136,340,936
Cost of Goods Sold	17.00	450,082,332	140,206,591
Gross Profit		**13,902,744**	**(3,865,655)**
OPERATING EXPENSES		**32,180,616**	**3,904,829**
Administrative overhead	18.00	19,653,879	1,940,268
Selling and Distribution overhead	19.00	12,526,737	1,964,561
Profit/(Loss) from Operation		**(18,277,872)**	**(7,770,484)**
Financial Expenses	20.00	13,175,350	-
Net Profit/(Loss) from Operation		**(31,453,222)**	**(7,770,484)**
OTHER INCOME:		**720,167**	**196,124**
Interest Income		720,167	196,124
Net Profit Before Tax		**(30,733,054)**	**(7,574,360)**
Less: Income Tax Expenses	21.00	2,742,504	1,244,042
Net Profit After Tax		**(33,475,559)**	**(8,818,402)**
Basic Earning Per Share		**(7.89)**	**(2.08)**

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

Signed as per our annexed report of even date.

Managing Director **Director**

Place: Dhaka
Date: 31 October, 2023

Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2310311615AS782231

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2023

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at 01 July, 2022	42,420,000	(14,836,068)	27,583,932
Addition during the year	-	-	-
Profit / (Loss) for the year	-	(33,475,559)	(33,475,559)
Balance as at 30 June, 2023	42,420,000	(48,311,626)	(5,891,626)

FOR THE YEAR ENDED 30 JUNE, 2022

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at 01 July, 2021	42,420,000	(6,017,665)	36,402,335
Addition during the year	-	-	-
Profit / (Loss) for the year	-	(8,818,402)	(8,818,402)
Balance as at 30 June, 2022	42,420,000	(14,836,068)	27,583,932

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

Signed as per our annexed report of even date.

Managing Director **Director**

Place: Dhaka
Date: 31 October, 2023

Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2310311615AS782231

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2023

	2022-2023	2021-2022
	Taka	Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operating activities	**328,155,447**	**129,583,068**
Cash received from Sales Revenue	327,435,279	129,386,944
Cash received from Other Income	720,167	196,124
Cash paid for operating activities	**(291,221,982)**	**(149,683,200)**
Cash paid to Suppliers	(219,192,944)	(93,486,705)
Lease Rent Payment	(14,762,592)	(9,672,644)
Cash paid for Operating & Non-operating Expenses	(57,266,446)	(46,523,851)
Net Cash Generated From Operating Activities	**36,933,464**	**(20,100,132)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payment against Property, Plant and equipment and CWIP	(1,388,648,344)	(246,124,123)
Net Cash Used in Investing Activities	**(1,388,648,344)**	**(246,124,123)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Finance Cost	(13,175,350)	-
Short Term Loan Received	834,411	134,029,833
Long Term Loan Received	1,369,298,881	119,298,882
Net Cash Used in Financing Activities	**1,356,957,942**	**253,328,715**
Net increase / (Decrease) during the year (A+B+C)	**5,243,062**	**(12,895,540)**
CASH AND CASH EQUVALENTS AT THE BEGING OF THE YEAR	52,159,929	65,055,469
CASH AND CASH EQUVALENTS AT THE ENDING OF THE YEAR	**57,402,991**	**52,159,929**

Signed as per our annexed report of even date.

Managing Director **Director**

Place: Dhaka
Date: 31 October, 2023

Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2310311615AS782231

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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	Taxpayer's Identification Numbers (TIN)	749287636766	1-Jul-19	N/A
03	Trade License	49	10-Aug-22	30-Jun-24
04	Business Identification Number (BIN)	002158374-0103	20-Oct-19	N/A
05	Import Registration Certificate (IRC)	260361120002120	8-Jan-20	30-Jun-24
06	Export Registration Certificate (ERC)	260361210006219	18-Dec-19	30-Jun-24

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 STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

The Financial Statements comprise of:

(a) a Statement of Financial Position as at 30 June 2023;

(b) a Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023;

(c) a Statement of Changes in Equity for the year ended 30 June 2023;

(d) a Statement of Cash Flows for the year ended 30 June 2023 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 Ukriane & Russia war. 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, 2022 to 30 June, 2023.

2.09 Comparative Information:

Comparative information has been disclosed in respect of the period ended 30 June, 2022 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.

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%
Vehicles	10%
IT 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.

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	307,554	12/31/35

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.

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

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.

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
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-June-2023	30-June-2022
	Taka	Taka

3.00 Property, Plant and Equipment: Tk. 214,860,004

Details of Property, plant and equipment and depreciation as at 30 June, 2023 are shown in the annexed **Schedule-A**. This is arrived as follows:

Opening Balance (cost)	**95,379,395**	**90,220,395**
Add: Addition during the year	161,019,235	5,159,000
	256,398,630	**95,379,395**
Less: Disposal during the year	-	-
Closing Balance (At Cost)	**256,398,630**	**95,379,395**
Less: Accumulated depreciation	41,538,626	17,665,292
Carrying Amount	**214,860,004**	**77,714,103**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

		30-June-2023	30-June-2022
		Taka	Taka

4.00 Right of Use Assets: Tk. 101,075,991

Details of Right of Use Assets and depreciation as at 30 June, 2023 are shown in the annexed Schedule-B. This is arrived as follows:

Opening Balance (cost)		**121,291,189**	**121,291,189**
Add: Addition during the year		-	-
		121,291,189	**121,291,189**
Less: Disposal during the year		-	-
Closing Balance (At Cost)		**121,291,189**	**121,291,189**
Less: Accumulated depreciation		20,215,198	12,129,119
Carrying Amount		**101,075,991**	**109,162,070**

5.00 Capital Work in Progress: Tk. 1,654,743,298

The above amount is made up as follows :

Opening Balance		**427,114,189**	**186,149,066**
Add: Addition during the year		1,388,648,344	246,124,123
		1,815,762,533	**432,273,189**
Less: Transfer to Fixed Assets		161,019,235	5,159,000
Closing Balance		**1,654,743,298**	**427,114,189**

6.00 Inventories: Tk. 25,433,940

The above amount is made up as follows :

Finished Goods		25,433,940	7,954,670
	Total	**25,433,940**	**7,954,670**

7.00 Advance, Deposit and Prepayments: Tk. 22,727,009

The above amount is made up as follows :

L/C margin		14,623,772	3,048,295
Margin Against Bank Guarantee		4,383,910	4,383,910
Prepaid Insurance		246,997	140,083
Advance Income Tax	**Note: 7.01**	3,472,330	441,180
	Total	**22,727,009**	**8,013,468**

7.01 Advance Income Tax: Tk. 3,472,330

The above amount is made up as follows :

Opening Balance	**441,180**	**125,604**
Add: Additions during the year	**3,156,754**	**315,576**
Advance Income Tax-FDR	152,958	19,612
Advance Income Tax-Export	2,688,402	107,272
AIT on Import	279,393	152,692
AIT on Vehicle	36,000	36,000
	3,597,934	**441,180**
Less: Adjustment during the year	125,604	-
Closing Balance	**3,472,330**	**441,180**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

	30-June-2023	30-June-2022
	Taka	Taka
8.00 Cash and Cash Equivalents: Tk. 57,402,991		
The above amount is made up as follows :		
i) Cash in Hand:	**350,000**	**350,000**
Head Office	200,000	200,000
Factory	150,000	150,000
ii) Cash at Bank:	**47,701,052**	**42,209,929**
Dutch Bangla Bank Ltd., Dilkusha Branch, A/C No. 10111050619	84,650	37,524,996
Community Bank Ltd. Gulshan Branch A/C # 0070316766101	80,538	2,266
Bank Asia, Kawranbazar Branch, A/C No. 62747000011 FC-USD	44,954,241	2,374,280
Bank Asia, Kawranbazar Branch, A/C No. 62742000001 FC-USD	2,174,930	-
Bank Asia, Kawranbazar Branch, A/C No. 62747000010 FC-EURO	221,482	-
Bank Asia, Kawranbazar Branch, A/C No. 6273300266	171,525	2,293,165
Shahjalal Islami Bank Ltd, Eskaton Branch, A/C No. 403311100000654	13,686	15,221
iii) Investment in FDR:	**9,351,939**	**9,600,000**
FDR-Community Bank Bangladesh Ltd. Gulshan Branch, A/C: 0074TDC122000301	7,696,875	-
FDR-Bank Asia Ltd.Karwan Bazar Branch, A/C: 62755000897	-	8,000,000
FDR-Bank Asia Ltd.Karwan Bazar Branch, A/C: 62755000898	1,655,064	1,600,000
Total	**57,402,991**	**52,159,929**

9.00 Share Capital: Tk. 42,420,000

This is made up as follows :

Authorized:		
100,000,000 Shares of Tk.10/- each	**1,000,000,000**	**1,000,000,000**
Issued, Subscribed and Paid-up:		
42,42,000 Shares of Tk.10/- each fully paid-up in cash	**42,420,000**	**42,420,000**

Name of Share Holders	No. of Shares		Share %		Amount of Tk	Amount of Tk
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Esquire Knit Composite PLC	4,200,000	4,200,000	99.01%	99.01%	42,000,000	42,000,000
Mr. Md. Mofazzal Hossain	16,000	16,000	0.38%	0.38%	160,000	160,000
Mr. Md. Ehsanul Habib	15,000	15,000	0.35%	0.35%	150,000	150,000
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	**4,242,000**	**4,242,000**	**100%**	**100%**	**42,420,000**	**42,420,000**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

		30-June-2023	30-June-2022
		Taka	Taka
10.00	**Long Term Loan (Non Current Portion) : Tk. 1,754,336,816**		
	The above amount is made up as follows :		
	Esquire Knit Composite PLC		
	Opening Balance	**385,037,935**	**265,739,053**
	Add: Addition During the year	1,754,336,816	745,525,628
	Less: Payment made during the year	(385,037,935)	(626,226,746)
	Closing Balance	**1,754,336,816**	**385,037,935**
	Less: Current Portion of of Long Term Loan	-	-
	Total	**1,754,336,816**	**385,037,935**
11.00	**Deffered Tax Liability : Tk. 284,900**		
	The above amount is made up as follows :		
	Opening Balance	**862,890**	**-**
	Add: Deferred Tax Expenses recognized through profit & loss	(577,990)	862,890
	Closing Balance	**284,900**	**862,890**

As at 30 June, 2023

Particulars	Carrying amount on reporting date	Tax base	Taxable / (Deductible) temporary differences
Property, Plant & equipment	214,860,004	203,009,390	11,850,614
Right of Use Assets	101,075,991	-	101,075,991
Lease Liabilities	(110,552,434)	-	(110,552,434)
Taxable / (Deductible) temporary differences	**205,383,561**	**203,009,390**	**2,374,171**
Applicable Tax Rate			**12%**
Deferred Tax Liabilities			**284,900**

As at 30 June, 2022

Particulars	Carrying amount on reporting date	Tax base	Taxable / (Deductible) temporary differences
Property, Plant & equipment	77,714,103	64,546,754	13,167,349
Right of Use Assets	109,162,070	-	109,162,070
Lease Liabilities	(115,138,666)	-	(115,138,666)
Taxable / (Deductible) temporary differences	**71,737,507**	**64,546,754**	**7,190,753**
Applicable Tax Rate			**12%**
Deferred Tax Liabilities			**862,890**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

		30-June-2023	30-June-2022
		Taka	Taka
12.00 Lease Liability (Non-Current Portion) : Tk. 105,535,982			
The above amount is made up as follows :			
Opening Balance		**115,138,666**	**119,331,574**
Add: Addition During the year		-	-
Add: Interest Charged During the year		10,176,360	10,569,684
Less: Payment made during the year		(14,762,592)	(14,762,592)
Closing Balance		**110,552,434**	**115,138,666**
Less: Current Portion of Lease Liability (Note:13)		5,016,452	4,586,232
	Total	**105,535,982**	**110,552,434**
13.00 Lease Liability (Current Portion) : Tk. 5,016,452			
The above amount is made up as follows :			
Current Portion of Lease Liability **(Note:12)**		5,016,452	4,586,232
	Total	**5,016,452**	**4,586,232**
14.00 Short Term Loan: Tk. 134,864,245			
The above amount is made up as follows :			
Community Bank Ltd. A/C:0077123522000029		-	8,286,321
Community Bank Ltd. A/C:0077123522000012		-	43,794,589
Community Bank Ltd. OD A/C:0070316766701		52,300,091	51,278,907
Bank Asia Ltd. OD A/C: 62733000289		30,683,370	30,670,017
Community Bank Ltd. OD A/C:007123523000028		23,870,218	-
Community Bank Ltd. OD A/C:007123523000059		4,146,229	-
Community Bank Ltd. OD A/C:007123523000042		23,864,337	-
	Total	**134,864,245**	**134,029,833**
15.00 Liabilities for Expenses: Tk. 40,162,123			
The above amount is made up as follows :			
Salary and wages		8,147,459	9,454,835
Audit fees		69,000	69,000
Electricity Bill		1,173,923	2,065,142
Provision for Income Tax Note: 15.01		3,537,906	469,556
Others Liabilities		-	1,326,773
Payable to EKCL Lease Payment		27,233,836	12,471,244
	Total	**40,162,123**	**25,856,549**
15.01 Provision for Income Tax: Tk. 3,537,906			
The above amount is made up as follows :			
Opening Balance		**469,556**	**88,404**
Add: Additions during the year		**3,156,754**	**381,152**
Income Tax Expenses-Current		3,156,754	381,152
		3,626,310	**469,556**
Less: Adjustment during the year for Financial Year 2020-2021		88,404	-
Closing Balance		**3,537,906**	**469,556**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

		30-June-2023	30-June-2022
		Taka	Taka
16.00	**Revenue: Tk. 463,985,076**		
	This is made up of the followings:		
	Export Sales	463,985,076	136,340,936
	Total	**463,985,076**	**136,340,936**
17.00	**Cost of Goods Sold: Tk. 450,082,332**		
	This is made up of the followings:		
	Cost of Purchase **(Note-17.01)**	251,273,613	72,260,696
	Wages & Salaries **(Note-17.02)**	152,794,846	38,214,410
	Direct Expenses **(Note-17.03)**	63,493,143	36,138,398
	Cost of Manufacture	**467,561,602**	**146,613,504**
	Add: Opening Finished Goods	7,954,670	1,547,757
	Cost of Goods Available for Sale	**475,516,272**	**148,161,261**
	Less: Closing Finished Goods	25,433,940	7,954,670
	Total	**450,082,332**	**140,206,591**
17.01	**Cost of Purchase: Tk. 251,273,613**		
	This is made up of the followings:		
	Yarn	-	72,260,696
	Accessories	110,955,971	-
	Chemicals	70,566	-
	Fabric	116,638,808	-
	Packing Materials	23,608,268	-
	Total	**251,273,613**	**72,260,696**
17.02	**Wages & Salaries: Tk. 152,794,846**		
	This is made up of the followings:		
	Workers wages	94,873,732	38,214,410
	Workers overtime	49,946,148	-
	Daily labor	1,825,831	-
	Salary	2,468,235	-
	Festival bonus and Provident Fund	3,680,900	-
	Total	**152,794,846**	**38,214,410**
17.03	**Direct Expenses: Tk. 63,493,143**		
	This is made up of the followings:		
	Gas and electricity	11,340,150	3,161,660
	Insurance premium	1,420,963	271,051
	Tiffin expenses for workers	2,272,639	1,769,957
	Spare Parts Consumption	2,675,320	1,689,191
	Consumable items	-	336,063
	Vehicle running (Oil and fuel)	2,117,115	1,528,022
	Local conveyance	1,150,883	64,091
	Telephone & Mobile bills	380,300	27,700
	Finance Charge-Lease	10,176,360	10,569,684
	Depreciation (Schedule-A)	23,873,334	8,634,900
	Depreciation (Schedule-B)	8,086,079	8,086,079
	Total	**63,493,143**	**36,138,398**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

		30-June-2023	30-June-2022
		Taka	Taka

18.00 Administrative overhead: Tk. 19,653,879

This is made up of the followings:

Director Remuneration		6,600,000	-
Salary & allowances		5,387,745	937,260
Contribution to employees provident fund		65,068	-
Vehicle maintenance		93,523	-
Vehicle running expenses		467,613	266,883
Entertainment		243,027	3,950
Insurance permium		85,213	-
Printing expenses		48,808	-
Stationery expenses		855,931	-
Telephone, mobile & internet		1,883,115	4,873
Travelling & conveyance		51,567	62,357
Bank charges		766,455	215,001
License, renewal & registration		954,396	164,522
Utility expenses		1,692,582	81,696
Audit fees		69,000	69,000
Central Fund		83,650	2,225
Miscellaneous expenses		306,186	132,501
	Total	**19,653,879**	**1,940,268**

19.00 Selling and Distribution overhead: Tk. 12,526,737

This is made up of the followings:

Inspection & certificate issue expenses		1,170,930	259,009
Export Permission		78,600	-
Foreign Travel for marketing		790,300	25,314
Sample and courier expenses		339,853	78,580
Bank charges on export proceeds		8,957,294	1,198,196
Freight charges on export		550,476	320,141
C & F expenses on export		54,677	83,321
Carriage outward on export (Transportation)		584,606	-
	Total	**12,526,737**	**1,964,561**

20.00 Financial Expenses: Tk. 13,175,350

This is made up of the followings:

Interest on Loan		13,175,350	-
	Total	**13,175,350**	**-**

NOTES TO THE FINANCIAL STATEMENT
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

		30-June-2023	30-June-2022
		Taka	Taka

21.00 Income Tax Expenses: Tk. 2,742,504

This is made up of the followings:

Income Tax-Current		3,156,754	381,152
Income Tax-Deferred		(577,990)	862,890
Short Provision for the financial year 2020-2021		163,740	-
	Total	**2,742,504**	**1,244,042**

As the company is suffering from operating loss , minimum tax has been taken into consideration rather than net profit before tax as per section 163 of Income Tax Act, 2023 for current tax during the financial year.

22.00 Related party disclosures

Name	Relationship	Nature of Transaction	Opening Balance	Net transaction Value during the year	Closing Balance 30-June-2023
Esquire Knit Composite PLC	Sister Concern	Purchase	385,037,935	1,369,298,881	1,754,336,816
Esquire Knit Composite PLC	Lessor	Service	12,471,244	14,762,592	27,233,836

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

AS AT 30 JUNE, 2023

Property, Plant and Equipment Tk. 214,860,004 **SCHEDULE - A**

Sl. No.	Particulars	COST					DEPRECIATION				Carrying Amount as at 30-June-2023
		Balance as at 01-July-2022	During the year		Balance as at 30-June-2023	Rate	Balance as at 01-July-2022	During the year		Balance as at 30-June-2023	
			Additions	Disposal/ Adjustments				Charged	Adjustment		
1	Plant & Machinery	74,159,212	150,806,877	-	224,966,089	10%	14,092,745	21,087,334	-	35,180,079	189,786,009
2	Furniture and Office Equipment	16,061,183	10,212,358	-	26,273,541	10%	3,056,647	2,321,689	-	5,378,336	20,895,205
3	Vehicles	4,640,000	-	-	4,640,000	10%	464,000	417,600	-	881,600	3,758,400
4	IT Equipment	519,000	-	-	519,000	10%	51,900	46,710	-	98,610	420,390
Balance as at 30 June, 2023		**95,379,395**	**161,019,235**	**-**	**256,398,630**		**17,665,292**	**23,873,334**	**-**	**41,538,626**	**214,860,004**
Balance as at 30 June, 2022		**90,220,395**	**5,159,000**	**-**	**95,379,395**		**9,030,391**	**8,634,900**	**-**	**17,665,292**	**77,714,103**

SCHEDULE OF RIGHT OF USE ASSETS

AS AT 30 JUNE, 2023

Right of Use Assets Tk. 101,075,991 **SCHEDULE - B**

Sl. No.	Particulars	COST					DEPRECIATION				Carrying Amount as at 30-June-2023
		Balance as at 01-July-2022	During the year		Balance as at 30-June-2023	Rate	Balance as at 01-July-2022	During the year		Balance as at 30-June-2023	
			Additions	Disposal/ Adjustments				Charged	Adjustment		
1	Lease Assets	121,291,189	-	-	121,291,189		12,129,119	8,086,079	-	20,215,198	101,075,991
Balance as at 30 June, 2023		**121,291,189**	**-**	**-**	**121,291,189**		**12,129,119**	**8,086,079**	**-**	**20,215,198**	**101,075,991**
Balance as at 30 June, 2022		**121,291,189**	**-**	**-**	**121,291,189**		**4,043,040**	**8,086,079**	**-**	**12,129,119**	**109,162,070**

NOTES

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proxy form

FOR ANNUAL GENERAL MEETING

ESQUIRE KNIT COMPOSITE PLC

21 Shaheed Tajuddin Ahmed Sarani, Tejgaon I/A, Tejgaon, Dhaka-1208

PROXY FORM

I/We----------of----------
----------being a member of Esquire Knit Composite PLC hereby appoint Mr./Ms./Miss ----------
----------of----------
----------as my proxy to attend and vote for me on my behalf at the 23rd Annual General Meeting of the Esquire Knit Composite PLC to be held on Thursday, the 25th of January 2024 at 11:00 a.m. (Dhaka Time) under a virtual platform and at any adjournment thereof.

As witnessed my hand this ----------day of January 2024.

Signed by the said presence ----------.



(Signature of Proxy)

(Signature of Shareholder(s)

(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 PlC

Scan code with a QR code reader-enable mobile phone to find out more about the company

REGISTERED & CORPORATE OFFICE

Esquire Tower, 21 Shaheed Tajuddin Ahmed Sarani
(Old 30 Tejgaon Industrial Area)
Tejgaon, Dhaka-1208, Bangladesh
IP Phone: +88 09612443322

FACTORY ADDRESS

i. 22/58, Kanchpur, Sonargaon, Narayangonj
ii. Jamirdia, Bhaluka, Mymensingh

Email : info@esquirebd.com
Website : www.esquireknit.com
www.esquire.com.bd

a **TWA** production : email: twabd.productions@gmail.com | **017 11 107917**