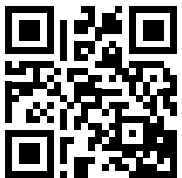




Esquire Knit Composite Limited



annual
report
2018-19



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the PDF version of the
prospectus.

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Certificates

NOTICE OF THE 19TH ANNUAL GENERAL MEETING

Esquire Knit Composite Ltd

Registered office:

Esquire Tower. 21 Shaheed Tajuddin Ahmed Sarani
Tejgaon I/A, Dhaka-1208 (new),
30 Tejgaon Industrial Area, Dhaka-1208 (old)

Notice is hereby given to all the Shareholders of **Esquire Knit Composite Ltd.** that the **19th ANNUAL GENERAL MEETING** of the Company will be held on Tuesday 28 January 2020 at 11:00 a.m at the Trust Milonayaton, Beer Shrestho Shaheed Jahangir Gate, 546, Dhaka Cantonment Dhaka-1206, Bangladesh to transact the following business:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30 June 2019 together with the reports of the directors' and the Auditors' thereon;
2. To declare dividend for the year ended on 30 June 2019 as recommended by the Board of Directors;
3. To elect Directors in place of those who shall retire by rotation in accordance with the provisions of Articles of Association of the Company;
4. To appoint/confirm the re-appointment of Independent Director of the Company;
5. To appoint Statutory Auditors for the term until the completion of 20th Annual General Meeting and fixation of their remuneration;
6. To appoint Compliance Auditor for the year 2019-2020 and fixation of their remuneration; and
7. To transact any other business with the permission of the chair.

By order of the Board

Md. Saidur Rahman
Company Secretary

Dated: Dhaka
11 January 2020

NOTES:

1. Shareholders whose names would appear in the Share Register/ Depository Register on the record date on 05 December 2019 will be eligible to attend at the 19th Annual General Meeting of the Company and entitled to receive the Dividend.
2. A member eligible to attend and vote at the Annual General Meeting may appoint a proxy on his/her stead. The Proxy form attached with Annual Report 2019, duly filled in, signed and affixed with requisite revenue stamp, must be submitted at the Registered Office of the Company not later than 72 hours before the time fixed for holding the meeting.
3. Admission to the meeting room will be strictly checked and verified with the attendance slip sent with the Annual Report as well as verification of signature of Shareholder(s) and/or Proxy-holder(s).
4. The Annual Report for the year ended June 30, 2019 is also available in the Company's website at www.esquireknit.com.
5. No gift/benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (C) of the notification No. SEC/SRMI/2009-193/154 dated 24th October 2013 for attending Annual General Meeting of the company.

EXPLANATORY NOTES TO THE AGENDA

TO THE AGENDA FOR THE 19TH ANNUAL GENERAL MEETING OF SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE LTD.

[The following Explanatory Statement sets out material facts relating to the business to be at the 19th Annual General Meeting of the Company scheduled for Tuesday 28 January 2020]

Agenda No. 1: To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30 June 2019 together with the reports of the directors' and the Auditors' thereon;

The Annual Report for the year ended on 30 June 2019 contains the Annual Financial Statements for the year ended 30 June 2019 together with the Reports of the Auditors' thereon and the report from the Board of Directors.

The Audited Annual Financial Statements for the financial year 2018-2019 have been executed by the members of the Board and duly approved by the Audit Committee. MD and CFO of the company before submission to the audit committee have appropriately reviewed these Financial Statements. M/S ACNABIN, Chartered Accountants, external auditors of the Company, has issued an unqualified audit opinion, which has been included in the Annual Financial Statements for the financial year ended 30 June 2019.

Pursuant to the section 183 and 184 of the Companies Act, 1994, the directors are required to present to the shareholders at the Annual General Meeting, the Directors' Report and Annual Audited Financial Statements including Auditors Report thereon.

It is proposed to adopt the Annual Accounts for the financial year ended on 30 June 2019 together with the Reports of the Directors' and the Auditors' thereon

Agenda No. 2: To declare dividend for the year ended on 30 June 2019 as recommended by the Board of Directors;

Net income attributable to Shareholders amounted to Taka 383.61 million, Earnings Per Share (EPS) consequently amounted to Taka 3.37 in Financial Year ended on 30 June 2019. The Board of Directors recommended 15% Cash Dividend i.e.; Tk. 1.50 for every share of Tk. 10.00 each for the financial year ended 30 June 2019 in its Meeting held on 24 October 2019 to the General Meeting of Shareholders to be held on 28 January 2020. Payment of dividend for the year ended 30 June 2019 as recommended by the Board, if approved at the General Meeting, will be payable on or before 26 February 2020 after the Annual General Meeting according to Bangladesh Securities and Exchange Commission (BSEC) notification No. BSEC/CMRRCD/2009-193/18/Admin/ dated 09 February 2010 in respect of shares held to those members whose names appear in the statement of beneficial owners to be furnished by Central Depository Bangladesh Limited (CDBL) at Record Date on 05 December 2019.

Agenda No. 3: To elect Directors in place of those who shall retire by rotation in accordance with the provisions of Articles of Association of the Company;

In accordance with Article No. 93 and 94 of the Articles of Association of Esquire Knit Composite Ltd. Mr. Arifur Rahman and Mrs. Peara Begum, Directors of the Company to be retired from office of Directorship and being eligible, they offered themselves for re-election.

As the Board of Directors greatly values the contribution of Mr. Arifur Rahman and Mrs. Peara Begum for development of the Company and their commitment shown in their responsibilities as the members of the Board, it is proposed to re-elect Mr. Arifur Rahman and Mrs. Peara Begum as member of the Board of the Company for a period until retired by rotation as per section 91 of the Company Act, 1994 and relevant provision of the Articles of Association.

Agenda No. 4: To appoint/confirm the re-appointment of Independent Director of the Company;

Two of the Independent Directors Mr. Swapan Kumar Sarkar and Mr. Placid Gomes, FCA were first appointed to the

EXPLANATORY NOTES TO THE AGENDA

Board in 2016 for first 3 years term and subsequently the Board of Directors of the Company in its meeting held on 29 June 2019 appointed Mr. Swapan Kumar Sarkar and Mr. Placid Gomes, FCA as an independent Director for 2nd term of 3 years in accordance with BSEC Notification subject to approval of the shareholders of the Company at ensuing 19th Annual General Meeting.

They hold no shares in the Company.

Agenda No. 5: To appoint statutory Auditors for the term until the completion of 20th Annual General Meeting and fixation of their remuneration;

M/S ACNABIN, Chartered Accountants has carried out the audit of the Company for the year 2018-2019 and completed 1st year of audit after appointment.

They are eligible to continue in accordance with the provision of BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 and Regulation No. 15(3) of Stock Exchanges (Listing) Regulations, 2015 and they have expressed their intention to be re-appointment for the next term at an increased fee.

In recommendation of the Audit Committee, the Board at a Meeting held on 24 October 2019 proposed for reappointment of M/S ACNABIN, Chartered Accountants to hold office for the period until conclusion of 19th Annual General Meeting of the Company for auditing for the year ended 30 June 2020.

It is noted that M/S ACNABIN, Chartered Accountants is in the panel Auditors by BSEC.

It is proposed to appoint M/S ACNABIN, Chartered accountants, in compliance with the section 210 of the Companies act, 1994 & BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 as external auditors of the Company charged with the auditing of the Annual Financial Statements for the financial year 2019-2020 at such amount of remuneration to be fixed at 19th Annual General Meeting.

Agenda No. 6: To appoint Compliance Auditor for the year 2019-2020 and to fix their remuneration.

It is required to appoint Compliance Auditor for the year 2019-2020 for conducting compliance audit on corporate governance code by Bangladesh Securities and Exchange Commission (BSEC) in compliance with the provision of 9(1) of BSEC Notification in this regard dated 3 June 2018, Ref. No. # BSEC/CMRRCD/2006-158/207/Admin/80 in order to obtain a certificate on compliance of the said Corporate Governance Code of the Commission.

The Board proposed the name of M/S Chowdhury Bhattacharjee & Co., Chartered Accountants of 47/8 Indira Road (Gr. Floor), Dhaka-1215 for appointment to conduct the compliance audit for the year 2019-2020 at a remuneration to be fixed at 19th Annual General Meeting.

Agenda No. 7: Miscellaneous if any

LETTER OF TRANSMITTAL

All Shareholders of Esquire Knit Composite Ltd.
Bangladesh Securities and Exchange Commission (BSEC),
Registrar of Joint Stock Companies & Firms (RJSC),
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)

Subject : Annual Report for the year ended June 30, 2019

Dear Sir,

We have the pleasure in submitting the Annual Report of Esquire Knit Composite Ltd. for the year ended June 30, 2019 along with Audited Financial Statements as required by and prepared in compliance with the provision of the Companies Act, 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987, Notification of Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange (Listing) Regulations, 2015.

Thank you

Best Regards



Md. Saidur Rahman
Company Secretary

Sunday, 12 January 2020
Dhaka

OVERVIEW OF THE COMPANY

Esquire Knit Composite Ltd. was incorporated as a Private Limited Company on 16 February 2000 under the Companies Act, 1994. The Company commenced commercial operation in 2001. The Company converted in to Public Limited Company on 22 January 2015.

Esquire Group went for the expansion in RMG by establishing a new venture named Esquire Knit Composite Limited (EKCL). It has expanded gradually to become a conglomerate with knitting, fabric dyeing and finishing, cutting, sewing, industrial laundry, embroidery, printing, washing facilities under one roof. Using state-of-the-art-technology, focused business policies and maintaining business ethics over the years helped us successfully establish the name as a world-class garment manufacturer in the knit garments arena.

The Company currently employs approximate 11,000 people, serving customer in Europe & American chain store, fashion brands and super markets. The company is the active member of BGMEA, BKMEA.

The factory of Esquire Knit Composite Ltd. is located in 22/58, Kanchpur, Sonargaon, Narayangonj.

As a part of the expansion, EKCL has started a new 'Green' project at its own premises located in Vhaluka, Mymensingh for BDT 576 crore. Construction is underway for the new Esquire campus. The new campus has been designed, engineered, and is being constructed to excel in all building standards not only in Bangladesh, but also in the World.

A standalone industrial park, Esquire Campus will host vertically integrated manufacturing facilities, extending over an area of 20 acres and comprising of the following building and infrastructure facilities:

- » 10-story Buildings for Garments Manufacturing
- » Fabric Park, including ETP Facilities
- » Employees Service building, including Canteen Facilities and Welfare facilities
- » Apartment Building for Management and Visitors Residence Facilities
- » Utility infrastructure area for Electric, Steam, Gas and Air Power Generation
- » Worker dormitory
- » Internal Road Construction

The project will be complete phase by phase.

In December 2018, The Company obtained consent, from the Bangladesh Securities and Exchange Commission, for raising funds through Initial Public Offering (IPO) and thus got listed with DSE and CSE on February 2019.

The Company's business strategies are as follows:

- » To improve and consolidate its position in the Knit RMG industry
- » To focus on continuous growth philosophy
- » To maintain good liaison with stakeholders
- » To focus on future export market
- » To drive with the strategic levers of operational excellence, strengthening existing services, customer satisfaction, ecosystem development, innovation, adopt new technologies and marketing.

CORPORATE INFORMATION

Name of the Company	Esquire Knit Composite Ltd.
Legal Status	Public Limited Company
Trade Code	esquirenit
Nature of Business	Textile
Listed Stock Exchange	Dhaka Stock Exchange Ltd. & Chitagong Stock Exchange Ltd.
Company incorporation No.	C-396633 (1631)/2000
Date of Incorporation as Private Limited Company	16 February 2000
Conversion date from Private Limited Company to Public Limited Company	22 January 2015
Commenced commercial operation	2001
Tax Identification Number (TIN)	885533988064
BIN Number	000216288-0304
Authorized Capital	Tk. 2,000,000,000 divided into 200,000,000 Ordinary shares of Tk.10 each
Paid up capital	Tk. 1,348,958,330 divided into 134,895,833 Ordinary shares of Tk.10 each
Statutory Auditor	ACNABIN Chartered Accountants BDBL Bhaban (Level -13) 12, Kawran Bazar C/A, Dhaka -1215
Corporate Governance Auditor	Chowdhury Bhattacharjee & Co. Chartered Accountants 47/8, Indira Road (Gr. Floor), Dhaka-1215
Membership	<ul style="list-style-type: none"> » Bangladesh Garment Manufactures & Exporters Association (BGMEA) » Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) » Bangladesh German Chamber of Commerce & Industry -BGCCI » Spain Bangladesh Chamber of Commerce and Industry » Narayangonj Chamber of Commerce & Industry (NCCI) » Bangladesh Association of Publicly Listed Company (BAPLC)
Legal Advisor	Mr. Md. Sameer Sattar, Barrister Unit E3, House 1/A, Road 35, Gulshan-2, Dhaka-1212

CORPORATE INFORMATION

Registered & Corporate Office	Esquire Tower 21 Shaheed Tajuddin Ahmed Sarani (Old 30 Tejgaon Industrial Area) Tejgaon, Dhaka-1208 IP Phone: +88 09612443322
Factory Address	i) 22/58, Kanchpur, Sonargaon, Narayanganj ii) Jamirdia, Valuka, Mymensingh
Web Address	www.esquireknit.com
E-mail Address	info@esquirebd.com ekcl@esquirebd.com
Lead Bankers	Dutch-Bangla Bank Ltd. 1, Dilkusha C/A, Dhaka-1000 Eastern Bank Ltd. 10, Dilkusha C/A, Dhaka-1000
Lead Insurers	Progati Insurance Ltd. 69/1 Purana Paltan Lane, Dhaka



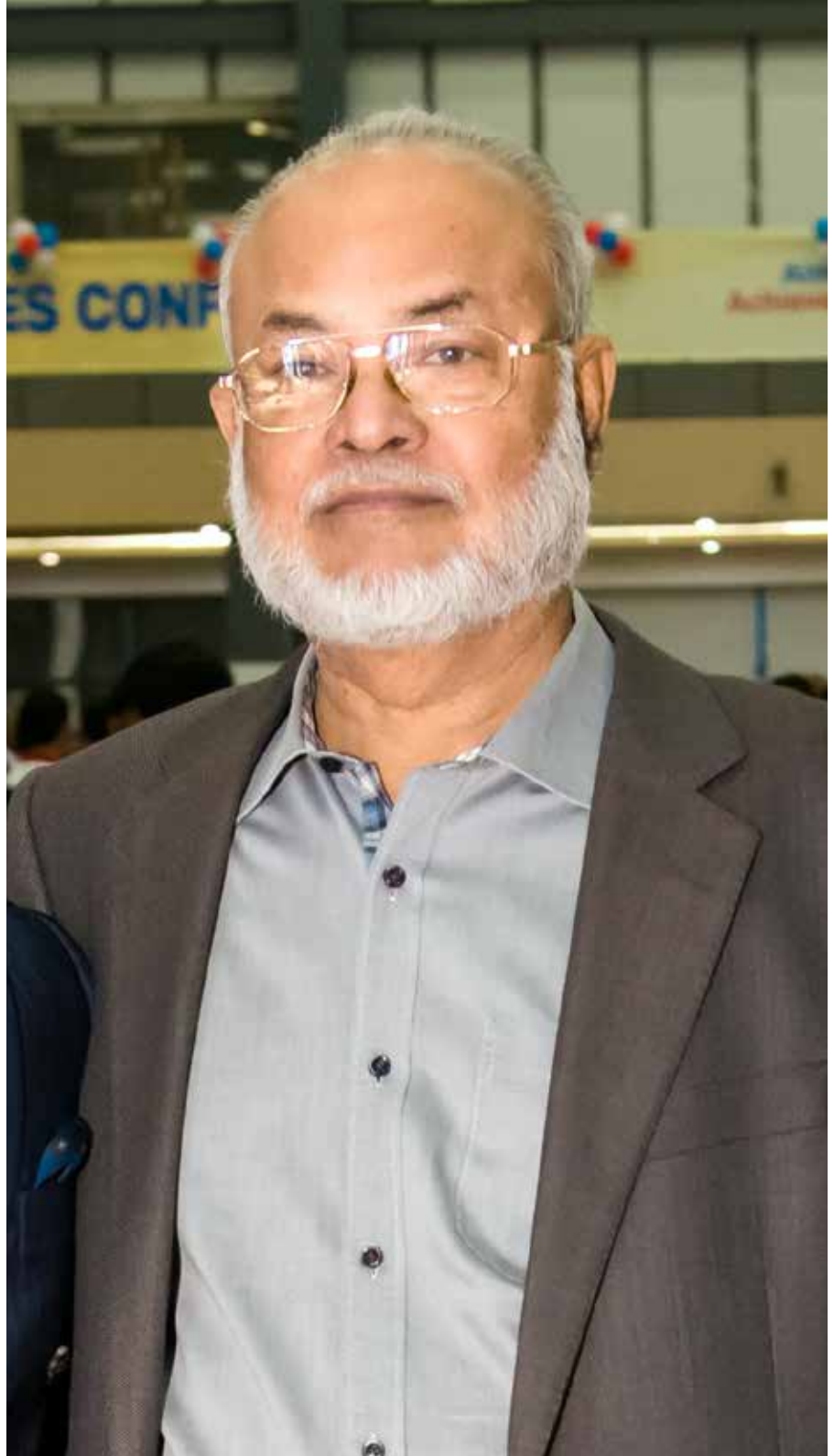
AWARDS

Awarded ISO 9000 Series (Quality Management System)	2002 - Certified to ISO 9002:1994 2005 - Certified to ISO 9001:2000 2012 - Certified to ISO 9001:2008 2015 - Certified to ISO 9001:2015 Validity 11.08.2021
Awarded OHSAS 18001:2007 Certificate (Occupational Health & Safety Management System)	2016 Validity 12.03.2021
Awarded ISO 14001: 2015 Certificate (Environmental Management System)	2016 - Certified to ISO 14001:2004 2016 - Certified to ISO 14001:2015 Validity 15.06.2022
Awarded Oeko-Tex Garments Product Class 1 Certificate	Validity 31.10.2020
Awarded Oeko-Tex Garments Product Class 2 Certificate	Validity 31.05.2020
Awarded GOTS	Validity 04.11.2020
Awarded OCS-IN	Validity 12.03.2020
Awarded RCS	Validity 04.11.2020
Awarded Amfori BSCI	Validity 10.04.2020
Awarded C-TPAT	Validity 04.09.2020
Listed with Dhaka Stock Exchange Limited	3-Mar-2019
Listed with Chittagong Stock Exchange Limited	27-Feb-2019
Trading of Shares at Dhaka and Chittagong Stock Exchanges	9-Apr-2019
Credit Rating by Credit Rating Agency of Bangladesh	Entity A1 Long Term Loan A1 (Lr) Short Term Loan ST 3 Validity : October 25, 2020

MESSAGE FROM CHAIRMAN



Despite the
aforementioned
challenges faced
by Esquire Knit
Composite Ltd.
nevertheless prevailed
through concerted
team efforts of all
employees under the
prudent leadership
of our Managing
Director. The members
of the Management
team carried out
their assigned
responsibilities with
most sincerity and
dedication, resulting
to the company's
sustainable growth
and goodwill in the
textile sector.



MESSAGE FROM CHAIRMAN

Bismillahir-Rahmanir-Rahim

Dear Valued Shareholders,

As-salamu alaykum,

It is my proud privilege by the grace of Almighty Allah (SWT) to extend a hearty welcome to you all to the 19th Annual General Meeting of your Company.

The Board's principal focus during the financial year continued to be on the execution of our strategic objectives, which are mainly to drive volume growth, focus on value, improve efficiency and invest in the business. We were also particularly focused in all of our markets and managing the risks related to the external environment. These include risks associated with currency volatility, geopolitical instability and adverse macroeconomic conditions, new conditions for compliance, global completion in rate variation. I am pleased to affirm that our governance framework is designed to ensure appropriate oversight and challenge.

Despite the aforementioned challenges faced by Esquire Knit Composite Ltd. nevertheless prevailed through concerted team efforts of all employees under the prudent leadership of our Managing Director. The members of the Management team carried out their assigned responsibilities with most sincerity and dedication, resulting to the company's sustainable growth and goodwill in the textile sector.

Against this tough scenario, your company put in its best efforts at harnessing best possible return from its business through watchful cost control. Complying all the imposed compliance by buyer, the overall performance of the Company is satisfactory. The net profit after tax stands at Tk.384 million against revenue at Tk. 5,919 million. Despite of major setback in Bank interest, we are trying our best to ensure continued growth, sustainability and financial strength. My heartfelt congratulations to the Managing Director for his guiding leadership and the Management team for excellent performance.

In this fast-changing world it is more important than ever that Esquire is consistent, Reliable and respected, in order to build trust. The consistency of our purpose: enhancing quality of life and contributing to a sustainable future, has led us to act throughout our history as a responsible member of society. We strongly believe that the private sector is more than just an engine for economic growth and job creation.

We are investing in science and innovation, and building new capabilities and platforms to secure our long-term prospects while at the same time delivering the sustainable, profitable growth you expect from us.

We are part of the fabric of society with its challenges and opportunities. As a company we can make a substantial, positive impact in society, and inspire and work with others to achieve even more. Creating Shared Value describes what this means in practice; creating value for our shareholders with projects or business opportunities that at the same time benefit the communities in which we operate, and furthermore, society as a whole.

I would like to share my humble gratitude to all esteemed shareholders for their confidence on the members of the Board and Management team. It is our firm expectation that such confidence will remain unflinching in the coming years also. I also take this opportunity to thank the Board of Directors and the Management for their wise leadership, relentless efforts and dedicated services for the welfare of the Company and the Shareholders. I would also like to thank our 10,000 employees for their commitment to Esquire. It is their hard work, alignment behind our strategy and dedication that enables us to deliver on our promises.

Allah Hafez

Md. Mofazzal Hossain
Chairman



CORPORATE OPERATIONAL RESULTS

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	January 2015 to December 2015
Revenue (Taka)	5,919,576,583	4,841,134,840	4,453,547,322	4,426,364,400	4,385,429,090
Year to Year Changes in revenue (%)	22.28	8.7	0.61	0.93	1.36
Cost of Goods Sold (COGS)	4,679,188,088	3,804,060,878	3,531,651,776	3,414,907,891	3,426,052,071
COGS to revenue (%)	79.05	78.58	79.3	77.15	78.12
Gross Profit (GP)	1,240,388,495	1,037,073,961	921,895,546	1,011,456,509	959,377,019
GP to revenue (%)	20.95	21.42	20.7	22.85	21.88
Operating Expenses	573,634,105	468,592,261	405,838,990	499,365,014	528,759,519
Operation Expenses to revenue (%)	9.69	9.68	9.11	11.28	12.06
Financial Expenses	224,224,327	142,100,620	118,269,530	139,731,151	146,746,377
Financial Expenses to revenue (%)	3.79	2.94	2.66	3.16	3.35
Non Operation Income	24,197,256	5,776,336	5,484,304	5,994,498	5,694,498
Provision for contribution to WPPF & WF	23,336,366	21,607,871	20,163,566	18,016,897	13,788,839
Profit before tax for the year	443,390,953	410,549,546	383,107,764	360,337,945	275,776,782
Income tax expenses	59,783,735	66,580,971	70,961,069	63,576,771	25,321,542
Net profit after tax	383,607,218	343,968,575	312,146,695	296,761,174	250,455,240
Net profit after tax to revenue (%)	6.48	7.11	7.01	6.7	5.71
Share Capital	1,348,958,330	1,000,000,000	1,000,000,000	600,000,000	600,000,000
Earning Per Share [EPS] - Basic	3.37*	3.44	3.12*	4.95	6.04
Net operating Cash Flow Per Share (NOCFPS)	2.03	5.21	0.99	2.37	11.43

* EPS decrease because of increase of Share Capital through issue of new shares.

MANAGING DIRECTOR'S STATEMENT



“

It has expanded gradually to become a conglomerate with knitting, fabric dyeing and finishing, cutting, sewing, industrial laundry, embroidery, printing, washing facilities under one roof. Using state-of-the-art-technology, focused business polices and maintaining business ethics over the years helped us successfully establish the name as a world-class garment manufacturer in the knit garments arena.

MANAGING DIRECTOR'S STATEMENT

Dear Honorable Shareholder,

As-salamu alaykum,

On behalf of the Board of Directors, I am pleased to welcoming you all to the 19th Annual General Meeting (AGM) of Esquire Knit Composite Ltd. and I like to take this privilege to present the Annual Report and Audited Financial Statement of Esquire Knit Composite Ltd. for the financial year ended on 30 June 2019.

As you are aware, the economy of Bangladesh is heavily depended on the RMG sector for its export earnings and employment of unskilled, semi skilled and the ever-growing skilled population of the country. Over 84% of the export earnings are generated from exporting products of the RMG sector with an employment of over 6 million people of the country. We, at Esquire Knit Composite Ltd. believe in eco-friendly working environment, welfare of the workers and sustainable processes to preserve interest of the esteemed shareholders.

As many of you may realize, overall, the Bangladeshi garment industry is undergoing a transition. After the tragic accidents like Rana Plaza and Tazreen Fashion, many small and medium sized factories have closed and many people have lost their jobs. Because of the cost of compliance, constant price competition, increased production costs and development of the competing countries like Vietnam, Cambodia, Uzbekistan, India, and lagging behind in various levels of wastage, competitiveness affordability are a huge challenge for us to step forward.

But despite all these adversities and obstacles, we are moving forward and we must move forward in order to survive in this business.

At present, we are also working relentlessly to promote the garment sector of Bangladesh, the industry of \$ 28 billion to \$ 50 billion. Bangladesh is now leading in the field of eco-friendly production as it has so far created five eco-friendly or green factories, the highest number in the world. Esquire Knit Composite Ltd. believes in eco-friendly working environment, welfare of the workers and sustainability of the mills to preserve interest of the esteemed shareholder.

You will be happy to know that we have added new facilities in the last one-year, despite of various obstacles. Esquire production capacity has expanded from 56 Line to on more than 100 lines in one year. All of this is the result of the hard work of our management and employees.

Innovation is our heritage, the foundation on which our companies are built, but also a key enabler of future success. The strength and depth of our R&D differentiates us from the competition, and helps us respond to the major changes we see in society. We are getting ready to produce new products such as winter jackets, lingerie as well as traditional products to focus on making more technical clothing in the future.

Surely, our past is for our experience to amend the present and the present is to ensure continuous forthcoming development.

OVERVIEW

Though the global business growth in 2019 is expected to slow to 2.6 percent, reflecting weaker-than-expected trade and investment at the start of the year, it is expected to gradually rise to 2.8 percent by 2021.

Twenty years ago, China's economy was a tenth the size of the United States. In 2019, it is two-thirds as big. In 2039, on the current trajectory, it is estimated to be more than 10% bigger. India will leap Japan and Germany to claim the third spot in the global rankings. Vietnam will be closing in on the top 20. So, Bangladesh has started to face huge completion in global market share in apparel exports, as to its closest competitor Vietnam gains newer shares of the market.

In Bangladesh, merchandise export earnings grew by 10.55 percent year-on-year to \$40.53 billion in the fiscal year 2018-19. The country's total export volume 84 percent comes from garment sector i.e. \$34.13 billion from garment exports out of which \$16.88 billion came from knitwear and \$17.24 billion from woven garment products. Although garment shipments grew by 11.49 percent, international retailers and brands are not paying higher prices while purchasing garment items from Bangladesh.

MANAGING DIRECTOR'S STATEMENT



In spite of challenges like, high interest rate, cost of power and gas consumption, rising cost of raw materials and other inputs, our company has secured its position in a stable condition. I am thankful to our efficient management team, careful Board of Directors and hard working workers for their relentless effort in safeguarding the current situation. But we believe in going further, which requires your support too.

FINANCIAL RESULTS

I am pleased to inform you that, despite very high competition, the comparative increase in the revenue earning in the current financial year compared to previous financial year 2017-2018 is 22.28% which reflects robust performance in export selling.

The year was very challenging across the industry. Production cost has been increased due to re-fixation of workers salary, increase of gas & electricity costs and spare parts consumptions. In spite of all these, the gross profit rate remains very near, which is a reduction of 0.47% compared to previous year.

The operating expenses were raised to 22.42%, due to increase in Salary, utility expenses, bank charges, and License, renewal & registration etc. which surely has marked threat. Even though the expenses have increased and the gross profit is affected, the net profit has been increased by 11.52%, in comparison to previous year by generating non-operating income.

The key highlights for the year were as follows:

- » Record revenue for the year of BDT 591.95 crore
- » Operating profit for the year of BDT 44.25 crore
- » Net profit for the year of BDT 38.60 crore

MARKETING STRATEGY

Bangladesh export's apparel globally and has been experiencing slower growth than the competitors including Vietnam, India and Pakistan, putting further stain on the competitive edge of country's highest export-earning sector.

RMG export to US, the largest importer of Bangladeshi apparel products, is also showing a declining trend compared to the last fiscal year.

Single chance marketing of a product may result short term benefit, but that hampers sustainability of the organization. Therefore, we always try to remain strict with the existing customers maintaining all their compliances thoroughly and look for new customers that seek quality output.



Expectations of Esquire are changing substantially as consumers embrace new trends, habits and lifestyles. We see a reshaping of the competitive environment. We are on the brink of a 'fourth industrial revolution'; a transformation of society that will be unlike anything we have experienced before, presenting us with challenges but also great opportunities. We are responding by sharpening our focus and strengthening our efforts to create value. EKCL is committed to search for excellence and innovation in technology with the aim of serving the global markets with competitive products to maintain its' leading position in the country and worldwide.

Esquire is committed to search for excellence and innovation in technology with the aim of serving the global market with competitive products to maintain our remarkable position in the country and worldwide.

In our relentless pursuit of becoming a world leader in the Apparel industry, Esquire is continuously developing its core strengths in applied technology, innovation and vertical integration of all processes, from research & development, to product conceptualization & design, to manufacturing and delivery to our customers.

Esquire is therefore positioning itself to become an Innovative Design Manufacturer (IDM) by investing in a business model geared to develop innovative products across multiple industries, expanding its product offerings, and providing its customers high value added services, including product conceptualization, research and innovation platforms, and enhanced design and development capabilities.

Launching a new Product Development and Innovation Center, Esquire is expanding its product capabilities, integrating technologies like molding, bonding, and seamless knitting to expand its product offerings to higher valued products, while increasing its product capabilities in knitting beyond weft knitting, allowing Esquire to grow in new markets with a long term sustainable business model.

On the strength of our IDM model, we are building a strong and diversified customer base across the world, with strategic product positioning with different brands, which coupled with the infrastructure investment already begun in buildings, machinery and people, is laying our foundations for a continued growth year on year for the next 5 years, through our expansion, and become an even more dominant player in the apparel industry.

SUSTAINABILITY :

In restraining the global challenges, sustainability is another factor to drive success for any business. Innovation drives us to the performance excellence. Esquire has a vision of a better environment through innovation and optimizing energy & utility while leveraging people to live healthy and fulfilling lives. Since the Industrial Revolution, our modern economy has depended on the transformation of natural resources into products. This means that fossil energy and natural resources extraction and use were and still are the driving forces behind economic growth.

Several investors today use Environmental, Social, and Governance (ESG) metrics to analyze an organization's ethical impact and sustainability practices. Investors look at factors such as a company's carbon footprint, water usage, community development efforts, and board diversity.

Research shows that companies with high ESG ratings have a lower cost of debt and equity, and that sustainability initiatives can help improve financial performance while fostering public support.

The concept of the circular economy, based on the idea of a closed economy, emerged to deal with the specific limitations of our current economic model and could help to cut up to 33% greenhouse gas emission from material management.

A good example of our determination to create a circular economy is through the process of - recycled polyester & recycled cotton started recently. The Nano Dye technology is another initiative taken by Esquire Knit Composite Ltd. to ensure less hazardous, water efficient and environment friendly fabric dyeing process.

GOVERNANCE:

We committed to the highest standards of corporate governance, with accountability and transparency being key guiding principles in all business activities conducted. We continue to adopt appropriate standards in execution to

MANAGING DIRECTOR'S STATEMENT

governance, thereby enhancing value for all stakeholders.

CAPITAL INVESTMENT:

We are continuously investing for infrastructure and machineries to build capacity at our company. In the year 2018-19 we established new capacity in existing project at Kanchpur, Narayanganj. We already received some additional revenue from the new production capacity in this year.

In addition, EKCL instigating on its expansion project of export oriented composite knit industry at Jamirdia, Valuka, Mymensing about 68 km North from central Dhaka, via Dhaka - Mymensing highway. The standalone industrial park will host vertically integrated Garments manufacturing facilities. The project construction is underway, which has been designed, engineered, and is being constructed to excel in all building standards not only in Bangladesh, but also in the World.

The total cost of the project will be BDT. 576 crore. We anticipate that the project will take approximately 3 years to be completed. It will be implemented in phases.

The project-financing plan is :

- » Initial Public Offering (IPO) - BDT. 150 crore
- » FI Financing - BDT. 339 crore
- » Owner's Equity - BDT. 86.10 crore

BOARD OF DIRECTORS:

Board of Directors of the company consists of 7 (seven) directors. Out of the seven directors, five are sponsor directors and two independent directors. During the year, the board of directors has considered and approved different important business proposal of the company to ensure sustainable business growth.

RETURN TO THE SHAREHOLDERS:

Post issue of public offer for ordinary shares to general shareholders and listed in Dhaka & Chittagong Stock Exchanges in February 2019, the Board of Directors of Esquire Knit Composite Ltd. recommended 15% cash dividend which has been placed in the 19th Annual General Meeting for approval of the honorable shareholders.

ACKNOWLEDGEMENTS

I would like to convey my sincere appreciation to my fellow Directors on the Board for their persistent support, guidance and valuable suggestions throughout the year. I also express my sincere thanks and appreciations to all our customers, suppliers, shareholders, bankers, Employees of the Company for their confidence in us and valuable contribution to the Company throughout the year 2018-2019.

I would also like to acknowledge the different departments of GOB, the Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and other statutory bodies for their support in carrying various activities of the Company.

Thanks once again.



Md. Ehsanul Habib
Managing Director

BEST PRACTICES AT ESQUIRE KNIT COMPOSITE LTD.

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 in all their products. Employees may also buy products in arrear and the due amount may be adjusted with their salary. Also, when employees shop for 2000-2500 taka worth of products for consecutive three months from the shop, they are eligible for a health insurance worth 15000 taka. Pregnant shoppers may also enjoy extra healthcare facilities.

Periodic medical and blood donation camp : At EKCL, we take our associates' health very seriously. Thus, our employees are periodically offered with free health check-ups and blood donation camps within the premises. This sessions surely add value to our celebration of occupational health & safety day at work.

Newborn baby gift hamper : Workplace is the second home for all of us as we spend nearly half the day together. Hence, it is almost like an extension to our big family when we hear the news of pregnancy of our employees. Since 2019, to celebrate this beautiful journey of all our expectant employees, we started providing a baby kit consisting newborn essentials to all the new mothers and fathers so that we can be part of their joy.

Employee birthday celebration : To be the seamlessly integral part of our employees' lives, we choose to celebrate their birthdays with our EKCL family. This not only makes feel more associate with the company but also becomes a moment of gratification, shared with the team.

Various day celebration : Starting right from the beginning of the year with new year celebration, we hardly miss to rejoice any of the special days at work, namely Bengali new year, women's day, mother's day, children day etc.

Providing sanitary napkin on discount: Over 50% of our EKCL population is women; thus their health and hygiene is immensely vital for our business. We provide high quality sanitary napkins to all our female employees where the company provides 50% of the total cost, and the employee pays the rest. It is mandatory for all our female colleagues to participate in the scheme so that their menstrual hygiene is secured.

Post-Eid raffle draw : EKCL employees are entertained with magnificent raffle draws after Eid vacations. However, not everyone can enter for the draw. They are entitled to join in, provided that they have been present on time for three consecutive days at work post Eid holidays. This ensures their motivation in coming back to work right after the long vacations.

Plastic household in discounted price : Being the sister concern of Esquire Plastics Ltd., we offer all our employees with considerable amount of discount on all the plastics products that is produces by Esquire plastics.

Electronic items at discounted price : Alongside, being the sister concern of Esquire Electronics Ltd. has earned us this price reduction privilege too. All the EKCL employees are offered certain amount of yearlong discount on electronic products as well as are presented with specially discounted fridges, TVs and washing machines for purchase right before the Eid-UL-Azha.

Discounted skincare products of Unilever : Through collaboration with Unilever, EKCL employees can also obtain discounted skincare merchandises available in the premises supermarket.

Nano Dye technology : The Nano Dye technology is another initiative taken by Esquire Knit Composite Ltd. to ensure less hazardous, water efficient and environment friendly fabric dyeing process.

Bangladesh PaCT (Partnership for cleaner Textiles): Esquire Knit Composite Ltd. is an IFC-PACT advisory services client since 2016. The factory underwent a Cleaner Production assessment, had invested in low cost and no cost resource efficiency measures including condensate recovery, insulation, energy efficient lighting, and trigger nozzles for water and compressed air lines. Esquire has been a front runner in the PaCT Program, displaying enthusiasm for utilizing cutting edge technology, actively participating in user group meetings and panel discussions at various workshops and events.

In 2018, Esquire signed up with IFC PaCT to conduct rooftop solar prefeasibility study to diversify energy source. We are playing leading role with support from IFC-PaCT to promote cluster based industrial solar solutions.

[illegible]

Producer : Equique Knit Composite Ltd <small>8000-1000 Ave Road, Lahore, Pakistan 0300-3000000000</small>	
	
Audit Type : Full Audit	

Auditor :	Equique Knit Composite Ltd
Audit Date From :	09/04/2019
Audit Date To :	10/04/2019
Expiry Date of the Audit :	Please refer to the producer profile in the amfori BSCI platform
Auditing Company :	UL-49
Auditor's Name(s) :	Prince AEM Hassan Imam, Tahara Akbar Bano/Leadi, Taleef Hussain
Auditing Branch (if applicable) :	



This is an extract of the on line Audit Report The complete report is available in the amfori BSCI Platform.
Auditors were independent only, for certified cases only.

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continued on next page



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 22nd Floor Airhub Aura, TTC Industrial Area, Tatyasaheb Maharaj, Turbhe Station, 400705, Navi Mumbai,
 Maharashtra, India
 +91 22 42194209
www.petersoncontrolunion.com

CERTIFICATE OF COMPLIANCE

(Single Certificate)

Certificate No. CU/MSA/3180/GT/15-2019-000227951
Registration No. 806338

Control union certification declares that

Esquire Knit Composite Ltd.
 Kanchipuram, Srirangapatna,
 Narayangudi
 Bangladesh

has been inspected and assessed in accordance with the
Global Organic Textile (GOTS) 5.0

and found suitable of the compliance in accordance with your further specified in the annexed comply with this standard

Fabrics, Garments

Processing made in facilities carried out under responsibility of the above mentioned company by the operations at facilities in the annexed for certified products

**Finishing, Yarn dyeing, Wet processing, Storing, Printing, Exporting, Bleaching, Manufacturing, Trading, Dyeing, Knitting,
 Importing, Embroidering**

This certificate is valid until
2020-11-04
The certificate is issued from
2019-11-05

This certificate cannot be used as a transaction certificate. The issuing body can withdraw this certificate before it expires if the declared compliance is no longer guaranteed. Assessed by International Organic Agriculture Services (IOAS) Certificate No. 03.

CONTROL UNION

This document is fully issued document to the valid original version.

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Maharashtra, India
+91 22 42746005
www.petersoncertification.com

Certificate No. CU/86138GRS-2019-00043791
Registration No. B06138

Certificate of Compliance

(Scope: Textile Mills)

Control Union Certification declares that

Esquire Knit Composite Ltd.
Kamdhari, Surajpatti,
Noida (Uttar Pradesh)
Kamdhari,
Kamdhari

has been inspected and assessed in accordance with the
Global Recycled Standard (GRS) 4.0

and (except products of the category or sub-category not further specified in the annex) comply with this standard.

Comments

Providing expert services control and order responsibility of the above mentioned company by the operations as declared in the annex to the certified products
Wet processing, Dyeing, Yarn dyeing, Finishing, Treating, Impregnating, Manufacturing, Knitting, Exporting, Embroidering,
Dyeing, Printing, Weaving

This certificate is valid until

2020-11-15
Issued on 2019-07-11
2019-7-11-16

This certificate cannot be used as a transaction certificate. The issuing body can withdraw this certificate before it expires, if the declared compliance is no longer guaranteed. Assessed by International Organic Accreditation Services (IOAS) Control No. 85

CONTROL UNION
CERTIFICATION

Cu Inspections & Certifications India Pvt. Ltd.
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Maharashtra, India
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CERTIFICATE OF COMPLIANCE

(Scope Certificate)

Certificate No. CUJ06330DC5-2019-0007977
Registration No. R03538

(Issued under certification declaration)

Esquire Knit Composite Ltd.
Kamthip, Sarangam,
Narasapuram
Bangalore

We have inspected and assessed an individual with the
Organic Cotton Standard (OCS) 2.0

and that products of the category mentioned below (or further specified in the annex) comply with this standard:

Fabric, Garments

Processing steps: 1. selection of raw material and order responsibility of the above mentioned category (if the responsibility is limited) in the annex (if the declared product
is no longer guaranteed) Accordingly to International Organic Accreditation Service (IOAS) Contract No. 05

Trading, Exporting, Knitting, Yarn dyeing, Importing, Storage, Manufacturing, Washing, Printing, Embroidering, Dyeing,
Wet processing, Finishing

This certificate is valid until:
2020-03-12

This certificate cannot be used as a transaction certificate. The issuing body can withdraw this certificate before it expires if the declared compliance
is no longer guaranteed. Accordingly to International Organic Accreditation Service (IOAS) Contract No. 05

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Maharashtra, India
+91 22 62394200
www.petersoncertification.com

CERTIFICATE OF COMPLIANCE
(Single Certificate)

Certificate No. CU06330RC3 2019-0822928
Registration No. 805138

Certification certificate declares that
Esquire Kit Composite Ltd.
Kashikar, Singapur,
Nanyangon,
Bangladesh

has been inspected and assessed in accordance with the
Recycled Claim Standard (RCS) 2.0

and found suitable for the categories as mentioned below (and further specified in the annex) comply with this standard:

Garments

Following steps / activities carried out under responsibility of the above mentioned company by the operations as detailed in the annex for certified products
Ten dyeing, Finishing, Storing, Heat processing, Dyeing, Storing, Manufacturing, Exporting, Trading, Dyeing, Embroidering, Washing, Imparting

This certificate is valid until:
2023-11-04
The certificate is valid from:
2019-12-31

This certificate cannot be used as a transaction certificate. The issuing body can withdraw this certificate before it expires if the declared compliance is no longer guaranteed. Assessed by International Organic Accredited Service (IOAS) Certificate No. 03.

CONTROL UNION
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CORPORATE PROFILE

Vision, Mission and Values

Shareholding Structure

Boards Composition & Board Committees

CORPORATE ETHOS

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 textile arena.

VISION

Our mission is to ensure quality products and services to the customers within the shortest possible lead time based on optimum utilization of the resources to achieve sustainable growth. We want to make sure that the overall purpose and scope of the business is meeting stakeholders' expectations through maintaining business ethics and caring for the environment and exertion towards green planet.

MISSION

VALUES

- Customer satisfaction
- Business Ethics
- Reliability
- Innovation
- Green Environment



SHAREHOLDING STRUCTURE

As on 30 June 2019

Authorized capital:

200,000,000 Ordinary Shares of Tk. 10.00 each

Tk. 2,000,000,000

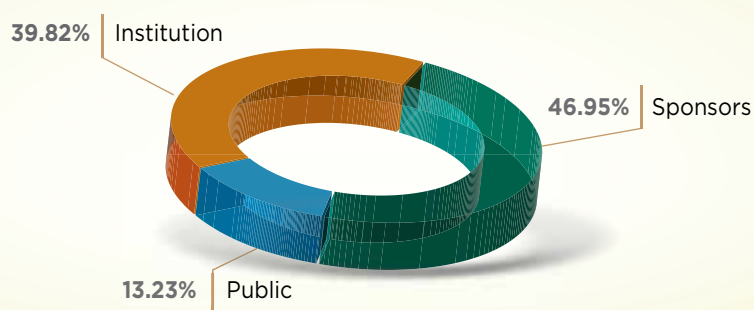
Issued, Subscribed and Paid up Share Capital:

134,895,833 Ordinary Shares of Tk. 10.00 each

Tk. 1,348,958,330

Shareholdings Category	Number of Shares	In %
Sponsors/Directors	63,355,970.00	46.95
Individual Shareholders	17,829,496.00	13.23
Institutional Shareholders	53,710,367.00	39.82
Esquire Group	36,644,030.00	27.17
Others	17,066,337.00	12.65
Foreign Shareholders	-	-
Total	134,895,833.00	100

» Shareholding Structure by category in graph as on 30.06.2019



SHAREHOLDERS POSITION:

Shareholders position as on 30 June 2019 is as follows:

Share Holding Range	Number of Shareholders	Total Shares Holding	% of Holding
Upto 500 shares	43,316	4,518,431	3.35%
501 to 5000 shares	1,513	3,066,852	2.27%
5001 to 10000 shares	311	2,391,380	1.77%
10001 to 20000 shares	193	2,867,445	2.13%
20001 to 30000 shares	361	7,911,481	5.87%
30001 to 40000 shares	58	2,004,204	1.49%
40001 to 50000 shares	91	3,866,466	2.87%
50001 to 100000 shares	57	3,866,483	2.87%
100001 to 1000000 shares	25	4,403,091	3.26%
1000001 to 1000000000	8	100,000,000	74.13%
Total	45,933	134,895,833	100.00

BOARD COMPOSITION AND BOARD COMMITTEES

BOARD OF DIRECTORS



Mr. Md. Mofazzal Hossain
Chairman



Mr. Md. Ehsanul Habib
Managing Director



Mr. Arifur Rahman
Director



Mr. Md. Muddasar Hossain
Director



Mrs. Peara Begum
Director



Mr. Swapan Kumar Sarkar
Independent Director



Mr. Placid Gomes, FCA
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Md. Mustafizur Rahman

COMPANY SECRETARY

Mr. Md. Saidur Rahman

BOARD AUDIT COMMITTEE

Name	Designation	Position in the Committee
Mr. Placid Gomes, FCA	Independent Director	Chairman
Mr. Arifur Rahman	Director	Member
Mr. Md. Muddasar Hossain	Director	Member
Mr. Md. Saidur Rahman	Company Secretary	Member Secretary

BOARD NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Position in the Committee
Mr. Swapan Kumar Sarkar	Independent Director	Chairman
Mr. Arifur Rahman	Director	Member
Mr. Md. Muddasar Hossain	Director	Member
Mr. Md. Saidur Rahman	Company Secretary	Member Secretary



CORPORATE GOVERNANCE

Director's Report to the Shareholders

Management discussion and analysis

Director's Declaration

Corporate Governance Statement

Audit Committee Report

Nomination & Remuneration Committee Report

Declaration by MD And CFO

Certificate of Compliance

Status of Compliance

Risk Management & Internal Control

Statement of Value Added

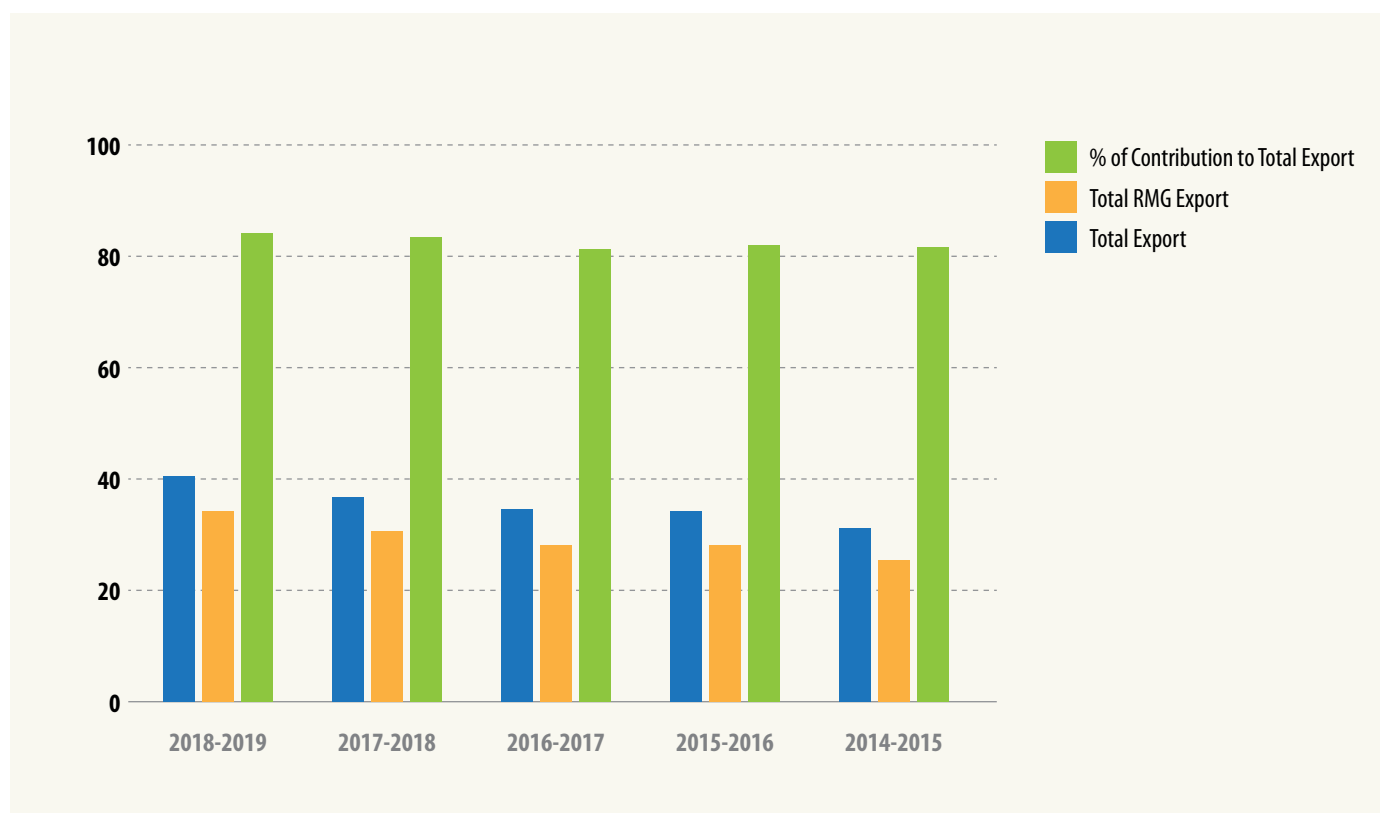
DIRECTOR'S REPORT TO THE SHAREHOLDERS

Dear Shareholders:

In terms of provision of section 184 of the Companies Act 1994, Rule 12 (and the schedule thereunder) of the Securities and Exchange Rules 1987 and Bangladesh Securities and Exchange Commission Notification BSEC/CMRRCD/2006-158/207admin/80 dated 3rd June 2018 on compliance of corporate governance code. It is the pleasure of the Board of Directors to submit its report to the Shareholders for the year ended 30 June, 2019 in the followings paragraphs:

INDUSTRY OUTLOOK

The textile and clothing industries provide the single source of growth in Bangladesh's rapidly developing economy. This year amongst the total export form the country, more than 84% came from RMG exports that made the sector the principal source of foreign exchange earnings and plays major role in the growth of economy. Exports of textiles and garments are the lifeline of the economy, has contributed US\$ 34.13 billion or 11.16% of GDP and 84.21% of total export of Bangladesh which is together a comforting and an alarming issue. Comforting because it indicates that the export growth of RMG is steady and alarming because the over dependence of the country's economy on one income source is becoming more evident.



According to the Bangladesh Bureau of Statistics (BBS), the contribution of merchandise exports to the country's GDP came down to 11.16% in fiscal year 2018-2019 from 13.37% in fiscal year 2017-18.

Sluggish private sector investment, discriminatory lack of policy support for the non-RMG export sector, higher dependence on certain products, and lack of business diversification are blamed for the downward trend in the contribution of exports to GDP.

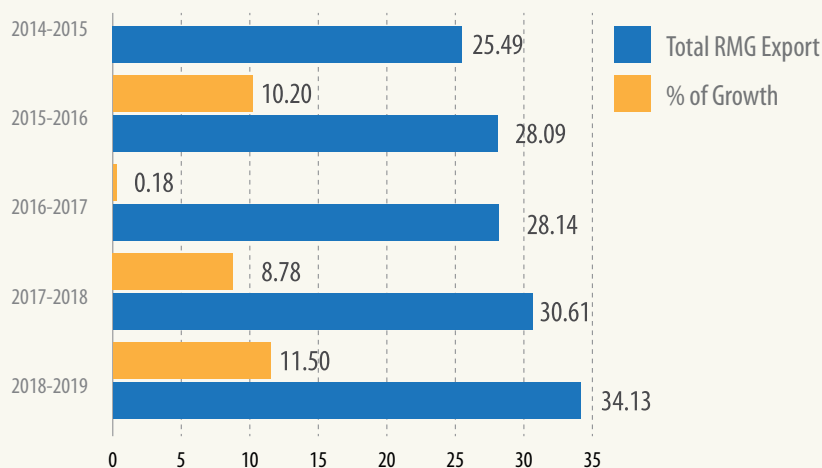
BUSINESS OUTLOOK

Bangladesh Government set the apparel export target at \$37.42 billion for fiscal year 2019-20, with a 7.03% growth in export earnings, the overall export target from goods to be set at \$44.40 billion, with a 6.76% growth target in export earnings.

According to the EPB proposed export target, \$37.42 billion out of \$44.4 billion will come from the country's apparel sector, which is over 84% of the total target. For the RMG sector, the growth target is proposed at 7.03%.

Of the total, \$18.47 billion is expected from Knitwear and \$18.94 billion from woven products and the expected growth rate is 9.92% and 7.15% respectively. Bangladesh already witnessed double-digit growth during July-May period of the immediate past fiscal year. So considering the trend, the target of \$37.42 billion is achievable.

RMG's Export Growth



Exports to the US market has increased and if the US-China trade war perception helped further, the export target will exceed, in capitalizing the opportunity, the government has to come up with the policy support and importance should be given on the value addition.

Meanwhile, trade analysts and economist opined that the target is achievable but the sector people and the government have to come up with steps to attract buyers, who are relocating the business from China. But there are challenges to this end. In overcoming the challenges, sector people and the government have to move attracting investment from China and capture work orders from global.

THE STATE OF THE COMPANY'S AFFAIRS

Esquire Knit Composite Limited is a cent percent export oriented knit garments factory having a composite facilities of knitting, fabric dyeing, yarn dyeing, cutting, sewing, industrial laundry, embroidery and printing. The company is fully automated state of art eco-friendly machinery, own design studio certified by ONLY for best design innovation, accredited lab by NABL, ESPRIT, C&A, NEXT which covered one stop solution for all kinds of knitted garments.

In addition, the company earned certificate for confidence in Textile by Oeko-Tex Standard 100 for usage of Environmental dyes stuffs 1st in Bangladesh. Since inception Esquire Knit Composite Limited has commenced its business with a view to developing high quality and sophisticated products to the international market. The company's accessible optimum running capacity in Textile 8,030 MT (Kg) and in Apparels 24.96 million (pcs)

DIRECTOR'S REPORT TO THE SHAREHOLDERS

CAPACITY AND UTILIZATION

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	January 2015 to December 2015
Textile (Kg)	8,030,000	8,030,000	8,030,000	8,030,000	8,030,000
Actual Production (Kg)	5,969,502	5,969,502	5,969,502	5,959,501	5,913,000
Capacity utilization (%)	74.34	74.34	74.34	74.22	73.64
Apparels (Pcs)	24,960,000	24,960,000	24,960,000	24,960,000	23,840,000
Actual Production (Pcs)	22,464,000	17,808,384	17,808,384	18,264,192	17,880,000
Capacity utilization (%)	90.00	71.35	71.35	73.17	75.00

RISK AND CONCERN

Since the Bangladesh's garments industry is a cent percent export-oriented, its growth is always dependent on importing country preferences and standards. Bangladesh will graduate to middle-income country status in 2024, which means it could lose EU trade preferences if it does not continue on the path of legislative reforms in compliance with international standards.

The company is concern and ready to take up- coming challenges and aware of its various following risks.

Industry Market Risk- Bangladesh needs to ward off competition. As the garments industry keeps searching for competitive production hubs worldwide; emerging countries like Cambodia, Vietnam, Myanmar and now Ethiopia present new challenges for the local industries. This year, the government has raised the minimum monthly wage for 4.4 million garment workers by around 51 percent to Tk 8,000 from the existing Tk 5,300 which has drastically affected the entire apparel industries in Bangladesh, resulting in closing down of several factories.

Business Risk- In the current scenario, RMG buyers specially the large buyers are extremely demanding and constantly raising the bar for meeting compliance criteria. EKCL has always been in the forefront of complying the safety measures among the RMG exporters in the county. The company meets all the criteria of standards like - having compliant plants with effluent water treatment facility, childcare facility, adequate ventilation, spacious infrastructure lay out, etc. Till now they were able to meet all the compliance challenge in their 30-year plus business experience and is likely to do so in the coming years. EKCL mitigates compliance risk since it is WRAP certified and passed other audits from Department of Environment (DOE) and overseas buyers.

Financial Risk- the Company's risk management policies have been established to identify and analyze 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.

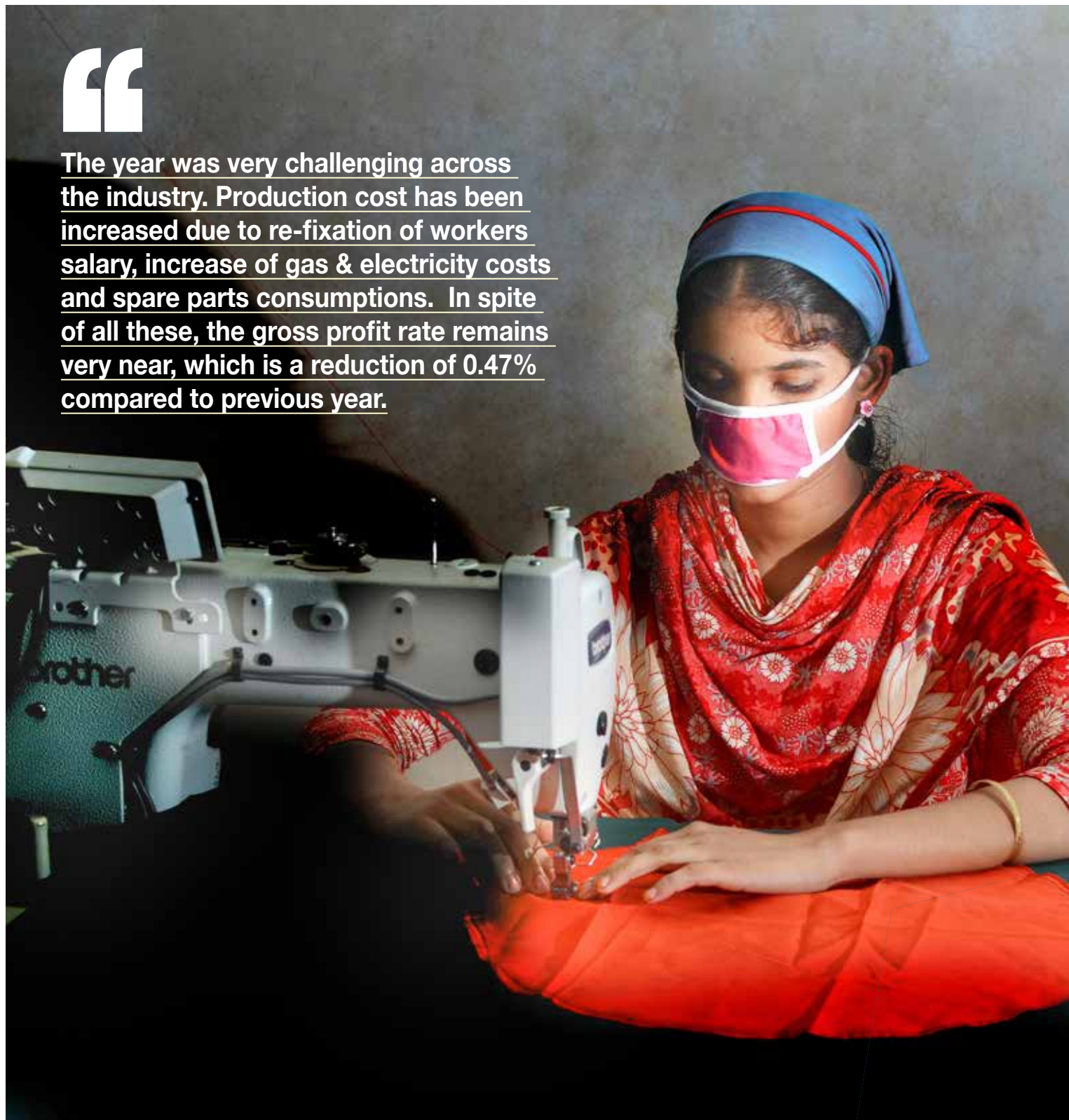
Raw Material Risk- Esquire Knit Composite Ltd. is self-sufficient due to having its' strong backward linkage including yarn dyeing, knitting, fabric dyeing and testing lab facilities. However, the company source yarn as well as dyestuff from local & international suppliers to meet the customers demand. Lately, dyeing and finishing processes have piqued attention owing to the emerging concept of eco-friendly and more sustainable garments and textile. This gave impetus to the increasing demand for ecofriendly chemicals and sustainable dyes. The price & supply of yarn in the local and global market is unsteady while the price of dyestuff also continued to rise as the major dyestuff suppliers are affected by the environmental regulations.



DIRECTOR'S REPORT TO THE SHAREHOLDERS

“

The year was very challenging across the industry. Production cost has been increased due to re-fixation of workers salary, increase of gas & electricity costs and spare parts consumptions. In spite of all these, the gross profit rate remains very near, which is a reduction of 0.47% compared to previous year.





“

On the strength of our IDM model, we are building a strong and diversified customer base across the world, with strategic product positioning with different brands, which coupled with the infrastructure investment already begun in buildings, machinery and people, is laying our foundations for a continued growth year on year for the next 5 years, through our expansion, and become an even more dominant player in the apparel industry.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Import based supplies are likely to be affected by any uncontrollable event like- country risk to transaction or political barrier. Since inception the company did not face any such uncontrollable events so far for maintaining strong supply chain relationship with the suppliers of raw materials and in exceptional cases, it is confident to make alternative arrangement at shorter notice.

Foreign Exchange 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.

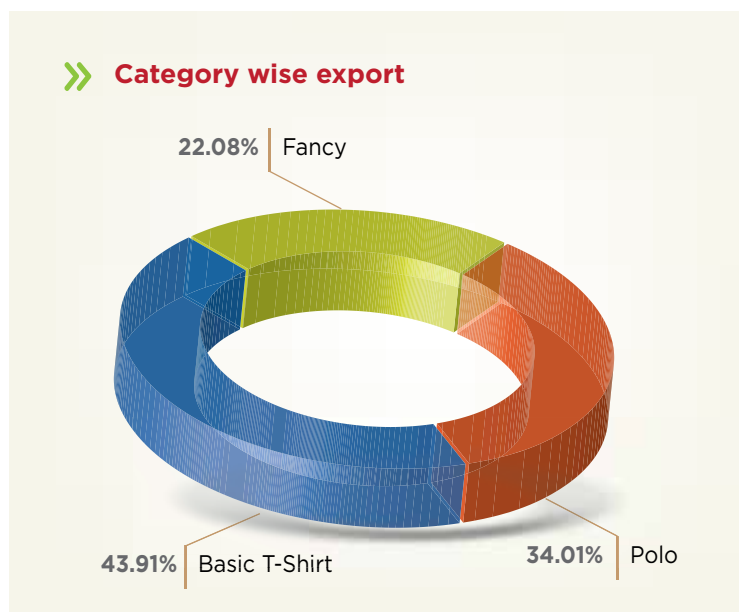
Power Generation Risk- The industrial bases of Bangladesh are mainly aided by natural gas-driven power generation which causes disruption occasionally and the weaving industry is not an exception. Smooth availability of gas will ensure the maximum functioning of the machineries. EKCL uses natural gas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

Interest Risk- The Company is enjoying banks finance in the form of working capital as well as term loan. As a bank fund borrower, the entity has to pay a significant amount of loan interests and charges. Bangladesh Bank has moved to remove the interest rate ceiling on lending in the wake of a massive liquidity crisis in the financial market letting the price to be determined by functioning of demand-supply interaction. This measure may invite interest rate instability, which may create volatility in the profitability of business like EKCL. It is the company risk of gain or losses on assets and liabilities due to changes in interest rates.

OPERATIONAL PERFORMANCE:

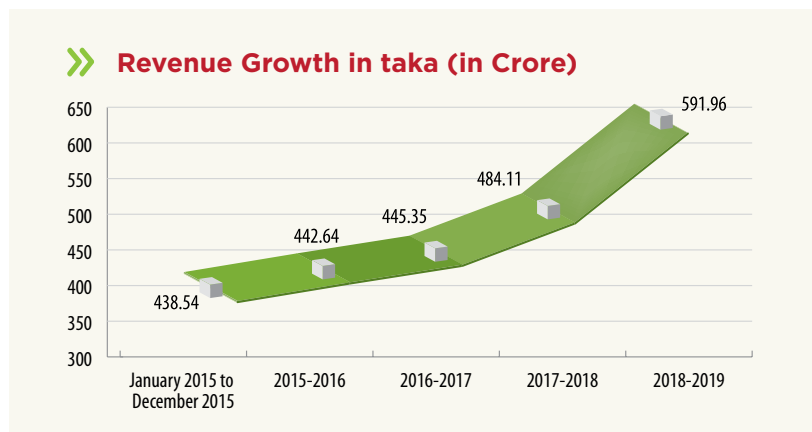
Product-Wise Performance

The Company offers three categories of production like Polo Shirt, Basic T-Shirt and Fancy Shirt. In the financial year of 2018-2019, 'Polo shirt' has contributed 37.4% or equivalent Tk. 2,214 million to the total revenue, which was highest contribution. The contribution of polo shirt was 39.97% or equivalent Tk. 1,935 million respectively in last year. 'Basic t-shirt' is the second highest contributing product @31.14% or equivalent Tk. 1,861 million in the FY of 2018-2019 and previously generated 36.66% equivalent Tk. 1,775 million in the FY of 2017-2018. Finally, Fancy T- shirt share the revenue 31.16% or equivalent Tk. 1,845 million and 23.38% or equivalent Tk. 1,132 million in the FY of 2018-2019 and 2017-2018 respectively.



Sales and Profitability

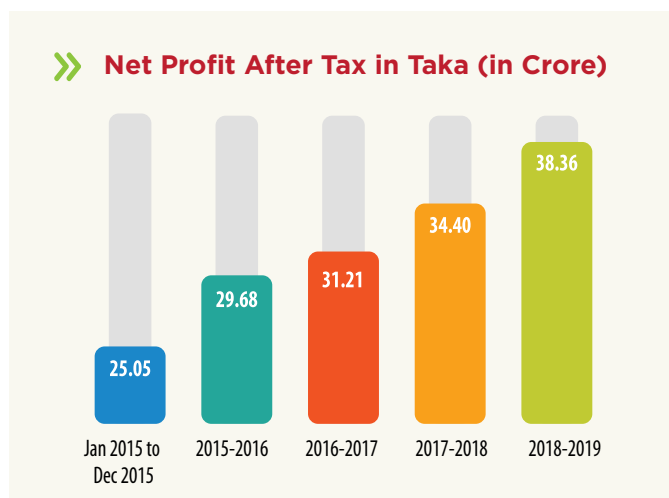
In the financial year 2018- 2019, the company had earned a revenue of BDT 5,919.58 million (Equivalent to US\$ 70.56 million) as against budgeted BDT 6,040.38 million (Equivalent to US\$ 72 million) which was 22.28% higher than the previous financial year 2017-2018 revenue.



The sales revenue during the FY 2018-2019 was Tk. 5,919.58 million compared to Tk. 4,841.13 million of previous FY 2017-2018. By volume the company's export of knit garments also increase significantly @11.74% from 18,051,389 pcs to 20,170,866 pcs of FY 2018-2019. The sales price realization per pcs increased to Tk. 275 from Tk. 262 of FY 2017-2018. The gross profit has increased by Tk. 203.31 million i.e. 19.60%. Gross profit % over turnover slightly decreased from 21.42% to 20.95%. The operating expenses have increased @ 22.42% due to increase of salary, license renewal & registration, utility expenses, bank charges, C&F Expenses and Carrying charges. Though the financing expenses increased than last year, net profit also increased by 11.52% compared to previous financial year. The net profit of the financial year 2018-2019 is Tk. 383.61 million as against Tk. 343.97 million of financial year 2017-2018. Involving management efficiency and cost controlling, the net profit has increased by 11.52%.

KEY OPERATING AND FINANCIAL INFORMATION

The key operating and financial information for the year along with the preceding four years are presented below:



DIRECTOR'S REPORT TO THE SHAREHOLDERS

Continuity of Extraordinary gain or loss

There was no any extraordinary gain or loss in the Financial Statements.

Related party transactions

Related party transactions are depicted in note-31 in the notes to the Financial Statements.

Utilization of proceeds raised through public issue (IPO)

The Company has raised Taka 150 crore from the market and as mentioned in the prospectus, it is committed to spend the fund for expansion the business and equity collection cost. The IPO proceeds has been utilized in line with the condition of the commission's consent letter. As of November 2019, the Company has utilized the IPO proceeds as follows:

Sl. No.	Purpose Mentioned in the Prospectus	Status of Utilization		Status of Un-tilization		Remarks
		Upto this month	Utilized (%)	Total Un-utilized Amount	Un-utilized (%)	
1	Building and civil construction	414,387,306	41.26	589,828,194	58.74	
2	Machineries	-	-	431,396,000	100.00	
3	IPO Expenses	64,388,500	100.00	-	-	
	Total	478,775,806		1,021,224,194		

Explanation if the financial result deteriorates after the Company goes for Initial Public Offering (IPO) :

The Company's financial performance did not deteriorate after IPO listing; however, recent past years performances are quite consistent.

Explanation of significant variance occurs between Quarterly Financial Performance and Annual Financial Statements

No significant variance between Quarterly Financial Performances and Annual Financial Statements has been arisen.

Remuneration to Directors including Independent Directors

Remuneration of Directors has been shown in Note-34 in the notes to the financial statements. No such remuneration is given to the Independent Directors.

Fair presentation of Financial Statement

The financial statements prepared by the management of the Company present fairly its state of affairs, result of its operations, cash flows, and changes in equity.

Maintenance of proper books of account

Proper books of account of the Company have been maintained.

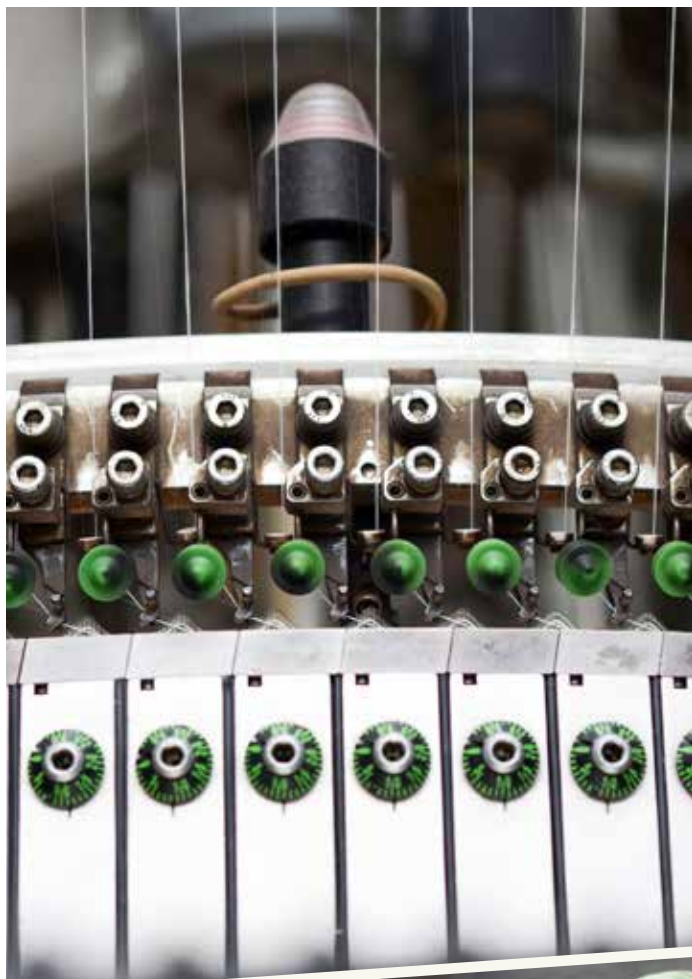
Adoption of appropriate accounting policies and estimates

Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

IAS and IFRS in preparation of Financial Statements

International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as





applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

Internal Control System

The Board of Directors assures the shareholders that the Company has a risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that the controls in place are adequate to address these risks.

Minority shareholder interest

As being the Company's has no any subsidiary or associate so that there has no activities to protect the interest of minority shareholders.

GOING CONCERN

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

DIVIDEND

The Board of Directors have recommended 15% Cash Dividend per share for the year ended 30 June 2019 for shareholders' subject to approval by the shareholders in the 19th Annual General Meeting.

INTERIM DIVIDEND

No bonus or stock dividend was declared during the period under review as interim dividend

BOARD MEETINGS

During the period from 01.07.2018 to 30.06.2019 six board meetings were held. The attendance status of all the meetings is as follows:



DIRECTOR'S REPORT TO THE SHAREHOLDERS

<i>Name of Directors</i>	<i>Position</i>	<i>Meeting Held</i>	<i>Attended</i>
Md. Mofazzal Hossain	Chairman	4	4
Md. Ehsanul Habib	Managing Director	4	4
Arifur Rahman	Director	4	4
Md. Muddasar Hossain	Director	4	4
Mrs. Peara Begum	Director	4	4
Swapan Kumar Sarkar	Independent Director	4	4
Placid Gomes, FCA	Independent Director	4	4

DIRECTORS' APPOINTMENT AND RE-APPOINTMENT

With regard to the appointment, retirement and re-appointment of Directors, the company is governed by its Articles of Association, the Company Act 1994 and other related legislation. Mr. Arifur Rahman and Mrs. Peara Begum, will retire and re-elected by rotation at the 19th Annual General Meeting (AGM).

Mr. Arifur Rahman

Director

Mr. Arifur Rahman, born in 1977, is a Director of Esquire Knit Composite Ltd. He is a graduate in Business Administration from UK. He has 17 years of business experience in textile and electronics field. His particulars of Directorship are narrated in note-31 (ii) at notes to the Financial Statements.

Mrs. Peara Begum

Director

Mrs. Peara Begum has long experience to run industrial unit successfully. She has contributed the Group through her leadership skill and acumen in managerial decision-making. She has successful track record of managing business. She has been contributing a lot for the development of the Group.

Her particulars of Directorship are narrated in note-31 (ii) at notes to the Financial Statements.

AUDITORS

The existing auditor's M/S ACNABIN, Chartered Accountants, BDDL Bhaban (Level 13-14) 12 Karwan Bazar C/A, Dhaka-1215, Bangladesh. As per Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2009-193/174/Admin/61 dated July 8, 2015 they are eligible for re-appointment. The company received proposal from M/S ACNABIN, Chartered Accountants for



re-appointment which was placed in the board meeting. The Board of Directors recommended them for re-appointed as Auditor of the Company for the year ended 30 June 2020 at a remuneration as per rules of ICAB plus VAT and to continue till conclusion of the 20th AGM.

REPORT ON COMPLIANCE OF THE CORPORATE GOVERNANCE CODE

Corporate Governance practices described on page no. 57 to 65 of the Annual Report.

In compliance with the BSEC notification dated 3 June 2018, Chowdhury Bhattacharjee & Co., Chartered Accountants in practice issued the Corporate Governance Compliance Certificate, which is shown on page no. 56 of this report.

ACKNOWLEDGMENT

The Board of Directors expresses their heartfelt appreciation and gratitude for the continued support and patronage of the valued shareholders to run the Company. The Board also extends its appreciation to the regulators, government agencies and stakeholders especially Bangladesh Securities and Exchange Commission, Bangladesh Bank, Central Depository Bangladesh, Dhaka Stock Exchange, Chittagong Stock Exchange, Department of Customs, Income Tax, Bankers, Insurers, Vendors, press and media and customers. The Board also extends felicitations to the management and employees for their dedication and working hard despite all adversity. We look forward to continue support of all concerned for marching towards better performance.



Md. Ehsanul Habib
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

As per condition no. 1(5) (xxv) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis are as follows:

ACCOUNTING POLICIES AND ESTIMATION FOR PREPARATION OF FINANCIAL STATEMENTS

The Company follows International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) along with local regulations applicable for preparation of financial statements. Detail description of accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the notes no. 2 and 3 of the financial statements.

CHANGES IN ACCOUNTUNG POLICIES AND ESTIMATION

The Company has been following consistent policies and estimation. There is no such change in accounting policies or estimation, which has material impact on financial statements.

COMPARATIVE ANALYSIS

Major areas of financial performances and financial position as well as cash flows with immediately preceding three years are as follows:

<i>Particulars</i>	<i>2018-2019</i>	<i>2017-2018</i>	<i>2016-2017</i>	<i>2015-2016</i>	<i>January 2015 to December 2015</i>
Revenue (Taka)	5,919,576,583	4,841,134,840	4,453,547,322	4,426,364,400	4,385,429,090
year to Year Changes in revenue (%)	22	9	1	1	1
Cost of Goods Sold (COGS)	4,679,188,088	3,804,060,882	3,531,651,776	3,414,907,891	3,426,052,071
COGS to revenue (%)	79.05	78.58	79.30	77.15	78.12
Gross Profit (GP)	1,240,388,495	1,037,073,958	921,895,546	1,011,456,509	959,377,019
GP to revenue (%)	20.95	21.42	20.70	22.85	21.88
Operating Expenses	573,634,105	468,592,261	405,838,990	499,365,014	528,759,519
Operation Expenses to revenue (%)	9.69	9.68	9.11	11.28	12.06
Financial Expenses	224,224,327	142,100,620	118,269,530	139,731,151	146,746,377
Financial Expenses to revenue (%)	3.79	2.94	2.66	3.16	3.35
Non Operation Income	24,197,256	5,776,336	5,484,304	5,994,498	5,694,498
Provision for contribution to WPPF & WF	23,336,366	21,607,871	20,163,566	18,016,897	13,788,839
Profit before tax for the year	443,390,953	410,549,542	383,107,764	360,337,945	275,776,782
Income tax expenses	59,783,735	66,580,971	70,961,069	63,576,771	25,321,542
Net profit after tax	383,607,218	343,968,571	312,146,695	296,761,174	250,455,240
Net profit after tax to revenue (%)	6.48	7.11	7.01	6.70	5.71
Share Capital	1,348,958,330	1,000,000,000	1,000,000,000	600,000,000	600,000,000
Earning Per Share [EPS] - Basic	3.37	3.44	3.12	4.95	6.04
Net operating Cash Flow Per Share (NOCFPS)	2.03	5.21	0.99	2.37	11.43

Revenue of the company has increased over the year. The gross profit margin and net profit margin of the company for the current year increased by 19.60% and 11.52% respectively as compared to the previous year. Sales volume growth, effective cost management and productivity initiatives drove this increase across the company. Nevertheless, Earning per Share (EPS) has declined to 3.37 down from Tk. 3.44 in last year because of new shares issued through IPO.

Moreover, the company's current asset ratio has increased from 2.26 to 1.66 comparing the last year. So, the current ratio of Esquire Knit Composite Ltd. is quite healthy and sound which is favorable for the investors.

FUTURE FOR COMPANY'S OPERATION PERFORMANCE AND FINANCIAL POSITION

The Company has taken all sorts viable plans, strategy and vision to continue the operations of the company for foreseeable future. This is relevant to share that company maintains a periodic action plans along with mid-term and long-term strategies to maintain the sustainability in its performances and financial position.



Md. Ehsanul Habib
Managing Director

DIRECTORS DECLARATION

DIRECTORS RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and financial statements in accordance with the Companies Act 1994, Securities and Exchange Commission Rules 1987, International Financial Reporting Standards (IFRS) and other applicable laws and regulations. In addition to the Directors' report, the Directors are declaring following additional statements to the best of their knowledge as complied and maintained for the current financial year under review:

- » The financial statements prepared by the management of the Company present a true and fair view of the Company state of affairs, result of its operation, cashflows and changes in equity;
- » Proper books of accounts as required by law have been maintained.
- » Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates are reasonable and prudent.
- » The Financial Statements were prepared and presented in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS).
- » The whole business operation is being conducted in accordance with the rules, regulations, laws, agreements standards and guidelines governing in the country.
- » There are no doubts upon the company's ability to continue as a going concern and the annual accounts have been prepared as a going concern basis.
- » All the judgments and decisions taken by management are rational and prudent.

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

Sd/-
Placid Gomes, FCA
Independent Director

CORPORATE GOVERNANCE STATEMENT: 2018-2019

The Board Directors are collectively responsible to shareholders of the Company for its performance and for the organization's governance frameworks, its value system and its strategies. The Company believes in adopting the best practices in the area of Corporate Governance and follows the principles of transparency and accountability, thereby protecting the interests of its shareholders. Corporate Governance is a system by which companies are directed and controlled. The principal characteristics of corporate governance are transparency, independence, responsibility, fairness and responsibility for the society.

Esquire Knit Composite Ltd. is always conscious about the corporate governance which ultimately helps to catch stakeholders' faith.

The good governance process provides transparency of corporate policies, strategies and the decision-making process. It is also strengthening internal control systems and helps in building relationships with all stakeholders. The Board ensures the integrity and commitment of its employees, supported by a comprehensive framework of policies, guidelines and internal controls. In this Statement of Corporate Governance, we believe to provide insights to the shareholders, investors and other stakeholders on the corporate governance initiatives in the Company.

BOARD GOVERNANCE

The Company is managed and operated under the direction of the Board of Directors. The Board of Directors of Esquire Knit Composite Ltd. being the supreme authority in the Company, believes in ensuring the highest standards of Corporate Governance as it will serve to reinforce the Company's sustainability, organizational effectiveness and foster a high-performance culture within the organization. The Board also includes Independent Directors, who are enlightened members of the society. The Board of Directors of the Company remains committed to high standards of governance in harnessing a responsible organization, that adopts and practices in accordance with the principles and recommendations of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) and the Company's own governing Principles. The Board recognizes that maintaining good corporate ethics is critical to business integrity and performance, and key to delivering shareholders' value. The corporate governance is essential for the long-term performance and sustainability of our Company, and to protect and enhance the interests of our shareholders and other stakeholders.

Our governance framework plays an integral role in supporting our businesses and helping us to deliver on our strategy. It provides the structure through which our strategy and business objectives are set, our performance is monitored, and the risks we face are managed. It includes a clear framework for decision making and accountability across our business and provides guidance on the standards of behavior we expect from our people. The Company is dedicated and committed to managing its business responsibly amongst a challenging environment for the textile and clothing industry.

CORPORATE GOVERNANCE STATEMENT: 2018-2019

CORPORATE GOVERNANCE FRAMEWORKS

Esquire Knit Composite Ltd. Corporate Governance Frameworks has been developed and enhanced based on the basic principles and best practices outlined in the following:

- » Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance;
- » The Companies Act 1994 and other applicable regulations of Bangladesh;
- » Dhaka and Chittagong Stock Exchanges Listing Regulations
- » Laws of the land;
- » Factory Rules and Regulation
- » Fire and Safety Policy;
- » Environmental Policy;
- » Labour Law;
- » Risk Management Internal Control of the Company;
- » Delegated Authorities of the Company; and
- » Quality compliance policy.

The Board also continuously reviews its corporate governance frameworks to ensure its relevance, effectiveness and sustain ability in addressing future business challenges.

The corporate governance framework of Esquire Knit Composite Ltd. is directed towards achieving the Company's business objectives in a responsible manner. Therefore, in order to comply with the laws, rules, regulations, corporate governance codes, articles of association, policies and procedures, the Company constantly exercises good Board practices, effective control processes, transparent disclosures and Board commitments.

BUSINESS COMPLIANCE

The Board of Esquire Knit Composite Ltd. believes that good governance is essential in pursuing its business objectives. The fundamentals of good governance are corporate compliance to the various laws, rules and regulations. Compliance helps build trust among the Board Members, Shareholders, Customers and other stakeholders including the regulators. As leaders of a compliant company, the Management Team of Esquire Knit Composite Ltd. adopted strategies that assure compliance with all relevant legal and regulatory requirements. This ensures that good governance cascades right throughout the company. Esquire Knit Composite Ltd. is subject to close monitoring process of regulatory bodies that focus on transparency and require that Esquire Knit Composite Ltd. provides accurate and periodic reporting of issues/events and certification where necessary. In this context, the Company regularly provides a complete set of financial statements and relevant documents to the Bangladesh Securities and Exchange Commission (BSEC),



Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC) and all other relevant bodies and authorities. The Company also takes various initiatives to conduct awareness sessions on existing and proposed laws to ensure compliance throughout the company. Overall, Esquire Knit Composite Ltd. has always tried to remain a fully compliant company accommodating every possible way and strategy to ensure the same.

STRUCTURE OF THE BOARD

The Board of Directors of the Company consists of 7 (Seven) Directors. Out of 7 (Seven) Directors, four are sponsor namely, Md. Mofazzal Hossain, Md. Ehsanul Habib, Arifur Rahman, and Md. Muddasar Hossain, 01(One) Director namely, Mrs. Peara Begum, and 02(two) Independent Director namely, Swapan Kumar Sarkar and Placid Gomes, FCA.

PRACTICES OF THE BOARD

The responsibilities of the Board of Directors are mainly related to evaluation and development of strategy. The Board is Responsible to the shareholders for overall success of the Company for its strategic directions, its values and its governance. It provides the leadership necessary for the Company to meet its business objectives within the framework of its internal controls, while also discharging the Company's obligations to its shareholders. The Board shall determine the vision, mission of the Company and also determine the strategy and work planning for enhancement of effectiveness and efficiency. The composition of the Board complies with the requirements outlined in the BSEC Guidelines on Corporate Code, the Listing Regulations and those of the generally applied codes of the best practices.

POLICY ON APPOINTMENT OF DIRECTORS

The Company always complies with the regulations of the regulatory authorities regarding appointment of directors. BSEC

notifications and Companies Act are strictly followed in this regard. Esquire Knit Composite Ltd. does not have its own and separate policy on appointment of Directors, except for the very first Board. As per the Companies Act, 1994, Directors are subject to retirement. At least one-third of the Directors shall retire by rotation in every AGM. The term of an Independent Director is three years and may be extended by another three years. The Company shall follow all relevant rules and regulations of the respective regulatory bodies in case of nomination, removal and casual vacancy of the directors.

APPOINTMENT OF CFO, CS & HIAC

The management of the Company has adopted appointment strategies that ensures the compliance with all relevant legal and regulatory requirements. In compliance with Corporate Governance Code, the Board of the Company appointed separate individuals for the post of CFO, CS & HIAC. They are not engaged with any other companies.

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman of the Board and the Chief Executive Officer or Managing Director of Esquire Knit Composite Ltd. were filled by different individuals. The Chairman was elected from among the directors of the Company. The Managing Director and CEO was also appointed by the Board which was done at the of formation of the Company. The Board of Directors has clearly defined respective roles and responsibilities of the Chairman and Managing Director & Chief Executive Officer.



CORPORATE GOVERNANCE STATEMENT: 2018-2019

CHAIRMAN OF THE BOARD

The Chairman of the company shall be elected by the Board of Directors from among the directors of the company and the Board considers the Chairman being independent.

ROLES AND RESPONSIBILITIES OF THE CHAIRMAN

- » The Chairman's responsibility is defined by the Board as directed by BSEC's notification on Corporate Governance Code.
- » The Chairman presides over meetings of the Board and Company (AGM) and ensures good Corporate Governance in the conducts of the Board and Company.
- » As Chairman of the Board of Directors (or Chairman of any Committee formed by the Board), does not personally possess the jurisdiction to apply policy making or executive authority, he does not participate in or interfere into the administration or operational and routine affairs of the Company.
- » The Chairman ensures that the Board is functioning in accordance with the Memorandum and Articles of Association of the Company as well as other applicable laws.
- » The Chairman maintains relations with the relevant stakeholders in consultation with the Board as well as the Managing Director, representing the Company as a good/responsible corporate citizen.
- » The Chairman may assume any responsibility if the Board assigns within the purview of the relevant Rules, Regulations, Acts and Articles.

PRIMARY ROLES AND REPOSSIBILITIES OF THE MANAGING DIRECTOR

The position of a Managing Director in a company is crucial as this position will involve the most senior level responsibilities of the organization. Managing directors are the head of the business group and they are the decision-making body of the company. He has the responsibility of running the entire organization and also taking all important decisions for the company. Hence the managing director of a company should be experienced, confident and skilled professional who has good leadership qualities.

- » A managing director strives to chart blueprint policies for the company and implements them for the betterment of the employees and the company.
- » The Managing Director is responsible for driving business operations, leading the development and execution of the Company's long-term strategies with a view to creating shareholder value.
- » The Managing Director's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short-term plans.
- » The Managing Director acts as a direct liaison between the Board and Management of the Company and communicates to the Board on behalf of the Management.
- » The Managing Director also communicates on behalf of the Company to the shareholders, employees, Government authorities, other stakeholders and the public.
- » Develop strategies to boost sales and profits of the company and plan the future prospects of the company.



INDEPENDENT DIRECTOR

Mr. Swapan Kumar Sarkar and Mr. Placid Gomes, FCA has re-appointed by the Board of Directors as Independent Directors. The re-appointment of Mr. Swapan Kumar Sarkar and Mr. Placid Gomes, FCA, Independent Director need to be confirmed and approved by the shareholders in the 19th Annual General Meeting 2019.

QUALIFICATION OF INDEPENDENT DIRECTOR

Mr. Swapan Kumar Sarkar

Independent Director

Mr. Swapan Kumar Sarkar was the Additional Secretary of the Government of the People's Republic of Bangladesh. Mr. Sarkar is a member of University of Bradford Alumni Association. He is also the member of Dhaka University Economics Department Alumni Association (DUECAA), Bangladesh Economic Association (BEA), JICA Alumni Association. He completed his M.S.S in Economics in the year of 1978 from the University of Dhaka. He completed Diploma in Government financial Management from University of ULSTER of North Ireland in the year of 2004. He joined in the Board of Directors of Esquire Knit Composite Ltd. as an Independent Director as on 30 June 2016.

Mr. Placid Gomes FCA

Independent Director

Mr. Placid Gomes, FCA is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He obtained Master degree in Accounting from the University of Dhaka. He joined in the Board of Directors of Esquire Knit Composite Ltd. as an Independent Director on 30 June 2016. Previously he served at Khulna Power Company Ltd. a renowned listed Company as a Head of Finance & Accounts. He has extensive experience in Finance & Accounts arena around 17 years.

BOARD RESPONSIBILITIES AND AUTHORITIES

The Board of Directors is appointed to act on behalf of the shareholders to run the day to day affairs of the business. The board are directly accountable to

the shareholders and each year the company will hold an annual general meeting (AGM) at which the directors must provide a report to shareholders on the performance of the company, what its future plans and strategies are and also submit themselves for re-election to the board.

- » Determine the company's vision and mission to guide and set the pace for its current operations and future development.
- » Formulating the long-term strategies of the Company and setting the goals and direction for the Company.
- » Review and evaluate present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the company
- » Reviewing and approving the audited quarterly financial statements.
- » Reviewing Company's risk assessment and ensures implementation of appropriate systems to manage those risks.

CORPORATE GOVERNANCE STATEMENT: 2018-2019

- » Overseeing the conduct and performance of the Company.
- » Providing the leadership necessary to ensure that the business objectives set out by the Board are met within the framework of internal controls, as described in this Statement.
- » Other key duties for the Board includes approving financial statements, appropriation of profit, reviewing the adequacy and integrity of the Company's internal control systems and ensuring compliance with applicable laws, rules, regulations, directives and guidelines of various regulators.
- » Ensure that communications both to and from shareholders and relevant stakeholders are effective.
- » Understand and take into account the interests of shareholders and relevant stakeholders.
- » Monitor relations with shareholders and relevant stakeholders by gathering and evaluation of appropriate information.
- » Promote the goodwill and support of shareholders and relevant stakeholders.

In discharging its responsibilities, the Board is guided by the regulations contained in the Memorandum and Articles of Association of the Company, the Companies Act, 1994; relevant applicable regulations, BSEC Codes of Corporate Governance, Listing Regulations, Company's Standards of Business Conduct Business Principles, Statement of Delegated Authorities, and other generally accepted corporate best practices.

BOARD COMMITTEES

The Board has also constituted a few Committees for quicker and efficient flow of information and thereby exercising effective governance and has delegated certain responsibilities to the Committees to assist the Board in discharging of its responsibilities. There are four such Committees, to which the Board has delegated certain responsibilities. These are:

01. Board Audit Committee and
02. Board Nomination and Remuneration Committee.

Each of the above-mentioned committee strictly adheres to a set of Terms of Reference (TOR) approved by the Board. Their roles, operating procedures and authorities are clearly defined in the TOR which is regularly reviewed by the Board. There is an evaluation process regarding performance of Audit and CSR committees which facilitates in achieving certain governance objectives.

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The Audit Committee of EKCL comprises of the following Members:

1. Mr. Placid Gomes, FCA - Chairperson
2. Mr. Arifur Rahman - Member
3. Mr. Md. Muddasar Hossain - Member

Company Secretary acts as the Member Secretary to the Committee. The Audit Committee has met four times during the year under reporting.

ROLE OF THE COMMITTEE

The Audit Committee's authorities, duties and responsibilities flow from the Board's oversight function. The major responsibilities of the Committee, among others, include:

- » Reviewing the quarterly, half-yearly and annual financial statements and other financial results of the company and, upon its satisfaction of the review, recommend them to the board for approval.
- » Monitoring and reviewing the adequacy and effectiveness of the Company's financial reporting process, internal control and risk management system.
- » Monitoring and reviewing the arrangements to ensure objectivity and effectiveness of the external and internal audit functions. Examine audit findings and material weaknesses in the system and monitor implementation of audit action plans.
- » Recommending to the Board the appointment, re-appointment or removal of external auditors.
- » Reviewing and monitoring the Company's ethical standards and procedures to ensure compliance with the regulatory and financial reporting requirements.

ACTIVITIES OF THE COMMITTEE ON COMPANY'S AFFAIRS FOR THE PERIOD UNDER REPORT

The Committee during the period under reporting met every Quarter and its activities include:

- » Reviewing the audited financial statements of the Company and being satisfied that the critical accounting policies, significant judgments and practices used by the Company are compliant with the required laws and regulations, also confirmed by the external auditor in their independent report, thereafter recommending to the Board for adoption.
- » Reviewing the quarterly financial statements of the Company and recommending the same to the Board for adoption and circulation as per the requirement of Bangladesh Securities & Exchange Commission (BSEC).
- » Reviewing the external auditors' findings arising from audit, particularly comments and responses given by the management.
- » Reviewing the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).
- » Review of Internal audit report on periodical basis
- » Review of the financial statements of the subsidiary company

The Committee is of the opinion that reasonable controls and procedures are in place to provide assurance that the Company's assets are safeguarded and the financial position of the Company is adequately managed

On behalf of the Committee



Placid Gomes, FCA
Chairman

NOMINATION & REMUNERATION COMMITTEE (NRC) REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The NRC Committee of UPGDCL comprises of the following Members:

1. Mr. Swapan Kumar Sarkar - Chairperson
2. Mr. Arifur Rahman - Member
3. Mr. Muddasar Hossain - Member

Company Secretary acts as the Member Secretary to the Committee. NRC had its FIRST meeting on 28 January, 2019.

ROLE OF THE NRC

- a. NRC shall be independent and responsible or accountable to the Board and to the shareholders.
- b. NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
 - (i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals;
 - (ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
 - (iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
 - (iv) formulating the criteria for evaluation of performance of independent directors and the Board;
 - (v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
 - (vi) developing, recommending and reviewing annually the company's human resources and training policies;

Activity report: Committee submitted an assessment report to the board for future guidance.

FIRST Meeting of the Committee focused on the review of the specific areas of existing status, policies and processes with regard to the following and agreeing on the likely actions -

Independent Director	Eligibility, qualification, experience etc Performance review perspective
Directors and top-level executives	Remuneration policies, basis etc
Diversity of the Board	Need for devising a policy
Members of the Board	Qualification, eligibility, experience etc
Employment	Selection, transfer, replacement, evaluation and promotion policy
Training	Training policy

Swapan Kumar Sarkar
Chairperson

DECLARATION BY MD AND CFO

ANNEXTURE A

[As per condition No. 1(5)(xxvi)]

November 07, 2019

The Board of Directors
Esquire Knit Composite Ltd.
30 Tejgaon Industrial Area, Dhaka-1208

Subject: **Declaration on Financial Statements for the year ended on 30 June 2019.**

Dear Sir,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Esquire Knit Composite Limited for the year ended on 30 June 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present 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 knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Md. Ehsanul Habib
Managing Director



M. Mustafizur Rahman
Chief Financial Officer

CERTIFICATE OF COMPLIANCE

Under Condition # 1(5) (xxvii) of CGC

চৌধুরী ভট্টাচার্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/8, Indira Road, (Gr. Floor), Dhaka-1215
Ph : 48110567, E-mail: bimal_abc@yahoo.com
CTG. OFFICE : 922, Jubilee Road, Ctg.-4000
Ph : 031-614907 (O) 624228 (R)

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

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

We have examined the compliance status to the Corporate Governance Code by **Esquire Knit Composite Limited** for the year ended on 30th June, 2019. This Code relates to the Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission (some are under process) ;
- The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws and
- The governance of the company is satisfactory.



Place: Dhaka
Dated: 17 December, 2019

B. K. Bhattacharjee, FCA
Chartered Accountants
Partner
Chowdhury Bhattacharjee & Co.



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.	√		
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.	√		

STATUS OF COMPLIANCE

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.	√		

Condition no.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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 the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	√		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.			No such event arose.
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the Year, the reasons there of shall be given.			Company has declared 15% Cash Dividend.
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

STATUS OF COMPLIANCE

Condition no.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv) (c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons.	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and globe.	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed.	√		
1(6) Meeting of the Board of Directors				
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7) Code of Conduct for the Chairperson, other Board members and Chief Executive Officer				
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)		√	NRC assigned to Develop
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...		√	Under Process
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.			N/A
2(b)	Independent Director of holding company also in the subsidiary company.			N/A
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.			N/A
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.			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			N/A
3 Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary				
3.1 Appointment				
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		

Condition no.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3(1)(b)	The positions of the MD, CEO, CS, CFO & HIAC shall be filled by different individuals.	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.	√		
3.2 Requirement to attend Board of Directors' Meetings				
3 (2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	√		
3.3 Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)				
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance.	√		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	√		
3(3) (c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4 Board of Directors' Committee				
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	√		
5 Audit Committee				
5.1 Responsibility to the Board of Directors				
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	√		
5.2 Constitution of the Audit committee				
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non- executive director.	√		
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	√		

STATUS OF COMPLIANCE

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

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

STATUS OF COMPLIANCE

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

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

RISK MANAGEMENT & INTERNAL CONTROL

The risk identification and mitigation of the risk is the main task of the risk management committee. The Risk Management Committee at management level is headed by the head of finance and consists of knowledgeable cross functional managers including internal auditors who drive an effective risk management framework in the Company. The risk management committee reviews the business risk and ensures that adequate action plans are in place to mitigate the risks. The key risks of the Company are then endorsed by the Executive Committee and then ratified by the Audit Committee as far as effective risk management is concerned.

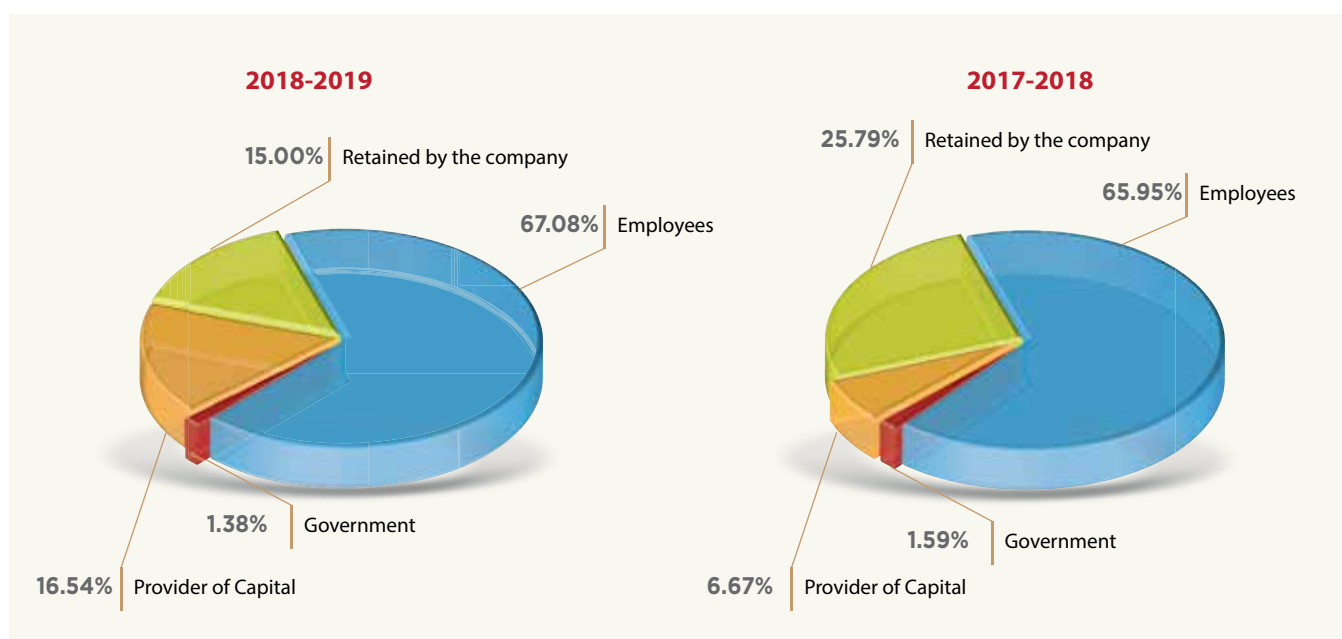
The internal control system of the Company is considered at Board and Management levels to provide reasonable assurance regarding the achievement of the Company's objectives in respect of effectiveness and efficiency of operations, reliability of financial reporting and management information, compliance with applicable laws, regulations and the Company's policies. The Company has its own internal auditors who are accountable to the Audit Committee. The policies and guidelines of internal control process of the Company are as follows:

- Establish Standards of Business Conduct
- Make accounts and finance policy.
- Provide policy for procurement.
- IT Security Policy
- Sales and Marketing policy
- Records Management Policy
- Human resource management policy.
- Other policies and guidelines as required by the board.

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 30 JUNE ,2019

	2018-19	2017-18
Net Turnover	5,919,576,583	4,841,134,840
Other Income	24,197,256	5,776,336
Less: Cost bought in Materials & Service	3,364,235,994	2,716,344,657
	2,579,537,845	2,130,566,519
Employees:	1,730,489,549	1,405,314,494
Salary and other benefits	1,730,489,549	1,405,314,494
Government:	35,517,460	33,887,944
Income Tax	35,517,460	33,887,944
Provider of Capital:	426,568,077	142,100,620
Interest	224,224,327	142,100,620
Dividend	202,343,750	-
Retained by the company for reinvestment:	386,962,760	549,263,461
Depreciation	181,433,016	172,601,860
Retined earning	205,529,744	376,661,601



FINANCIALS





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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Esquire Knit Composite Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Esquire Knit Composite Limited which comprise the statement of financial position as at 30 June 2019, the 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 and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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. We have determined the matters described below to be the key audit matters in our report.

1. Valuation of Inventories

The Company had inventory of Tk. 266.96 crore, equivalent to 25.93% of total assets at 30 June 2019 held in factory premises and numerous warehouses across multiple knit product lines.

Inventories are carried at the lower of cost and net realizable value. Weighted average method is used for valuation of inventory. The assessment of the valuation of the inventories involves significant management judgments and estimates. There may be a risk that inventory being included in the financial statements at the inaccurate value due to miscalculation of cost or the fact that cost has been used although net realizable value is lower than cost. On the other hand there is a risk that the value of inventory be materially misstated due to the use of inappropriate valuation method. For this reason we consider this matter as a key audit point.



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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

How our audit addressed the key audit matter

Our audit procedures to address the risks of material misstatement relating to inventory valuation, which was considered to be a significant risk, includes the testing of design and operating effectiveness of key controls focusing on the following:

- Assessing the compliance of company's accounting policies over inventory with applicable accounting standards;
- Evaluating the design and implementation of key inventory controls operating across the Company, including those at factory and warehouses;
- Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory;

We assessed the appropriateness of management's assumptions applied in calculating the value of the inventory by:

- Attending inventory counts and reconciling the count results of the inventory listings to test the completeness of data;
- Verifying a sample of inventory items that costs have been recorded appropriately;
- Assessing and justifying the rate, assumption and method used for the valuation of Raw Material, Work In Progress and Finished Goods Inventory;
- Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end with the cost price of a sample of inventories;
- Cross checking the quantity of finished goods sold mentioned in sale invoice with delivery challan and finished goods inventory register; and
- Checking that inventory at the end of the period was recorded at lower of cost and net realizable value by testing a sample of inventory items.

The Company's disclosures about Inventories are included in Note # 3.2.2 and Note # 7 to the financial statements.

2. Capital work in progress

The Company's assets held under capital work in progress as on the closing date are amounted to Tk. 69.09 Crore, equivalent to 6.71% of total assets. Due to the high volume of transactions, utilization of IPO proceeds in such assets, terms and valuation of these assets, it was considered significant to our audit.

How our audit addressed the key audit matter

Our audit procedures to address the risk of material misstatement relating to capital work in progress includes obtaining an understanding of the internal control over capital work in progress, assessing the risks of material misstatement. Our audit procedures to address the risk of material misstatement relating to Capital work-in-progress to the financial statements included:

- 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 personnel, comparison of the progress and the costs incurred up-to-date with the budgets, policy and plan;
- Reconciling the movement of capital work-in-progress from opening to closing, specifically verifying additions during the year and transferred to fixed assets during the year; and
- Verifying the dates on which the assets are moved from the capital work-in-progress account to the fixed assets so that the depreciation on fixed assets may be computed correctly.

The Company's disclosures about Capital work-in-progress are included in Note # 5 to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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

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

When we read the annual report, if we conclude that there is a material misstatement herein, we will communicate the matter to those charged with governance of the Company.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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 auditor's 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

As required by the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notification 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 purposes 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 so far as it appeared from our examination of these books;
- c) the statements 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 accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dhaka,
27 October 2019



ACNABIN
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	30.06.2019 Taka	30.06.2018 Taka
Assets			
Non-Current Assets		5,326,047,982	4,214,057,754
Property, plant and equipment	4	4,487,335,605	4,083,466,301
Capital work in progress	5	690,937,377	82,816,453
Investment in shares	6	147,775,000	47,775,000
Current Assets		4,970,526,758	3,352,777,143
Inventories	7	2,669,649,923	2,233,351,223
Accounts receivables	8	534,955,129	558,249,089
Other receivables	9	1,871,871	2,364,571
Advance, deposit and prepayments	10	806,256,844	395,215,604
Investment	11	89,297,144	85,589,679
Cash and bank balances	12	868,495,847	78,006,978
TOTAL ASSETS		10,296,574,740	7,566,834,897
EQUITY & LIABILITIES			
Shareholders' Equity		6,763,777,435	4,927,141,548
Share capital	13	1,348,958,330	1,000,000,000
Share Premium Account	14	1,104,070,338	-
Revaluation surplus	15	1,986,590,489	1,986,590,489
Retained earnings	16	2,324,158,278	1,940,551,060
Non Current Liabilities		1,336,766,795	614,250,371
Deferred Tax liabilities	17	164,722,043	140,455,767
Long term loan net of current maturity	18	1,162,262,296	460,365,552
Finance lease obligation net of current maturity	19	9,782,456	13,429,053
Current Liabilities		2,196,030,510	2,025,442,977
Short term loan	20	898,998,063	768,567,488
Current portion of long term loan	18	184,459,567	241,015,420
Current portion of finance lease obligation	19	8,797,815	10,663,946
Accounts payable	21	916,507,610	793,829,096
Liabilities for expenses	22	187,267,456	211,367,028
TOTAL EQUITY & LIABILITIES		10,296,574,740	7,566,834,897
Net Asset Value (NAV) per share with revaluation reserve		50.14	49.27
Net Asset Value (NAV) per share without revaluation reserve		35.41	29.40

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Financial Officer



Director



Managing Director



Chairman

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

Dhaka,
27 October 2019

ACNABIN
Chartered Accountants

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

Particulars	Notes	2018-19	2017-18
		Taka	Taka
Revenue	23	5,919,576,583	4,841,134,840
Less: Cost of Goods Sold	24	4,679,188,088	3,804,060,878
Gross profit		1,240,388,495	1,037,073,961
Less: Operating expenses	25	573,634,105	468,592,261
Gross operating profit for the year		666,754,391	568,481,700
Less: Financial expenses	26	224,224,327	142,100,620
Net operating profit for the year		442,530,063	426,381,080
Add: Non operating income	27	24,197,256	5,776,336
Profit before WPPF & WF for the year		466,727,319	432,157,416
Less: Provision for contribution to WPPF & WF	22.1	23,336,366	21,607,871
Profit before tax for the year		443,390,953	410,549,546
Less: Income tax expenses		59,783,735	66,580,971
Current Tax	22.2	35,517,460	33,887,944
Deferred Tax	17.2	24,266,276	32,693,027
Net profit after tax for the year		383,607,218	343,968,575
Add: Other comprehensive income, net of tax		-	-
Total comprehensive income		383,607,218	343,968,575
Earnings Per Share (EPS) - Basic	28.1	3.37	3.44

The annexed notes from 1 to 38 form an integral part of these financial statements.


 Chief Financial Officer


 Director


 Managing Director


 Chairman

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

Dhaka,
27 October 2019

ACNABIN
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY*For the year ended 30 June 2019*

(Amount in Taka)

Particulars	Share Capital	Share premium	Revaluation Surplus	Retained Earnings	Total Equity
Balance at 01 July 2018	1,000,000,000	-	1,986,590,489	1,940,551,060	4,927,141,548
Issuance of share	348,958,330	1,104,070,338	-	-	1,453,028,668
Net profit for the year	-	-	-	383,607,218	383,607,218
Balance at 30 June 2019	1,348,958,330	1,104,070,338	1,986,590,489	2,324,158,278	6,763,777,435
Balance at 01 July 2017	1,000,000,000	-	1,986,590,489	1,596,582,485	4,583,172,974
Issuance of share	-	-	-	-	-
Net profit for the year	-	-	-	343,968,575	343,968,575
Balance at 30 June 2018	1,000,000,000	-	1,986,590,489	1,940,551,060	4,927,141,548



Chief Financial Officer



Director



Managing Director



Chairman

Dhaka
27 October 2019

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Notes	2018-19 Taka	2017-18 Taka
A. Cash flows from operating activities			
Cash receipts from customers		5,942,870,543	5,118,073,794
Cash receipt from other income		24,689,956	4,260,631
Payment to suppliers		(2,980,347,063)	(2,367,615,222)
Payment to others		(2,517,357,847)	(2,063,062,884)
Interest paid		(210,399,620)	(132,340,740)
Income tax paid		(28,638,309)	(38,737,754)
Net cash flow from operating activities		230,817,660	520,577,824
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(585,302,319)	(290,894,653)
Investment in capital work in progress		(608,120,923)	(82,216,454)
Advance paid to Valuka project		(400,204,801)	-
Advance paid for BGMEA Flat		(13,252,000)	-
Investment in shares		(100,000,000)	(37,500,000)
Investment in FDR		(3,707,465)	(3,070,587)
Net cash used in investing activities		(1,710,587,509)	(413,681,695)
C. Cash flows from financing activities			
Proceed from share issue		395,929,642	-
Share premium received		1,104,070,338	-
Receipt of Long Term Loan		639,828,163	174,876,231
Receipt/(Repayment) of Short Term Loan		130,430,575	(269,983,208)
Net cash flow from/(used in) financing activities		2,270,258,719	(95,106,977)
D. Net cash surplus during the year (A+B+C)		790,488,869	11,789,153
E. Cash and bank balances at beginning of the year		78,006,978	66,217,826
Effect of movements in exchange rates on cash held		(14,814,717)	-
F. Cash and bank balances at the end of the year		853,681,130	78,006,978
Cash and bank balances			
Cash in hand		1,822,567	897,655
Cash at bank		866,673,280	77,109,323
Total		868,495,847	78,006,978
Net Operating Cash Flow Per Share (NOCFPS)	29	2.03	5.21

The annexed notes from 1 to 38 form an integral part of these financial statements.


 Chief Financial Officer


 Director


 Managing Director


 Chairman

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. Incorporation and Business Activities

Reporting entity

Esquire Knit Composite Limited (EKCL) (herein after referred to as EKCL or the Company) 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 company has its registered office at 21 Shaheed Tajuddin Ahmed Sarani, (old: 30, Tejgaon I/A) Dhaka and its Factory is located at 22/58, Kanchpur, Sonargaon, Narayanganj.

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

Nature of business

Esquire Knit Composite Limited is a cent percent 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. Basis of Preparation of Financial Statements

2.1 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.

2.2 Other regulatory compliance

In addition to the above, EKCL 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 Act 1991;
- The Value Added Tax Rules 1991;
- The Bangladesh Labor (Amendment) Act 2013;
- Customs Act 1969;
- Sale of Goods Act 1930;
- Negotiable Instrument Act 1881; and
- Other applicable rules and regulations.

2.3 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).

2.4 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 to the Financial Statements.

2.5 Use of estimates and judgments

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

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS*For the year ended 30 June 2019***2.7 Reporting period**

These financial statements of the company cover a period of twelve months from 01 July 2018 to 30 June 2019.

3. Significant Accounting Policies**3.1 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. In preceeding years, the entity charged depreciation at 20% p.a. on motor vehicles. 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.

3.2 Inventories**3.2.1 Nature of inventories**

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

3.2.2 Valuation of inventory

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

3.3 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.

NOTES TO THE FINANCIAL STATEMENTS*For the year ended 30 June 2019***3.4 Cash and bank balances**

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.

3.5 Accounts receivable and other receivables

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

3.6 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.

3.7 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.

3.8 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 2017 to 30 June 2018 and from 1 July 2018 to 30 June 2019 at 0.70% and from 01 July 2018 to 30 June 2019 it will be @ 1%.

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.

3.9 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.

ii. Cash Incentive

Cash incentive income is recognized when Proceed Relialization Certificate (PRC) received from the bank against realization of cash incentive.

NOTES TO THE FINANCIAL STATEMENTS*For the year ended 30 June 2019***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 Flow Statement and the cash flows from operating activities are presented under direct method.

3.12 Foreign currency transactions

The financial statements are presented in Bangladeshi Taka (Tk./BDT), which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities in foreign currencies as on the reporting date are converted into Bangladeshi taka at the closing rate. Exchange gain or loss is recognised in Statement of Profit or Loss and Other Comprehensive Income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

3.13 Leases

Leases in terms of which the company assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. The interest rate implicit in the lease has been used to calculate the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.14 Earnings Per Share (EPS)

The company presents basic and diluted (when dilution is applicable) Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding and for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for this financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.15 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. There are no material events that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures presented in the financial statements.

3.16 Provision

A provision is recognized on the date of financial position if, as a result of past events, the company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.17 Employee Benefit**i. Workers' profit participation fund and welfare fund**

This represent 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (Amendments)- Act 2013 (Bangladesh Labour Law, 2006) and is payable to workers as defined in the said law.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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 31 December 2013 by S.F. Ahmed & Co. which is a professionally qualified valuer.

3.21 Impairment

(a) Financial assets

Accounts receivable and other receivables 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 2016-2017 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.

NOTES TO THE FINANCIAL STATEMENTS*For the year ended 30 June 2019***3.23 Compliance with Financial Reporting Standards as applicable in Bangladesh:**

IAS	Title	Remarks
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
32	Financial Instruments: Presentation	Complied
33	Earnings per Share (EPS)	Complied
34	Interim Financial Reporting	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
38	Intangible Assets	Complied
IFRS	Title	Remarks
7	Financial Instruments: Disclosures	Complied
9	Financial Instruments	Complied
12	Disclosure of Interests in Other Entities	Complied
13	Fair Value Measurement	Complied
15	Revenue from Contracts with Customer	Complied
16	Leases	Complied

3.24 General

- 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 STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka
4. Property, plant and equipment		
(A) Cost/ Revaluation		
i) Freehold assets		
Opening balance	5,852,379,778	5,578,313,524
Add: Addition during the year	564,289,375	274,066,254
	6,416,669,153	5,852,379,778
ii) Leasehold assets		
Opening balance	78,407,424	61,579,025
Add: Addition during the year	21,012,944	16,828,399
	99,420,368	78,407,424
Total (A)	6,516,089,521	5,930,787,202
(B) Accumulated depreciation		
i) Freehold assets		
Opening balance	1,821,531,215	1,656,255,598
Add: Charged during the year	172,354,775	165,275,617
	1,993,885,990	1,821,531,215
ii) Leasehold assets		
Opening balance	25,789,685	18,463,443
Add: Charged during the year	9,078,240	7,326,243
	34,867,926	25,789,685
Total (B)	2,028,753,916	1,847,320,900
(C) Written Down Value (A-B)	4,487,335,605	4,083,466,301
A schedule of property, plant and equipment is given in Annexure-A.		
5. Capital work in progress		
Opening balance	82,216,454	600,000
Add: Addition during the year	686,019,184	82,216,454
	768,235,638	82,816,453
Less: Transferred to Property, Plant & Equipment	77,298,261	-
	690,937,377	82,816,453
5.1 Addition during the year		
BSCIC-Doom project	-	44,711,473
Advance for construction -Valuka project	-	-
Valuka Project	424,018,375	16,516,966
Machineries in work in process-Unit-7	-	20,988,015
Machineries in work in process	201,217,117	-
Warehouse- SFM	5,079,395	-
Warehouse- Kunchpur	55,704,297	-
	686,019,184	82,216,454

A schedule of capital work in progress addition during the year is given in Annexure-B.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka
6. Investment in shares		
Esquire Accessories Limited	10,275,000	10,275,000
Esquire Electronics Limited	37,500,000	37,500,000
Investment in ICL Unit Fund	100,000,000	-
	147,775,000	47,775,000

7. Inventories

	Quantity		30.06.2019	30.06.2018
	30.06.2019	30.06.2018	Taka	Taka
Yarn (kg)	2,644,818	2,476,556	812,210,449	703,340,421
Dyes (kg)	179,426	111,202	210,632,661	130,631,344
Chemical (kg)	1,090,520	697,565	115,204,020	79,527,464
Finishing Materials (Note: 7.1)	-	-	582,798,489	469,917,064
Materials in transit (Note: 7.2)	-	-	66,520,321	42,650,936
Spare parts and consumable items (Note: 7.3)	-	-	105,574,034	100,574,044
Work in process (Note: 7.4)	-	-	629,717,479	589,717,479
Finished goods (pcs.) (Note: 7.5)	979,950	386,627	146,992,470	116,992,470
			2,669,649,923	2,233,351,223

A schedule of inventories is given in **Annexure-C**.**7.1 Finishing Materials**

Packing materials	208,017,047	207,552,381
Accessories	287,571,888	187,995,294
Sewing Thread	44,714,378	23,740,645
Printing & Embroidery materials	42,495,176	50,628,744
	582,798,489	469,917,064

A schedule of finishing materials is given in **Annexure-C**.**7.2 Materials in transit**

	Quantity		30.06.2019	30.06.2018
	30.06.2019	30.06.2018		
Yarn (kg)	10,715	18,275	25,927,995	33,860,582
Dyes (kg)	8,282	19,852	3,569,334	2,569,321
Chemical (kg)	11,601	42,631	2,990,910	2,990,013
Machine	-	-	25,840,990	-
Finishing Materials	-	-	5,808,050	3,231,020
Spare Parts	-	-	2,383,042	-
			66,520,321	42,650,936

7.3 Spare parts and consumable items

Consumable items	48,686,856	54,887,183
Spare Parts	56,887,178	45,686,861
	105,574,034	100,574,044

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka

7.4 Work in Process

	Quantity			
	30.06.2019	30.06.2018		
Knitting (kg)	557,255	350,641	97,693,995	98,631,599
Finished Fabric (kg)	1,000,890	619,360	257,799,760	200,524,484
Cutting (Pcs)	3,892,789	2,565,357	174,008,958	170,771,360
Embroidery (Pcs)	43,770	9,202	1,445,737	1,206,101
Printing (Pcs)	173,511	9,314	2,444,292	1,591,465
Sewing (Pcs)	979,950	386,627	96,324,736	116,992,470
			629,717,478	589,717,479

A schedule of work in process is given in **Annexure-E**.**7.5 Finished Goods (pcs.)**

	Quantity		30.06.2019	30.06.2018
	30.06.2019	30.06.2018	Taka	Taka
Opening	386,627	789,971	116,992,470	86,269,793
Add: Production during the year	22,105,400	18,051,389	4,684,513,475	3,834,783,555
	22,492,027	18,841,360	4,801,505,945	3,921,053,348
Less: Delivered during the year	21,512,077	18,454,733	4,654,513,475	3,804,060,878
	979,950	386,627	146,992,470	116,992,470

	30.06.2019	30.06.2018
	Taka	Taka

8. Accounts receivables**534,955,129** **558,249,089**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 2019.

III. Debt considered doubtful or bad

The company does not make any provision for doubtful debts as on 30 June 2019, 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 2019.

V. Debt due by Common Management

There are no amount due from sister company under common management as on 30 June 2019.

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 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

		30.06.2019	30.06.2018
		Taka	Taka
Aging of accounts receivable			
The aging of gross trade receivables as at the statement of financial position date was:			
Past due 0-90 days		534,955,129	558,249,089
Past due 91-180 days		-	-
Past due 181 -365 days		-	-
Past due more than 365 days		-	-
		534,955,129	558,249,089
9. Other receivables			
Accrued interest on FDR		1,871,871	2,364,571
10. Advance, deposit and prepayments			
Advance	(Note: 10.1)	646,671,386	146,372,858
Deposit	(Note: 10.2)	152,848,632	237,611,906
Prepayments	(Note: 10.3)	6,736,826	11,230,840
		806,256,844	395,215,604
10.1 Advance			
Advance against expenses		-	18,705,963
Advance to creditors		535,394,460	55,465,618
Advance against salaries		3,346,863	6,161,523
Advance for commercial Flat -BGMEA COMPLEX		40,554,000	27,302,000
Advance Income Tax	(Note: 10.1.1)	67,376,063	38,737,754
		646,671,386	146,372,858
A schedule of advance given to creditors is given in Annexure-G .			
10.1.1 Advance Income Tax			
Opening balance		38,737,754	69,437,735
Add: Addition during the year	(Note: 10.1.1.1)	28,638,309	38,737,754
		67,376,063	108,175,489
Less: Adjustment for assessment year-2016-17		-	22,903,714
Less: Adjustment for assessment year-2016-17		-	14,856,008
Less: Adjustment for assessment year-2017-18		-	31,678,013
		67,376,063	38,737,754
10.1.1.1 Advance Income Tax addition			
Advance Income Tax on Car		1,523,000	1,491,500
Advance Income Tax on FDR Interest		2,232,537	341,177
TDS on Import Stage		586,522	481,146
TDS on Export Proceeds		24,296,250	36,423,932
		28,638,309	38,737,754

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka
10.2 Deposit		
Guarantee margin	885,530	885,530
Security deposit (Note: 10.2.1)	9,762,781	9,762,781
FBPAR & margin account (Note: 10.2.2)	142,200,320	226,963,594
	152,848,632	237,611,906
10.2.1 Security deposit		
Rural Electrification Board (REB) for electricity	4,366,944	4,366,944
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
	9,762,781	9,762,781
10.2.2 FBPAR & margin account		
FBPAR A/C with DBBL -in Dollar	132,002,344	171,121,303
FBPAR A/C with DBBL -in EURO	156,288	508,642
Margin A/C with EBL -in Dollar	9,968,635	55,259,385
Margin A/C with EBL -in EURO	73,053	74,264
	142,200,320	226,963,594
10.3 Prepayments		
Insurance premium	6,736,826	11,230,840
10.4 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	646,671,386	146,372,858
Past due 91-180 days	28,638,309	38,737,754
Past due 181 -365 days	121,184,368	200,342,211
Past due more than 365 days	9,762,781	9,762,781
	806,256,844	395,215,604
10.5 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	130,947,149	210,104,992
Advance, deposit and prepayments not exceeding 6 months	28,638,309	38,737,754
Other advance, deposit and prepayments less provision	152,848,632	237,611,906
Advance, deposit and prepayments considered good and secured	490,475,892	(97,400,571)
Advance, deposit and prepayments due by Other Officers (against Salary)	3,346,863	6,161,523

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

					30.06.2019	30.06.2018
					Taka	Taka
11. Investment						
Investment in FDR		(Note: 11.1)			89,297,144	85,589,679
11.1 Investment in FDR						
<u>Bank Name</u>	<u>A/C No</u>	<u>Principle</u>	<u>Term (Months)</u>	<u>Maturity Date</u>		
	506.0001926	2,923,858	12	29.12.2018	3,179,192	3,048,853
	504.0017552	2,793,573	12	28.02.2019	3,017,670	2,880,795
	504.0019071	10,865,251	12	06.07.2018	11,711,845	11,354,188
Dutch Bangla	504.0019148	21,730,503	12	14.07.2018	23,423,689	22,708,375
Bank Limited	504.0020915	21,228,452	12	10.03.2019	22,981,058	21,897,148
	504.0021052	10,592,585	12	19.03.2019	11,467,100	10,926,251
	504.0008214	10,332,957	12	28.06.2018	11,281,962	10,658,443
	504.0025965	2,051,913	12	15.06.2018	2,234,628	2,115,625
					89,297,144	85,589,679

These FDRs have been liened with Dutch Bangla Bank Limited for maintenance of margin for L/C liabilities and bank guarantees.

12. Cash and bank balances

Cash in hand	(Note: 12.1)	1,822,567	897,655
Cash at bank	(Note: 12.2)	866,673,280	77,109,323
		868,495,847	78,006,978

12.1 Cash in hand

Head Office	800,000	630,272
Factory	1,022,567	267,383
	1,822,567	897,655

12.2 Cash at bank

<u>Bank Name</u>	<u>Branch</u>	<u>A/C Type</u>	<u>A/C No.</u>		
Dutch Bangla Bank Ltd.	Local office	FCAD(\$)	101.117.163	27,824,761	38,475,179
Dutch Bangla Bank Ltd.	Local office	FCAD(€)	101.119.20	5,334	5,430
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.110.36941	42,548	-
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5645	26,945,952	-
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5692	23,174	32,461,589
Eastern Bank Ltd.	Principal	FCAD(\$)	101.305.3310	347,192	4,268,177
Dutch Bangla Bank Ltd.	Kawran Bazar	CD	107.120.484	1,015,420	1,421,445
BRAC Bank Ltd.		CD	1505203551787001	810,000,357	-
Jamuna Bank Ltd.	Mohakhali	CD	102.100.15098	131,005	138,815
NCC Bank CD A/C	Baridhara	CD	107.021.000.1597	24,942	26,092
One Bank Ltd.	Agrabad, Ctg.	CD	003.105.0001366	300,000	300,000
Mutual Trust Bank Ltd.	Progati Sarani	CD	0210017599	5,000	5,000
One Bank Ltd.	Mirpur	CD	110039901005	7,596	7,596
				866,673,280	77,109,323

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

13. Share capital

Authorized capital

200,000,000 Ordinary shares of Tk.10 each

30.06.2019	30.06.2018
Taka	Taka
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	1,000,000,000
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Details of the shareholdings are as under:

Name of Shareholders	% held	No. of shares		30.06.2019	30.06.2018
		30.06.2019	30.06.2018	Taka	Taka
Md. Mofazzal Hossain	21.34%	28,791,667	28,791,667	287,916,670	287,916,670
Md. Ehsanul Habib	11.14%	15,032,960	15,032,960	150,329,600	150,329,600
Arifur Rahman	5.87%	7,925,000	7,925,000	79,250,000	79,250,000
Md. Muddasar Hossain	5.87%	7,925,000	7,925,000	79,250,000	79,250,000
Mrs. Peara Begum	2.73%	3,681,343	3,681,343	36,813,430	36,813,430
Esquire Dyeing Industries Ltd.	21.93%	29,581,343	29,581,343	295,813,430	295,813,430
Esquire Accessories Ltd.	0.90%	1,214,677	1,214,677	12,146,770	12,146,770
Esquire Electronics Ltd.	4.34%	5,848,010	5,848,010	58,480,100	58,480,100
General Public and Institution	25.87%	34895833	-	348,958,330	-
	100%	134,895,833	100,000,000	1,348,958,330	1,000,000,000

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. Share premium

Share premium

1,151,041,650	-
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Less: IPO Expense*

46,971,312	-
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1,104,070,338	-
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In 2018-19, total amount of share share premium tk 1,151,041,650 (20,833,332 shares @ Tk 35 premium for Eligible Investor & 14,962,501 shares @ Tk 30 premium for General Public) was received as share premium in respect of issued to share holder through IPO

* Total IPO expense of TK 46,971,312 was disbursed from IPO Preceed

15. Revaluation surplus

1,986,590,489	1,986,590,489
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16. Retained earnings

Opening balance

1,940,551,060	1,596,582,485
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Add: Net profit after tax for the year

383,607,218	343,968,575
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2,324,158,278	1,940,551,060
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17. 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

(Note: 17.1)

81,947,439	57,681,163
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Deferred tax Liabilities related to other comprehensive income

82,774,604	82,774,604
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164,722,043	140,455,767
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka

17.1 Deferred tax liabilities

	Carrying amount Taka	Tax base Taka	Taxable temporary difference Taka
Deferred tax liabilities related to Profit and Loss A/C			
Property, plant and equipment excluding land	2,294,517,360	1,611,622,038	682,895,323
Applicable tax rate			12.00%
Deferred tax liability			81,947,439
Deferred tax Liabilities related to other comprehensive income			
Revaluation reserve for land	2,069,365,092	Nil	2,069,365,092
Applicable tax rate			4.00%
Deferred tax liability			82,774,604
As at 30 June 2018			
Deferred tax liabilities related to Profit and Loss A/C			
Property, plant and equipment excluding land	1,890,648,056	1,409,971,032	480,677,024
Applicable tax rate			12%
Deferred tax liability			57,681,243
Deferred tax Liabilities related to other comprehensive income			
Revaluation reserve for land	2,069,365,092	Nil	2,069,365,092
Applicable tax rate			4.00%
Deferred tax liability			82,774,603

17.2 Deferred Tax Expenses

Deferred Liabilities at the end of the period	81,947,439	57,681,163
Deferred Liabilities at the beginning of the period	57,681,163	24,988,137
Deferred Tax expenses	24,266,276	32,693,027

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

18. Long term loan net of current maturity

		30.06.2019	30.06.2018
		Taka	Taka
Deutsche Investitions- und Entwicklungsgesellschaft MbH	(Note: 18.1)	63,375,000	188,325,000
Jamuna Bank Limited	(Note: 18.2)	27,047,387	36,572,554
Dutch Bangla Bank Limited-Term Loan	(Note: 18.3)	1,212,196,567	476,483,418
IDLC Finance Limited		44,102,910	-
		1,346,721,863	701,380,972
Less: Current portion of long term loan		184,459,567	241,015,420
Deutsche Investitions- und Entwicklungsgesellschaft MbH		39,450,000	125,550,000
Dutch Bangla Bank Limited		119,465,723	103,361,310
Jamuna Bank Limited		5,471,564	12,104,110
IDLC Finance Limited		20,072,280	-
		1,162,262,297	460,365,552
		63,375,000	188,325,000

18.1 Deutsche Investitions- und Entwicklungsgesellschaft MbH

Particulars of the term loans are given below.

(Amount in USD)

Bank Name	Loan Account	Particulars	Outstanding as on 30.06.2018
Deutsche Investitions- und Entwicklungsgesellschaft MbH	DEG Loan	Limit: 7,500,000 Tenor: 5 period/years Interest Rate: 4.4706 (LIBOR+Margin)	2,250,000

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.

18.2 Jamuna Bank Limited**27,047,387** **36,572,554**

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: 14.00% p.a.
Jamuna Bank Limited	Term Loan	Limit: 20,000,000 Tenor: 60 months Pricing: 14.00% 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 STATEMENTS

For the year ended 30 June 2019

18.3 Dutch-Bangla Bank Limited

1,212,196,567

476,483,418

Details of the banking facilities with Dutch Bangla Bank Limited are as under:

Bank Name	Facilities	Particulars
Dutch-Bangla Bank Limited	Back to Back LC (Usance/sight under EDF Including acceptance liability)	Limit: 1750,000,000 Tenor: 120 days (Usance) Pricing: 0.45% 1st Qtr. & 0.30% Subs Qtr. PAD @ 10.50% p.a. EDF interest As per Bangladesh Bank Circular
	Export Cash Credit	Limit: 80,000,000 Tenor: 180 days Pricing: 7.00% p.a.
	Overdraft (OD)	Limit: 270,000,000 Pricing: 10.50% p.a.
	Letter of Credit(Sight/Usance/UPAS)	Limit: 600,000,000, Sub Limit 150,000,000, Pricing: 0.50% 1st Qtr. & 0.30% Subs Qtr. PAD @ 10.50% p.a.
	Letter of Credit(Sight/Usance/UPAS)-Machinery	Limit: 250,000,000, Pricing: 0.50% 1st Qtr. & 0.30% Subs Qtr. PAD @ 10.50% p.a.
	Term Loan - Specific	Limit: 220,000,000, Tenor: 04 Years from the date of 1st disbursement excluding grace period. Pricing: 10.50% p.a.
	Term Loan - Specific	Limit: 88,820,000, Tenor: 04 Years from the date of 1st disbursement excluding grace period. Pricing: 10.50% p.a.
	Loan against trust receipt (LTR)	Limit: 100,000,000 Tenor: 120 days Pricing: 10.50% p.a.
	Letter of Guarantee	Limit: 10,000,000 Pricing: 0.40% per quarter.
	Loan against Cash Incentive-Renewal	Limit: 40,000,000 Tenor: 180 days Pricing: 10.50% p.a.
	Short Term Loan	Limit: 75,000,000 Tenor: 90 days Pricing: 10.50% p.a.
	Bill of Discount	Limit: 500,000,000 Tenor: 120 days Pricing: 12.00% p.a.
	Term Loan	Limit: 175,000,000 Tenor: 04 Years Pricing: 10.50% p.a.
	Term Loan	Limit: 108,800,000 Tenor: 04 Years from the date of 1st disbursement excluding grace period. Pricing: 10.50% p.a.
	Term Loan	Limit: 25,000,000 Tenor: 04 Years Pricing: 10.50% p.a.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Collateral: Registered mortgage of 94 decimal land, building thereon at kanchpur, Narayanganj (Note: among 94 decimal land 60 decimal land is in the name of New Dhaka Ceramic Industries Limited and mortgage to the Dutch Bangla Bank Limited). Charge created with RJSC shall continue. Registered Hypothecation on Pari-Passu basis with Eastern Bank Limited on all current assets and stocks both present and future, belonging to the borrower duly insured with Bank's mortgage clause. Registered Hypothecation on Pari-Passu basis among Dutch Bangla Bank Limited and Eastern Bank Limited over listed plant, machinery, spare parts, accessories, electrical equipment's etc. (present and future) excluding the listed machinery under DEG financed. Registered Hypothecation of 1st priority fixed and floating charge with RJSC against registered hypothecation on pari-passu basis with Eastern Bank Limited and DEG over all movable assets both present and future of the borrower, including but not limited to the plant, machinery and equipment's of the company duly insured with Bank's mortgage clause. Personal Guarantee jointly and severally of the directors of the company. Personal Guarantee of all the directors of Fashion Paradise Ltd., Esquire Dyeing Industries Ltd. Corporate Guarantee of Fashion Paradise Limited, Esquire Electronics Limited and Esquire Dyeing Industries Limited with duly adopted board resolution.

	30.06.2019	30.06.2018
	Taka	Taka
19. Finance lease obligation net of current maturity		
IDLC Finance Limited	10,058,419	13,671,738
IPDC Finance Limited	8,521,851	10,421,260
	18,580,271	24,092,999
Less: Current portion of finance lease obligation-IDLC	7,170,457	8,067,747
Less: Current portion of finance lease obligation-IPDC	2,611,999	2,596,199
	9,782,456	10,663,946
	8,797,815	13,429,053

IDLC Finance Limited

Esquire Knit Composite Limited entered into lease agreement with IDLC Finance Limited from the year 2016 to 2021 for vehicles. Esquire Knit Composite Limited pays fixed monthly installments which comprise principal and interest in return.

IPDC Finance Limited

Particulars of the above lease finance(vehicle) are given below.

Name of the lender	Name of Facilities	Particulars
IPDC Finance Limited	Lease Finance	Limit: 8,700,000 Tenor: 60 months Pricing: 14.00% p.a.
IPDC Finance Limited	Lease Finance	Limit: 2,750,000 Tenor: 60 months Pricing: 14.00% p.a.

Collateral: The Security arrangements will include but are not limited to:

1. Registration & Comprehensive Insurance of the vehicles in favor of IPDC.
2. Personal Guarantee of all sponsor Directors of the Lessee(s).
3. Cross Corporate Guarantee of the Lessee(s) (Supported by Board Resolution and undertaking to amend MEMART by incorporating the clause empowering to provide corporate guarantee, if not Legally enforceable by 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	18,941,581	10,058,419
IPDC	Vehicle	10,550,000	5 Years	249,462	1,778,687	8,771,313
		39,550,000		814,772	20,720,267	18,829,733

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

		30.06.2019	30.06.2018
		Taka	Taka
20. Short term loan			
Dutch Bangla Bank Limited	(Note: 20.1)	758,861,391	759,966,062
Eastern Bank Limited	(Note: 20.2)	22,466,005	8,601,426
IDLC Finance Limited		16,666,666	-
IPDC Finance Limited		101,004,001	-
		898,998,063	768,567,488
20.1 Short Term Loan Dutch Bangla Bank Limited			
Export cash credit		73,900,430	79,950,000
Loan Trust Receipts (LTR)		14,059,747	17,705,137
Loan against EDF		260,652,892	67,872,790
Overdraft	(Note: 20.1.1)	282,525,523	283,650,866
PAD-Foreign cash		38,760,798	2,421,199
Bills purchase		6,496,000	3,477,000
Short term loan-EMI		75,000,000	274,305,070
Other loans		7,466,000	30,584,000
		758,861,391	759,966,062

20.1.1 Overdraft

Name of the Bank	Branch	Account #	30.06.2019	30.06.2018
			Taka	Taka
Dutch Bangla Bank Ltd.	Kawran Bazar	101.110.36941	-	2,439,705
Dutch Bangla Bank Ltd.	Kawran Bazar	954.440.1000.000.37	276,854,344	-
Dutch Bangla Bank Ltd.	Kawran Bazar	101.120.5645	-	13,901,688
Dutch Bangla Bank Ltd.	Dilkusha	1014010000262	5,071,179	266,709,473
One Bank Ltd.	Agrabad, Ctg.	003.102.000.9947	600,000	600,000
			282,525,523	283,650,866

Particulars such as the terms & conditions of the above short term loans are same as stated under Note # 17.3.

20.2 Eastern Bank Limited

Overdraft	19,070,746	(4,819,513)
Loan against EDF	3,395,258	13,420,939
	22,466,005	8,601,426

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: 200,000,000 Tenor: 180 days Pricing: 0.20% PQ.
	Acceptance [Within Line # 1]	Limit: 200,000,000 Tenor: 180 days Pricing: 0.20% PQ.
	Sight Letter of Credit-I (Financed through EDF) [Within Line # 1]	Limit: (100,000,000) Tenor: 180 days Pricing: 0.20% PQ.
	EDF Loan [Within Line # 1]	Limit: (100,000,000), As per Bangladesh Bank Circular

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Bank Name	Facilities	Particulars
Eastern Bank Limited	Sight Letter of Credit-II [Within Line # 1]	Limit: (30,000,000) Tenor: 180 days Pricing: 0.20% PQ.
	Import Loan	Limit: (24,000,000) Tenor: 180 days Pricing: 13.00% p.a.
	Sight Letter of Credit-III [Within Line # 1]	Limit: (10,000,000) Tenor: 180 days Pricing: 0.20% PQ.
	Time Loan	Limit: (8,000,000) Tenor: 360 days Pricing: 13.00% p.a.
	Packing Credit	Limit: 20,000,000 Tenor: 120 days Pricing: 7.00% p.a.
	Overdraft (OD)	Limit: 20,000,000 Tenor: 360 days Pricing: 13.00% p.a.
	Letter of Guarantee	Limit: (5,000,000) Tenor: Up to 5 years Pricing: 0.30% per Minimum tk. 2500

Collateral: Registered Mortgage (1st pari-passu with other lenders: EBL, DBBL, & DEG) on factory Land (81 decimal) and Building of expansion unit of Esquire Knit Composite Ltd., at Kanchpur, Sonargaon, Narayanganj. 1st Registered Mortgage & Registered Power of Attorney on 197.00 Decimal land building thereon (Solely with Eastern Bank Limited), located at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite Limited.

	30.06.2019	30.06.2018
	Taka	Taka

21. Accounts payable

Import liability and other creditors

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

916,507,610	793,829,096
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22. Liabilities for expenses

Directors' remunerations

Salary and wages

Gas Bills

Electricity

Telephone bill

WPPF payable

Wasa bill

Provision for Income Tax

Provision for Head office Floors

Financial Interest

Audit fees

Internet Expenses

(Note: 22.1)

(Note: 22.2)

43,814,800	70,452,300
13,206,247	27,917,988
4,026,622	4,684,969
1,542,005	739,815
7,297	14,000
8,645,818	31,137,556
5,991	6,511
99,471,801	63,954,341
1,837,169	1,837,169
13,824,707	9,759,880
862,500	675,000
22,500	-
187,267,456	211,367,028

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka
22.1 WPPF payable		
Opening Balance	31,137,556	45,417,790
Add: Addition during the year	23,336,366	21,607,871
	54,473,922	67,025,661
Less: Payment during the year	45,828,104	35,888,105
	8,645,818	31,137,556
22.2 Provision for Income Tax		
Opening balance	63,954,341	99,504,132
Add: Provision made for the year	35,517,460	33,887,944
	99,471,801	133,392,076
Less: Adjustment for assessment year-2016-17	-	22,903,714
Less: Adjustment for assessment year-2016-17	-	14,856,008
Less: Adjustment for assessment year-2017-18	-	31,678,013
	99,471,801	63,954,341

	2018-19	2017-18
	Taka	Taka

23. Sales

Export sales	5,919,576,583	4,841,134,840
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:	21,512,077	18,454,733
ii. Foreign currency earned against export on FOB Basis:		
In USD	70,556,620	59,492,470
In BDT	5,919,576,583	4,841,134,840
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 2019.		

24. Cost of Goods Sold

Cost of materials consumed	(Note: 24.1)	2,736,726,877	2,233,989,572
Cost of direct labor	(Note: 24.2)	1,507,649,876	1,221,538,738
Prime cost		4,244,376,753	3,455,528,310
Factory overheads	(Note: 24.3)	504,811,335	412,900,944
Cost of Goods put into Process		4,749,188,088	3,868,429,254
Opening Work in process		589,717,479	556,071,781
Closing Work in process	(Note: 24.4)	(629,717,479)	(589,717,479)
Cost of Goods Manufactured		4,709,188,088	3,834,783,555
Opening Finished Goods		116,992,470	86,269,793
Cost of Goods Available for Sale		4,826,180,558	3,921,053,348
Closing Finished Goods	(Note: 24.5)	(146,992,470)	(116,992,470)
		4,679,188,088	3,804,060,878

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

			30.06.2019	30.06.2018
			Taka	Taka
24.1 Raw Materials Consumption				
Yarn	(Note: 24.1.1)		1,742,899,921	1,316,138,324
Dyes	(Note: 24.1.2)		132,020,385	122,021,709
Chemical	(Note: 24.1.3)		269,622,376	235,298,936
Finishing Materials	(Note: 24.1.4)		592,184,195	560,530,603
			2,736,726,877	2,233,989,572
			Quantity in kg	
			2018-19	2017-18
24.1.1 Yarn Consumption				
Opening		2,249,028	2,224,002	703,340,421
Add: Purchase during the year		6,474,720	3,994,553	1,851,769,949
		8,723,748	6,218,555	2,555,110,370
Less: Closing stock		2,644,818	2,249,028	812,210,449
		6,078,931	3,969,527	1,742,899,921
				1,316,138,324
			Quantity in kg	
			2018-19	2017-18
24.1.2 Dyes Consumption				
Opening		102,603	100,521	130,631,344
Add: Purchase during the year		180,486	172,414	212,021,702
		283,089	272,935	342,653,046
Less: Closing stock		179,426	102,603	210,632,661
		103,663	170,333	132,020,385
				122,021,709
			Quantity in kg	
			2018-19	2017-18
24.1.3 Chemical Consumption				
Opening		595,052	1,613,668	79,527,464
Add: Purchase during the year		2,677,891	857,351	305,298,932
		3,272,942	2,471,018	384,826,396
Less: Closing stock		1,090,520	595,052	115,204,020
		2,182,422	1,875,967	269,622,376
				235,298,936
24.1.4 Finishing materials Consumption				
Opening			469,917,064	339,917,069
Add: Purchase during the year			705,065,620	690,530,598
			1,174,982,684	1,030,447,667
Less: Closing stock			582,798,489	469,917,064
			592,184,195	560,530,603
24.2 Cost of direct labor				
Workers wages			828,990,560	638,783,164
Workers overtime			250,706,557	200,064,455
Daily labor			8,542,987	3,270,552
Salary			413,479,843	377,198,902
Festival bonus and Provident Fund			5,929,929	2,221,665
			1,507,649,876	1,221,538,738

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka
24.3 Factory overheads		
Gas and electricity	142,259,117	117,973,977
Insurance premium	14,560,189	13,668,666
Tiffin expenses for workers	13,349,647	8,970,784
Spare Parts Consumption	156,254,618	93,624,779
Consumable items	9,214,195	13,323,907
Vehicle running (Oil and fuel)	14,088,262	15,090,830
Local conveyance	3,573,715	3,606,904
Telephone & Mobile bills	1,044,000	1,645,672
Depreciation	150,467,592	144,995,426
	504,811,335	412,900,944

Quantity	
2018-19	2017-18

24.4 Work in Process

Knitting (kg)	557,255	305,372	97,693,995	98,631,599
Finished Fabric (kg)	1,000,890	401,574	257,799,760	200,524,484
Cutting (Pcs)	3,892,789	1,683,875	174,008,958	170,771,360
Embroidery (Pcs)	43,770	9,516	1,445,737	1,206,101
Printing (Pcs)	173,511	9,138	2,444,292	1,591,465
Sewing (Pcs)	979,950	956,411	96,324,736	116,992,470
			629,717,479	589,717,479

Quantity	
2018-19	2017-18

24.5 Finished Goods (pcs.)

Opening	386,627	789,971	116,992,470	86,269,793
Add: Production during the year	22,105,400	18,051,389	4,684,513,475	3,834,783,555
	22,492,027	18,841,360	4,801,505,944	3,921,053,348
Less: Delivered during the year	21,512,077	18,454,733	4,654,513,475	3,804,060,878
Closing stock	979,950	386,627	146,992,470	116,992,470

A detail of cost of materials consumed is given in **Annexure-C**.**25. Operating expenses**

Office & administrative expenses	(Note: 25.1)	300,552,521	222,870,350
Selling & distribution expenses	(Note: 25.2)	273,081,584	245,721,911
		573,634,105	468,592,261

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka
25.1 Office & administrative expenses		
Director remuneration	30,070,000	30,000,000
Salary & allowances	165,945,413	129,529,381
Contribution to employees provident fund	3,487,894	2,638,504
Vehicle maintenance	1,357,021	4,221,929
Vehicle running expenses	10,979,537	9,786,080
Entertainment	2,195,972	8,263,669
Insurance premium	946,105	1,049,205
Printing expenses	1,394,159	1,684,617
Stationery expenses	7,900,235	6,738,467
Telephone, mobile & internet	4,669,044	3,383,927
Travelling & conveyance	1,771,686	1,657,119
Bank charges	8,782,546	5,225,836
License, renewal & registration	16,566,219	7,033,845
Utility expenses	2,183,756	1,284,239
Audit fees	862,500	862,500
Central Fund	1,685,858	1,520,045
Exchange loss/(gain)	7,762,551	(22,215,362)
Depreciation	30,965,423	27,606,434
Miscellaneous expenses	1,026,601	2,599,915
	300,552,521	222,870,350
25.2 Selling & distribution expenses		
Inspection & certificate issue expenses	3,245,830	2,831,845
Export permission	48,642,760	43,354,070
Foreign Travel for marketing	7,854,218	4,314,855
Sample and courier expenses	44,259,971	43,196,352
Bank charges on export proceeds	116,747,412	102,086,837
Freight charges on export	20,814,667	28,907,766
C&F expenses on export	13,103,376	8,737,326
Carriage outward on export	18,413,350	12,292,860
	273,081,584	245,721,911
26. Financial expenses		
Interest on Short term loan	95,302,856	95,877,895
Interest on Long term loan	113,539,055	43,721,595
Interest on Finance lease	15,382,417	2,501,129
	224,224,327	142,100,620
27. Non operating income	24,197,256	5,776,336

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka
28. Net Asset Value (NAV) Per Share		
Total assets	10,296,574,740	7,566,834,897
Total Liabilities	(3,532,797,306)	(2,639,693,349)
Net Asset Value (NAV) (A)	6,763,777,435	4,927,141,548
Revaluation reserve	(1,986,590,489)	(1,986,590,489)
Net Asset Value (NAV) without revaluation reserve (B)	4,777,186,946	2,940,551,059
Weighted Average Number of shares	134,895,833	100,000,000
Net Asset Value (NAV) per share with revaluation reserve (A÷C)	50.14	49.27
Net Asset Value (NAV) per share without revaluation reserve (B÷C)	35.41	29.40

28.1 Earnings Per Share (EPS)

Earning attributable to ordinary shareholders (Taka)	383,607,218	343,968,575
Weighted Average Number of shares	113,767,123	100,000,000
Earnings Per Share (Taka)	3.37	3.44

29. Net Operating Cash Flow Per Share (NOCFPS)

Net operating cash flows	230,817,660	520,577,824
Weighted Average Number of shares	113,767,123	100,000,000
Net operating cash flows per shares	2.03	5.21

Caculation of Weighted Average Number of shares

Particulars	Formula	2018-19	2017-18
		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*144	13,767,123	
Allotment date: Februray 07,2019			
Weighted Average Number of shares		113,767,123	100,000,000

30. Reconciliation of net profit with cash flow from operating activities

Net profit after tax for the year	383,607,218	343,968,576
Adjustment for non-cash items:		
Depreciation	181,433,016	172,601,860
Deferred Tax Adjustment	24,266,276	32,693,027
Changes in Working Capital:		
(Increase)/decrease in Inventory	(436,298,700)	(230,150,172)
Decreases in Accounts receivable	23,786,660	275,423,249
(Increase)/decreases in Advance deposit and Payments	(44,555,752)	(67,737,286)
Increase in Accounts payable	122,678,514	32,156,146
Decrease in Accrued Expenses	(24,099,572)	(38,377,575)
Net cash flow from operating activities	230,817,659	520,577,824

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

31. Related party disclosures

i) Related party transactions

(Amount in Taka)

Name	Nature of relationship	Nature of Transaction	Opening Balance	Purchase	Payment	Outstanding as on 30.06.2019 (Receivable)/ Payable
Esquire Accessories Limited	Common Management	Purchase	19,271,288	114,489,838	95,765,854	37,995,272
Esquire Electronics Limited	Common Management	Purchase	(333,332)	38,888,600	38,555,268	-
Esquire Dyeing Industries Limited	Common Management	Dyeing	24,390,938	274,137,853	238,149,316	60,379,475
Esquire Testing Services (BD) Limited	Common Management	Fabric testing fees	8,970,195	6,638,791	15,608,986	-
Thakral Information System Limited	Common Management	Purchase	11,369	1,637,050	1,648,419	-
Pinnacle Construction Management Ltd.		Contractor	-	242,295,199	642,500,000	(400,204,801)
Esquire Plastics Ltd	Common Management	Purchase	651,689	1,144,919	1,796,608	-
						(301,830,054)

ii) Particulars of Directors of Esquire Knit Composite Limited as at 30 June 2019

Name of Directors	BOD of Esquire Knit Composite Limited	Entities where they have interests
Md. Ehsanul Habib	Managing Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Alpha Plastic & Packaging Limited
		Esquire Customer Care Limited
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Sourcing Limited
		Sharp Media Limited
		Bangladesh German University
		Best Life Insurance Company Limited
		Thakral Information Systems (Pvt.) Limited
		Trust Solution Private Limited
		Thakral One Private Ltd
		T.M Chemical Limited
		Olive Tree Foods Limited
		Esquire Travels Ltd.
		Securex (Pvt) Ltd.
		Esquire Heavy Industries Ltd.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Name of Directors	BOD of Esquire Knit Composite Limited	Entities where they have interests
Md. Mofazzal Hossain	Chairman	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Esquire Customer Care Limited
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Sharp Media Limited
		Thakral Information Systems (Pvt.) Limited
		Trust Solution Private Limited
Mrs. Peara Begum	Director	Thakral One Private Ltd
		Esquire Travels Ltd.
		Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
Arifur Rahman	Director	Esquire Electronics Limited
		Esquire Accessories Limited
		Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Alpha Packaging Limited
		Esquire Customer Care Limited
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
Arifur Rahman	Director	Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Sourcing Limited
		Sharp Media Limited
		Trust Solution Private Limited
		Esquire Travels Ltd.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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

32. Capital expenditure commitment

Details of capital expenditure commitment as of 30 June 2019 are as under:

Particulars	Total Cost value estimated	Paid till 30.06.19	to be paid
BSCIC -Doom project	54,211,474	44,711,743	9,500,001
Valuka Project	3,000,000,000	440,535,341	2,559,464,659

	30.06.2019	30.06.2018
No. of Employee	No. of Employee	No. of Employee

33. Disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994

Number of employee

Factory:

Textile and Apparels:

Number of full-time employee (Officers & Staff)

Number of full-time employee (Workers)

1,245	1,245
6,759	624

Head Office:

Number of full-time employee (Officers & Staff)

Number of full-time employee (Workers)

227	221
-	-

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.

	30.06.2019	30.06.2018
Taka	Taka	Taka

34. 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 2019 is given below:

Managing Director's remuneration and benefit	(Note: 34.1)	6,000,000	6,000,000
Other Directors' salary and benefit	(Note: 34.2)	24,000,000	24,000,000
Other key management personnels' salary and benefit	(Note: 34.3)	25,995,319	25,263,180
		55,995,319	55,263,180

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka
34.1 Managing Director's remuneration and benefit		
Salary	6,000,000	6,000,000
34.2 Other Directors' salary and benefit		
Salary	24,000,000	24,000,000
34.3 Other key management personnels' salary and benefit		
Salary	19,951,685	18,791,402
Allowance	590,274	490,274
Bonus	3,530,615	4,228,066
Providend fund	1,922,745	1,753,438
	25,995,319	25,263,180

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	

	2018-19	2017-18
	QTY	QTY

35. Disclosure as per Schedule XI, Part II, Para 7 of the Companies Act 1994

Particulars

Textiles:

Installed Capacity (Kg)

Actual Production (Kg)

Utilization

Apparels:

Installed Capacity (Pcs)

Actual Production (Pcs)

Utilization

8,030,000	8,030,000
5,969,502	5,969,502
74.34%	74.34%
24,960,000	24,960,000
22,464,000	17,808,384
90.00%	71.35%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

36. Transaction in foreign currency

	2018-19	2017-18
	QTY	QTY
C & F value of import		
Finishing Materials	8,494,767	863,632
Yarn	22,310,481	12,253,041
Dyes & Chemicals	6,232,779	4,606,435
Capital Machinery	671,136	1,046,597
	37,709,163	18,769,705
FOB Value of Export (USD)	70,556,620	59,492,470

37. 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

37.1 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:

		2018-19	2017-18
		QTY	QTY
Accounts receivables	(Note: 8)	534,955,129	558,249,089
Advance, deposit and prepayments	(Note: 10)	806,256,844	395,215,604
Cash & Bank Balances	(Note: 12)	868,495,847	78,006,978
		2,209,707,821	1,031,471,670
		30.06.2019	30.06.2018
		Taka	Taka

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

Domestic	1,504,375,085	203,510,202
Foreign	705,332,736	827,961,469
	2,209,707,821	1,031,471,670

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

37.2 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.

As on 30 June 2019

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	194,242,023	-	194,242,023
Finance Lease obligation	18,580,271	-	18,580,271
Short term loan	898,998,063	539,398,838	359,599,225
Provision for income tax	99,471,801	99,471,801	-
Liabilities for expenses	87,795,656	87,795,656	-
Accounts payable	916,507,610	916,507,610	-
	<u>2,215,595,423</u>	<u>1,643,173,904</u>	<u>572,421,519</u>

As on 30 June 2018

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	701,380,972	-	701,380,972
Finance Lease obligation	24,092,999	-	24,092,999
Short term loan	768,567,488	461,140,493	307,426,995
Provision for income tax	63,954,341	63,954,341	-
Liabilities for expenses	147,412,687	147,412,687	-
Accounts payable	793,829,096	793,829,096	-
	<u>2,499,237,582</u>	<u>1,466,336,617</u>	<u>1,032,900,966</u>

37.3 Market risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

37.4 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:

	30.06.2019	30.06.2018
	USD	USD
Foreign currency denominated assets		
Accounts Receivable	6,330,830	6,669,643
FBPAR A/C with Dutch Bangla Bank Limited (USD)	1,562,158	2,044,460
FBPAR A/C with Dutch Bangla Bank Limited (Euro)	1,849	-
Margin A/C with Eastern Bank Limited (USD)	117,972	660,208
Margin A/C with Eastern Bank Limited (Euro)	864	459,680
Dutch Bangla Bank Limited FCAD (USD account)	329,287	56
Dutch Bangla Bank Limited FCAD (Euro account)	63	50,994
Eastern Bank Limited (USD account)	4,109	760
	8,347,133	9,885,801
Foreign currency denominated liabilities		
DBBL-EDF	(3,084,650)	(810,905)
EBL-EDF	(40,181)	(160,346)
DEG Loan-II	(750,000)	(2,250,000)
Accounts Payable	(10,846,244)	(7,133,567)
	(14,721,074)	(10,354,819)
Net exposure	(6,373,941)	(469,020)
	30.06.2019	30.06.2018
	Taka	Taka
The following rate has been applied:		
Taka/USD	84.50	83.70
Taka/EURO	96.06	97.78

37.5 Business Risk

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

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

37.6 Interest Rate Risk

EKCL is enjoying banks finance in the form of working capital as well as term loan. As a bank fund borrower, the entity has to pay a significant amount of loan interests and charges. Bangladesh Bank has moved to remove the interest rate ceiling on lending in the wake of a massive liquidity crisis in the financial market letting the price to be determined by functioning of demand-supply interaction. This measure may invite interest rate instability, which may create volatility in the profitability of business like EKCL. It is the company risk of gain or losses on assets and liabilities due to changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30.06.2019	30.06.2018
	Taka	Taka
Exposure of Interest Rate Risk		
Fixed Rate Bearing		
Term Loan	1,365,302,134	725,473,971
Short Term Loan	898,998,063	768,567,488

37.7 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.

37.8 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.

37.9 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.

37.10 Power Generation Risk

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

38. Date of Authorisation

The Board of directors has authorised these financial statements for issue on 27 October 2019.


 Chief Financial Officer


 Director


 Managing Director


 Chairman

Dhaka
27 October 2019

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2019

(Annexure-A)

Name of the assets	Cost			Rate (%)	Depreciation			Written Down Value as on 30.06.2019
	Balance as on 01.07.2018	Addition During the period	Balance as on 30.06.2019		Balance as on 01.07.2018	Charges for the period	Balance as on 30.06.2019	
a. Freehold assets								
Land & Land development	123,453,152	-	123,453,152	-	-	-	-	123,453,152
Building	1,160,362,232	56,310,246	1,216,672,478	5%	356,870,448	59,425,868	416,296,316	800,376,162
Plant & Machinery	2,266,761,143	455,641,968	2,722,403,111	7%	1,322,150,194	91,041,724	1,413,191,918	1,309,211,192
Furniture and Office Equipment	180,241,401	43,198,717	223,440,118	10%	112,170,124	19,089,313.94	131,259,438	92,180,680
Motor Vehicle	28,894,445		28,894,445	13%	28,318,201	576,244	28,894,445	-
Software & IT	23,302,313	9,138,444	32,440,757	10%	2,022,248	2,221,625	4,243,873	28,196,884
Sub-Total	3,783,014,685	564,289,375	4,347,304,060		1,821,531,215	172,354,775	1,993,885,990	2,353,418,069
b. Revalued assets								
Land & Land Development	2,069,365,092	-	2,069,365,092	-	-	-	-	2,069,365,093
Sub-Total	2,069,365,092	-	2,069,365,092		-	-	-	2,069,365,093
c. Leasehold assets								
Motor Vehicle	78,407,424	21,012,944	99,420,368	13%	25,789,685	9,078,240	34,867,926	64,552,442
Sub-Total	78,407,424	21,012,944	99,420,368		25,789,685	9,078,240	34,867,926	64,552,442
Grand total as on 30 June 2019	5,930,787,201	585,302,319	6,516,089,520		1,847,320,901	181,433,016	2,028,753,916	4,487,335,605
Grand total as on 30 June 2018	5,639,892,548	290,894,653	5,930,787,201		1,674,719,040	172,601,860	1,847,320,901	4,083,466,301

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	150,467,592
Office & Administrative Expenses	30,965,423
	181,433,016

Note: Land and land development has been revalued at 31 December 2013 by an independent valuer**i) Name of Valuer :** S.F. Ahmed & Co. Chartered Accountants**ii) Valuation method :** Estimated Net Realizable Value Method (the market approach).**iii) Date of Capitalization:** Revaluation surplus capitalized on 31 December 2013

ADDITION OF CAPITAL WORK IN PROGRESS

As at 30 June 2019

(Annexure-B)

1. Machineries in Transit

LC Number	Country of Origin	Items	PI #	Supplier	Amount in USD	Amount in Taka
168919020119	China	Washing & Dip Dyeing Machine	PO 20190112 LTC	Jeijin Machinery Development Co. Ltd	26,000	2,184,000
168919020337	Hong Kong	Rewinding Machine	19/00016/00059/1	Macpi Group (HK) Ltd.	346,176	30,250,907
168919020356	Italy	Knitting Machine	25022019CS	Orizio SRL	380,240	32,200,477
168919020507	Korea	Drying and Heat Setting Stenter	EH19-880-001	Ehwha Glotech. Co. Ltd	426,000	36,129,513
168919020523	India	Boiler Machine	THS/18-19/KS/528	Thermax Limited	50,000	4,243,049
168919020535	Italy	Optical Weft Straightener	63 1	Bianco-SPA	42,800	3,617,192
168919020646	United Kingdom	Generator	CW19-99	Allam Maring Ltd	333,588	28,238,637
168919020652	Turkey	Busbar Trunking Systems	CWPL/BBT-19/0029	EVE Elektrik Asansor END.	41,445	3,529,382
168919020748	Hong Kong	Sewing Machine	YSPL-030-19	Yamato (Hong Kong) Co. Ltd	63,700	5,383,887
168919020760	China	Winda Iron, Iron Table, Thread Sucking	WDIR190516BDI	Winda Technology Ltd	29,000	2,436,000
168919990122	Bangladesh	Substation	EEL/EKCL/03	Energypac Engineering Ltd	43,529	4,037,221
168919990123	Bangladesh	Substation	EEL/EKCL/04	Energypac Engineering Ltd	45,000	4,174,063
168919150913	China	Vinyl Cutting Machine	KTC201906137	Qingyi Heat Transfer Science and Technology Co. Ltd	1,178	99,689
168919020661	China	Fabric Moulding Machine	162460	Kardnee Industrial Holding Ltd	24,742	2,104,759
168919010897	India	Machine	EKCL/01/19	Novateur Electrical and Digital System PVT Ltd	5,665	481,708
168919020785	Singapore	Sewing Machine	Q-27749A	Focus Garments Tech PTE Ltd.	60,600	5,146,374
168919020809	Hong Kong	Sewing Machine	YSPL-048-19	Yamato (Hong-Kong) Co. Ltd	436,600	36,960,260
Total					2,356,264	201,217,117

CAPITAL WORK IN PROGRESS ADDITION

As at 30 June 2019

2. Expansion project -Valuka

Particulars

Valuka Building construction

Total

Total Cost	Cost incurred
1,500,000,000	424,018,375
1,500,000,000	424,018,375

3. Warehouse-SFM (Kanchpur)

Particulars

Building construction

Total

Total Cost	Cost incurred
-	5,079,395
-	5,079,395

4. Warehouse- 6th Storied (Kunchpur)

Particulars

Building construction

Total

Grand Total

Total Cost	Cost incurred
-	55,704,297
-	55,704,297
1,699,104,313	686,019,184

STORE LEDGER SUMMARY

As at 30 June 2019

(Annexure-C)

SI #	Particulars	Opening		Purchase		Issue/Consumption		Closing Balance	
		Qty	BDT	Qty	BDT	Qty	BDT	Qty	BDT
Raw material									
1	Yarn	2,476,556	703,340,421	6,474,720	1,851,769,949	6,306,459	1,742,899,921	2,644,818	812,210,449
2	Dyes	111,202	130,631,344	180,486	212,021,702	112,262	132,020,385	179,426	210,632,661
3	Chemical	697,565	79,527,464	2,677,891	305,298,932	2,284,935	269,622,376	1,090,520	115,204,020
Finishing Materials									
4	Packing materials	-	207,552,381	-	307,460,510	-	306,995,844	-	208,017,047
5	Accessories	-	187,995,294	-	361,957,445	-	262,380,851	-	287,571,888
6	Sewing Thread	-	23,740,645	-	28,576,401	-	7,602,668	-	44,714,378
7	Printing & Embroidery materials	-	50,628,744	-	7,071,264	-	15,204,832	-	42,495,176
WIP and Finished Goods									
8	Work in Process	-	589,717,479	-	-	-	-	-	629,717,479
9	Finished goods	-	116,992,470	-	-	-	-	979,950	146,992,470
10	Materials in transit	-	42,650,936	-	-	-	-	-	66,520,321
Sub-Total		3,285,323	2,132,777,178	9,333,097	3,074,156,203	8,703,656	2,736,726,877	4,894,714	2,564,075,889
Factory overhead (Repair and Maintenance)									
1	Spare parts	-	54,887,183	-	15,323,902	-	13,323,907	-	56,887,178
2	Consumable items	-	45,686,861	-	96,624,773	-	93,624,779	-	48,686,856
Sub-Total		-	100,574,044	-	111,948,675	-	106,948,686	-	105,574,034
Grand Total		3,285,323	2,233,351,223	9,333,097	3,186,104,878	8,703,656	2,843,675,563	4,894,714	2,669,649,923

SPARE PARTS ITEMS

(Annexure-D)

SL No	Items	Unit	30.06.2019		30.06.2018	
			Qty	Amount	Qty	Amount
1	Air Conditioner	BOTTLE	2	29,549	5	32,832
2	Air Conditioner	PCS	11	33,693	18	37,437
3	Air Conditioner	SET	3	248,832	6	276,480
4	Ball Bearing	PCS	1,748	1,560,397	4,332	1,955,997
5	Timing Belt	MTR	46	8,929	62	9,921
6	Timing Belt	PCS	602	620,231	804	755,813
7	Toothed Belt	PCS	306	688,946	542	876,608
8	V-Belt	PCS	2,072	706,366	3,164	862,630
9	Common (All)	KG	2	1,286	3	1,429
10	Common (All)	LBS	540	967,477	747	1,297,198
11	Common (All)	PCS	3,240	265,068	4,320	294,520
12	Common (All)	SET	8	10,354	11	11,505
13	Band Knife M/C	SET	6	4,337	8	4,819
14	Common M/C (Cutting)	PCS	3,739	537,946	4,985	597,718
15	FK Spreading Machine 590	PCS	8	2,222	11	2,469
16	FK Top Cut 9 M/C	PCS	120	393,378	160	437,086
17	Manual M/C	PCS	3,363	8,376,279	4,484	10,251,965
18	Spreader M/C (Brio 100)	PCS	272	867,028	363	963,364
19	VT-7000 M/C	BOX	1,001	457,676	1,335	508,529
20	VT-7000 M/C	PCS	1,022	1,082,032	1,362	1,202,258
21	VT-MX M/C	PCS	769	1,955,056	1,025	2,172,285
22	VT-MX M/C	PAIR	2	23,177	3	25,752
23	Automatic Tubular Emb M/C	PCS	855	340,106	1,140	377,896
24	Laser Cutter M/C	PCS	32	211,253	43	234,726
25	MG M/C	MTR	9	9,399	12	10,443
26	MG M/C	PCS	3,791	496,789	5,054	551,988
27	MG M/C	SET	2	2,122	3	2,358
28	Sunstar M/C	PCS	825	103,228	1,100	114,698
29	Tajima M/C	PCS	2,597	239,362	3,463	265,958
30	Auto Brass M/C	PCS	22	3,045	29	3,383
31	Biancalani Dryer Machine	PCS	6	322,991	8	358,879
32	Corino Slitting Machine	PCS	409	258,216	545	286,906
33	Dozzatex M/C	PCS	4	46,784	5	51,982
34	Egalizing Dryer M/C	PCS	4	544,932	5	605,480
35	Ferraro Compacting M/C	FEET	80	24,542	107	27,269
36	Ferraro Compacting M/C	PCS	134	939,291	178	1,043,656
37	Ferraro Compacting M/C	ROLL	12	276,826	16	307,584
38	Ferraro Compacting M/C	SET	2	461	3	513
39	Fongs M/C (F/D)	PCS	54	55,147	72	61,274
40	Fongs M/C (F/D)	SET	46	49,990	61	55,545

SPARE PARTS ITEMS

SL No	Items	Unit	30.06.2019		30.06.2018	
			Qty	Amount	Qty	Amount
41	Lafer Compacting M/C	PCS	8	561,710	11	957,456
42	Lafer Sueding M/C	MTR	461	169,786	614	188,652
43	Mario Crosta(Brassing) M/C	MTR	78	46,395	104	51,550
44	Mario Crosta(Brassing) M/C	PCS	2	9,228	3	10,253
45	NPL M/C	PCS	6	554	8	615
46	NPL M/C	SET	6	554	8	615
47	Q Sun M/C	PCS	2	34,142	3	37,935
48	Robolab M/C	PCS	877	518,655	1,169	576,283
49	Santex M/C	FEET	20	1,679	27	1,866
50	Santex M/C	PCS	42	135,851	56	150,946
51	Sclavos M/C	PCS	1,247	1,047,402	2,375	2,067,718
52	Sclavos M/C	SET	11	21,539	21	30,770
53	Slitting M/C	FEET	36	51,990	69	74,271
54	Slitting M/C	MTR	64	5,912,585	123	14,160,835
55	Slitting M/C	PCS	167	3,003,702	318	5,148,145
56	Slitting M/C	SET	7	161,482	13	230,688
57	Smartex M/C	FEET	17	4,306	32	6,152
58	Smartex M/C	PCS	48	54,832	91	78,331
59	Soft Flow Dyeing M/C	PCS	8	136,362	16	194,803
60	Soft Flow Dyeing M/C	SET	7	15,072	13	21,531
61	Stenter M/C	COIL	4	12,775	8	18,250
62	Stenter M/C	FEET	46	9,945	88	14,207
63	Stenter M/C	MTR	582	177,235	1,108	253,193
64	Stenter M/C	PCS	1,640	756,299	3,124	1,794,712
65	Tube Tex M/C	FEET	142	63,875	270	91,250
66	Tube Tex M/C	PCS	135	2,203,322	257	4,576,175
67	Tube Tex M/C	SET	8	103,348	16	147,640
68	Ultra Soft M/C	PCS	18	36,965	35	52,807
69	Washing M/C	PCS	6	55,184	11	78,834
70	Bartack M/C	PCS	3	309	5	441
71	Bartack M/C	SET	3	2,751	5	3,930
72	Button Hole & Stitch M/C	PCS	1,412	341,455	2,689	487,793
73	Button Hole & Stitch M/C	SET	10	21,517	19	30,739
74	Common (Garments)	PCS	657	182,395	1,252	260,564
75	Common (Garments)	POT	4	2,584	8	3,691
76	Feet of the Arm M/C	PCS	1	765	3	1,092
77	Feet of the Arm M/C	SET	6	8,612	11	12,303
78	Finishing Section	PCS	486	250,513	926	357,876
79	Finishing Section	SET	7	83	13	118
80	Flat Lock M/C	PCS	2,596	555,194	4,946	1,650,277

SPARE PARTS ITEMS

SL No	Items	Unit	30.06.2019		30.06.2018	
			Qty	Amount	Qty	Amount
81	Flat Lock M/C	SET	45	54,309	85	77,584
82	Flat Seamer M/C	PCS	28	8,325	53	11,893
83	Fusing M/C	PCS	1	28,064	3	40,091
84	Kancai M/C	PCS	10	4,864	19	6,948
85	Kancai M/C	SET	20	45,616	37	65,166
86	Needle (Garments)	PCS	21	228	40	325
87	Needle (Garments)	PKT	6,946	747,553	13,230	1,353,648
88	Over Lock M/C	PCS	3,067	541,547	5,842	1,059,353
89	Over Lock M/C	SET	24	24,857	45	35,511
90	Pattern Cutting M/C	PCS	3	3,445	5	4,921
91	Plain M/C	PCS	4,622	177,843	8,803	396,919
92	Plain M/C	SET	62	37,049	117	52,927
93	Rib Cutter M/C	PCS	2,909	351,072	5,540	644,388
94	Rib Cutter M/C	SET	202	90,620	384	129,458
95	Snap Button M/C	PCS	3	16,651	5	23,786
96	Snap Button M/C	SET	-	-	-	24,500
97	8 Needles Cord Knitting Machin	PCS	-	-	-	12,450
98	Fukuhara M/C	PCS	712	759,745	1,356	1,656,779
99	Jack	PCS	4,836	412,103	9,212	588,719
100	Mayer & Cie M/C	BOX	4	65	8	92
101	Mayer & Cie M/C	PCS	3,741	1,021,285	7,126	1,744,694
102	Mayer & Cie M/C	PKT	6	3,158	11	4,511
103	Mayer & Cie M/C	SET	38	13,062	72	18,660
104	Needle (Knitting)	PCS	194,906	604,987	173,250	2,129,975
105	Orizo M/C	FEET	-	-	-	1,250
106	Orizo M/C	PCS	1,932	1,058,705	2,761	2,512,436
107	Orizo M/C	SET	11	78,975	16	112,822
108	Pailung M/C	PCS	1,306	775,824	1,866	1,679,749
109	Re-winder M/C	PCS	135	199,982	192	285,688
110	Santoni Machine	PCS	22	51,538	32	73,626
111	Shima Shiki M/C	LTR	187	16,407	267	23,438
112	Shima Shiki M/C	PCS	1,169	702,077	1,670	1,288,681
113	Shima Shiki M/C	SET	11	24,861	16	35,516
114	Sinker	PCS	25,774	483,804	36,819	976,863
115	Stoll M/C	KG	11	48,058	16	68,654
116	Stoll M/C	LTR	112	76,047	160	108,639
117	Stoll M/C	SET	6	17,843	8	25,490
118	Photo Copier	PCS	11	52,818	16	75,454
119	Injection Moulding M/C SA-3	PCS	24	64,884	34	92,691
120	Label Cutting(Hy-2080) M/C	PCS	29	65,785	41	93,979

SPARE PARTS ITEMS

SL No	Items	Unit	30.06.2019		30.06.2018	
			Qty	Amount	Qty	Amount
121	Label Printer(PT-6/2) M/C	PCS	30	137,323	43	196,176
122	Thermal Printer(SP4011-R) M/C	PCS	13	28,478	19	40,683
123	Alpha-8 26 Station 12Color M/C	PAIR	4	41,611	5	59,444
124	Alpha-8 26 Station 12Color M/C	PCS	59	322,921	84	747,029
125	Auto M/C	PCS	176	332,539	251	475,056
126	Caynne Quartz Flash "D" M/C	PCS	28	139,099	40	198,713
127	Caynne Quartz Flash "E" M/C	PCS	7	87,285	11	124,693
128	Challenger M/C	PCS	15	394,353	21	563,362
129	Chamelion M/C (Manual)	PCS	67	149,164	96	213,091
130	Diamond Back M/C	PCS	24	141,292	35	201,845
131	Exposer M/C (Manual)	PCS	62	118,370	89	169,100
132	Gas Dryer M/C	PCS	15	95,166	21	135,952
133	Hit Press M/C	PCS	32	133,921	45	191,315
134	Motif Setter Machine	SET	107	76,793	152	109,705
135	Performa-18 Colour Auto M/C	PCS	304	230,521	434	615,031
136	Takana Quartz Flash (CE03) M/C	PCS	47	143,539	67	205,056
137	Value Jet 1638 Printer (Sublim	PCS	57	864,688	81	1,520,983
138	Rubber & Seal Items	COIL	6	4,813	8	6,876
139	Rubber & Seal Items	FEET	650	26,897	929	38,424
140	Rubber & Seal Items	LBS	206	14,536	294	20,766
141	Rubber & Seal Items	PCS	14,690	1,425,114	20,985	2,035,877
142	Rubber & Seal Items	SET	52	279,225	75	398,893
143	Tools	BOX	87	264,261	124	377,515
144	Tools	PAIR	157	216,658	224	309,512
145	Tools	PCS	880	1,055,960	1,257	2,651,374
146	Tools	PKT	32	21,310	45	30,443
147	Tools	SET	2	78,562	3	112,232
148	Boiler	KG	355	207,848	507	296,925
149	Boiler	LBS	153	201,649	219	288,070
150	Generator (Gas)	PCS	176	804,125	252	1,548,750
151	Valve	PCS	120.862	516,635	173	1,023,764
152	S.S.M. M/C	PCS	4.2	20,792	6	29,703
153	Tong Gang M/C	PCS	108.402	209,983	155	385,690
Total			310,315	56,887,178	355,370	93,624,779

CONSUMABLE ITEMS

(Annexure-D)

SL No	Items	Unit	30.06.2019		30.06.2018	
			Qty	Amount	Qty	Amount
1	Automobile	LTR	39	106,181	12	32,772
2	Automobile	ML	648	3,420,483	200	1,055,705
3	Automobile	MTR	-	17,496	-	5,400
4	Automobile	PCS	175	177,287	54	54,718
5	Automobile	POT	4	2,615	1	807
6	Computer Accessories	COIL	9	221,761	3	68,445
7	Computer Accessories	PCS	492	756,560	152	233,506
8	Computer Accessories	PKT	179	79,715	55	24,603
9	Medical Equipment	SET	23	90,484	7	27,927
10	Medicine	BOTTLE	-	20,866	-	6,440
11	Medicine	BOX	-	4,996	-	1,542
12	Medicine	PCS	-	1,809,216	-	558,400
13	Medicine	TUBE	-	20,736	-	6,400
14	Auxiliary Contructor	PCS	485	173,106	150	53,428
15	Balast	PCS	170	59,687	53	18,422
16	Cable	COIL	143	848,773	44	261,967
17	Cable	FEET	555	29,003	171	8,952
18	Cable	KG	187	251,522	58	77,630
19	Cable	MTR	301	568,590	93	175,491
20	Cable Socket	PCS	39,486	276,946	12,187	85,477
21	Capacitor	PCS	3,511	201,263	1,084	62,118
22	Charger Battery	PCS	450	38,217	139	11,796
23	Circuit Breaker	PCS	36	558,463	11	172,365
24	Common (Electrical)	FEET	39	161	12	50
25	Common (Electrical)	KG	60	34,407	19	10,620
26	Common (Electrical)	MTR	1,310	50,283	404	15,519
27	Common (Electrical)	PCS	8,934	283,124	2,757	87,384
28	Common (Electrical)	PKT	389	83,374	120	25,733
29	Common (Electrical)	SET	57	15,607	18	4,817
30	Converter	PCS	6	450,326	2	138,989
31	Cooling Fan	PCS	297	209,680	92	64,716
32	Cut Out	PCS	489	15,259	151	4,710
33	DB Board	PCS	157	51,109	49	15,774
34	Electric Bulb	PCS	1,420	385,233	438	118,899
35	Electronic Card	PCS	17	392,071	5	121,010
36	Fuse	PCS	9,695	204,381	2,992	63,081
37	Holder	PCS	821	39,588	253	12,218
38	Holder	SET	384	75,819	119	23,401
39	Inverter	PCS	3	555,437	1	78,838
40	Magnetic Contructor	PCS	60	918,046	19	129,027
41	Meter	PCS	111	598,063	34	61,131
42	Motor	PCS	253	268,779	78	21,228

CONSUMABLE ITEMS

SL No	Items	Unit	30.06.2019		30.06.2018	
			Qty	Amount	Qty	Amount
43	Overload Relay	PCS	253	685,064	78	211,440
44	Plug (Electrical)	PCS	358	128,688	111	8,854
45	Plug (Electrical)	PKT	148	5,922	46	1,828
46	Relay	PCS	681	157,928	210	48,743
47	Relay Base	PCS	39	6,617	12	2,042
48	Saddle Clamp	PCS	4,329	631,932	1,336	195,041
49	Saddle Clamp	PKT	-	7,938	-	2,450
50	Socket (Electrical)	PCS	179	95,739	55	29,549
51	Solenoid Valve	PCS	70	86,466	22	26,687
52	Starter	PCS	804	5,194	248	1,603
53	Switch	PCS	1,066	391,757	329	120,913
54	Tape (Electrical)	FEET	10,385	186,343	3,205	57,513
55	Tape (Electrical)	MTR	218	3,352	67	1,035
56	Tape (Electrical)	PCS	7,131	427,593	2,201	131,973
57	Tape (Electrical)	ROLL	79	4,747	24	1,465
58	Tape (Electrical)	SET	4	805	1	248
59	Timer	PCS	39	44,291	12	13,670
60	Transformer	PCS	39	55,941	12	17,266
61	Tube Light	PCS	897	380,914	277	117,566
62	Warning Light	PCS	83	41,744	26	12,884
63	Fire Fighting Equipment	COIL	-	124,851	-	-
64	Fire Fighting Equipment	PCS	538	2,755,951	166	233,318
65	Fire Fighting Equipment	SET	9	540,226	3	12,415
66	Band	PCS	323	193,256	100	59,647
67	Channel	PCS	454	22,217	140	6,857
68	Elbow	PCS	2,849	396,228	879	122,293
69	Flanges	PCS	245	350,273	75	108,109
70	Nipple	PCS	192	38,248	59	11,805
71	Nut	PCS	-	4,050	-	1,250
72	Nut Bolt	PCS	-	85,224	-	-
73	Pipe	FEET	5,707	322,472	1,761	99,529
74	Plug	PCS	314	3,132	97	967
75	Reducer	PCS	127	46,050	39	14,213
76	Socket	PCS	4,717	86,385	1,456	26,662
77	Tee Socket	PCS	231	82,385	71	25,427
78	Union Socket	PCS	127	28,081	39	8,667
79	Hardware	COIL	9	242,324	3	74,791
80	Hardware	LBS	2	690	1	213
81	Hardware	KG	326	1,117,843	101	345,013
82	Hardware	LTR	13	121,834	4	6,739
83	Hardware	PKT	-	-	-	-
84	Hardware	POT	26	167,837	8	51,802

CONSUMABLE ITEMS

SL No	Items	Unit	30.06.2019		30.06.2018	
			Qty	Amount	Qty	Amount
85	Hardware	ROLL	9	67,599	3	20,864
86	Hardware	SET	52	9,353	16	2,887
87	Paint & Vernish	PCS	201	37,740	62	11,648
88	Paint & Vernish	PKT	201	4,247	62	1,311
89	Sanitary	GM	54,504	209,817	16,822	64,758
90	Sanitary	KG	94	7,647	29	2,360
91	Sanitary	LTR	81	70,265	25	21,687
92	Sanitary	PCS	1,454	270,613	449	83,523
93	Sanitary	PKT	13	931	4	287
94	Sanitary	SET	192	27,113	59	8,368
95	Laboratory Instrument	BOX	66	26,961	20	8,321
96	Laboratory Instrument	LTR	611	10,349	189	3,194
97	Laboratory Instrument	PAIR	52	7,643	16	2,359
98	Laboratory Instrument	PCS	1,027	757,533	317	233,807
99	Laboratory Instrument	PKT	13	19,051	4	2,793
100	Laboratory Instrument	ROLL	42	188,149	13	58,071
101	Oil & Lubricants	DRUM	22	1,670,791	7	207,034
102	Oil & Lubricants	PCS	1,779	489,466	549	151,070
103	Other Material	BOX	1,045	473,352	323	146,096
104	Other Material	MTR	-	548,500	-	-
105	Other Material	YDS	-	621,069	-	-
106	Pack & Package	MTR	891	520,515	229	5,277
107	Pack & Package	PCS	1,160,704	723,520	298,535	186,091
108	Pack & Package	ROLL	5,386	532,564	1,385	136,976
109	Supplies Items	BOOK	849	1,449,692	218	115,662
110	Supplies Items	PCS	31,689	1,180,146	8,150	303,535
111	Supplies Items	SHEET	10,419.8	9,294,681.0	2,680	4,191,019
112	Supplies Items	BOX	414.6	841,429.4	107	216,417
113	Supplies items	KG	2,591.1	170,889.0	666	18,233
114	Supplies items	PKT	1,021.9	132,056.0	263	8,245
115	Supplies items	POT	15.7	141,184.0	4	305
116	Supplies items	SET	-	248,220.0	-	-
117	Supplies Items	PCS	99,159.6	3,323,541.5	25,504	854,820
118	Supplies Items	REAM	88.9	41,535.2	23	10,683
119	Supplies Items	ROLL	319.7	125,447.4	82	32,265
Total			48,686,856		13,323,907	

WORK IN PROCESS

(Annexure-E)

As at 30 June 2019

(Figures in Taka)				
Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	98,631,599	1,289,340,497	1,290,278,102	97,693,995
Finished Fabric	200,524,484	786,802,915	729,527,639	257,799,760
Cutting	170,771,360	969,863,934	966,626,336	174,008,958
Embroidery	1,206,101	446,381,862	446,142,226	1,445,737
Total	1,591,465	737,705,177	736,852,350	2,444,292
Sewing	116,992,470	4,663,845,741	4,684,513,475	96,324,736
Total	589,717,479			629,717,479

(Figures in Quantity)				
Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	350,641	5,650,848	5,444,234	557,255
Finished Fabric (kg)	619,360	6,679,709	6,298,179	1,000,890
Cutting (Pcs)	2,565,357	24,741,600	23,414,168	3,892,789
Embroidery (Pcs)	9,202	4,546,499	4,511,931	43,770
Printing (Pcs)	9,314	10,673,151	10,508,954	173,511
Sewing (Pcs)	386,627	24,203,194	23,609,871	979,950

As at 30 June 2018

(Figures in Taka)				
Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	68,583,602	1,319,967,234	1,289,919,237	98,631,599
Finished Fabric	118,005,041	643,694,550	561,175,107	200,524,484
Cutting	160,588,592	753,741,488	743,558,720	170,771,360
Embroidery	1,021,766	343,370,663	343,186,328	1,206,101
Printing	935,444	567,465,521	566,809,500	1,591,465
Sewing	206,937,336	2,107,151,613	2,197,096,479	116,992,470
Total	556,071,781			589,717,479

(Figures in Quantity)				
Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	305,372	5,183,507	5,138,238	350,641
Finished Fabric (kg)	401,574	5,138,238	4,920,452	619,360
Cutting (Pcs)	1,683,875	19,032,000	18,150,518	2,565,357
Embroidery (Pcs)	9,516	3,497,307	3,497,621	9,202
Printing (Pcs)	9,318	8,210,116	8,210,120	9,314
Sewing (Pcs)	956,411	17,875,428	18,445,212	386,627

SPARE PARTS ITEMS

Schedule of Accounts Receivable
As at 30 June 2019

(Annexure-F)

SI #	Name of the creditors	Total	0-3 month	3-6 month	exceeding 1 year
1	Best Seller [DK]	39,490,547	39,490,547	-	-
2	C&A [\$]	45,498,556	45,498,556	-	-
3	Celio	103,379,113	103,379,113	-	-
4	Carrefour	18,423,811	18,423,811	-	-
5	Esprit	25,512,743	25,512,743	-	-
6	Guess	2,072,531	2,072,531	-	-
7	Hofler	59,222,475	59,222,475	-	-
8	Kitaro	219,020	219,020	-	-
9	LIDL	40,121,831	40,121,831	-	-
10	Mascot	56,160,558	56,160,558	-	-
11	Next Sourcing Limited	24,872,552	24,872,552	-	-
12	Pentex	46,242,959	46,242,959	-	-
13	P&C	21,240,466	21,240,466	-	-
14	Ted Bernhardt	2,868,833	2,868,833	-	-
15	Antim	6,204,306	6,204,306	-	-
16	Al-Islam	3,984,873	3,984,873	-	-
17	A One Polar	1,180,011	1,180,011	-	-
18	Apparel Village	229,624	229,624	-	-
19	Amex Knitting and Dyeing Industries	323,653	323,653	-	-
20	Concept Knitting Limited	646,404	646,404	-	-
21	Cadtex	2,639,317	2,639,317	-	-
22	Essential	4,597,038	4,597,038	-	-
23	Fakir Fashion	866,867	866,867	-	-
24	Global Merchants	701,350	701,350	-	-
25	Impress Newtex	3,232,251	3,232,251	-	-
26	Masco Industries	1,091,454	1,091,454	-	-
27	Midland Knitwear Ltd	619,803	619,803	-	-
28	RAHAMAT FASHION WEAR LTD	4,509,390	4,509,390	-	-
29	Shanta Expression	90,761	90,761	-	-
30	Tasniah Fabrics Ltd	6,692,182	6,692,182	-	-
31	Unlimited Clothing	2,515,838	2,515,838	-	-
32	Forx	9,504,012	9,504,012	-	-
Total		534,955,129	534,955,129		

SPARE PARTS ITEMS*Schedule of Advance given to Creditors**As at 30 June 2019***(Annexure-G)**

Sl #	Name of the creditors	Nature of transaction	Total	3-6 month	6-12 month	exceeding 1 year
1	Architect's	Consultancy	83,000	83,000	-	-
2	Asian Textile Mills Ltd.	Yarn	752,448	752,448	-	-
3	Badhan Electronics	Electronics Item	31,910	31,910	-	-
4	Best Life Insurance Limited.	Insurance	610,850	244,340	366,510	-
5	Bureau Veritas Consumer Products Services (BD) Ltd	Service	359,130	359,130	-	-
6	Eastman Bangladesh	Service	170,166	68,066	102,099	-
7	EMS Engineering	Service	723,650	723,650	-	-
8	Esquire Knit Composite Ltd (C&F)	Service	35,370,248	35,370,248	-	-
9	E-Touch Engineering.	Spare Parts	168,000	168,000	-	-
10	Godhuly Knit Fabrics	Sub-Contract	257,441	257,441	-	-
11	Heritage Air Express	Service	1,907,434	1,907,434	-	-
12	HPS Travels & Tours	Service	322,545	129,018	193,527	-
13	JAK Enterprise	Accessories	2,544,000	2,544,000	-	-
14	Kazi Aluminium Fabricators	Building Materials	610,000	610,000	-	-
15	Knit Excel Pvt. Ltd.	Sub-Contract	172,540	172,540	-	-
16	MTEL Electronics	Electronics Item	449,100	449,100	-	-
17	Pantex Dress Ltd.	Accessories	409,663	163,865	245,798	-
18	Pinnacle Construction Management Ltd.	Service	400,204,801	400,204,801	-	-
19	Princess Transport Agency	Service	291,000	291,000	-	-
20	RAS Stone (BD)	Building Materials	292,650	292,650	-	-
21	Sonar Bangla Insurance Ltd.	Insurance	226,359	226,359	-	-
22	Tamim Electric & Engineering Works	Electronics Item	22,000	22,000	-	-
23	UL VS Bangladesh	Service	996,773	996,773	-	-
24	Vision Trade International	Accessories	52,800	52,800	-	-
25	Esquire Testing Service Ltd	Lab test	76,300	76,300	-	-
26	Esquire Travels Ltd	Travelling	14,990	14,990	-	-
27	Fiza Tex Ltd	Sub-Contract	100,000	100,000	-	-
28	Olive Tree Foods Ltd	Employee food	71,945,728	71,945,728	-	-
29	Shah Garments Ltd	Office rent	16,228,935	16,228,935	-	-
Total			535,394,460	534,486,526	907,934	

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2019

(Annexure-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
1	4-Tex Trims	Accessories	564,671	564,671	-	-
2	A.H.Packing & Accessories Ltd.	Accessories	903,094	903,094	-	-
3	A.R International	Embroidery	2,398,533	2,398,533	-	-
4	Active (BD) Ltd.	Accessories	913,077	913,077	-	-
5	ADZI Trims Ltd.	Accessories	225,868	225,868	-	-
6	Albi Enterprise	Accessories	516,477	516,477	-	-
7	Alif Stone.	Accessories	563,105	563,105	-	-
8	Al-Makkah Textile Mills.	Accessories	2,198,192	2,198,192	-	-
9	Alpha Plastic Packaging.	Accessories	3,447,259	3,447,259	-	-
10	Amann Bangladesh Ltd.	Accessories	1,532,070	1,532,070	-	-
11	American & Efid (Bangladesh) Ltd.	Accessories	1,515,524	1,515,524	-	-
12	AMS Fashion.	Accessories	118,396	118,396	-	-
13	Application Y Suministros Textile	Chemicals	4,049,251	4,049,251	-	-
14	Approach Accessories Ltd.	Accessories	209,579	209,579	-	-
15	Apt Choice	Embroidery	3,424,560	3,424,560	-	-
16	Archroma Singapore Pvt. Ltd.	Chemicals	8,551,247	8,551,247	-	-
17	Asia Composite Mills Ltd	Yarn	40,293,263	40,293,263	-	-
18	Asia Linkage.	Accessories	126,157	126,157	-	-
19	Asutex Application Y Sumintros Textiles	Chemicals	7,573,495	7,573,495	-	-
20	Baig Trimming Ltd.	Accessories	1,720,746	1,720,746	-	-
21	Banga Plastic International Ltd.	Accessories	296,773	296,773	-	-
22	Bengal Plastics Ltd-Unit-3	Accessories	409,811	409,811	-	-
23	Benninger AG.	Chemicals	31,752,000	31,752,000	-	-
24	Borsha Printers -	Printing	1,214,323	1,214,323	-	-
25	Bros Macao Commercial Offshore Ltd.	Yarn	2,941,901	2,941,901	-	-
26	BVM Overseas Ltd.	Yarn	23,689,362	23,689,362	-	-
27	Centary Faith Ind. Ltd.	Machinery	5,056,039	-	5,056,039	-
28	CHT R Beitlich GMBH	Chemicals	3,472,123	3,472,123	-	-
29	Clotex-Labelon(BD) Limited.	Accessories	140,332	140,332	-	-
30	Confidence Accessories (PVT.) Ltd.	Accessories	2,915,971	2,915,971	-	-
31	Datacolor Asia Pacific HK Ltd.	Accessories	3,295,500	3,295,500	-	-
32	Dekko Accessories Ltd.	Accessories	773,649	773,649	-	-
33	D-King Resource Trading Co. Ltd.	Accessories	3,998,400	3,998,400	-	-
34	Eae Elektrik Asansor and Insaat San	Accessories	1,233,700	1,233,700	-	-
35	Eastman CRA Ltd.	Chemicals	2,272,142	2,272,142	-	-
36	Easy Tech Printers.	Printing	107,429	107,429	-	-
37	Ehwha Goltech Co Ltd.	Machinery	35,784,000	-	35,784,000	-
38	ENERGY EQUIPMENT ENGINEERING PVT. LTD.	Electrical Items	2,329,226	2,329,226	-	-
39	Epyllion Limited	Accessories	1,423,103	1,423,103	-	-
40	Esquire Accessories Ltd.	Accessories	37,995,272	37,995,272	-	-
41	Esquire Dyeing Industries Ltd.	Yarn Dyed	130,274,249	130,274,249	-	-
42	ETACOL Bangladesh Ltd.	Accessories	276,244	276,244	-	-
43	EVER GREEN ULTRASONIC CO. LTD.	Machinery	1,185,958	-	1,185,958	-

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2019

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
44	Evince Textiles Limited.	Yarn	842,127	842,127	-	-
45	F.K Group	Spare Parts	1,438,646	1,438,646	-	-
46	Fabitex Industries Ltd.	Accessories	499,514	499,514	-	-
47	Fadis SPA	Machinery	26,243,787	-	26,243,787	-
48	Fair Poly Limited.	Accessories	459,530	459,530	-	-
49	Fair Tex	Printing	1,604,085	1,604,085	-	-
50	Fashion Syndicate BD.	Accessories	837,798	837,798	-	-
51	Ferraro SPA	Spare Parts	10,450,000	10,450,000	-	-
52	Focus Garments Tech Ltd.	Sub-contract	2,028,000	2,028,000	-	-
53	Fortune Top Inc	Chemicals	5,958,251	5,958,251	-	-
54	FR Traders.	Spare Parts	396,888	396,888	-	-
55	Fujian Zipper Science & Technology Co Ltd.	Accessories	258,649	258,649	-	-
56	Gardner Denver Fze	Machinery	6,186,970	-	6,186,970	-
57	GMS Trims Limited.	Accessories	339,251	339,251	-	-
58	GOBS Laser INC	Machinery	6,536,990	6,536,990	-	-
59	H.P.Chemical	Chemicals	1,375,238	1,375,238	-	-
60	H.S.P Fashion	Embroidery	3,122,056	3,122,056	-	-
61	Harnest Label Industries Ltd.	Accessories	265,158	265,158	-	-
62	HIKARI (SHANGHAI) PRECISE MACHINERY SCIENCE AND TECHNOLOGY CO. LTD.	Machinery	12,723,165	-	12,723,165	-
63	Huntsman (Singapore) PTE Ltd.	Chemicals	20,975,525	20,975,525	-	-
64	Hyup Jin Corporation.	Chemicals	710,540	710,540	-	-
65	IIGM Private Limited.	Machinery	9,387,095	-	9,387,095	-
66	Improve Plastic Industries.	Accessories	88,745	88,745	-	-
67	Int'L TRIMMINGS & LABELS (BD) PVT. LTD.	Accessories	2,380,466	2,380,466	-	-
68	Islam Trading	Packing materials	1,145,873	1,145,873	-	-
69	J & C Industry Corporation Ltd.	Chemicals	4,910,568	4,910,568	-	-
70	J. H. Accessories International.	Accessories	257,255	257,255	-	-
71	Jeijin Machinery Development Co. Ltd.	Machinery	2,175,600	2,175,600	-	-
72	Jubilant Life Sciences Ltd.	Spare Parts	2,960,345	2,960,345	-	-
73	Juki Singapore Pte Ltd.	Machinery	56,927,312	-	56,927,312	-
74	K. M. Accessories.	Accessories	349,033	349,033	-	-
75	Kardnee Industrial Holding Ltd .	Accessories	2,085,784	2,085,784	-	-
76	Loyal Textile Mills Ltd.	Yarn	19,966,590	19,966,590	-	-
77	M S Accessories.	Accessories	496,352	496,352	-	-
78	M.N.S Garments Printing	Printing	4,337,640	4,337,640	-	-
79	Mahima Purespun	Yarn	17,807,956	17,807,956	-	-
80	Mainetti Packaging Bangladesh Pvt. Ltd.	Accessories	806,434	806,434	-	-
81	Maral Overseas Ltd.	Yarn	18,258,327	18,258,327	-	-
82	Maxim Label & Packaging Bangladesh PVT. Ltd.	Accessories	273,735	273,735	-	-
83	Mei Sheng Textiles Vietnam Co.	Machinery	8,801,296	-	8,801,296	-
84	MN Tex.	Spare Parts	2,155,945	2,155,945	-	-

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2019

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
85	Mon Trims Ltd.	Accessories	947,761	947,761	-	-
86	Multazim Spinning Mills Ltd.	Yarn	4,386,060	4,386,060	-	-
87	Multiair Italian SRL.	Spare Parts	1,737,764	1,737,764	-	-
88	Nayem Dying Fabrics & Acecssories.	Accessories	303,087	303,087	-	-
89	Nearchimica SPA	Spare Parts	2,828,160	2,828,160	-	-
90	Nixtex Limited	Accessories	7,967,700	7,967,700	-	-
91	NRG Spinning Mills Ltd.	Yarn	2,051,343	2,051,343	-	-
92	NRG-Composite Yarn Dyeing	Sub-contract	2,250,974	2,250,974	-	-
93	Pacific Button Industries Ltd.	Accessories	123,834	123,834	-	-
94	Pahartali Textile & Hosiery Mills	Yarn	5,200,996	5,200,996	-	-
95	Pannatex International.	Accessories	1,516,493	1,516,493	-	-
96	Parkway Packaging & Printing Ltd.	Accessories	1,206,520	1,206,520	-	-
97	Peacock Design	Embroidery	2,061,075	2,061,075	-	-
98	Pegasus Sewing Machine PTE Ltd.	Machinery	56,510,896	-	56,510,896	-
99	Prime Composite Mills Ltd.	Yarn	6,596,281	6,596,281	-	-
100	PT. Bozzetto Indonesia	Yarn	1,896,550	1,896,550	-	-
101	R.M.T Textile Mills Ltd.	Yarn	7,395,018	7,395,018	-	-
102	Rajasthan SPG & WVG Mills Ltd.	Yarn	8,008,676	8,008,676	-	-
103	Reedisha Blanded Yarn Ltd.	Yarn	2,373,390	2,373,390	-	-
104	R-Pac Bangladesh Packaging Co. Ltd.	Accessories	196,014	196,014	-	-
105	S & A Trims and Tags	Accessories	241,323	241,323	-	-
106	S.B Knit Composite	Sub-contract	1,690,000	1,690,000	-	-
107	Sans Packaging and Accessories Industries Ltd.	Accessories	327,806	327,806	-	-
108	Serkon Pazarlama Ve Disticaret Ltd.	Accessories	1,628,299	1,628,299	-	-
109	Shima Sheiki Mfg.Ltd.	Machinery	44,126,745	-	44,126,745	-
110	Shinest Button	Accessories	267,908	267,908	-	-
111	Shining Moon Trims Ltd.	Accessories	169,499	169,499	-	-
112	Siam Computerized Elastic Inds. Ltd.	Accessories	3,985,979	3,985,979	-	-
113	SIM Fabrics Ltd.	Accessories	461,573	461,573	-	-
114	SML Packaging Solutions BD Ltd.	Accessories	234,090	234,090	-	-
115	Sportking Synthetics	Yarn	4,794,800	4,794,800	-	-
116	Square Textile Ltd.	Yarn	734,305	734,305	-	-
117	Sunshine Accessories MFC BD Ltd.	Accessories	210,743	210,743	-	-
118	T & T Industries Corporation	Chemicals	2,477,540	2,477,540	-	-
119	Takwoa Accessories.	Accessories	838,667	838,667	-	-
120	Techstar Packaging (BD) Ltd.	Accessories	426,652	426,652	-	-
121	Tex-R Accessories International	Accessories	244,187	244,187	-	-
122	Thanbee Print World Ltd.	Printing	606,200	606,200	-	-
123	The Partition Chemical Ltd.	Chemicals	3,353,131	3,353,131	-	-
124	Thermax Check Fabrics Ltd.	Accessories	498,960	498,960	-	-
125	TM Chemicals Ltd.	Chemicals	6,119,490	6,119,490	-	-
126	TUBINGEN CHEMICALS (BD) LTD.	Chemicals	5,509,549	5,509,549	-	-
127	Uniglory Button Ltd.	Accessories	787,603	787,603	-	-

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2019

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
128	Uniglory Packaging Industries Ltd.	Accessories	7,455,174	7,455,174	-	-
129	Uniglory Paper & Packing Ltd.	Accessories	5,902,068	5,902,068	-	-
130	Union Accessories Limited.	Accessories	156,647	156,647	-	-
131	Union Label and Accessories Ltd.	Accessories	1,747,275	1,747,275	-	-
132	Unitex Labels Ltd.	Accessories	202,074	202,074	-	-
133	Un-Tas Konf Mak San Ve Tic Ltd.	Accessories	3,697,034	3,697,034	-	-
134	Victoria Fashion Accessories Industries	Accessories	90,387	90,387	-	-
135	Vision Trade International	Consumable	263,060	263,060	-	-
136	Ware House Accessories (BD).	Accessories	259,845	259,845	-	-
137	Winda Technology Ltd.	Spare Parts	1,953,925	1,953,925	-	-
138	Winsome Yarn Ltd.	Yarn	1,183,242	1,183,242	-	-
139	World Energy CO., LTD.	Machinery	1,970,607	-	1,970,607	-
140	XIAMEN DECAL CHEMICAL TECHNOLOGY CO. LTD.	Chemicals	1,365,393	1,365,393	-	-
141	Yamato (Hong Kong) Co Ltd.	Machinery	47,985,360	-	47,985,360	-
142	Yamato Sewing M/C MFG Co. Ltd.	Machinery	9,496,209	-	9,496,209	-
143	Yester Accessories Company Ltd-	Accessories	244,290	244,290	-	-
144	YKK Bangladesh Pte Ltd.	Accessories	765,471	765,471	-	-
145	Yunusco T and A (BD) Ltd.	Accessories	134,640	134,640	-	-
146	Zhexiang Zhongda Xinli Trading Co. Ltd.	Accessories	3,662,395	3,662,395	-	-
147	Adury Knit Composite Ltd.	Accessories	1,846,148	1,846,148	-	-
148	Bhuyan Textile Mills	Accessories	1,274,787	1,274,787	-	-
149	Chaity Composite Ltd.	Accessories	1,344,861	1,344,861	-	-
150	Dird Composite Textiles Limited	Accessories	3,100,900	3,100,900	-	-
151	Explore Knitwear	Accessories	2,117,739	2,117,739	-	-
152	Kentucky Textiles Limited	Accessories	625,892	625,892	-	-
153	M/S. Noor Hosiery	Accessories	452,999	452,999	-	-
154	Rupashi Knitwears Ltd.	Accessories	3,555,455	3,555,455	-	-
155	S & Brothers Flat Knit Industry	Accessories	1,808,984	1,808,984	-	-
156	Sonali Fabrics & Textile Mills (PVT) Ltd.	Accessories	541,559	541,559	-	-
157	Tex Solution Services	Accessories	142,120	142,120	-	-
158	NAF Overseas (Pvt) Ltd.	Accessories	930,845	930,845	-	-
159	Zaheen Knitwears Ltd.	Accessories	3,983,415	3,983,415	-	-
Foreign Exchange Gain			(21,553,417)	(21,553,417)	-	-
Total			916,507,610	594,122,172	322,385,439	

SCHEDULE OF FINANCIAL ASSET AND LIABILITIES HELD IN FOREIGN CURRENCY

As at 30 June 2019

(Annexure-I)

SL #	Particulars	Amount (USD)	Amount (Euro)	Amount as per Bangladesh Bank rate (Taka)	As per Ledger (Taka)	(Gain)/Loss (Taka)
<u>Monetary Assets</u>						
1	Accounts Receivable	6,330,830	-	534,955,129	525,451,117	(9,504,012)
2	FBPAR A/C with DBBL-in USD	1,562,158	-	132,002,344	135,135,730	3,133,386
3	FBPAR A/C with DBBL -in Euro	1,627	1,627	156,288	139,531	(16,757)
4	Margin A/C with EBL-in USD	117,972	-	9,968,635	11,008,329	1,039,694
	Margin A/C with EBL -in EURO	-	761	73,053	69,959	(3,094)
5	DBBL FCAD-in Dollar	329,287	-	27,824,761	38,537,669	10,712,908
6	DBBL FCAD-in Euro	-	56	5,334	5,097	(237)
7	EBL FCAD in USD	4,109	-	347,192	296,008	(51,184)
		8,345,983	2,443	705,332,736	710,643,440	5,310,705
<u>Monetary Liabilities</u>						
9	DBBL-EDF	3,084,650	-	260,652,892	259,762,490	890,402
10	EBL-EDF	40,181	-	3,395,258	3,402,941	(7,683)
11	DEG Loan-II	750,000	-	63,375,000	39,450,000	23,925,000
12	Accounts Payable	10,846,244	-	916,507,610	938,061,027	(21,553,417)
		14,721,074	-	1,243,930,760	1,240,676,459	3,254,301
	Total	23,067,057	2,443	1,949,263,496	1,951,319,899	8,565,006

Conversion rate at closing rate

Euro	96.06
USD	84.50

30.06.19 Bangladesh Bank

ESQUIRE KNIT COMPOSITE LTD.

Esquire Tower, 21 Shaheed Tajuddin Ahmed Sarani (Old 30 Tejgaon Industrial Area), Tejgaon, Dhaka-I 208

PROXY FORM

I/We of **Esquire Knit Composite Ltd.** hereby appoint Mr./MS

..... as my proxy to attend and vote for me on my behalf at the **19th Annual General Meeting** of the company to be held on **Tuesday 28 January 2020 at 11.00 a.m. Trust Melonayaton, Beer Shrestho Shaheed Jahangir Gate, 546, Dhaka Cantonment Dhaka-1206** and at any adjournment thereof.

As witness my hand this day of 2020 signed by the said in presence of

.....
(Signature of the Proxy)
Date

Revenue
Stamp
Tk. 20.00

.....
(Signature of witness)

.....
Signature of the Shareholder(s)
Register BO ID.....
Dated

Form, duly stamped, must be deposited at the Registered Office/Corporate Office of the company not later than 72 hours before the time appointed for the meeting.

Signature verified

.....
Authorized Signatory



ESQUIRE KNIT COMPOSITE LTD.

Esquire Tower, 21 Shaheed Tajuddin Ahmed Sarani (Old 30 Tejgaon Industrial Area), Tejgaon, Dhaka-I 208

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my attendance at the 19th Annual General Meeting being held on **Tuesday 28 January 2020 at 11.00 a.m. Trust Melonayaton, Beer Shrestho Shaheed Jahangir Gate, 546, Dhaka Cantonment Dhaka-1206**

Name of Member/Proxy

Register BO ID holding of ordinary Shares of **Esquire Knit Composite Ltd.**

.....
Signature of Shareholder(s)

- N. B.
1. Please note that AGM can only be attended by the honorable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honorable shareholder or proxy cannot be allowed into the meeting.
 2. Please present this slip at the reception desk.

No gift, food and conveyance shall be given for attending the 19th Annual General Meeting of the Company as per rules.

A photograph of a dense forest with tall trees and vibrant green foliage. Sunlight filters through the canopy, creating a warm, golden glow. The foreground is filled with green grass and small white flowers.

better environment
better tomorrow

SAVE THE PLANET

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to find out more about the
company



ESQUIRE KNIT COMPOSITE LIMITED

REGISTERED OFFICE

Esquire Tower. 21 Shaheed Tajuddin Ahmed Sarani
Tejgaon I/A, Dhaka-1208 (new),
30 Tejgaon Industrial Area, Dhaka-1208 (old)

CORPORATE OFFICE

Ideal Trade Center, 102, Shaheed Tajuddin Ahmed Sarani
Tejgaon I/A, Dhaka-1208

PLANT

22/58, Kanchpur, Sonargaon, Narayanganj, Bangladesh
Email: info@esquirebd.com
Website: www.esquireknit.com