



BOARD'S  
**report**

*Dear Members,*

আসসালামু আলাইকুম, ওয়া রাহমাতুল্লাহি ওয়াবরকাতুহ।

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

### Results of our operations and state of affairs

Amount in BDT (million)

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



## Financial Position

Amount in BDT (million)

Particulars	Standalone		YoY growth %	Consolidated		YoY growth %
	For the year ended 30 June			For the year ended 30 June		
	2023	2022		2023	2022	
Non-current assets	9,173.04	8,857.15	3.57	11,000.65	9,319.98	18.03
Property, plant and equipment	6,480.08	6,432.00	0.75	6,694.94	6,509.71	2.85
Capital Work-in-progress	2,550.96	2,272.87	12.24	4,205.70	2,699.99	55.77
Investment in shares	142	152.28	(6.75)	100.00	110.28	(9.32)
Current assets	7,181.08	6,671.50	7.64	5,682.42	6,368.15	(10.77)
Inventories	3,599.86	3,738.21	(3.70)	3,625.29	3,746.16	(3.23)
Accounts receivables	632.64	1,297.56	(51.24)	782.75	1,311.12	(40.30)
Other receivables	38.55	4.15	828.92	38.55	4.15	828.92
Advance, deposite and prepayments	2,338.92	1,017.83	129.79	607.31	640.81	(5.23)
Investment	136.7	102.18	33.78	136.7	102.18	33.78
Cash and cash equivalents	434.41	511.57	(15.08)	491.82	563.73	(12.76)
Total assets	16,354.12	15,528.65	5.32	16,683.07	15,688.13	6.34
Shareholders' equity	8,857.40	8,811.17	0.52	8,809.51	8,796.76	0.14
Share capital	1,348.96	1,348.96	-	1,348.96	1,348.96	-
Non-controlling interest		-		(0.62)	0.27	(329.63)
Share premium account	1,086.65	1,086.65	-	1,086.65	1,086.65	-
Revaluation surplus	3,739.29	3,739.29	-	3,739.29	3,739.29	-
Retained earnings	2,682.50	2,636.27	1.75	2,634.67	2,621.58	0.50
Opening balance	2,636.27	2,487.33	5.99	2,621.58	2,481.38	5.65
Add: Net profit after tax for the year	117.77	327.49	(64.04)	84.63	318.76	(73.45)
Less: Cash dividend	71.54	178.55	(59.93)	71.54	178.55	(59.93)
Non-current liabilities	2,276.18	2,705.88	(15.88)	2,280.93	2,708.13	(15.77)
Non-current lease liabilities	-	-		0	-	
Other non-current liabilities	2,276.18	2,705.88	(15.88)	2,280.93	2,708.13	(15.77)
Current liabilities	5,220.54	4,011.60	30.14	5,592.63	4,183.24	33.69
Short term loan	3,341.82	2,173.86	53.73	3,476.68	2,307.89	50.64
Current portion of long-term loan	464.60	291.84	59.20	464.59	291.84	59.19
Current portion of finance lease obligation	4.28	5.05		9.3	9.64	(3.53)
Unclaimed Dividend	1.98	3.48	(43.10)	1.98	3.48	(43.10)
Accounts payable	974.13	1,185.40	(17.82)	1,166.18	1,192.57	(2.21)
Liabilities for expenses	433.73	351.97	23.23	473.89	390.94	21.22
Total equity and liabilities	16,354.12	15,528.65	5.32	16,683.07	15,688.13	6.34
Net asset value per share						
with revaluation reserve	65.66	65.32	0.52	65.31	65.21	0.15
without revaluation reserve	37.93	37.59	0.90	37.59	37.48	0.29

### Liquidity

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

As of 30 June 2023, we had BDT 1,960 million in working capital on a standalone basis, and BDT 90 million on a consolidated basis.

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

Consolidated cash and investments, on both standalone and consolidated basis, include deposits with banks and financial institutions with high credit ratings by domestic credit rating agencies. As a result, the liquidity risk of cash and cash equivalents is limited. Ratings are monitored periodically. Liquid assets also include investments in liquid ICL Unit Fund, Subsidiary Company, Associated Company, and Fixed Deposits with scheduled Banks in Bangladesh.

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



## Dividend

The Company recommended/declared dividends under

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

## Note

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

1. Recommended 10% cash dividend (excluding sponsors and directors) by the Board of Directors, at its meeting held on 30 October 2023. The payment is subject to the approval of the shareholders at the ensuing AGM of the Company to be held on 25 January 2024. The record date for the purposes of the final dividend will be 5 December 2023 and will be paid on 14 February 2024.
2. Payout ratio is computed as a percentage of Free cash flow prepared under IFRS

## Financial Performance and the State of the Company's Affairs

### Standalone

During the financial year ended 30 June 2023, the Company achieved a revenue of BDT 7,514.77 million as compared to the revenue of BDT 710,014.28 million recorded during the previous financial year ended 30 June 2022. The Company reported negative growth in revenue of (24.96%) during the financial year 2022.2023 from the previous financial year 2021-2022.

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

### Consolidated

During the financial year 2022-2023, our subsidiary company has continued its manufacturing activities on a limited scale (trial production basis) and has also exported its products. The audited financial statements of the subsidiary Company have been added to the audited financial statements of our company since the previous year. An audited consolidated financial report is prepared and is accompanied by an annual report for your information and consideration.

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

The Annual Reports along with the Audited Financial Statements (Consolidated and Separate) of the Company and its subsidiary are also available on the website of Company at [www.esquireknit.com](http://www.esquireknit.com).

## The Financial Position & Earnings of the Company per Share

### (Consolidated and Separate)

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

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

### A significant deviation in EPS, NAV and NOCFPS

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

##### EPS

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

##### NAV

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

##### NOCFPS

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

### Change in Capital Structure of the Company

The issued, subscribed, and paid-up share capital of the Company is BDT 1,348,958,330 divided into 134,895,833 ordinary shares of Taka 10.00 each. There were no changes in the Capital Structure of the Company during the financial year 2022-2023.

### Retained Earnings

The Company has transferred an amount of BDT 46.23 million to the Retained Earnings during the financial year ended 30 June 2023.

### Share Capital

The Authorized Share Capital of our Company as on 30 June 2023 stood at BDT 2,000.00 million divided into 200,000,000 ordinary shares of BDT 10.00 each. The Issued Share Capital of our company is BDT 1,348.96 million divided into 134,895,833 ordinary shares of BDT 10.00 each and the subscribed and paid-up Share Capital is BDT 1,348.96 million into 134,895,833 ordinary shares of BDT 10.00 each, fully paid-up.

### Credit Rating

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

### Particulars of Loans, Guarantees, and Investments

Details of the Loans are given and Investments made by our Company have been disclosed in Notes No. 18, 19, 20, and 6 of the notes to financial statements for the financial year ended 30 June 2023, which forms part of this Annual Report. Our company has not given any guarantee or provided any security during the year under review.

## Subsidiary

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

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

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

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

The Annual Reports along with the Audited Financial Statements of the Subsidiary Company are also available on the website of company at [www.eswireknit.com](http://www.eswireknit.com).







### Investment in Subsidiaries

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

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

### Nature and Capital Structure of the Subsidiary Company

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

### Financial Results of L' Esquire Limited

In the financial year 2022-2023, L' Esquire Limited started its manufacturing activities on a limited scale (trial basis) and has also exported its products. An audited separate financial report is prepared and is accompanied by an Annual Report for your information and consideration.

L' Esquire Limited earned revenue BDT of 463.99 million during the year 2022-2023 by exporting its lingerie products. During the financial year, the Company registered its Net Profit after Tax of BDT (33.48) million which was BDT (8.82) million during the corresponding year. The total assets of the Company stood at BDT 1,970.68 million as of 30 June 2023 from the assets at BDT 613.99 million as on 30 June 2022.

### Declaration of Dividend of L' Esquire Limited

The Board of L' Esquire Limited has not declared any dividend for the financial year 2022-2023. As the Company is now unable to start its commercial production and export.

### Consolidation of Accounts

The Audited Consolidated Financial Statements of our company for the financial year ended 30 June 2023, prepared in compliance with applicable rules by the Institute of Chartered Accountants of Bangladesh (ICAB).

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

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

### Withdrawal of investment from two associate Companies

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

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

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

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

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

### Overview

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

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

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

### Global Economy Overview

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

### Global Inflation

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

## Overview of Bangladesh Economy

### Macroeconomic Situation: Bangladesh Perspective

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

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

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

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

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

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

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

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



## Risk & Concern

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

## Financial Results

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

Amount in 'BDT'

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

## Key Performance Ratios

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

## Profit and its Appropriation

Directors propose the appropriation of profit as follows:

Amount in 'BDT'

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



### Contribution to the National Exchequer

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

### Company's Operation

Esquire Knit Composite PLC is a 100% export-oriented Company. It produces different types of Knit garments through its six units namely, knitting, fabric, printing, embroidery, industrial laundry, and garments units. Esquire Knit Composite PLC has over twenty-four years of experience and competency in the knit garments arena. The industry is one of the largest producers of knit garments in Bangladesh. Today it has one of the most sophisticated vertically integrated set-ups by which Esquire Knit is producing around 7,919,463 Kgs of Textiles and 26,223,683 Pcs of Apparel.

### Production Capacity & Utilization

Details of production capacity & utilization

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

### Capital Expenditures

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

Figure in 'million'

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

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

### Foreign Exchange Earned/Saved

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

“Amount in Taka”

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

### Capital Machinery

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

### Segment Information

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

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

### Disclosure of extra-ordinary Gain or Loss

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

### Capital Infusion

During the financial year 2022-2023, there was no equity capital infusion in the Company. The existing Paid-up capital of the Company is BDT 1,348,958,330. The Company declared no stock/bonus dividend in the last financial year; as a result, the paid-up capital of the Company stood at BDT 1,348,958,330.



### Disclosure Regarding Utilization of Proceeds from Public Issues (IPO), Rights Issues

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

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

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



## Risk Management

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

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

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

## The Risk Management Philosophy of o EKCPLC's are

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

## Human Resources

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

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

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

The breakdown of your Company's human resources is

### The period ended on 30 June 2023

Worker	5,594
Staff and officer	1,226

## Good Governance

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

## Related Party Transactions

During the financial year 2022-2023, all transactions with the related Parties as defined under the Act read with Rules framed thereunder, were in the ordinary course of business and at arm's length basis. Our company does not have a 'Material Subsidiary' as defined under the Regulation of the BSEC.

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

Since all Related Party Transactions entered into by our company were in the ordinary course of business and also on an arm's length basis, the details required to be provided do not apply to the company. Necessary disclosures required under the applicable rules have been made in Note

No. 32 of the Notes to the financial statements for the financial year ended 30 June 2023.

#### **Material Changes and Commitments Affecting Financial Position between the end of the Financial Year and the date of this Report**

Except for those disclosed in this Annual report, no material changes and commitments are affecting the financial position of the company between the end of the financial year ended 30 June 2023 and the date of this Report.

#### **Management**

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

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

The Managing Director is the Head of the factory and head office, including day-to-day operations of the business; he also oversees the Company's merchandising, procurement and production and directly reports to the Board.

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

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



## Audit and Auditors

### Appointment of Statutory Auditors

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

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

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

### Appointment of Compliance Auditors

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

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

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

## Audit Committee

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

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

## Significant and Material Litigations/Orders

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

## Appointment of Independent Directors

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

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

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

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

## Board of Directors, Board and Sub-Committee Meetings, Retirement and Re-election, Director's fees and Remuneration, Board Meeting and attendance and Key Managerial Personnel.

### Composition of the Board of Directors

Our Company's Board is duly constituted and is in compliance with the requirements of the Companies Act 1994, the listing Regulations and Provisions of the Articles of Association of the Company as well as comply with Corporate Governance Code 2018, issued by Bangladesh Securities and Exchange Commission. Our Board has been constituted with requisite diversity, wisdom, expertise and experience commensurate to the scale of operations of our Company.

The Board comprised Seven Directors including Managing Director and three Key Personnel as of 30 June 2023. Among the Directors, Mr. A.K.M Shamsul Areefin and Mr. Md. Mozammel Hossain, FCA are the independent Directors of the Company and Mr. Md. Mustafizur Rahman, Chief Financial Officer, Mr. Md. Monir Hossain, Company Secretary and Mr. Md. Rakibur Rahman, Head of Internal Audit & Compliance are the Board Member of the Company as per BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 for three years term.

**Board and Sub-Committee Meetings**

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

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

**Retirement and Re-election**

Mr. Md. Ehsanul Habib and Mr. Md. Muddasar Hossain, Directors of the Company, retire as per the Article of Association of the Company and being eligible offer themselves for re-election. A brief resume and other information of the above-mentioned Directors are depicted in the profiles of Directors page no 154.

**Director's Fees and Remuneration**

The Director who engaged in the Company's day-to-day operations is receiving remuneration and other benefits from the Company as disclosed in the Financial Statement at note 35 page no. 200. Non-Executive Directors including Independent Directors are paid only an attendance fee of BDT 10,000/- (BDT ten thousand) for attending per Board Meeting.



### Board Meetings and Attendance

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

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

### Key Managerial Personnel

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

### Committees of the Board

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

### Position of Directorship and the Chairmanship post Vacant

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



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

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

### Election of Chairman

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

### Declared as Non-Executive Directors

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

### Change the Company's Registered Name

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

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

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

### Code of Conduct

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

### Management Committee

The day-to-day Management of the Company is entrusted to the Managing Director and the Management Committee. The members of the Management Committee are jointly accountable for the entire management of the Company and decide on the basic issues of business policy and corporate strategies.

### Declaration by Independent Directors

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

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

### Compliance with Secretarial Standards

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



### Information on shareholders who hold above 10% of Shares

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

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

#### Company information:

As of 30 June 2023, the following directors or shareholders who hold 10% shares of our company have taken a loan or credit facility from the following financial and non-financial institution by keeping their share in lien or pledge or have pledged to other associate company to take loans:

Name of the Shareholders	BOID Number	Number of Shareholdings	Percentage of holding	Number of Share Pledge	Pledging status	Taking credit facility
Esquire Dyeing Industries Limited	1604420062000449	29,581,343	21.93%	29,581,343	Pledged entire holding	Bank Asia Limited
Mr. Md. Mofazzal Hossain	1604420062000612	28,791,667	21.34%	10,000,000	Pledged Part Holding	Community Bank Bangladesh Limited

**Shareholding information of the said Directors or Shareholders who have availed margin loan from the stockbroker or portfolio manager.**

#### Company information:

As of 30 June 2023, no Directors of our Company or any shareholders who hold 10% shares of our Company has not taken any margin loan from the stockbroker or portfolio manager against his/her share.

### Nomination and Remuneration Policy

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

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

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

#### Confirmation of Compliance on prevention of Sexual Harassment of Women at Workplace

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

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

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

### Gender Equality in the Workplace

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

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

### Going Concerned

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

### Communication with Shareholders

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

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

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

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

### Disclosure Regarding Variance between Quarterly Financial Performance & Annual Financial Statements

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





### Board's Statement to the effect that no bonus shares or stock dividend has been or shall be declared as an interim dividend

The Board of Directors of the Company declares that the Company (Esquire Knit Composite PLC) has not declared any interim cash dividend and bonus shares or stock dividends for the financial year under review.

### Minority Interests

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

### Unclaimed or undistributed or unsettled dividend

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

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

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

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

### Preference Share

We (the Management) are informing on behalf of the Company that as per decision of the 130th Board Meeting of the Company dated 21 December 2023, the decision of the Company to issue and offer 100,000,000 preference shares at a face value of BDT 10.00 each for an amount of BDT 1,000.00 million to finance the project expansion and relevant procurement of machinery (up to BDT 650.00 million) as well as redeeming high-cost Bank borrowing (up to BDT 350.00 million) with the intention of increasing the production capacity and reduce the financial cost, which is approved by the shareholders present at the 22nd Annual General Meeting of the Company as Special Business agenda.

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

### Declaration by Managing Director and CFO

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

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

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

### The Pattern of Shareholding

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

The shareholding pattern is shown as on 30 June 2023 as per BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

### Key Operating and Financial Data

The summarized Key Operating and Financial Data for 2022-2023 and the immediately preceding five years is provided in Annexure-III.

### Management Discussion and Analysis

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

### Status of Corporate Governance Compliance Report

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

### Website

The Company maintains a website namely [www.esquireknit.com](http://www.esquireknit.com). All Disclosures, Audited Financial Statements, and Annual Reports are available from our company here.

### Business Ethics

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

All of our employees are instructed to behave decently during delivering their words & performing deeds based on Esquire knits ethical principles. We have designed our policy to hold our reputation as an excellent Company all the way through fantastic client servicing and ethical business dealings. This is how we manage our business and maintain high standards all the time.

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

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

### Health & Safety

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

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

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

## Future Goal

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

## Annexures forming part of this Report

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

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

## Acknowledgements

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

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

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

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

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

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



**Mrs. Piara Hossain**  
Chairman

Monday, Dhaka  
30 October 2023