



Esquire Knit Composite PLC



▶ **ANNUAL
REPORT**
2023-2024

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

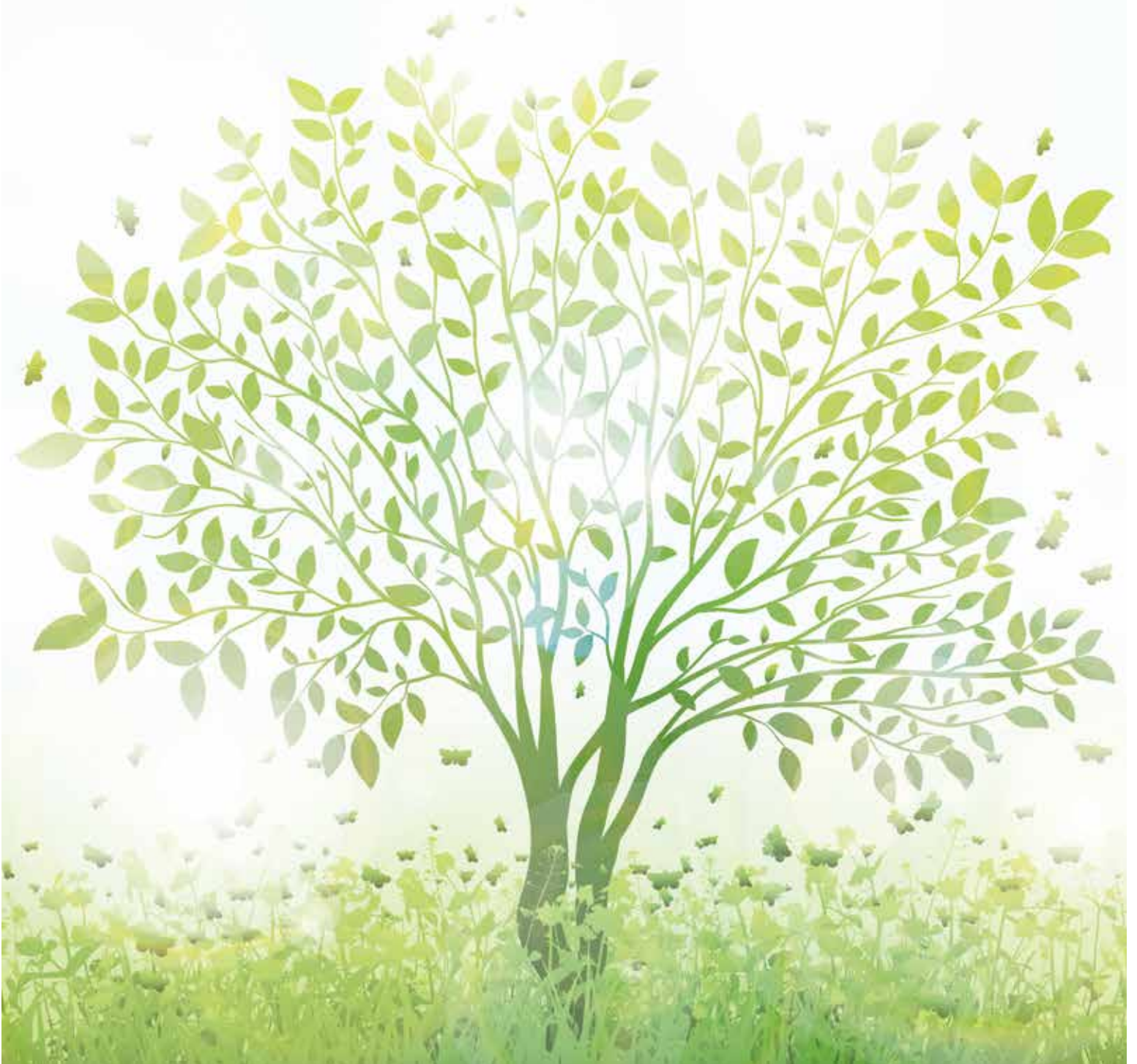


BHALUKA PROJECT

Jamiredia, Bhaluka, Mymensingh, Bangladesh



BEING SOCIALLY RESPONSIBLE
FOR A SUSTAINABLE
ENVIRONMENT, ESQUIRE KNIT
HAS A MISSION OF BECOMING
A GREEN COMPANY



Group Profile

company overview

THE STORY OF THE LEADING BUSINESS GROUP IN BANGLADESH IS ONE OF THE STORIES OF THE ESQUIRE GROUP. THE GROUP BEGAN TRADING IN ELECTRONICS PRODUCTS IN THE EARLY 1977s. THE GROUP ENTERED THE FIELD OF MANUFACTURING WITH THE ESTABLISHMENT OF TODAY'S ICONIC NAME ESQUIRE KNIT COMPOSITE PLC (THE COMPANY) IN THE YEAR 2000.

The Company was incorporated on 16th February 2000 in Bangladesh as a private Company with its liability limited by shares. It was converted into a public limited Company on 22nd January 2015. The Company was listed on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 22nd February 2019 and trading began on 19th April 2019.



The above is summarized as follows:

ESQUIRE ELECTRONICS LIMITED

*Incorporated in 1989
(electronics products importer and trader)*

ESQUIRE DYEING INDUSTRIES LIMITED

*Incorporated in 1993
(100% export-oriented dyeing industries)*

ESQUIRE KNIT COMPOSITE PLC

*Incorporated in 2000
(100% export-oriented composite knit factory)*

L' ESQUIRE LIMITED

*Incorporated in 2019
(100% export-oriented ready-made garment factory)*

THAKRAL INFORMATION SYSTEMS PRIVATE LIMITED

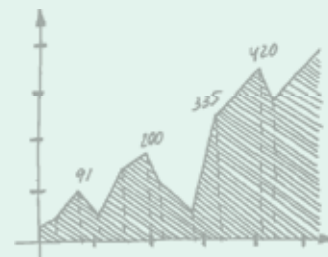
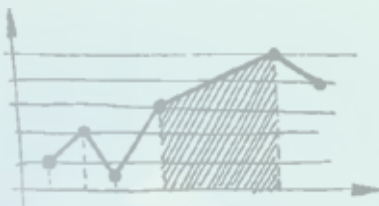
*Incorporation in 1998 with Joint Venture
(distribution and services in information technology)*

ESQUIRE ACCESSORIES LIMITED

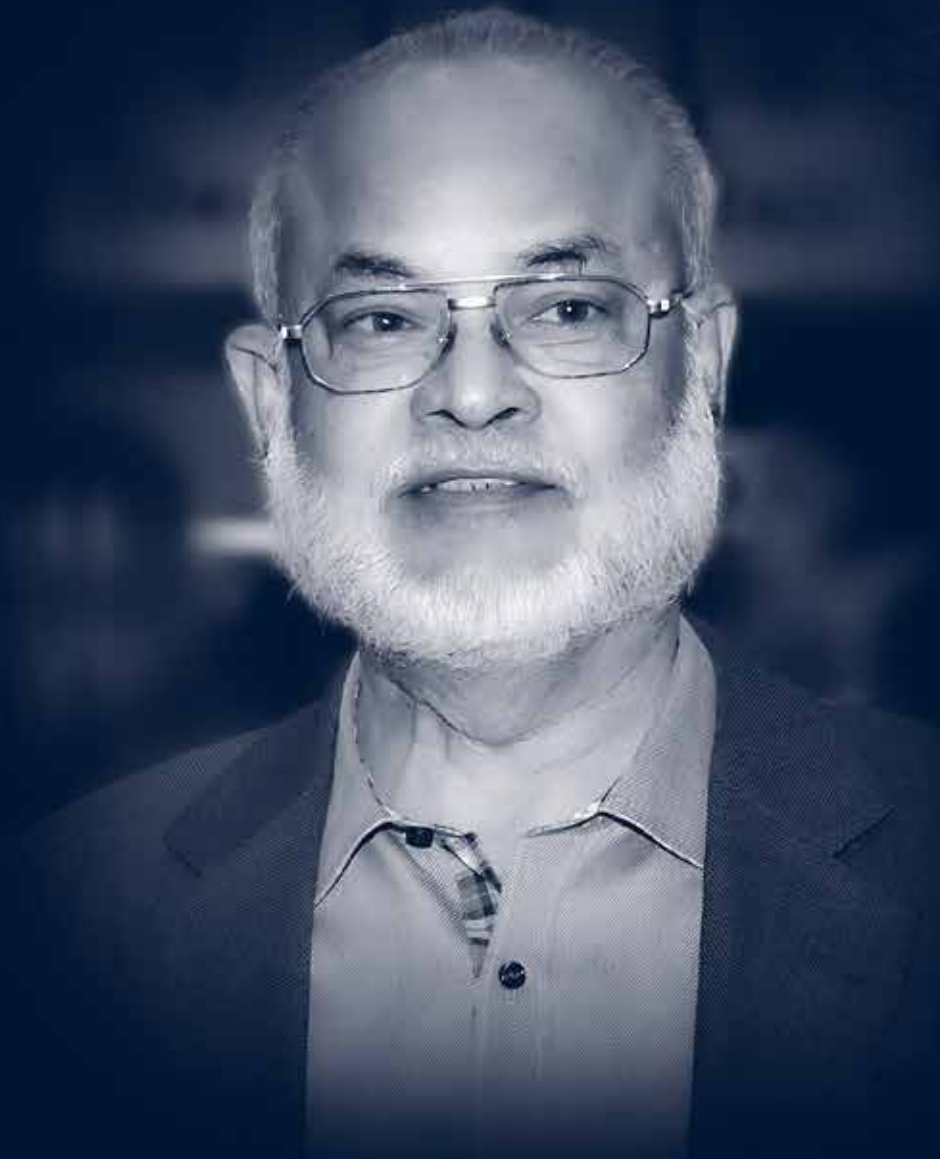
*Incorporated in 2006
(100% export-oriented garment accessories factory)*

ESQUIRE PLASTICS LIMITED

*Incorporated in 2014
(100% household plastic products manufacturer)*



The founder



MD. MOFAZZAL HOSSAIN
FOUNDER CHAIRMAN OF ESQUIRE GROUP
(1946-2023)

Our Commitment to Esquire Knit

WE HEREBY COMMIT TO ESQUIRE KNIT COMPOSITE PLC THAT:



We **will fulfil** all our responsibilities with integrity, passion, and ownership.



We **will treat** our fellow employees and business partners with respect.



We **will demonstrate** quality and strive for excellence through all our actions.



We **will support** every team member and ensure that we together will make our Company, a great organization.



We **will maintain** a strong relationship with all our stakeholders and support their views.



We **will build** an environment-friendly and socially responsible Company.



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This is Esquire Knit



SWOT analysis



SWOT ANALYSIS IS A USEFUL TECHNIQUE FOR UNDERSTANDING A COMPANY'S STRENGTHS AND WEAKNESSES AND IDENTIFYING OPPORTUNITIES AND THREATS. SWOT ANALYSIS HELPS US CREATE A STRONG BUSINESS STRATEGY BY ENSURING THAT WE CONSIDER ALL THE STRENGTHS AND WEAKNESSES OF OUR BUSINESS, AS WELL AS THE OPPORTUNITIES AND THREATS IT FACES IN A MARKETPLACE.



Strengths

Strong Image and Branding

Well-experienced Board of Directors and Management

Management is committed and confident

Superior product performance vs competitors

Product innovations ongoing in own design studio

Research facilities for the development of product quality

Well-established relationships with our customers

Competent, well experienced and loyal staff and workers

Technologically advanced – state-of-the-art plant and machinery

Composite factory from yarn to made-ups

Cordial relationship with the workforce

Coherent quality control measures at the manufacturing facilities

Being socially responsible for a sustainable environment, Esquire Knit has a mission of becoming a Green Company

Holds a reputation for being a quality apparel manufacturer in the international market

Well-designed and proper waste management system consists of an effluent water treatment plant and steam recovery process



Weaknesses

Dependence on a few customers

Linked with global economic trend

Highly labor-intensive industry

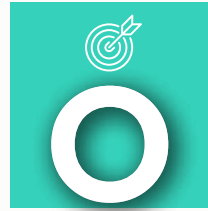
Labor productivity is very low

Higher utility requirements and cost

Higher Bank interest

Current High Debt Leverage

Multiple Locations



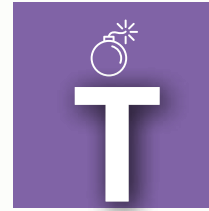
Opportunities

Esquire Knit can explore opportunities for product diversification to meet the evolving demands of the global market

Adopting advanced technologies can enhance efficiency and productivity in the manufacturing process

Exploring new markets and forming strategic alliances can open up avenues for growth

Support of supplier in material sourcing



Threats

Global economic downturns in major consumer countries can impact the demand for RMG product

Intense competition in the global garment industry and other low-cost manufacturing countries poses a threat

Events like natural disasters or geopolitical tensions can disrupt the supply chain and impact production

Rise in the price of raw materials

Political unrest situation in the country

Fear of some extreme action by dominating nations

Shortage of financial support

Irrational taxation policies

Energy shortage affecting production and its cost

Unfortunately, labor dissatisfaction

Changes in trade policies and tariffs in key markets can affect the industry's competitiveness

Strikes, unrest, or changes in labor laws can disrupt the workforce and production

Decrease of global demand

Exchange Rate Parity



Core Object

Mission

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

Vision

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

Core Values

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

Commitment to Product Quality

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

Customer Satisfaction

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

Public Focus

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

Accountability

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

Corporate Social Responsibilities

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

Business Ethics

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

Reliability

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

Green Environment

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

Innovation

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

Financial Spread sheet ANALYSIS

FOR FIVE YEARS OF AUDITED FINANCIAL STATEMENTS

Particulars	30-Jun-24		30-Jun-23		30-Jun-22		30-Jun-21		30-Jun-20	
	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets	Amount (BDT)	% on Total Assets
Non-current Assets	9,038,712,651	52.18	9,173,042,782	56.09	8,857,148,816	57.04	8,342,503,179	55.76	5,538,701,226	46.28
Property, plant and equipment	6,216,583,381	35.89	6,480,082,550	39.62	6,432,000,664	41.42	6,511,975,328	43.53	4,675,599,621	39.07
Capital Work in Process	2,770,129,270	15.99	2,550,960,233	15.60	2,272,873,152	14.64	1,682,752,850	11.25	715,326,604	5.98
Investment in shares	52,000,000	0.30	142,000,000	0.87	152,275,000	0.98	147,775,000	0.99	147,775,000	1.23
Current Assets	8,284,881,093	47.82	7,181,081,813	43.91	6,671,497,178	42.96	6,618,709,277	44.24	6,429,251,222	53.72
Inventories	3,722,575,650	21.49	3,599,858,687	22.01	3,738,209,728	24.07	3,392,689,572	22.68	3,099,843,476	25.90
Accounts receivables	1,544,532,346	8.92	632,365,842	3.87	1,297,557,977	8.36	1,236,543,152	8.26	470,602,348	3.93
Other receivables	71,501,406	0.41	38,551,047	0.24	4,146,703	0.03	3,818,089	0.03	13,504,400	0.11
Advance deposit and payment	2,374,264,472	13.71	2,338,918,719	14.30	1,017,833,764	6.55	1,210,102,389	8.09	858,868,308	7.18
Investment	118,134,276	0.68	136,704,117	0.84	102,180,441	0.66	98,507,093	0.66	260,034,065	2.17
Cash and cash equivalents	453,872,943	2.62	434,413,402	2.66	511,568,565	3.29	677,048,982	4.53	1,726,398,625	14.43
Total Assets	17,323,593,744	100.00	16,354,124,596	100.00	15,528,645,994	100.00	14,961,212,455	100.00	11,967,952,449	100.00
Equity & Liabilities										
Shareholders' Equity	8,928,083,092	51.54	8,857,403,770	54.16	8,811,173,323	56.74	8,769,762,527	58.62	6,827,436,988	57.05
Share capital	1,348,958,330	7.79	1,348,958,330	8.25	1,348,958,330	8.69	1,348,958,330	9.02	1,348,958,330	11.27
Minority interest	-	-	-	-	-	-	359,823	0.00	-	-
Share premium account	1,086,653,150	6.27	1,086,653,150	6.64	1,086,653,150	7.00	1,086,653,150	7.26	1,104,070,338	9.23
Revaluation surplus	3739289135	21.58	3,739,289,135	22.86	3,739,289,135	24.08	3,857,804,160	25.79	1,986,590,489	16.60
Retained earnings	2753182477	15.89	2,682,503,155	16.40	2,336,272,708	15.04	2,475,987,064	16.55	2,387,817,832	19.95
Non-Current Liabilities	2,327,236,786	13.43	2,276,181,242	13.92	2,705,875,205	17.43	2,691,517,822	17.99	2,495,243,627	20.85
Deferred Tax liabilities	280,266,175	1.62	285,544,999	1.75	277,513,981	1.79	277,800,049	1.86	191,187,753	1.60
Long term loan net off current maturity	2,046,970,611	11.82	1,990,636,243	12.17	2,427,474,711	15.63	2,410,210,984	16.11	2,275,685,650	19.01
Finance lease obligation net off current maturity	-	-	-	-	886,513	0.01	3,506,788	0.02	28,370,223	0.24
Current Liabilities	6,068,273,865	35.03	5,220,539,583	31.92	4,011,597,466	25.83	3,499,932,107	23.39	2,645,271,834	22.10
Short term loan	4,616,632,172	26.65	3,341,819,932	20.43	2,173,862,378	14.00	1,479,436,051	9.89	984,070,652	8.22
Current portion of long term loan	451,069,640	2.60	464,594,631	2.84	291,839,388	1.88	638,302,027	4.27	465,013,712	3.89
Current portion of finance lease obligation	18,322,174	0.11	4,282,137	0.03	5,049,509	0.03	8,461,764	0.06	13,515,944	0.11
Unclaimed dividend	2,371,333	0.01	1,983,588	0.01	3,475,908	0.02	4,176,706	0.03	-	-
Accounts payable	510,719,411	2.95	974,131,816	5.96	1,185,400,836	7.63	1,008,849,576	6.74	866,491,799	7.24
Liabilities for expenses	469,159,136	2.71	433,727,480	2.65	351,969,446	2.27	360,705,982	2.41	316,178,727	2.64
Total Equity & Liabilities	17,323,593,744	100.00	16,354,124,596	100.00	15,528,645,994	100.00	14,961,212,455	100.00	11,967,952,449	100.00

DIVIDEND

Financial year	Declared dividend	Total dividend
2023-2024	10% Cash	BDT 71.54 million
2022-2023	10% Cash	BDT 71.54 million
2021-2022	10% Cash	BDT 71.54 million
2020-2021	15% Cash	BDT 202.34 million
2019-2022	15% Cash	BDT 202.34 million
2018-2019	15% Cash	BDT 202.34 million

AVERAGE DIVIDEND

12.50%

Our Company has declared an average dividend of 12.50% since listing from its net profit after tax. This average is six years average from the 2018-2019 financial year.

AVERAGE PAYOUT

54.79%

Since listing, our Company's average dividend payout ratio has been 54.79%. This average is six years average from the 2018-2019 financial year.

About this report

This is Esquire Knit's 24th Annual General Meeting

Over the last 24 years, Esquire Knit has stayed true to the founders' vision—to earn the respect of our stakeholders. It is no wonder that a holistic appreciation of progress, inclusive of the universe of stakeholders, from clients to communities, employees, suppliers, investors, and the government, has continued to inform our collective efforts and results since inception.

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

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

Reporting frameworks	Reporting boundary	Reporting Period	Management responsibility statement
<p>The financial statements and statutory disclosures including the Board's Report, Management Discussion and Analysis (MDA), and Corporate Governance Report are presented in conformance to the requirements of the Companies Act, 1994 (and the rules made thereunder), Bangladesh Financial Reporting Standards (BFRS), International Financial Reporting Standards (IFRS), the BSEC (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Code-2018 and Secretarial Standards issued by the Institute of Chartered Secretaries of Bangladesh. The non-financial section is guided by the Standard Reporting framework.</p>	<p>The financial metrics and information presented in the 2023-2024 financial year Integrated Report pertain to Esquire Knit Composite PLC, including its business operation and subsidiaries. The Company's non-financial disclosures are limited to the Company's operation in Bangladesh unless otherwise specified in relevant sections.</p>	<p>The report covers the financial and non-financial performance of the Company and its subsidiary from 1st July 2023 to 30th June 2024.</p>	<p>The Management of Esquire Knit acknowledges its responsibility to ensure the integrity, transparency and accuracy of information presented in the Integrated Report. The Management also confirms that the report addresses all business-critical material issues about the organization and its stakeholders, and communicates the organization's ability to pursue prospects and mitigate risks.</p>

REPORTING ELEMENT ASSURANCE STATUS

Reporting Element	Assurance Status
Financial Information	The Company presented the audited financial statements by Pinaki & Company, Chartered Accountants.
All other non-financial performance information	Internally verified and assured by the Company's Management and maintained International Reporting Standards.
Compliance with the Corporate Governance	The Company presented the audited compliance with the corporate governance code by M/s. Chowdhury Bhattacharjee & Co. in the report.

Objectives & Strategies

Our primary objective is to deliver a satisfactory return to shareholders

Objectives

We are committed to delivering sustainable excellence in business performance by focusing on the following:

1. Be the apparel industry leader of the Country;
2. Be innovative in fashion;
3. Manufacture premium products to meet the customer requirements;
4. Create new opportunities for business growth and diversification;
5. Maintain operational, technological and managerial excellence;
6. Be an environment-friendly and socially responsible Company;
7. Benefit our Shareholders;
8. Maintain and make Esquire Knit's position as a foreign currency earner of the Country.





Strategies

1. Improving HR policies and practices enabling hiring and retaining competent individuals on competitive remuneration, thus ensuring willingness to work and quality output;
2. Prioritizing female worker force in certain areas to benefit from their acumen and dedication;
3. Leading through innovation both by the technology acquisition and phased-out balancing;
4. Adding facilities essential to our business and eliminating capacity imbalance thus improving smooth supply and reducing production cost;
5. Adding new product range to our customers;
6. Diversification of products is the core strategy. The Company focuses on fulfilling the requirements of different customers in line with the latest fashion trends;
7. Invest in the state-of-the-art machinery to ensure quality;
8. Nurturing creative talent and skills in relevant human resources who can visualize and create new fashion trends;
9. Strong quality management system to ensure that products not only meet the customer's requirements but are also safe for use both by adults and children;
10. Creating shareholder value by securing the highest growth rates in terms of sales and earnings per share.

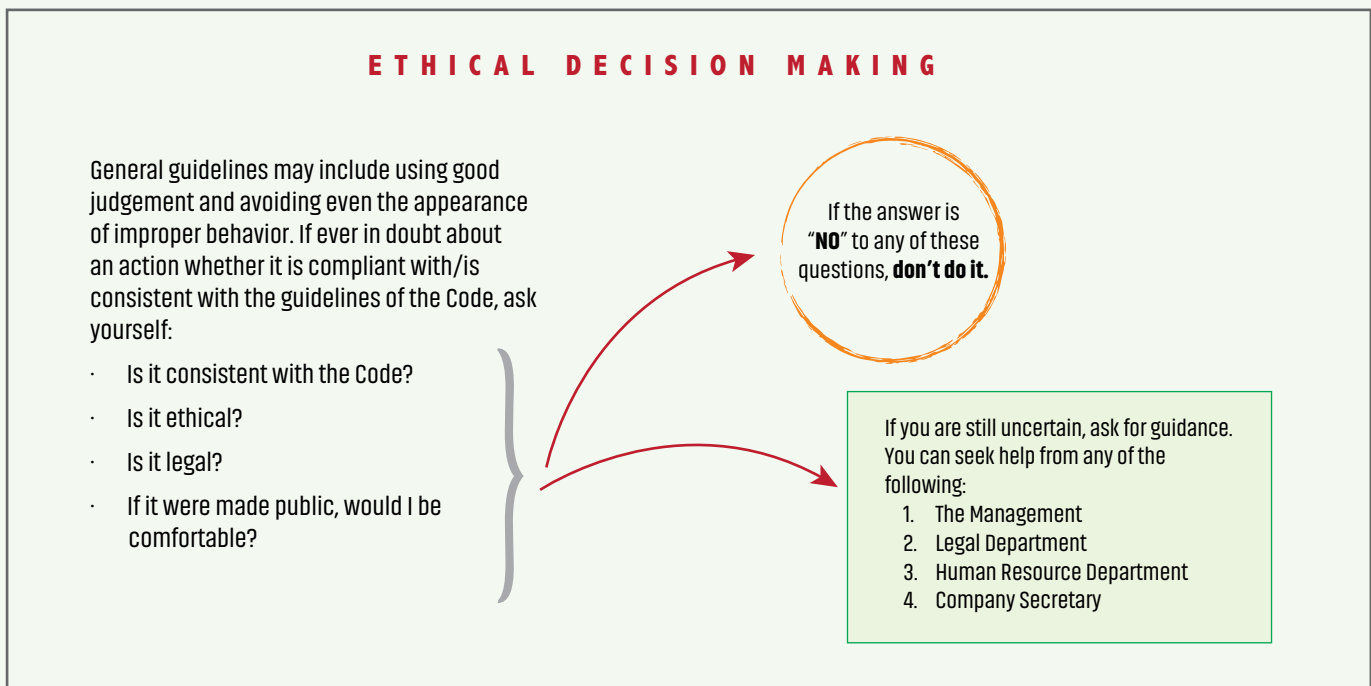
Tactics

1. Investing in state-of-the-art machinery and the latest technology to ensure quality, higher output and lower wastage besides economies' cost of production;
2. Continuous improvement of systems and processes either by replacement or balancing, to enable greater output at minimum cost, especially in areas of utility consumption;
3. Ensure that the workforce is fully aware of the safety measures required while performing daily assigned jobs and/or in case of any emergency, thus avoiding accidents and creating a sense of a secure work environment;
4. Retain and develop a green environment;
5. Ensuring maximum recycling of waste, saving of energy and water and minimum possible carbon emissions;
6. Implement and upgrade periodically the Enterprise Resource Planning software to integrate all the operations of the Company, and reduce reliance on manual controls and reporting while ensuring data security and integrity.

Statement of Business conduct and ethics code

Our dealings with business partners, colleagues, shareholders, and the general public are based on good corporate culture.

The following statement of business conduct and ethics is the foundation of our business principles:



COMPLIANCE WITH LAWS, POLICIES AND PROCEDURES

1. Directors/employees shall not make, recommend or cause to be taken any action known or believed to violate any law, regulation, or corporate policy;
2. Directors/employees shall not make, recommend or cause to be made any expenditure of funds known or believed to violate any law, regulation, or corporate policy;

INTEGRITY AND RESPECT FOR OTHERS

1. Directors/employees shall conduct their activities with the highest principles of integrity, truthfulness, objectivity, and honor;
2. Directors/employees shall neither use their position to engage in unfair, deceptive or misleading practices nor shall they offer, promise or provide anything to a customer or supplier in exchange for an inappropriate advantage for himself or even for the Company;

3. Any person representing the Company to the third parties shall not allow himself/herself to be placed in a position in which an actual or apparent conflict of interest exists;

CONFIDENTIALITY

1. Directors/employees shall not use or disclose the Company's business secrets, proprietary information, or any other confidential information gained in the performance of duty;
2. Every employee must be cautious and discreet when using information categorized as "classified" or "confidential-restricted access." Such information should be shared only with the Company's employees who have a legitimate "need to know." Outside parties should have access to such information only if they are under binding confidentiality agreements and have a "need to know";
3. Similarly, when handling sensitive information that has

been entrusted to our Company by others, we must always treat it with the maximum care. Doing so can protect the Company from potential liability.;

4. We must also comply with all laws, regulations, and contractual commitments regarding the valid and enforceable intellectual property rights of third parties, including patents, copyrights, trade secrets, and other proprietary information.

AVOIDING CONFLICT OF INTEREST

It is always expected from every director/employee to act in the best interests of the Company. This means that business decisions should be made free from any conflict of interest. They should also appear impartial. Decisions must be made on sound business reasoning.

1. Directors and employees and their close relatives must never;
 - a. Compete against the Company;
 - b. Use their position or influence to secure an importer's benefit for themselves or others;
 - c. Use Company information, assets or resources for their personal; gain or the unauthorized benefit of others;
 - d. Take advantage of inside information;
2. It is also a conflict of interest for a director or employee to give or receive gifts or cash in any amount to or from people or companies doing or seeking to do business with the Company. Therefore, we must not:
 - a. Accept fees or honoraria in exchange for service provided on behalf of the Company;
 - b. Provide or accept gifts or entertainment from anyone doing or seeking business with the Company or any of its affiliates. Generally, modest forms of gifts and entertainment (like souvenirs of the Company or magazines and lunch/dinner in connection with performing their duties to the Company) received from vendors are acceptable and do not create a conflict of interest. Consult with the legal department to learn about the guidelines.

INSIDER TRADING

1. It is illegal to purchase or sell securities of the Company if you have "material nonpublic information" concerning the Company;
2. If anybody engages in insider trading then he/she will face disciplinary actions including significant civil and criminal penalties.

COMPANY RECORDS AND INTERNAL CONTROLS

1. The Company's books and records must be prepared accurately and honestly, both by our accountants who

prepare records of transactions and by any of us who contribute to the creation of business records;

2. The Company shall maintain accounting records and issue financial statements as required by the local laws to ensure transparency of information on the Company's financial performance;
3. Reliable internal controls are critical for the security of the Company's assets, proper, complete and accurate accounting, and financial reporting. Everyone must understand the internal controls relevant to his/her position and follow the policies and procedures related to those controls. Everyone is encouraged to talk to their managers or supervisors immediately if ever in doubt that control is not adequately detecting or preventing inaccuracy, waste, or fraud;
4. Audits performed by internal and external auditors help ensure compliance with established policies, procedures, and controls. Audits also help identify potential weaknesses so these may be fixed promptly. Everyone is required to cooperate fully with internal and external auditors. This means always providing clear and truthful information and cooperating fully during the audit process;
5. Engaging in any scheme to defraud anyone — of money, property or honest services — violates the Company's policy and carries severe penalties. These consequences apply to all dishonest or fraudulent activities, including misusing or stealing assets. The Company relies on its internal controls and the personal integrity of all its directors, employees and contractors to protect assets against damage, theft and other unauthorized use.

DEALING WITH VARIOUS STAKEHOLDERS

Every business unit or section of the Company shall follow policies and procedures which are consistent with the Code while dealing with different stakeholders.

1. Customers

- a. Treat customers fairly and honestly.;
- b. Provide high standards of services and quality products;
- c. Operate effective complaint processes to deal with situations where these standards are challenged;
- d. Aim to provide and promote a range of products and services that meet customer requirements and needs;
- e. Maintain the confidentiality of customer information, except where the law requires/permits disclosure, or the customer has given prior written consent.

2. Employees

- a. The Company has maintained a suitable working environment that provides appropriate training, transparent career growth opportunities and competitive remuneration packages including benefits that are also in compliance

Statement of Business conduct and ethics code

with the employment-related laws and regulations of Bangladesh as well as other relevant countries;

- b. It is ensured that all the values and standards required by our business practices are communicated to each employee.
- c. Provide a clean, healthy and safe work environment, stressing the obligation of all employees to take every reasonable precaution to avoid injury to themselves, colleagues and members of the public;
- d. Provide appropriate facilities to fulfil the needs of special employees;
- e. The Company follows the laws that prohibit discrimination in employment practices. It is the Company's policy to provide equal employment opportunities and to treat applicants and employees without bias. It is our policy that no one is ever subject to discrimination based on:
 - Race
 - Religion
 - Color
 - National origin
 - Age
 - Sex
 - Disability
 - Personal/Political preference

3. Suppliers of Goods and Services

- a. Encourage dealing with those suppliers/vendors who operate with values and standards similar to those of the Company;
- b. Work together with suppliers /vendors following the laws and policies to improve all aspects of performance;
- c. Agree with terms of payment when orders for goods and services are placed and pay following those terms;
- d. No one shall engage in unfair, deceptive or misleading practices including receiving or demanding any favors or benefits from a supplier as an advantage for him to win a bid or contract.

4. Communities

- a. Contribute to the social and economic well-being of communities connected to the places of business of the Company;
- b. Encourage employees to participate in projects and initiatives for the welfare of these communities;
- c. Work and plan the operation of the business to minimize adverse environmental impact.

5. Competitors

- a. Conduct business under the Code and compete vigorously but honestly;
- b. Avoid disclosing any confidential information except as required by the law;
- c. The Company competes fairly and complies with all applicable competition laws wherever the Company operates. These laws often are complex and vary considerably from country to country. Penalties for violation can be severe. Therefore, directors/employees should seek legal advice.

6. Governments and Regulators

- a. Comply with all applicable laws, rules and regulations under which the Company operates;
- b. Maintain a constructive and open relationship with regulators to foster mutual trust, respect and understanding.

Credit Rating Report

Esquire Knit Composite PLC has been rated by the Credit Rating Agency of Bangladesh Limited (CRAB) based on Audited Financial Statements for the year ended 30th June 2024, 30th June 2023, 30th June 2022, 30th June 2021 and 30th June 2020 and Bank Liability position as on 29th October 2024 and other relevant as compiled from client & Banks. The summary of the rating is presented below:

Valid From	Valid Till	Company Rating	Long Term Rating	Short-Term Rating (funded & non-funded)	Outlook
13th November 2024	25th November 2025	AA3	AA3	ST-3	Stable
15th November 2023	25th October 2024	AA3	AA3	ST-3	Stable
20th November 2022	25th October 2022	AA3	AA3	ST-3	Stable
5th December 2021	25th October 2022	AA3	AA3	ST-3	Stable

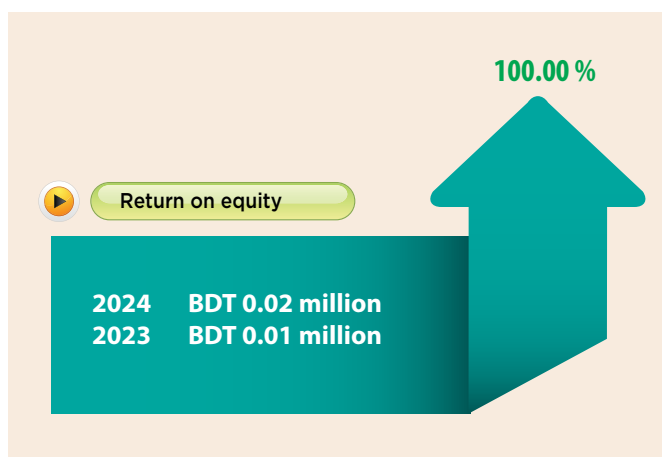
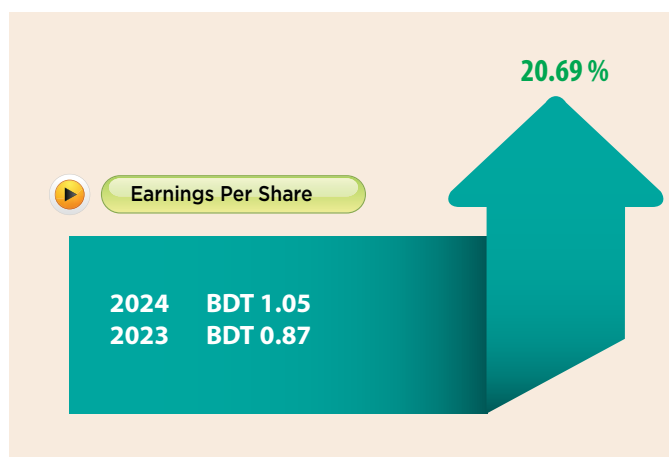
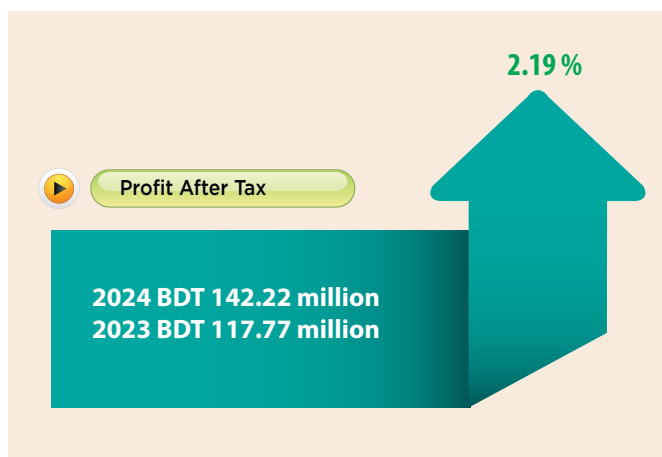
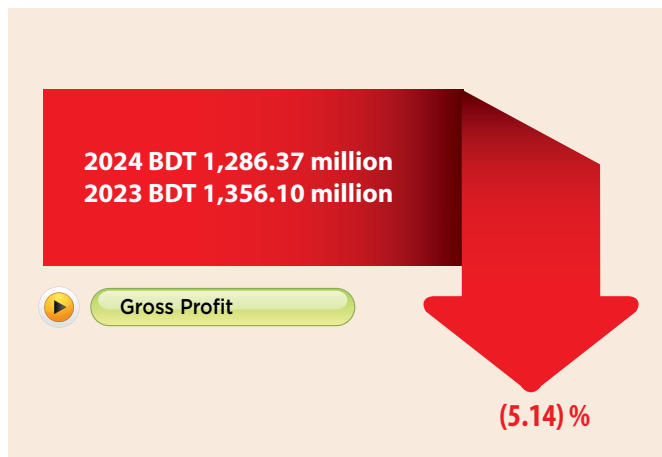
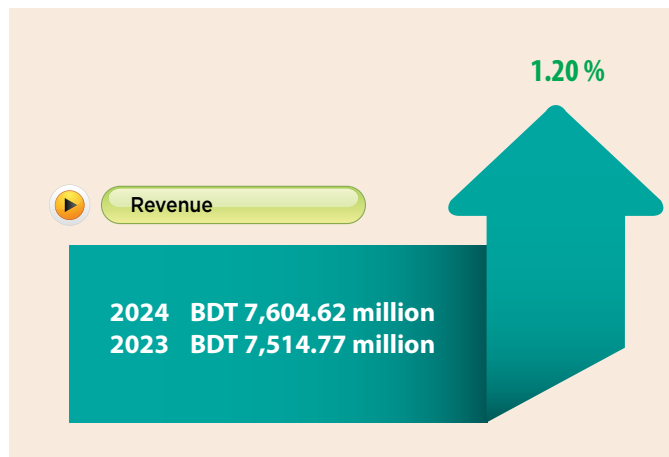
Means of

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

Key Performance indicators

Financial Performance Indicators

Objective: Increase shareholder's wealth



Non-financial performance indicators

I. INTERNAL EFFICIENCY AND EFFECTIVENESS

Objective: Promote the Company's image by working ethically.

<p>Compliance with local laws</p> <p>The Company complies with all applicable laws and regulations and has good working relationships with Regulators and Government Authorities.</p>	<p>Compliance with policies and procedures</p> <p>The Company has policies and procedures to run the business effectively and a robust system to monitor effectiveness.</p>	<p>Zero tolerance against unethical practices</p> <p>The Company has maintained a zero-tolerance policy against unethical practices such as harassment, fraud, misappropriation and serious violation of any policy.</p> <p>Objective: Achieving production efficiencies.</p>
<p>Reduction in cost of manufacturing</p> <p>During the year the Company's management continued to focus on reducing operational costs in all aspects of running the Company including replacing old machines and technology, inventory management, appointing trained manpower, and waste control.</p>	<p>Certifications from independent Organizations for quality management</p> <p>Our product quality, creativity and innovation make our Company one of the best companies. The Company has been awarded and certified in the areas of environment and product quality. We will continue to undertake this activity unless we are confident that our team has been aligned with the buyer's mind and requirements.</p>	

II. LONG-TERM DEVELOPMENT AND INNOVATION

Objective: To be the industrial leader

<p>Technological Advancement</p> <p>The Company is continuously investing in the modernization of its production facilities by adding the latest machinery to produce goods without compromising on their quality with the reduction in environmental footprint. During the year, the Company has modernized and upgraded its machinery and processing facilities.</p>	<p>Product development and diversification</p> <p>The Company is continuously engaged in product research and development.</p>	<p>Update MIS</p> <p>The Company has successfully introduced an upgraded ERP system resulting in timely reporting and better resource planning.</p>
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Sustainability

Report

“Above all, we believe that for tomorrow’s enduring businesses, sustainability will be about making money by meeting real and fundamental human needs.”

While sustainability is about the future of our society, for today’s industries and businesses, it is also about commercial success. The mandate to transform businesses to respect environmental limits while fulfilling social wants and needs has become an unparalleled platform for innovation in strategy, design, manufacturing and brand, offering massive opportunities to compete and adapt to a rapidly evolving world.

This is a big challenge, and not just for business and economics. It calls for a massive social, political, technological, cultural and behavioral transition. To achieve this transformation, we need the business’s capacity to innovate and execute, meeting market needs swiftly, effectively and on a global scale. This will mean managing for the long-term as well as the short-term, developing strategies that balance competition and cooperation, designing and delivering products and services that meet social and environmental needs for the international market, and shifting to more resilient business models based on closed-loop, open-source, peer-to-peer or service-based principles incorporating the true costs of environmental and social resources, and seeing transparency and collaboration as sources of competitive advantage.

For these businesses, sustainability means not only eco-efficiency but also eco-effectiveness. Sustainability

is absolutely about marketing and branding – when that means identifying market needs based on long-term prosperity and creating tribes of sustainable consumers. Sustainability must be about ‘greening’ – because businesses and communities depend on healthy, productive ecosystems. Sustainability can also encompass corporate philanthropy – when that philanthropy is strategic. Above all, we believe that for tomorrow’s enduring businesses, sustainability will be about making money by meeting real and fundamental human needs.

As a socially responsible entity, Esquire Knit Composite PLC (the Company) recognizes its duty towards the safety and protection of the environment. Safeguarding the environment for the human race is of utmost importance to the Company. The Company’s Sustainability Policy provides guidelines for maintaining coherence to conduct nature-friendly practices. This report updates the stakeholders about the steps taken by the Company to ensure compliance.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

The Company contributes to national growth by sharing its revenues in the form of taxes, rates and duties and exports also contribute towards improving foreign reserves.

WOMEN EMPOWERMENT

The Company believes women make the most of every opportunity that comes their way, therefore the management has proudly stepped up to bring a change in society by introducing numerous Women’s Empowerment programs. These include aiding a Pita festival, Pahela Baisakh, May Day and Women’s Day in Esquire Knit Composite PLC.

CONSERVATION OF RESOURCES

Bangladesh is facing a severe energy crisis and efforts to increase power generation are yet to fully materialize. This resulted in load-shedding and power shutdowns in all the sectors whether Industrial or Residential. Considering the importance of energy and water to cater for energy and water needs, the Company has been heavily investing in power generation which includes the installation of turbines, fuel-efficient generators and the addition of energy-efficient machines to our various manufacturing units, as well as using and converting to processes and machinery that require less water consumption. Every decision of machine acquisition involves due consideration for energy savings and conservation.

SOLAR POWER GENERATION

As part of green initiatives, the

Company has installed a 539 KW Solar Power project in the 2023-2024 financial year on the Bhaluka Project site.

POLLUTION PREVENTION AND CONTROL

The Company recognizes the significance of pollution prevention programs in providing economic and environmental benefits and is actively reducing water usage and using efficient processing chemicals for cleaner production processes and pollution prevention measures.

TO CONTRIBUTE IN THIS AREA, OUR ACTIVITIES ARE:

- Using good quality surfactants and avoiding using less-degradable surfactants (in washing and scouring operations).
- Using transfer printing for synthetics and water-based printing pastes to reduce and control water and chemical (dyes) usage.
- Using Dyeing Pad Steam which helps to reduce water and energy consumption. Using jet dyers instead of winch dyers to reduce water consumption.
- Avoid the use of benzidine-based azo dyes and dyes containing cadmium and other heavy metals.
- Avoid using chlorine-based dyes.
- Recovering and reusing process chemicals and dye solution.
- Using peroxide-based bleaches instead of Sulphur and chlorine-based in its processing process.

NANO DYE TECHNOLOGY

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

BANGLADESH PACT (PARTNERSHIP FOR CLEANER TEXTILES)

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

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

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

Financial highlights

Profit & Loss			2024	2023	2022	2021	2020	2019
Revenue	BDT	Million	7,604.62	7,514.77	10,014.28	7,905.84	5,000.52	5,919.58
Gross profit	BDT	Million	1,286.37	1,356.10	1,597.63	1,416.19	1,095.37	1,240.39
Operating profit	BDT	Million	195.98	213.47	337.11	337.75	558.92	666.75
Profit/Loss before tax	BDT	Million	219.15	229.13	398.22	365.36	323.13	443.39
Profit/Loss after tax	BDT	Million	142.22	117.77	327.49	301.86	266.00	383.61
Cash dividend	BDT	Million	71.54	71.54	71.54	202.34	202.34	202.34
Bonus share	BDT	Million	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet								
Property, plant and equipment	BDT	Million	6,216.58	6,480.08	6,432.00	6,315.58	4,675.60	4,487.34
Capital work-in-process	BDT	Million	2,770.13	2,550.96	2,272.87	1,671.58	715.33	690.94
Current assets	BDT	Million	8,284.88	7,181.08	6,671.50	6,319.37	6,429.25	4,970.53
Represented by								
Share capital	BDT	Million	1,348.96	1,348.96	1,348.96	1,348.96	1,348.96	1,348.96
Revaluation surplus	BDT	Million	3,739.29	3,739.29	3,739.33	3,739.29	1,986.59	1,986.59
Retained earnings	BDT	Million	2,753.18	2,682.50	2,636.27	2,487.33	2,387.81	2,324.16
Shareholders' equity	BDT	Million	8,928.08	8,857.40	8,811.17	8,662.23	6,827.44	6,763.78
Liabilities								
Long-term loans (Current portion)	BDT	Million	451.07	464.59	291.84	638.30	465.01	184.45
Deferred tax liabilities	BDT	Million	(5.28)	8.03	4.65	8.65	26.47	24.27
Non-current liabilities	BDT	Million	2,327.24	2,276.18	2,705.88	2,420.84	2,480.39	1,336.77
Current liabilities	BDT	Million	6,068.27	5,220.54	4,011.60	3,413.22	2,660.13	2,196.03
Cash Flow Statement								
Operating activities	BDT	Million	(1,084.55)	(229.06)	440.61	(173.07)	290.43	245.63
Investment activities	BDT	Million	(135.30)	(321.30)	(1,057.84)	(1,158.15)	(731.48)	(1,710.58)
Financing activities	BDT	Million	1,238.13	780.50	445.69	287.76	1,300.01	2,270.26
Cash and cash equivalents at the end of the year	BDT	Million	453.87	434.41	511.57	682.94	1,726.40	868.50

Financial Ratios analysis

[five years comparative (separate)]

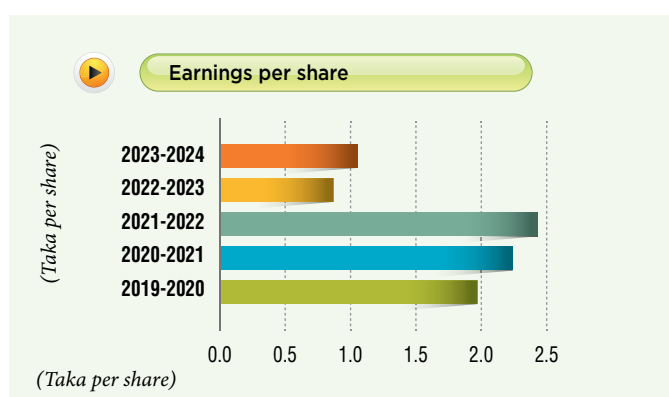
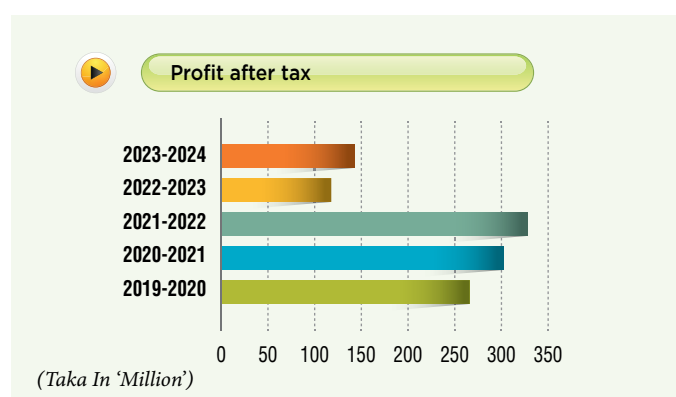
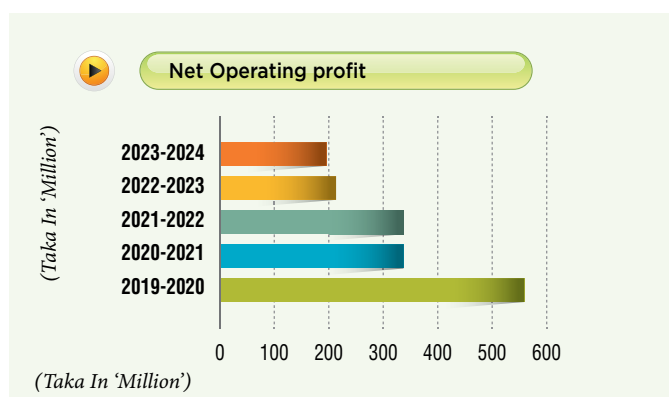
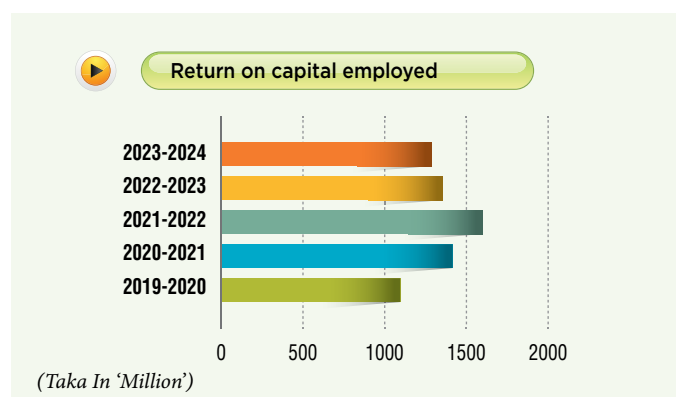
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Liquidity Ratios					
Current Ratio (Times)	1.37	1.38	1.66	1.85	2.42
Quick Ratio (Times)	0.33	1.01	0.73	0.86	1.25
Debt/Equity Ratio (Times)	0.83	0.69	0.59	0.52	0.58
Operating Efficiency Ratios					
Accounts Receivable Turnover Ratio (Times)	6.99	7.79	7.9	9.26	9.95
Inventory Turnover Ratio (Times)	1.73	1.68	2.36	2	1.35
Asset Turnover Ratio (Times)	0.38	0.47	0.67	0.6	0.45
Profitability Ratios					
Gross Margin Ratio (%)	16.92%	18.04%	15.95%	17.91%	21.91%
Operating Profit Ratio (%)	8.35%	7.68%	7.09%	7.64%	11.18%
Net Profit Ratio (Before tax) (%)	2.88%	3.05%	3.98	4.62	6.46
Net Profit Ratio (After tax) (%)	1.87%	1.57%	3.27	3.82	5.32
Return on Assets (ROA) Ratio (%)	0.84%	0.74%	2.18%	2.28%	2.39%
Return on Equity (ROE) Ratio	1.60%	1.33%	3.75%	4.00%	4.03%
Earnings Per Share (EPS)	1.05	0.87	2.43	2.24	1.97
Solvency Ratios					
Debt to Total Assets Ratio (Times)	0.43	0.37	0.33	0.31	0.33
Debt to Equity Ratio (Times)	0.83	0.69	0.59	0.52	0.58
Time Interest Earned Ratio (Times)	1.51	1.64	2.21	2.37	2.18
Cash Flow Ratios					
Net Operating Cash Flow per Share (NOCFS)	-8.04	-1.7	3.27	-1.27	2.13
NOCFPS to EPS Ratio (Times)	-7.66	-1.95	1.34	-0.56	1.06

Graphical analysis

METRICS OF PROGRESS

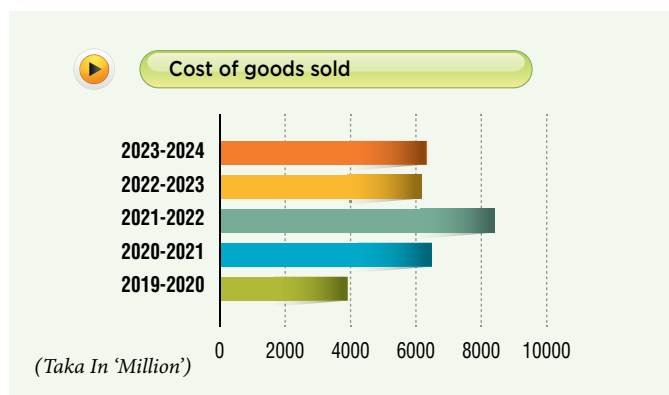
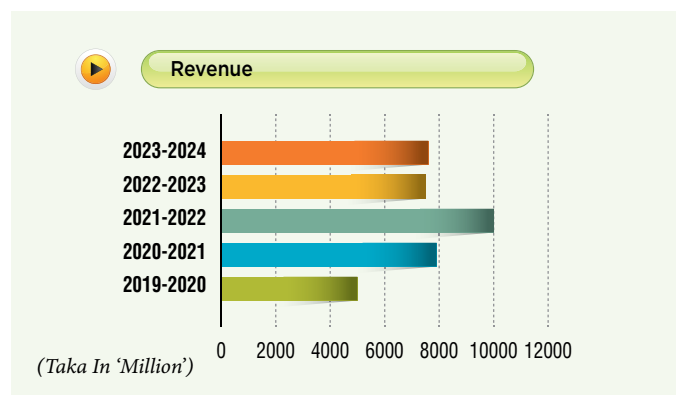
PROFIT AND LOSS METRICS

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



OPERATIONAL METRICS

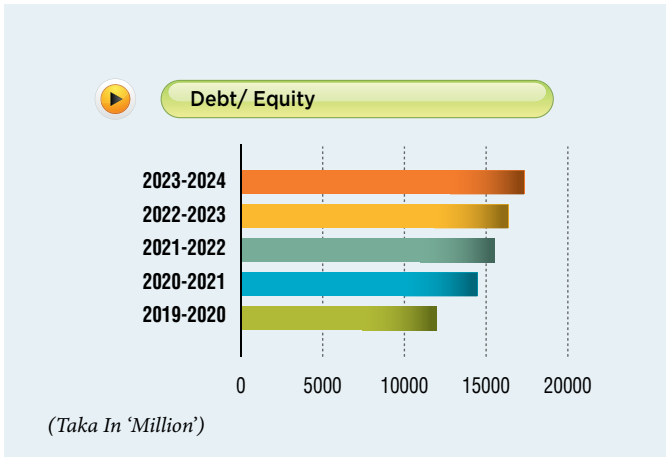
With new product innovations and a strong base of established brands, we were able to increase our sales volume and value during the year, while maintaining the share of international business in our portfolio.



METRICS OF PROGRESS

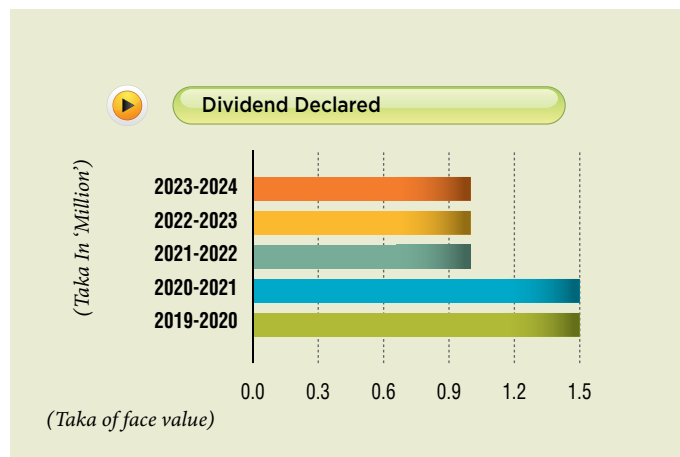
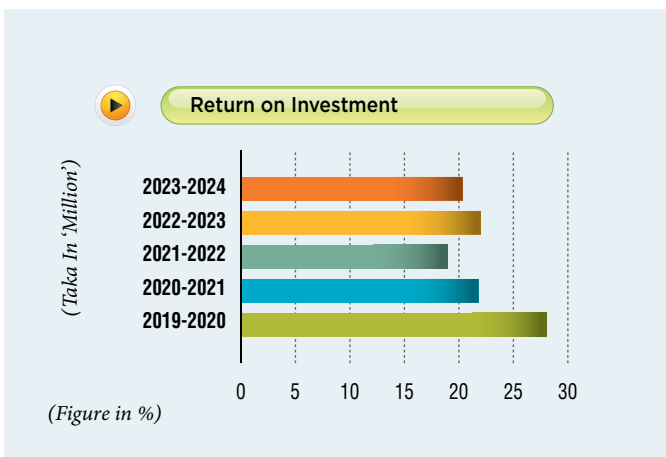
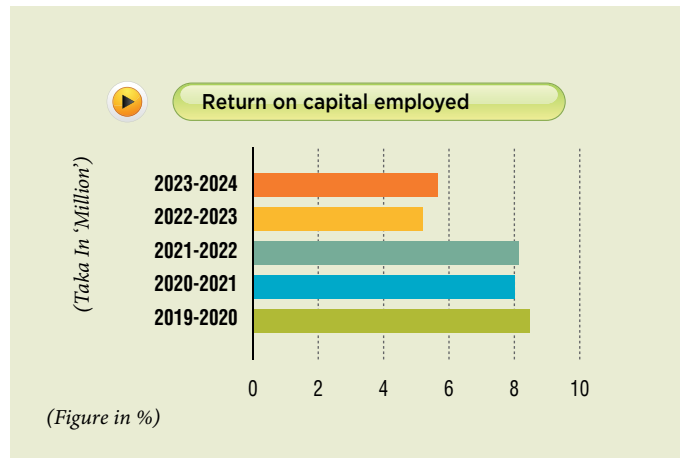
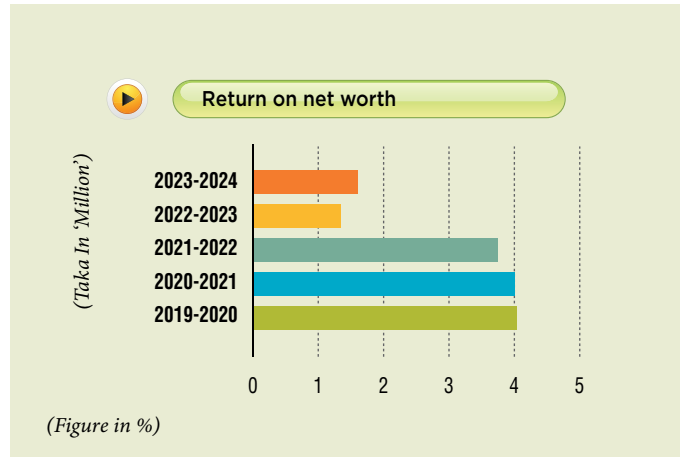
BALANCE SHEET METRICS

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



SHAREHOLDER'S METRICS

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



[Note: For the 2023-2024 financial year, the Company declared a 10% cash dividend only for general shareholders.]

Letter of transmittal

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

The annual report for the financial year ended on 30th June 2024.

Dear Sir /Madam,

We are pleased to enclose a copy of the Annual Report containing the Directors' Report. Auditors' Report along with the Audited Financial Statements comprising Statement of Financial Position as of 30th June 2024, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended 30th June 2024 along with notes thereon, all other Consolidated and Standalone Financial Statements, Corporate Governance Compliances and others of the Company for your kind information, records, and necessary measures.

Thanking You

Yours faithfully,



Md. Monir Hossain
Company Secretary

Saturday & Dhaka
26th October 2024

N. B: The Annual Report 2023-2024 is also available on the Company's website at: www.esquireknit.com



Notice of the 24th Annual General Meeting

NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of Esquire Knit Composite PLC will be held virtually using a Digital Platform on Saturday, 25 January 2025 at 11:00 a.m. (Dhaka time) to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated) of the Company for the financial year ended 30 June 2024, together with the Reports of the Board of Directors and the Auditors.
2. To declare a Dividend for the financial year ended 30 June 2024. The Board of Directors has recommended a Dividend of Tk. 1.00 per share of Tk. 10.00 each (excluding sponsors and directors) i.e., 10% cash dividend.
3. To elect/re-elect Mrs. Piara Hossain and Mr. Arifur Rahman, Directors of the company in terms of the relevant provision of the Articles of Association, who retire by rotation and being eligible, offer themselves for re-election.
4. To appoint M/s. Pinaki & Company, Chartered Accountants as Statutory Auditors for the 2024-2025 financial year and fix their remuneration.
5. To appoint M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants as Corporate Governance Compliance Auditors for 2024-2025 financial year and fix their remuneration.

All shareholders of the Company are requested to kindly attend the meeting accordingly.

By order of the Board



Md. Monir Hossain
Company Secretary

Saturday, Dhaka
26 October 2024

NOTES:

1. The 'Record Date' of the Company shall be on Monday, 2 December 2024. The shareholders whose names will appear in the Share Register of the Company or the Depository Register on the 'Record Date' i.e., 2 December 2024, will be entitled to attend the Annual General Meeting.
2. A Member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The proxy form duly stamped valuing Tk. 20/- must be deposited at the Company's registered office before 48 hours of the time fixed for the meeting.
3. The Annual Report for the 2023-2024 financial year will be sent through the e-mail address of the shareholders and will be available on the Company's website at: www.esquireknit.com.
4. The shareholders will join the Virtual Annual General Meeting through the link <https://esquireknit.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments and vote electronically 24 (twenty-four) hours before commencement of the AGM and during the AGM. To log in to the system, shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credentials as proof by visiting the link.
5. Members whose Name, TIN, Bank Account Number, e-mail addresses and mobile number have not been updated/changed in the meantime, are requested to update the same.
6. The concerned Brokerage House/DPs are requested to provide us with the statement (both the hard & soft copy) on or before 22 December 2024 with details of their margin loan holders entitled to dividends for the financial year ended on 30 June 2024.
7. We encourage the members to log into the system before the meeting starts. Please allow ample time to log in and establish your connectivity. For IT-related guidelines, Shareholders may contact Mobile Number +8801713-335876 or e-mail: cs@esquire.com.bd.
8. In compliance with the circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013 issued by BSEC, no benefit in cash or kind shall offered to the members during the Annual General Meeting.

Socio-economic impact

As one of the largest garment manufacturers in the country, we contribute directly and indirectly towards Bangladesh's socio-economic progress.

A brief overview of our economic impact is illustrated below:



TAX CONTRIBUTIONS

Government tax contributions are computed according to the relevant rules and regulations and paid on time.



GROWTH OF THE GARMENTS MANUFACTURING SECTOR

Esquire Knit contributed to the growth of the apparel sector of the country, by continuing operations under strict health guidelines even during the peak of the pandemic. We were able to adapt quickly and set an example for others to follow.



A CENTRE FOR SUSTAINABLE INNOVATION

We act as a centre for sustainable innovation in Bangladesh, taking a holistic approach to environmental and social sustainability.

Our innovation center provides us with a new dimension to our customer engagement processes and our business model, setting us apart from our competitors.



FOREIGN EXCHANGE EARNER

As a garment exporter, our Company contributes to strengthening the foreign exchange reserves by contributing USD 68.05 million to the national foreign exchange reserve of our country during the year under review.

Furthermore, as an import substitute, we were able to save the depletion of foreign exchange reserves on the import of yarn, fabric required by apparel manufacturers.



LOCAL PROCUREMENT

We procure materials from local suppliers whenever possible, contributing to the empowerment of Small and Medium Enterprises (SME) within the country.



CREATING OPPORTUNITIES FOR EMPLOYMENT AND TRAINING

We support the livelihood of the people by creating direct and indirect employment opportunities. As the main employer within a 15 km radius, we give preference to persons from the locality when recruiting individuals.



Health Safety and environment (HSE)

Esquire Knit strictly adheres to its HSE policies, which are ensured through integration into our operations and culture.



The key beliefs observed are:

HSE policy has been well integrated into our operations and culture and strict adherence is maintained.

OUR KEY BELIEFS ARE

- Nothing is more important than protecting human life, and health, ensuring safety, and protecting the environment
- All incidents can be prevented or at least minimized
- Management is accountable for HSE performance
- Working safely and in an environmentally responsible manner are conditions of employment.
- Preventing incidents and managing environmental impacts is fundamental to good business

We aim to protect our people, the public, our property and the environment in which they work and live. It is a commitment that is in the best interests of our employees and other stakeholders.

The HSE Management System established by the Company operates with a strong commitment of the top leadership to address HSE concerns with well-defined policies and objectives.

All the divisions are responsible for evaluating the HSE risks and their mitigation while planning various operational activities. HSE and Internal Audit Departments of the Company also independently review and audit the HSE risks and their mitigation both at the time of planning of various operational activities by the departments as well subsequently on a periodical basis.

Business Summary



27+

Years of Experience
In Business



10k

Manpower



110M

USD of Turnover
in 2021-22



140+

Happy Clients



20+

Tons per Day of
Knitting Capability



35+

Tons per Day of
Dyeing Capability



50,000+

Pieces per Day of
Cutting Capability



4M

Pieces per Month of
Sewing Capability



8,000

Pieces per Day of
Printing Capability



20,000

Peices per Day of
Embroidery Capability



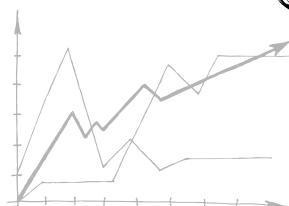
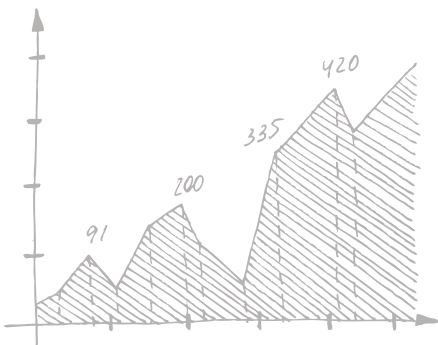
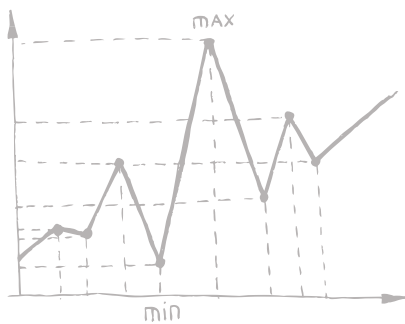
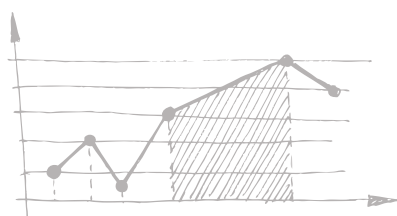
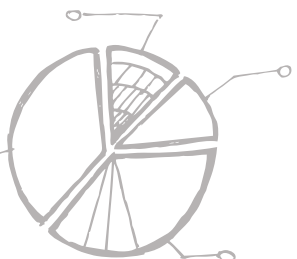
30,000

Peices per Day of
Washing Capability

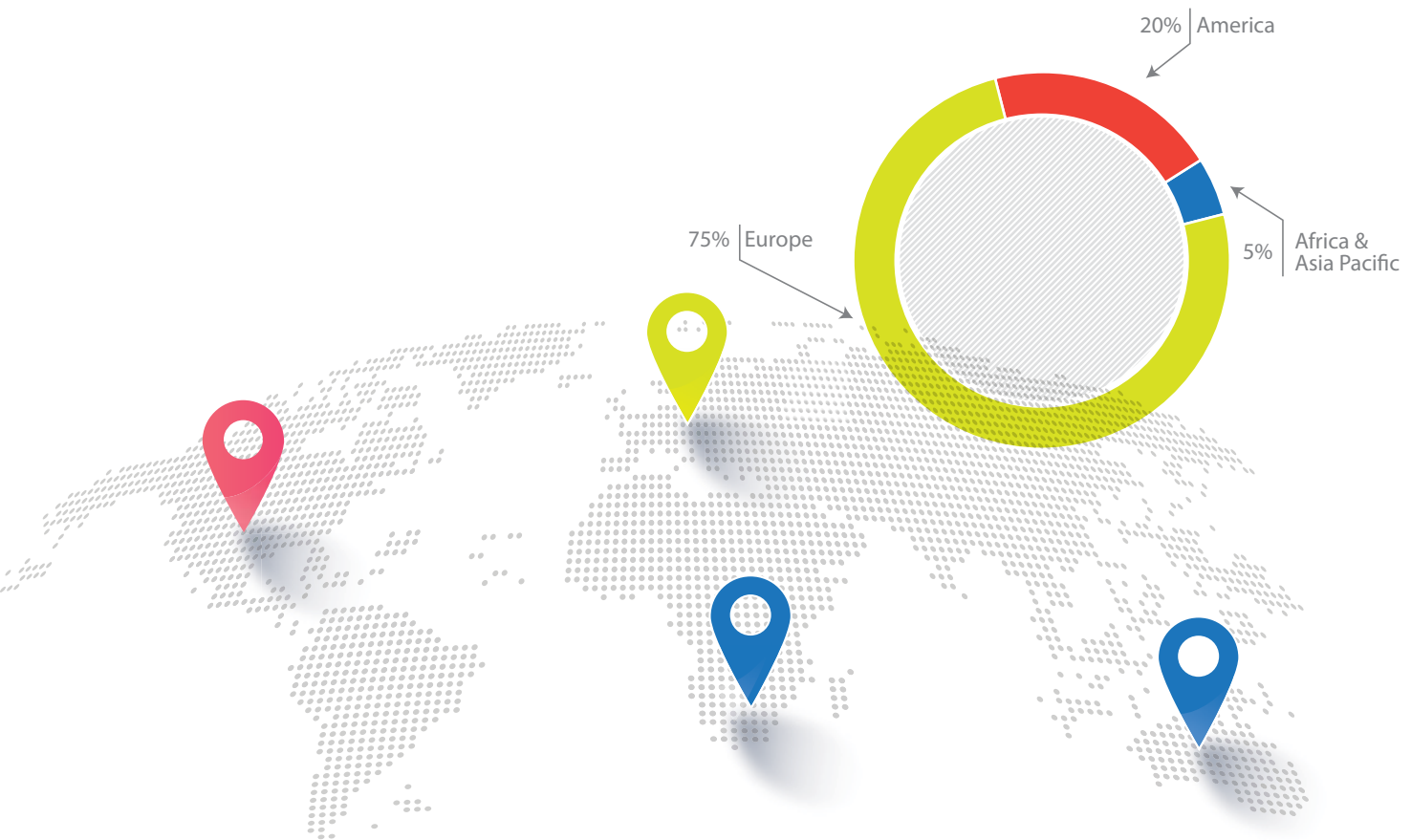


2M+

Piece per month of
Finished Garments



Customers demography



What Make us what *different?*



State of the Art Machineries

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



Skilled Workforce

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



Time Management

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



Attention to Detail

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

Values and achievements

OUR VALUES

CUSTOMER SATISFACTION

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

LOOKING FOR OPPORTUNITIES

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

BIAS FOR ACTION

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

OPPORTUNITY SEEKING

Identifying early opportunity signals in the environment to generate growth options

TRANSPARENCY AND OPENNESS

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

LIFESTYLE CHANGES

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

GLOBAL OUTLOOK

Sensitivity and adaptability to cultural diversity and learning from different cultures

EXCELLENCE

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

OUR ACHIEVEMENTS

(BDT in million)

	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Turnover	7,604.62	7,514.77	10,014.28	7,905.84	5,000.52
Net Profit after Tax	142.22	177.77	327.49	301.86	266
Dividend to the Shareholders	71.54	71.54	71.54	202.34	202.34

Certificate received





CRS sustainability

In alignment with

SUSTAINABLE DEVELOPMENT GOALS



Her Finance



Her Health

Her Choice

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



Happy App

Self Learning App

Upcoming project to track associates' productivity

Education Program

Education program for associates

Aastha (Unilever Scholarship)

Scholarship for talents

Project SEIP (BKMEA)

In-house training center



50 : 50



Napkin Project

WASH Project for hygiene & sanitation



UCEP Project

NARI Project



Beyond Border



Female Hostel

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



E-Filing

E-Billing

Automation



E-Filing

E-Billing

Automation



E-Filing

E-Billing

Automation

Our Contribution on Green industry

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

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

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

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

Nano-Dye™
disruptive sustainable dyeing technology

NO SALT
CLOSING THE LOOP

UP TO **75% LESS WATER**
CONSUMPTION

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

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

	CONVENTIONAL Reactive Dye Process	VS	NANO-DYE™ Process	
	CHARGES REPEL Raw cotton when submerged in water takes on a negative charge. Dye stuff has a negative charge when submerged in water. Both having negative charges repel each other, making bonding difficult.			
				CHARGES ATTRACT We change the negative charge of raw cotton when submerged in water to a positive charge. Now the positive cotton charge and negative dye stuff charge attract each other, making bonding stronger and easier.

Milestones of Esquire Knit's



INCORPORATION OF
ESQUIRE KNIT
COMPOSITE LIMITED

2000



Commenced
Commercial
Operation

2001



Certified to ISO 9001:2000
Awarded ISO 9000 Series
(Quality Management
System)

2002

2005

2012




Factory License
and certified to ISO 9002:1994
Awarded ISO 9000 Series
(Quality Management System)



Certified to ISO
9001:2000 Awarded
ISO 9000 Series
(Quality Management
System)



2015


 Converted as a Public Listed Company
 Certified to ISO 9001:2015
 Awarded ISO 9000 Series (Quality Management System)

2016


 BGMEA Membership Certificate
 Awarded OHSAS 18001: 2007 Certified (Occupational Health & Safety Management System)
 Certified to ISO 14001:2004
 Certified to ISO 14001:2015
 Awarded ISO 14001:2015 Certificate (Environmental Management System)


2017


 Awarded Oeko -Tex Garments Product Class 1 Certified
 Awarded GOTS
 Awarded OCS-In
 Awarded RCS
 Award Amfrori BSCI


2019


 Awarded Oeko -Tex Garments Product Class 1 Certified
 Awarded GOTS
 Awarded OCS-In
 Awarded RCS
 Award Amfrori BSCI

2022


 Winning "ICMAB Best Corporate Award-2021", under Textiles Category

2023


 Change of Company's Name From Esquire Knit Composite Limited to Esquire Knit Composite PLC
 Alcumus' ISOQAR Certificate of Registration
 Higg Index
 Completion of Verified Module Sustainable Apparel Coalition etko
 Global Recycled Standard Better Works Compliance Assessment Report
 FAMA ID
 Facility and Merchandise Authorization Certificate
 OEKO-TEX STANDARD 100

Secretarial Compliance *calendar*

(for the FY 2024-2025)

CALENDAR OF ANNUAL GENERAL MEETING

Saturday, 26th October 2024	Monday, 2nd December 2024	Thursday, 9th January 2025	Saturday, 25th January 2025
AGM NOTICE	RECORD DATE	ANNUAL REPORT	AGM DAY
Notice of 24th Annual General Meeting	The record date in place of Book Closure	Issuance and Submission of Annual Report	24th Annual General Meeting
Within 24th February 2025	Wednesday, 5th March 2025		
DIVIDEND	COMPLIANCE REPORT		
Payment of Dividend	Dividend Compliance Report		

CALENDAR OF OF BOARD MEETINGS 2024-2025

Tuesday, 12th November 2024	Thursday, 30th January 2025	Saturday, 29th April 2025	Tuesday, 28th October 2025
FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FINANCIAL YEAR-END
Adoption of unaudited first quarter financial statements for the period ended 30th September 2024	Adoption of unaudited second quarter financial statements for the period ended 31st December 2024	Adoption of unaudited third-quarter financial statements for the period ended 30th March 2025	Adoption of audited financial statements for the financial year ended 30th June 2025

CALENDAR OF COMMITTEE MEETINGS

AUDIT COMMITTEE

Tuesday, 12th November 2024	Thursday, 30th January 2025	Saturday, 29th April 2025	Tuesday, 28th October 2025
FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FINANCIAL YEAR-END
Review and recommend the unaudited first quarter to the Board for adoption of the period ended 30th September 2024.	Review and recommend the unaudited second quarter to the Board for adoption of the period ended 31st December 2024.	Review and recommend the unaudited third quarter to the Board for adoption of the period ended 30th March 2024	Review and recommend the unaudited audited financial statements to the Board for adoption for the period ending 30th June 2025.

NRC COMMITTEE

Thursday, 30th January 2025
NRC COMMITTEE MEETING
Review and recommend the various issues to the Board.

CALENDAR OF REGULATORY REQUIREMENTS

Tuesday, 28th January 2025	Thursday, 30th January 2025	Wednesday, 5th February 2025
SCRUTINIZER REPORT	AUDIO VISUAL RECORDING	AGM MEETING MINUTES
The report submitted to the Commission and Exchange	The audio-visual recording submitted to the Commission and Exchange	The minutes submitted to the Commission and Exchange



Risk management

The rapidly changing and increasingly complex global economy has created an expanding array of risks that require effective management to ensure the Company's viability and success.

The Company faces the task of managing its risk exposures while remaining profitable and competitive and in this context, managing risks is not a new challenge. The challenges and demands of contemporary markets, customers, regulatory authorities, employees and shareholders present the Company with an interesting paradox:

It is the intelligent assumption of risk, not its avoidance that creates value in a Company. Risk management is no longer discretionary but essential for managing in today's increasingly complex and fast-paced world. It takes commitment from the top, a sound methodology, and discipline in its application to obtain the maximum benefit.

We, at Esquire Knit:

- Identify
- Handle
- Avoid
- Reduce
- Retain
- Transfer

The risks have identified the following risks and also how to mitigate those:

RISK IDENTIFIED				
Strategic Risks	Commercial Risks	Operational Risks	Financial Risks	Compliance Risks
<ul style="list-style-type: none"> • <u>High competition</u> • <u>Technological advancement</u> • <u>Demographic changes</u> • <u>Changes in industry and market</u> 	<ul style="list-style-type: none"> • <u>Shortage of raw material</u> • <u>Reduction in market demand</u> • <u>Dependence on few customers</u> • <u>Shifting of customers to our competitors both in the country and in the region</u> • <u>Asking for more favorable credit terms and unsecured credit</u> 	<ul style="list-style-type: none"> • <u>Production breakdown</u> • <u>HSE risk (Health, Safety and Environment)</u> • <u>Turnover of skilled staff</u> • <u>Risk not identified by our team whenever changing processes or acquiring technology or merging or dividing facilities</u> 	<ul style="list-style-type: none"> • <u>Credit risk</u> • <u>Interest rate risk</u> • <u>Foreign Currency Risk</u> • <u>Liquidity/ funding risk</u> • <u>Market risk</u> • <u>Power Generation risk</u> 	<ul style="list-style-type: none"> • <u>Non-compliance of applicable laws</u> • <u>Non-compliance of policies</u> • <u>Non-compliance of product standards</u>

RISK MITIGATION ACTIVITIES

Strategic Risks	Commercial Risks	Operational Risks	Financial Risks	Compliance Risks
<ul style="list-style-type: none"> • <u>Compete through improved quality of product</u> • <u>Upgrade manufacturing facilities</u> • <u>Continuously assess product demand by consumer surveys, attending exhibitions and fashion shows</u> 	<ul style="list-style-type: none"> • <u>Entering into running long-term contracts with suppliers and improving and extending storage facilities</u> • <u>Product research and development</u> • <u>Focus on innovation</u> • <u>Expanding customer base by exploring new export markets</u> • <u>Continuous credit evaluation both internally and by engaging the credit team and obtaining insurance covers wherever found prudent</u> 	<ul style="list-style-type: none"> • <u>Well-trained maintenance and operational staff</u> • <u>Standby and backup facilities</u> • <u>Continuous training, workshops on HSE matters and HSE Audit</u> • <u>Market-based remuneration package, clear career path sharing and continuous mentoring for career development to retain skilled staff</u> • <u>Succession planning</u> • <u>Engaging consultants before execution to identify any risk and suggest solutions and also yearly insurance audit</u> 	<ul style="list-style-type: none"> • <u>Using various financial instruments such as Forward Contracts, Bill discounting etc.</u> • <u>Committed Credit Facilities</u> • <u>Sales on credit after customer due diligence</u> • <u>Prepayment and rollover options</u> 	<ul style="list-style-type: none"> • <u>Audit Committee and internal audit department to review adequacy and effectiveness of controls over compliance and Financial Reporting</u> • <u>Regular social audits</u> • <u>Effective checks over product quality controls</u>

Corporate profile

REGISTERED & CORPORATE OFFICE

Esquire Tower

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

PUBLIC RELATIONS OFFICE

Esquire Tower

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

FACTORY

Kanchpur

22/58, Kanchpur, Sonargaon,
Narayangonj, Bangladesh

Bhaluka

Jamiredia, Bhaluka
Mymensingh, Bangladesh

STOCK EXCHANGE LISTING

Dhaka Stock Exchange Limited

Chittagong Stock Exchange Limited

YEAR OF THE LISTING

9th April 2019 (Trading date)





STATUTORY AUDITOR

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

COMPLIANCE AUDITOR

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

LEGAL ADVISOR

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

ADVISOR (TAX & VAT)

Mr. Mesbah Uddin, FCA

BANKERS

Al Arafa Islami Bank Limited
United Commercial Bank Limited
Eastern Bank Limited

INSURANCE

Pragati Insurance Limited

MEMBERSHIP

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

WEB & E-MAIL ADDRESS

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

Corporate information

BOARD OF DIRECTORS

Mrs. Piara Hossain
Md. Ehsanul Habib
Arifur Rahman
Md. Muddasar Hossain
A.K.M. Shamsul Areefin
Md. Mozammel Hossain, FCA

Chairman & Non-Executive Director
Managing Director
Non-Executive Director
Non-Executive Director
Independent & Non-Executive Director
Independent & Non-Executive Director

AUDIT COMMITTEE

Md. Mozammel Hossain, FCA
A.K.M. Shamsul Areefin
Md. Muddasar Hossain
Md. Monir Hossain

Chairperson
Member
Member
Member Secretary

NRC COMMITTEE

A.K.M. Shamsul Areefin
Md. Muddasar Hossain
Md. Mozammel Hossain, FCA
Md. Monir Hossain

Chairperson
Member
Member
Member Secretary

CORPORATE GOVERNANCE COMMITTEE

A.K.M. Shamsul Areefin
Md. Muddasar Hossain
Md. Mozammel Hossain, FCA
Md. Monir Hossain

Chairperson
Member
Member
Member Secretary

RISK MANAGEMENT COMMITTEE

A.K.M. Shamsul Areefin
Md. Muddasar Hossain
Md. Mozammel Hossain, FCA
Md. Monir Hossain

Chairperson
Member
Member
Member Secretary

KEY PERSONNEL

Chief Financial Officer (CFO)
Company Secretary
Head of Internal Audit & Compliance

Md. Mustafizur Rahman
Md. Monir Hossain
Md. Rakibur Rahman



Stakeholder engagement and investor relations

STAKEHOLDER ENGAGEMENT

Good stakeholder relationships are important to the core business of the Company which is necessary for the Company's sustainable development agenda. The management believes that organizations grow only if they take into consideration the environment in which they operate and endeavor to meet the needs of the stakeholders affected by it.

EMPLOYEES

The Company realizes that employees need to 'know' that they are valuable resources, and therefore maintains a pleasant environment for its employees and regards their feedback as essential for success and growth at each performance level. This creates employee motivation and provides new and innovative ideas to the Company.

The Company maintains effective communication between the management and the staff. To secure maximum cooperation of the employees and motivate them to give their best, it is ensured that they feel fairly treated and understand the company's overall

Employee relationship is established in a way that adds to the staff's commitment, helps resolve disputes and addresses grievances. The Company has provided a platform for employees to raise their concerns, complaints and grievances.

CUSTOMERS

It was well said by the American author Michael LeBoeuf: "A satisfied customer is the best business strategy of all." We also maintain a good relationship with our customers by providing quality products and making deliveries on time. We also provide specialized services to our customers as per their requirements. To further strengthen our relationship, the Company organizes and attends various events and exhibitions, providing our customers with opportunities to interact and obtain their feedback to understand their needs and requirements.

SUPPLIERS AND PARTNERS

The quality of products which go into what we manufacture has a direct impact on the quality of our output that goes to the market bearing our brand. The Company develops two-way, mutually beneficial relationships with strategic suppliers and partners to ensure high-quality products. This enables each business to develop shared goals, visions and strategies. Trade buyers and sellers can effectively collaborate to deliver the best value to end customers which is beneficial to each partner. The Company complies with all legal requirements and operates ethically, and accordingly deals with suppliers and partners having similar standards.

GOVERNMENT AUTHORITIES

Management regularly coordinates with Government authorities on different trade and commerce-related issues. The Company

carries out its business in compliance with all laws and regulations enacted in the country. As a responsible corporation citizen, the Company pays all duties and taxes on time.

INVESTOR RELATIONS

Shareholders

Safeguarding the interest and adding value for our shareholders are among our key objectives. Shareholders meetings along with timely and accurate reporting to our shareholders are the effective modes of engagement with our shareholders. In addition to this, we promptly attend to shareholders' inquiries and appreciate their feedback.

The Company recognizes the value of transparent and open communications with all its stakeholders in line with regulatory considerations and ensuring the maintenance of corporate confidentiality.

Therefore consistent, coherent and clear communications help to establish the sound reputation of the Company and its management. Accordingly, the Company aims to promote dialogue with investors, analysts and other stakeholders.

ANNUAL GENERAL MEETING

The Company convenes an Annual General Meeting (AGM) by the Companies Act, 1994. AGM provides a good platform to engage with the shareholders and listen to their views and suggestions.

FINANCIAL REPORTING

The Company, being a listed Company, publishes and circulates its periodic financial statements (annual, half-yearly and quarterly) to the shareholders and Commission and Exchanges and also makes it available on the Company's website for easy access for the shareholders and potential investors.

STOCK EXCHANGE NOTIFICATIONS

In compliance with the listing regulations -2015 of the stock exchange, the Company notifies information to the stock exchange from time to time. This helps the shareholders remain connected with the Company. The notifications mainly include financial results, Board of Directors Meetings, shareholders meetings, etc.

MEDIA

The Company disseminates information through print, electronic, social and other web media.

WEBSITE

The Company maintains its corporate website providing complete information including corporate details. The website, with its user-friendly interface, allows access to its corporate details, investor relations as well as financial reports. This can be accessed with the link www.esquire.com.bd.

Human Resource

Successful Companies and brands are the fruit of the hard work and efforts of their employees; therefore, they prove to be the greatest asset of a Company.

At Esquire Knit, our employees uphold the Company's goodwill and brand. We attract, develop and retain talented people who possess all the attributes necessary to propel the Company forward - helping it to achieve its current and future objectives.

SUCCESSION PLANNING

The Company has in place a formal succession plan which includes performance evaluation and appropriate training requirements for the development and promotion of potential future leaders.

Competent personnel are placed in each department through a comprehensive Succession Planning Policy, implemented in terms of an individual's potential, qualification, period of service, and professional attitude amongst other criteria.

EMPLOYEE BENEFITS

The Company believes in fair treatment for all employees. Therefore, it compensates its employees according to the industry standards in the form of benefits. Apart from contributions to Employees such as the Workers' Profit Participation Fund. The Company offers benefits that include annual leaves, pick-and-drop, health insurance, group insurance, and safe and a healthy working environment.

TRAINING AND DEVELOPMENT

Training lays significant importance as far as the performance of employees is concerned. Therefore, the Company ensures that the employees get timely and efficient training to perform effectively.

To do so, the Company offers training modules about ethical and HSE (health, safety and environment)-related practices and enhancing operational, management and technological skills.

MANAGING EMPLOYEE GRIEVANCES

The Company follows an open-door policy which helps employees raise their concerns to their supervisors, senior management, and human resources department or use the help desk software without any fear of judgment or criticism. The matters raised are then dealt with by professionals and trained staff to resolve fairly with prudent justifications.

EMPLOYEE PRIVACY

The Company believes in honesty and trust in terms of maintaining employee privacy. Personal information about employees is gathered only when it is important to do honest and good business. Access to such information is constrained to individuals who have legitimate business needs.

EXCLUSIVE ROOMS FOR FEMALE STAFF

Separate Rooms for prayers, feeding, dining, etc. have been marked for exclusive use by Female Staff to ensure privacy.

HARASSMENT POLICY

The diverse workforce of the Company performs to its fullest due to a harassment-free work environment. The zero-tolerance policy against harassment is mentioned in the Code of Conduct. Violation of such policy leads one to suffer serious consequences.

DIVERSITY

The Company consist of a diverse workforce in terms of gender, ethnicity, thought and skill. This helps us to achieve our goals as various perspectives and experiences in the workplace allow us to understand the mindset of our customers, suppliers and communities. Moreover, this diverse workforce encourages a culture of respect and tolerance among its employees.

Board of Directors

Our Board is well-positioned to support management in delivering on our strategic priorities. It is also committed to addressing the needs of all stakeholders and has a strong focus on business.

MRS. PIARA HOSSAIN
*Chairman &
Non-Executive Director*



MR. MD. EHSANUL HABIB
Managing Director



MR. ARIFUR RAHMAN
Non-Executive Director



MR. MD. MUDDASAR HOSSAIN
Non-Executive Director



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



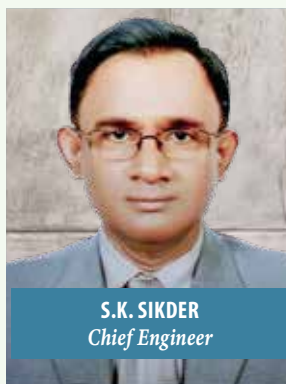
MR. MD. MOZAMMEL HOSSAIN, FCA
*Independent &
Non-Executive Director*



Leadership team

A Management Committee focused on delivering results.

Our Management Committee is well-equipped to steer Esquire Knit towards its 2030 goals and beyond to ensure the Group remains agile and ready for the future.



Profile Of board members

MRS. PIARA HOSSAIN

Chairman

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

Mrs. Piara Hossain has long experience in running industrial units successfully. She has contributed to the Group through her leadership skills and managerial decision-making. She has a successful track record of managing the business. She has been contributing a lot to the development of the group. Her contribution and enthusiasm behind the Esquire Group coming to this stage today are worth remembering.

She is also serving on the Boards of the following organizations:

- [Esquire Electronics Limited](#)
- [Esquire Dyeing Industries Limited](#)
- [Esquire Accessories Limited](#)

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

MD. EHSANUL HABIB

Managing Director

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

He is also serving on the Boards of the following organizations

- [Esquire Electronics Limited](#)
- [Esquire Dyeing Industries Limited](#)
- [L' Esquire Limited](#)
- [Thakral Information System \(Pvt\) Limited](#)
- [Thakral One Private Limited](#)
- [Esquire Accessories Limited](#)
- [Esquire Plastic Limited](#)
- [Esquire Testing Service \(BD\) Limited](#)
- [Best Life Insurance Company Limited](#)
- [Bangladesh German University](#)
- [Shah Garments International Limited](#)
- [Esquire Customer Care Limited](#)
- [Alpha Plastic & Packing Limited](#)
- [Trust Solution Private Limited](#)
- [Esquire Heavy Industries Limited](#)
- [Sharp Media Limited](#)

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

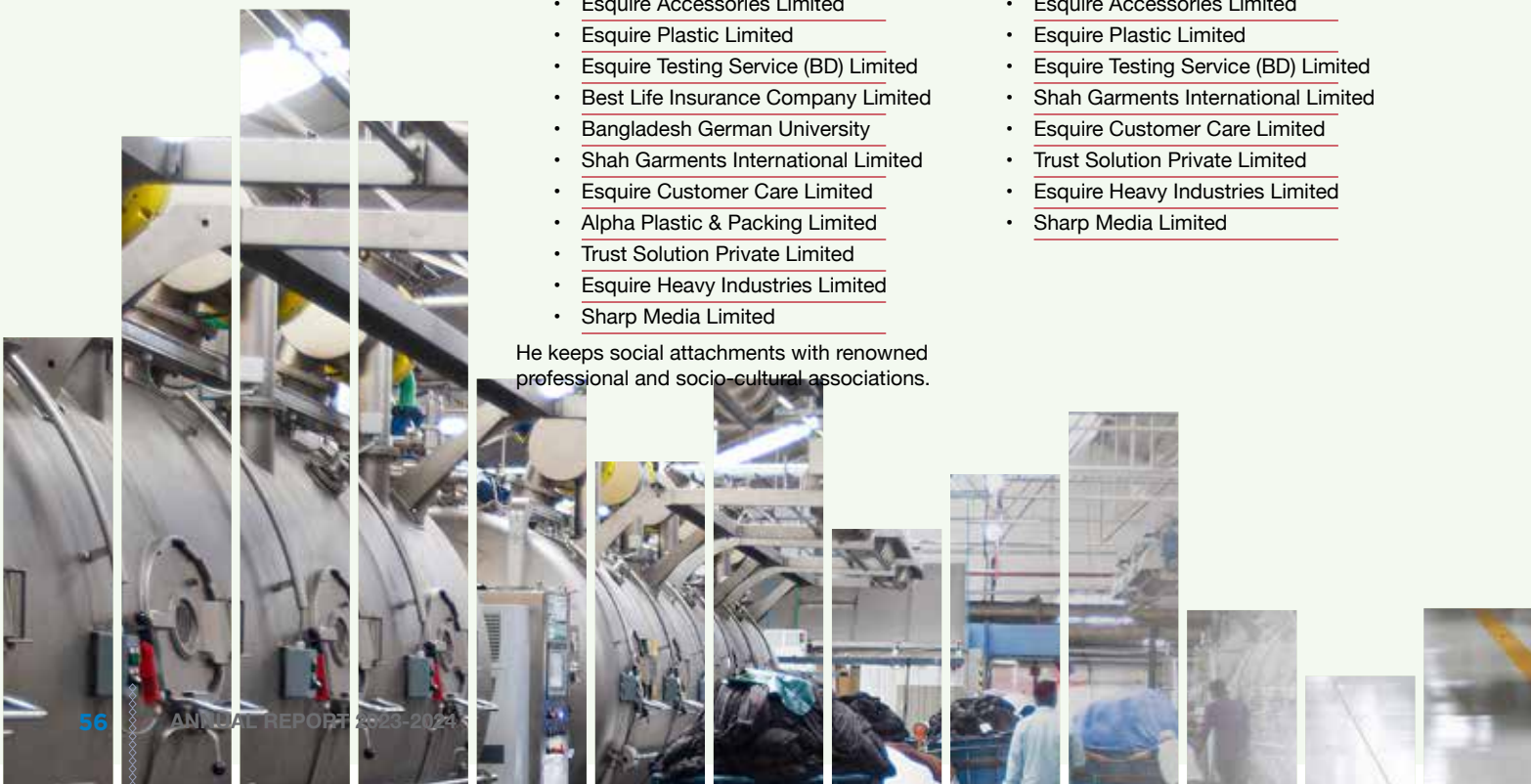
ARIFUR RAHMAN

Non-Executive Director

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

He is also serving on the Boards of the following Organizations:

- [Esquire Electronics Limited](#)
- [Esquire Dyeing Industries Limited](#)
- [L' Esquire Limited](#)
- [Thakral Information System \(Pvt\) Limited](#)
- [Thakral One Private Limited](#)
- [Esquire Accessories Limited](#)
- [Esquire Plastic Limited](#)
- [Esquire Testing Service \(BD\) Limited](#)
- [Shah Garments International Limited](#)
- [Esquire Customer Care Limited](#)
- [Trust Solution Private Limited](#)
- [Esquire Heavy Industries Limited](#)
- [Sharp Media Limited](#)



MD. MUDDASAR HOSSAIN

Non-Executive Director

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

He is also serving on the Boards of the following organizations:

- [Esquire Electronics Limited](#)
- [Esquire Dyeing Industries Limited](#)
- [L' Esquire Limited](#)
- [Thakral Information System \(Pvt\) Limited](#)
- [Thakral One Private Limited](#)
- [Esquire Accessories Limited](#)
- [Esquire Plastic Limited](#)
- [Esquire Testing Service \(BD\) Limited](#)
- [Shah Garments International Limited](#)
- [Esquire Customer Care Limited](#)
- [Trust Solution Private Limited](#)
- [Esquire Heavy Industries Limited](#)
- [Sharp Media Limited](#)

A.K.M. SHAMSUL AREEFIN

Independent & Non-Executive Director

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

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

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

MD. MOZZAMAL HOSSAIN, FCA

Independent & Non-Executive Director

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

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

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



Chairman's Message



"The ability to adapt is essential if you want to continue to grow during these challenging times."

Mrs. Piara Hossain
Chairman

বিসমিল্লাহির রাহমানির রাহিম, পরম করুণাময় ক্ষমাশীল আল্লাহর নামে শুরু করছি।

Dear Shareholders,

আসসালামু আলাইকুম, ওয়া রাহমাতুল্লাহি ওয়াবরকাতুহ।

I take great pleasure in addressing our respected members and stakeholders to provide the necessary information, following the Companies Act of 1994 (Amended 2020), regarding the overall performance and the effectiveness of the Board in achieving the Company's objectives for the 2023-2024 financial year.

This year was also a challenging year, like other years. We became more resilient and stronger in facing these challenges because we know the full extent of our capabilities, which is a reflection of our team members. I also reflected in our customers who place regular orders with trust in us. I am grateful to our clients, partners, team members, shareholders, and other stakeholders for their relentless collaboration to make this happen.

The Company has truly met substantial challenges, and the Board has played a pivotal role in offering strategic guidance to address these issues. We identify the paramount importance of healthy corporate governance in ensuring accountability and remain steadfast in our commitment to upholding the highest standards of governance for the benefit of all our stakeholders.

Our Board's governance practices strictly follow the relevant laws and regulations, clearly outlining its roles and responsibilities. Throughout the 2023-2024 financial year, the Board convened a total of eleven Board Meetings, four Audit Committee and two NRC Meetings, ensuring consistent oversight of our performance and that of our sub-committees.

The Board's primary agenda is to diligently achieve its duties following the law, always prioritizing the best interests of the Company and its stakeholders. To achieve this, the Board proactively prepares the Company well in advance, equipping it to effectively manage challenges and mitigate associated risks in any situation. This proactive approach has not only made the Company resilient but has also enabled us to meet our targets successfully. To achieve its statutory role, meet its obligations, and guide the management under all conditions, it was made sure that the Board:

- Confirmed that the composition of the Board reflects a diverse mix of backgrounds, rich experiences, and individuals possessing the necessary skills, capabilities, and experience to achieve the Company's objectives.
- Confirmed that Board Meetings are held regularly and conducted in a congenial atmosphere with a clear focus on achieving goals, encouraging active participation from every Board Member in strategic and governance-related discussions.
- Established a mechanism for the annual evaluation of the Board's performance and conducted self-evaluations by each member.
- Established Audit & Remuneration Committees with clearly defined objectives.
- Strived to maintain and reinforce a high level of corporate governance, transparency, and adherence to corporate values.
- Maintained ongoing interaction with the Managing Director, effectively collaborating throughout the year through various committees.
- Identified priorities for improving results and key performance indicators (KPIs), ensuring that these are consistently on the Managing Director's agenda.

The Board handles significant challenges and has played a crucial role in offering strategic guidance to address issues and challenges. These challenges include a wide array of issues, including:

- **Creating our position in new markets**

The Board emphasizes creating new markets to strengthen the market for our products. The Board is constantly providing guidance to create its position in new markets.

- **Managing higher financing costs**

In light of rising finance costs, they as advised on methods to mitigate the impact on the Company's financial health by reducing investment in working capital and agreeing on phasing out borrowings to a great extent.

- **Addressing uncontrolled domestic inflation**

Navigated strategies to contend with persistent domestic inflation and its impact on operations and pricing.

- **Adaptation to alternate fuels**

Given challenges related to gas rationing, has explored options for utilizing alternate fuels to ensure uninterrupted operations

- **Navigating economic and political uncertainties**

Guided how to navigate economic and political uncertainties, ensuring stability in operations.

- **Adapting to changes in Bangladesh Bank policies**

In response to shifts in the Bangladesh Bank's policies aimed at supporting RMG exports, has advised on how to effectively align with these policies.

- **Addressing exchange rate volatility**

To manage volatility in the BDT-USD exchange rates has explored strategies to mitigate currency risks.

- **Navigating import policy restrictions**

The Board has offered insights into managing challenges arising from import policy restrictions.

These collective efforts and strategic guidance from the Board have been instrumental in helping the Company address and navigate these multifaceted challenges effectively.

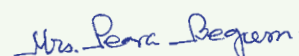
In my capacity as the Chairman of the Board, I am confident in asserting that our Board has performed with diligence and provided healthy oversight. The overall performance and effectiveness of the Board have been evaluated as effective and satisfactory, affirming our ability to offer valuable guidance and ensure strong governance.

I believe that "the ability to adapt is essential if you want to continue to grow during these challenging times". This requires building resilience in our business and leveraging the strength, flexibility resourcefulness of our Company.

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

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

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



Mrs. Piara Hossain
Chairman

Saturday & Dhaka
26th October 2024

Managing Director's *message*

To sustain our reputation, we will comply with all compliances to bring pride to your organization and maintain our commitment to improving our product quality as well as diversifying the product by keeping customer complaints to a minimum.

Md. Ehsanul Habib



বিসমিল্লাহির রাহমানির রাহিম, পরম করুণাময় ক্ষমাশীল আল্লাহর নামে শুরু করছি।

Dear Shareholders,

আসসালামু আলাইকুম, ওয়া রাহমাতুল্লাহি ওয়াবরকাতুল্হ।

I hope this message finds you and your loved ones in good health and spirits. I am pleased to welcome you to the 24th Annual General Meeting of the Company & present the Annual Report along with Annual Audited Financial Statements and Regulatory Reports for the 2023-2024 financial year and share my upcoming thoughts. I am also happy that I am pleased to appear before you for the sixth time including this year, due to your support and trust in me. For this, I would like to express my gratitude to you first.

I, Md. Ehsanul Habib, the Managing Director of the Company is pleased to say that our Company has achieved a revenue of BDT 7,604.62 million in the financial year ended 30th June 2024. At the same time, 6,635 people have played a key role in our Company's working team and 10,233 investors have shown their trust and faith in us by investing in the Company. This achievement belongs to all of us, this achievement of our frontline workforce, which you too can be proud of. I am also happy that I have brought our Company to a place of pride, Alhamdulillah.

You are all aware that in the past year, discretionary consumer spending has softened, which has had a significant impact on the ready-made garment industry. In addition, factors such as global uncertainties and geo-economic disintegration have made the situation more serious.

You are also aware that, the ongoing energy crisis and periodic price increases are disrupting our production and increasing production costs because we are purchasing high-priced CNG to support production. Added to this are worker dissatisfaction, high exchange foreign currency rates and problems in the timely import of raw materials due to the foreign currency shortage in our local Bank etc., which are hindering the Company's normal production activities and business. Until now, we have faced these geo-political and economic challenges along with domestic political uncertainty and economic challenges. However, the Company's management is not responsible for these problems that have arisen.

Despite facing these ongoing problems, our Company continues to display a consistent performance including for the 2023-2024 financial year through thoughtful strategies and robust execution, which kept the profitability growing. Thus, the Net Operating Profit has seen an impressive growth of almost 10.07% and Net Profit after tax of 20.76% compared to the 2022-2023 financial year.

From the beginning, we are focused on expanding our market presence through our commitment, to ensuring quality and on-time delivery. We are also enhancing the capabilities of our marketing, production, quality control and delivery teams because we trust our customer satisfaction is only the main goal of our Company.

To sustain our reputation, we will comply with all compliances to bring pride to your organization and maintain our commitment to improving our product quality as well as diversifying the product by keeping customer complaints to a minimum.

We continue to focus on investing in technology to gain centralized control over business processes and transactions and strengthen its competitiveness. In the meantime, the Company has implemented high-performance-based E-BIT ERP software to achieve this strategic objective. E-BIT is now capable of supporting end-to-end business operations with centralized control. Also, we continue to invest in talent to make our passionate teams future-ready and encourage them to develop entrepreneurial perspectives.

We are also seeing the results of these investments, which reflect our commitment to the shareholders in the dividend declaration from the listing. The Company declared a cash dividend for the last six years on an average of 12.50% and the average payout stands at 54.79% against the net profit after tax. This aligns with the confidence in our Company's ability to weather challenges and emerge stronger. Our Company is committed to maintaining a satisfactory dividend payout in the coming days, under its dividend distribution policy.

Managing Director's *message*

The Company contributes to national growth by sharing its revenues in the form of taxes, rates, and duties. Exports also contribute to improving foreign reserves. The amount of this contribution during the year was BDT 82.21 million.

As part of its green initiatives, the Company installed a 539 KW Solar Power project on the Bhaluka Project site in the 2023-2024 financial year.

ABOUT OUR SUBSIDIARY L' ESQUIRE LIMITED

L' Esquire Limited is a Subsidiary Company of Esquire Knit Composite PLC, where Esquire Knit holds a 99.01% share of the total shares of the subsidiary Company and obtained the incorporation certificate on 20th June 2019 from RJSC.

The Company is specially established for the production and 100% export of Lingerie products, which are in huge demand in the global market. The Company has also established and run for the manufacturing of Activewear, Intimax, Sportswear, Knitwear, and Readymade-Garments including Knitting, Dyeing, Sewing, Printing, and Embroidery.

The Company's location is in Jamirdia, Baluka, Mymensingh. During the 2022-2023 financial year, the Company started its Operation and Export activities on a limited scale (trial basis) because we have not obtained a Compliance Certificate from RSC or Accord, other Social Audits and gas connections. Titas Gas has not yet been able to provide a gas connection to our factory to start commercial production.

In this regard, we inform you for the information that, in 2021, we got permission from Titas Gas Transmission and Distribution PLC to connect the gas line to our factory as a fuel source at our own cost. We paid the full deposit of the demand note, submitted a Bank Guarantee as per Titas' requirements and purchased all the equipment including pipes at our costs to get the gas connection. Despite such a huge expenditure on the part of the Company, Titas Gas has not yet been able to provide a gas connection in our factory due to some of Titas' complications.

In this connection, we are working with Titas on this issue regularly. We hope that we will be able to start commercial operation after the solution of these issues, Insha'Allah. Although, we informed you last year that we would be able to start commercial operation by 30th June 2024.

The Company earned reported revenue of BDT 3,29.06 million during the financial year ended 30th June 2024 and a Net Profit after tax BDT of (84.70) million. The Board of L' Esquire Limited has not declared any dividend for the 2023-2024 financial year.

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

OUTLOOK 2025 OF BANGLADESH

The outlook for Bangladesh's garment sector in the 2024-2025 financial year is optimistic, depending on the government's ability to create a favorable business environment and restore stability. The sector could see a rebound if political and economic conditions improve. The ready-made garment (RMG) sector is a major contributor to Bangladesh's economy, accounting for 83.9% of the country's national exports. In 2023-2024, the RMG sector is estimated to contribute 15-20% to the country's GDP. Non-cotton garment exports are expected to reach \$19 billion by 2024-2025.

The RMG sector faces many challenges, including unskilled workers, insufficient infrastructure, raw materials, energy crises, safety issues, political crises, and coverage of accords and alliances. The Asian Development Bank (ADB) projects that inflation in Bangladesh will rise to 10.1% by the end of the 2024-2025 financial year. The ADB revised Bangladesh's economic growth forecast down to 5.1%.

To enhance their global standing, apparel manufacturers in Bangladesh can focus on technical innovation, market diversity, and sustainability. They can also strengthen the supply chain and place greater emphasis on worker welfare.

COMPANY'S OUTLOOK 2025

Our outlook for the 2024-2025 financial year is to reflect the continued transformation of our cost structure to minimize every single cost because we plan our production to satisfy the growing long-term commitments under our contract portfolio. With our plan to produce 8 million kgs of textiles and 30 million pcs of apparel in our factory under installed capacity, we expect strong cash flow generation. Our financial performance and the amount of cash generated will be dependent on sourcing the material required to meet our deliveries as planned, including achieving our production

Still now, Bangladesh is facing a severe energy crisis and efforts to increase power generation are yet to fully materialize. This resulted in load-shedding and power shutdowns in all the sectors whether Industrial or Residential. Considering the importance of energy and water to cater for energy and water needs, the Company has been heavily investing in power generation and

supply which includes the installation of turbines, fuel-efficient generators and the addition of energy-efficient machines to our various manufacturing units, as well as using and converting to processes and machinery that require less water consumption. Every decision of machine acquisition involves due consideration for energy savings and conservation.

CREDIT RATING

Our Company has been rated AA3 and ST-3 by the Credit Rating Agency of Bangladesh Limited (CRAB) based on Audited Financial Statements for the year ended 30th June 2024, 30th June 2023, 30th June 2022, 30th June 2021 and 30th June 2020 and Bank Liability position as on 29th October 2024 and other relevant as compiled from client & Banks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Environmental, social and governance issues are becoming increasingly important for Companies across industries. We are also committed to embedding sustainability into all our operations to contribute towards a healthier planet. Under sustainable initiatives, we implemented the initiative programs – use natural fibers, reduce waste, use sustainable materials, use 3D textiles printing, use modern dyeing process, use recycled components, create closed-loop systems, improve the working system and improve supply chain ethics. Sustainability initiatives, including global recognition for our sustainable visual merchandising and zero-waste Diwali events, reflect our commitment beyond business impact.

The Company believes women make the most of every opportunity that comes their way, therefore the management has proudly stepped up to bring a change in society by introducing numerous Women's Empowerment programs. These include aiding a Pita festival, Pahela Baisakh, May Day and Women's Day in Esquire Knit Composite PLC.

We assure you that, Esquire Knit, as an organization, believes in adapting with agility and is geared to embrace challenges. We aim at enhancing our operational efficiency and constantly developing strategies to successfully mitigate foreseeable risks. Amidst such tough times, it is our endeavor to increase the capacity utilization to the possible extent and to remain operationally efficient. Our emphasis is on strategically improving performance in the coming year, Insha'Allah.

Finally, I would like to extend our gratitude to our valued shareholders, Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NRB), Registrar of Joint Stock Companies and Firms (RJSC), Dhaka Stock Exchange PLC (DSE), Chittagong Stock Exchange PLC (CSE), Central Depository Bangladesh Limited (CDBL), the regulatory authority also other regulatory bodies for their valuable guidance, support and co-operation.

Thanks to our clients for their incredible trust in us and for helping us become one of the leading Company in the RMG sector in Bangladesh. Thanks to our 6,635 employees for their enormous contribution to making our business successful.

Thanks to our Board for their guidance and direction on our strategic approach.

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

With my warmest regards,

Saturday & Dhaka
26th October 2024



Md. Ehsanul Habib
Managing Director

Directors' Report

to the shareholders

The directors of your Company are pleased to present the Annual Report and the audited financial statements for the year ended 30th June 2024 together with the auditors' report.

PERFORMANCE OVERVIEW

Alhamdulillah, our Company performed well in the 2023-2024 financial year. During the year, our Company was conferred with the required volume of export orders which enabled an above fifty to sixty percent capacity utilization of available capacities. As a result, the Company made a sale of BDT 7,604.62 million and a profit before tax of BDT 219.15 million separately and a sale of BDT 7,933.68 million and a profit before tax of BDT 135.03 million consolidated.

The following comparison of key figures for 2023-2024 and 2022-2023 reveals as follows

RESULT OF OUR OPERATIONS AND STATE OF AFFAIRS

Particulars	Standalone		YoY	Consolidated		YoY
	For the year ended 30th June		growth	For the year ended 30th June		growth
	2024	2023	(%)	2024	2023	(%)
Total income	7,629.42	7,532.95	1.28	7,958.58	7,997.65	(0.49)
Revenue from operations	7,604.62	7,514.77	1.20	7,933.68	7,978.75	(0.56)
Other income, net	24.8	18.18	36.41	27.90	18.90	47.62
Total expenses	6,969.48	6,937.74	0.46	7,356.27	7,387.82	(0.43)
Cost of goods sold	6,318.24	6,158.77	2.59	6,681.87	6,608.85	1.10
Office and administrative expenses	271.03	330.18	(17.91)	289.44	349.83	(17.26)
Selling and distribution expenses	380.21	448.79	(15.28)	384.96	461.33	(16.55)
Gross operating profit	635.13	577.02	10.07	577.41	558.74	3.34
Financial cost	439.15	363.55	20.79	465.64	376.73	23.60
Profit before tax	219.15	229.13	(4.36)	135.03	198.39	(31.94)
Profit before tax (% of revenue)	2.87	3.04	(5.51)	1.70	2.48	(31.59)
Tax expenses	76.93	111.35	(30.91)	79.52	114.10	(30.31)
Profit after tax	142.22	117.77	20.76	54.65	87.29	(37.39)
Profit after tax (% of revenue)	1.86	1.56	19.49	0.69	1.09	(37.00)
Total comprehensive income/loss, net of tax	142.22	117.77	20.76	54.65	83.96	(34.91)
Profit attributable to owners of the company	0	-	-	54.65	83.96	(34.91)
Total comprehensive income for the year attributable to the owners of the company	0	-	-	55.52	84.29	(34.13)
Non-controlling interests	0	-	-	0.87	(0.33)	(363.64)
Earning per share (EPS)			-			
Basic	1.05	0.87	20.69	0.41	0.62	(33.87)

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		
	2024	2023		2024	2023	
Non-current assets	9,038.71	9,173.04	(1.46)	10,866.19	11,000.65	(1.22)
Property, plant and equipment	6,216.58	6,480.08	(4.07)	6,431.32	6,694.94	(3.94)
Capital Work-in-progress	2,770.12	2,550.96	8.59	4,424.87	4,205.70	5.21
Investment in shares	52	142	(63.38)	10.00	100.00	(90.00)
Current assets	8,284.88	7,181.08	15.37	6,783.72	5,682.42	19.38
Inventories	3,722.57	3,599.86	3.41	3,901.77	3,625.29	7.63
Accounts receivables	1544.53	632.64	144.14	1,719.48	782.75	119.67
Other receivables	81.5	38.55	111.41	71.5	38.55	85.47
Advance, deposit and prepayments	2,374.26	2,338.92	1.51	477.78	607.31	(21.33)
Investment	118.13	136.7	(13.58)	118.13	136.7	(13.58)
Cash and cash equivalents	453.87	434.41	4.48	495.05	491.82	0.66
Total assets	17,323.59	16,354.12	5.93	17,649.91	16,683.07	5.80
Shareholders' equity	8,928.08	8,857.40	0.80	8,793.48	8,809.51	(0.18)
Share capital	1,348.96	1,348.96	-	1,348.96	1,348.96	-
Non-controlling interest	-	-	-	(0.93)	(0.62)	49.84
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	2,753.18	2,682.50	2.63	2,619.51	2,634.67	(0.58)
Opening balance	2,682.50	2,636.27	1.75	2,634.67	2,621.58	0.50
Add: Net profit after tax for the year	142.21	117.77	20.75	56.38	84.63	(33.38)
Less: Cash dividend	71.54	71.54	-	71.54	71.54	-
Non-current liabilities	2,327.23	2,276.18	2.24	2,334.07	2,280.93	2.33
Non-current lease liabilities	-	-	-	-	-	-
Other non-current liabilities	2,327.23	2,276.18	2.24	2,334.07	2,280.93	2.33
Current liabilities	6,068.27	5,220.54	16.24	6,522.35	5,592.63	16.62
Short term loan	4,616.63	3,341.82	38.15	4,953.12	3,476.68	42.47
Current portion of long-term loan	451.06	464.60	(2.91)	451.06	464.59	(2.91)
Current portion of finance lease obligation	18.32	4.28		23.8	9.3	155.91
Unclaimed Dividend	2.37	1.98	19.70	2.37	1.98	19.70
Accounts payable	510.71	974.13	(47.57)	564.29	1,166.18	(51.61)
Liabilities for expenses	469.15	433.73	8.17	527.68	473.89	11.35
Total equity and liabilities	17,323.59	16,354.12	5.93	17,649.91	16,683.07	5.80
Net asset value per share						
with revaluation reserve	66.19	65.66	0.81	65.19	65.31	(0.18)
without revaluation reserve	38.47	37.93	1.42	37.47	37.59	(0.32)

The above results were achieved despite huge challenges in Bangladesh and globally, continued increases in raw material prices, increases in utility prices, challenges in the logistics front, enhanced supply chain cost, and continuously growing inflation.

Directors' Report to the shareholders

DIVIDEND DECLARATION

The Company's Board of Directors in its meeting held on the 26th of October 2024 has recommended a 10% cash dividend for the general shareholders (excluding sponsors and directors). The payment is subject to the approval of the shareholders at the ensuing AGM of the Company to be held on 25th January 2025. The record date for the final dividend will be 2nd December 2024 and will be paid within 30 days after the AGM date.

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 applicable tax rates.

MANAGEMENT OBJECTIVES AND STRATEGIES

Esquire Knit is one of the leading names in the Garments Industry of Bangladesh. This has been made possible only through our commitment to increasing shareholders' value and improving quality standards, technologically and creatively, while maintaining the Company's commitment to the environment and the societies, in which we operate. Our objectives and related strategies are discussed separately in detail on page 16 of the Annual Report.

Financial Performance and the State of the Company's Affairs

STANDALONE

During the 2023-2024 financial year, the Company achieved a revenue of BDT 7,604.62 million, compared to the BDT 7,514.77 million recorded during the 2022-2023 financial year. The Company reported a 1.20 % positive growth in revenue from the 2022-2023 financial year.

The Company reports a Net Profit after tax of BDT 142.22 million for the 2023-2024 financial year as against the Net Profit after tax of BDT 117.77 million for the 2022-2023 financial year. The Company reported a 20.75 % positive growth in Net Profit after tax during the 2023-2024 financial year from the 2022-2023 financial year.



CONSOLIDATED

During the 2023-2024 financial year, 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 2021-2022 financial year. An audited consolidated financial statement is prepared and is accompanied by an annual report for your information and consideration.

During the 2023-2024 financial year, the Company achieved a revenue of BDT 7,933.68 million as compared to the BDT 7,978.75 million recorded during the 2022-2023 financial year. The Company has reported a (0.56) % negative growth in revenue during the 2023-2024 financial year from the 2022-2023 financial year.

The Company reports a Net Profit after tax of BDT 55.52 million for the 2023-2024 financial year as against the Net Profit after tax of BDT 84.30 million for the 2022-2023 financial year. The Company reported a (34.14) % negative growth in Net Profit after tax during the 2023-2024 financial year from the 2022-2023 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 the Company at www.esquireknit.com.

FINANCIAL POSITION & EARNINGS OF THE COMPANY PER SHARE

BASED ON 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:

	2023-2024		2022-2023	
	Consolidated	Separate	Consolidated	Separate
Earnings per Share (EPS)	0.41	1.05	0.62	0.87
Net Operating Cash Flows per Share (NOCFPS)	-9.67	-8.04	-1.42	-1.7
Financial Position	As of June 2024		As of June 2023	
Net Asset Value (NAV) per Share with revaluation reserve	65.19	66.19	65.31	65.66
Net Asset Value (NAV) per Share without revaluation reserve	37.47	38.47	37.59	37.93

REGION FOR SIGNIFICANT DEVIATION IN EPS, NAV AND NOCFPS

BASED ON CONSOLIDATED REPORTS

The Company has also reported Consolidated EPS of Tk. 0.41, Consolidated NAV per share (with revaluation reserve) of Tk. 65.19, Consolidated NAV per share (without revaluation reserve) of Tk. 37.47 and Consolidated NOCFPS of Tk. (9.67) for the year ended 30th June 2024 as against Tk. 0.62, Tk. 65.31, Tk. 37.59 and Tk. (1.42) respectively for the year ended 30th June 2023.

REASONS FOR DEVIATION IN EPS, NAVPS AND NOCFPS:

EPS has been decreased due to the net profit decrease; as well as revenue than last year. NAV with revaluation has been decreased due to the net profit decrease; NAV without revaluation has been decreased due to the net profit decrease. NOCFPS has been decreased due to revenue and net profit decrease.

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 2023-2024 financial year.

RETAINED EARNINGS

The Company has transferred an amount of BDT 70.68 million to the Retained Earnings during the financial year ended 30th June 2024.

Directors' Report

to the shareholders

SHARE CAPITAL

The Authorized Share Capital of our Company as of 30th June 2024 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 3,559.30 million long-term outstanding (LTO) availed by the Company in the Long Term. CRAB has also assigned an ST-3 rating to the BDT 2,635.00 million short-term funded limit and BDT 7,190.00 short-term non-funded limit availed by the Company.

PARTICULARS OF LOANS, GUARANTEES, AND INVESTMENTS

Details of the Loans 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 30th June 2024, which forms part of this Annual Report. Our company has not given any guarantee or provided any security during the year under review.

SUBSIDIARY

L' Esquire Limited is a Subsidiary Company of Esquire Knit Composite PLC, where Esquire Knit holds a 99.01% share of the total shares of the subsidiary Company and obtained the incorporation certificate on 20th June 2019 from RJSC.

The Company is specially established for the production and 100% export of Lingerie products, which are in huge demand in the global market. The Company has also established and run for the manufacturing of Activewear, Intimax, Sportswear, Knitwear, and Readymade-Garments including Knitting, Dyeing, Sewing, Printing, and Embroidery.

The Company's location is in Jamirdia, Baluka, Mymensingh. During the 2022-2023 financial year, the Company started its Operation and Export activities on a limited scale (trial basis) because we have not obtained a Compliance Certificate from RSC or Accord, other Social Audits and gas connections. Titas Gas has not yet been able to provide a gas connection to our factory to start commercial production.

In this regard, we inform you for the information that, in 2021, we got permission from Titas Gas Transmission and Distribution PLC to connect the gas line to our factory as a fuel source at our own cost. We paid the full deposit of the demand note, submitted a Bank Guarantee as per Titas' requirements and purchased all the equipment including pipes at our costs to get the gas connection. Despite such a huge expenditure on the part of the Company, Titas Gas has not yet been able to provide a gas connection in our factory due to some of Titas' complications.

In this connection, we are working with Titas on this issue regularly. We hope that we will be able to start commercial operation after the solution of these issues, Insha'Allah. Although, we informed you last year that we would be able to start commercial operation by 30th June 2024.

The Company earned reported revenue of BDT 3,29.06 million during the financial year ended 30th June 2024 and a Net Profit after tax BDT of (84.70) million. The Board of L' Esquire Limited has not declared any dividend for the 2023-2024 financial year.

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

CONSOLIDATION OF ACCOUNTS

The Audited Consolidated Financial Statements of our Company for the financial year ended 30th June 2024, 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 consolidating Esquire Knit Composite PLC's financial statements.

WITHDRAWAL OF INVESTMENT FROM ESQUIRE ICL APPAREL FUNDS

The Board of Directors of Esquire Knit Composite PLC in its 140th and 142nd Board Meetings dated 20 March 2024 and 28th

May 2022 respectively has approved the withdrawal of the investment from the Esquire ICL Apparel Funds. During the 2023-2024 financial year, the Company surrendered a total 9,000,000 no. of units out of 10,000,000 no. of units of Esquire ICL Apparel Fund equivalent of the amount of BDT 100,412,290.08, which the Company invested in the units of Esquire ICL Apparel Fund. In this connection, the management of the Company decided that the amount of the Company will invest BDT 10.00 million in a subsidiary of L' Esquire Limited will meet upcoming export opportunities and secure profit and dividends for the Company, where this investment is part of a continued investment by the Company in a Subsidiary Company.

ECONOMIC AND INDUSTRIAL OVERVIEW

GLOBAL ECONOMY

The global economy has been in a very challenging situation. The world has not fully recovered from the fallout of the Covid 19 pandemic, the war in Ukraine and the sanctions against the Russian Federation have upended the fragile global recovery, pushing up food and commodity prices, exacerbating supply-side shocks, slowing growth globally and exacerbating inflationary pressures worldwide. Further increasing food insecurity and poverty, exacerbating inflation, contributed to tighter financial conditions, increased financial vulnerability, and heightened policy uncertainties. Higher-than-expected inflation, especially in the United States and major European economies, has triggered a tightening of global financial conditions. Inflation has also broadened in many economies, reflecting the impact of cost pressures from disrupted supply chains.

To counter inflation etc., central banks of major advanced economies have withdrawn monetary support faster than expected, while many in emerging markets and developing economies have started raising interest rates. Geopolitical and economic uncertainties dampened business confidence and investment.



Directors' Report to the shareholders

BANGLADESH ECONOMY

Economic conditions weakened during fiscal year (FY) 2024 where an impressive GDP growth rate of almost 5.2% was overshadowed by ballooning twin fiscal and current account deficits. Political instability, high international fuel and food prices and the growing trade deficit exerted immense pressure on foreign exchange reserves resulting in a significant depreciation of BDT which in turn contributed towards higher inflation in the country.

The performance of the Bangladesh economy during the first ten months of FY2024 indicates that the remaining months of FY2024 will continue to face ongoing challenges despite some positive policy measures taken by the Bangladesh Bank. This is because it takes a while to see the outcome of any policy. However, the effectiveness of any policy also depends on complementary policies in other areas.

In the backdrop of formidable economic challenges, the Ex-Finance Minister will present the national budget for FY2025. This and the previous IRBD reports of FY2024 by CPD have made both broad and specific measures needed for the economic recovery. CPD has emphasized that while restoring macroeconomic stability should be the main focus of the policymakers, they must also offer concrete measures for providing respite to the inflation-afflicted common people with limited income.

Therefore, the macroeconomic framework for the upcoming FY2025 should continue to focus on curbing inflation and stabilising the exchange rate. Instead of GDP growth, protecting the interests of vulnerable and disadvantaged groups should be the priority of the policymakers. Issues such as enhancing fiscal space, prioritising expenditure, and prioritising foreign financing ought to guide the public finance management in FY2025. For positive outcomes of policy measures and improving macroeconomic performance, complementarity between the fiscal and monetary policies must be ensured.

Along with the immediate and short-term measures, the government should also work towards addressing the structural problems such as establishing good governance and strengthening institutions through reforms. Given that reforms are unpopular and painful, these require strong political commitment.

GARMENT SECTOR

In line with the global and domestic challenges, the ready-made garments sector also witnessed increasing power costs and shortages. Raw material prices remained high with supply chain disruptions, and demand pressures during the year. However, despite the challenges faced during the year, Bangladesh's ready-made garments industry kept on the upward momentum. Ready-made garment (RMG) exports from Bangladesh increased by 2.86 per cent to \$43.850 billion between July 2023 and May 2024, the first eleven months of fiscal 2023-24 (July to June), according to provisional data from the Export Promotion Bureau (EPB). This figure represents an increase from \$42.630 billion in the same period of fiscal 2022-23. While knitwear exports exceeded woven garments, the overall RMG exports did not meet the \$47.474 billion target set for July-May 2024, falling short by 7.63 per cent.

In the first eleven months of the current fiscal, exports of knitwear (Chapter 61) rose by 6.15 per cent to \$24.709 billion, compared to \$23.278 billion during the corresponding period of the previous fiscal 2022-23. Woven apparel exports eased by 1.09 per cent, a total of \$19.141 billion, against \$19.352 billion in July 2023-May 2024, as per EPB.

Home textile exports experienced a significant decline, dropping by 24.29 per cent to \$776.06 million, compared to \$1,024.98 million in the same period last fiscal. Collectively, woven and knitted apparel, clothing accessories, and home textile exports constituted 85.19 per cent of Bangladesh's total exports, amounting to \$51.542 billion for the period. The exports of cotton and cotton products including yarn, waste, and fabrics (Chapter 52) jumped 34.04 per cent to \$502.88 million in the period under review. The trade was noted at \$375.16 million during the same period of the last fiscal.

Despite the global economic slowdown, Bangladesh's RMG exports demonstrated resilience, reaching \$46.991 billion in fiscal 2022-23, an increase from \$42.613 billion in fiscal 2021-22 and \$31.456 billion in fiscal 2020-21.

ECONOMIC AND INDUSTRIAL FORECAST 2024-2025

GLOBAL ECONOMY

Global GDP will rise steadily through next year, but growth prospects vary by country

Global economic growth is projected to continue at its current pace through 2025, with real global GDP increasing 3.2 percent in both 2024 and 2025. However economic growth will vary in advanced economies and emerging markets. In the United States,

real GDP growth is likely to slow to a solid 2.0 percent next year from a brisk 2.8 percent in 2024 and 2.9 percent in 2023. This baseline forecast assumes that US policy continues with only modest changes, but that could shift depending on the new government policies, affecting the US and other economies around the world.

In the euro area, economic activity should increase as lower inflation supports real incomes and the European Central Bank eases interest rates. Japan's economy is likely to grow at a typical pace next year after contracting slightly this year, as earlier fears of a hawkish policy shift have eased. The United Kingdom is likely to see continued muted growth due to fiscal challenges and the lingering effects of Brexit.

India remains the strongest performer among major emerging economies, with robust growth driven by domestic reforms and foreign investment. China faces economic headwinds as fiscal and monetary stimulus have not fully offset weaker consumer demand, a sluggish real estate sector, and reduced foreign investment. Brazil and especially Russia will likely see growth constrained by inflation and monetary tightening in 2025.

Geopolitical factors, including potential US economic policy changes, pose risks to global forecasts, changes in tariffs and industrial policies in the United States, China, and Europe raise the likelihood of a global trade war, and continued conflict in the Middle East and Russia's war in Ukraine could trigger broader inflationary pressures.

BANGLADESH ECONOMY

Bangladesh's economy is expected to grow 4 percent in the current fiscal year ending in June 2025, said the World Bank (WB) by revising its previous forecast on 'significant uncertainties around the political and economic outlook following the recent political turmoil.' The Washington-based multilateral lender had earlier projected a 5.7 percent growth for FY 2024-25. The WB also lowered its estimate for Bangladesh's economic growth in FY24 to 5.2 percent, notably lower than the government's provisional estimate of 5.82 percent for the previous fiscal year.

"The wide range of growth projections reflects the lack of reliable data in recent months, as well as the significant uncertainties surrounding the political and economic outlook following the recent political unrest," the WB said in its October 2024 South Asia Development Update released today. These revised projections for FY24 and FY25 would mark the lowest growth rates since FY20 when Bangladesh's economy expanded by only 3.45 percent due to the Covid-19 pandemic's severe impact.

The WB's forecast is considerably lower than the 6.75 percent growth target set by the previous government for FY 2024-25. "In the short term, political uncertainties are expected to suppress investment and industrial growth. Additionally, recent floods are likely to modestly affect agricultural production.

In the medium to long term, the WB expects growth to gradually recover, supported by key reforms in the financial sector,



Directors' Report

to the shareholders

increased domestic resource mobilization, an improved business climate, and expanded trade. For FY 2025-26, the WB forecasts Bangladesh's economy to grow by 5.5 percent. Bangladesh is one of two South Asian countries, along with the Maldives, for which the WB has downgraded growth projections.

The Asian Development Bank (ADB) lowered its growth forecast for Bangladesh to 5.1 percent for the current fiscal year, citing supply chain disruptions caused by political unrest in July and August 2024.

GARMENT SECTOR

BANGLADESH'S GARMENT INDUSTRY: FUTURE GROWTH IN A CHANGING WORLD

Bangladesh has emerged as a significant player in the global garment industry, securing its position as the second-largest garment exporter worldwide. The country's remarkable journey from economic struggles to becoming a key player in the textile and apparel sector is a testament to its resilience and adaptability. The roots of Bangladesh's garment industry can be traced back to the 1970s, a period when the country was grappling with the aftermath of its Liberation War and the challenges of establishing a stable economy. In the early stages, the industry was primarily focused on meeting domestic demand, with limited international exposure. However, a series of economic reforms and strategic decisions paved the way for Bangladesh to enter the global market.



Despite the challenges, Bangladesh's garment industry continues to exhibit resilience and adaptability. The sector's prospects for future growth are shaped by a combination of factors, including technological advancements, sustainability initiatives, and changing consumer preferences. The adoption of Industry 4.0 technologies is poised to revolutionize the garment manufacturing process in Bangladesh. Automation, artificial intelligence, and data analytics are being integrated into production systems to enhance efficiency, reduce costs, and improve quality.

Embracing these technological advancements will not only boost productivity but also position Bangladesh as a competitive player in the evolving landscape of smart manufacturing.

Many global retailers and consumers scrutinize the practices of suppliers, and compliance with internationally recognised standards ensures market access and fosters trust. Bangladesh's garment industry, by prioritizing sustainability and ethics, can position itself as a responsible participant in the global supply chain. Sustainable practices and ethical manufacturing contribute to the resilience of Bangladesh's garment industry. Addressing labour rights issues and ensuring workplace safety can prevent disruptions due to strikes or accidents. Environmentally sustainable practices reduce exposure to regulatory risks and enhance the industry's adaptability in the face of a changing environment.

Despite the positives, challenges lie ahead for Bangladesh's garment industry. The first of these is sustainability. While this represents an opportunity in some ways, it also is a threat. We are seeing global concerns about clothing production and mass production centres such as Bangladesh could find themselves in the cross-hairs of these discussions.

There are also issues around climate change. Many buyers from Bangladesh now require their manufacturers to meet strict climate targets around energy use. Can garment makers meet these requirements? To do this, a coordinated approach is needed involving industry, government, and the national energy infrastructure. This issue will become paramount over the next five years as buyers seek to hit 2030 climate targets.

FORWARD-LOOKING STATEMENT

The Company's business is closely associated with economic conditions in Bangladesh and globally and its exporting-importing countries. Post-COVID-19, the landscape for international trade has further changed due to the geopolitical situation of the World, specifically in the light of the Russia and Ukraine confrontation.

Accordingly, the domestic economic conditions are fast changing with higher energy costs, supply chain disruptions, increased finance costs, higher inflation etc. In addition, the effects of recent floods in the country are likely to unfold in the short run. The management however is geared up for challenges such as uncertainties in the economic environment, fluctuation in exchange rates, higher raw material costs, higher borrowing costs, tough competition, and logistic issues including cost. Accordingly, strategies are in place and are regularly reviewed to ensure that the Company stays on the path of growth and progress.

We are optimistic that the Company's performance will sustain and further improve in the next FY Insha'Allah, in terms of revenue, profits and liquidity positions.

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.

PROFIT AND ITS APPROPRIATION

Directors propose the appropriation of profit as follows:

Amount in 'BDT'

Directors' Report

To the shareholders

Particulars	Esquire Knit Composite PLC (stand-alone)	
	2023-2024	2022-2023
Net Profit After Tax	142,219,184	117,770,310
Adjustment for depreciation of Revalued Assets	-	-
Profit Brought Forward	2,682,503,155	2,636,272,707
Profit Available for Appropriation	2,824,722,339	2,754,043,017
Proposed Dividend:		
Cash Dividend	71,539,863	71,539,863
Profit Carried Forward	2,753,182,476	2,682,503,155

CONTRIBUTION TO THE NATIONAL EXCHEQUER

Esquire Knit Composite PLC contributed an amount of BDT 82.21 million during the year 2023-2024 to the national Exchequer as against BDT 103.32 million for the previous year of 2022-2023.

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 6,316,063 Kgs of Textiles and 26,562,033 Pcs of Apparels.

PRODUCTION CAPACITY & UTILIZATION

Details of production capacity & utilization

Particulars	Installed Capacity	Actual Production	Production Efficiency in %	Installed capacity	Actual Production	Production Efficiency In %
Financial Year	2023-2024			2022-2023		
Unit	Kgs	Kgs		Kgs	Kgs	
Textiles	12,775,000	6,316,063	49.44%	12,775,000	7,919,463	61.99%
Unit	Pcs	Pcs		Pcs	Pcs	
Apparels	49,920,000	26,562,033	53.31%	49,920,000	26,223,683	52.53%

CAPITAL EXPENDITURES

Esquire Knit Composite PLC made an additional net capital expenditure of BDT 243.86 million to civil construction, import of machinery and other fixed assets under the Kanchpur and Bhaluka Project during the financial year 2023-2024 as follows:

	Figure in 'million'	
	2023-2024	2022-2023
Bhaluka Project	43.16	597.05
Machinery in work in process	-	---
Building Materials & Construction	200.70	---
Total BDT	243.86	597.05

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

FOREIGN EXCHANGE EARNED/SAVED

Esquire Knit Composite PLC has contributed substantially to the Foreign Exchange Reserve of the Country. During the year BDT 472.69 million was earned/saved and contributed through its export marketing operation, which is depicted below:

	"Amount in Taka"	
	2023-2024	2022-2023
Earnings from export	7,604,616.49	7,514,765,316
Less: Import Costs	2,877,718,309	2,627,408,956
Yarn	2,277,928,904	1,863,224,750
Dyes	177,859,714	283,356,954
Chemicals	276,754,422	310,295,114
Spare Parts	145,175,269	170,532,138
Misc. (with BMRE)		--
Net Export Earnings	4,726,898,178	4,887,356,360

CAPITAL MACHINERY

During the reporting year 2023-2024, the Company spent BDT 21.96 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 gains or losses that are 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 2023-2024, 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)

The Company has raised BDT 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 within the stipulated time.

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 31st 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 hurt the Company's sales and profit etc. Mostly, the risk arises from falling demand for the product, shortage of

Directors' Report

to the shareholders

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 EKPLC'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.

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. 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 2023-2024, 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 30th June 2024.

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 30th June 2024 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 5,485 workers in the factory and 1,150 officers and staff in the head office and factory total of 6,635 employees were working in Esquire Knit Composite PLC on 30th June 2024.

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 24th Annual General Meeting on completion of their audit works for the year ended on 30th June 2024.

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 2024-2025 at a fee of Tk. 7,50,000/- (taka seven lac fifty thousand) plus VAT.

Following the recommendation by the Audit Committee, the Board of Members unanimously recommended M/s. Pinaki & Company, Chartered Accountants, AHSANDELL, 2/A, Mymensingh Road (2nd floor), Dhaka-1000, for the appointment as Statutory Auditors for the Audit of the financial statements of the Company for the 2024-2025 financial year at an agreed fee of Tk. 750,000/- (Taka seven lac fifty thousand) only plus VAT.

The Board requested the Shareholders to confirm the appointment of M/s. Pinaki & Company as a Statutory Auditor at their 24th Annual General Meeting.

APPOINTMENT OF COMPLIANCE AUDITORS

The existing Compliance Auditors of the Company M/S. Chowdhury Bhattacharjee & Co., Chartered Accountants, retired at this 24th Annual General Meeting on completion of their audit works for the year ended on 30th June 2024.

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 2024-2025 at a fee of Tk. 50,000/- (taka fifty thousand) plus VAT.

The Board of Members unanimously recommended M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, 47/8, Indira Road (Gr. Floor), Dhaka-12015 for the appointment as Compliance Auditors for Audit of Compliance of the Company for the 2024-2025 financial year at an agreed fee of Tk. 50,000.00 (Taka fifty thousand) only plus VAT. The matter is placed for the shareholders' approval in the 24th Annual General Meeting.

The Board requested the Shareholders to confirm the appointment of M/s. Chowdhury Bhattacharjee & Co., as a Compliance Auditor at their 24th Annual General Meeting.

The Board requested the Shareholders to confirm the appointment at their 24th 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-2018 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 30th June 2024, which would impact the ongoing concern status and future operations of our Company.

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

COMPOSITION OF THE BOARD OF DIRECTORS

Our Company's Board is duly constituted and complies with the requirements of the Companies Act 1994, the listing Regulations and Provisions of the Articles of Association of the Company, and the Corporate Governance Code-2018, issued by the 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 Six Directors including Managing Director and three Key Personnel as of 30th June 2024. Among the

Directors' Report

To the shareholders

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/CMRRC/2006-158/207/Admin/80 dated 3rd June 2018 for three years term.

BOARD AND SUB-COMMITTEE MEETINGS

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

Name of the Meeting	2023-2024	2022-2023	2021-2022	2020-2021
Board of Directors	11	7	8	5
Audit Committee	4	4	4	4
NRC Committee	2	1	2	2

RETIREMENT AND RE-ELECTION

Mrs. Piara Hossain and Mr. Arifur Rahman, 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.136.

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(B)-page no.185. 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 11 (eleven) Board Meetings were held. The attendance record of the Board Members is as follows:

Name of Directors and Position of the Company	Position of the Board	Meeting Held	Attended the Meeting	Percentage
Sponsor Directors				
Mrs. Piara Hossain , Non-Executive Director	Chairman	11	11	100%
Mr. Md. Ehsanul Habib , Managing Director	Director	11	11	100%
Mr. Arifur Rahman , Non-Executive Director	Director	11	11	100%
Mr. Md. Muddasar Hossain , Non-Executive Director	Director	11	11	100%
Independent Directors				
Mr. A. K. M. Shamsul Areefin , Independent & Non-Executive Director	Director	11	11	100%
Mr. Md. Mozammel Hossain, FCA , Independent & Non-Executive Director	Director	11	11	100%
Key Personnel				
Mr. Md. Mustafizur Rahman , Chief Financial Officer	Member	11	11	100%
Mr. Md. Monir Hossain , Company Secretary	Member	11	11	100%
Mr. Md, Rakibur Rahman , Head of Internal Audit & Compliance	Member	11	11	100%

KEY MANAGERIAL PERSONNEL

As of the date of this Report, Mr. Md. Ehsanul Habib, Managing 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

According 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., about these committees are mentioned in the Corporate Governance Report.

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/2009193/10/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 30th June 2024, 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	1604420062000440	29,581,343	21.93%	29,581,343	Pledged entire holding	Bank Asia Limited
Mr. Md. Mofazzal Hossain	1604420062000610	28,791,667	21.34%	10,000,000	Pledged Part Holding	Community Bank Bangladesh Limited

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

COMPANY INFORMATION:

As of 30th June 2024, no directors or shareholders of the Company, who hold 10% shares of Esquire Knit Composite PLC has not taken any margin loan from the stockbroker or portfolio manager against his/her share.

NOMINATION AND REMUNERATION POLICY

Directors' Report

to the shareholders

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.

Please refer to page 131 of the Annual Report, where "The Policy of NRC" is annexed as Annexure X and is also uploaded on the website of the company at www.esquireknit.com has 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

Esquire Knit 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 can 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 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 2018-2019 and 2019-2020 financial year to the "Capital Market Stabilization Fund" on 12th June 2023 and 23th April 2024. 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 Final Dividend	2019-2020	BDT 735,776.00	P.O. No. 3253408 Dated 23rd April 2024 Dutch-Bangla Bank PLC	Capital Market Stabilization Fund
Unclaimed IPO Shares	2018-2019	100 Shares		1201530074571230
Unclaimed Final Dividend	2018-2019	BDT 1,940,529.00	P.O. No. 3166797 Dated 12th June 2023 Dutch-Bangla Bank PLC	Capital Market Stabilization Fund

The name and BOID number of Shareholders whose dividends remain unclaimed/unpaid are given on the Company's website under Price Sensitive Information dated 10th May 2023 and 4th March 2024.

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 21st 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) to increase 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 on 25th January 2023.

DECLARATION BY MANAGING DIRECTOR AND CFO

Please refer to page 97 of the Annual Report, where a "Declaration by the Managing Director and Chief Financial Officer (CFO)" on the Company's Financial Statement 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 & 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

Please refer to page 98 of the Annual Report, where a statement of the "The Shareholding of Directors, Managing Director, Chief

Directors' Report

To the shareholders

Financial Officer (CFO), Company Secretary, Key Executives, and their Spouses and Children” are provided in Annexure II.

The shareholding pattern is shown as of 30th June 2024 as per BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

KEY OPERATING AND FINANCIAL DATA

Please refer to page 99 of the Annual Report, where a statement of the “The summarized Key Operating and Financial Data’ for 2023-2024 and the immediately preceding five years is provided in Annexure-III.

MANAGEMENT DISCUSSION AND ANALYSIS

Please refer to page 100 of the Annual Report, where a 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

Please refer to page 110 of the Annual Report, where a detailed report on the “Corporate Governance Compliance” under the requirement of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, is provided in Annexure-V.

WEBSITE

The Company maintains a website namely www.esquireknit.com. All disclosures, audited financial statements, and annual reports are available from our Company here.

BUSINESS CONDUCT AND ETHICS CODE

Please refer to page 18 of the Annual Report, where a detailed statement of the “Business Conduct and Ethics Code” has been Separately reported by the Company as Annexure -VI.

HEALTH SAFETY AND ENVIRONMENT (HSE)

Please refer to page 33 of the Annual Report, where a detailed statement of the “Health Safety and Environment (HSE)” has been Separately reported by the Company as Annexure -VII.

HUMAN RESOURCE

Please refer to page 53 of the Annual Report, where a detailed statement of the “Human Resource” has been Separately reported by the Company as Annexure -VIII.

OUTLOOK 2025 OF BANGLADESH

The outlook for Bangladesh’s garment sector in the 2024-2025 financial year is optimistic, depending on the government’s ability to create a favorable business environment and restore stability. The sector could see a rebound if political and economic conditions improve. The ready-made garment (RMG) sector is a major contributor to Bangladesh’s economy, accounting for 83.9% of the country’s national exports. In 2023-2024, the RMG sector is estimated to contribute 15–20% to the country’s GDP. Non-cotton garment exports are expected to reach \$19 billion by 2024-2025.

The RMG sector faces many challenges, including unskilled workers, insufficient infrastructure, raw materials, energy crises, safety issues, political crises, and coverage of accords and alliances. The Asian Development Bank (ADB) projects that inflation in Bangladesh will rise to 10.1% by the end of the 2024-2025 financial year. The ADB revised Bangladesh’s economic growth forecast down to 5.1%.

To enhance their global standing, apparel manufacturers in Bangladesh can focus on technical innovation, market diversity, and sustainability. They can also strengthen the supply chain and place greater emphasis on worker welfare.

COMPANY’S OUTLOOK 2025

Our outlook for the 2024-2025 financial year is to reflect the continued transformation of our cost structure to minimize every single cost because we plan our production to satisfy the growing long-term commitments under our contract portfolio. With our plan to produce 8 million kgs of textiles and 30 million pcs of apparel in our factory under installed capacity, we expect strong cash flow generation. Our financial performance and the amount of cash generated will be dependent on sourcing the material

required to meet our deliveries as planned, including achieving our production

Still now, Bangladesh is facing a severe energy crisis and efforts to increase power generation are yet to fully materialize. This resulted in load-shedding and power shutdowns in all the sectors whether Industrial or Residential. Considering the importance of energy and water to cater for energy and water needs, the Company has been heavily investing in power generation and supply which includes the installation of turbines, fuel-efficient generators and the addition of energy-efficient machines to our various manufacturing units, as well as using and converting to processes and machinery that require less water consumption. Every decision of machine acquisition involves due consideration for energy savings and conservation.

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

I Declaration of MD & CFO

II Shareholding Pattern

III Key Operating & Financial Data

IV Management Discussion and Analysis Report

V Corporate Governance Report

VI Directors Declaration

VII Audit Committee Report

VIII Nomination and Remuneration Committee Report

IX Board of Directors Involvement in other organization

X NRC Policy

XI Profile of the Directors

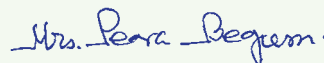
XII Dividend Distribution Policy

ACKNOWLEDGEMENT

We acknowledge and recognize the outstanding performance of our employees and the continued support of our customers, financial institutions, regulatory authorities of the Governments in Bangladesh, shareholders, and members of the Board of Directors.

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

For and on behalf of the Board



Mrs. Piara Hossain
Chairman



Md. Ehsanul Habib
Managing Director

Saturday & Dhaka
26th October 2024

Corporate Governance Report

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

DATE OF REPORT

The information provided in this Report on Corporate Governance for unanimity is as of 30th June 2024. This Report is updated as of the date of the Report wherever applicable.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

BOARD OF DIRECTORS

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

As of 30th June 2024, the Board comprised 6 (six) directors, of which 5 (five) were Non-Executive Directors including the Chairman. Apart from this, there are 2 (two) Independent Directors among these five Non-Executive Directors. One female Director out of the total composition of the Board.

The composition of the Board as of 30th June 2024, the number of committees of which a director is a Member/Chairperson, and the attendance of each director at the Board Meeting's as follows:

Name of the Directors & Position of the Company	Position of the Board	No. on membership on Board committees	No. on Chairpersonship on Board committees	No. of Board Meetings attended during the 2023-2024 financial year
Mrs. Piara Hossain				
Non-Executive Directive Director	Chairman	N/A	N/A	11 out of 11
Mr. Md. Ehsanul Habib				
Managing Director	Director	N/A	N/A	11 out of 11
Mr. Arifur Rahman				
Non-Executive Director	Director	N/A	N/A	11 out of 11
Mr. Md. Muddasar Hossain				
Non-Executive Director	Director	4	N/A	11 out of 11
Mr. A. K. M. Shamsul Areefin				
Independent & Non-Executive Director	Director	4	3	11 out of 11
Mr. Md. Mofazzel Hossain, FCA				
Independent & Non-Executive Director	Director	4	1	11 out of 11

The Committee positions are based on the latest disclosures received by the Company. The last AGM (23rd) held on 25 January 2024 through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") was attended by all the above-named directors excluding Mrs. Piara Hossain.

BOARD MEETINGS AND ATTENDANCE

The Board met 1(eleventh) time during the financial year that ended on 30th June 2024. At least one meeting of the Board was held in every quarter and the time gap between any two consecutive board meetings did not exceed 120 days during the financial year that ended on 30th June 202. The details are as follows:

Meeting Number	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Director Present
133rd	Saturday, 22nd July 2023	1	11	2
134th	Wednesday, 5th September 2023	1	11	2
135th	Thursday, 5th October 2023	1	11	2
136th	Monday, 30th October 2023	1	11	2
137th	Tuesday, 14th November 2023	1	11	2
138th	Tuesday, 5th December 2023	1	11	2
139th	Tuesday, 30th January 2024	1	11	2
140th	Wednesday, 20th March 2024	1	11	2
141st	Monday, 29th April 2024	1	11	2
142nd	Tuesday, 28th May 2024	1	11	2
143rd	Thursday, 20th June 2024	1	11	2

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

BOARD COMMITTEES

The Board has promulgated various committees and has delegated specific responsibilities to them. The Committees review items in great detail before they are placed at the Board meetings for consideration. The Committees follow the defined guidelines and establish the framework for their operations. The terms of reference of the committees comply with the Act (BSEC guidelines) and the Listing Regulations. During the financial year ended 30th June 2024, the Board has constituted its committees and no terms of reference of the committees have been amended, as applicable, in compliance with the BSEC regulations dated 3 June 2018. The committees are-

1. Audit Committee
2. Nomination and Remuneration Committee

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

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

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

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

ROLE & RESPONSIBILITIES OF THE BOARD

The Board is the supreme authority of the company to oversee its operations through appropriate delegation, monitoring, control and reporting. The Directors hold the activities of the Company in accordance with law and in the interest of its shareowners

Corporate Governance *Report*

and other stakeholders, keeping in view the long-term interests and aspirations of the Company, while also discharging the Company's legal obligations to its shareowners.

FUNCTIONING OF THE BOARD

The Directors meet together for the dispatch of the business and regulate the meetings and proceedings according to the needs of the Company. Every Board Meeting is preceded by a service of notice well ahead of the scheduled time. Notice with agenda supported by working papers for every meeting of the Board is sent to all Directors well in advance so that they can come up with their considered views and can actively participate in the deliberations. During the meeting, the Board gets a thorough review of the performance of the Company by the Managing Director. All pertinent matters are discussed in detail and decisions are taken based on thorough considerations. Questions arising at any meeting are decided by a majority of votes. However, there is a procedure supported by the Articles of Associations of the Company which allows taking care of any urgent matter



through Resolution by Circulation. Such circular resolution is adopted by the Directors present in Bangladesh, without having to call a formal Board Meeting. To make it transparent, such resolutions passed by circulation are subsequently tabled immediately following the board meeting and included in the minutes accordingly.

SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

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

Mrs. Piara Hossain - *Chairman*

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

Mr. Md. Ehsanul Habib - *Managing Director*

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

INDEPENDENT DIRECTOR

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

MR. A.K.M. SHAMSUL AREEFIN

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

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

Mr. Areefin is a Non-Executive Independent Director of Esquire Knit Composite PLC as well as the Chairperson of the Nomination and Remuneration Committee (NRC) and Corporate Governance Committee. He is also a Member of the Audit Committee, and Risk Management Committee and a representative director on the board of L, Esquire Limited on behalf of Esquire Knit Composite PLC, where L' Esquire is a subsidiary of Esquire Knit Composite PLC. Mr. Areefin joined the Board of Directors of Esquire Knit Composite PLC from the date of 1st July 2023.

MR. MD. MOZAMMEL HOSSAIN

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

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

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

AUDIT COMMITTEE

The Board has constituted a qualified and independent Audit Committee that acts as a link between the management, the Statutory and Internal Auditors, and the Board. The composition of the Audit Committee is in accordance with the provisions of the BSEC Notification no. BSEC/CMMRRCD/2006-158/2007/admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission. As of 30 June 2023, the Audit Committee has comprised 3 (three) Non-Executive Directors, 2 (two) of whom are Independent Directors. All the members of the Audit Committee are financially literate with the majority having accounting or related financial management expertise. The Chairman of the Committee is an Independent (Non-Executive) Director, nominated by the Board. The Chief Financial Officer and the Head of the Internal Auditor are among the permanent

Corporate Governance Report

invitees to the Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings were circulated to the Board, discussed, and taken note of. All recommendations made by the Audit Committee during the year were accepted by the Board.

COMPOSITION, MEETINGS, AND ATTENDANCE

At least one meeting of the Audit Committee was held in every quarter of the financial year that ended on 30th June 2024 and the time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days. The Committee met four times during the financial year 2023-2024. The composition and attendance of the members of the Audit Committee are-

Meeting Number	Date of Meeting	Name of the Committee Members & Position of the Board	Position of the Committee	No. of meetings attended
29th	29th October 2023	Mr. Md. Mozammel Hossain, FCA Independent & Non-Executive Director	Chairperson	4 out of 4
30th	14th November 2023	Mr. A. K. M. Shamsul Areefin Independent & Non-Executive Director	Member	4 out of 4
31st	30th January 2024	Mrs. Piara Hossain Non-Executive Director	Member	4 out of 4
32nd	29th April 2024	Mr. Md. Monir Hossain Company Secretary	Member Secretary	4 out of 4



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

NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

COMPOSITION, MEETINGS, AND ATTENDANCE

At least one meeting of the NRC was held every financial year. The Committee met one (1) time during the financial year 2023-2024. The NRC Committee is comprised of 3 (three) Non-Executive Directors, 2 (two) of whom are Independent Directors. The Company Secretary acts as the Secretary to the Committee.

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

Meeting Number	Date of Meeting	Name of the Committee Members & Position of the Board	Position of the Committee	No. of meetings attended
25th 26th	30th January 2024 28th April 2024	Mr. A.K.M. Shamsul Areefin Independent & Non-Executive Director	Chairperson	2 out of 2
		Mr. Md. Mozammel Hossain, FCA Independent & Non-Executive Director	Member	2 out of 2
		Mrs. Piara Hossain Non-Executive Director	Member	2 out of 2
		Mr. Md. Monir Hossain Company Secretary	Member Secretary	2 out of 2

CORPORATE GOVERNANCE COMPLIANCE COMMITTEE

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

COMPOSITION, MEETINGS, AND ATTENDANCE

The Committee met one (1) time during the financial year 2023-2024. The Corporate Governance Compliance Committee is comprised of 3 (three) Non-Executive Directors and 2 (two) Independent Directors. The Company Secretary acts as the Secretary to the Committee.

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

Name of the Committee Members	Position of the Board	Position of the Committee	Number of meetings attended
Mr. A.K.M. Shamsul Areefin	Independent & Non-Executive Director	Chairperson	1 out of 1
Mr. Md. Mozammel Hossain, FCA	Independent & Non-Executive Director	Member	1 out of 1
Mr. Muddasar Hossain	Non-Executive Director	Member	1 out of 1
Mr. Monir Hossain	Company Secretary	Member Secretary	1 out of 1

Corporate Governance Report

RISK MANAGEMENT COMMITTEE

Risk Management is the process of identifying, assessing and controlling financial, legal, strategic and security risks to the Company's capital and earnings. The Board has constituted a Risk Management Committee to ensure improvement, accountability and minimize risk in the Company and Management of the Company.

Composition, Meetings and Attendance

The Committee met one (1) time during the financial year 2023-2024. The Corporate Governance Compliance Committee is comprised of 3 (three) Non-Executive Directors, where 2 (two) Independent Directors. The Company Secretary acts as the Secretary to the Committee.

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

Name of the Committee Members	Position of the Board	Position of the Committee	Number of meetings attended
Mr. A.K.M. Shamsul Areefin	Independent & Non-Executive Director	Chairperson	1 out of 1
Mr. Md. Mozammel Hossain, FCA	Independent & Non-Executive Director	Member	1 out of 1
Mr. Muddasar Hossain	Non-Executive Director	Member	1 out of 1
Mr. Monir Hossain	Company Secretary	Member Secretary	1 out of 1

MANAGEMENT COMMITTEE

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

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

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

RELATIONSHIP

RELATIONSHIP WITH SHAREHOLDERS & PUBLIC

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

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

RELATIONSHIP WITH GOVERNMENT

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

RELATIONSHIP WITH FINANCIER/BANKERS

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

RELATIONSHIP WITH SUPPLIERS

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

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The Board of Directors is also aware of the Corporate Social Responsibilities (CSR), especially in the areas of gender equality, race-religion, regional equality, non-employment of child labor, human rights, environmental pollution, social-marketing, social activities (promotion of sports & culture, health care and participation in charitable activities, etc.)



Corporate Governance Report

CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, AND HEAD OF INTERNAL AUDIT AND COMPLIANCE

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

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

ROLE OF CFO, CS AND HIAC

ROLE OF CHIEF FINANCIAL OFFICER (CFO)

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

ROLE OF COMPANY SECRETARY

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

ROLE OF HEAD OF INTERNAL AUDIT & COMPLIANCE

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

SUBSIDIARY COMPANY

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

The Board is comprised of 4 (four) Directors, of which 2 (two) are representatives of Esquire Knit Composite PLC. During the financial year 2023-2024, the Board of Directors of L' Esquire Limited met 4 (four) times.

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

Meeting Number	Date of meeting	Name of the Directors	Position of the Board	No. of meetings attendant
19th	29th October 2023	Mr. Md. Ehsanul Habib	Chairman	4 out of 4
		Mr. Arifur Rahman	Managing Director	4 out of 4
20th	14th November 2023	Mr. Md. Mofazzal Hossain	Director	4 out of 4
		Mr. Md. Muddasar Hossain	Director	4 out of 4
21st	29th January 2024	Mr. Md. Ehsanul Habib (Representative of Esquire Knit Composite PLC)	Director	4 out of 4
22nd	29th April 2024	Mr. A.K.M. Shamsul Areefin (Representative of Esquire Knit Composite PLC and Independent Director of EKCPLC)	Director	4 out of 4

ACTIVITIES OF SUBSIDIARY COMPANY DURING THE YEAR

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

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

OTHER GOVERNANCE APPARATUS

The Company, in its efforts for Corporate Good Governance Practices, uses a series of top-ranking professional service providers including Legal experts, bankers, Insurers and Technical experts who continuously assist the Board of Directors and



the Executive management in properly discharging their duties to all the shareholders, stakeholders, the Government and the Public as highlighted below:

LEGAL ADVISOR

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

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

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

STATUTORY AUDITORS

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

Corporate Governance Report

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

INTERNAL AUDIT AND CONTROL

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

COMPLIANCE AUDITORS

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

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

COMPLIANCES

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

DIVIDEND DISTRIBUTION POLICY

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

SHAREHOLDERS' RELATIONSHIP

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

This position of shareholders as of 30th June 2024 indicates that the sponsors of the company do not hold the required shareholding for passing special resolutions. This allows the public shareholders (individuals & institutions) to play an effective role in protecting their legal corporate rights.

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

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

SEGMENT REPORT

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

NATURE OF BUSINESS

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

RISK PERCEPTION

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

SECRETARIAL STANDARD

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

GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING (AGM), BOOK CLOSURE PERIOD AND DIVIDEND PAYMENT DATE

The details of the AGM, Book Closure period and Dividend payment date have been disclosed in the Notice convening the 24th AGM and forming part of the Annual Report.

FINANCIAL YEAR

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

Financial Calendar for the Current Financial Year 2024-2025

Quarter Name	Period ended	Tentative Dates
1st Quarter	30th September 2023	12th November 2024
2nd Quarter	31st December 2023	30th January 2025
3rd Quarter	31st March 2024	29th April 2025
4th Quarter and Annual Audited Financial Statement	30th June 2024	28th October 2025

LISTING OF EQUITY SHARES ON THE STOCK EXCHANGES WITH SCRIP CODE

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

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

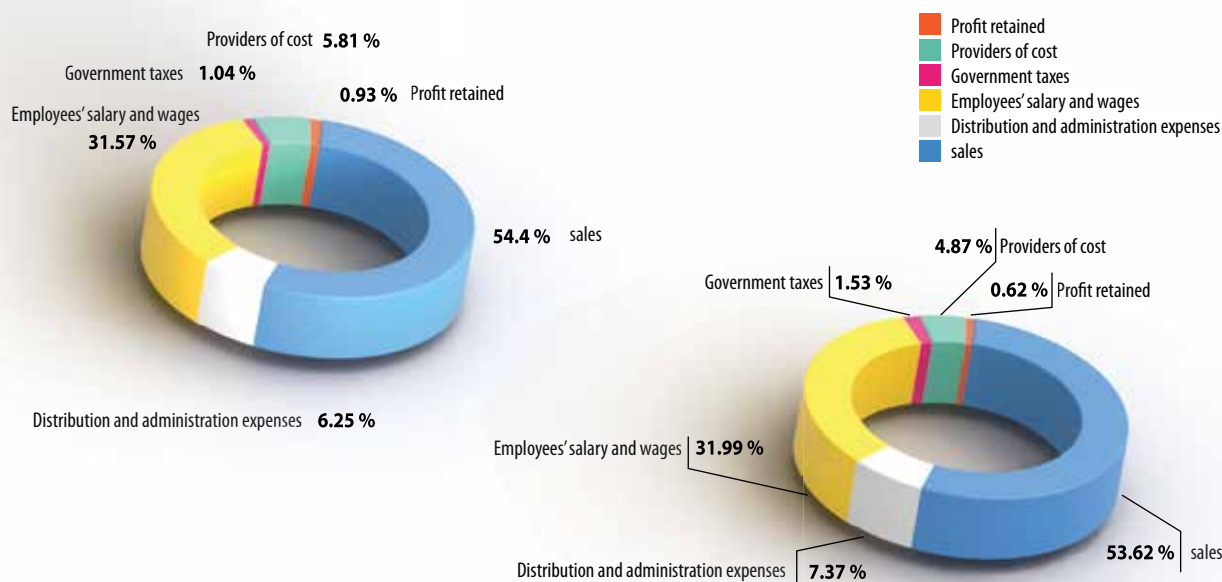
CORPORATE SOCIALIZATION

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

Our Value Addition and its distribution

	2024		2023	
	BDT '000s	%	BDT '000s	%
Value addition				
Net revenue	7,604,616	99.67	7,514,765	99.76
Non-operating income	24,796	0.33	18,176	0.24
	7,629,412	100	7,532,941	100
Value distribution				
Cost of sales (excluding employees' salary, wages, duties and taxes)	4,111,138	54.4	4,000,792	53.62
Distribution and administration expenses (excluding employees' salary, wages, and taxes)	472,064	6.25	549,884	7.37
Employees' salary and wages	2,386,278	31.57	2,387,067	31.99
Government taxes (including income tax, WPPF, WF, duties and sale tax)	78,562	1.04	113,874	1.53
Providers of cost (finance cost)	439,149	5.81	363,552	4.87
Profit retained	70,679	0.93	46,230	0.62
	7,557,870	100	7,461,399	100

GRAPHICAL PRESENTATION



Declaration of MD and CFO

Annexure-I
to the directors' report

The Board of Members
Esquire Knit Composite PLC
Esquire Tower
21 Shaheed Tajuddin Ahmed Sarani, Tejgaon
Dhaka-1208, Bangladesh

Declaration on Financial Statements for the financial year ended on 30th June 2024.

Dear Sirs/Madam,

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

1. The Financial Statements of Esquire Knit Composite PLC for the financial year ended on 30th June 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, 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 the 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 concerns 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 financial year that ended on 30th June 2024 and to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present a true and fair view of the Company's affairs and comply with existing accounting standards and applicable laws.
- ii. There are to the best of my knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

For and on behalf of the Company



Md. Ehsanul Habib
Managing Director



Md. Mustafizur Rahman
Chief Financial Officer

Saturday, Dhaka
26th October 2024

Shareholding pattern

Annexure-II
to the directors' report

The Shareholding Pattern of Esquire Knit Composite PLC shows Parent/Subsidiary/Associated Companies and other related parties as of 30th June 2024.

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

Shares held by other related parties

Name of the related parties	Number of Shares	% of Shares
Esquire Dying Industry Limited	29,581,343	21.93
Esquire Accessories Limited	1,214,677	0.90
Esquire Electronics Limited	5,848,010	4.34
Total Shares held	36,644,030	27.17

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

b. Shares held by Directors of the Board

Name of the Sponsors & Directors and their spouse and minor children	Position of the Board	Number of Shares	% Of Shares
Md. Mofazzal Hossain	Sponsor & Chairman	28,791,667	21.34
Md. Ehsanul Habib	Sponsor & Managing Director	15,032,960	11.14
Arifur Rahman	Sponsor & Director	7,925,000	5.87
Md. Muddasar Hossain	Sponsor & Director	7,925,000	5.87
Mrs. Piara Hossain	Director	3,681,343	2.73
A.K.M. Shamsul Areefin	Independent Director	NIL	0.00
Md. Mozammel Hossain, FCA	Independent Director	NIL	0.00
Total shares held		63,355,970	46.95

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

Name of the Member of the Board and their spouse and minor children	Position of the Company	Number of Shares
Mr. Md. Mustafizur Rahman	Chief Financial Officer	NIL
Mr. Md. Monir Hossain	Company Secretary	NIL
Mr. Md. Rakibur Rahman	Head of Internal Audit & Compliance	NIL

iii. Shares held by Executives of the Company : NIL

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

Name of the Shareholders	Number of Shares	% Of Shares
Mr. Md. Mofazzal Hossain	27,791,667	20.60
Mr. Md. Ehsanul Habib	15,032,960	11.14
Esquire Dying Industry Limited	29,581,343	21.93
Total Shares held	72,405,970	53.67

Key operating and financial data

[five Years Comparative Statistics (separate)]

Annexure-III
to the directors' report

Revenue and results from the operation

	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
	(BDT in Million)				
Total Revenue	7,604.62	7,514.77	10,014.28	7,905.84	5,000.52
Gross Profit	1,286.37	1,356.10	8,416.65	6,489.64	1,095.37
Gross Operating Profit	635.13	577.02	1,597.63	603.72	558.92
Net Operating Profit	195.98	213.47	377.11	337.75	284.25
Net Profit before tax	219.15	229.13	398.22	365.36	323.13
Net Profit after tax	142.22	117.77	327.49	301.86	266
Earnings per share (EPS)	1.05	0.87	2.43	2.24	1.97

Statement of financial position

	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
	(BDT in Million)				
Total Assets	17,323.59	16,354.12	15,528.65	14,496.30	11,967.95
Total non-current assets	9,038.71	9,173.04	8,857.15	8,176.94	5,538.70
Total Current Assets	8,284.88	7,181.08	6,671.50	6,319.37	6,429.25
Shareholders' Equity	8,928.08	8,857.40	8,811.17	8,662.23	6,827.44
NAV per share with revaluation reserve	66.19	65.66	65.32	64.21	50.61
NAV per share without revaluation reserve	38.47	37.93	37.59	36.48	35.88

Changes in the financial position

	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
	(BDT in Million)				
Share capital	1,384.96	1,348.96	1,348.96	1,348.96	1,348.96
Revaluation surplus	3,739.29	3,739.29	3,739.29	3,739.29	1,986.60
Retained earnings	2,753.18	2,682.50	2,636.27	2,487.33	2,387.82

Statements of cash flows

	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
	(BDT in Million)				
Net cash flow from operating activities	-1,084.55	-229.06	440.61	-173.07	290.43
Net cash flow from investing activities	-135.3	-621.3	-1,057.84	-1,158.15	-731.48
Net cash flow from financing activities	1,238.13	780.5	445.69	287.76	1,300.01
Net Operating Cash Flow per share (NOCFPS)	-8.04	-1.7	3.27	-1.3	2.13

Statements of Shareholding

	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
	(Figure in Million)				
Total Number of Shares	134.9	134.9	134.9	134.9	134.9
Sponsors	63.36	63.36	63.36	63.36	63.36
Institutions	54.55	53.94	52.81	54.01	54.01
General Public	16.99	17.6	18.73	17.53	17.53

Statements of Employees

	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Number of Employees	6,635	6,820	8,428	8,418	8,272
Officers & Staff	1,150	1,226	1,435	1,435	1,490
Workers	5,485	5,594	6,993	6,983	6,782

Management Discussion and Analysis Report

Annexure-IV
to the directors' report

Under Condition No. 1 (5) (xxv) of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission, the Management Discussion and analysis for the year ended 30th June 2024 of the Company are presented hereunder:

It is a statutory requirement to explain the Company's business performance with a detailed discussion and analysis of financial statements.

ACCOUNTING POLICIES AND ESTIMATIONS

As is applicable, we adhere to the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh. The following IASs and IFRSs apply to the financial statements for the year under review:

IASs

1. IAS-01 Presentation of Financial Statements
2. IAS-02 Inventories
3. IAS-07 Statement of Cash Flows
4. IAS-08 Accounting Policies, Changes in Accounting Estimates and Errors
5. IAS-10 Events after the Reporting Period
6. IAS-12 Income Taxes
7. IAS-16 Properties, Plant & Equipment
8. IAS-19 Employees Benefits
9. IAS-21 The Effects of Changes in Foreign Exchange Rates
10. IAS-23 Borrowing Costs
11. IAS-24 Related Party Disclosures
12. IAS-32 Financial Instruments: Presentation
13. IAS-33 Earnings per Share
14. IAS-34 Interim Financial Reporting
15. IAS-36 Impairment of Assets
16. IAS-37 Provisions, Contingent Liabilities and Contingent Assets
17. IAS-38 Intangible Assets

IFRSs

01. IFRS-07 Financial Instruments: Disclosure
02. IFRS-09 Financial Instruments
03. IFRS-12 Disclosure of Interest in Other Entities
04. IFRS-13 Fair Value Measurement
05. IFRS-15 Revenue from Contracts with Customer
06. IFRS-16 Leases

This is also explained in Note No-3.23 of the Company's Audited Financial Statement disclosed in this Annual Report.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATION

Esquire Knit has been following consistent policies and estimations, and there are no such changes in accounting policies or estimations, which have a material impact on financial statements for the year ended on 30th June 2024.

COMPARATIVE ANALYSIS OF FINANCIAL AND OPERATIONAL PERFORMANCE

The Directors' Report provides the analysis of financial performance and position during the year under review and a detailed comparison of the financial performance and position as well as cash flows are presented as part of the financial statements including notes. However, major areas of financial performance, a financial position as well as cash flows with the immediately preceding five years including the effects of inflation are depicted herein below:

Amount in Million Taka

Particulars	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Financial Performance					
Revenue	7,604.62	7,514.77	10,014.28	7,905.84	5,000.52
Gross Profit	1,286.37	1,355.99	1,597.63	6,489.64	1,095.37
Net Profit before tax	195.98	213.47	398.22	365.36	323.13
Net Profit after tax	142.22	117.77	327.49	301.86	266
Financial Position					
Shares Outstanding	1,348.90	1,348.96	1,348.96	1,348.96	1,348.96
Shareholder's Equity	8,928.08	8,857.40	8,811.17	8,662.23	6,827.44
Non-Current Assets	9,038.71	9,173.04	8,857.15	8,176.94	5,538.70
Non-Current Liabilities	2,327.24	2,276.18	2,705.88	2,691.52	2,495.24
Total Assets	17,323.59	16,354.12	15,528.65	14,496.30	11,967.95
Total Liabilities	17,323.59	16,354.12	15,528.65	14,496.30	11,967.95
Current Assets	8,284.88	7,181.08	6,671.50	6,319.37	6,429.25
Current Liabilities	6,068.27	5,220.54	4,011.60	3,413.23	2,660.13
Cash Flows					
Net Cash Generated from Operating	(1084.55)	(229.06)	440.61	(173.07)	290.43
Net Cash Used in Investing Activities	(135.30)	(621.30)	(1057.84)	(1158.15)	(731.48)
Net Cash Used in Financial Activities	1238.13	780.50	445.67	287.76	1300.01
Financial Ratio					
Current Ratio in Times	1.37	1.38	1.66	1.85	2.42
Debt/Equity Ratio in Times	0.83	0.69	0.59	0.52	0.58
Gross profit Margin in %	16.92	18.04	15.95	17.91	21.91
Return on Equity Ratio in %	1.6	1.33	3.75	4	4.03
Return on Assets Ratio in %	0.84	0.74	2.18	2.28	2.39
Ordinary Shares Information					
Shares Outstanding	1,348.96	1,348.96	1,348.96	1,348.96	1,348.96
Face Value per Share	10	10	10	10	10
Dividend-Cash (In %)	10%	10%	10%	15	15
Dividend-Stock (In %)	0	0	0	0	0
Dividend Payout in Cash	71.54	71.54	71.54	202.34	202.34
NAV per Share with Revaluation Reserve	66.19	65.66	65.32	64.21	50.61
NAV per Share without Revaluation Reserve	38.47	37.93	37.59	36.48	35.88
Net Operating Cash Flow per Share	(8.04)	(1.70)	3.27	(1.30)	2.13
Earnings per Share	1.05	0.87	2.43	2.24	1.97

Management Discussion and Analysis Report

COMPARISON OF FINANCIAL PERFORMANCES WITH PEER INDUSTRY SCENARIO

A comparison of financial performances, financial position as well as cash flows for the year ended 30th June 2024 of 5 (five) Textiles Companies are presented the following in order of market capitalization:

“Amount in Million Taka”

Particulars	Esquire Knit	Paramount Tex	Squire Tex	Envoy Tex	Matin spinning
Financial Performance					
Revenue	7,604.62	10,072.44	18,926.87	14,261.38	8,045.33
Gross Profit	1,286.37	1,597.11	2,332.76	2,309.97	857.39
Net Profit before tax	219.15	1,135.36	1,271.35	716.18	287.94
Net Profit after tax	142.22	1,009.33	1,081.94	600.39	198.93
Earnings Per Share (Basic)	1.05	5.68	5.49	3.58	2.04
Financial Position					
Shares Outstanding	1,348.96	1,628.34	197.25	167.73	97.49
Shareholders' Equity	8,928.08	6,376.55	9,588.68	8,710.78	5,623.35
Total Assets	17,323.60	25,973.12	23,212.82	23,986.00	12,658.51
Current Assets	8,284.88	9,504.25	12,696.38	11,641.63	6,733.15
Current Liabilities	6,068.27	7,143.87	10,356.54	9,422.33	5,893.23
Cash Flow					
Net Cash Generated from Operating Activities	(1084.55)	561.07	(2349.37)	617.91	(1039.86)
Net Cash Used in Investing Activities	(135.30)	(5007.77)	(1975.48)	(735.34)	(295.16)
Net Cash Used in Financing Activities	1238.13	4546.49	4528.31	343.13	1168.27
Market Capitalization	25225.55	116263.48	9113.04	5971.19	4299.31

REVENUE RECOGNITION

EXPORT REVENUE

Following 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 the entity expects to be entitled in exchange for goods supplied and services 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. The performance obligation is satisfied at a point in time when the customer obtains control of goods and services. Revenue from export is recognized at the ex-factory date.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably

CASH INCENTIVE

Cash incentive income is recognized when a Proceed Realization Certificate (PRC) is received from the bank against the realization.

FINANCIAL EXPENSES

Financial expenses comprise interest expenses on long-term loans, short-term loans, finance leases and other borrowings, bank commissions and charges etc. All such costs are recognized in the statement of profit or loss and other Comprehensive Income except those that are capitalized

STATEMENT OF CASH FLOWS

Statement of cash flows is prepared principally following IAS-7: Cash Flows Statement and the cash flows from operating activities are presented under direct method.

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 of the reporting date are converted into Bangladeshi taka at the closing rate. Exchange gain or loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

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.

EMPLOYEE BENEFIT

Workers' profit participation fund and welfare fund/Contribution to Central Fund (RMG Sector)

This represents 5% of net profit before tax contribution by the Company as per provisions of the Bangladesh Labour (Amended) Act 2013 (Bangladesh Labour law, 2006) and is payable to workers as defined in the said law complied in re-placed by the Act No. 30, Para 63 of the year 2023 as Central Fund at the rate applicable for RMG sector (0.03%) on realized revenue which is deducted at source by bank.

We recorded a provision for contribution to WPPF & WF of BDT 1.64 million in the 2023-2024 financial year, compared to BDT 2.52 million in the 2022-2023 financial year. The following table shows the Contribution to WPPF & WF:

	2023-2024	2022-2023
Provision for contribution to WPPF & WF	1,635,373	2,519,596

GRATUITY

Regular confirmed employees of the Company who have completed a minimum of 5 (five) years of continuous service from the date of joining are eligible for gratuity payment at the time of separation of employment with the Company.

IMPAIRMENT

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 assets and that the loss event had negative effects on the estimated future cash flows of the asset, that can be estimated as reliable. 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.

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.

Management Discussion and Analysis Report

The 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. The 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 it's a revaluation decrease.,

INCOME TAX EXPENSES

Income tax expenses comprise tax and deferred tax. Income taxes are recognized in statements of profit or loss and other comprehensive income except to the extent of items recognized directly in equity or other comprehensive income.

We recorded an income tax expense of BDT 76.93 million in the 2023-2024 financial year, compared to an expense of BDT 117.77 million in the 2022-2023 financial year. The following table shows the Income tax expenses:

	2023-2024	2022-2023
Current Tax	82,206,101	103,323,755
Deferred Tax	(5,278,824)	8,031,018
Total Income Tax Expenses	76,927,277	111,354,772

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have a well-established and comprehensive internal control structure across the value chain to ensure that our assets are safeguarded and protected against loss from unauthorized use or disposition, transactions are authorized, recorded, and reported correctly and operations are conducted efficiently and cost-effectively. The key constituents of the internal control system are:

- Establishment and periodic review of business plans
- Identification of key risks and opportunities and regular reviews by top management and the Board of Directors
- Policies on operational and strategic risk management
- Clear and well-defined organizational structure and limits of financial authority
- Continuous identification of areas requiring strengthening of internal controls
- Standard Operating procedures to ensure the effectiveness of business processes
- Systems of monitoring compliance with statutory regulations
- Robust management information system
- Comprehensive Information Security Policies and guidelines
- Comprehensive internal audit and review system
- Well-defined Internal Financials Controls framework
- An effective whistle-blowing mechanism
- Training/awareness sessions on policies and code of conduct compliance
- Robust Crisis Management Framework

The internal control system is regularly tested and reviewed by an internal audit team of the Company. The internal audit team is appointed by the Company. All possible measures are taken by the Audit Committee to ensure the objectivity and independence of the Internal Audit team, including quarterly one-on-one discussions. The Company also has a management audit team which carries out internal control reviews and follow-up audits. The team is also responsible for monitoring the implementation of action points arising out of internal audits. The internal audit team and management audit team, as part of their audit process, carry out a systems and process audit to ensure that the E-BIT ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensure preventive and detective controls. The audit process includes the validation of transactions on a sample basis to check if the operations of the Company are conducted in compliance with internal policies and ethical standards defined by the Company.

The audit report is reviewed by the management for corrective actions and the same is also presented to and reviewed by the Audit Committee of the Board. Internal audits and management reviews are undertaken continuously, covering various areas across the value chain like procurement, manufacturing, information technology, supply chain, sales, marketing, compliance, and finance with the intent to cover all material business processes and locations under internal audit at least once in a year. The internal audit programme is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate.

Reports of the internal audit team are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports and actions taken on audit findings are presented to the Audit Committee of the Board. We have also deployed audit analytics in the domains of sales, procurement,

manufacturing, supply chain and employee spending. It helps in continuous control monitoring of control effectiveness and areas where actions are required.

The Internal Controls team reviews the output of this tool and derives corrective action on a timely basis. To strengthen the control environment, audit analytics will be deployed in other functions of Esquire Knit operations. The work of the internal audit team is ensuring independence as well as effective value addition and protection of the Company.

INTERNAL FINANCIAL CONTROLS (IFC)

IFC means the policies and procedures adopted by the Company to ensure:

- Accuracy and completeness of accounting records
- Orderly and efficient conduct of business, including adherence to policies
- Safeguarding of its assets
- Prevention and detection of fraud

We have implemented a robust internal financial controls framework within the Company. The Internal Financial Controls have been documented and embedded in the business processes. The design and operating effectiveness of controls are tested by the management annually and later audited by statutory auditors. Statutory auditors have issued an unqualified report after checking the effectiveness of these controls. The management believes that strengthening IFC is a continuous process and therefore it will continue its efforts to make the controls smarter with a focus on preventive and automated controls as opposed to mitigating manual controls.

The Company has robust Tally software and other supplementary IT systems which are integral parts of the internal control framework. The Company continues to constantly leverage technology in enhancing internal controls. Voluntarily, our material subsidiary, L' Esquire Limited has also adopted this framework.

ECONOMIC AND INDUSTRIAL OVERVIEW

GLOBAL ECONOMY

The global economy has been in a very challenging situation. The world has not fully recovered from the fallout of the Covid 19 pandemic, the war in Ukraine and the sanctions against the Russian Federation have upended the fragile global recovery, pushing up food and commodity prices, exacerbating supply-side shocks, slowing growth globally and exacerbating inflationary pressures worldwide. Further increasing food insecurity and poverty, exacerbating inflation, contributed to tighter financial conditions, increased financial vulnerability, and heightened policy uncertainties. Higher-than-expected inflation, especially in the United States and major European economies, has triggered a tightening of global financial conditions. Inflation has also broadened in many economies, reflecting the impact of cost pressures from disrupted supply chains.

To counter inflation etc., central banks of major advanced economies have withdrawn monetary support faster than expected, while many in emerging markets and developing economies have started raising interest rates. Geopolitical and economic uncertainties dampened business confidence and investment.

BANGLADESH ECONOMY

Economic conditions weakened during fiscal year (FY) 2024 where an impressive GDP growth rate of almost 5.2% was overshadowed by ballooning twin fiscal and current account deficits. Political instability, high international fuel and food prices and the growing trade deficit exerted immense pressure on foreign exchange reserves resulting in a significant depreciation of BDT which in turn contributed towards higher inflation in the country.

The performance of the Bangladesh economy during the first ten months of FY2024 indicates that the remaining months of FY2024 will continue to face ongoing challenges despite some positive policy measures taken by the Bangladesh Bank. This is because it takes a while to see the outcome of any policy. However, the effectiveness of any policy also depends on complementary policies in other areas.

In the backdrop of formidable economic challenges, the Ex-Finance Minister will present the national budget for FY2025. This and the previous IRBD reports of FY2024 by CPD have made both broad and specific measures needed for the economic recovery. CPD has emphasized that while restoring macroeconomic stability should be the main focus of the policymakers, they must also offer concrete measures for providing respite to the inflation-afflicted common people with limited income.

Therefore, the macroeconomic framework for the upcoming FY2025 should continue to focus on curbing inflation and stabilising the exchange rate. Instead of GDP growth, protecting the interests of vulnerable and disadvantaged groups should be the priority

Management Discussion and *Analysis Report*

of the policymakers. Issues such as enhancing fiscal space, prioritising expenditure, and prioritising foreign financing ought to guide the public finance management in FY2025. For positive outcomes of policy measures and improving macroeconomic performance, complementarity between the fiscal and monetary policies must be ensured.

Along with the immediate and short-term measures, the government should also work towards addressing the structural problems such as establishing good governance and strengthening institutions through reforms. Given that reforms are unpopular and painful, these require strong political commitment.



GARMENT SECTOR

In line with the global and domestic challenges, the ready-made garments sector also witnessed increasing power costs and shortages. Raw material prices remained high with supply chain disruptions, and demand pressures during the year. However, despite the challenges faced during the year, Bangladesh's ready-made garments industry kept on the upward momentum. Ready-made garment (RMG) exports from Bangladesh increased by 2.86 per cent to \$43.850 billion between July 2023 and May 2024, the first eleven months of fiscal 2023-24 (July to June), according to provisional data from the Export Promotion Bureau (EPB). This figure represents an increase from \$42.630 billion in the same period of fiscal 2022-23. While knitwear exports exceeded woven garments, the overall RMG exports did not meet the \$47.474 billion target set for July-May 2024, falling short by 7.63 per cent.

In the first eleven months of the current fiscal, exports of knitwear (Chapter 61) rose by 6.15 per cent to \$24.709 billion, compared to \$23.278 billion during the corresponding period of the previous fiscal 2022-23. Woven apparel exports eased by 1.09 per cent, a total of \$19.141 billion, against \$19.352 billion in July 2023-May 2024, as per EPB.

Home textile exports experienced a significant decline, dropping by 24.29 per cent to \$776.06 million, compared to \$1,024.98 million in the same period last fiscal. Collectively, woven and knitted apparel, clothing accessories, and home textile exports constituted 85.19 per cent of Bangladesh's total exports, amounting to \$51.542 billion for the period. The exports of cotton and cotton products including yarn, waste, and fabrics (Chapter 52) jumped 34.04 per cent to \$502.88 million in the period under review. The trade was noted at \$375.16 million during the same period of the last fiscal. Despite the global economic slowdown, Bangladesh's RMG exports demonstrated resilience, reaching \$46.991 billion in fiscal 2022-23, an increase from \$42.613 billion in fiscal 2021-22 and \$31.456 billion in fiscal 2020-21.

SHAREHOLDERS VALUE

The main and only goal of your Company's wealth distribution philosophy is to share its prosperity with shareholders by formally distributing profits to shareholders while maintaining sufficient profits in the business for various purposes. The dividend payout ratio for the 2023-2024 financial year was 50.13% for the recurring separated net profit after tax as compared to 60.75% on a similar basis in the previous year. Despite paying a 10% cash dividend in the 2023-2024 financial year, we achieved a 20.76% lower net profit in 2023-2024 than last year. However, the average dividend payouts to the shareholders for the last six years stand at a healthy 54.79% of the recurring separated net profit after tax, and your Company is committed to maintaining a strong dividend pay-out going forward, under its Dividend Distribution Policy.

You are all aware, that our subsidiary L' Esquire Limited has not yet started its commercial operation. We hope it will be able to start its commercial operation after RSC certification, Inshallah. Although, we informed you last year that we would be able to start commercial operation by 30th June 2024.

CORPORATE GOVERNANCE

At Esquire Knit, all activities are led by a sense of responsibility, underpinned by our principles of good governance. In our decade of action, we will continue to ensure good corporate governance by practicing ethical business practices and robust risk mitigation.

HUMAN RESOURCES

Our "People-first" ethos is built upon the core of trust, transparency, inclusion, and integrity. We are committed to strengthening our talent and culture to chart out the next phase of growth. Over the last year, we took several initiatives in this direction.

INFORMATION TECHNOLOGY & DIGITAL

Esquire Group has focused on investing in technology to gain centralized control over business processes and transactions and strengthen its competitiveness. With Python, Django, JavaScript, JQuery, and Postgres DB serving as the technological foundation, we created an E-BIT ERP to achieve this strategic objective. E-BIT is now capable of supporting end-to-end composite knit (textile & garments) business operations with centralized control.

This ERP is a macrocosm of transaction and intelligence framework designed to cater to the information and data needs of textile & garments industries with the most modern technologies available. This product carries within, the most appropriate and process-agnostic functionalities fitting very basic to complex scenarios, maintaining user experience and performance. Augmented for the Cloud, with most modern web technologies and our Proprietary Business Logic Framework with highly efficient data processing and delivery algorithms, and has a proven record of being rapid and real-time.

Management Discussion and Analysis Report

Developing an in-house Enterprise Resource Planning (ERP) system for a textile and garments business can yield a multitude of benefits, tailored specifically to the unique needs of the industry. Firstly, an in-house ERP allows for customization and flexibility, enabling the integration of features that address the intricate processes involved in textile and garment manufacturing, such as supply chain management, production scheduling, and inventory tracking. This customization ensures a seamless workflow and enhances operational efficiency. Additionally, an in-house ERP system provides real-time insights into various aspects of the business, facilitating informed decision-making. The ability to centralize data and streamline communication among different departments enhances collaboration and coordination, ultimately leading to improved productivity. Furthermore, the in-house development allows for scalability, ensuring that the ERP system can evolve along with the business, adapting to changing market demands and technological advancements. Ultimately, investing in an in-house ERP for the textile and garments industry empowers businesses with a competitive edge, driving innovation and sustainable growth.

RISK MANAGEMENT

Risk management is the process of identifying, assessing, and prioritizing potential risks and taking appropriate actions to mitigate or control them. It involves recognizing potential threats or uncertainties that may affect the achievement of objectives and implementing strategies to minimize their negative impact. Being a dynamic and iterative process, it requires proactive planning, ongoing monitoring, and periodic reassessment to address emerging risks and changing circumstances. Risks can arise from internal or external sources and may stem from financial, operational, technological, legal, environmental, or other factors.

OUTLOOK 2025 OF BANGLADESH

The outlook for Bangladesh's garment sector in the 2024-2025 financial year is optimistic, depending on the government's ability to create a favorable business environment and restore stability. The sector could see a rebound if political and economic conditions improve. The ready-made garment (RMG) sector is a major contributor to Bangladesh's economy, accounting for 83.9% of the country's national exports. In 2023-2024, the RMG sector is estimated to contribute 15–20% to the country's GDP. Non-cotton garment exports are expected to reach \$19 billion by 2024-2025.

The RMG sector faces many challenges, including unskilled workers, insufficient infrastructure, raw materials, energy crises, safety issues, political crises, and coverage of accords and alliances. The Asian Development Bank (ADB) projects that inflation in Bangladesh will rise to 10.1% by the end of the 2024-2025 financial year. The ADB revised Bangladesh's economic growth forecast down to 5.1%.

To enhance their global standing, apparel manufacturers in Bangladesh can focus on technical innovation, market diversity, and sustainability. They can also strengthen the supply chain and place greater emphasis on worker welfare.

COMPANY'S OUTLOOK 2025

Our outlook for the 2024-2025 financial year is to reflect the continued transformation of our cost structure to minimize every single cost because we plan our production to satisfy the growing long-term commitments under our contract portfolio. With our plan to produce 8 million kgs of textiles and 30 million pcs of apparel in our factory under installed capacity, we expect strong cash flow generation. Our financial performance and the amount of cash generated will be dependent on sourcing the material required to meet our deliveries as planned, including achieving our production

Still now, Bangladesh is facing a severe energy crisis and efforts to increase power generation are yet to fully materialize. This resulted in load-shedding and power shutdowns in all the sectors whether Industrial or Residential. Considering the importance of energy and water to cater for energy and water needs, the Company has been heavily investing in power generation and supply which includes the installation of turbines, fuel-efficient generators and the addition of energy-efficient machines to our various manufacturing units, as well as using and converting to processes and machinery that require less water consumption. Every decision of machine acquisition involves due consideration for energy savings and conservation.

FORWARD TOGETHER

Building Esquire Knit for the Future

In the Current times, the business landscape is in a constant state of flux and Companies must evolve and adapt to the changing market conditions and customer trends. I believe that organizations, which embrace digital technologies, focus on innovation by incorporating a culture of creativity, ingrain sustainability considerations in business strategies and foster a culture of learning, are most likely to create long-term value for their stakeholders.

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



Md. Ehsanul Habib
Managing Director

Saturday & Dhaka
26th October 2024

Corporate Governance compliance report

Annexure-V
to the directors' report



চৌধুরী ভট্টাচার্য্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS

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

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

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

We have examined the compliance status to the Corporate Governance Code by **Esquire Knit Composite PLC.** for the year ended on 30th June, 2024. 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.

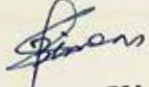
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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 or not complied (if not complied, specify non-compliances);
- 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
Date: 18 December, 2024


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



Page | 1

BRANCH OFFICE : 922, Jubilee Road, Chattogram-4000, Ph: 031-614907, Mob : 01971-115171, E-mail : cbctg1980@gmail.com

**STATUS OF COMPLIANCE ON CORPORATE GOVERNANCE
UNDER CONDITION NO. 1(5)(XXVII) OF CGC**

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1.1	Board Size (minimum - 5 and maximum - 20)	√		
1.2	Independent Directors			
1.2 (a)	At least 2 (two) or 1/5th of total as Independent Director (ID)	√		
1.2 (b)	"Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director-			
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	√		
1.2 (b) (ii)	Not a Sponsor of the Company	√		
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 5 (five) listed Companies.	√		
1.2 (b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non- payment of any loan or advance or obligation to a bank or a financial institution; and	√		
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 shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.			N/A
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 having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or"			N/A
1.3(b)(ii)	Should be a Corporate Leader			N/A
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or"	√		

Corporate Governance

compliance report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.			N/A
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.	√		
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences.	√		
1 (3) (d)	Relaxation in special cases.			N/A
1.4	<i>Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</i>			
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	<i>The Directors' Report to Shareholders</i>			
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.			N/A
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.	√		N/A
1(5)(x)	Remuneration to Directors including Independent Director.	√		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Statement (IAS) or International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any Departure there-from has been adequately disclosed.	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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)(xvii)	There are no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
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.			N/A
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.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.			N/A
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, and CFO, HIAC and their spouses and minor children (name wise details).	√		
1(5)(xxiii)(c)	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)	<i>Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and</i>			
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.	√		
1(5)(xxv) (c)	Comparative analysis and financial position as well as cash flew for current financial year with immediately 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.	√		

Corporate Governance

compliance report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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(3) 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(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.			N/A
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS)	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior.	√		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.	√		
2(b)	Independent Director of holding company also in the subsidiary company.	√		
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary			
3.1	Appointment			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		
3(1)(b)	The positions of the MD, CEO, CS, CFO & HIAC shall be filled by different individuals.	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time:	√		
	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;"			N/A
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.	√		
3.2	Requirement to attend Board of Directors' Meetings			
3 (2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance.	√		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	√		
3(3) (c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	√		
5.2	Constitution of the Audit committee			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive director.	√		
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	√		
5(2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;"	√		
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.	√		

Corporate Governance

compliance report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	√		
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.			N/A
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.			N/A
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.			N/A
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			N/A
5.6 (b)	Reporting to the Authorities			

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from 5 (7) the date of first reporting to the Board, whichever is earlier.			N/A
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)	At list 02 (two) 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.	√		
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.	√		
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	√		

Corporate Governance

compliance report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	√		
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following:	√		
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the account ion records.	√		
7(1)(iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance as required under condition No 9(1).	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of External Auditors shall remain present in the AGM.	√		

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

Directors Declaration

Annexure-VI
to the directors' report

The Directors Also Report that:

STATEMENT OF DIRECTORS ON FINANCIAL REPORTS

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

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

THE BOARD OF DIRECTORS

Sd/- Mrs. Piara Hossain Chairman	Sd/- Md. Ehsanul Habib Managing Director
Sd/- Arifur Rahman Non-Executive Director	Sd/- Md. Muddasar Hossain Non-Executive Director
Sd/- A. K. M. Shamsul Areefin Independent & Non-Executive Director	Sd/- Md. Mozammel Hossain, FCA Independent & Non-Executive Director

Audit Committee Report

Annexure-VII
to the directors' report

The audit committee ("the Committee") comprises two Independent and one Non-Executive director. As of 30th June 2024, the Committee comprised:

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



MD. MOZZAMEL HOSSAIN, FCA
Chairperson

The Company Secretary acts as the Member Secretary to the Audit Committee.

OBJECTIVES OF THE COMMITTEE

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

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

RESPONSIBILITY OF THE AUDIT COMMITTEE

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

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

THE AUDIT COMMITTEE AMONG OTHERS IS ALSO RESPONSIBLE FOR:

Assisting the Board in its oversight of

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

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

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

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

INTERNAL CONTROL AND COMPLIANCE

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

- to ensure that the Company operates within the principles, policies, framework and procedures formulated by the Audit Committee.

Audit Committee Report

- to ensure regulatory compliance in its day-to-day activities.
- to provide the Board and Management with detailed information regarding the business activities of the Company

COMPOSITION AND ATTENDANCE

100%	3	4	100%
Independence	Members	Meetings	Attendance

The proceedings of the meeting were appropriately recorded.

FUNCTIONS AND ACTIVITIES

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

CONTROL ISSUE

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

FINANCIAL RESULTS

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

INTERNAL AUDIT MATTERS

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

GOVERNANCE AND COMPLIANCE

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

EXTERNAL AUDIT MATTERS

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

RECOMMENDATIONS OF THE COMMITTEE

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

- The Company's quarterly financial statements, prepared following the Bangladesh Accounting Standards (BAS) as specified under the Companies Act, 1994, read with the relevant rules thereunder and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.
- The audited financial statements of Esquire Knit Composite PLC, prepared following BAS, for the year ended 30th June 2024 be accepted by the Board as a true and fair statement of the financial status of the Company.

- The audited consolidated financial statements of Esquire Knit Composite PLC and its subsidiaries, prepared following BAS, for the year ended 30th June 2024, be accepted by the Board as a true and fair statement of the financial status of the Group.
- The audited consolidated financial statements of Esquire Knit Composite PLC and its subsidiaries, prepared in Bangladeshi taka in accordance with IFRS, for the year ended 30th June 2024, be accepted by the Board as a true and fair statement of the financial status of the Group.
- The appointment of M/s. Pinaki & Company, Chartered Accountants as the statutory auditors of the Company for the financial year 2024-2025 under the Companies Act, 1994 and Corporate Governance Code-2018 subject to the approval of the Shareholders of the Company in the 24th AGM at an agreed fee of Tk. 750,000/- (taka seven lac fifty thousand only) plus VAT. M/s. Pinaki & Company, Chartered Accountants will hold office for a term of three consecutive years, where they completed the 2022-2023 and 2023-2024 financial year i.e., two years.

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

ACKNOWLEDGEMENT

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



Md. Mozammel Hossain, FCA
Chairperson



Md. Monir Hossain
Member Secretary

Saturday, Dhaka
26th October 2024

Nomination and Remuneration committee Report

Annexure-VIII
to the directors' report

The nomination and remuneration committee ("the Committee") comprises two Independent and one Non-Executive director. As of 30th June 2024, the Committee comprised:

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



A.K.M. SHAMSUL AREEFIN
Chairperson

The Company Secretary acts as the Member Secretary to the NRC

COMPOSITION AND ATTENDANCE

100%	3	2	100%
Independence	Members	Meeting	Attendance

The proceedings of the meeting were appropriately recorded.

OBJECTIVES OF THE COMMITTEE

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

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

NOMINATION AND REMUNERATION POLICY

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

The Board of Directors of the Company in its 136th Board Meeting held on 30th October 2023 has declared all the Board of Directors other Mr. Md. Ehsanul Habib, the Managing Director of the Company as Non-Executive Directors.

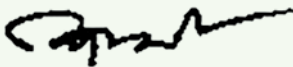
The Company has a well-structured policy on the selection, recruitment and promotion of senior-level executives which is duly authorized by the Board.

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

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

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

On behalf of the Committee



A.K.M. Shamsul Areefin
Chairperson



Md. Monir Hossain
Member Secretary

Saturday & Dhaka
26th October 2024

Statement of Market value-added

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

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

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

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

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

The following statement illustrates how the Market Value has been calculated for the year ended 30th June 2024 and 30th June 2023.

	2023-2024 Amount in BDT	2022-2023 Amount in BDT
Market Price per Share	18.7	34.5
Number of Shares	134,895,833	134,895,833
Market Value of the Company	2,522,552,077	4,653,906,238

Board of Directors Involvement in other organizations

Annexure-iX
to the directors' report

MRS. PIARA HOSSAIN

Chairman

Non-Executive Director

Mrs. Piara Hossain is involved in the following organizations

- Esquire Electronics Limited
- Esquire Dyeing Industries Limited
- Esquire Accessories Limited

MD. EHSANUL HABIB

Managing Director

Md. Ehsanul Habib is involved in the following organizations

- Esquire Electronics Limited
- Esquire Dyeing Industries Limited
- L' Esquire Limited
- Thakral Information System (Pvt) Limited
- Thakral One Private Limited
- Esquire Accessories Limited
- Esquire Plastic Limited
- Esquire Testing Service (BD) Limited
- Best Life Insurance Company Limited
- Bangladesh German University
- Shah Garments International Limited
- Esquire Customer Care Limited
- Alpha Plastic & Packing Limited
- Trust Solution Private Limited
- Esquire Heavy Industries Limited
- Sharp Media Limited

ARIFUR RAHMAN

Non-Executive Director

Arifur Rahman is involved in the following organizations

- Esquire Electronics Limited
- Esquire Dyeing Industries Limited
- L' Esquire Limited
- Thakral Information System (Pvt) Limited
- Thakral One Private Limited
- Esquire Accessories Limited
- Esquire Plastic Limited
- Esquire Testing Service (BD) Limited
- Shah Garments International Limited
- Esquire Customer Care Limited
- Trust Solution Private Limited
- Esquire Heavy Industries Limited
- Sharp Media Limited

MD. MUDDASAR HOSSAIN

Non-Executive Director

Md. Muddasar Hossain is involved in the following organizations

- Esquire Electronics Limited
- Esquire Dyeing Industries Limited
- L' Esquire Limited
- Thakral Information System (Pvt) Limited
- Thakral One Private Limited
- Esquire Accessories Limited
- Esquire Plastic Limited
- Esquire Testing Service (BD) Limited
- Shah Garments International Limited
- Esquire Customer Care Limited
- Trust Solution Private Limited
- Esquire Heavy Industries Limited
- Sharp Media Limited

A.K.M. SHAMSUL AREEFIN

Independent & Non-Executive Director

A.K.M. Shamsul Areefin is not involved with any other Company.

MD. MOZAMMEL HOSSAIN

Independent & Non-Executive Director

Md. Mozammel Hossain, FCA is not involved with any other Company.

Quarterly analysis

Un-audited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The results compared with the same previous year

1st Quarter – 30th September 2023

	30 th September 2023	30 th September 2022	Changes	
	BDT in Million		Amount	%
Revenue	1,551.15	1,676.37	-125.22	-7.47
Cost of goods sold	1,304.24	1,428.84	-124.6	-8.72
Net operating profit	-35.57	20.97	-56.54	-269.62
Profit before tax	-34.06	22.48	-56.54	-251.51
Profit after tax	-50.62	19.5	-70.12	-359.59
Tax	16.56	2.99	13.57	453.85
Current tax	16.01	2.21	13.8	624.43
Deferred tax	0.55	0.78	-0.23	-29.49
EPS	-0.38	0.14	-0.52	-371.43

2nd Quarter – 31st December 2023

	31st December 2023	31st December 2022	Changes	
	BDT in Million		Amount	%
Revenue	1,652.14	2,205.38	-553.24	-25.09
Cost of goods sold	1,389.95	1,916.31	-526.36	-27.48
Net operating profit	-48.13	-95.15	47.02	49.42
Profit before tax	-46.77	-93.69	46.92	50.08
Profit after tax	-52.13	-95.72	43.59	45.54
Tax	5.37	2.04	3.33	163.24
Current tax	6.97	0.99	5.98	604.04
Deferred tax	-1.6	1.05	-2.65	-252.38
EPS	-0.39	-0.71	0.32	-45.07

3rd Quarter – 31st March 2023

	31st March 2023	31st March 2022	Changes	
	BDT in Million		Amount	%
Revenue	2,125.10	2,207.33	-82.34	-3.73
Cost of goods sold	1,915.40	1,736.07	179.33	10.33
Net operating profit	-63.6	88.01	-151.61	-172.26
Profit before tax	-61.75	89.58	-151.33	-168.93
Profit after tax	-69.11	61.64	-130.55	-212.48
Tax	7.35	27.94	-20.59	-73.69
Current tax	9.45	20.33	-10.88	-53.52
Deferred tax	-2.1	7.61	-9.71	-127.6
EPS	-0.51	0.46	-0.97	-210.87

1st Quarter – 30th September 2023

	30th September 2023	30th September 2022	Changes	
	BDT in Million		Amount	%
Non-Current Assets	9,105.32	8,910.49	194.83	2.19
Property, plant and Equipment	6,412.36	6,388.29	24.07	0.38
Current Assets	7,218.98	6,109.35	1,109.63	18.16
Shareholders' Equity	8,806.78	8,830.67	-23.89	-0.27
Retained earnings	2,631.88	2,655.77	-23.89	-0.9
Non-Current Liabilities	2,107.57	2,522.27	-414.7	-16.44
Deferred Tax Liabilities	286.1	278.29	7.81	2.81
Current Liabilities	5,409.94	3,666.90	1,743.04	47.53
NAV per share with Revaluation reserve	65.29	65.46	-0.17	-0.26
NAV per share without Revaluation reserve	37.57	37.74	-0.17	-0.45

2nd Quarter – 31st December 2023

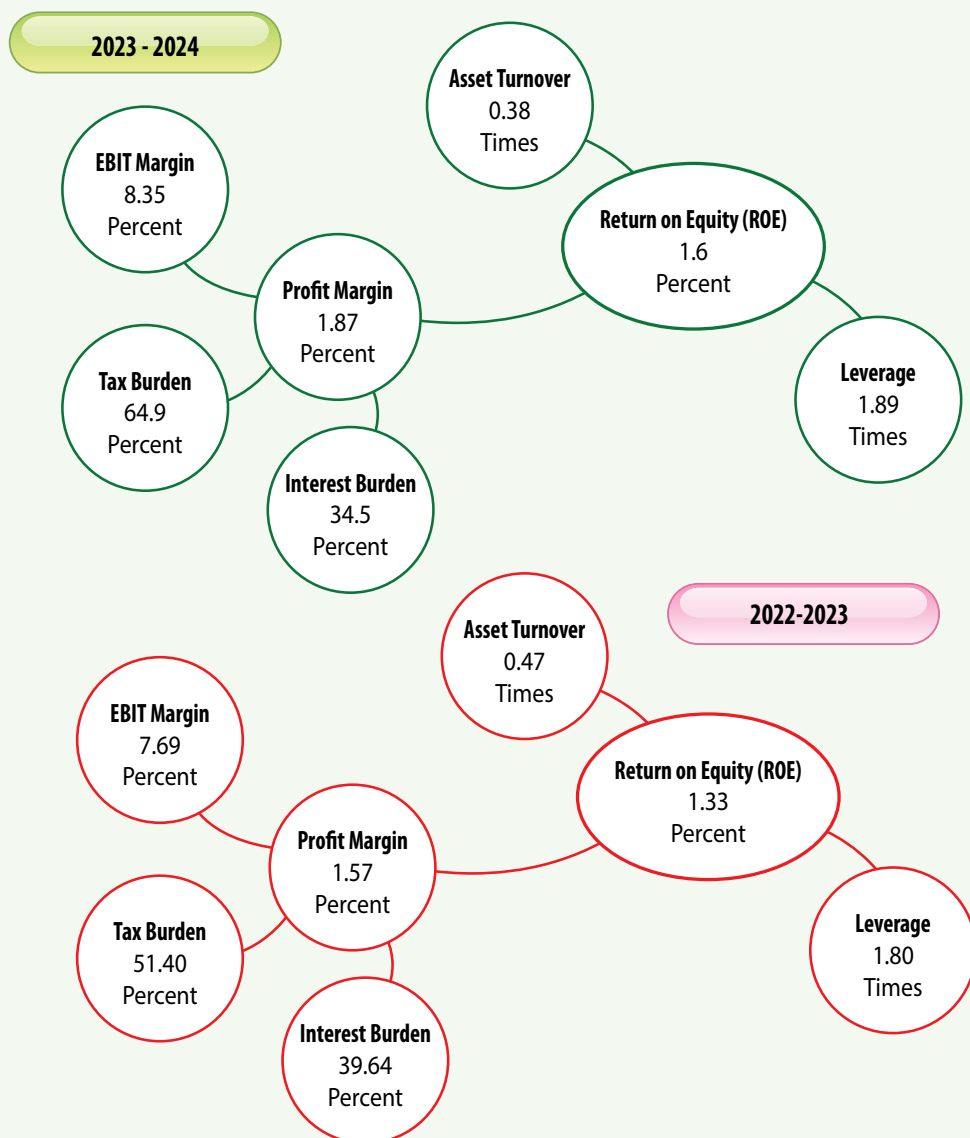
	31st December 2023	31st December 2022	Changes	
	BDT in Million		Amount	%
Non-Current Assets	9,104.41	8,899.24	205.17	2.31
Property, plant and Equipment	6,411.45	6,377.04	34.41	0.54
Current Assets	7,214.80	6,997.90	216.9	3.1
Shareholders' Equity	8,753.17	8,767.53	-14.36	-0.16
Retained earnings	2,578.27	2,592.63	-14.36	-0.55
Non-Current Liabilities	2,245.11	2,572.50	-327.39	-12.73
Deferred Tax Liabilities	284.5	279.34	5.16	1.85
Current Liabilities	5,320.94	4,557.10	763.84	16.76
NAV per share with Revaluation reserve	64.89	64.99	-0.1	-0.15
NAV per share without Revaluation reserve	37.16	37.27	-0.11	-0.3

3rd Quarter – 31st March 2023

	31st March 2024	31st March 2023	Changes	
	BDT in Million		Amount	%
Non-Current Assets	9,173.50	9,419.17	-245.67	-2.61
Property, plant and Equipment	6,285.03	6,396.96	-111.93	-1.75
Current Assets	7,199.40	6,507.91	691.49	10.63
Shareholders' Equity	8,612.52	8,776.95	-164.43	-1.87
Retained earnings	2,437.62	2,602.05	-164.43	-6.32
Non-Current Liabilities	2,288.06	2,547.23	-259.17	-10.17
Deferred Tax Liabilities	282.4	286.17	-3.77	-1.32
Current Liabilities	5,472.32	4,602.89	869.43	18.89
NAV per share with Revaluation reserve	63.85	65.06	-1.21	-1.86
NAV per share without Revaluation reserve	36.12	37.34	-1.22	-3.27

Dupont Analysis

		2023--2024	2022-2023
Return on Equity (ROE)	Percent	1.6	1.33
Asset Turnover	Times	0.38	0.47
Leverage	Times	1.83	1.8
Net Profit Margin	Percent	1.87	1.57
Interest Burden	Percent	34.5	39.64
Tax Burden	Percent	64.9	51.4
EBIT Margin	Percent	8.35	7.69



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

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

1. OBJECTIVE

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

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

2. REVIEW AND INTERPRETATION

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

3. ROLE OF THE COMMITTEE

The Committee shall:

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

directors to run the company successfully;

- 3.2.1. (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 3.2.1. (c) remuneration to directors and top-level executives (Key Managerial Personnel and Senior Management) involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- 3.2.1 devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- 3.2.3 identifying persons who are qualified to become directors and who may be appointed to the top-level executive (Key Managerial Personnel and Senior Management) positions following the criteria laid down, and recommending their appointment and removal to the Board;
- 3.2.4 formulating the criteria for evaluation of the performance of independent directors and the Board;
- 3.2.5 identifying the company's needs for employees at different levels and determining their selection, transfer, or replacement and promotion criteria; and
- 3.2.6 developing, recommending and reviewing annually the company's human resources and training policies;
- 3.3 The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.
- 3.4 Policy for appointment and removal of a director, Key Managerial Personnel and Senior Management

3.4.1 Appointment criteria and qualifications

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

3.4.2 Term / Tenure

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

3.4.3 Evaluation

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

Performance evaluation of the KMPs, Senior Management Personnel, and other employees shall be carried

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

3.4.4. Removal

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

3.4.5. Retirement

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

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

3.5.1. General:

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

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

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders.

b) Minimum Remuneration:

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the existing applicable rules.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums over the limits prescribed under the Act, he shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the Company by special resolution within two years from the date the sum becomes refundable.

3.5.3 Remuneration to Non-Executive / Independent Director:

- a) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than the Director's fees or honorarium from the company.

Provided that the amount of such fees shall not exceed the prescribed limits per meeting of the Board or Committee or such amount as may be decided by the Board of Directors from time to time.

3.5.4 Remuneration of Other Employees

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

3.5.5. Criteria for determining remuneration

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

4. CONSTITUTION OF THE NRC

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

5. CHAIRPERSON

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

6. FREQUENCY OF MEETINGS

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

7. COMMITTEE MEMBERS' INTERESTS

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

8. SECRETARY

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

9. VOTING

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

10. NOMINATION DUTIES

The duties of the Committee regarding nomination matters include:

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

11. DUTIES OF THE COMMITTEE

The duties of the Committee regarding remuneration matters include

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

12. MINUTES OF COMMITTEE MEETINGS

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

13. EXPLANATION OF TOP-LEVEL EXECUTIVE (KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT)

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

Profile of the directors

(election/appointment and re-appointment of directors)

RE-APPOINTMENT OF DIRECTORS



MRS. PIARA HOSSAIN

Chairman

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

Mrs. Piara Hossain has long experience in running industrial units successfully. She has contributed to the Group through her leadership skills and managerial decision-making. She has a successful track record of managing the business. She has been contributing a lot to the development of the group. Her contribution and enthusiasm behind the Esquire Group coming to this stage today are worth remembering.

She is also serving on the Boards of the following organizations:

- Esquire Electronics Limited
- Esquire Dyeing Industries Limited
- Esquire Accessories Limited

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



ARIFUR RAHMAN

Non-Executive Director

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

He is also serving on the Boards of the following Organizations:

- Esquire Electronics Limited
- Esquire Dyeing Industries Limited
- L' Esquire Limited
- Thakral Information System (Pvt) Limited
- Thakral One Private Limited
- Esquire Accessories Limited
- Esquire Plastic Limited
- Esquire Testing Service (BD) Limited
- Shah Garments International Limited
- Esquire Customer Care Limited
- Trust Solution Private Limited
- Esquire Heavy Industries Limited
- Sharp Media Limited

Dividend distribution policy

POLICY INTRODUCTION

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

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

THE POLICY OF ESQUIRE KNIT COMPOSITE PLC

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

Major highlights of the Dividend Distribution Policy are as follows:

1. PROCEDURE FOR DECLARATION OF DIVIDENDS

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

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

INTERIM DIVIDEND

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

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

FINAL DIVIDEND

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

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

2. ENTITLEMENT TO DIVIDEND

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

3. SCHEDULE FOR PAYMENT OF DIVIDENDS

Esquire Knit Composite PLC shall pay off the interim dividend to the entitled shareholders, within 30 (thirty) days of the

Dividend distribution policy

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

3.1 Cash dividend

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

3.1.1. Within 10 (ten) days of the declaration of a cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of Esquire Knit Composite PLC;

3.1.2. The Company shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholders in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN);

The Company may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

3.1.3 Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has a debit balance or margin loan, or as per the intention of the client of a stock broker or merchant banker or portfolio manager, EKCPCLC shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or the separate bank account of the merchant banker or portfolio manager through BEFTN:

The Company shall collect detailed information (e.g., BO account number, code Number, bank account number, intention, etc. of the client or customer including CCBA of stockbroker or separate bank account of merchant banker or portfolio manager) from the stockbroker or merchant banker or portfolio manager for such claim;

3.1.4 In case of non-availability of bank account information or if not possible to distribute cash dividends through BEFTN or an electronic payment system, EKCPCLC shall issue a cash dividend warrant and shall send it by post to the shareholders;

3.1.5 The Company shall pay off cash dividends to non-resident sponsors, directors, shareholders, unit holders, or foreign portfolio investors (FPI) through the security custodian in compliance with the rules or regulations in this regard;

3.1.6 The Company, immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, shall intimation to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;

3.1.7 EKCPCLC shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account (number-wise or name-wise or folio number-wise) of the shareholders, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account';

The Company shall publish the year-wise summary of its unpaid or unclaimed dividends on the website.

Any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the issuer as maintained for this purpose, within 1 (one) year from the date of approval by shareholders in AGM;

3.1.8 If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for 3 (three) years from the date of approval by shareholders in AGM, shall be transferred by the issuer to the Fund as directed or as prescribed by the Commission.

3.1.9 The Company shall provide detailed information to the manager of the Fund during the transfer of cash dividends as directed or prescribed by the Commission.

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

3.2 Stock dividend

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

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

4. PAYMENT OF UNCLAIMED OR UNPAID CASH DIVIDENDS AND STOCK DIVIDEND

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

5. SUBMISSION OF DIVIDEND DISTRIBUTION COMPLIANCE REPORT

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

The Company shall publish the compliance report on its website.

6. POLICY REVIEW AND AMENDMENT

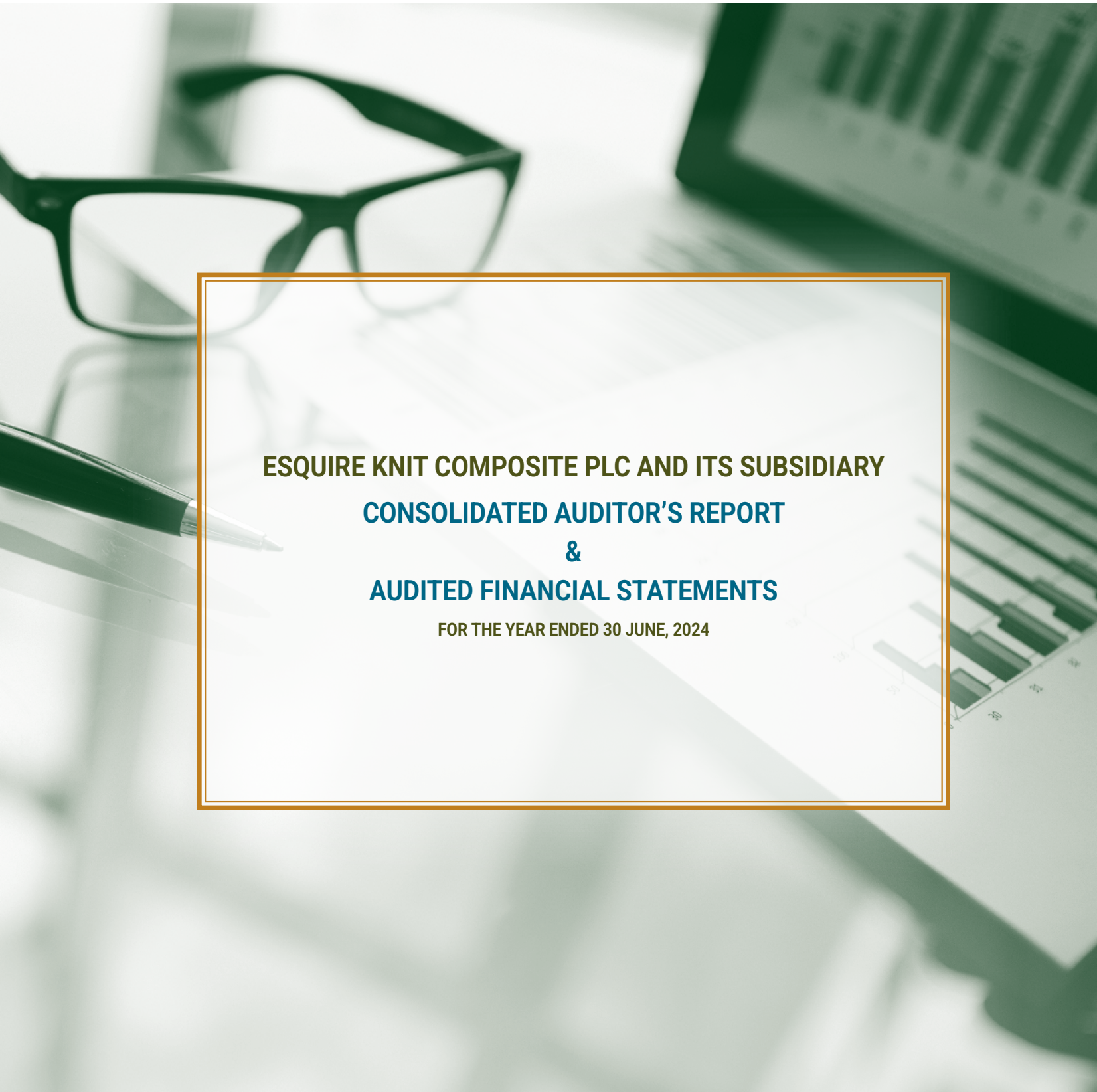
Apart from mandatory revision, modification, or amendment as necessitated by legal and regulatory requirements, the Company shall review this policy periodically and make necessary revisions or amendments to keep it relevant and up to date. The Company's Board of Directors shall approve the revision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

7. DISCLAIMER

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

Financials





**ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY
CONSOLIDATED AUDITOR'S REPORT
&
AUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Esquire Knit Composite PLC and its subsidiary (the Group) as well as the separate financial statements of Esquire Knit Composite PLC (the Company), which comprise the consolidated and separate statement of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated and separate financial statements of the Company give a true and fair view of the consolidated and separate financial position of the Group and the separate financial position of the Company as at 30 June 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

Basis for Opinion:

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

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

Annexure-1

Key audit matter description	How the scope of our audit responded to the key audit matter.
Property, plant and Equipment	
<p>The carrying value of the PPE amounted to Tk. 6,431,325,208 as at 30 June, 2024.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> ◆ determining which costs meet the criteria for capitalization; ◆ determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; ◆ the estimation of economic useful lives and residual values assigned to Fixed asset. <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p> <p>See note no. 04 for details.</p>	<p>Our audit procedures to assess the carrying value of property, plant and equipment included the following:</p> <ul style="list-style-type: none"> ◆ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ◆ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals. ◆ We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate. ◆ We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. ◆ We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to make it ready for use, with the date of the completion of the work.
Revenue Recognition	
<p>The Company has reported sales revenue of Tk. 7,933,680,241</p> <p>All of the Company's sales are made under sales invoice, delivery challan. It's products primarily comprise sale of Denim Fabric. Revenue is recognized at the point of generating invoice .</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>As all sales are translated from USD currency to BDT, there is a risk that foreign exchange gain/loss might not be correctly recognized in the Financial Statements.</p> <p>See note no. 24 for details.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ◆ We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 "Revenue from contracts with customers" ◆ Tested the internal control over financial reporting. We also assessed the existence and accuracy of the sales recorded; ◆ We performed analytical test to understand how the revenue has trended over the year among other parameters, we performed a detailed substantive testing on transactions around the year end to ensure revenues were recognized in the correct accounting period. We also tested journal entries focusing on sales transactions; ◆ Verified VAT return with General Ledger. ◆ We obtained supporting documents for sales, transactions recorded during the year; and ◆ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

Key audit matter description	How the scope of our audit responded to the key audit matter.
Valuation of Receivables	
<p>The Company has accounts receivable of Tk. 1,719,481,830 as at 30 June 2024.</p> <p>Accounts receivable of the company comprise mainly receivables regarding the sale of RMG which is secured by Letter of Credit (L/C). See note no. 08 for details.</p>	<p>Our substantive procedures in relation to the assessing valuation of receivable comprises the following:</p> <ul style="list-style-type: none"> ◆ Obtained a list of outstanding receivables; ◆ Reconciliation of receivables ageing to general ledger; ◆ Conducting cut-off testing at the year-end; ◆ Reviewing subsequent receipt of receivables balance.
Capital Work in Progress	
<p>The Company's assets held under capital work in progress as on the closing date are amounted to BDT 4,424,872,569 equivalent to 40.72% of total non current assets. Due to the high value of transactions, utilization of IPO proceeds, terms and valuation of these assets, it was significant to our audit. See note no. 05 for details.</p>	<p>Our audit procedures to address the risk of material misstatement relative to capital work in progress includes obtaining understanding of the internal control over capital work in progress, assessing the risk of material misstatement. Our audit procedures address the risk material statement relating to capital work in progress to the financial statements included:</p> <ul style="list-style-type: none"> ◆ Obtaining and assessing the movement of the capital work in progress. ◆ Verifying the records to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work in progress. ◆ Verifying the supporting documents with reference to the underlying contractor bills, work orders, certification of work performed by expert personal, comparison of the progress and the cost incurred up-to-date with the budgets, policy and plan. ◆ Reconciling the movement of capital working progress from opening to closing, specially verifying additions during the year and transfer to Property, Plant and Equipment during the year. ◆ Verify the dates on which the assets are moved from the capital work in progress account to the fixed assets so that the depreciation on fixed assets may be computed correctly, and; ◆ Site visit and physical observation of the work on-going for capital work in progress.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

Key audit matter description	How the scope of our audit responded to the key audit matter.
Valuation of Inventories	
<p>The amount of inventory is Tk. 3,901,772,012 as at 30 June, 2024 which amounted to 57.52% of the total current assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost of inventories.</p> <p>EKCPLC valued its inventories at cost or net realizable value whichever is lower.</p> <p>See note no. 07 for details.</p>	<p>We obtained assurance over relevance and appropriateness of management's assumptions applied in calculating the value of the inventories by:</p> <ul style="list-style-type: none"> ◆ We observed EKPLC's year-end inventory count, performed test counts and reconciled count sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts; ◆ We tested the purchase costs of a sample of inventory items by inspecting invoices; ◆ We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2; ◆ We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method; ◆ Testing, on a sample basis the stock expiry dates and the market price used in assessing the net realizable values of inventories of the related supporting documents. ◆ Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.
Related Party Transaction	
<p>The Company has related party transaction as described in notes to the financial statements.</p> <p>See note no. 32 for details.</p>	<ul style="list-style-type: none"> ◆ Our audit procedures amongst other included the following: ◆ Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. ◆ Evaluated the transactions among the related parties and tested materials accounts balances. ◆ Evaluated the disclosures in the financial statement in compliance with IAS 24.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

Other Information:

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company and so far as it appeared from our examination of these books;
- c) The consolidated and separate statement of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the Company's business.

Place: Dhaka, Bangladesh
Date: 28 October 2024
DVC: N/A



Pinaki Das, FCA
Senior Partner
ICAB Enrollment No. 151
FRC Enlistment No.: CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024


Particulars	Notes	Amount in Taka	
		30-Jun-2024	30-Jun-2023
Assets			
Non-Current Assets		10,866,197,778	11,000,646,087
Property, plant and equipment	4	6,431,325,208	6,694,942,555
Capital work-in-progress	5	4,424,872,569	4,205,703,532
Investment in shares	6	10,000,000	100,000,000
Current Assets		6,783,720,225	5,682,423,290
Inventories	7	3,901,772,012	3,625,292,627
Accounts receivables	8	1,719,481,830	782,750,195
Other receivables	9	71,501,406	38,551,047
Advance, deposit and prepayments	10	477,780,117	607,308,912
Investment	11	118,134,276	136,704,117
Cash and cash equivalents	12	495,050,585	491,816,393
TOTAL ASSETS		17,649,918,003	16,683,069,377
EQUITY & LIABILITIES			
Shareholders' Equity		8,793,489,671	8,809,512,142
Share capital	13	1,348,958,330	1,348,958,330
Non-Controlling Interest	13	(929,533)	(62,515)
Share Premium Account	14	1,086,653,150	1,086,653,150
Revaluation surplus	15	3,739,289,135	3,739,289,135
Retained earnings	16	2,619,518,589	2,634,674,042
Non Current Liabilities		2,334,070,165	2,280,926,134
Deferred Tax liabilities	17	280,040,513	285,829,900
Long term loan net of current maturity	18	2,046,970,611	1,990,636,243
Finance lease obligation net of current maturity	19	7,059,041	4,459,992
Current Liabilities		6,522,358,165	5,592,631,099
Short term loan	20	4,953,128,531	3,476,684,177
Current portion of long term loan	18	451,069,640	464,594,631
Current portion of finance lease obligation	19	23,809,204	9,298,589
Unclaimed Dividend	21	2,371,333	1,983,588
Accounts payable	22	564,292,624	1,166,180,510
Liabilities for expenses	23	527,686,834	473,889,604
TOTAL EQUITY & LIABILITIES		17,649,918,003	16,683,069,375
Net Asset Value (NAV) per share with revaluation reserve		65.19	65.31
Net Asset Value (NAV) per share without revaluation reserve		37.47	37.59

The annexed notes form an integral part of these financial statements


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Signed as per our annexed report of even date

Place: Dhaka, Bangladesh
Date: 28 October 2024
DVC: N/A


Pinaki Das, FCA
Senior Partner
ICAB Enrollment No.: 151
FRC Enlistment No.: CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30-Jun-2024	30-Jun-2023
Revenue	24	7,933,680,241	7,978,750,392
Less: Cost of Goods Sold	25	6,681,866,012	6,608,849,977
Gross profit		1,251,814,229	1,369,900,414
Less: Operating expenses	26	674,402,656	811,157,634
Gross operating profit		577,411,573	558,742,781
Less: Financial expenses	27	465,644,499	376,728,021
Net operating profit		111,767,074	182,014,760
Add: Non-Operating income	28	24,901,621	18,896,863
Profit before WPPF & WF		136,668,695	200,911,623
Less: Provision for contribution to WPPF & WF	23.01	1,635,373	2,519,596
Profit before tax		135,033,322	198,392,028
Less: Income tax expenses		79,515,929	114,097,276
Current Tax	23.02	85,305,315	106,644,248
Deferred Tax	17.02	(5,789,386)	7,453,028
Profit after tax		55,517,393	84,294,752
Total comprehensive income for the year, net of tax			
Profit attributable to:			
Owners of the Company		55,517,393	84,294,752
Non-controlling Interest		(867,018)	(334,756)
		54,650,375	83,959,996
Total Comprehensive Income attributable to:			
Owners of the Company		55,517,393	84,294,752
Non-controlling Interest		(867,018)	(334,756)
		54,650,375	83,959,996
Earnings Per Share (EPS) - Basic	29.01	0.41	0.62

The annexed notes form an integral part of these financial statements


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Signed as per our annexed report of even date

Place: Dhaka, Bangladesh
Date: 28 October 2024
DVC: N/A


Pinaki Das, FCA
Senior Partner
ICAB Enrollment No. 151
FRC Enlistment No.: CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

Amount in Taka

Particulars	Share Capital	Share premium	Revaluation Surplus	Non-controlling interest	Retained Earnings	Total Equity
Balance at 01 July 2023	1,348,958,330	1,086,653,150	3,739,289,135	-	2,634,674,042	8,809,574,657
Net profit for the year	-	-	-	-	56,384,411	56,384,411
Non-controlling interest				(929,533)	-	(929,533)
Dividend paid	-	-	-	-	(71,539,863)	(71,539,863)
Balance at 30 June 2024	1,348,958,330	1,086,653,150	3,739,289,135	(929,533)	2,619,518,589	8,793,489,671
Balance at 01 July 2022	1,348,958,330	1,086,653,150	3,739,289,135	-	2,621,584,398	8,796,485,013
Net profit for the year		-	-	-	84,629,508	84,629,508
Non-controlling interest				(62,515)	-	(62,515)
Dividend paid	-	-	-	-	(71,539,863)	(71,539,863)
Balance at 30 June 2023	1,348,958,330	1,086,653,150	3,739,289,135	(62,515)	2,634,674,042	8,809,512,142

Mrs. Peara Begum
Chairman

[Signature]
Managing Director

[Signature]
Director

[Signature]
Company Secretary

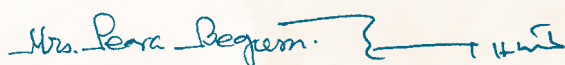
[Signature]
Chief Financial Officer

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30-Jun-2024	30-Jun-2023
A. Cash flows from operating activities			
Cash receipts from customers		6,996,948,605	8,507,122,730
Cash receipt from other income		(8,048,738)	(15,507,481)
Payment to suppliers for import of Raw materials		(4,556,677,716)	(3,340,945,866)
Payment to others		(3,193,076,691)	(4,879,269,173)
Interest paid		(459,686,938)	(359,046,258)
Income tax paid		(83,569,416)	(104,483,174)
Net cash flow from operating activities		(1,304,110,894)	(192,129,222)
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(48,439,503)	(479,985,791)
Investment in capital work in progress		(219,169,037)	(1,505,716,190)
Advance paid to Valuka project		-	-
Investment in shares		90,000,000	10,275,000
Investment in FDR		18,569,841	(34,523,676)
Net cash used in investing activities		(159,038,699)	(2,009,950,657)
C. Cash flows from financing activities			
Dividend & TDS paid		(71,152,122)	(73,032,182)
Receipt of Long Term Loan		59,919,041	1,107,061,619
Receipt/(Repayment) of Short Term Loan		1,476,444,355	1,103,423,616
Net cash flow from/(used in) financing activities		1,465,211,275	2,137,453,053
D. Net cash surplus during the year (A+B+C)		2,061,681	(64,626,826)
E. Cash and bank balances at beginning of the year		491,816,393	563,728,494
Effect of movements in exchange rates on cash held		1,172,510	(7,285,275)
F. Cash and bank balances at the end of the year		495,050,585	491,816,393
Cash and bank balances			
Cash in hand		5,089,643	1,062,630
Cash at bank		489,960,942	490,753,763
Total		495,050,585	491,816,393
Net Operating Cash Flow Per Share (NOCFPS)	30.00	(9.67)	(1.42)



Chairman

Managing Director



Director



Company Secretary



Chief Financial Officer

1.00 Incorporation and Business Activities

Reporting entity

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

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

Nature of business

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

2.00 Basis of Preparation of Financial Statements

2.01 Statement of compliance

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

2.02 Other regulatory compliance

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

- The Income Tax Act 2023;
- The Value Added Tax and Supplementary Duty Act 2012;
- The Value Added Tax Rules, 2016;
- The Bangladesh Labor (Amendment) Act 2013;
- Customs Act 1969;
- Sale of Goods Act 1930;
- Negotiable Instrument Act 1881; and
- The Securities and Exchange Ordinance, 1969;
- The Securities and Exchange Rules, 1987; and
- Other applicable rules and regulations.

2.03 Basis of measurement

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

2.04 Components of financial statements

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

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

2.05 Use of estimates and judgments

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

2.06 Functional and presentation currency

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

2.07 Reporting period

These financial statements of the company cover a period of twelve months from 01 July 2023 to 30 June 2024.

3.00 Significant Accounting Policies

3.01 Property, plant and equipment (PPE)

3.1.1 Recognition and measurement

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

3.1.2 Subsequent costs

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

3.1.3 Depreciation

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

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

3.02 Inventories

3.2.1 Nature of inventories

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

3.2.2 Valuation of inventory

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

3.03 Advance, deposit and prepayments

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

3.04 Cash and cash equivalents

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

3.05 Accounts receivable and other receivables

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

3.06 Accounts payable and other payables

These liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

3.07 Loans and borrowings

Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

3.08 Income tax expense

Income tax expenses comprise current tax and deferred tax. Income taxes are recognized in statement of profit or loss and other comprehensive income except to the extent that relates to items recognized directly in equity or in other comprehensive income.

3.8.1 Current Tax

Taxation is provided in accordance with fiscal regulations applicable. The company taxation is under final settlement of tax liability under section 163 of the Income Tax Act 2023 except other income. Income tax has been deducted at source under section 123 of the Income Tax Act 2023 on export from 1 July 2023 to June 30, 2024.

3.8.2 Deferred Tax

Deferred tax has been recognized in accordance with the provision of IAS 12: Income Taxes, based on the deductible or taxable temporary difference between the carrying amount of assets / liabilities and its tax base. Deferred tax asset or liability is the amount of income tax recoverable or payable in the future periods recognized in the current period. Deferred tax asset or liability does not create a legal recoverability or liability from or to tax authority. Related deferred tax income / expense is recognized in the statement of profit or loss and other comprehensive income. Deferred tax assets and liabilities are offsetted if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each date of statement of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.09 Revenue recognition

i. Export Revenue

In accordance with the provisions of the IFRS-15 “Revenue from Contracts with Customers”; revenue from contracts with customers represents the amount that reflects the considerations to which entity expects to be entitled in exchange for goods supplied and service provided to customers during the period. Revenue from contracts with customers is recognized in the statement of Profit or Loss and Other comprehensive income when the performance obligation (supply of promised goods and services) is satisfied. Performance obligation is satisfied at a point in time when customer obtains the control of goods and services. Revenue from export is recognized at ex-factory date.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- a. The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b. The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c. The amount of revenue can be measured reliably;
- d. It is probable that the economic benefits associated with the transaction will flow to the company; and
- e. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

ii. Cash Incentive

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

3.10 Financial expenses

Financial expenses comprise interest expense on long term loan, short term loan, finance lease and other borrowings, bank commission and charges etc. All such costs are recognized in the statement of profit or loss and other Comprehensive Income except those are capitalized in accordance with IAS 23.

3.11 Statement of Cash flows

Statement of cash flows is prepared principally in accordance with IAS-7: Cash Flows Statement and the cash flows from operating activities are presented under direct method.

3.12 Foreign currency transactions

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

3.13 Leases

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

3.14 Earnings Per Share (EPS)

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

3.15 Events after the reporting period

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

3.16 Provision

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

3.17 Employee Benefit

i. Workers' profit participation fund and welfare fund / Contribution to Central Fund (RMG Sector):

This represent 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (Amendment) Act 2013 (Bangladesh Labour Law, 2006) and is payable to workers as defined in the said law complied in re-placed by the Act No. 30, Para 63 of the year 2013 as Central Fund at the rate applicable for RMG sector (0.03%) on realized revenue which is deducted at source by banks.

ii. Gratuity

Regular confirmed employee of the company who have completed minimum 5 (five) years of continuous service from the date of joining are eligible to gratuity payment at the time of separation of employment with the company

3.18 Interest Income

Interest income is accrued at the applicable interest rate on bank deposits in the period in which it is incurred.

3.19 Finance costs

Finance costs comprise interest expenses on bank loan and other borrowings and are recognised as expenses in the period in which they are incurred using applicable interest rate.

3.20 Revaluation surplus

This represents the difference between book value and revalued amount of land and land development. As per IAS 16: Property, Plant and Equipment, revaluation is done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The fair value of land was determined from market-based evidence by an appraisal as on July 20,2020 by Masih Muhith Haque & Co. which is a professionally qualified valuer.

3.21 Impairment

(a) Financial assets

Accounts receivable and other receivable are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effects on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

(b) Non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

3.22 Comparative information

Comparative information has been disclosed in respect of year 2022-2023 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.

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

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

As at and for the year ended 30 June 2024

3.23 *Compliance with Financial Reporting Standards as applicable in Bangladesh:*

IASs	Title	Remarks
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
32	Financial Instruments: Presentation	Complied
33	Earnings per Share (EPS)	Complied
34	Interim Financial Reporting	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
38	Intangible Assets	Complied

IFRS	Title	Remarks
7	Financial Instruments: Disclosures	Complied
9	Financial Instruments	Complied
12	Disclosure of Interests in Other Entities	Complied
13	Fair Value Measurement	Complied
15	Revenue from Contracts with Customer	Complied
16	Leases	Complied

3.24 *General*

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

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
4.00	Property, plant and equipment			
	(A) Cost/ Revaluation			
	i) Freehold assets			
	Opening balance		9,408,969,897	9,090,003,341
	Add: Addition during the year		24,697,477	318,966,556
			9,433,667,375	9,408,969,897
	ii) Leasehold assets			
	Opening balance		99,420,368	99,420,368
	Add: Addition during the year		-	-
			99,420,368	99,420,368
	Total (A)		9,533,087,743	9,508,390,265
	Add: Property Plant and Equipment of L'Esquire Ltd		280,140,656	256,398,630
			9,813,228,399	9,764,788,895
	(B) Accumulated depreciation			
	i) Freehold assets			
	Opening balance		2,943,729,605	2,685,272,482
	Add: Charged during the year		275,769,100	258,457,123
			3,219,498,706	2,943,729,605
	ii) Leasehold assets			
	Opening balance		84,578,110	72,150,564
	Add: Charged during the year		12,427,546	12,427,546
			97,005,656	84,578,110
	Total (B)		3,316,504,362	3,028,307,715
	Add: Property Plant and Equipment of L'Esquire Ltd		65,398,829	41,538,626
			3,381,903,191	3,069,846,341
	(C) Written Down Value (A-B)		6,431,325,208	6,694,942,555
	A schedule of property, plant and equipment is given in Annexure-A .			
5.00	Capital work-in-progress			
	Opening balance		2,550,960,234	2,272,873,152
	Add: Addition during the year	5.01	243,866,514	597,053,637
			2,794,826,748	2,869,926,789
	Less: Transferred to Property, Plant & Equipment		24,697,477	318,966,556
			2,770,129,271	2,550,960,234
	Add: Work in Progress of L'Esquire Ltd		1,654,743,298	1,654,743,298
			4,424,872,569	4,205,703,532
5.01	Addition during the year			
	Valuka Project		43,162,000	597,053,637
	Machineries in work in process		-	-
	New ETP Building		200,704,514	-
			243,866,514	597,053,637
	A schedule of capital work in progress addition during the year is given in Annexure-B .			

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
7.03	Spare parts and consumable items			
	Spareparts & Consumable items		234,953,115	279,659,700
			234,953,115	279,659,700

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

7.04 Work in Process

	Quantity		Amount in Taka	Amount in Taka
	30.06.2024	30.06.2023		
Knitting (kg)	591,019	79,496	177,436,996	23,783,129
Finished Fabric (kg)	953,418	1,069,147	289,326,266	399,924,675
Cutting (Pcs)	618,773	1,818,365	125,129,825	388,006,887
Embroidery (Pcs)	131,401	44,827	2,895,993	2,592,419
Printing (Pcs)	366,631	301,279	52,123,582	16,177,204
Sewing (Pcs)	743,974	551,251	113,753,412	37,529,707
			760,666,074	868,014,022

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

7.05 Finished Goods (pcs.)

	Quantity		Amount in Taka	Amount in Taka
	30.06.2024	30.06.2023		
Opening	1,215,613	1,728,752	220,056,353	230,016,352
Add: Production during the year	26,562,033	26,223,683	6,284,311,522	6,148,807,647
	27,777,646	27,952,435	6,504,367,875	6,378,823,999
Less: Delivered during the year	27,211,139	26,736,822	6,318,244,775	6,158,767,646
	566,507	1,215,613	186,123,100	220,056,353

8.00 Accounts receivables

A schedule of account receivable is given in **Annexure-F**.

Add: Accounts Receivables of L Esquire Ltd

	1,544,532,346	632,635,842
	174,949,484	150,114,353
	1,719,481,830	782,750,195

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 2024.

III. Debt considered doubtful or bad

The company does not make any provision for doubtful debts as on 30 June 2024, 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 2024.

V. Debt due by Common Management

There are no amount due from sister company under common management as on 30 June 2024.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
VI. The maximum amount due by directors or other officers of the company				
There is no such debt in this respect as on 30 June 2024.				
Aging of accounts receivable				
The aging of gross trade receivables as at the statement of financial position date was:				
	Past due 0-90 days		1,544,532,346	632,635,842
	Past due 91-180 days		-	-
	Past due 181 -365 days		-	-
	Past due more than 365 days		-	-
			1,544,532,346	632,635,842
9.00	Other receivables			
	Cash incentive		55,586,915	18,839,450
	Rental Income		14,762,591	14,762,592
	Accrued interest on FDR		1,151,899	4,949,005
			71,501,406	38,551,047
10.00	Advance, deposit and prepayments			
	Advance	10.01	403,960,473	365,326,492
	Deposit	10.02	45,997,801	218,507,081
	Prepayments	10.03	385,727	748,331
			450,344,002	584,581,903
	Add: Advance ,deposit and Prepayments of L Esquire Ltd		27,436,115	22,727,009
			477,780,117	607,308,912
10.01	Advance			
	Advance to creditors		107,389,220	136,215,940
	Advance against salaries		5,191,062	18,200,562
	Payment to L'esquire for Valuka project		1,923,920,470	1,754,336,816
	Advance Income Tax	10.1.1	291,380,191	210,909,989
			2,327,880,943	2,119,663,307
	A schedule of advance given to creditors is given in Annexure-G .			
	Less: Payment to L'Esquire Ltd		1,923,920,470	1,754,336,816
			403,960,473	365,326,492
10.1.1	Advance Income Tax			
	Opening balance		210,909,989	106,426,815
	Add: Addition during the year	10.1.1.1	80,470,202	104,483,174
			291,380,191	210,909,989
	Less: Adjustment for assessment year-2018-19		-	-
	Less: Adjustment for assessment year-2019-20		-	-
	Less: Adjustment for assessment year-2020-21		-	-
			291,380,191	210,909,989

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
10.1.1.1	Advance Income Tax addition			
	Advance Income Tax on Car		1,781,362	2,940,000
	Advance Income Tax on FDR Interest		1,790,679	597,279
	Tax on unit fund-ICL		-	600,000
	TDS on Cash Incentive		10,486,140	15,346,200
	TDS on Import Stage		891,305	1,566,315
	TDS on Export Proceeds		65,520,716	83,433,380
			80,470,202	104,483,174
10.02	Deposit			
	Guarantee margin & LC margin		4,327,770	2,892,017
	Security deposit	10.2.1	12,691,354	12,691,354
	FBPAR & margin account	10.2.2	28,978,677	202,923,709
			45,997,801	218,507,081
10.2.1	Security deposit			
	Rural Electrification Board (REB) for electricity		7,295,517	7,295,517
	Security Deposit-BSCIC		1,455,000	1,455,000
	PIL Bangladesh Ltd		400,000	400,000
	Mobile phone		60,000	60,000
	Lease rental		691,260	691,260
	Titas Gas Transmission & Distribution Company Limited for gas		2,789,577	2,789,577
			12,691,354	12,691,354
10.2.2	FBPAR & margin account			
	FBPAR A/C with DBBL -in Dollar (783)		-	-
	FBPAR A/C with DBBL -in Dollar (63)		-	-
	FBPAR A/C with DBBL -in EURO		-	-
	FBPAR A/C with EBL -in Dollar		28,978,677	202,923,709
	FBPAR A/C with EBL -in EURO		-	-
	Margin A/C with EBL -in Dollar		-	-
	Margin A/C with EBL -in EURO		-	-
			28,978,677	202,923,709
10.03	Prepayments			
	Insurance premium		385,727	748,331
			385,727	748,331
10.04	Aging of advance, deposit & prepayment			
	The aging of advance, deposit & prepayment as at the statement of financial position date was as follows:			
	Past due 0-90 days		2,327,880,943	2,119,663,307
	Past due 91-180 days		65,520,716	83,433,380
	Past due 181 -365 days		(1,955,749,012)	(1,631,206,138)
	Past due more than 365 days		12,691,354	12,691,354
			450,344,002	584,581,902

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023

10.05 The details breakup of advance, deposit and prepayment as per requirement of Schedule XI, part I, para (J) of the Companies Act, 1994 stated below:

Advance, deposit and prepayments exceeding 6 months	(1,943,057,658)	(1,618,514,784)
Advance, deposit and prepayments not exceeding 6 months	65,520,716	83,433,380
Other advance, deposit and prepayments less provision	45,997,801	218,507,081
Advance, deposit and prepayments considered good and secured	2,276,692,080	1,882,955,663
Advance, deposit and prepayments due by Other Officers (against Salary)	5,191,062	18,200,562

11.00 Investment

Investment in FDR	11.01	118,134,276	136,704,117
		118,134,276	136,704,117

11.01 Investment in FDR

Bank Name	A/C No	Principle	Term	Maturity Date	Amount in Taka	Amount in Taka
			(Months)			
Alarafa	0541310044115	33,000,000	12	11.10.23	-	33,711,556
IPDC	1001251000027868	5,000,000	12	03.02.25	5,488,284	5,217,000
IPDC	1001251000038986	7,500,000	12	17.04.25	7,965,000	7,500,000
IPDC	100125000038987	7,500,000	12	17.04.25	7,965,000	7,500,000
IPDC	1001251000050866	5,000,000	12	09.05.25	5,000,000	-
IFIL	1001251000051513	5,000,000	12	09.06.25	5,000,000	-
IFIL	0012970004858	20,000,000	12	02.09.24	24,035,992	22,775,560
Shimanto	1001344001080	60,000,000	12	25.05.24	62,680,000	60,000,000
					118,134,276	136,704,117

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

12.00 Cash and cash equivalents

Cash in hand	12.01	4,739,643	1,062,630
Cash at bank	12.02	449,133,300	433,350,772
		453,872,943	434,413,402
Add: Cash and Cash Equivalents of L Esquire Ltd		41,177,642	57,402,991
		495,050,585	491,816,393

12.01 Cash in hand

Head Office	800,000	800,000
Factory	3,939,643	262,630
	4,739,643	1,062,630

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka			
			30-Jun-2024	30-Jun-2023		
12.02	Cash at bank					
	Bank Name	Branch	A/C Type	A/C No.		
	Dutch Bangla Bank Ltd.	Local office	FCAD(\$)	101.117.163	16,262	18,241,584
	Dutch Bangla Bank Ltd.	Local office	FCAD(€)	101.119.20		-
	Dutch Bangla Bank Ltd.	Local office	FCAD(\$)	101.110.0006900	32,845	30,555
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.110.36941	1,112,589	9,086,998
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5645	127,573	219,041
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5692	58,019	35,236
	Eastern Bank Ltd.	Principal	FCAD(\$)	101.305.3310	-	-
	Eastern Bank Ltd.	Principal	EOQ(\$)	101.310.060.5881	3,739,032	4,809,250
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	107.120.484	108,787	108,152
	BRAC Bank Ltd.	Motijheel	CD	1505203551787001	-	-
	BRAC Bank Ltd.	Motijheel	FCAD(\$)	1505203551787002	-	-
	Jamuna Bank Ltd.	Mohakhali	CD	102.100.15098	1,276	10,656
	NCC Bank CD A/C	Baridhara	CD	107.021.000.1597	20,888	21,578
	One Bank Ltd.	Agrabad, Ctg.	CD	003.105.0001366	63,278	170,580
	Al -Arafa Islami Bank Ltd	VIP Road	CD	0141020047786	5,261	6,239
	Al -Arafa Islami Bank Ltd	Gulshan	CD	541.020.010.677	8,556,620	3,730,249
	Al -Arafa Islami Bank Ltd	Gulshan	FCAD(\$)	0549580000352	119,946	3,721,511
	Al -Arafa Islami Bank Ltd	Gulshan	FCAD(\$)	0549880000366	35,513	905,029
	Al -Arafa Islami Bank Ltd	Gulshan	FCAD(\$)	0549850000453	350,504,919	347,696,996
	Bank Asia	Tower	CD	62733000256	249,583	3,471,462
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	107.110.0031497	-	1,183
	Shahajalal Islamic Bank	Eskaton	CD	40331100000679	-	-
	South Bangla Ariculture	Gulshan	CD	001.011.1005482	3,012	29,547
	United Commercial Bank	Mohakhali	CD	781.101.000002124	563,535	18,452,647
	United Commercial Bank	Mohakhali	SND	0781301000000653	448,766	485,374
	United Commercial Bank	Mohakhali	SND	0781301000000700	1,167,945	
	United Commercial Bank	Mohakhali	SND	0781301000000584	143,500	5,360
	United Commercial Bank	Mohakhali	FCAD (\$)	0781184000000267	72,742,899	18,434,909
	UCBL -FACD in USD A/C	Mohakhali	FCAD (\$)	0781181000000193	8,407,097	23,437
	HSBC	Management	CD	001-011576-011	35,477	69,427
	Dutch Bangla Bank Ltd.	Local office	CD	101.120.0007676	-	809,605
	One Bank Ltd.	Agrabad, Ctg.	CD	0031020009947	11,503	12,538
	Dutch Bangla Bank Ltd.	Local office	CD	1011200007863	754,622	688,610
	Shimanto Bank Ltd.	Corporate	CD	1005241000165	3,380	55,858
	City Bank	Gulshan	CD	1103309469001	6,002	2,016,962
	Mutual Trust Bank Ltd.	Progati Sarani	CD	80210017599	93,171	
	One Bank Ltd.	Mirpur		110039901005	-	201
					449,133,300	433,350,772

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023

13.00 Share capital

Authorized capital

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

2,000,000,000 **2,000,000,000**

Issued, subscribed and paid-up capital

134,895,833 Ordinary shares of Tk.10 each fully paid

1,348,958,330 **1,348,958,330**

Details of the shareholdings are as under:

Name of Shareholders	% held	No. of shares		30.06.2024	30.06.2023
		30.06.2024	30.06.2023	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. Piara Hossain	2.73%	3,681,343	3,681,343	36,813,430	36,813,430
Esquire Dyeing Industries Ltd.	21.93%	29,581,343	29,581,343	295,813,430	295,813,430
Esquire Accessories Ltd.	0.90%	1,214,677	1,214,677	12,146,770	12,146,770
Esquire Electronics Ltd.	4.34%	5,848,010	5,848,010	58,480,100	58,480,100
General Public and Institution	25.87%	34,895,833	34,895,833	348,958,330	348,958,330
	100%	134,895,833	134,895,833	1,348,958,330	1,348,958,330

The company increased its authorised capital from 1,500 million to 2,000 million by passing a special resolution in the company's Extra Ordinary General Meeting (EGM) held on 22 December 2016.

13.01 Non-controlling Interest

Share Capital (42000 Ordinary shares @ Tk.10 each)

420,000 420,000

Retained Earnings

Opening balance

(482,515) (147,759)

Add: Net profit after tax for the year

(867,018) (334,756)

(1,349,533) **(482,515)**

(929,533) **(62,515)**

14.00 Share premium

Share premium

1,086,653,150 1,086,653,150

Less: IPO Expense

- -

1,086,653,150 **1,086,653,150**

In 2018-19, total amount of share share premium tk 1,151,041650 (20,833,332 shares @ Tk 35 premium for Eligible Investor & 14,962,501 shares @ Tk 30 premium for General Public) was received as share premium in respect of issued to share holder through IPO

15.00 Revaluation surplus

3,739,289,135 **3,739,289,135**

16.00 Retained earnings

Opening balance

2,634,674,042 2,621,584,398

Add: Net profit after tax for the year

56,384,411 84,629,508

Less: Cash dividend

71,539,863 71,539,863

2,619,518,589 **2,634,674,042**

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
17.00	Deferred Tax liabilities			
	Deferred tax liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes.			
	Deferred tax liabilities related to Profit and Loss A/C	17.01	124,462,461	129,741,285
	Deferred tax Liabilities related to other comprehensive income		155,803,714	155,803,714
			280,266,175	285,544,999
	Add: Deferred Tax of L' Esquire Ltd		(225,662)	284,900
			280,040,513	285,829,900
17.01	Deferred tax liabilities			
	As at 30 June 2024			
	Deferred tax liabilities related to Profit and Loss A/C			
	Property, plant and equipment excluding land	2,198,037,380	1,160,850,201	1,037,187,179
	Applicable tax rate			12.00%
	Deferred tax liability			124,462,461
	Deferred tax Liabilities related to other comprehensive income			
	Revaluation reserve for land	3,895,092,849	Nil	3,895,092,849
	Applicable tax rate			4.00%
	Deferred tax liability			155,803,714
	As at 30 June 2023			
	Deferred tax liabilities related to Profit and Loss A/C			
	Property, plant and equipment excluding land	2,461,536,550	1,380,359,171	1,081,177,378
	Applicable tax rate			12%
	Deferred tax liability			129,741,285
	Deferred tax Liabilities related to other comprehensive income			
	Revaluation reserve for land	3,895,092,849	Nil	3,895,092,849
	Applicable tax rate			4.00%
	Deferred tax liability			155,803,714
17.02	Deferred Tax Expenses			
	Deferred Liabilities at the end of the period		124,462,461	129,741,285
	Deferred Liabilities at the beginning of the period		129,741,285	121,710,267
	Deferred Tax expenses		(5,278,824)	8,031,018
	Add: Deferred Tax of L'Esquire Ltd		(510,562)	(577,990)
			(5,789,386)	7,453,028

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
18.00	Long term loan net of current maturity			
	International Finance Corporation	18.01	809,328,252	879,567,259
	Jamuna Bank Limited	18.02	12,715,640	22,869,262
	Al arafa Islamic Bank Ltd	18.03	1,675,996,359	1,552,794,353
	IDLC Finance Limited		-	-
			2,498,040,251	2,455,230,874
	Less: Current portion of long term loan		451,069,640	464,594,631
	International Finance Corporation		117,632,823	151,786,087
	Al arafa Islamic Bank Ltd		333,436,817	287,927,002
	Jamuna Bank Limited		-	13,045,392
	IDLC Finance Limited		-	11,836,150
			2,046,970,611	1,990,636,243
	Add: Long Term Loan of L'Esquire Ltd		-	-
			2,046,970,611	1,990,636,243
18.01	International Finance Corporation		809,328,252	879,567,259

Particulars of the term loans are given below.

(Amount in USD)

Bank Name	Loan Account	Particulars	Outstanding as on 30.06.2023
International Finance Corporation	IFC	Long term loan for Expansion project	Limit: 14000000 Tenor: 8 period/years Interest Rate: 3.50(LIBOR+Margin)

Collateral: A first ranking registered Mortgage on all land and Buildings of the Company. A first raking hypothecation on all present and future movable assets(other than current assets and stocks) of the Company by executing a deed of the hypothecation. Personal joint and several first demand payment guarantee from the Sponsors.Joint and several first demand payment guarantee from the Companies.

18.02	Jamuna Bank Limited		12,715,640	22,869,262
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Details of the term loan with Jamuna Bank Limited are as under:

Bank Name	Facilities	Particulars
Jamuna Bank Limited	Term Loan	Limit: 30,000,000 Tenor: 60 months Pricing: 9.00% p.a.
Jamuna Bank Limited	Term Loan	Limit: 20,000,000 Tenor: 60 months Pricing: 9.00% p.a.

Collateral: Security cheque covering the Term Loan amount with letter of approach duly signed by the authorized person. Personal Guarantee of all the Directors of the company, supported by duly signed individual personal net worth statement. Corporate Guarantee of Shah Garments Limited, supported by MOA, AOA and Board resolution.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
18.03	Al arafa Islamic Bank Ltd		1,675,996,359	1,552,794,353

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

Bank Name	Facilities	Particulars
AIBL	Back to Back LC (Foreign/Local-Sight/Deferred/UPAS/EDF) / Bills	Limit: 2,850,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 0.20% 1st Qtr. EDF LC Max. 100 Cr. And LC for Capital Machinery & SP & Equipment will be 15 Cr. EDF interest will be As per Bangladesh Bank Circular
	Bai-Salam & Bai-Istisna (Inner Limit of Bai-Muajjal)	Limit: (550,000,000) Tenor: Bai-Istisna-60 days & Bai-Salam-120 days Pricing: 15.00% p.a.
	Bai-Muajjal	Limit: 600,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 15.00% p.a.
	HPSM - (Machinery -1)	Limit: 106,900,000, Tenor: Sight/Deferred/360 days UPAS Pricing: 0.20% 1st Qtr.
	Term Loan - HPSM (Industrial) Facility	Limit: 1,3796,000,000 Tenor: 8 Years Pricing: 15.00% p.a.
	Term Loan - HPSM (Transport) Facility	Limit: 3,700,000 Tenor: 2.5 Years Pricing: 15.00% p.a.
	Term Loan - HPSM (RE) Facility	Limit: 2,72,400,000 Tenor: 6 Years Pricing: 15.00% p.a.
	Loan against trust receipt (LTR)	Limit: 100,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 15.00% p.a.
	Letter of Guarantee - 1	Limit: 50,000,000 Pricing: 0.40% per quarter.
	Letter of Guarantee - 1 (One Off)	Limit: 350,000,000 Pricing: Nil
	Letter of Guarantee - 1 (Single Case)	Limit: 2,273,600,000 Pricing: Nil
	MDB/MDB-FC	Limit: 100,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 9.00% p.a.
FBP/FBC/Quard against cash assistance	As per Export Policy	

Collateral: i) Registered mortgage (to be executed) of 851.85 decimal land and factory structures thereon (458145 sft) having forced sale value of Tk. 142.96 Cr. & market value of TK. 178.70 Cr. (As per branch valuation dated 22.09.2021 & 28.10.2021) schedule of the said property is depicted below: 223.00 decimals at kanchpur, Narayanganj (129 decimals

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

in the name of Esquire Knit Composite Ltd; 60 decimals in the name of New Dhaka Ceramic Industries Limited and 34 decimals in the name of Md. Mofazzal Hossain & Ehsanul Habib. 381.60 decimals at Mouza- Zamaldi, P. S- Gajaria, Dist.- Munshiganj (203.10 decimals in the me of Esquire Knit Composite Ltd; 178.50 decimals in the name of (i) Md. Mofazzal Hossain, (ii) Md. Ehsanul Habib, (iii) Md. Arifur Rahman, (iv) Md. Muddasar Hossain. 245.00 decimals at Mouza- Zamirdia, P. S- Vhaluka, Dist.- Mymensingh in the name of (i) Md. Mofazzal Hossain, (ii) Md. Arifur Rahman, (iv) Md. Muddasar Hossain. 7130+7130 = 14,260 (Fourteen Thousand Two Hundred Sixty) square feet on the 9th & 10th floor and 10 car parking space no. 1,2,3,4,5,6,11,21 & 22 on the basement- 2 floor of the commercial building namely "Ideal Trade Center" at Mouza- Begunbari, Tejgaon, Dhaka in the name of Esquire Knit Composite Ltd. ii) First Charge shall be created with Registrar of Joint Stock Company on the fixed & floating assets & book debts of the company both present & future within 21 days from the date of execution of documentation and certificate to be submitted from RJSC against limited company. iii) Personal Guarantee of all the directors of the company. iv) Personal Guarantee of owners mortgaged properties.

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
19.00	Finance lease obligation net of current maturity			
	IDLC Finance Limited		-	2,561,293
	LankaBangla Finance PLC		18,322,174	-
	IPDC Finance Limited		-	1,720,844
			18,322,174	4,282,137
	Less: Current portion of finance lease obligation-IDLC		-	2,561,293
	Less: Current portion of finance lease obligation-LankaBangla Finance PLC		18,322,174	-
	Less: Current portion of finance lease obligation-IPDC		-	1,720,844
			18,322,174	4,282,137
	Net Changes of L' Esquire Lease		7,059,041	4,459,992
			7,059,041	4,459,992
19.01	Lease Liabilities (Current Portion)		18,322,174	4,282,137
	Add: Lease Liability of L'Esquire Ltd		5,487,030	5,016,452
			23,809,204	9,298,589

IDLC Finance Limited

Esquire Knit Composite PLC entered into lease agreement with IDLC Finance Limited from the year 2016 to 2022 for vehicles. Esquire Knit Composite PLC pays fixed monthly installments which comprise principal and interest in return.

IPDC Finance Limited

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

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

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

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

1. Registration & Comprehensive Insurance of the vehicles in favor of IPDC. 2. Personal Guarantee of all sponsor Directors of the Lessee(s). 3. Cross Corporate Guarantee of the Lessee(s) (Supported by Board Resolution and undertaking to amend MEMART by incorporating the clause empowering to provide corporate guarantee, if not Legally enforceable by MEMART). 4. Security cheque. 5. Post-Dated cheques (PDCs) for monthly rental payment. 6. Demand Promissory Note along with Letter of Continuation. 7. Other usual charge documents.

Details of Lease Agreement

(Amount in Taka)

Lease From	Purpose	Finance Amount	Lease Term	Monthly Rental	Rental Paid	Future Payment
IDLC	Vehicle	29,000,000	5 Years	565,310	26,438,707	2,561,293
IPDC	Vehicle	11,450,000	5 Years	249,462	9,729,156	1,720,844
		40,450,000		814,772	36,167,863	4,282,137

SI No.	Particulars	Notes	Amount in Taka		
			30-Jun-2024	30-Jun-2023	
20.00	Short term loan				
	Al arafa Islamic Bank Ltd	20.01	1,310,035,780	657,384,511	
	Eastern Bank Limited	20.02	561,181,532	317,260,044	
	United commercial Bank Limited	20.03	928,316,533	505,389,263	
	Bank Asia limited		196,872,116	200,800,000	
	The City Bank limited		-	18,206,720	
	Alliance Finance		310,024,985	301,620,204	
	South Bangla Agriculture Ltd		268,594,549	264,501,387	
	IFIL		50,053,023	252,734,962	
	IDCOL		632,486,106	91,200,541	
	Shimanto Bank		257,495,589	632,722,601	
	IPDC Finance Limited		100,656,916	99,999,699	
	Mutual Trust Bank Limited		915,042	-	
			4,616,632,172	3,341,819,932	
	Add: Short term Loan of L Esquire Ltd		336,496,359	134,864,245	
			4,953,128,531	3,476,684,177	
20.01	Al arafa Islamic Bank Ltd				
	HPSM (Transport) Short Term		1,536,486	6,172,810	
	LTR- MPI (Trust Receipt)		-	-	
	Loan against EDF		663,668,036	-	
	Overdraft	20.01.01	644,831,258	651,211,701	
			1,310,035,780	657,384,511	
20.01.01	Overdraft				
	Name of the Bank	Branch	Account #	Amount in Taka	Amount in Taka
	OD- Bai-Muazzal (Gen) MEF			644,831,258	651,211,701
				644,831,258	651,211,701

Particulars such as the terms & conditions of the above short term loans are same as stated under Note # 18.3.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
20.02	Eastern Bank Limited			
	Overdraft		30,838,285	30,632,439
	Time loan normal		123,526,622	88,833,857
	Export cash credit		105,417,369	111,920,328
	Loan against EDF		301,399,256	85,873,421
			561,181,532	317,260,044

Particulars of the above banking facilities are given below:

Bank Name	Facilities	Particulars
Eastern Bank Limited	Back to Back LC (Usance/sight under EDF Including acceptance liability)	Limit: 1,800,000,000 Tenor: 180 days Pricing: 0.15% PQ.
	Acceptance (Raw Materials) [Within Line # 1]	Limit: (1,800,000,000) Tenor: 180 days Pricing: 0.15% PQ.
	Sight Letter of Credit-I (Financed through EDF) [Within Line # 1]	Limit: (1,200,000,000) Tenor: 180 days Pricing: 0.15% PQ.
	EDF Loan [Within Line # 1]	Limit: (1,200,000,000), As per Bangladesh Bank Circular
	Sight Letter of Credit (Machineries)	Limit: 50,000,000 Tenor: 360 days Pricing: 0.15% PQ.
	Usance Letter of Credit (Machineries) [Within Line # 2]	Limit: (50,000,000) Tenor: 360 days Pricing: 0.15% PQ.
	Acceptance (Machineries) [Within Line # 2]	Limit: (50,000,000) Tenor: 360 days Pricing: 0.15% PQ.
	Time Loan (Machineries) [Within Line # 2]	Limit: (45,000,000) Tenor: 360 days Pricing: 9.00% p.a.
	Letter of Guarantee	Limit: 10,000,000 Tenor: Up to 5 years Pricing: 0.20% PQ/ Minimum tk. 2500
	Packing Credit	Limit: 125,000,000 Tenor: 120 days Pricing: 12.00% p.a.
	Pre Shipment Credit	Limit: (125,000,000) Tenor: 180 days Pricing: As per BB Circular
	Manufacturer's Demand Loan	Limit: 85,000,000 Tenor: 120 days Pricing: 12.50% p.a.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Bank Name	Facilities	Particulars
Eastern Bank Limited	Overdraft (OD)	Limit: 30,000,000 Tenor: 360 days Pricing: 12.50% p.a.
	Time Loan [Within Line # 7]	Limit: (50,000,000) Tenor: 180 days Pricing: 12.50% p.a.
	FDBP	Limit: 150,000,000 Tenor: 45 days for Sight & 120 days for Deferred Pricing: As per schedule of the bank
	LDBP [Within Line # 7]	Limit: (50,000,000) Tenor: 45 days for Sight & 120 days for Deferred Pricing: 12.50% p.a. for BDT and 6MI+3.5% p.a. for USD

Collateral: 1) Registered Mortgage & Registered Power of Attorney on 5.97 bigha (197) decimal land and building thereon (Solely with Eastern Bank Limited), located at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite PLC. Registered Mortgage as well as subsequent EBL charge to be created with RJSC for BDT 430.00 Million, which will continue. 2) 1st Registered Mortgage & Registered Power of Attorney on 1.00 bigha (33.25) decimal land and building thereon (Solely with Eastern Bank Limited), located at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite PLC. Registered Mortgage as well as subsequent EBL charge to be created with RJSC for BDT 50.00 Million.

20.03 United Commercial Bank Ltd.

	Branch	A/C #	Amount in Taka	Amount in Taka
Overdraft		0781749000000347	99,446,633	61,215,516
Time loan normal			267,594,937	298,035,105
Export cash credit			-	35,084,380
EDF			561,274,963	111,054,263
			928,316,533	505,389,263

Particulars of the above banking facilities are given below:

Bank Name	Facilities	Particulars
United Commercial Bank Ltd.	Back to Back LC (Usance/sight under EDF Including acceptance liability)	Limit: 1,600,000,000 Tenor: 120 days Pricing: 0.25% PQ.
	Letter of Credit(Sight/Usance/UPAS)	Limit: 200,000,000 Tenor: 180 days Pricing: 0.25% PQ.
	Letter of Credit(Sight/Usance/UPAS)-Machinery (Inner of SLC/ULC/UPAS Limit of 20 Crore)	Limit: (50,000,000) Tenor: 360 days Pricing: 0.25% PQ.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Bank Name	Facilities	Particulars
United Commercial Bank Ltd.	Loan against trust receipt (LTR)	Limit: 50,000,000 Tenor: 120 days Pricing: 0.25% PQ.
	Time Loan (Inner of LTR Limit)	Limit: (40,000,000) Tenor: 360 days Pricing: 0.25% PQ.
	LBPD	Limit: 100,000,000 Tenor: 120 days Pricing: 0.25% PQ.
	Letter of Guarantee	Limit: 50,000,000 Tenor: As per requirement Pricing: 0.25% PQ
	FBPD/OBU Discounting	Limit: 150,000,000 Tenor: 21 days Pricing: 15.00% p.a.
	Time Loan (Inner Limit of FBPD)	Limit: 80,000,000 Tenor: 90 days Pricing: 15.00% p.a.
	Time Loan	Limit: 150,000,000 Tenor: 150 days Pricing: 15.00% p.a.
	Packing Credit (Inner Limit With Time Loan)	Limit: (150,000,000) Tenor: 120 days Pricing: 15.00% p.a.
	Overdraft (OD)	Limit: 50,000,000 Tenor: 360 days Pricing: 15.00% p.a.

Collateral: Registered Mortgage of 96.00 decimal Land with 04 storied building (57,400 sft) at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite PLC. Pari-passu security sharing with other lenders: AIBL, & EBL) over floating assets of the company. Personal Guarantee of all director of Esquire Knit Composite Ltd. & Esquire Dyeing Industries Limited except independent directors of Esquire Knit Composite Ltd. Corporate guarantee of Esquire Electronics Ltd., Esquire Dyeing Industries Ltd. & Esquire Accessories Ltd. with duly adopted board resolution. Post-dated MICR cheques (mode wise) signed by the authorized signatory of the company.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
21.00	Unclaimed Dividend		2,371,333	1,983,588

SL #	Account Number	Bank	Branch	AGM No	Taka	Taka
1	101-120-000-7676	DBBL	Local Office	20th	0	809,605
2	101-120-000-7863	DBBL	Local Office	21th	754622	688,609
3	078-130-100-000-0653	UCBL	Mohakhali	22th	448765.59	485,374
4	078-130-100-000-0700	UCBL	Mohakhali	23th	1167945.1	-
					2,371,333	1,983,588

22.00 Accounts payable

Import liability and other creditors

510,719,411 974,131,816

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

Add: Accounts Payable of L Esquire Ltd

53,573,213 192,048,694

564,292,624 1,166,180,510

23.00 Liabilities for expenses

Directors' remunerations

35,164,000 47,444,565

Salary and wages

52,576,062 43,440,852

Gas Bills

12,320,188 18,725,148

Electricity

3,421,964 2,644,331

Telephone bill

77,000 35,000

WPPF payable

23.01 - -

Wasa bill

25,000 30,000

Provision for Income Tax

23.02 331,495,103 249,289,002

Provision for Head office Floors

1,837,169 1,837,169

Financial Interest

5,957,561 17,681,763

TDS on Dividend and Expenses

22,378,589 48,693,150

Audit fees

862,500 862,500

Head office rent

3,044,000 3,044,000

469,159,136 433,727,480

Add: Liabilities for Expenses

58,527,698 40,162,123

527,686,834 473,889,604

23.01 WPPF payable

Opening Balance

- -

Add: Addition during the year

1,635,373 2,519,596

Less: Payment during the year

1,635,373 2,519,596

- -

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
23.02	Provision for Income Tax			
	Opening balance		249,289,002	145,965,247
	Add: Provision made for the year		82,206,101	103,323,755
			331,495,103	249,289,002
	Less: Adjustment for assessment year-2018-19		-	-
	Less: Adjustment for assessment year-2020-21 of L Esquire Ltd		-	-
	Less: Adjustment for assessment year-2021-22 of L Esquire Ltd		-	-
			331,495,103	249,289,002
	Income Tax provision			
	Export		76,006,856	98,943,319
	Non operating income		6,199,245	4,544,174
			82,206,101	103,487,494
	Add: Current tax of L Esquire Ltd		3,099,214	3,156,754
			85,305,315	106,644,248
24.00	Sales			
	Export sales		7,604,616,487	7,514,765,316
	Add: Export of L Esquire Ltd		329,063,754	463,985,076
			7,933,680,241	7,978,750,392
	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:		27,211,139	26,736,822
	ii. Foreign currency earned against export on FOB Basis:			
		In USD	68,049,623	75,919,079
		In BDT	7,604,616,487	7,514,765,316
	iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees andconsultancy fees.			
	iv. The value of export for the year ended on 30 June 2024.			

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023

25.1.3 Chemical Consumption

	Quantity in kg			
	2023 -24	2022-23		
Opening	1,062,218	1,316,954	150,753,397	132,240,273
Add: Purchase during the year	1,733,026	1,733,026	361,794,971	328,808,238
	2,795,245	3,049,980	512,548,368	461,048,511
Less: Closing stock	857,069	1,062,218	235,793,946	150,753,397
	1,938,176	1,987,762	276,754,422	310,295,114

25.1.4 Finishing materials Consumption

Opening	867,065,866	1,185,015,121
Add: Purchase during the year	767,828,415	434,853,633
	1,634,894,281	1,619,868,755
Less: Closing stock	1,192,856,805	867,065,866
	442,037,476	752,802,889

Disclosure as per requirement of Schedule XI, Part II, Para 8
Raw Materials, Spare Parts, Packing Materials and Capital Machinery

Items	Purchase	
	Import	Local (BBLC)
Yarn	1,382,153,055	690,922,738
Dyes & Chemical	554,667,393	17,154,662
Packing Materials	67,581,445	251,372,167
Accessories	207,503,649	335,162,889
Store & Spare-Parts	62,979,491	1,416,717
	2,274,885,033	2,592,058,346

25.02 Cost of direct labor

Workers wages	1,433,399,794	1,506,203,230
Workers overtime	263,193,246	219,033,054
Daily labor	8,331,343	7,114,816
Salary	426,288,823	422,346,432
Festival bonus and Provident Fund	75,893,532	3,277,279
	2,207,106,738	2,157,974,811
	2,207,106,738	2,157,974,811

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
26.01	Office & administrative expenses			
	Director remuneration		10,000,000	18,000,000
	Salary & allowances		169,171,921	209,252,661
	Contribution to employees provident fund		-	1,840,159
	Vehicle maintenance		1,236,779	1,161,501
	Vehicle running expenses		5,066,299	6,581,836
	Entertainment		1,864,888	3,917,325
	Insurance premium		466,249	868,770
	Printing expenses		526,072	415,219
	Stationery expenses		830,215	3,359,495
	Telephone, mobile & internet		3,439,260	2,755,229
	Floor rent		3,044,000	3,044,000
	Travelling & conveyance		788,649	851,210
	Bank charges		19,930,175	15,850,666
	License, renewal & registration		4,862,993	7,064,089
	Utility expenses		2,565,352	2,735,051
	Audit fees		862,500	862,500
	Scrutinizer fees		30,000	30,000
	Exchange loss/(gain)		(1,259,600)	7,625,112
	Depreciation		46,689,041	42,783,807
	Miscellaneous expenses(AGM expenses)		914,474	1,184,036
			271,029,267	330,182,667
26.02	Selling & distribution expenses			
	Inspection & certificate issue expenses		8,065,559	29,031,904
	Export permission		9,829,884	12,524,704
	Foreign Travel for marketing		11,068,796	18,302,440
	Sample and courier expenses		60,716,510	118,013,875
	Bank charges on export proceeds		202,651,456	201,441,046
	Freight charges on export		50,245,527	35,299,605
	C&F expenses on export		16,620,449	20,584,013
	Carriage outward on export(Transportation)		21,009,427	13,596,763
			380,207,608	448,794,351
27.00	Financial expenses			
	Interest on Short term loan		205,249,011	174,514,010
	Interest on Long term loan		231,685,380	188,747,225
	Interest on Finance lease		2,215,590	291,435
			439,149,981	363,552,671
	Add: Financial expenses of L Esquire Ltd		26,494,518	13,175,350
			465,644,499	376,728,021
28.00	Non operating income			
	FDR Interest		7,003,394	7,795,401
	Gain/(Loss) on Surrender of unit fund-ICL		10,412,290	-
	Dividend on unit fund-ICL		-	3,000,000
	Rental income		7,381,296	7,381,296
	Add: Other Income of L Esquire Ltd		104,641	196,124.00
			24,901,621	18,372,821

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
29.00	Net Asset Value (NAV) Per Share			
	Total assets		17,649,918,003	16,683,069,377
	Total Liabilities		(8,856,428,330)	(7,873,557,233)
	Net Asset Value (NAV) (A)		8,793,489,673	8,809,512,144
	Revaluation reserve		(3,739,289,135)	(3,739,289,135)
	Net Asset Value (NAV) without revaluation reserve (B)		5,054,200,538	5,070,223,009
	Weighted Average Number of shares (C)		134,895,833	134,895,833
	Net Asset Value (NAV) per share with revaluation reserve (A÷C)		65.19	65.31
	Net Asset Value (NAV) per share without revaluation reserve (B÷C)		37.47	37.59

29.01 Earnings Per Share (EPS)

Earning attributable to ordinary shareholders (Taka)	55,517,393	84,294,752
Weighted Average Number of shares	134,895,833	134,895,833
Earnings Per Share (Taka)	0.41	0.62

30.00 Net Operating Cash Flow Per Share (NOCFPS)

Net operating cash flows	(1,304,110,894)	(192,129,222)
Weighted Average Number of shares	134,895,833	134,895,833
Net operating cash flows per shares	(9.67)	(1.42)

Calculation of Weighted Average Number of shares

Particulars	Formula	No of shares	No of shares
Allotment of Existing shares	100000000/365*365	100,000,000	100,000,000
Allotment of new shares	34895833/365*365	34,895,833	34,895,833
Allotment date:			
February 07, 2019			
Weighted Average Number of shares		134,895,833	134,895,833

31.00 Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018:

Reconciliation of net profit with cash flow from operating activities

Net profit after tax for the year	55,517,393	84,294,752
Adjustment for non-cash items:		
Depreciation	312,056,850	302,041,638
Deferred Tax Adjustment	(5,789,386)	7,453,028
Changes in Working Capital:		
(Increase)/decrease in Inventory	(276,479,385)	120,871,771
Decrease in Accounts receivable	(969,681,995)	493,967,995
(Increase)/decrease in Advance deposit and Payments	128,356,286	(1,079,793,613)
Increase in Accounts payable	(601,887,887)	(26,393,506)
Decrease in Accrued Expenses	53,797,230	(94,571,287)
Net cash flow from operating activities	(1,304,110,894)	(192,129,222)

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023

32.00 Related party disclosures

i) Related party transactions

(Amount in Taka)

Name	Nature of relationship	Nature of Transaction	Opening Balance	Purchase/ receipts	Payment	Outstanding as on 30.06.2024 (Receivable)/ Payable
Esquire Accessories Limited	Common Management	Purchase	67,835,844	190,071,323	185,151,370	72,755,797
Esquire Electronics Limited	Common Management	Purchase		12,810,000	12,810,000	-
Esquire Dyeing Industries Limited	Common Management	Dyeing	97,335,612	92,316,005	112,261,595	77,390,022
Esquire Testing Services (BD) Limited	Common Management	Fabric testing fees		2,747,681	2,747,681	-
L'Esquire Ltd			(1,754,336,816)	150,000,000	319,583,654	(1,923,920,470)
Esquire Plasic Ltd	Common Management	Purchase	-			-

(1,773,774,652)

ii) Particulars of Directors of Esquire Knit Composite PLC as at 30 June 2024

Name of Directors	BOD of Esquire Knit Composite PLC	Entities where they have interests
Md. Ehsanul Habib	Managing Director	Esquire Knit Composite PLC
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Alpha Plastic & Packaging Limited
		Esquire Customer Care Limited
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceranic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
Esquire Sourcing Limited		

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Name of Directors	BOD of Esquire Knit Composite PLC	Entities where they have interests
Md. Ehsanul Habib	Managing Director	Sharp Media Limited
		Bangladesh German University
		Best Life Insurance Company Limited
		Thakral Information Systems (Pvt.) Limited
		Trust Solution Private Limited
		Thakral One Private Ltd
		T.M Chemical Limited
		Olive Tree Foods Limited
		Esquire Travels Ltd.
		Securex (Pvt) Ltd.
		L'Esquire Ltd
		Esquire Heavy Industries Ltd.
		Md. Mofazzal Hossain
Esquire Dyeing Industries Limited		
Esquire Electronics Limited		
Esquire Testing Services (BD) Limited		
Esquire Accessories Limited		
Esquire Plastics Limited		
Esquire Customer Care Limited		
L'Esquire Ltd		
Esquire Chemical Industries Limited		
Shah Garments International Limited		
Meghna Plastic Industries (Pvt) Limited		
New Dhaka Ceramic Industries (Pvt.) Limited		
Synthia Multi-Fibre Limited		
MMH Textiles Limited		
Sharp Media Limited		
Thakral Information Systems (Pvt.) Limited		
Trust Solution Private Limited		
Thakral One Private Ltd		
Esquire Travels Ltd.		
Mrs. Piara Begum	Director	Esquire Knit Composite PLC
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Accessories Limited

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

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

33.00 Capital expenditure commitment

Details of capital expenditure commitment as of 30 June 2024 are as under:

Particulars	Total Cost value estimated	Paid till 30.06.24	to be paid
Valuka Project	2,900,000,000	2,770,129,271	129,870,729

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
34.00	Disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994			
	Number of employee		No. of Employee	No. of Employee
	Factory:			
	Textile and Apparels:			
	Number of full-time employee (Officers & Staff)		985	1,046
	Number of full-time employee (Workers)		5,485	5,594
	Head Office:			
	Number of full-time employee (Officers & Staff)		165	180
	Number of full-time employee (Workers)		-	-
	All the aforesaid employees engaged by the Company for the whole year or part thereof individually received a total salary of Tk. 70,055 or above.			
35.00	Disclosure as per Schedule XI, Part II, Para 4 of the Companies Act 1994			
	Directors are also executives of the company. Their executive compensation for the year ended on 30 June 2024 is given below:			
	Managing Director's remuneration and benefit	35.01	6,000,000	6,000,000
	Other Directors' salary and benefit	35.02	4,000,000	12,000,000
	Other key management personnels' salary and benefit	35.03	26,349,829	37,995,319
			36,349,829	55,995,319
35.01	Managing Director's remuneration and benefit			
	Salary		6,000,000	6,000,000
35.02	Other Directors' salary and benefit			
	Salary		4,000,000	12,000,000
35.03	Other key management personnels' salary and benefit			
	Salary		23,951,685	31,951,685
	Allowance		439,395	590,274
	Bonus		1,958,749	3,530,615
	Providend fund		-	1,922,745
			26,349,829	37,995,319

Board Meeting attendance fees have been provided to the directors of the company for the year.
The Directors of the company did not take any benefit from the company other than the remuneration and -

a. Expense reimbursed to the managing agent -	Nil
b. Commission or other remuneration payable separately to a managing agent or his associate -	Nil
c. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company -	Nil
d. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year -	Nil
e. Any other perquisites or benefit in cash or in kind stating -	Nil
f. Other allowances and commission including guarantee commission -	Nil

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

- 1) Pensions
- 2) Gratuities
- 3) Payment from Provident Fund
- 4) Compensation for loss of office
- 5) Consideration in connection with retirement from office

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
36.00	Disclosure as per Schedule XI, Part II, Para 7of the Companies Act 1994			
	Particulars			
	<u>Textiles:</u>			
	Installed Capacity (Kg)		12,775,000	12,775,000
	Actual Production (Kg)		6,316,063	7,919,463
	Utilization		49.44%	61.99%
	<u>Apparels:</u>			
	Installed Capacity (Pcs)		49,920,000	49,920,000
	Actual Production (Pcs)		26,562,033	26,223,683
	Utilization		53.21%	52.53%
37.00	Transaction in foreign currency			
	C & F value of import			
	Finishing Materials		5,216,186	7,035,541
	Yarn		19,374,540	19,228,540
	Dyes & Chemicals		5,344,131	5,703,564
	Capital Machinery		205,224	2,574,850
			30,140,081	34,542,495
	FOB Value of Export (USD)		64,996,722	75,919,079

38.00 Financial risk management

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies have been established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- *Credit Risk
- *Interest Rate Risk
- *Currency Risk
- *Liquidity/funding risk
- *Market risk

38.01 Credit risk

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

As the company is involved in 100% export oriented business, all the sales are made against Letter of Credit (L/C). L/Cs provide guarantee against credit sales and minimise the credit risk to an acceptable level. Bills receivable arises due to the time difference between submission of bills to the bank for collection of proceeds and actual realisation of the proceeds.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
	The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:			
	Accounts receivables	8.00	1,719,481,830	782,750,195
	Advance, deposit and prepayments	10.00	477,780,117	607,308,912
	Cash & Bank Balances	12.00	495,050,585	491,816,393
			2,692,312,532	1,881,875,500
	The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic regions was:			
	Domestic		2,367,333,572	1,028,074,365
	Foreign		324,978,960	853,801,135
			2,692,312,532	1,881,875,500

38.02 Liquidity risk

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

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

As on 30 June 2024

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	2,498,040,251	-	2,498,040,251
Finance Lease obligation	30,868,245	-	30,868,245
Short term loan	4,953,128,531	2,971,877,119	1,981,251,413
Provision for income tax	331,495,103	331,495,103	-
Liabilities for expenses	137,664,033	137,664,033	-
Accounts payable	564,292,624	564,292,624	-
	8,515,488,787	4,005,328,879	4,510,159,908

As on 30 June 2023

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	2,455,230,874	-	2,455,230,874
Finance Lease obligation	13,758,581	-	13,758,581
Short term loan	3,476,684,177	2,086,010,506	1,390,673,671
Provision for income tax	249,289,002	249,289,002	-
Liabilities for expenses	184,438,478	184,438,478	-
Accounts payable	1,166,180,510	1,166,180,510	-
	7,545,581,621	3,685,918,497	3,859,663,125

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

38.03 Market risk

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

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

38.04 Currency risk

The company is exposed to currency risk on receiving of sales proceeds and payments made for raw materials purchase as well. Maximum of the company's foreign currency transactions are denominated in USD.

i) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

	USD	
	30-Jun-2024	30-Jun-2023
Foreign currency denominated assets		
Accounts Receivable	13,201,131	5,812,531
FBPAR A/C with DBBL-in USD(78)3	-	-
FBPAR A/C with Dutch Bangla Bank Limited (USD)	139	-
FBPAR A/C with Dutch Bangla Bank Limited (Euro)	-	-
Margin A/C with Eastern Bank Limited (USD)	247,681	-
Margin A/C with Eastern Bank Limited (Euro)	-	-
Dutch Bangla Bank Limited FCAD (USD account)	-	167,600
Dutch Bangla Bank Limited FCAD (Euro account)	-	-
DBBL FCAD-in Dollar	281	281
Eastern Bank Limited (USD account)	-	-
	13,449,232	5,980,408
Foreign currency denominated liabilities		
AIBL-EDF	(5,672,376)	-
EBL-EDF	(2,576,062)	(788,988)
UCBL-EDF	(4,797,222)	-
IFC Loan	(6,917,335)	(10,428,140)
Accounts Payable	(4,365,123)	(8,645,845)
	(24,328,119)	(19,862,973)
Net exposure	(10,878,887)	(13,882,564)
	Amount in Taka	
	30-Jun-2024	30-Jun-2023
The following rate has been applied:		
Taka/USD	117.00	108.84
Taka/EURO	125.00	118.67

38.05 Business Risk

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

38.06 Interest Rate Risk

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

	Taka	
	30-Jun-2024	30-Jun-2023
Exposure of Interest Rate Risk		
Fixed Rate Bearing		
Term Loan	2,528,908,496	2,468,989,454
Short Term Loan	4,953,128,531	3,476,684,177

38.07 Operation Risk

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

38.08 Raw Material Supply Risk

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

38.09 Exchange Rate Risk

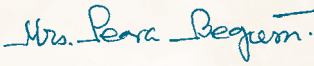
Exchange rate risk arises from currency fluctuation in international trade. If Bangladeshi Taka is devalued and/or foreign currency revalued than the price of imported raw materials will go up which will decrease the overall profit margin. As the company is dependent upon the import for yarn, dyes, chemicals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


38.10 Power Generation Risk

The industrial bases of Bangladesh are mainly aided by natural gas-driven power generation which causes disruption occasionally and the weaving industry is not an exception. Smooth availability of gas will ensure the maximum functioning of the machineries. EK CPLC 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, EK CPLC does not foresee significant risk for power generation.

39.00 Date of Authorisation

The Board of directors has authorised these financial statements for issue on 30 October 2024.


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2024

(Annexure-A)

Name of the assets	Cost			Rate (%)	Depreciation			Written Down Value as on
	Balance	Addition	Balance		Balance	Charges	Balance	
	as on	During	as on		as on	for	as on	
	01.07.2023	the period	30.06.2024		01.07.2023	the period	30.06.2024	
a. Freehold assets								
Land & Land development	123,453,152		123,453,152	-	-	-	-	123,453,152
Building	1,222,820,029		1,222,820,029	5%	660,530,634	61,141,001	721,671,635	501,148,393
Plant & Machinery	3,798,832,946	21,959,007	3,820,791,953	7%	2,008,299,392	180,366,604	2,188,665,996	1,632,125,957
Furniture and Office Equipment	307,435,719	2,738,470	310,174,189	10%	228,784,959	31,017,419	259,802,378	50,371,811
Motor Vehicle	28,894,445		28,894,445	13%	28,894,445		28,894,445	-
Software & IT	32,440,757		32,440,757	10%	17,220,175	3,244,076	20,464,251	11,976,506
Sub-Total	5,513,877,047	24,697,477	5,538,574,525		2,943,729,605	275,769,100	3,219,498,705	2,319,075,819
b. Revalued assets								
Land & Land Development	3,895,092,849		3,895,092,849	-	-	-	-	3,895,092,849
Sub-Total	3,895,092,849	-	3,895,092,849		-	-	-	3,895,092,849
c. Leasehold assets								
Motor Vehicle	99,420,368		99,420,368	13%	84,578,110	12,427,546	97,005,656	2,414,712
Sub-Total	99,420,368	-	99,420,368		84,578,110	12,427,546	97,005,656	2,414,712
Grand total as on 30 June 2024	9,508,390,265	24,697,477	9,533,087,742		3,028,307,715	288,196,646	3,316,504,361	6,216,583,381
Grand total as on 30 June 2023	9,189,423,708	318,966,556	9,533,087,742		2,757,423,045	270,884,669	3,028,307,715	6,504,780,027

Break-up of Land and Land Development:

Land acquisition cost	83,297,266	Allocation of depreciation:	
Land development cost	40,155,886	Factory overhead	241,507,606
	123,453,152	Office & Administrative Expenses	46,689,041
			288,196,646

Note: Land and land development has been revalued on 20 July 2020 by an independent valuer

i) **Name of Valuer :** Masih Muhith Haque & Co. Chartered Accountants

ii) **Valuation method :** Estimated Net Realizable Value Method (the market approach).

iii) **Date of Capitalization:** Revaluation surplus capitalized on 20 July 2020

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY
ADDITION OF CAPITAL WORK IN PROGRESS
As at 30 June 2024

(Annexure-B)

Particulars	Total Cost	Cost incurred
Valuka Building construction	2,900,000,000	2,770,129,271
Total	2,900,000,000	2,770,129,271

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

STORE LEDGER SUMMARY

As at 30 June 2024

(Annexure-C)

SI #	Particulars	Opening		Purchase		Issue/Consumption		Closing Balance	
		Qty	BDT	Qty	BDT	Qty	BDT	Qty	BDT
Raw material									
1	Yarn	2,423,761	853,886,704	6,618,034	2,073,075,793	6,941,457	2,277,928,904	2,100,338	649,033,593
2	Dyes	227,552	224,161,620	236,360	210,027,084	238,674	177,859,714	225,237	256,328,990
3	Chemical	1,062,218	150,753,397	1,733,026	361,794,971	1,938,176	276,754,422	857,069	235,793,946
Finishing Materials									
4	Packing materials	-	256,392,555	-	318,953,612	-	158,977,001	-	416,369,166
5	Accessories	-	499,288,825	-	422,431,063	-	307,149,729	-	614,570,159
6	Sewing Thread	-	107,243,479	-	116,094,469	-	75,839,439	-	147,498,509
7	Printing & Embroidery materials	-	4,141,006	-	26,443,740	-	16,165,775	-	14,418,971
WIP and Finished Goods									
8	Work in Process	-	868,014,023	-	-	-	-	-	760,666,075
9	Finished goods-pcs	1,215,613	220,056,353	-	-	-	-	1,215,613	186,123,101
10	Materials in transit	-	136,261,024	-	-	-	-	-	206,820,025
Sub-Total		4,929,144	3,320,198,986	8,587,420	3,528,820,732	9,118,307	3,290,674,985	4,398,257	3,487,622,535
Factory overhead (Repair and Maintenance)									
1	Spare parts & consumable items	-	279,659,700	-	64,396,208	-	109,102,793	-	234,953,115
2		-		-		-		-	-
Sub-Total		-	279,659,700	-	64,396,208	-	109,102,793	-	234,953,115
Grand Total		4,929,144	3,599,858,687	8,587,420	3,593,216,940	9,118,307	3,399,777,778	-	3,722,575,650

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SPARE PARTS ITEMS

As at 30 June 2024

(Annexure-D)

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
1	Air Conditioner	BOTTLE	5	61,517	8	71,517
2	Air Conditioner	PCS	11	86,715	14	96,715
3	Air Conditioner	SET	5	614,270	6	714,270
4	Ball Bearing	PCS	2,958	925,286	3,044	1,925,286
5	Timing Belt	MTR	85	10,141	88	11,141
6	Timing Belt	PCS	965	673,866	1,038	773,866
7	Toothed Belt	PCS	452	759,603	562	859,603
8	V-Belt	PCS	3,565	881,338	3,565	881,338
9	Common (All)	KG	8	1,505	9	1,605
10	Common (All)	LBS	735	873,002	935	1,073,002
11	Common (All)	PCS	4,577	230,727	5,577	330,727
12	Common (All)	SET	20	10,919	24	12,919
13	Band Knife M/C	SET	21	4,411	22	5,411
14	Common M/C (Cutting)	PCS	6,536	691,199	6,436	671,199
15	FK Spreading Machine 590	PCS	22	2,273	26	2,773
16	FK Top Cut 9 M/C	PCS	202	420,820	212	490,820
17	Manual M/C	PCS	5,288	7,128,665	5,788	8,128,665
18	Spreader M/C (Brio 100)	PCS	377	541,397	477	841,397
19	VT-7000 M/C	BOX	1,228	471,045	1,728	571,045
20	VT-7000 M/C	PCS	1,559	1,000,052	1,759	1,200,052
21	VT-MX M/C	PCS	1,130	2,068,299	1,330	2,168,299
22	VT-MX M/C	PAIR	9	27,918	10	28,918
23	Automatic Tubular Emb M/C	PCS	1,278	300,052	1,478	330,052
24	Laser Cutter M/C	PCS	52	243,582	62	263,582
25	MG M/C	MTR	21	10,727	23	11,727
26	MG M/C	PCS	6,224	609,847	6,524	619,847
27	MG M/C	SET	9	2,248	12	2,648
28	Sunstar M/C	PCS	1,228	108,799	1,428	128,799
29	Tajima M/C	PCS	4,073	202,286	4,473	232,286
30	Auto Brass M/C	PCS	41	3,199	45	3,799
31	Biancalani Dryer Machine	PCS	12	328,221	14	358,221
32	Corino Slitting Machine	PCS	701	200,582	711	250,582
33	Dozzatex M/C	PCS	8	48,372	10	58,372
34	Egalizing Dryer M/C	PCS	11	518,823	12	528,823
35	Ferraro Compacting M/C	FEET	136	29,621	146	30,621
36	Ferraro Compacting M/C	PCS	203	811,524	233	911,524

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
37	Ferraro Compacting M/C	ROLL	22	257,020	24	307,020
38	Ferraro Compacting M/C	SET	8	506	10	576
39	Fongs M/C (F/D)	PCS	86	58,807	96	68,807
40	Fongs M/C (F/D)	SET	79	42,373	89	62,373
41	Lafer Compacting M/C	PCS	23	500,850	28	700,850
42	Lafer Sueding M/C	MTR	707	200,844	807	211,844
43	Mario Crosta(Brassing) M/C	MTR	126	37,887	136	57,887
44	Mario Crosta(Brassing) M/C	PCS	9	10,513	12	11,513
45	NPL M/C	PCS	40	591	46	691
46	NPL M/C	SET	16	591	19	691
47	Q Sun M/C	PCS	34	32,599	40	42,599
48	Robolab M/C	PCS	1,295	447,129	1,595	647,129
49	Santex M/C	FEET	121	1,895	122	2,095
50	Santex M/C	PCS	170	162,503	177	169,503
51	Sclavos M/C	PCS	1,186	245,649	2,186	1,245,649
52	Sclavos M/C	SET	124	22,818	131	28,818
53	Slitting M/C	FEET	124	49,559	174	69,559
54	Slitting M/C	MTR	202	8,537,756	222	10,537,756
55	Slitting M/C	PCS	308	2,572,227	398	3,572,227
56	Slitting M/C	SET	114	206,052	124	216,052
57	Smartex M/C	FEET	131	5,561	141	5,761
58	Smartex M/C	PCS	174	71,362	194	73,362
59	Soft Flow Dyeing M/C	PCS	116	121,901	126	141,901
60	Soft Flow Dyeing M/C	SET	114	18,165	124	20,165
61	Stenter M/C	COIL	109	17,092	119	17,092
62	Stenter M/C	FEET	171	11,305	191	13,305
63	Stenter M/C	MTR	912	187,129	1,112	237,129
64	Stenter M/C	PCS	2,130	587,016	2,930	787,016
65	Tube Tex M/C	FEET	355	85,460	355	85,460
66	Tube Tex M/C	PCS	244	3,814,464	344	5,814,464
67	Tube Tex M/C	SET	116	118,273	126	138,273
68	Ultra Soft M/C	PCS	133	39,961	143	43,961
69	Washing M/C	PCS	111	63,832	121	73,832
70	Bartack M/C	PCS	115	411	117	413
71	Bartack M/C	SET	113	3,281	117	3,681
72	Button Hole & Stitch M/C	PCS	1,538	255,323	2,538	355,323
73	Button Hole & Stitch M/C	SET	119	23,789	129	28,789

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
74	Common (Garments)	PCS	1,241	243,032	1,242	244,032
75	Common (Garments)	POT	109	3,057	119	3,457
76	Feet of the Arm M/C	PCS	111	923	114	1,023
77	Feet of the Arm M/C	SET	115	10,523	121	11,523
78	Finishing Section	PCS	748	135,170	948	335,170
79	Finishing Section	SET	119	111	124	111
80	Flat Lock M/C	PCS	3,574	442,813	4,574	742,813
81	Flat Lock M/C	SET	179	62,661	189	72,661
82	Flat Seamer M/C	PCS	150	10,139	160	11,139
83	Fusing M/C	PCS	111	27,548	114	37,548
84	Kancai M/C	PCS	119	5,507	129	6,507
85	Kancai M/C	SET	105	41,031	145	61,031
86	Needle (Garments)	PCS	138	205	148	305
87	Needle (Garments)	PKT	10,050	466,310	12,050	1,466,310
88	Over Lock M/C	PCS	1,383	234,279	5,383	1,034,279
89	Over Lock M/C	SET	143	44,154	153	64,154
90	Pattern Cutting M/C	PCS	113	8,291	117	8,891
91	Plain M/C	PCS	5,055	258,994	8,055	458,994
92	Plain M/C	SET	208	75,620	218	95,620
93	Rib Cutter M/C	PCS	2,111	206,078	5,111	906,078
94	Rib Cutter M/C	SET	259	133,881	459	233,881
95	Snap Button M/C	PCS	107	40,973	117	42,973
96	Snap Button M/C	SET	112	-	112	-
97	8 Needles Cord Knitting Machin	PCS	112	-	112	-
98	Fukuhara M/C	PCS	1,136	1,260,820	1,336	1,960,820
99	Jack	PCS	2,424	163,594	8,424	1,063,594
100	Mayer & Cie M/C	BOX	119	167	119	167
101	Mayer & Cie M/C	PCS	2,542	635,828	6,542	2,635,828
102	Mayer & Cie M/C	PKT	101	1,150	121	8,150
103	Mayer & Cie M/C	SET	107	13,712	177	33,712
104	Needle (Knitting)	PCS	135,107	561,407	335,107	1,561,407
105	Orizo M/C	FEET	-	-	-	-
106	Orizo M/C	PCS	20	732,403	60	2,732,403
107	Orizo M/C	SET	383	82,827	3,383	203,827
108	Pailung M/C	PCS	9	2,319	109	2,002,319
109	Re-winder M/C	PCS	1,035	116,131	2,335	516,131
110	Santoni Machine	PCS	121	233,014	321	133,014

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
111	Shima Shiki M/C	LTR	108	32,344	128	42,344
112	Shima Shiki M/C	PCS	201	911,985	411	1,811,985
113	Shima Shiki M/C	SET	1,998	44,165	2,098	64,165
114	Sinker	PCS	99	948,647	109	1,248,647
115	Stoll M/C	KG	4,388	114,032	44,388	124,032
116	Stoll M/C	LTR	106	195,269	109	196,269
117	Stoll M/C	SET	212	36,050	282	46,050
118	Photo Copier	PCS	91	116,317	99	136,317
119	Injection Moulding M/C SA-3	PCS	89	117,458	109	167,458
120	Label Cutting(Hy-2080) M/C	PCS	113	129,784	130	169,784
121	Label Printer(PT-6/2) M/C	PCS	109	314,416	139	354,416
122	Thermal Printer(SP4011-R) M/C	PCS	121	63,499	141	73,499
123	Alpha-8 26 Station 12Color M/C	PAIR	72	70,393	112	107,393
124	Alpha-8 26 Station 12Color M/C	PCS	76	633,423	96	833,423
125	Auto M/C	PCS	170	758,248	190	858,248
126	Cayne Quartz Flash "D" M/C	PCS	291	259,000	391	359,000
127	Cayne Quartz Flash "E" M/C	PCS	118	215,273	138	225,273
128	Challenger M/C	PCS	92	117,783	102	1,017,783
129	Chamelion M/C (Manual)	PCS	105	284,975	115	384,975
130	Diamond Back M/C	PCS	185	264,658	205	364,658
131	Exposer M/C (Manual)	PCS	121	295,500	131	305,500
132	Gas Dryer M/C	PCS	176	145,613	196	245,613
133	Hit Press M/C	PCS	95	145,635	115	345,635
134	Motif Setter Machine	SET	104	98,196	144	198,196
135	Performa-18 Colour Auto M/C	PCS	172	394,950	272	594,950
136	Takana Quartz Flash (CE03) M/C	PCS	312	170,459	612	370,459
137	Value Jet 1638 Printer (Sublim)	PCS	170	2,231,667	170	2,231,667
138	Rubber & Seal Items	COIL	167	11,421	187	12,421
139	Rubber & Seal Items	FEET	90	59,417	99	69,417
140	Rubber & Seal Items	LBS	1,207	37,517	1,207	37,517
141	Rubber & Seal Items	PCS	403	3,178,066	443	3,678,066
142	Rubber & Seal Items	SET	15,337	520,649	25,337	720,649
143	Tools	BOX	129	582,028	179	682,028
144	Tools	PAIR	219	459,172	239	559,172
145	Tools	PCS	259	1,725,319	359	2,725,319
146	Tools	PKT	1,401	52,000	1,601	55,000
147	Tools	SET	134	192,761	144	202,761

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
148	Boiler	KG	83	436,433	93	536,433
149	Boiler	LBS	600	420,434	700	520,434
150	Generator (Gas)	PCS	253	1,975,360	353	2,075,360
151	Valve	PCS	303	933,379	393	1,333,379
152	S.S.M. M/C	PCS	217	50,663	297	53,663
153	Tong Gang M/C	PCS	90	441,943	97	541,943
154	Automobile	LTR	52	313,804	72	413,804
155	Automobile	ML	895	6,864,294	1,195	9,864,294
156	Automobile	MTR	-	68,184	-	68,184
157	Automobile	PCS	109	490,915	309	690,915
158	Automobile	POT	10	10,190	10	10,190
159	Computer Accessories	COIL	31	864,236	31	864,236
160	Computer Accessories	PCS	646	2,248,425	846	2,948,425
161	Computer Accessories	PKT	113	210,660	213	310,660
162	Medical Equipment	SET	41	252,629	45	352,629
163	Medicine	BOTTLE	-	71,316	-	81,316
164	Medicine	BOX	-	12,470	-	19,470
165	Medicine	PCS	-	5,250,781	-	7,050,781
166	Medicine	TUBE	-	62,811	-	80,811
167	Auxiliary Contractor	PCS	477	374,620	777	674,620
168	Balast	PCS	130	152,610	210	232,610
169	Cable	COIL	524	1,307,793	724	3,307,793
170	Cable	FEET	960	85,330	1,160	113,030
171	Cable	KG	227	780,219	327	980,219
172	Cable	MTR	680	1,915,880	880	2,215,880
173	Cable Socket	PCS	54,267	979,301	74,267	1,079,301
174	Capacitor	PCS	5,739	684,350	6,739	784,350
175	Charger Battery	PCS	1,163	128,939	1,463	148,939
176	Circuit Breaker	PCS	24	1,276,413	64	2,176,413
177	Common (Electrical)	FEET	24	229	84	629
178	Common (Electrical)	KG	102	104,090	122	134,090
179	Common (Electrical)	MTR	1,441	100,959	2,441	195,959
180	Common (Electrical)	PCS	11,970	1,003,376	14,970	1,103,376
181	Common (Electrical)	PKT	386	224,920	586	324,920
182	Common (Electrical)	SET	123	59,821	153	60,821
183	Converter	PCS	82	1,154,987	122	1,754,987
184	Cooling Fan	PCS	482	417,153	682	817,153

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
185	Cut Out	PCS	346	49,467	846	59,467
186	DB Board	PCS	363	199,179	363	199,179
187	Electric Bulb	PCS	2,142	1,101,309	2,442	1,501,309
188	Electronic Card	PCS	23	1,127,960	33	1,527,960
189	Fuse	PCS	11,668	596,503	16,668	796,503
190	Holder	PCS	1,064	114,279	1,464	154,279
191	Holder	SET	567	215,477	667	295,477
192	Inverter	PCS	4	1,064,618	7	2,164,618
193	Magnetic Contractor	PCS	87	3,077,761	107	3,577,761
194	Meter	PCS	100	2,030,740	210	2,330,740
195	Motor	PCS	408	947,473	438	1,047,473
196	Overload Relay	PCS	452	2,669,797	452	2,669,797
197	Plug (Electrical)	PCS	584	491,517	684	501,517
198	Plug (Electrical)	PKT	230	21,078	260	23,078
199	Relay	PCS	993	515,469	1,193	615,469
200	Relay Base	PCS	49	22,789	69	25,789
201	Saddle Clamp	PCS	5,425	2,062,733	7,425	2,462,733
202	Saddle Clamp	PKT	-	30,936	-	30,936
203	Socket (Electrical)	PCS	307	353,108	327	373,108
204	Solenoid Valve	PCS	106	306,972	146	336,972
205	Starter	PCS	1,019	19,241	1,219	20,241
206	Switch	PCS	284	1,526,735	304	1,526,735
207	Tape (Electrical)	FEET	17,791	726,205	17,791	726,205
208	Tape (Electrical)	MTR	5,055	13,064	5,055	13,064
209	Tape (Electrical)	PCS	12,428	1,666,392	12,428	1,666,392
210	Tape (Electrical)	ROLL	167	18,501	167	18,501
211	Tape (Electrical)	SET	10	3,135	10	3,135
212	Timer	PCS	70	172,609	70	172,609
213	Transformer	PCS	55	218,011	55	218,011
214	Tube Light	PCS	1,543	979,757	1,543	979,757
215	Warning Light	PCS	144	162,683	144	162,683
216	Fire Fighting Equipment	COIL	-	7,873,824	-	7,873,824
217	Fire Fighting Equipment	PCS	1,086	6,873,822	1,086	6,873,822
218	Fire Fighting Equipment	SET	33	2,105,341	33	2,105,341
219	Band	PCS	563	731,534	564	753,147
220	Channel	PCS	603	86,584	603	86,584
221	Elbow	PCS	397	1,544,161	397	1,544,161

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
222	Flanges	PCS	380	1,365,067	380	1,365,067
223	Nipple	PCS	335	149,057	335	149,057
224	Nut	PCS	-	15,783	-	15,783
225	Nut Bolt	PCS	-	332,130	-	332,130
226	Pipe	FEET	9,969	1,256,723	9,969	1,256,723
227	Plug	PCS	536	12,205	536	12,205
228	Reducer	PCS	210	179,464	210	179,464
229	Socket	PCS	7,236	336,653	7,236	336,653
230	Tee Socket	PCS	552	321,066	552	321,066
231	Union Socket	PCS	215	109,434	215	109,434
232	Hardware	COIL	33	944,373	33	944,373
233	Hardware	LBS	5	2,083	5	2,083
234	Hardware	KG	553	9,221,105	553	9,221,105
235	Hardware	LTR	24	474,803	24	474,803
236	Hardware	PKT	-	6,973,822	-	6,973,822
237	Hardware	POT	213	654,087	213	654,087
238	Hardware	ROLL	31	263,444	31	263,444
239	Hardware	SET	91	36,448	91	36,448
240	Paint & Vernish	PCS	363	147,079	363	147,079
241	Paint & Vernish	PKT	431	16,551	431	16,551
242	Sanitary	GM	9,489	817,686	9,489	817,686
243	Sanitary	KG	163	29,800	163	29,800
244	Sanitary	LTR	156	273,832	156	273,832
245	Sanitary	PCS	2,650	1,054,619	2,650	1,054,619
246	Sanitary	PKT	33	3,629	33	3,629
247	Sanitary	SET	332	105,662	332	105,662
248	Laboratory Instrument	BOX	115	105,071	115	105,071
249	Laboratory Instrument	LTR	1,052	40,333	1,052	40,333
250	Laboratory Instrument	PAIR	110	29,786	110	29,786
251	Laboratory Instrument	PCS	1,767	3,443,468	1,767	3,443,468
252	Laboratory Instrument	PKT	45	86,598	45	86,598
253	Laboratory Instrument	ROLL	724	855,257	724	855,257
254	Oil & Lubricants	DRUM	48	7,622,930	48	7,622,930
255	Oil & Lubricants	PCS	3,248	1,540,972	3,248	1,540,972
256	Other Material	BOX	2,494	2,150,263	2,494	2,150,263
257	Other Material	MTR	-	2,493,279	-	2,493,279
258	Other Material	YDS	-	2,820,849	-	2,820,849

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
259	Pack & Package	MTR	1,566	2,366,089	1,566	2,366,089
260	Pack & Package	PCS	1,994,957	3,288,855	1,994,957	3,288,855
261	Pack & Package	ROLL	9,352	2,241,520	9,352	2,241,520
262	Supplies Items	BOOK	1,461	5,306,916	1,461	5,306,916
263	Supplies Items	PCS	53,625	5,364,508	53,625	5,364,508
264	Supplies Items	SHEET	17,918	9,650,698	17,918	9,650,698
265	Supplies Items	BOX	713	3,824,829	713	3,824,829
266	Supplies items	KG	4,469	776,799	4,469	776,799
267	Supplies items	PKT	3,491	600,278	3,491	600,278
268	Supplies items	POT	31	641,771	31	641,771
269	Supplies items	SET	5	697,885	-	697,885
270	Supplies Items	PCS	158,665	8,840,743	158,665	8,840,743
271	Supplies Items	REAM	150	3,146,698	150	3,146,698
272	Supplies Items	ROLL	605	6,571,329	605	6,571,329
Total				234,953,115		279,659,700

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

WORK- IN- PROCESS

(Annexure-E)

As at 30 June 2024

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	23,783,129	1,690,192,535	1,536,538,668	177,436,996
Finished Fabric	399,924,675	3,214,875,991	3,325,474,400	289,326,266
Cutting	388,006,887	4,364,628,239	4,627,505,301	125,129,825
Embroidery	2,592,419	643,880,242	643,576,668	2,895,993
Printing	16,177,204	2,359,463,778	2,323,517,400	52,123,582
Sewing	37,529,707	5,529,976,068	5,453,752,364	113,753,412
Total	868,014,022			760,666,075

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	149,485	4,856,875	4,415,341	591,019
Finished Fabric (kg)	1,148,761	6,316,063	6,511,405	953,418
Cutting (Pcs)	1,053,281	21,290,869	21,725,377	618,773
Embroidery (Pcs)	101,044	3,066,096	3,035,739	131,401
Printing (Pcs)	580,641	10,486,506	10,700,516	366,631
Sewing (Pcs)	529,259	21,686,181	21,471,466	743,974

As at 30 June 2023

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	30,999,932	1,360,115,151	1,367,331,954	23,783,129
Finished Fabric	424,631,528	1,412,967,862	1,437,674,715	399,924,675
Cutting	284,967,596	1,549,303,626	1,446,264,334	388,006,887
Embroidery	4,697,724	358,716,024	360,821,329	2,592,419
Printing	12,919,963	353,336,271	350,079,030	16,177,204
Sewing	99,072,637	4,826,774,338	4,888,317,268	37,529,707
Total	857,289,381			868,014,022

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

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

ACCOUNTS RECEIVABLE AND AGING

As at 30 June 2024

(Annexure-F)

Sl. No.	Parties	USD	Total	0-3 Months	3-6 Months	More than 1 Year
1	Axis Knitwear	49,297	5,767,715	5,767,715	-	-
2	Badgetex Apparels	47,973	5,612,816	5,612,816	-	-
3	Belamy Tex	11,425	1,336,717	1,336,717	-	-
4	Bengal Hurricane Dyeing & Printing Ltd	24,167	2,827,493	2,827,493	-	-
5	CARREFOUR IMPORTS SAS	1,224,097	143,219,342	143,219,342	-	-
6	Celio Sourcing Ltd	983,722	115,095,494	115,095,494	-	-
7	CHAMPION EUROPE S.R.L	137,871	16,130,960	16,130,960	-	-
8	Charm fashion	22,213	2,598,932	2,598,932	-	-
9	Divine Design	7,914	925,978	925,978	-	-
10	Divine Intimates Ltd	56,348	6,592,681	6,592,681	-	-
11	Esprit Macao Commercial Offshore Ltd.	21,680	2,536,557	2,536,557	-	-
12	Fakir Fashion Limited	20,599	2,410,061	2,410,061	-	-
13	Garma C.B	61,318	7,174,239	7,174,239	-	-
14	GIANTEXTILE(SHANGHAI) Co., LTD	50,780	5,941,214	5,941,214	-	-
15	GPE SAS	355,497	41,593,193	41,593,193	-	-
16	GUANGZHOU DET SUPPLY CHAIN	102,408	11,981,736	11,981,736	-	-
17	GUESS Eur Sagl	534,099	62,489,557	62,489,557	-	-
18	Habitus Fashion Ltd	45,170	5,284,890	5,284,890	-	-
19	Hoflers APS	2,263,090	264,781,481	264,781,481	-	-
20	Impress Newtex Composite Textile Ltd	12,728	1,489,220	1,489,220	-	-
21	JIANGSU CTIG HUA TAICO., LTD	72,209	8,448,430	8,448,430	-	-
22	KARIBAN	69,661	8,150,290	8,150,290	-	-
23	KIABI (Int. Trading Fashion & App. Supp.)	46,628	5,455,513	5,455,513	-	-
24	Knit Valley Fashion	10,207	1,194,259	1,194,259	-	-
25	LC WAIKIKI MAGAZACILIK HIZMETLERI TICARET A.S	179,537	21,005,790	21,005,790	-	-
26	LOJAS RIACHUELO S/A	100,130	11,715,228	11,715,228	-	-
27	LPP SA	858,468	100,440,757	100,440,757	-	-
28	M. Hidary and Company	71,084	8,316,847	8,316,847	-	-
29	Masco Industries	5,048	590,572	590,572	-	-
30	Mascot International	1,076,837	125,989,956	125,989,956	-	-
31	MB Knit Fashion Ltd	9,514	1,113,146	1,113,146	-	-
32	Michael Kors	104,695	12,249,268	12,249,268	-	-
33	Nemrac Design Ltd	121,632	14,230,889	14,230,889	-	-
34	Ostin Ltd	49,158	5,751,454	5,751,454	-	-
35	Oxford Knit Composite Ltd	121,330	14,195,667	14,195,667	-	-
36	P & C [Peek Und Cloppenburg]	157,077	18,378,050	18,378,050	-	-
37	PEGASE (La Halle)	259,573	30,370,040	30,370,040	-	-
38	Pentex Limited	707,459	82,772,754	82,772,754	-	-
39	PERSONAL SHOP	1,561,344	182,677,295	182,677,295	-	-

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

ACCOUNTS RECEIVABLE AND AGING

As at 30 June 2024

Sl. No.	Parties	USD	Total	0-3 Months	3-6 Months	More than 1 Year
40	PREMIER EXIM (EXPRESS TRADE)	200,430	23,450,287	23,450,287		
41	PTB TEX SDN BHD	6,223	728,043	728,043		
42	Salted Basics LLC	742,919	86,921,557	86,921,557	-	-
43	Seacotex Fabrics	14,167	1,657,580	1,657,580	-	-
44	Sports Group Denmark	64,465	7,542,434	7,542,434	-	-
45	SPRINTER MEGACENTROS DEL DEPORTE, S.L.	267,344	31,279,254	31,279,254	-	-
46	Takko Holding GMBH	93,616	10,953,058	10,953,058	-	-
47	Ted Bernhardtz	100,346	11,740,468	11,740,468	-	-
48	TWILLORY	8,443	987,817	987,817	-	-
49	Woolworth GmbH	89,191	10,435,368	10,435,368	-	-
Total		13,201,131	1,544,532,345	1,544,532,343	-	-

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY
SCHEDULE OF ADVANCE GIVEN TO CREDITORS

As at 30 June 2024

(Annexure-G)

Sl. No.	Name of the creditors	Nature of Transaction	Balance	3-6 Month	6-12 Month	Exceeding 1 year
1	3R Engineering	Service	475,000	261,250	213,750	-
2	Advance HVAC Engineering	Electrical Items	316,000	173,800	142,200	-
3	ATLAS TRADE LIMITED	Accessories	44,200	24,310	19,890	-
4	Automation Engineering & Controls Ltd.	Service	2,321,431	1,276,787	1,044,644	-
5	BRIDGE TECHNOLOGY	Accessories	61,100	33,605	27,495	-
6	ETKO Certification	Service	1,365,000	750,750	614,250	-
7	EUR Service (BD) Ltd.	Accessories	411,633	226,398	185,235	-
8	EVERGREEN TECHNOLOGY CO. LTD.	Consultancy	500,000	275,000	225,000	-
9	GURABA ENGINEERING LTD.	Accessories	350,000	192,500	157,500	-
10	Halftime Digital	Accessories	258,000	141,900	116,100	-
11	HARD TWO ENGINEERING	Accessories	6,000	3,300	2,700	-
12	Indesore Trading Ltd.	Insurance	10,000,000	5,500,000	4,500,000	-
13	MAK Consultants.	Accessories	1,524,786	838,632	686,154	-
14	Mechanism Trade & Engineering Ltd.	Accessories	6,000	3,300	2,700	-
15	Mizan Enterprise	Service	404,000	222,200	181,800	-
16	M.M.Corporation	Service	848,552	466,703	381,848	-
17	Esquire Dying Industries Ltd	Dyeing	77,390,022	42,564,512	34,825,510	-
18	MOHAMMED TRADING CENTRE (UNIT-2)	Service	2,887,779	1,588,278	1,299,501	-
19	M/S Babul Construction	Service	200,000	110,000	90,000	-
20	M/S. Rubel Engineering Works	Chemicals	40,000	22,000	18,000	-
21	Omera Renewable Energy Limited	Accessories	2,000,000	1,100,000	900,000	-
22	Partex Furniture Industries Ltd.	Accessories	1,340,875	737,481	603,394	-
23	Power Trade & Engineering	Accessories	255,000	140,250	114,750	-
24	RAHMAN MILL STORE	Consultancy	352,923	194,108	158,815	-
25	RED OFFICE SUPPLIES LIMITED	Chemicals	639,000	351,450	287,550	-
26	REINCARNATION	Service	211,526	116,339	95,187	-
27	SAGORICA CORPORATION	Service	1,372,696	754,983	617,713	-
28	S. N ENGINEERING	Service	500,000	275,000	225,000	-
29	SONALI ENTERPRISE	Chemicals	2,700	1,485	1,215	-
30	SS Trade Corporation	Service	62,400	34,320	28,080	-
31	Surovi Technologies Corporation	Service	793,320	436,326	356,994	-
32	Systems Nine Thousands (Pvt.) Ltd.	Accessories	412,095	226,652	185,443	-
33	Walton Plaza	Accessories	37,182	20,450	16,732	-
	Total		107,389,220	59,064,071	48,325,149	-

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

(Annexure-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
1	A & J Flat Knitting & Accessories	Accessories	2,033,000	2,033,000	-	-
2	A M A INTERNATIONAL	Accessories	5,336,867	5,336,867	-	-
3	A.K.H. Khan Knit Fashion	Accessories	2,937,056	2,937,056	-	-
4	A.T&T Spinning Mills Ltd.	Yarn	944,000	944,000	-	-
5	AA Synthetic Fibres Ltd.	Yarn	252,756	252,756	-	-
6	AARIZ INTERNATIONAL	Accessories	2,476,000	2,476,000	-	-
7	ABUL KALAM SPINNING MILLS LTD.	Yarn	7,237,515	7,237,515	-	-
8	ACCURATE INTERNATIONAL	Accessories	589,345	589,345	-	-
9	ACCURATE PLASTIC & ACCESSORIES	Accessories	127,000	127,000	-	-
10	ADAMJEE KNIT FABRICS	Accessories	1,515,467	1,515,467	-	-
11	ADI Corporation	Accessories	2,155,000	2,155,000	-	-
12	Adury Fashion & Print Ltd.	Accessories	843,328	843,328	-	-
13	ADZI Trims Ltd.	Accessories	2,655,000	2,655,000	-	-
14	AFFAN INTERLININGS LTD.	Accessories	266,445	266,445	-	-
15	Agami Accessories Ltd.	Accessories	145,000	145,000	-	-
16	AL MATROOSHI GENERAL TRD LLC	Accessories	4,764,000	4,764,000	-	-
17	Alpha Plastic Packaging	Accessories	6,513,092	6,513,092	-	-
18	Armada Spinning Mills Ltd.	Yarn	906,640	906,640	-	-
19	Asia Composite Mills Ltd.	Yarn	7,213,280	7,213,280	-	-
20	ASK Fashion	Accessories	888,422	888,422	-	-
21	Atprint Bangladesh Ltd.	Accessories	163,000	163,000	-	-
22	B.I.T ACCESSORIES	Accessories	348,232	348,232	-	-
23	Badsha Textile Ltd.	Yarn	6,158,000	6,158,000	-	-
24	Baig Trimming Ltd.	Accessories	1,675,494	1,675,494	-	-
25	Banga Plastic International Ltd.	Accessories	584,000	584,000	-	-
26	Bashar Spinning Mills Ltd.	Yarn	1,847,200	-	1,847,200	-
27	BASIC THREAD INDUSTRIES LTD	Accessories	383,804	383,804	-	-
28	Bengal Plastics Ltd.	Accessories	2,815,000	2,815,000	-	-
29	Best Silica Gel Packaging	Accessories	135,341	135,341	-	-
30	Blue Coast Design	Accessories	747,000	747,000	-	-
31	Broadway Printing Ind's	Accessories	688,333	688,333	-	-
32	Brothers Accessories & Printing	Accessories	1,675,110	1,675,110	-	-
33	BSB Spinning Mills Ltd.	Yarn	4,498,160	4,498,160	-	-
34	CHARMING TRIMS & PACKAGING (BD) LTD.	Accessories	396,698	396,698	-	-
35	Checkpoint System BD Ltd.	Accessories	115,836	115,836	-	-
36	Chishtia Sizing Mills	Accessories	677,000	-	677,000	-
37	Chorka Textile Ltd.	Accessories	2,012,000	2,012,000	-	-

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
38	COMBATS	Accessories	1,277,702	1,277,702		-
39	Concord Lace Industries	Accessories	1,059,000	1,059,000		-
40	D Raja Exports LLP	Yarn	9,105,048	9,105,048		-
41	Dekko Accessories Ltd.	Accessories	256,821	256,821		-
42	Digitex Incorporation	Accessories	3,760,105	-	3,760,105	-
43	DYNAMIC NARROW LOOM & ACCESSORIES	Accessories	1,003,000	1,003,000		-
44	ENERGY EQUIPMENT ENGINEERING PVT. LTD.	Accessories	312,000	312,000		-
45	Epyllion Limited	Accessories	5,020,197	5,020,197		-
46	Esquire Accessories Ltd.	Accessories	72,755,797	-	72,755,797	-
47	Etafil Accessories Limited	Accessories	187,000	187,000	-	-
48	Fabitex Industries Ltd.	Accessories	717,674	717,674	-	-
49	Fair Poly Limited	Accessories	658,000	658,000	-	-
50	Fariha Knit Tex Ltd.	Accessories	1,520,000	1,520,000	-	-
51	Fariha Spinning Mills Ltd.	Yarn	1,007,700	1,007,700	-	-
52	Fashion Dots Images	Accessories	551,209	551,209	-	-
53	Fashion Trims	Accessories	1,048,814	1,048,814	-	-
54	FINE TEX ACCESSORIES	Accessories	1,814,464	-	1,814,464	-
55	FnF Trims Ltd.	Accessories	3,241,000	-	3,241,000	-
56	Forbes Marshall International PTE Ltd.	Yarn	7,975,000	7,975,000		-
57	FORMULA 1 SPINNING LIMITED	Yarn	2,173,805	-	2,173,805	-
58	Fortune Zipper Ltd.	Accessories	170,132	170,132		-
59	FR Traders	Accessories	3,311,000	3,311,000		-
60	Friends Accessories	Accessories	1,558,975	1,558,975		-
61	Fujian SBS Zipper Science & Techn. Co. Ltd.	Accessories	3,454,507	3,454,507		-
62	GANI SAH TEXTILE	Accessories	745,000	745,000		-
63	GAZARIA ELASTIC INDUSTRIES	Accessories	2,072,000	-	2,072,000	-
64	GPI CORPORATION	Accessories	321,000	321,000		-
65	GUNZE UNITED LIMITED	Accessories	697,000	697,000		-
66	Hangzhou Qingyun Holding Group Co. Ltd.	Yarn	742,118	-	742,118	-
67	HANGZHOU SILK TEXTILE TECHNOLOGY	Yarn	992,000	992,000		-
68	HnF Fashion Tex	Accessories	1,879,255	1,879,255		-
69	HOQUE SOLUTION	Accessories	161,717	161,717		-
70	HUAFON CHONGQING SPANDEX CO., LTD.	Yarn	959,264	959,264		-
71	Hyosung Vietnam Co. Ltd.	Yarn	1,107,699	1,107,699		-
72	Impress Accessories Ltd.	Accessories	1,630,000	1,630,000		-
73	Index Accessories Ltd.	Accessories	2,711,000	2,711,000		-
74	Interlabels Robust Bangladesh (PVT) Ltd.	Accessories	764,640	-	764,640	-
75	Jaba Textile Mills Ltd.	Yarn	1,094,904	1,094,904		-
76	Jannat Knit Fabrics	Accessories	343,000	343,000		-

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
77	Jist Industrial Co. Ltd.	Accessories	247,000	247,000		-
78	J-TEX	Accessories	2,022,000	2,022,000		-
79	K. M. Accessories	Accessories	1,068,818	1,068,818		-
80	K.S.N. International	Accessories	109,929	109,929		-
81	Kamal Yarn Ltd.	Yarn	1,362,520	1,362,520		-
82	KARIM SPINNING MILLS LIMITED	Yarn	2,468,985	2,468,985		-
83	Kazi Knit Ware	Accessories	2,622,156	2,622,156		-
84	Kexin Patches and Access. Manu'ing Ltd.	Accessories	169,967	-	169,967	-
85	Knit Concern Printing Unit	Accessories	428,000	428,000	-	-
86	LATIF KNITTING MILLS LTD.	Accessories	338,240	338,240	-	-
87	Linda Elastics Limited	Accessories	233,262	233,262	-	-
88	M. S. Printing & Packaging	Accessories	928,232	928,232	-	-
89	M.B. ACCESSORIES	Accessories	252,454	252,454	-	-
90	M.N.S Garments Printing	Accessories	267,000	267,000	-	-
91	M/S RAFIK ENTERPRISE	Accessories	936,000	936,000	-	-
92	M/S. Dewan Knitting	Accessories	453,000	453,000	-	-
93	M/S. HAJI TEXTILE	Yarn	2,875,866	2,875,866	-	-
94	M/S. Shoaib Knitting	Accessories	567,757	567,757	-	-
95	Maa-Monowara Knitting	Accessories	392,287	392,287	-	-
96	Maheen Dizayn Etiket (BD) Ltd.	Accessories	1,674,000	1,674,000	-	-
97	Mahin Printing House	Accessories	189,545	189,545	-	-
98	Mainetti (Bangladesh) Pvt. Ltd.	Accessories	1,925,000	1,925,000	-	-
99	Mainetti Packaging Bangladesh Pvt. Ltd.	Accessories	380,000	-	380,000	-
100	Maksons Spinning Mills Ltd.	Yarn	5,159,700	5,159,700	-	-
101	Maria Knitting	Accessories	5,208,810	5,208,810	-	-
102	Masfi Knit Wear	Accessories	448,000	448,000	-	-
103	MASS PRODUCTS	Accessories	777,000	777,000	-	-
104	Matam Multi Fibre Mills Ltd.	Yarn	7,339,718	7,339,718	-	-
105	Maxim Label & Packaging Bangladesh PVT. Ltd.	Accessories	1,509,000	1,509,000	-	-
106	Mehmud Inds Pvt. Ltd.	Yarn	1,967,630	1,967,630	-	-
107	Metro Knitting & Dyeing Mills Ltd.	Accessories	676,951	676,951	-	-
108	Modern Poly Industries Limited	Yarn	4,980,895	4,980,895	-	-
109	Mohiuddin Textile Ltd.	Accessories	637,489	637,489	-	-
110	Mon Trims Ltd.	Accessories	3,371,064	-	3,371,064	-
111	Mondol Knitwears Ltd.	Accessories	798,000	798,000	-	-
112	MOSAFIR TEXTILES LIMITED	Yarn	347,000	347,000	-	-
113	MSA Textiles Limited	Accessories	2,932,890	2,932,890	-	-
114	N - Salam Textile	Accessories	4,748,046	4,748,046	-	-
115	N.S.I. International Trading Limited	Accessories	7,231,000	7,231,000	-	-

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
116	Nahar Spinning Mills Ltd.	Yarn	5,912,300	5,912,300	-	-
117	NANTONG FENGLAN TEXTILE CO.,LTD.	Yarn	1,059,536	1,059,536	-	-
118	Nemrac Design Ltd.	Accessories	368,658	368,658	-	-
119	Nilorn Bangladesh Ltd.	Accessories	2,589,000	2,589,000	-	-
120	Nitu Knit World Limited	Accessories	563,083	563,083	-	-
121	NORTEX TEXTILE MILLS LTD.	Yarn	4,723,450	4,723,450	-	-
122	NRG HomeTex Ltd.	Yarn	3,841,400	3,841,400	-	-
123	NRG Spinning Mills Ltd.	Yarn	10,231,780	10,231,780	-	-
124	O.N Spinning Mills Ltd.	Yarn	548,700	548,700	-	-
125	Old Town Fashion Ltd.	Accessories	3,141,600	3,141,600	-	-
126	One Tex Knit Wear	Accessories	2,739,607	2,739,607	-	-
127	Osman Interlinings Ltd	Accessories	1,036,000	1,036,000	-	-
128	P.A. Knit Composite Ltd.	Accessories	488,000	488,000	-	-
129	Pahartali Textile & Hosiery Mills	Yarn	1,113,644	1,113,644	-	-
130	PAKIZA COTTON SPINNING MILLS (PVT.) LTD.	Yarn	9,450,080	9,450,080	-	-
131	PANAMA COMPOSITE TEXTILE MILLS LIMITED	Yarn	8,850,000	8,850,000	-	-
132	Pannatex International.	Accessories	6,000,000	6,000,000	-	-
133	Pantex Dress Ltd.	Accessories	358,000	358,000	-	-
134	Poly Plan Limited	Accessories	589,000	589,000	-	-
135	Prominent Plus	Accessories	427,401	427,401	-	-
136	PS TEX INTERNATIONAL	Accessories	316,046	316,046	-	-
137	QUALITY ACCESSORIES	Accessories	97,717	97,717	-	-
138	R.A. Spinning Mills Ltd.	Yarn	239,155	239,155	-	-
139	R.M.T Textile Mills Ltd.	Yarn	7,727,000	7,727,000	-	-
140	R.R Textile	Accessories	1,194,894	1,194,894	-	-
141	Racy Fashion & Packaging Ind. Ltd.	Accessories	303,000	303,000	-	-
142	RAINBOW INTERNATIONAL (HK), UNIT-B	Accessories	1,693,300	1,693,300	-	-
143	RAPID ACCESSORIES LTD.	Accessories	1,418,655	1,418,655	-	-
144	Red Rose Accessories	Accessories	270,720	270,720	-	-
145	Reedisha Blanded Yarn Ltd.	Yarn	2,485,353	2,485,353	-	-
146	RF SYSTEMS S.R.L	Accessories	2013000	2,013,000	-	-
147	RM Interlinning Ltd.	Accessories	123,829	123,829	-	-
148	Root Source	Accessories	1,631,814	1,631,814	-	-
149	Rotex Bangladesh Ltd.	Accessories	455,673	455,673	-	-
150	Rupashi Knitwears Ltd.	Accessories	1,964,000	1,964,000	-	-
151	S & Brothers Flat Knit Industry	Accessories	431,000	431,000	-	-
152	S. S Business Online	Accessories	382,000	382,000	-	-
153	SAAD STONE DESIGN	Accessories	865,178	865,178	-	-
154	Saanika Polytex Private Ltd.	Accessories	4,142,040	4,142,040	-	-

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
155	Saifa Unique Printing	Accessories	1,604,000	1,604,000	-	-
156	Sami Printing Ltd.	Accessories	2,438,494	2,438,494	-	-
157	Santa Knit Fashion	Accessories	721,827	721,827	-	-
158	Sarf Print	Accessories	1,684,856	1,684,856	-	-
159	Shaikat Knitwear	Accessories	311,000	311,000	-	-
160	SHAO XING NA YE TEXTILE CO.,LTD.	Yarn	1,287,000	1,287,000	-	-
161	SHAOXING TEXIM TEXTILE CO., LTD.	Yarn	3,340,000	3,340,000	-	-
162	Sharmin Accessories Ltd.	Accessories	4,637,572	4,637,572	-	-
163	SHAWON KNITTING	Accessories	2,053,559	2,053,559	-	-
164	Shinest Button	Accessories	128,000	128,000	-	-
165	Shining Moon Trims Ltd.	Accessories	2,756,078	2,756,078	-	-
166	SHIVA SHAKTI INDUSTRIES	Accessories	7,847,000	7,847,000	-	-
167	SHOEB KNIT COMPOSITE LTD.	Yarn	7,189,000	7,189,000	-	-
168	Shohagpur Textile Mills Limited	Yarn	3,553,770	3,553,770	-	-
169	SHROFF TEXTILE EXPORTS	Yarn	6,389,810	6,389,810	-	-
170	Siam Computerized Elastic Inds. Ltd.	Accessories	1,678,947	1,678,947	-	-
171	SIF Textile Industries Ltd.	Accessories	734,000	734,000	-	-
172	SK. Knit Wear	Accessories	5,054,539	5,054,539	-	-
173	Smart Narrow Fabric	Accessories	419,000	419,000	-	-
174	SML Packaging Solutions BD Ltd.	Accessories	365,277	365,277	-	-
175	Sportking India Ltd.	Yarn	1,665,216	1,665,216	-	-
176	Square Fashion Yarns Ltd.	Yarn	3,472,150	3,472,150	-	-
177	Square Textile Ltd.	Yarn	1,641,980	1,641,980	-	-
178	SQUARE TEXTILE VENTURES PRIVATE LIMITED	Yarn	6,988,000	6,988,000	-	-
179	SURAIYA SPINNING MILLS LTD.	Yarn	5,028,320	5,028,320	-	-
180	Suzhou Shungpeng Textile Co. Ltd.	Yarn	1,460,000	1,460,000	-	-
181	T & A Associates	Accessories	1,437,670	1,437,670	-	-
182	T & S BUTTONS BANGLADESH LTD.	Accessories	582,141	582,141	-	-
183	Tamijuddin Textile Mills Ltd.	Yarn	428,930	428,930	-	-
184	TAZRI KNIT FASHION	Accessories	712,430	712,430	-	-
185	Team Star Asia	Accessories	3,243,000	3,243,000	-	-
186	Tex Zippers (BD) Limited	Accessories	247,853	247,853	-	-
187	Thanbee Print World Ltd.	Accessories	1,679,000	1,679,000	-	-
188	Trade Mode Trimming	Accessories	2,059,000	2,059,000	-	-
189	Trimco (BD) Co. Ltd .	Accessories	194,755	194,755	-	-
190	TRIMS VALLEY	Accessories	347,000	347,000	-	-
191	Trimstyle International Inc.	Accessories	1,226,822	1,226,822	-	-
192	TRU Fabrics Ltd.	Accessories	5,044,425	5,044,425	-	-
193	Uniglory Packaging Industries Ltd.	Accessories	1,390,818	1,390,818	-	-

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
194	Uniglory Paper & Packing Ltd.	Accessories	3,996,557	3,996,557	-	-
195	United Apparels	Accessories	1,062,000	1,062,000	-	-
196	UNITEX COMPOSITE MILLS LTD.	Yarn	1,713,742	1,713,742	-	-
197	Unitex Spinning Ltd.	Yarn	802,000	802,000	-	-
198	USAMA TEXTILE LTD.	Yarn	894,580	894,580	-	-
199	Viyellatex Ltd.	Yarn	7,016,000	7,016,000	-	-
200	Viyellatex Spinning Mills Ltd.	Yarn	1,342,000	1,342,000	-	-
201	VN TEXPORTS PVT. LTD.	Yarn	8,295,400	8,295,400	-	-
202	Walid Offset Printers	Accessories	238,596	238,596	-	-
203	Western Paper Industries	Accessories	535,720	535,720	-	-
204	Yokohama Labels & Printing (Bd) Ltd.	Accessories	170,000	170,000	-	-
205	Young Labels Ltd.	Accessories	1,231,119	1,231,119	-	-
206	ZHANGJIAGANG HENGMEI TEXTILE CO., LTD	Yarn	4,939,479	-	4,939,479	-
207	ZHANGJIAGANG ZHIYI TEXTILE CO., LTD	Yarn	293,000	293,000	-	-
208	ZHEJIANG HENGYI PETROCHEMICALS CO. LTD	Yarn	7,248,000	7,248,000	-	-
209	ZW Accessories	Accessories	1,188,185	1,188,185	-	-
Total			510,719,411	412,010,771	98,708,639	-

ESQUIRE KNIT COMPOSITE PLC AND ITS SUBSIDIARY

SCHEDULE OF FINANCIAL ASSET AND LIABILITIES HELD IN FOREIGN CURRENCY

As at 30 June 2024

Sl. No.	Particulars	Amount (USD)	Amount (Euro)	Amount as per Bangladesh Bank rate (Taka)	As per Ledger (Taka)	(Gain)/Loss (Taka)
Monetary Assets						
1	Accounts Receivable	13,201,131	-	1,544,532,346	1,544,532,346	-
2	FBPAR A/C with DBBL-in USD(783)	-	-	-	-	-
3	FBPAR A/C with DBBL -in Euro	-	-	-	-	-
4	FBPAR A/C with DBBL-in USD(63)	139	-	16,262	16,262	-
5	FBPAR A/C with EBL-in USD(621)	247,681	-	28,978,677	28,978,677	-
6	FBPAR A/C with EBL -in Euro	-	-	-	-	-
7	Margin A/C with EBL-in USD	-	-	-	-	-
8	Margin A/C with EBL -in EURO	-	-	-	-	-
9	DBBL FCAD-in Dollar	-	-	-	-	-
10	DBBL FCAD-in Euro	-	-	-	-	-
11	DBBL FCAD-in Dollar (6900)	281	-	32,845	32,845	-
12	EBL FCAD in USD	-	-	-	-	-
13	EBL -EOQ/FCAD in USD	31,958	-	3,739,032	3,739,032	-
14	BRAC Bank FCAD in USD	-	-	-	-	-
15	UCBL -FACD in USD A/C # 0193	71,856	-	8,407,097	8,407,097	-
16	UCBL -FACD in USD A/C # 0267	621,734	-	72,742,899	72,742,899	-
17	AIBL-USD (352)	1,025	-	119,946	119,946	-
18	AIBL-USD (366)	304	-	35,513	35,513	-
19	AIBL-USD (453)	2,995,769	-	350,504,919	350,504,919	-
		14,174,779	-	2,009,109,537	2,009,109,537	-
Monetary Liabilities						
20	AIBL-EDF	5,672,376	-	663,668,036	663,668,036	-
21	EBL-EDF	2,576,062	-	301,399,256	301,399,256	-
22	UCBL-EDF	4,797,222	-	561,274,963	561,274,963	-
23	IFC loan	6,917,335	-	809,328,252	809,328,252	-
24	Accounts Payable	4,365,123	-	510,719,411	509,546,901	1,172,510
		24,328,119	-	2,846,389,919	2,845,217,409	1,172,510
	Total	38,502,898	-	4,855,499,457	4,854,326,947	1,172,510

Conversion rate at closing rate

Euro	125.00
USD	117.00

30.06.2024 Bangladesh Bank



ESQUIRE KNIT COMPOSITE PLC
AUDITOR'S REPORT
&
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Esquire Knit Composite PLC (the Company) which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

Other Information:

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

Our opinion on the financial statements does not cover the other information and we do not express any observation to that effect.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company and so far as it appeared

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

from our examination of these books;

- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Company's business.

Annexure-1

Key audit matter description	How the scope of our audit responded to the key audit matter.
Property, plant and Equipment	
<p>The carrying value of the PPE amounted to Tk. 6,216,583,381 as at 30 June, 2024. There is a risk of:</p> <ul style="list-style-type: none"> ◆ determining which costs meet the criteria for capitalization; ◆ determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; ◆ the estimation of economic useful lives and residual values assigned to Fixed asset. <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements. See note no. 4 for details.</p>	<p>Our audit procedures to assess the carrying value of property, plant and equipment included the following:</p> <ul style="list-style-type: none"> ◆ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ◆ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals. ◆ We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate. ◆ We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. ◆ We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to make it ready for use, with the date of the completion of the work.
Revenue Recognition	
<p>The Company has reported sales revenue of Tk. 7,604,616,487</p> <p>All of the Company's sales are made under sales invoice, delivery challan. It's products primarily comprise sale of Denim Fabric. Revenue is recognized at the point of generating invoice.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>As all sales are translated from USD currency to BDT, there is a risk that foreign exchange gain/loss might not be correctly recognized in the Financial Statements. See note no. 24 for details.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ◆ We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 "Revenue from contracts with customers" ◆ Tested the internal control over financial reporting. We also assessed the existence and accuracy of the sales recorded; ◆ We performed analytical test to understand how the revenue has trended over the year among other parameters, we performed a detailed substantive testing on transactions around the year end to ensure revenues were recognized in the correct accounting period. We also tested journal entries focusing on sales transactions; ◆ Verified VAT return with General Ledger. ◆ We obtained supporting documents for sales, transactions recorded during the year; and ◆ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

Key audit matter description	How the scope of our audit responded to the key audit matter.
Valuation of Receivables	
<p>The Company has accounts receivable of Tk. 1,544,532,346 as at 30 June 2024.</p> <p>Accounts receivable of the company comprise mainly receivables regarding the sale of RMG which is secured by Letter of Credit (L/C).</p> <p>See note no. 08 for details.</p>	<p>Our substantive procedures in relation to the assessing valuation of receivable comprises the following:</p> <ul style="list-style-type: none"> ◆ Obtained a list of outstanding receivables; ◆ Reconciliation of receivables ageing to general ledger; ◆ Conducting cut-off testing at the year-end; ◆ Reviewing subsequent receipt of receivables balance.
Capital Work in Progress	
<p>The Company's assets held under capital work in progress as on the closing date are amounted to BDT 2,770,129,270 equivalent to 30.65% of total non current assets. Due to the high value of transactions, utilization of IPO proceeds, terms and valuation of these assets, it was significant to our audit.</p>	<p>Our audit procedures to address the risk of material misstatement relative to capital work in progress includes obtaining understanding of the internal control over capital work in progress, assessing the risk of material misstatement. Our audit procedures address the risk material statement relating to capital work in progress to the financial statements included:</p> <ul style="list-style-type: none"> ◆ Obtaining and assessing the movement of the capital work in progress. ◆ Verifying the records to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work in progress. ◆ Verifying the supporting documents with reference to the underlying contractor bills, work orders, certification of work performed by expert personal, comparison of the progress and the cost incurred up-to-date with the budgets, policy and plan. ◆ Reconciling the movement of capital working progress from opening to closing, specially verifying additions during the year and transfer to Property, Plant and Equipment during the year. ◆ Verify the dates on which the assets are moved from the capital work in progress account to the fixed assets so that the depreciation on fixed assets may be computed correctly, and; ◆ Site visit and physical observation of the work on-going for capital work in progress.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ESQUIRE KNIT COMPOSITE PLC

Report on the Audit of the Consolidated Financial Statements

Key audit matter description	How the scope of our audit responded to the key audit matter.
Valuation of Inventories	
<p>The amount of inventory is Tk. 3,722,575,650 as at 30 June, 2024</p> <p>which amounted to 44.93% of the total current assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost of inventories.</p> <p>EKCPLC valued its inventories at cost or net realizable value whichever is lower.</p> <p>See note no. 07 for details.</p>	<p>We obtained assurance over relevance and appropriateness of management's assumptions applied in calculating the value of the inventories by:</p> <ul style="list-style-type: none"> ◆ We observed EKPLC's year-end inventory count, performed test counts and reconciled count sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts; ◆ We tested the purchase costs of a sample of inventory items by inspecting invoices; ◆ We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2; ◆ We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method; ◆ Testing, on a sample basis the stock expiry dates and the market price used in assessing the net realizable values of inventories of the related supporting documents. ◆ Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.
Bank Loan	
<p>The company reported short term & long term loan Tk. 4,616,632,172 & 2,046,970,611 respectively in the statement of financial position at the reporting date.</p> <p>The above borrowing were considered as key audit matter because this external form of credit facilities availed by the company required fulfillment of several terms and conditions as mentioned in sanction letter issued by lending bank. Any non-compliance with those stipulated terms and conditions might result in subsequent withdrawal and pose a threat to ongoing operation of the company. Besides, risk of material misstatement also lies due to non-disclosure of all those terms and conditions in the financial statements.</p> <p>See note no. 18,19,20 & 18 for details.</p>	<p>Our substantive audit procedures adopted during the audit includes the following test or details.</p> <p>Inspecting relevant board minutes in support of bank loan reported in the financial statements.</p> <p>Tracing existence and completeness of reported borrowings with supporting evidence such as sanction letters, loan certificates and statements.</p> <p>Sending out and obtaining confirmation from the lenders.</p> <p>Recalculating and testing accuracy and completeness of finance costs charged by the company during the year with corresponding loan statements provided by bank.</p>

Pinaki Das

Pinaki Das, FCA
Senior Partner

ICAB Enroll. No. 151
FRC Enlishment No.: CA-001-133

Pinaki & Company

Chartered Accountants

FRC Firm Enlishment No.: CAF-001-113

Place: Dhaka

Dated: 28 October 2024

DVC: 2410280151AS499272

ESQUIRE KNIT COMPOSITE PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

Particulars	Notes	Amount in Taka	
		30-Jun-2024	30-Jun-2023
Assets			
Non-Current Assets		9,038,712,651	9,173,042,782
Property, plant and equipment	4	6,216,583,381	6,480,082,550
Capital work-in-progress	5	2,770,129,270	2,550,960,233
Investment in shares	6	52,000,000	142,000,000
Current Assets		8,284,881,093	7,181,081,813
Inventories	7	3,722,575,650	3,599,858,687
Accounts receivables	8	1,544,532,346	632,635,842
Other receivables	9	71,501,406	38,551,047
Advance, deposit and prepayments	10	2,374,264,472	2,338,918,719
Investment	11	118,134,276	136,704,117
Cash and cash equivalents	12	453,872,943	434,413,402
TOTAL ASSETS		17,323,593,744	16,354,124,596
EQUITY & LIABILITIES			
Shareholders' Equity		8,928,083,092	8,857,403,770
Share capital	13	1,348,958,330	1,348,958,330
Share Premium Account	14	1,086,653,150	1,086,653,150
Revaluation surplus	15	3,739,289,135	3,739,289,135
Retained earnings	16	2,753,182,477	2,682,503,154
Non Current Liabilities		2,327,236,786	2,276,181,242
Deferred Tax liabilities	17	280,266,175	285,544,999
Long term loan net of current maturity	18	2,046,970,611	1,990,636,243
Finance lease obligation net of current maturity	19	-	-
Current Liabilities		6,068,273,865	5,220,539,584
Short term loan	20	4,616,632,172	3,341,819,932
Current portion of long term loan	18	451,069,640	464,594,631
Current portion of finance lease obligation	19	18,322,174	4,282,137
Unclaimed Dividend	21	2,371,333	1,983,589
Accounts payable	22	510,719,411	974,131,816
Liabilities for expenses	23	469,159,136	433,727,480
TOTAL EQUITY & LIABILITIES		17,323,593,744	16,354,124,596
Net Asset Value (NAV) per share with revaluation reserve		66.19	65.66
Net Asset Value (NAV) per share without revaluation reserve		38.47	37.93

The annexed notes form an integral part of these financial statements



Chairman

Managing Director



Director



Company Secretary



Chief Financial Officer

Signed as per our annexed report of even date



Pinaki Das, FCA

Senior Partner

ICAB Enrollment No. 151

FRC Enlistment No.: CA-001-133

Pinaki & Company

Chartered Accountants

FRC Firm Enlistment No.: CAF-001-113

Place: Dhaka, Bangladesh
Date: 28 October 2024
DVC: 2410280151AS499272

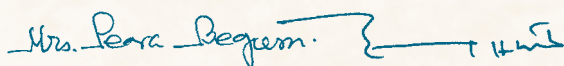
ESQUIRE KNIT COMPOSITE PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30-Jun-2024	30-Jun-2023
Revenue	24	7,604,616,487	7,514,765,316
Less: Cost of Goods Sold	25	6,318,244,775	6,158,767,646
Gross profit		1,286,371,712	1,355,997,670
Less: Operating expenses	26	651,236,875	778,977,018
Gross operating profit		635,134,837	577,020,652
Less: Financial expenses	27	439,149,981	363,552,671
Net operating profit		195,984,856	213,467,981
Add: Non-Operating income	28	24,796,980	18,176,697
Profit before WPPF & WF		220,781,836	231,644,678
Less: Provision for contribution to WPPF & WF	23.01	1,635,373	2,519,596
Profit before tax		219,146,463	229,125,082
Less: Income tax expenses		76,927,277	111,354,772
Current Tax	23.02	82,206,101	103,323,755
Deferred Tax	17.02	(5,278,824)	8,031,018
Profit after tax		142,219,186	117,770,310
Earnings Per Share (EPS) - Basic	29.01	1.05	0.87
Other comprehensive income for the year, net of tax (Land Revaluation)		-	-
Total comprehensive income for the year, net of tax		142,219,186	117,770,310

The annexed notes form an integral part of these financial statements



Chairman

Managing Director



Director



Company Secretary



Chief Financial Officer

Signed as per our annexed report of even date



Pinaki Das, FCA
Senior Partner

ICAB Enrollment No. 151
FRC Enlistment No.: CA-001-133

Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

Place: Dhaka, Bangladesh
Date: 28 October 2024
DVC: 2410280151AS499272

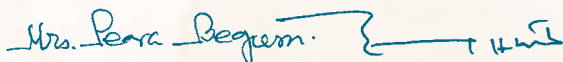
ESQUIRE KNIT COMPOSITE PLC

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

Amount in Taka

Particulars	Share Capital	Share premium	Revaluation Surplus	Retained Earnings	Total Equity
Balance at 01 July 2023	1,348,958,330	1,086,653,150	3,739,289,135	2,682,503,154	8,857,403,769
Land Revaluation	-	-	-	-	-
Net profit for the year	-	-	-	142,219,185	142,219,185
Dividend paid	-	-	-	(71,539,863)	(71,539,863)
Balance at 30 June 2024	1,348,958,330	1,086,653,150	3,739,289,135	2,753,182,477	8,928,083,092
Balance at 01 July 2022	1,348,958,330	1,086,653,150	3,739,289,135	2,636,272,708	8,811,173,322
Land Revaluation	-	-	-	-	-
Net profit for the year	-	-	-	117,770,310	117,770,310
Dividend paid	-	-	-	(71,539,863)	(71,539,863)
Balance at 30 June 2023	1,348,958,330	1,086,653,150	3,739,289,135	2,682,503,154	8,857,403,770



Chairman

Managing Director



Director



Company Secretary




Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30-Jun-2024	30-Jun-2023
A. Cash flows from operating activities			
Cash receipts from customers		6,715,938,435	8,179,687,451
Cash receipt from other income		(8,153,379)	(16,227,647)
Payment to suppliers for import of Raw materials		(3,926,382,047)	(3,274,547,766)
Payment to others		(3,352,287,627)	(4,899,227,880)
Interest paid		(433,192,420)	(114,263,669)
Income tax paid		(80,470,202)	(104,483,174)
Net cash flow from operating activities		(1,084,547,240)	(229,062,685)
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(24,697,477)	(318,966,556)
Investment in capital work in progress		(219,169,037)	(278,087,081)
Advance paid to Valuka project		-	-
Investment in shares		90,000,000	10,275,000
Investment in FDR		18,569,841	(34,523,676)
Net cash used in investing activities		(135,296,673)	(621,302,313)
C. Cash flows from financing activities			
Proceeds from share issue		-	-
Share premium received		-	-
TDS on dividend		(22,378,590)	(48,693,150)
Dividend paid		(71,152,120)	(73,032,182)
Receipt of Long Term Loan		56,849,414	(265,737,111)
Receipt/(Repayment) of Short Term Loan		1,274,812,240	1,167,957,554
Net cash flow from/(used in) financing activities		1,238,130,944	780,495,110
D. Net cash surplus during the year (A+B+C)		18,287,031	(69,869,888)
E. Cash and bank balances at beginning of the year		434,413,402	511,568,565
Effect of movements in exchange rates on cash held		1,172,510	(7,285,275)
F. Cash and bank balances at the end of the year		453,872,943	434,413,402
Cash and bank balances			
Cash in hand		4,739,643	1,062,630
Cash at bank		449,133,300	433,350,772
Total		453,872,943	434,413,402
Net Operating Cash Flow Per Share (NOCFPS)	30.00	(8.04)	(1.70)

Mrs. Parva Begam. 
Chairman Managing Director


Director


Company Secretary


Chief Financial Officer

1.00 Incorporation and Business Activities

Reporting entity

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

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

Nature of business

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

2.00 Basis of Preparation of Financial Statements

2.01 Statement of compliance

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

2.02 Other regulatory compliance

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

- The Income Tax Act 2023;
- The Value Added Tax and Supplementary Duty Act 2012;
- The Value Added Tax Rules, 2016;
- The Bangladesh Labor (Amendment) Act 2013;
- Customs Act 1969;
- Sale of Goods Act 1930;
- Negotiable Instrument Act 1881; and
- The Securities and Exchange Ordinance, 1969;
- The Securities and Exchange Rules, 1987; and
- Other applicable rules and regulations.

2.03 Basis of measurement

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

2.04 Components of financial statements

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

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

2.05 Use of estimates and judgments

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

2.06 Functional and presentation currency

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

2.07 Reporting period

These financial statements of the company cover a period of twelve months from 01 July 2023 to 30 June 2024.

3.00 Significant Accounting Policies

3.01 Property, plant and equipment (PPE)

3.1.1 Recognition and measurement

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

3.1.2 Subsequent costs

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

3.1.3 Depreciation

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

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

3.02 Inventories

3.2.1 Nature of inventories

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

3.2.2 Valuation of inventory

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

3.03 Advance, deposit and prepayments

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

3.04 Cash and cash equivalents

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

3.05 Accounts receivable and other receivables

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

3.06 Accounts payable and other payables

These liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

3.07 Loans and borrowings

Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

3.08 Income tax expense

Income tax expenses comprise current tax and deferred tax. Income taxes are recognized in statement of profit or loss and other comprehensive income except to the extent that relates to items recognized directly in equity or in other comprehensive income.

3.8.1 Current Tax

Taxation is provided in accordance with fiscal regulations applicable. The company taxation is under final settlement of tax liability under section 163 of the Income Tax Act 2023 except other income. Income tax has been deducted at source under section 123 of the Income Tax Act 2023 on export from 1 July 2023 to June 30, 2024.

3.8.2 Deferred Tax

Deferred tax has been recognized in accordance with the provision of IAS 12: Income Taxes, based on the deductible or taxable temporary difference between the carrying amount of assets / liabilities and its tax base. Deferred tax asset or liability is the amount of income tax recoverable or payable in the future periods recognized in the current period. Deferred tax asset or liability does not create a legal recoverability or liability from or to tax authority. Related deferred tax income / expense is recognized in the statement of profit or loss and other comprehensive income. Deferred tax assets and liabilities are offsetted if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each date of statement of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.09 Revenue recognition**i. Export Revenue**

In accordance with the provisions of the IFRS-15 “Revenue from Contracts with Customers”; revenue from contracts with customers represents the amount that reflects the considerations to which entity expects to be entitled in exchange for goods supplied and service provided to customers during the period. Revenue from contracts with customers is recognized in the statement of Profit or Loss and Other comprehensive income when the performance obligation (supply of promised goods and services) is satisfied. Performance obligation is satisfied at a point in time when customer obtains the control of goods and services. Revenue from export is recognized at ex-factory date.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- a. The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b. The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c. The amount of revenue can be measured reliably;
- d. It is probable that the economic benefits associated with the transaction will flow to the company; and
- e. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

ii. Cash Incentive

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

3.10 Financial expenses

Financial expenses comprise interest expense on long term loan, short term loan, finance lease and other borrowings, bank commission and charges etc. All such costs are recognized in the statement of profit or loss and other Comprehensive Income except those are capitalized in accordance with IAS 23.

3.11 Statement of Cash flows

Statement of cash flows is prepared principally in accordance with IAS-7: Cash Flows Statement and the cash flows from operating activities are presented under direct method.

3.12 Foreign currency transactions

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

3.13 Leases

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

3.14 Earnings Per Share (EPS)

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

3.15 Events after the reporting period

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

3.16 Provision

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

3.17 Employee Benefit**i. Workers' profit participation fund and welfare fund / Contribution to Central Fund (RMG Sector):**

This represent 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (Amendment) Act 2013 (Bangladesh Labour Law, 2006) and is payable to workers as defined in the said law complied in re-placed by the Act No. 30, Para 63 of the year 2013 as Central Fund at the rate applicable for RMG sector (0.03%) on realized revenue which is deducted at source by banks.

ii. Gratuity

Regular confirmed employee of the company who have completed minimum 5 (five) years of continuous service from the date of joining are eligible to gratuity payment at the time of separation of employment with the company

3.18 Interest Income

Interest income is accrued at the applicable interest rate on bank deposits in the period in which it is incurred.

3.19 Finance costs

Finance costs comprise interest expenses on bank loan and other borrowings and are recognised as expenses in the period in which they are incurred using applicable interest rate.

3.20 Revaluation surplus

This represents the difference between book value and revalued amount of land and land development. As per IAS 16: Property, Plant and Equipment, revaluation is done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The fair value of land was determined from market-based evidence by an appraisal as on July 20,2020 by Masih Muhith Haque & Co. which is a professionally qualified valuer.

3.21 Impairment**(a) Financial assets**

Accounts receivable and other receivable are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effects on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

(b) Non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication

exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

3.22 Comparative information

Comparative information has been disclosed in respect of year 2022-23 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements. Last year figures have been rearranged where considered necessary to conform to current years presentation.

3.23 Compliance with Financial Reporting Standards as applicable in Bangladesh:

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

3.24 General

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

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Sl No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
4.00	Property, plant and equipment			
	(A) Cost/ Revaluation			
	i) Freehold assets			
	Opening balance		9,408,969,897	9,090,003,341
	Add: Addition during the year		24,697,477	318,966,556
			<u>9,433,667,374</u>	<u>9,408,969,897</u>
	ii) Leasehold assets			
	Opening balance		99,420,368	99,420,368
	Add: Addition during the year		-	-
			<u>99,420,368</u>	<u>99,420,368</u>
	Total (A)		<u>9,533,087,742</u>	<u>9,508,390,265</u>
	(B) Accumulated depreciation			
	i) Freehold assets			
	Opening balance		2,943,729,605	2,685,272,481
	Add: Charged during the year		275,769,100	258,457,124
			<u>3,219,498,705</u>	<u>2,943,729,605</u>
	ii) Leasehold assets			
	Opening balance		84,578,110	72,150,564
	Add: Charged during the year		12,427,546	12,427,546
			<u>97,005,656</u>	<u>84,578,110</u>
	Total (B)		<u>3,316,504,361</u>	<u>3,028,307,715</u>
	(C) Written Down Value (A-B)		<u>6,216,583,381</u>	<u>6,480,082,550</u>
	A schedule of property, plant and equipment is given in Annexure-A .			
5.00	Capital work-in-progress			
	Opening balance		2,550,960,233	2,272,873,152
	Add: Addition during the year	5.01	243,866,514	597,053,637
			<u>2,794,826,747</u>	<u>2,869,926,789</u>
	Less: Transferred to Property, Plant & Equipment		24,697,477	318,966,556
			<u>2,770,129,270</u>	<u>2,550,960,233</u>
5.01	Addition during the year			
	Valuka Project		43,162,000	597,053,637
	Machineries in work in process		-	-
	New ETP Building		200,704,514	-
			<u>243,866,514</u>	<u>597,053,637</u>
	A schedule of capital work in progress addition during the year is given in Annexure-B.			
6.00	Investment in shares			
	L' Esquire Ltd		42,000,000	42,000,000
	Investment in ICL Unit Fund		10,000,000	100,000,000
			<u>52,000,000</u>	<u>142,000,000</u>

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
7.00	<u>Inventories</u>			
			Quantity	
			30.06.2024	30.06.2023
			30.06.2024	30.06.2023
			Taka	Taka
	Yarn (kg)		2,100,338	2,423,761
	Dyes (kg)		225,237	227,552
	Chemical (kg)		857,069	1,062,218
	Finishing Materials	7.01	-	-
	Materials in transit	7.02	-	-
	Spare parts and consumable items	7.03	-	-
	Work in process	7.04	-	-
	Finished goods (pcs.)	7.05	-	1,215,613
			3,722,575,650	3,599,858,687
	A schedule of inventories is given in Annexure-C .			
7.01	Finishing Materials			
	Packing materials		416,369,166	256,392,555
	Accessories		614,570,159	499,288,825
	Sewing Thread		147,498,509	107,243,479
	Printing & Embroidery materials		14,418,971	4,141,006
			1,192,856,805	867,065,866
	A schedule of finishing materials is given in Annexure-C .			
7.02	Materials in transit			
			Quantity	
			30.06.2024	30.06.2023
			30.06.2024	30.06.2023
			Taka	Taka
	Yarn (kg)		12,522	13,887
	Dyes (kg)		8,662	9,292
	Chemical (kg)		12,366	13,777
	Machine		-	-
	Finishing Materials		-	-
	Spare Parts		-	-
			206,820,025	136,261,024
7.03	Spare parts and consumable items			
	Spareparts & Consumable items		234,953,115	279,659,700
			234,953,115	279,659,700
	A schedule of spare parts and consumable items is given in Annexure-D .			
7.04	Work in Process			
			Quantity	
			30.06.2024	30.06.2023
			30.06.2024	30.06.2023
			Taka	Taka
	Knitting (kg)		591,019	149,485
	Finished Fabric (kg)		953,418	1,148,761
	Cutting (Pcs)		618,773	1,053,281
	Embroidery (Pcs)		131,401	101,044
	Printing (Pcs)		366,631	580,641
	Sewing (Pcs)		743,974	529,259
			760,666,074	868,014,022
	A schedule of work in process is given in Annexure-E .			

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Sl No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
7.05	Finished Goods (pcs.)			
			Quantity	
			30.06.2024	30.06.2023
	Opening		1,215,613	1,728,752
	Add: Production during the year		26,562,033	26,223,683
			27,777,646	27,952,435
	Less: Delivered during the year		27,211,139	26,736,822
			566,507	1,215,613
			220,056,353	230,016,352
			6,234,296,548	6,148,807,647
			6,454,352,901	6,378,823,999
			6,268,229,800	6,158,767,646
			186,123,101	220,056,353
8.00	Accounts receivables		1,544,532,346	632,635,842
	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 2024.			
	III. Debt considered doubtful or bad			
	The company does not make any provision for doubtful debts as on 30 June 2024, 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 2024.			
	V. Debt due by Common Management			
	There are no amount due from sister company under common management as on 30 June 2024.			
	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 2024.			
	Aging of accounts receivable			
	The aging of gross trade receivables as at the statement of financial position date was:			
	Past due 0-90 days		1,544,532,346	632,635,842
	Past due 91-180 days		-	-
	Past due 181 -365 days		-	-
	Past due more than 365 days		-	-
			1,544,532,346	632,635,842
9.00	Other receivables			
	Cash incentive		55,586,915	18,839,450
	Rental Income		14,762,591	14,762,592
	Accrued interest on FDR		1,151,899	4,949,005
			71,501,406	38,551,047
10.00	Advance, deposit and prepayments			
	Advance	10.01	2,327,880,943	2,119,663,308
	Deposit	10.02	45,997,801	218,507,081
	Prepayments	10.03	385,727	748,331
			2,374,264,472	2,338,918,719

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
10.01	Advance			
	Advance to creditors		107,389,220	136,215,940
	Advance against salaries		5,191,062	18,200,562
	Payment to Lesquire for Valuka project		1,923,920,470	1,754,336,816
	Advance Income Tax	10.1.1	291,380,191	210,909,989
			2,327,880,943	2,119,663,308
	A schedule of advance given to creditors is given in Annexure-G .			
10.1.1	Advance Income Tax			
	Opening balance		210,909,989	106,426,815
	Add: Addition during the year	10.1.1.1	80,470,202	104,483,174
			291,380,191	210,909,989
	Less: Adjustment for assessment year-2020-21		-	-
			291,380,191	210,909,989
10.1.1.1	Advance Income Tax addition			
	Advance Income Tax on Car		1,781,362	2,940,000
	Advance Income Tax on FDR Interest		1,790,679	597,279
	Tax on unit fund-ICL		-	600,000
	TDS on Cash Incentive		10,486,140	15,346,200
	TDS on Import Stage		891,305	1,566,315
	TDS on Export Proceeds		65,520,716	83,433,380
			80,470,202	104,483,174
10.02	Deposit			
	Guarantee margin & LC margin		4,327,770	2,892,017
	Security deposit	10.2.1	12,691,354	12,691,354
	FBPAR & margin account	10.2.2	28,978,677	202,923,709
			45,997,801	218,507,081
10.2.1	Security deposit			
	Rural Electrification Board (REB) for electricity		7,295,517	7,295,517
	Security Deposit-BSCIC		1,455,000	1,455,000
	PIL Bangladesh Ltd		400,000	400,000
	Mobile phone		60,000	60,000
	Lease rental		691,260	691,260
	Titas Gas Transmission & Distribution Company Limited for gas		2,789,577	2,789,577
			12,691,354	12,691,354
10.2.2	FBPAR & margin account			
	FBPAR A/C with DBBL -in Dollar (783)		-	-
	FBPAR A/C with DBBL -in Dollar (63)		-	-
	FBPAR A/C with DBBL -in EURO		-	-
	FBPAR A/C with EBL -in Dollar		28,978,677	202,923,709
	FBPAR A/C with EBL -in EURO		-	-
	Margin A/C with EBL -in Dollar		-	-
	Margin A/C with EBL -in EURO		-	-
			28,978,677	202,923,709

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka				
			30-Jun-2024	30-Jun-2023			
10.03	Prepayments						
	Insurance premium		385,727	748,331			
10.04	Aging of advance, deposit & prepayment						
	The aging of advance, deposit & prepayment as at the statement of financial position date was as follows:						
	Past due 0-90 days		2,327,880,943	2,119,663,308			
	Past due 91-180 days		65,520,716	83,433,380			
	Past due 181 -365 days		(31,828,541)	123,130,677			
	Past due more than 365 days		12,691,354	12,691,354			
			2,374,264,472	2,338,918,719			
10.05	The details breakup of advance, deposit and prepayment as per requirement of Schedule XI, part I, para (J) of the Companies Act, 1994 stated below:						
	Advance, deposit and prepayments exceeding 6 months		(19,137,187)	135,822,031			
	Advance, deposit and prepayments not exceeding 6 months		65,520,716	83,433,380			
	Other advance, deposit and prepayments less provision		45,997,801	218,507,081			
	Advance, deposit and prepayments considered good and secured		2,276,692,080	1,882,955,665			
	Advance, deposit and prepayments due by Other Officers (against Salary)		5,191,062	18,200,562			
11.00	Investment						
	Investment in FDR	11.01	118,134,276	136,704,117			
			118,134,276	136,704,117			
11.01	Investment in FDR						
	Bank Name	A/C No	Principle	Term (Months)	Maturity Date		
	Alarafa	0541310044115	33,000,000	12	11.10.23	-	33,711,556
	IPDC	1001251000027868	5,000,000	12	03.02.25	5,488,284	5,217,000
	IPDC	1001251000038986	7,500,000	12	17.04.25	7,965,000	7,500,000
	IPDC	100125000038987	7,500,000	12	17.04.25	7,965,000	7,500,000
	IPDC	1001251000050866	5,000,000	12	09.05.25	5,000,000	-
	IFIL	1001251000051513	5,000,000	12	09.06.25	5,000,000	-
	IFIL	0012970004858	20,000,000	12	02.09.24	24,035,992	22,775,560
	Shimanto	1001344001080	60,000,000	12	25.05.24	62,680,000	60,000,000
						118,134,276	136,704,117
12.00	Cash and cash equivalents						
	Cash in hand				12.01	4,739,643	1,062,630
	Cash at bank				12.02	449,133,300	433,350,772
						453,872,943	434,413,402
12.01	Cash in hand						
	Head Office					800,000	800,000
	Factory					3,939,643	262,630
						4,739,643	1,062,630

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka		
			30-Jun-2024	30-Jun-2023	
12.02	Cash at bank				
	Bank Name	Branch	A/C Type	A/C No.	
	Dutch Bangla Bank Ltd.	Local office	FCAD(\$)	101.117.163	16,262
	Dutch Bangla Bank Ltd.	Local office	FCAD(€)	101.119.20	-
	Dutch Bangla Bank Ltd.	Local office	FCAD(\$)	1011100006900	32,845
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.110.36941	1,112,589
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5645	127,573
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	101.120.5692	58,019
	Eastern Bank Ltd.	Principal	FCAD(\$)	101.305.3310	-
	Eastern Bank Ltd.	Principal	EOQ(\$)	1013100605881	3,739,032
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	107.120.484	108,787
	BRAC Bank Ltd.	Motijheel	CD	5203551787001	-
	BRAC Bank Ltd.	Motijheel	FCAD(\$)	203551787002	-
	Jamuna Bank Ltd.	Mohakhali	CD	102.100.15098	1,276
	NCC Bank CD A/C	Baridhara	CD	1070210001597	20,888
	One Bank Ltd.	Agrabad, Ctg.	CD	0031050001366	63,278
	Al -Arafa Islami Bank Ltd	VIP Road	CD	141020047786	5,261
	Al -Arafa Islami Bank Ltd	Gulshan	CD	541020010677	8,556,620
	Al -Arafa Islami Bank Ltd	Gulshan	FCAD(\$)	0549580000352	119,946
	Al -Arafa Islami Bank Ltd	Gulshan	FCAD(\$)	0549880000366	35,513
	Al -Arafa Islami Bank Ltd	Gulshan	FCAD(\$)	0549850000453	350,504,919
	Bank Asia	Tower	CD	62733000256	249,583
	Dutch Bangla Bank Ltd.	Kawran Bazar	CD	1071100031497	-
	Shahajalal Islamic Bank	Eskaton	CD	0331100000679	-
	South Bangla Ariculture	Gulshan	CD	0010111005482	3,012
	United Commercial Bank	Mohakhali	CD	1101000002124	563,535
	United Commercial Bank	Mohakhali	SND	1301000000653	448,766
	United Commercial Bank	Mohakhali	SND	1301000000700	1,167,945
	United Commercial Bank	Mohakhali	SND	1301000000584	143,500
	United Commercial Bank	Mohakhali	FCAD (\$)	1184000000267	72,742,899
	UCBL -FACD in USD A/C	Mohakhali	FCAD (\$)	1181000000193	8,407,097
	HSBC	Management Office	CD	001-011576011	35,477
	Dutch Bangla Bank Ltd.	Local office	CD	1011200007676	-
	One Bank Ltd.	Agrabad, Ctg.	CD	0031020009947	11,503
	Dutch Bangla Bank Ltd.	Local office	CD	1011200007863	754,622
	Shimanto Bank Ltd.	Corporate office	CD	1005241000165	3,380
	City Bank	Gulshan	CD	1103309469001	6,002
	Mutual Trust Bank Ltd.	Progati Sarani	CD	80210017599	93,171
	One Bank Ltd.	Mirpur	CD	110039901005	-
					201
					449,133,300
					433,350,772

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Sl No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023

13.00 Share capital

Authorized capital

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

2,000,000,000 **2,000,000,000**

Issued, subscribed and paid-up capital

134,895,833 Ordinary shares of Tk.10 each fully paid

1,348,958,330 **1,348,958,330**

Details of the shareholdings are as under:

Name of Shareholders	% held	No. of shares	30.06.2024	30.06.2023
		30.06.2024	Taka	Taka
Md. Mofazzal Hossain	21.34%	28,791,667	287,916,670	287,916,670
Md. Ehsanul Habib	11.14%	15,032,960	150,329,600	150,329,600
Arifur Rahman	5.87%	7,925,000	79,250,000	79,250,000
Md. Muddasar Hossain	5.87%	7,925,000	79,250,000	79,250,000
Mrs. Piara Hossain	2.73%	3,681,343	36,813,430	36,813,430
Esquire Dyeing Industries Ltd.	21.93%	29,581,343	295,813,430	295,813,430
Esquire Accessories Ltd.	0.90%	1,214,677	12,146,770	12,146,770
Esquire Electronics Ltd.	4.34%	5,848,010	58,480,100	58,480,100
General Public and Institution	25.87%	34895833	348,958,330	348,958,330
	100%	134,895,833	1,348,958,330	1,348,958,330

The company increased its authorised capital from 1,500 million to 2,000 million by passing a special resolution in the company's Extra Ordinary General Meeting (EGM) held on 22 December 2016.

14.00 Share premium

Share premium

1,086,653,150 1,086,653,150

Less: IPO Expense

- -

1,086,653,150 **1,086,653,150**

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

15.00 Revaluation surplus

3,739,289,135 **3,739,289,135**

16.00 Retained earnings

Opening balance

2,682,503,154 2,636,272,708

Add: Net profit after tax for the year

142,219,186 117,770,310

Less: Cash dividend

71,539,863 71,539,863

2,753,182,477 **2,682,503,154**

17.00 Deferred Tax liabilities

Deferred tax liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes.

Deferred tax liabilities related to Profit and Loss A/C

17.01 124,462,461 129,741,285

Deferred tax Liabilities related to other comprehensive income

155,803,714 155,803,714

280,266,175 **285,544,999**

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
17.01	Deferred tax liabilities			
			Carrying amount Taka	Tax base Taka
				Taxable temporary difference Taka
	As at 30 June 2024			
	Deferred tax liabilities related to Profit and Loss A/C			
	Property, plant and equipment excluding land		2,198,037,380	1,160,850,201
	Applicable tax rate			12.00%
	Deferred tax liability			<u>124,462,461</u>
	Deferred tax Liabilities related to other comprehensive income			
	Revaluation reserve for land		3,895,092,849	Nil
	Applicable tax rate			4.00%
	Deferred tax liability			<u>155,803,714</u>
			Carrying amount Taka	Tax base Taka
				Taxable temporary difference Taka
	As at 30 June 2023			
	Deferred tax liabilities related to Profit and Loss A/C			
	Property, plant and equipment excluding land		2,461,536,550	1,380,359,171
	Applicable tax rate			12%
	Deferred tax liability			<u>129,741,285</u>
	Deferred tax Liabilities related to other comprehensive income			
	Revaluation reserve for land		3,895,092,849	Nil
	Applicable tax rate			4.00%
	Deferred tax liability			<u>155,803,714</u>
17.02	Deferred Tax Expenses			
	Deferred Liabilities at the end of the period			124,462,461
	Deferred Liabilities at the beginning of the period			129,741,285
	Deferred Tax expenses		<u>(5,278,824)</u>	<u>8,031,018</u>
18.00	Long term loan net of current maturity			
	International Finance Corporation	18.01	809,328,252	879,567,259
	Jamuna Bank Limited	18.02	12,715,640	22,869,262
	Al arafa Islamic Bank Ltd	18.03	1,675,996,359	1,552,794,353
	IDLC Finance Limited		-	-
			2,498,040,251	2,455,230,874
	Less: Current portion of long term loan		451,069,640	464,594,631
	International Finance Corporation		117,632,823	151,786,087
	Al arafa Islamic Bank Ltd		333,436,817	287,927,002
	Jamuna Bank Limited		-	13,045,392
	IDLC Finance Limited		-	11,836,150
			<u>2,046,970,611</u>	<u>1,990,636,243</u>

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Sl No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
18.01	International Finance Corporation		809,328,252	879,567,259

Particulars of the term loans are given below.

(Amount in USD)

Bank Name	Loan Account	Particulars	Outstanding as on 30.06.2024
International Finance Corporation	IFC	Long term loan for Expansion project	Limit: 14000000 Tenor: 8 period/years Interest Rate: 3.50(LIBOR+Margin)

Collateral: A first ranking registered Mortgage on all land and Buildings of the Company. A first ranking hypothecation on all present and future movable assets (other than current assets and stocks) of the Company by executing a deed of the hypothecation. Personal joint and several first demand payment guarantee from the Sponsors. Joint and several first demand payment guarantee from the Companies.

18.02	Jamuna Bank Limited		12,715,640	22,869,262
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Details of the term loan with Jamuna Bank Limited are as under:

Bank Name	Facilities	Particulars
Jamuna Bank Limited	Term Loan	Limit: 30,000,000 Tenor: 60 months Pricing: 9.00% p.a.
Jamuna Bank Limited	Term Loan	Limit: 20,000,000 Tenor: 60 months Pricing: 9.00% p.a.

Collateral: Security cheque covering the Term Loan amount with letter of approach duly signed by the authorized person. Personal Guarantee of all the Directors of the company, supported by duly signed individual personal net worth statement. Corporate Guarantee of Shah Garments Limited, supported by MOA, AOA and Board resolution.

18.03	Al arafa Islamic Bank Ltd		1,675,996,359	1,552,794,353
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Details of the banking facilities with Dutch Bangla Bank Limited are as under:

Bank Name	Facilities	Particulars
AIBL	Back to Back LC (Foreign/Local-Sight/Deferred/ UPAS/EDF) / Bills	Limit: 2,850,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 0.20% 1st Qtr. EDF LC Max. 100 Cr. And LC for Capital Machinery & SP & Equipment will be 15 Cr. EDF interest will be As per Bangladesh Bank Circular
	Bai-Salam & Bai-Istisna (Inner Limit of Bai-Muajjal)	Limit: (550,000,000) Tenor: Bai-Istisna-60 days & Bai-Salam-120 days Pricing: 15.00% p.a.
	Bai-Muajjal	Limit: 600,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 15.00% p.a.
	HPSM - (Machinery -1)	Limit: 106,900,000 Tenor: Sight/Deferred/360 days UPAS Pricing: 0.25% 1st Qtr.
	Term Loan - HPSM (Industrial) Facility	Limit: 1,3796,000,000, Tenor: 8 Years Pricing: 15.00% p.a.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Bank Name	Facilities	Particulars
AIBL	Term Loan - HPSM (Transport) Facility	Limit: 3,700,000, Tenor: 2.5 Years Pricing: 15.00% p.a.
	Term Loan - HPSM (RE) Facility	Limit: 2,72,400,000, Tenor: 6 Years Pricing: 15.00% p.a.
	Loan against trust receipt (LTR)	Limit: 100,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 15% p.a.
	Letter of Guarantee - 1	Limit: 50,000,000 Pricing: 0.40% per quarter.
	Letter of Guarantee - 1 (One Off)	Limit: 350,000,000 Pricing: Nil
	Letter of Guarantee - 1 (Single Case)	Limit: 2,273,600,000 Pricing: Nil
	MDB/MDB-FC	Limit: 100,000,000 Tenor: 01 Year (On Revolving Basis) Pricing: 9.00% p.a.
	FBP/FBC/Quard against cash assistance	As per Export Policy

Collateral: i) Registered mortgage (to be executed) of 851.85 decimal land and factory structures thereon (458145 sft) having forced sale value of Tk. 142.96 Cr. & market value of TK. 178.70 Cr. (As per branch valuation dated 22.09.2021 & 28.10.2021) schedule of the said property is depicted below: 223.00 decimals at kanchpur, Narayanganj (129 decimals in the name of Esquire Knit Composite Ltd; 60 decimals in the name of New Dhaka Ceramic Industries Limited and 34 decimals in the name of Md. Mofazzal Hossain & Ehsanul Habib. 381.60 decimals at Mouza- Zamaldi, P. S- Gajaria, Dist.- Munshiganj (203.10 decimals in the me of Esquire Knit Composite Ltd; 178.50 decimals in the name of (i) Md. Mofazzal Hossain, (ii) Md. Ehsanul Habib, (iii) Md. Arifur Rahman, (iv) Md. Muddasar Hossain. 245.00 decimals at Mouza- Zamirdia, P. S- Vhaluka, Dist.- Mymensingh in the name of (i) Md. Mofazzal Hossain, (ii) Md. Arifur Rahman, (iv) Md. Muddasar Hossain. 7130+7130 = 14,260 (Fourteen Thousand Two Hundred Sixty) square feet on the 9th & 10th floor and 10 car parking space no. 1,2,3,4,5,6,11,21 & 22 on the basement- 2 floor of the commercial building namely "Ideal Trade Center" at Mouza- Begunbari, Tejgaon, Dhaka in the name of Esquire Knit Composite Ltd ii) First Charge shall be created with Registrar of Joint Stock Company on the fixed & floating assets & book debts of the company both present & future within 21 days from the date of execution of documentation and certificate to be submitted from RJSC against limited company. iii) Personal Guarantee of all the directors of the company. iv) Personal Guarantee of owners mortgaged properties.

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
19.00	Finance lease obligation net of current maturity			
	IDLC Finance Limited		-	2,561,293
	LankaBangla Finance PLC		18,322,174	-
	IPDC Finance Limited		-	1,720,844
			18,322,174	4,282,137
	Less: Current portion of finance lease obligation-IDLC		-	2,561,293
	Less: Current portion of finance lease obligation-LankaBangla Finance PLC		18,322,174	-
	Less: Current portion of finance lease obligation-IPDC		-	1,720,844
			18,322,174	4,282,137
			-	-

IDLC Finance Limited

Esquire Knit Composite PLC entered into lease agreement with IDLC Finance Limited from the year 2016 to 2022 for vehicles. Esquire Knit Composite PLC pays fixed monthly installments which comprise principal and interest in return.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Sl No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023

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	29,000,000	-
IPDC	Vehicle	11,450,000	5 Years	249,462	11,450,000	0
		<u>40,450,000</u>		<u>814,772</u>	<u>40,450,000</u>	<u>0</u>

20.00 Short term loan

Al arafa Islamic Bank Ltd	20.01	1,310,035,780	657,384,511
Eastern Bank Limited	20.02	561,181,532	317,260,044
United commercial Bank Limited	20.03	928,316,533	505,389,263
Bank Asia limited		196,872,116	200,800,000
The City Bank limited		-	18,206,720
Alliance Finance		310,024,985	301,620,204
South Bangla Agriculture Ltd		268,594,549	264,501,387
IFIL		50,053,023	91,200,541
IDCOL		632,486,106	632,722,601
Shimanto Bank		257,495,589	252,734,962
IPDC Finance Limited		100,656,916	99,999,699
Mutual Trust Bank Limited		915,042	-
		<u>4,616,632,172</u>	<u>3,341,819,932</u>

20.01 Al arafa Islamic Bank Ltd

HPSM (Transport) Short Term		1,536,486	6,172,810
LTR- MPI (Trust Receipt)		-	-
Loan against Cash Incentive		-	-
Forced loan		-	-
Loan against EDF		663,668,036	-
Overdraft	20.01.1	644,831,258	651,211,701
		<u>1,310,035,780</u>	<u>657,384,511</u>

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
20.01.1	Overdraft			
	Name of the Bank	Branch	Account #	
	OD- Bai-Muazzal (Gen) MEF	Mohakhali	05480900	
			644,831,258	651,211,701
			644,831,258	651,211,701
20.02	Eastern Bank Limited			
	Overdraft		30,838,285	30,632,439
	Time loan normal		123,526,622	88,833,857
	Export cash credit		105,417,369	111,920,328
	Loan against EDF		301,399,256	85,873,421
			561,181,532	317,260,044

Particulars of the above banking facilities are given below:

Bank Name	Facilities	Particulars
Eastern Bank Limited	Back to Back LC (Usance/sight under EDF Including acceptance liability)	Limit: 1,800,000,000 Tenor: 180 days. Pricing: 0.15% PQ.
	Acceptance (Raw Materials) [Within Line # 1]	Limit: (1,800,000,000). Tenor: 180 days. Pricing: 0.15% PQ.
	Sight Letter of Credit-I (Financed through EDF) [Within Line # 1]	Limit: (1,200,000,000) Tenor: 180 days Pricing: 0.15% PQ.
	EDF Loan [Within Line # 1]	Limit: (1,200,000,000), Tenor: 180 days Pricing: As per Bangladesh Bank Circular
	Sight Letter of Credit (Machineries)	Limit: 50,000,000 Tenor: 360 days Pricing: 0.15% PQ.
	Usance Letter of Credit (Machineries) [Within Line # 2]	Limit: (50,000,000) Tenor: 360 days Pricing: 0.15% PQ.
	Acceptance (Machineries) [Within Line # 2]	Limit: (50,000,000) Tenor: 360 days Pricing: 0.15% PQ.
	Time Loan (Machineries) [Within Line # 2]	Limit: (45,000,000) Tenor: 360 days Pricing: Case to case basis.
	Letter of Guarantee	Limit: 10,000,000 Tenor: Up to 5 years Pricing: 0.20% PQ/ Minimum tk. 2500
	Packing Credit	Limit: 125,000,000 Tenor: 120 days Pricing: 12.00% p.a.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
	Bank Name	Facilities	Particulars	
	Eastern Bank Limited	Pre Shipment Credit	Limit: (125,000,000) Tenor: 180 days Pricing: As per BB Circular	
		Manufacturer's Demand Loan	Limit: 85,000,000 Tenor: 120 days Pricing: 12.50% p.a.	
		Overdraft (OD)	Limit: 30,000,000 Tenor: 360 days Pricing: 12.50% p.a.	
		Time Loan [Within Line # 2]	Limit: (45,000,000) Tenor: 360 days Pricing: 12.50% p.a.	
		FDBP	Limit: 150,000,000 Tenor: 45 days for Sight & 120 days for Deferred Pricing: As per schedule of the bank	
		LDBP [Within Line # 7]	Limit: (50,000,000) Tenor: 45 days for Sight & 120 days for Deferred Pricing: 12.50% p.a. for BDT and 6MS+3.5% p.a. for USD	

Collateral: 1) Registered Mortgage & Registered Power of Attorney on 5.97 bigha (197) decimal land and building thereon (Solely with Eastern Bank Limited), located at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite PLC. Registered Mortgage as well as subsequent EBL charge to be created with RJSC for BDT 430.00 Million, which will continue. 2) 1st Registered Mortgage & Registered Power of Attorney on 1.00 bigha (33.25) decimal land and building thereon (Solely with Eastern Bank Limited), located at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite PLC. Registered Mortgage as well as subsequent EBL charge to be created with RJSC for BDT 50.00 Million.

20.03 United Commercial Bank Ltd.

Facilities	Branch	A/C #		
Overdraft	Mohakhali	0781749000000347	99,446,633	61,215,516
Time loan normal			267,594,937	298,035,105
Export cash credit			-	35,084,380
EDF			561,274,963	111,054,263
			928,316,533	505,389,263

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Particulars of the above banking facilities are given below:

Bank Name	Facilities	Particulars
United Commercial Bank Ltd.	Back to Back LC (Usance/sight under EDF Including acceptance liability)	Limit: 1,600,000,000 Tenor: 120 days Pricing: 0.25% PQ.
	Letter of Credit(Sight/Usance/UPAS)	Limit: 200,000,000 Tenor: 180 days Pricing: 0.25% PQ.
	Letter of Credit(Sight/Usance/UPAS)-Machinery (Inner of SLC/ULC/UPAS Limit of 20 Crore)	Limit: (50,000,000) Tenor: 360 days Pricing: 0.25% PQ.
	Loan against trust receipt (LTR)	Limit: 50,000,000 Tenor: 120 days Pricing: 0.25% PQ.
	Time Loan (Inner of LTR Limit)	Limit: (40,000,000) Tenor: 360 days Pricing: 0.25% PQ.
	LBPD	Limit: 100,000,000 Tenor: 120 days Pricing: 0.25% PQ.
	Letter of Guarantee	Limit: 50,000,000 Tenor: As per requirement Pricing: 0.25% PQ
	FBPD/OBU Discounting	Limit: 150,000,000 Tenor: 21 days Pricing: 15.00% p.a.
	Time Loan (Inner Limit of FBPD)	Limit: 80,000,000 Tenor: 90 days Pricing: 15.00% p.a.
	Time Loan	Limit: 150,000,000 Tenor: 150 days Pricing: 15.00% p.a.
	Packing Credit (Inner Limit With Time Loan)	Limit: (150,000,000) Tenor: 120 days Pricing: 15.00% p.a.
Overdraft (OD)	Limit: 50,000,000 Tenor: 360 days Pricing: 15.00% p.a.	

Collateral: Registered Mortgage of 96.00 decimal Land with 04 storied building (57,400 sft) at Mouza: Jamaldi, P.S. & SRO: Gazaria, District: Munshiganj, owned by Esquire Knit Composite PLC. Pari-passu security sharing with other lenders: AIBL, & EBL) over floating assets of the company. Personal Gurantee of all director of Esquire Knit Composite PLC & Esquire Dyeing Industries Limited except independent directors of Esquire Knit Composite PLC. Corporate gurantee of Esquire Electronics Ltd., Esquire Dyeing Industries Ltd. & Esquire Accessories Ltd. with duly adopted board resolution. Post-dated MICR cheques (mode wise) signed by the authorized signatory of the company.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka																																																
			30-Jun-2024	30-Jun-2023																																															
21.00	Unclaimed Dividend		2,371,333	1,983,589																																															
	<table border="1"> <thead> <tr> <th>SL #</th> <th>Account Number</th> <th>Bank</th> <th>Branch</th> <th>AGM No</th> <th>AGM date</th> <th>Taka</th> <th>Taka</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>101-120-000-7676</td> <td>DBBL</td> <td>Local Office</td> <td>20th</td> <td>11.02.21</td> <td>-</td> <td>809,605</td> </tr> <tr> <td>2</td> <td>101-120-000-7863</td> <td>DBBL</td> <td>Local Office</td> <td>21th</td> <td>26.01.22</td> <td>754,622</td> <td>688,610</td> </tr> <tr> <td>3</td> <td>078-130-100-000-0653</td> <td>UCBL</td> <td>Mohakhali</td> <td>22th</td> <td>25.01.23</td> <td>448,766</td> <td>485,374</td> </tr> <tr> <td>4</td> <td>078-130-100-000-0700</td> <td>UCBL</td> <td>Mohakhali</td> <td>23th</td> <td>25.01.24</td> <td>1,167,945</td> <td>-</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2,371,333</td> <td>1,983,589</td> </tr> </tbody> </table>	SL #	Account Number	Bank	Branch	AGM No	AGM date	Taka	Taka	1	101-120-000-7676	DBBL	Local Office	20th	11.02.21	-	809,605	2	101-120-000-7863	DBBL	Local Office	21th	26.01.22	754,622	688,610	3	078-130-100-000-0653	UCBL	Mohakhali	22th	25.01.23	448,766	485,374	4	078-130-100-000-0700	UCBL	Mohakhali	23th	25.01.24	1,167,945	-							2,371,333	1,983,589		
SL #	Account Number	Bank	Branch	AGM No	AGM date	Taka	Taka																																												
1	101-120-000-7676	DBBL	Local Office	20th	11.02.21	-	809,605																																												
2	101-120-000-7863	DBBL	Local Office	21th	26.01.22	754,622	688,610																																												
3	078-130-100-000-0653	UCBL	Mohakhali	22th	25.01.23	448,766	485,374																																												
4	078-130-100-000-0700	UCBL	Mohakhali	23th	25.01.24	1,167,945	-																																												
						2,371,333	1,983,589																																												
22.00	Accounts payable		510,719,411	974,131,816																																															
	Import liability and other creditors																																																		
	A schedule of import liability and other creditors is given in Annexure-H .																																																		
23.00	Liabilities for expenses																																																		
	Directors' remunerations		35,164,000	47,444,565																																															
	Salary and wages		52,576,062	43,440,852																																															
	Gas Bills		12,320,188	18,725,148																																															
	Electricity		3,421,964	2,644,331																																															
	Telephone bill		77,000	35,000																																															
	WPPF payable	23.01	-	-																																															
	Wasa bill		25,000	30,000																																															
	Provision for Income Tax	23.02	331,495,103	249,289,002																																															
	Provision for Head office Floors		1,837,169	1,837,169																																															
	Financial Interest		5,957,561	17,681,763																																															
	TDS on Dividend and Expenses		22,378,589	48,693,150																																															
	Audit fees		862,500	862,500																																															
	Head office rent		3,044,000	3,044,000																																															
			469,159,136	433,727,480																																															
23.01	WPPF payable																																																		
	Opening Balance		-	-																																															
	Add: Addition during the year		1,635,373	2,519,596																																															
			1,635,373	2,519,596																																															
	Less: Payment during the year		1,635,373	2,519,596																																															
			-	-																																															
23.02	Provision for Income Tax																																																		
	Opening balance		249,289,002	145,965,247																																															
	Add: Provision made for the year		82,206,101	103,323,755																																															
			331,495,103	249,289,002																																															
	Less: Adjustment for assessment year-2020-21		-	-																																															
			331,495,103	249,289,002																																															
	Income Tax provision		Taka	Taka																																															
	Export		76,006,856	98,779,580																																															
	Non operating income		6,199,245	4,544,174																																															
			82,206,101	103,323,755																																															

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka																																				
			30-Jun-2024	30-Jun-2023																																			
24.00	Sales																																						
	Export sales		7,604,616,487	7,514,765,316																																			
	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:		32,463,146	26,736,822																																			
	ii. Foreign currency earned against export on FOB Basis:																																						
	In USD		68,049,623	75,919,079																																			
	In BDT		7,604,616,487	7,514,765,316																																			
	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 2024.																																						
25.00	Cost of Goods Sold																																						
	Cost of materials consumed	25.01	3,174,580,516	3,209,679,707																																			
	Cost of direct labor	25.02	2,207,106,738	2,157,974,811																																			
	Prime cost		5,381,687,254	5,367,654,518																																			
	Factory overheads	25.03	795,276,320	791,877,772																																			
	Cost of Goods put into Process		6,176,963,574	6,159,532,290																																			
	Opening Work -in- process		868,014,023	857,289,381																																			
	Closing Work- in- process	25.04	(760,666,075)	(868,014,023)																																			
	Cost of Goods Manufactured		6,284,311,522	6,148,807,647																																			
	Opening Finished Goods		220,056,353	230,016,352																																			
	Cost of Goods Available for Sale		6,504,367,876	6,378,823,999																																			
	Closing Finished Goods	25.05	(186,123,101)	(220,056,353)																																			
			6,318,244,775	6,158,767,646																																			
25.01	Raw Materials Consumption																																						
	Yarn	25.1.1	2,277,928,904	1,863,224,750																																			
	Dyes	25.1.2	177,859,714	283,356,954																																			
	Chemical	25.1.3	276,754,422	310,295,114																																			
	Finishing Materials	25.1.4	442,037,476	752,802,889																																			
			3,174,580,516	3,209,679,707																																			
25.1.1	Yarn Consumption																																						
			<table border="1"> <thead> <tr> <th></th> <th colspan="2">Quantity in kg</th> <th></th> <th></th> </tr> <tr> <th></th> <th>2023-24</th> <th>2022-23</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Opening</td> <td>2,423,761</td> <td>2,340,588</td> <td>853,886,704</td> <td>659,657,698</td> </tr> <tr> <td>Add: Purchase during the year</td> <td>6,618,034</td> <td>5,878,439</td> <td>2,073,075,793</td> <td>2,057,453,755</td> </tr> <tr> <td></td> <td>9,041,795</td> <td>8,219,027</td> <td>2,926,962,497</td> <td>2,717,111,454</td> </tr> <tr> <td>Less: Closing stock</td> <td>2,100,338</td> <td>2,423,761</td> <td>649,033,593</td> <td>853,886,704</td> </tr> <tr> <td></td> <td>6,941,457</td> <td>5,795,266</td> <td>2,277,928,904</td> <td>1,863,224,750</td> </tr> </tbody> </table>			Quantity in kg					2023-24	2022-23			Opening	2,423,761	2,340,588	853,886,704	659,657,698	Add: Purchase during the year	6,618,034	5,878,439	2,073,075,793	2,057,453,755		9,041,795	8,219,027	2,926,962,497	2,717,111,454	Less: Closing stock	2,100,338	2,423,761	649,033,593	853,886,704		6,941,457	5,795,266	2,277,928,904	1,863,224,750
	Quantity in kg																																						
	2023-24	2022-23																																					
Opening	2,423,761	2,340,588	853,886,704	659,657,698																																			
Add: Purchase during the year	6,618,034	5,878,439	2,073,075,793	2,057,453,755																																			
	9,041,795	8,219,027	2,926,962,497	2,717,111,454																																			
Less: Closing stock	2,100,338	2,423,761	649,033,593	853,886,704																																			
	6,941,457	5,795,266	2,277,928,904	1,863,224,750																																			

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Sl No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
25.1.2	Dyes Consumption			
			Quantity in kg	
			2023-24	2022-23
	Opening		227,552	215,529
	Add: Purchase during the year		236,360	236,360
			463,911	451,889
	Less: Closing stock		225,237	227,552
			238,674	224,337
			224,161,620	226,045,504
			210,027,084	281,473,070
			434,188,704	507,518,574
			256,328,990	224,161,620
			177,859,714	283,356,954
25.1.3	Chemical Consumption			
			Quantity in kg	
			2023-24	2022-23
	Opening		1,062,218	1,316,954
	Add: Purchase during the year		1,733,026	1,733,026
			2,795,245	3,049,980
	Less: Closing stock		857,069	1,062,218
			1,938,176	1,987,762
			150,753,397	132,240,273
			361,794,971	328,808,238
			512,548,368	461,048,511
			235,793,946	150,753,397
			276,754,422	310,295,114
25.1.4	Finishing materials Consumption			
	Opening		867,065,866	1,185,015,121
	Add: Purchase during the year		767,828,415	434,853,633
			1,634,894,281	1,619,868,755
	Less: Closing stock		1,192,856,805	867,065,866
			442,037,476	752,802,889

Disclosure as per requirement of Schedule XI, Part II, Para 8
Raw Materials, Spare Parts, Packing Materials and Capital Machinery

Items	Purchase	
	Import	Local (BBLC)
Yarn	1,382,153,055	690,922,738
Dyes & Chemical	554,667,393	17,154,662
Packing Materials	67,581,445	251,372,167
Accessories	229,806,383	335,162,889
Store & Spare-Parts	64,396,208	1,416,717
	2,298,604,484	1,296,029,173

25.02 Cost of direct labor

Workers wages	1,433,399,794	1,506,203,230
Workers overtime	263,193,246	219,033,054
Daily labor	8,331,343	7,114,816
Salary	426,288,823	422,346,432
Festival bonus and Provident Fund	75,893,532	3,277,279

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Sl No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
26.01	Office & administrative expenses		271,029,267	330,182,667
	Director remuneration		10,000,000	18,000,000
	Salary & allowances		169,171,921	209,252,661
	Contribution to employees provident fund		-	1,840,159
	Vehicle maintenance		1,236,779	1,161,501
	Vehicle running expenses		5,066,299	6,581,836
	Entertainment		1,864,888	3,917,325
	Insurance premium		466,249	868,770
	Printing expenses		526,072	415,219
	Stationery expenses		830,215	3,359,495
	Telephone, mobile & internet		3,439,260	2,755,229
	Floor rent		3,044,000	3,044,000
	Travelling & conveyance		788,649	851,210
	Bank charges		19,930,175	15,850,666
	License, renewal & registration		4,862,993	7,064,089
	Utility expenses		2,565,352	2,735,051
	Audit fees		862,500	862,500
	Scrutinizer fees		30,000	30,000
	Exchange loss/(gain)		(1,259,600)	7,625,112
	Depreciation		46,689,041	42,783,807
	Miscellaneous expenses(AGM expenses)		914,474	1,184,036
26.02	Selling & distribution expenses		380,207,608	448,794,351
	Inspection & certificate issue expenses		8,065,559	29,031,904
	Export permission		9,829,884	12,524,704
	Foreign Travel for marketing		11,068,796	18,302,440
	Sample and courier expenses		60,716,510	118,013,875
	Bank charges on export proceeds		202,651,456	201,441,046
	Freight charges on export		50,245,527	35,299,605
	C&F expenses on export		16,620,449	20,584,013
	Carriage outward on export(Transportation)		21,009,427	13,596,763
27.00	Financial expenses		439,149,981	363,552,671
	Interest on Short term loan		205,249,011	174,514,010
	Interest on Long term loan		231,685,380	188,747,225
	Interest on Finance lease		2,215,590	291,435
28.00	Non operating income		24,796,980	18,176,697
	FDR Interest		7,003,394	7,795,401
	Gain/(Loss) on Surrender of unit fund-ICL		10,412,290	-
	Dividend on unit fund-ICL		-	3,000,000
	Rental income		7,381,296	7,381,296

32.00 Related party disclosures

i) Related party transactions

(Amount in Taka)

Name	Nature of relationship	Nature of Transaction	Opening Balance	Purchase/ receipts	Payment	Outstanding as on 30.06.2024 (Receivable)/ Payable
Esquire Accessories Limited	Common Management	Purchase	67,835,844	190,071,323	185,151,370	72,755,797
Esquire Electronics Limited	Common Management	Purchase		12,810,000	12,810,000	-
Esquire Dyeing Industries Limited	Common Management	Dyeing	97,335,612	92,316,005	112,261,595	77,390,022
Esquire Testing Services (BD) Limited	Common Management	Fabric testing fees		2,747,681	2,747,681	-
L'Esquire Ltd			(1,754,336,816)	150,000,000	319,583,654	(1,923,920,470)
Esquire Plasic Ltd	Common Management	Purchase	-	-	-	-
						(1,773,774,652)

ii) Particulars of Directors of Esquire Knit Composite Limited as at 30 June 2024

Name of Directors	BOD of Esquire Knit Composite Limited	Entities where they have interests
Md. Ehsanul Habib	Managing Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Alpha Plastic & Packaging Limited
		Esquire Customer Care Limited
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceranic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Sourcing Limited
		Sharp Media Limited
		Bangladesh German University
		Best Life Insurance Company Limited
		Thakral Information Systems (Pvt.) Limited
		Trust Solution Private Limited
		Thakral One Private Ltd
T.M Chemical Limited		
Olive Tree Foods Limited		
Esquire Travels Ltd.		
Securex (Pvt) Ltd.		
L'Esquire Ltd		
Esquire Heavy Industries Ltd.		

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

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
		L'Esquire Ltd
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Sharp Media Limited
		Thakral Information Systems (Pvt.) Limited
Mrs. Peara Begum	Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Accessories Limited
Arifur Rahman	Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastics Limited
		Alpha Packaging Limited
		Esquire Customer Care Limited
		L'Esquire Ltd
		Esquire Chemical Industries Limited
		Shah Garments International Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Sourcing Limited
Sharp Media Limited		
Trust Solution Private Limited		
Esquire Travels Ltd.		

Name of Directors	BOD of Esquire Knit Composite Limited	Entities where they have interests
Md. Muddasar Hossain	Director	Esquire Knit Composite Limited
		Esquire Dyeing Industries Limited
		L'Esquire Ltd
		Esquire Electronics Limited
		Esquire Testing Services (BD) Limited
		Esquire Accessories Limited
		Esquire Plastic Limited
		Esquire Chemical Industries Limited
		Meghna Plastic Industries (Pvt) Limited
		New Dhaka Ceramic Industries (Pvt.) Limited
		Synthia Multi-Fibre Limited
		MMH Textiles Limited
		Esquire Customer Care Limited
Esquire Travels Ltd.		

33.00 Capital expenditure commitment

Details of capital expenditure commitment as of 30 June 2024 are as under:

Particulars	Total Cost value estimated	Paid till 30.06.24	to be paid
Valuka Project	2,900,000,000	2,770,129,270	129,870,730

Sl No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023

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

Number of employee

Factory:

Textile and Apparels:

Number of full-time employee (Officers & Staff)

Number of full-time employee (Workers)

Head Office:

Number of full-time employee (Officers & Staff)

Number of full-time employee (Workers)

	No. of Employee	No. of Employee
Number of full-time employee (Officers & Staff)	985	1,046
Number of full-time employee (Workers)	5,485	5,594
Number of full-time employee (Officers & Staff)	165	180
Number of full-time employee (Workers)	-	-

All the aforesaid employees engaged by the Company for the whole year or part thereof individually received a total salary of Tk. 70,055 or above.

35.00 Disclosure as per Schedule XI, Part II, Para 4 of the Companies Act 1994

Directors are also executives of the company. Their executive compensation for the year ended on 30 June 2024 is given below:

Managing Director's remuneration and benefit	35.01	6,000,000	6,000,000
Other Directors' salary and benefit	35.02	4,000,000	12,000,000
Other key management personnels' salary and benefit	35.03	26,349,829	37,995,319
		36,349,829	55,995,319

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
35.01	Managing Director's remuneration and benefit			
	Salary		6,000,000	6,000,000
35.02	Other Directors' salary and benefit			
	Salary		4,000,000	12,000,000
35.03	Other key management personnels' salary and benefit			
	Salary		23,951,685	31,951,685
	Allowance		439,395	590,274
	Bonus		1,958,749	3,530,615
	Providend fund		-	1,922,745
			26,349,829	37,995,319

Board Meeting attendance fees have been provided to the directors of the company for the year.

The Directors of the company did not take any benefit from the company other than the remuneration and -

a. Expense reimbursed to the managing agent –	Nil
b. Commission or other remuneration payable separately to a managing agent or his associate –	Nil
c. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company -	Nil
d. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year -	Nil
e. Any other perquisites or benefit in cash or in kind stating –	Nil
f. Other allowances and commission including guarantee commission -	Nil
1) Pensions	
2) Gratuities	
3) Payment from Provident Fund	
4) Compensation for loss of office	
5) Consideration in connection with retirement from office	

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

Particulars

Textiles:

Installed Capacity (Kg)

Actual Production (Kg)

Utilization

Apparels:

Installed Capacity (Pcs)

Actual Production (Pcs)

Utilization

12,775,000	12,775,000
6,316,063	7,919,463
49.44%	61.99%
49,920,000	49,920,000
26,562,033	26,223,683
53.21%	52.53%

Sl No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
37.00	Transaction in foreign currency			
	C & F value of import			
	Finishing Materials		5,216,186	7,035,541
	Yarn		19,374,540	19,228,540
	Dyes & Chemicals		5,344,131	5,703,564
	Capital Machinery		205,224	2,574,850
			30,140,081	34,542,495
	FOB Value of Export (USD)		64,996,722	75,919,079

38.00 Financial risk management

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies have been established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

- *Credit Risk
- *Interest Rate Risk
- *Currency Risk
- *Liquidity/funding risk
- *Market risk

38.01 Credit risk

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

As the company is involved in 100% export oriented business, all the sales are made against Letter of Credit (L/C). L/Cs provide guarantee against credit sales and minimise the credit risk to an acceptable level. Bills receivable arises due to the time difference between submission of bills to the bank for collection of proceeds and actual realisation of the proceeds.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Accounts receivables	8.00	1,544,532,346	632,635,842
Advance, deposit and prepayments	10.00	2,374,264,472	2,338,918,719
Cash & Bank Balances	12.00	453,872,943	434,413,402
		4,372,669,761	3,405,967,963

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

Domestic	3,920,425,590	2,986,577,449
Foreign	452,244,171	419,390,514
	4,372,669,761	3,405,967,963

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

38.02 Liquidity risk

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

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

As on 30 June 2024

	Contractual cash flows (Taka)	1 year or less Taka	More than 1 year Taka
Long term loan	2,498,040,251	-	2,498,040,251
Finance Lease obligation	18,322,174	-	18,322,174
Short term loan	4,616,632,172	2,769,979,303	1,846,652,869
Provision for income tax	331,495,103	331,495,103	-
Liabilities for expenses	137,664,033	137,664,033	-
Accounts payable	510,719,411	510,719,411	-
	8,112,873,144	3,749,857,850	4,363,015,293

As on 30 June 2023

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

38.03 Market risk

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

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

38.04 Currency risk

The company is exposed to currency risk on receiving of sales proceeds and payments made for raw materials purchase as well. Maximum of the company's foreign currency transactions are denominated in USD.

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

Sl No.	Particulars	30.06.2024	30.06.2023
		USD	USD
i)	Exposure to currency risk		
	The company's exposure to foreign currency risk was as follows based on notional amounts:		
	Foreign currency denominated assets		
	Accounts Receivable	13201131.17	5,812,530.71
	FBPAR A/C with DBBL-in USD(78)	-	-
	FBPAR A/C with Dutch Bangla Bank Limited (USD)	139	-
	FBPAR A/C with Dutch Bangla Bank Limited (Euro)	-	-
	Margin A/C with Eastern Bank Limited (USD)	247,681	-
	Margin A/C with Eastern Bank Limited (Euro)	-	-
	Dutch Bangla Bank Limited FCAD (USD account)	-	167,600
	Dutch Bangla Bank Limited FCAD (Euro account)	-	-
	DBBL FCAD-in Dollar	281	281
	Eastern Bank Limited (USD account)	-	-
		13,449,232	5,980,411
	Foreign currency denominated liabilities		
	AIBL-EDF	(5,672,376)	-
	EBL-EDF	(2,576,062)	(788,988)
	UCBL-EDF	(4,797,222)	(1,020,344)
	IFC Loan	(6,917,335)	(10,428,140)
	Accounts Payable	(4,365,123)	(8,645,845)
		(24,328,119)	(20,883,317)
	Net exposure	(10,878,887)	(14,902,905)

Sl No.	Particulars	30.06.2024	30.06.2023
		Taka	Taka

The following rate has been applied:

Taka/USD	117.00	108.84
Taka/EURO	125.00	118.67

38.05 Business Risk

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

38.06 Interest Rate Risk

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

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2024

SI No.	Particulars	Notes	Amount in Taka	
			30-Jun-2024	30-Jun-2023
	Exposure of Interest Rate Risk			
	Fixed Rate Bearing			
	Term Loan		2,516,362,425	2,459,513,011
	Short Term Loan		4,616,632,172	3,341,819,932

38.07 Operation Risk

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

38.08 Raw Material Supply Risk

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

38.09 Exchange Rate Risk

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


38.10 Power Generation Risk

The industrial bases of Bangladesh are mainly aided by natural gas-driven power generation which causes disruption occasionally and the weaving industry is not an exception. Smooth availability of gas will ensure the maximum functioning of the machineries. EKCPCLC 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, EKCPCLC does not foresee significant risk for power generation.

39.00 Date of Authorisation

The Board of directors has authorised these financial statements for issue on 26 October 2024.


 Chairman


 Managing Director


 Director


 Company Secretary


 Chief Financial Officer

ESQUIRE KNIT COMPOSITE PLC

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2024

(Annexure-A)

Name of the assets	Cost			Rate (%)	Depreciation			Written Down Value as on
	Balance as on	Addition During	Balance as on		Balance as on	Charges for	Balance as on	
	01.07.2023	the period	30.06.2024		01.07.2023	the period	30.06.2024	
a. Freehold assets								
Land & Land development	123,453,152	-	123,453,152	-	-	-	-	123,453,152
Building	1,222,820,029	-	1,222,820,029	5%	660,530,634	61,141,001	721,671,635	501,148,393
Plant & Machinery	3,798,832,946	21,959,007	3,820,791,953	7%	2,008,299,392	180,366,604	2,188,665,996	1,632,125,957
Furniture and Office Equipment	307,435,719	2,738,470	310,174,189	10%	228,784,959	31,017,419	259,802,378	50,371,811
Motor Vehicle	28,894,445	-	28,894,445	13%	28,894,445	-	28,894,445	-
Software & IT	32,440,757	-	32,440,757	10%	17,220,175	3,244,076	20,464,251	11,976,506
Sub-Total	5,513,877,047	24,697,477	5,538,574,525		2,943,729,604	275,769,100	3,219,498,705	2,319,075,819
b. Revalued assets								
Land & Land Development	3,895,092,849	-	3,895,092,849	-	-	-	-	3,895,092,849
Sub-Total	3,895,092,849	-	3,895,092,849		-	-	-	3,895,092,849
c. Leasehold assets								
Motor Vehicle	99,420,368	-	99,420,368	13%	84,578,110	12,427,546	97,005,656	2,414,712
Sub-Total	99,420,368	-	99,420,368		84,578,110	12,427,546	97,005,656	2,414,712
Grand total as on 30 June 2024	9,508,390,265	24,697,477	9,533,087,742		3,028,307,714	288,196,646	3,316,504,361	6,216,583,380
Grand total as on 30 June 2023	9,189,423,708	318,966,556	9,508,390,265		2,757,423,045	270,884,669	3,028,307,715	6,480,082,550

Land acquisition cost	83,297,266	Allocation of depreciation:	
Land development cost	40,155,886	Factory overhead	241,507,606
	123,453,152	Office & Administrative Expenses	46,689,041
			288,196,646

Note: Land and land development has been revalued on 20 July 2020 by an independent valuer

- i) **Name of Valuer :** Masih Muhith Haque & Co. Chartered Accountants
- ii) **Valuation method :** Estimated Net Realizable Value Method (the market approach).
- iii) **Date of Capitalization:** Revaluation surplus capitalized on 20 July 2020

ESQUIRE KNIT COMPOSITE PLC

ADDITION OF CAPITAL WORK IN PROGRESS

As at 30 June 2024

(Annexure-B)

1. Expansion project -Valuka

Particulars	Total Cost	Cost incurred
Valuka Building construction	2,900,000,000	2,770,129,270
Total	2,900,000,000	2,770,129,270

ESQUIRE KNIT COMPOSITE PLC
STORE LEDGER SUMMARY
As at 30 June 2024

(Annexure-C)

SI #	Particulars	Opening		Purchase		Issue/Consumption		Closing Balance	
		Qty	BDT	Qty	BDT	Qty	BDT	Qty	BDT
Raw material									
1	Yarn	2,423,761	853,886,704	6,618,034	2,073,075,793	6,941,457	2,277,928,904	2,100,338	649,033,593
2	Dyes	227,552	224,161,620	236,360	210,027,084	238,674	177,859,714	225,237	256,328,990
3	Chemical	1,062,218	150,753,397	1,733,026	361,794,971	1,938,176	276,754,422	857,069	235,793,946
Finishing Materials									
4	Packing materials	-	256,392,555	-	318,953,612	-	158,977,001	-	416,369,166
5	Accessories	-	499,288,825	-	422,431,063	-	307,149,729	-	614,570,159
6	Sewing Thread	-	107,243,479	-	116,094,469	-	75,839,439	-	147,498,509
7	Printing & Embroidery materials	-	4,141,006	-	26,443,740	-	16,165,775	-	14,418,971
WIP and Finished Goods									
8	Work in Process	-	868,014,023	-	-	-	-	-	760,666,075
9	Finished goods-pcs	1,215,613	220,056,353	-	-	-	-	566,507	186,123,101
10	Materials in transit	-	136,261,024	-	-	-	-	-	206,820,025
Sub-Total		4,929,144	3,320,198,986	8,587,420	3,528,820,732	9,118,307	3,290,674,985		3,487,622,535
Factory overhead (Repair and Maintenance)									
1	Spare parts & consumable items	-	279,659,700	-	64,396,208	-	109,102,793	-	234,953,115
Sub-Total		-	279,659,700	-	64,396,208	-	109,102,793	-	234,953,115
Grand Total		4,929,144	3,599,858,687	8,587,420	3,593,216,940	9,118,307	3,399,777,778	-	3,722,575,650

ESQUIRE KNIT COMPOSITE PLC

SPARE PARTS ITEMS

As at 30 June 2024

(Annexure-D)

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
1	Air Conditioner	BOTTLE	5	61,517	8	71,517
2	Air Conditioner	PCS	11	86,715	14	96,715
3	Air Conditioner	SET	5	614,270	6	714,270
4	Ball Bearing	PCS	2,958	925,286	3,044	1,925,286
5	Timing Belt	MTR	85	10,141	88	11,141
6	Timing Belt	PCS	965	673,866	1,038	773,866
7	Toothed Belt	PCS	452	759,603	562	859,603
8	V-Belt	PCS	3,565	881,338	3,565	881,338
9	Common (All)	KG	8	1,505	9	1,605
10	Common (All)	LBS	735	873,002	935	1,073,002
11	Common (All)	PCS	4,577	230,727	5,577	330,727
12	Common (All)	SET	20	10,919	24	12,919
13	Band Knife M/C	SET	21	4,411	22	5,411
14	Common M/C (Cutting)	PCS	6,536	691,199	6,436	671,199
15	FK Spreading Machine 590	PCS	22	2,273	26	2,773
16	FK Top Cut 9 M/C	PCS	202	420,820	212	490,820
17	Manual M/C	PCS	5,288	7,128,665	5,788	8,128,665
18	Spreader M/C (Brio 100)	PCS	377	541,397	477	841,397
19	VT-7000 M/C	BOX	1,228	471,045	1,728	571,045
20	VT-7000 M/C	PCS	1,559	1,000,052	1,759	1,200,052
21	VT-MX M/C	PCS	1,130	2,068,299	1,330	2,168,299
22	VT-MX M/C	PAIR	9	27,918	10	28,918
23	Automatic Tubular Emb M/C	PCS	1,278	300,052	1,478	330,052
24	Laser Cutter M/C	PCS	52	243,582	62	263,582
25	MG M/C	MTR	21	10,727	23	11,727
26	MG M/C	PCS	6,224	609,847	6,524	619,847
27	MG M/C	SET	9	2,248	12	2,648
28	Sunstar M/C	PCS	1,228	108,799	1,428	128,799
29	Tajima M/C	PCS	4,073	202,286	4,473	232,286
30	Auto Brass M/C	PCS	41	3,199	45	3,799
31	Biancalani Dryer Machine	PCS	12	328,221	14	358,221
32	Corino Slitting Machine	PCS	701	200,582	711	250,582
33	Dozzatex M/C	PCS	8	48,372	10	58,372
34	Egalizing Dryer M/C	PCS	11	518,823	12	528,823
35	Ferraro Compacting M/C	FEET	136	29,621	146	30,621

ESQUIRE KNIT COMPOSITE PLC

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
36	Ferraro Compacting M/C	PCS	203	811,524	233	911,524
37	Ferraro Compacting M/C	ROLL	22	257,020	24	307,020
38	Ferraro Compacting M/C	SET	8	506	10	576
39	Fongs M/C (F/D)	PCS	86	58,807	96	68,807
40	Fongs M/C (F/D)	SET	79	42,373	89	62,373
41	Lafer Compacting M/C	PCS	23	500,850	28	700,850
42	Lafer Sueding M/C	MTR	707	200,844	807	211,844
43	Mario Crosta(Brassing) M/C	MTR	126	37,887	136	57,887
44	Mario Crosta(Brassing) M/C	PCS	9	10,513	12	11,513
45	NPL M/C	PCS	40	591	46	691
46	NPL M/C	SET	16	591	19	691
47	Q Sun M/C	PCS	34	32,599	40	42,599
48	Robolab M/C	PCS	1,295	447,129	1,595	647,129
49	Santex M/C	FEET	121	1,895	122	2,095
50	Santex M/C	PCS	170	162,503	177	169,503
51	Sclavos M/C	PCS	1,186	245,649	2,186	1,245,649
52	Sclavos M/C	SET	124	22,818	131	28,818
53	Slitting M/C	FEET	124	49,559	174	69,559
54	Slitting M/C	MTR	202	8,537,756	222	10,537,756
55	Slitting M/C	PCS	308	2,572,227	398	3,572,227
56	Slitting M/C	SET	114	206,052	124	216,052
57	Smartex M/C	FEET	131	5,561	141	5,761
58	Smartex M/C	PCS	174	71,362	194	73,362
59	Soft Flow Dyeing M/C	PCS	116	121,901	126	141,901
60	Soft Flow Dyeing M/C	SET	114	18,165	124	20,165
61	Stenter M/C	COIL	109	17,092	119	17,092
62	Stenter M/C	FEET	171	11,305	191	13,305
63	Stenter M/C	MTR	912	187,129	1,112	237,129
64	Stenter M/C	PCS	2,130	587,016	2,930	787,016
65	Tube Tex M/C	FEET	355	85,460	355	85,460
66	Tube Tex M/C	PCS	244	3,814,464	344	5,814,464
67	Tube Tex M/C	SET	116	118,273	126	138,273
68	Ultra Soft M/C	PCS	133	39,961	143	43,961
69	Washing M/C	PCS	111	63,832	121	73,832
70	Bartack M/C	PCS	115	411	117	413
71	Bartack M/C	SET	113	3,281	117	3,681

ESQUIRE KNIT COMPOSITE PLC

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
72	Button Hole & Stitch M/C	PCS	1,538	255,323	2,538	355,323
73	Button Hole & Stitch M/C	SET	119	23,789	129	28,789
74	Common (Garments)	PCS	1,241	243,032	1,242	244,032
75	Common (Garments)	POT	109	3,057	119	3,457
76	Feet of the Arm M/C	PCS	111	923	114	1,023
77	Feet of the Arm M/C	SET	115	10,523	121	11,523
78	Finishing Section	PCS	748	135,170	948	335,170
79	Finishing Section	SET	119	111	124	111
80	Flat Lock M/C	PCS	3,574	442,813	4,574	742,813
81	Flat Lock M/C	SET	179	62,661	189	72,661
82	Flat Seamer M/C	PCS	150	10,139	160	11,139
83	Fusing M/C	PCS	111	27,548	114	37,548
84	Kancai M/C	PCS	119	5,507	129	6,507
85	Kancai M/C	SET	105	41,031	145	61,031
86	Needle (Garments)	PCS	138	205	148	305
87	Needle (Garments)	PKT	10,050	466,310	12,050	1,466,310
88	Over Lock M/C	PCS	1,383	234,279	5,383	1,034,279
89	Over Lock M/C	SET	143	44,154	153	64,154
90	Pattern Cutting M/C	PCS	113	8,291	117	8,891
91	Plain M/C	PCS	5,055	258,994	8,055	458,994
92	Plain M/C	SET	208	75,620	218	95,620
93	Rib Cutter M/C	PCS	2,111	206,078	5,111	906,078
94	Rib Cutter M/C	SET	259	133,881	459	233,881
95	Snap Button M/C	PCS	107	40,973	117	42,973
96	Snap Button M/C	SET	112	-	112	-
97	8 Needles Cord Knitting Machin	PCS	112	-	112	-
98	Fukuhara M/C	PCS	1,136	1,260,820	1,336	1,960,820
99	Jack	PCS	2,424	163,594	8,424	1,063,594
100	Mayer & Cie M/C	BOX	119	167	119	167
101	Mayer & Cie M/C	PCS	2,542	635,828	6,542	2,635,828
102	Mayer & Cie M/C	PKT	101	1,150	121	8,150
103	Mayer & Cie M/C	SET	107	13,712	177	33,712
104	Needle (Knitting)	PCS	135,107	561,407	335,107	1,561,407
105	Orizo M/C	FEET	-	-	-	-
106	Orizo M/C	PCS	20	732,403	60	2,732,403
107	Orizo M/C	SET	383	82,827	3,383	203,827

ESQUIRE KNIT COMPOSITE PLC

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
108	Pailung M/C	PCS	9	2,319	109	2,002,319
109	Re-winder M/C	PCS	1,035	116,131	2,335	516,131
110	Santoni Machine	PCS	121	233,014	321	133,014
111	Shima Shiki M/C	LTR	108	32,344	128	42,344
112	Shima Shiki M/C	PCS	201	911,985	411	1,811,985
113	Shima Shiki M/C	SET	1,998	44,165	2,098	64,165
114	Sinker	PCS	99	948,647	109	1,248,647
115	Stoll M/C	KG	4,388	114,032	44,388	124,032
116	Stoll M/C	LTR	106	195,269	109	196,269
117	Stoll M/C	SET	212	36,050	282	46,050
118	Photo Copier	PCS	91	116,317	99	136,317
119	Injection Moulding M/C SA-3	PCS	89	117,458	109	167,458
120	Label Cutting(Hy-2080) M/C	PCS	113	129,784	130	169,784
121	Label Printer(PT-6/2) M/C	PCS	109	314,416	139	354,416
122	Thermal Printer(SP4011-R) M/C	PCS	121	63,499	141	73,499
123	Alpha-8 26 Station 12Color M/C	PAIR	72	70,393	112	107,393
124	Alpha-8 26 Station 12Color M/C	PCS	76	633,423	96	833,423
125	Auto M/C	PCS	170	758,248	190	858,248
126	Cayne Quartz Flash "D" M/C	PCS	291	259,000	391	359,000
127	Cayne Quartz Flash "E" M/C	PCS	118	215,273	138	225,273
128	Challenger M/C	PCS	92	117,783	102	1,017,783
129	Chamelion M/C (Manual)	PCS	105	284,975	115	384,975
130	Diamond Back M/C	PCS	185	264,658	205	364,658
131	Exposer M/C (Manual)	PCS	121	295,500	131	305,500
132	Gas Dryer M/C	PCS	176	145,613	196	245,613
133	Hit Press M/C	PCS	95	145,635	115	345,635
134	Motif Setter Machine	SET	104	98,196	144	198,196
135	Performa-18 Colour Auto M/C	PCS	172	394,950	272	594,950
136	Takana Quartz Flash (CE03) M/C	PCS	312	170,459	612	370,459
137	Value Jet 1638 Printer (Sublim)	PCS	170	2,231,667	170	2,231,667
138	Rubber & Seal Items	COIL	167	11,421	187	12,421
139	Rubber & Seal Items	FEET	90	59,417	99	69,417
140	Rubber & Seal Items	LBS	1,207	37,517	1,207	37,517
141	Rubber & Seal Items	PCS	403	3,178,066	443	3,678,066
142	Rubber & Seal Items	SET	15,337	520,649	25,337	720,649
143	Tools	BOX	129	582,028	179	682,028

ESQUIRE KNIT COMPOSITE PLC

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
144	Tools	PAIR	219	459,172	239	559,172
145	Tools	PCS	259	1,725,319	359	2,725,319
146	Tools	PKT	1,401	52,000	1,601	55,000
147	Tools	SET	134	192,761	144	202,761
148	Boiler	KG	83	436,433	93	536,433
149	Boiler	LBS	600	420,434	700	520,434
150	Generator (Gas)	PCS	253	1,975,360	353	2,075,360
151	Valve	PCS	303	933,379	393	1,333,379
152	S.S.M. M/C	PCS	217	50,663	297	53,663
153	Tong Gang M/C	PCS	90	441,943	97	541,943
154	Automobile	LTR	52	313,804	72	413,804
155	Automobile	ML	895	6,864,294	1,195	9,864,294
156	Automobile	MTR	-	68,184	-	68,184
157	Automobile	PCS	109	490,915	309	690,915
158	Automobile	POT	10	10,190	10	10,190
159	Computer Accessories	COIL	31	864,236	31	864,236
160	Computer Accessories	PCS	646	2,248,425	846	2,948,425
161	Computer Accessories	PKT	113	210,660	213	310,660
162	Medical Equipment	SET	41	252,629	45	352,629
163	Medicine	BOTTLE	-	71,316	-	81,316
164	Medicine	BOX	-	12,470	-	19,470
165	Medicine	PCS	-	5,250,781	-	7,050,781
166	Medicine	TUBE	-	62,811	-	80,811
167	Auxiliary Contractor	PCS	477	374,620	777	674,620
168	Balast	PCS	130	152,610	210	232,610
169	Cable	COIL	524	1,307,793	724	3,307,793
170	Cable	FEET	960	85,330	1,160	113,030
171	Cable	KG	227	780,219	327	980,219
172	Cable	MTR	680	1,915,880	880	2,215,880
173	Cable Socket	PCS	54,267	979,301	74,267	1,079,301
174	Capacitor	PCS	5,739	684,350	6,739	784,350
175	Charger Battery	PCS	1,163	128,939	1,463	148,939
176	Circuit Breaker	PCS	24	1,276,413	64	2,176,413
177	Common (Electrical)	FEET	24	229	84	629
178	Common (Electrical)	KG	102	104,090	122	134,090
179	Common (Electrical)	MTR	1,441	100,959	2,441	195,959

ESQUIRE KNIT COMPOSITE PLC

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
180	Common (Electrical)	PCS	11,970	1,003,376	14,970	1,103,376
181	Common (Electrical)	PKT	386	224,920	586	324,920
182	Common (Electrical)	SET	123	59,821	153	60,821
183	Converter	PCS	82	1,154,987	122	1,754,987
184	Cooling Fan	PCS	482	417,153	682	817,153
185	Cut Out	PCS	346	49,467	846	59,467
186	DB Board	PCS	363	199,179	363	199,179
187	Electric Bulb	PCS	2,142	1,101,309	2,442	1,501,309
188	Electronic Card	PCS	23	1,127,960	33	1,527,960
189	Fuse	PCS	11,668	596,503	16,668	796,503
190	Holder	PCS	1,064	114,279	1,464	154,279
191	Holder	SET	567	215,477	667	295,477
192	Inverter	PCS	4	1,064,618	7	2,164,618
193	Magnetic Contractor	PCS	87	3,077,761	107	3,577,761
194	Meter	PCS	100	2,030,740	210	2,330,740
195	Motor	PCS	408	947,473	438	1,047,473
196	Overload Relay	PCS	452	2,669,797	452	2,669,797
197	Plug (Electrical)	PCS	584	491,517	684	501,517
198	Plug (Electrical)	PKT	230	21,078	260	23,078
199	Relay	PCS	993	515,469	1,193	615,469
200	Relay Base	PCS	49	22,789	69	25,789
201	Saddle Clamp	PCS	5,425	2,062,733	7,425	2,462,733
202	Saddle Clamp	PKT	-	30,936	-	30,936
203	Socket (Electrical)	PCS	307	353,108	327	373,108
204	Solenoid Valve	PCS	106	306,972	146	336,972
205	Starter	PCS	1,019	19,241	1,219	20,241
206	Switch	PCS	284	1,526,735	304	1,526,735
207	Tape (Electrical)	FEET	17,791	726,205	17,791	726,205
208	Tape (Electrical)	MTR	5,055	13,064	5,055	13,064
209	Tape (Electrical)	PCS	12,428	1,666,392	12,428	1,666,392
210	Tape (Electrical)	ROLL	167	18,501	167	18,501
211	Tape (Electrical)	SET	10	3,135	10	3,135
212	Timer	PCS	70	172,609	70	172,609
213	Transformer	PCS	55	218,011	55	218,011
214	Tube Light	PCS	1,543	979,757	1,543	979,757
215	Warning Light	PCS	144	162,683	144	162,683

ESQUIRE KNIT COMPOSITE PLC

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
216	Fire Fighting Equipment	COIL	-	7,873,824	-	7,873,824
217	Fire Fighting Equipment	PCS	1,086	6,873,822	1,086	6,873,822
218	Fire Fighting Equipment	SET	33	2,105,341	33	2,105,341
219	Band	PCS	563	731,534	564	753,147
220	Channel	PCS	603	86,584	603	86,584
221	Elbow	PCS	397	1,544,161	397	1,544,161
222	Flanges	PCS	380	1,365,067	380	1,365,067
223	Nipple	PCS	335	149,057	335	149,057
224	Nut	PCS	-	15,783	-	15,783
225	Nut Bolt	PCS	-	332,130	-	332,130
226	Pipe	FEET	9,969	1,256,723	9,969	1,256,723
227	Plug	PCS	536	12,205	536	12,205
228	Reducer	PCS	210	179,464	210	179,464
229	Socket	PCS	7,236	336,653	7,236	336,653
230	Tee Socket	PCS	552	321,066	552	321,066
231	Union Socket	PCS	215	109,434	215	109,434
232	Hardware	COIL	33	944,373	33	944,373
233	Hardware	LBS	5	2,083	5	2,083
234	Hardware	KG	553	9,221,105	553	9,221,105
235	Hardware	LTR	24	474,803	24	474,803
236	Hardware	PKT	-	6,973,822	-	6,973,822
237	Hardware	POT	213	654,087	213	654,087
238	Hardware	ROLL	31	263,444	31	263,444
239	Hardware	SET	91	36,448	91	36,448
240	Paint & Vernish	PCS	363	147,079	363	147,079
241	Paint & Vernish	PKT	431	16,551	431	16,551
242	Sanitary	GM	9,489	817,686	9,489	817,686
243	Sanitary	KG	163	29,800	163	29,800
244	Sanitary	LTR	156	273,832	156	273,832
245	Sanitary	PCS	2,650	1,054,619	2,650	1,054,619
246	Sanitary	PKT	33	3,629	33	3,629
247	Sanitary	SET	332	105,662	332	105,662
248	Laboratory Instrument	BOX	115	105,071	115	105,071
249	Laboratory Instrument	LTR	1,052	40,333	1,052	40,333
250	Laboratory Instrument	PAIR	110	29,786	110	29,786
251	Laboratory Instrument	PCS	1,767	3,443,468	1,767	3,443,468

ESQUIRE KNIT COMPOSITE PLC

SPARE PARTS ITEMS

As at 30 June 2024

Sl. No.	Items	Unit	30.06.2024		30.06.2023	
			Qty	Amount	Qty	Amount
252	Laboratory Instrument	PKT	45	86,598	45	86,598
253	Laboratory Instrument	ROLL	724	855,257	724	855,257
254	Oil & Lubricants	DRUM	48	7,622,930	48	7,622,930
255	Oil & Lubricants	PCS	3,248	1,540,972	3,248	1,540,972
256	Other Material	BOX	2,494	2,150,263	2,494	2,150,263
257	Other Material	MTR	-	2,493,279	-	2,493,279
258	Other Material	YDS	-	2,820,849	-	2,820,849
259	Pack & Package	MTR	1,566	2,366,089	1,566	2,366,089
260	Pack & Package	PCS	1,994,957	3,288,855	1,994,957	3,288,855
261	Pack & Package	ROLL	9,352	2,241,520	9,352	2,241,520
262	Supplies Items	BOOK	1,461	5,306,916	1,461	5,306,916
263	Supplies Items	PCS	53,625	5,364,508	53,625	5,364,508
264	Supplies Items	SHEET	17,918	9,650,698	17,918	9,650,698
265	Supplies Items	BOX	713	3,824,829	713	3,824,829
266	Supplies items	KG	4,469	776,799	4,469	776,799
267	Supplies items	PKT	3,491	600,278	3,491	600,278
268	Supplies items	POT	31	641,771	31	641,771
269	Supplies items	SET	5	697,885	-	697,885
270	Supplies Items	PCS	158,665	8,840,743	158,665	8,840,743
271	Supplies Items	REAM	150	3,146,698	150	3,146,698
272	Supplies Items	ROLL	605	6,571,329	605	6,571,329
Total				234,953,115		279,659,700

(Annexure-E)

As at 30 June 2024

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	23,783,129	1,690,192,535	1,536,538,668	177,436,996
Finished Fabric	399,924,675	3,214,875,991	3,325,474,400	289,326,266
Cutting	388,006,887	4,364,628,239	4,627,505,301	125,129,825
Embroidery	2,592,419	643,880,242	643,576,668	2,895,993
Printing& washing	16,177,204	2,359,463,778	2,323,517,400	52,123,582
Sewing	37,529,707	5,529,976,068	5,453,752,364	113,753,412
Total	868,014,022			760,666,075

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting (kg)	149,485	4,856,875	4,415,341	591,019
Finished Fabric (kg)	1,148,761	6,316,063	6,511,405	953,418
Cutting (Pcs)	1,053,281	21,290,869	21,725,377	618,773
Embroidery (Pcs)	101,044	3,066,096	3,035,739	131,401
Printing& washing	580,641	10,486,506	10,700,516	366,631
Sewing (Pcs)	529,259	21,686,181	21,471,466	743,974

As at 30 June 2023

Particulars	Opening	Addition in the process	Transfer into next process	Closing Balance
Knitting	30,999,932	1,360,115,151	1,367,331,954	23,783,129
Finished Fabric	424,631,528	1,412,967,862	1,437,674,715	399,924,675
Cutting	284,967,596	1,549,303,626	1,446,264,334	388,006,887
Embroidery	4,697,724	358,716,024	360,821,329	2,592,419
Printing	12,919,963	353,336,271	350,079,030	16,177,204
Sewing	99,072,637	4,826,774,338	4,888,317,268	37,529,707
Total	857,289,381			868,014,022

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

ESQUIRE KNIT COMPOSITE PLC

ACCOUNTS RECEIVABLE AND AGING

As at 30 June 2024

(Annexure-F)

Sl. No.	Parties	\$	Total	0-3 Months	3-6 Months	More than 1 Year
1	Axis Knitwear	49296.71	5,767,715	5,767,715	-	-
2	Badgetex Apparels	47972.79	5,612,816	5,612,816	-	-
3	Belamy Tex	11424.93	1,336,717	1,336,717	-	-
4	Bengal Hurricane Dyeing & Printing Ltd	24166.61	2,827,493	2,827,493	-	-
5	CARREFOUR IMPORTS SAS	1224096.936	143,219,342	143,219,342	-	-
6	Celio Sourcing Ltd	983722.1732	115,095,494	115,095,494	-	-
7	CHAMPION EUROPE S.R.L	137871.45	16,130,960	16,130,960	-	-
8	Charm fashion	22213.09	2,598,932	2,598,932	-	-
9	Divine Design	7914.34	925,978	925,978	-	-
10	Divine Intimates Ltd	56347.7	6,592,681	6,592,681	-	-
11	Esprit Macao Commercial Offshore Ltd.	21679.9704	2,536,557	2,536,557	-	-
12	Fakir Fashion Limited	20598.81	2,410,061	2,410,061	-	-
13	Garma C.B	61318.28	7,174,239	7,174,239	-	-
14	GIANTEXTILE(SHANGHAI) Co., LTD	50779.61	5,941,214	5,941,214	-	-
15	GPE SAS	355497.38	41,593,193	41,593,193	-	-
16	GUANGZHOU DET SUPPLY CHAIN	102408	11,981,736	11,981,736	-	-
17	GUESS Eur Sagl	534098.78	62,489,557	62,489,557	-	-
18	Habitus Fashion Ltd	45170	5,284,890	5,284,890	-	-
19	Hoflers APS	2263089.58	264,781,481	264,781,481	-	-
20	Impress Newtex Composite Textile Ltd	12728.38	1,489,220	1,489,220	-	-
21	JIANGSU CTIG HUA TAICO., LTD	72208.8	8,448,430	8,448,430	-	-
22	KARIBAN	69660.6	8,150,290	8,150,290	-	-
23	KIABI (Int. Trading Fashion & App. Supp.)	46628.32	5,455,513	5,455,513	-	-
24	Knit Valley Fashion	10207.34	1,194,259	1,194,259	-	-
25	LC WAIKIKI MAGAZACILIK HIZMETLERI TICARET A.S	179536.67	21,005,790	21,005,790	-	-
26	LOJAS RIACHUELO S/A	100130.15	11,715,228	11,715,228	-	-
27	LPP SA	858468.01	100,440,757	100,440,757	-	-
28	M. Hidary and Company	71084.16	8,316,847	8,316,847	-	-
29	Masco Industries	5047.62	590,572	590,572	-	-
30	Mascot International	1076837.23	125,989,956	125,989,956	-	-
31	MB Knit Fashion Ltd	9514.07	1,113,146	1,113,146	-	-
32	Michael Kors	104694.6	12,249,268	12,249,268	-	-
33	Nemrac Design Ltd	121631.53	14,230,889	14,230,889	-	-
34	Ostin Ltd	49157.73	5,751,454	5,751,454	-	-
35	Oxford Knit Composite Ltd	121330.49	14,195,667	14,195,667	-	-

ESQUIRE KNIT COMPOSITE PLC

ACCOUNTS RECEIVABLE AND AGING

As at 30 June 2024

Sl. No.	Parties	\$	Total	0-3 Months	3-6 Months	More than 1 Year
36	P & C [Peek Und Cloppenburg]	157077.35	18,378,050	18,378,050		
37	PEGASE (La Halle)	259572.992	30,370,040	30,370,040		
38	Pentex Limited	707459.44	82,772,754	82,772,754		
39	PERSONAL SHOP	1561344.4	182,677,295	182,677,295		
40	PREMIER EXIM (EXPRESS TRADE)	200429.8	23,450,287	23,450,287		
41	PTB TEX SDN BHD	6222.59	728,043	728,043		
42	Salted Basics LLC	742919.29	86,921,557	86,921,557		
43	Seacotex Fabrics	14167.35	1,657,580	1,657,580		
44	Sports Group Denmark	64465.25	7,542,434	7,542,434		
45	SPRINTER MEGACENTROS DEL DEPORTE, S.L.	267344.05	31,279,254	31,279,254		
46	Takko Holding GMBH	93615.879	10,953,058	10,953,058		
47	Ted Bernhardtz	100345.88	11,740,468	11,740,468		
48	TWILLORY	8442.88	987,817	987,817		
49	Woolworth GmbH	89191.176	10,435,368	10,435,368		
	Total	13,201,131	1,544,532,346	1,544,532,346	-	-

ESQUIRE KNIT COMPOSITE PLC

SCHEDULE OF ADVANCE GIVEN TO CREDITORS

As at 30 June 2024

(Annexure-G)

Sl. No.	Name of the creditors	Nature of Transaction	Balance	3-6 Month	6-12 Month	Exceeding 1 year
1	3R Engineering	Service	475,000	261,250	213,750	-
2	Advance HVAC Engineering	Electrtrical Items	316,000	173,800	142,200	-
3	ATLAS TRADE LIMITED	Accessories	44,200	24,310	19,890	-
4	Automation Engineering & Controls Ltd.	Service	2,321,431	1,276,787	1,044,644	-
5	BRIDGE TECHNOLOGY	Accessories	61,100	33,605	27,495	-
6	ETKO Certification	Service	1,365,000	750,750	614,250	-
7	EUR Service (BD) Ltd.	Accessories	411,633	226,398	185,235	-
8	EVERGREEN TECHNOLOGY CO. LTD.	Consulatncy	500,000	275,000	225,000	-
9	GURABA ENGINEERING LTD.	Accessories	350,000	192,500	157,500	-
10	Halftime Digital	Accessories	258,000	141,900	116,100	-
11	HARD TWO ENGINEERING	Accessories	6,000	3,300	2,700	-
12	Indesore Trading Ltd.	Insurance	10,000,000	5,500,000	4,500,000	-
13	MAK Consultants.	Accessories	1,524,786	838,632	686,154	-
14	Mechanism Trade & Engineering Ltd.	Accessories	6,000	3,300	2,700	-
15	Mizan Enterprise	Service	404,000	222,200	181,800	-
16	M.M.Corporation	Service	848,552	466,703	381,848	-
17	Esquire Dying Industries Ltd	Dyeing	77,390,022	42,564,512	34,825,510	-
18	MOHAMMED TRADING CENTRE (UNIT-2)	Service	2,887,779	1,588,278	1,299,501	-
19	M/S Babul Construction	Service	200,000	110,000	90,000	-
19	M/S. Rubel Engineering Works	Chemicals	40,000	22,000	18,000	-
20	Omera Renewable Energy Limited	Accessories	2,000,000	1,100,000	900,000	-
21	Partex Furniture Industries Ltd.	Accessories	1,340,875	737,481	603,394	-
22	Power Trade & Engineering	Accessories	255,000	140,250	114,750	-
23	RAHMAN MILL STORE	Consultancy	352,923	194,108	158,815	-
24	RED OFFICE SUPPLIES LIMITED	Chenicals	639,000	351,450	287,550	-
25	REINCARNATION	Service	211,526	116,339	95,187	-
26	SAGORICA CORPORATION	Service	1,372,696	754,983	617,713	-
27	S. N ENGINEERING	Service	500,000	275,000	225,000	-
28	SONALI ENTERPRISE	Chemicals	2,700	1,485	1,215	-
29	SS Trade Corporation	Service	62,400	34,320	28,080	-
30	Surovi Technologies Corporation	Service	793,320	436,326	356,994	-
31	Systems Nine Thousands (Pvt.) Ltd.	Accessories	412,095	226,652	185,443	-
32	Walton Plaza	Accessories	37,182	20,450	16,732	-
Total			107,389,220	59,064,071	48,325,149	-

ESQUIRE KNIT COMPOSITE PLC

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

(Annexure-H)

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
1	A & J Flat Knitting & Accessories	Accessories	2,033,000	2,033,000	-	-
2	A M A INTERNATIONAL	Accessories	5,336,867	5,336,867	-	-
3	A.K.H. Khan Knit Fashion	Accessories	2,937,056	2,937,056	-	-
4	A.T&T Spinning Mills Ltd.	Yarn	944,000	944,000	-	-
5	AA Synthetic Fibres Ltd.	Yarn	252,756	252,756	-	-
6	AARIZ INTERNATIONAL	Accessories	2,476,000	2,476,000	-	-
7	Abul Kalam Spinning Mills Ltd.	Yarn	7,237,515	7,237,515	-	-
8	ACCURATE INTERNATIONAL	Accessories	589,345	589,345	-	-
9	Accurate Plastic & Accessories	Accessories	127,000	127,000	-	-
10	ADAMJEE KNIT FABRICS	Accessories	1,515,467	1,515,467	-	-
11	ADI Corporation	Accessories	2,155,000	2,155,000	-	-
12	Adury Fashion & Print Ltd.	Accessories	843,328	843,328	-	-
13	ADZI Trims Ltd.	Accessories	2,655,000	2,655,000	-	-
14	AFFAN INTERLININGS LTD.	Accessories	266,445	266,445	-	-
15	Agami Accessories Ltd.	Accessories	145,000	145,000	-	-
16	Al Matrooshi General Trd Llc	Accessories	4,764,000	4,764,000	-	-
17	Alpha Plastic Packaging	Accessories	6,513,092	6,513,092	-	-
18	Armada Spinning Mills Ltd.	Yarn	906,640	906,640	-	-
19	Asia Composite Mills Ltd.	Yarn	7,213,280	7,213,280	-	-
20	ASK Fashion	Accessories	888,422	888,422	-	-
21	Atprint Bangladesh Ltd.	Accessories	163,000	163,000	-	-
22	B.I.T ACCESSORIES	Accessories	348,232	348,232	-	-
23	Badsha Textile Ltd.	Yarn	6,158,000	6,158,000	-	-
24	Baig Trimming Ltd.	Accessories	1,675,494	1,675,494	-	-
25	Banga Plastic International Ltd.	Accessories	584,000	584,000	-	-
26	Bashar Spinning Mills Ltd.	Yarn	1,847,200	-	1,847,200	-
27	Basic Thread Industries Ltd.	Accessories	383,804	383,804	-	-
28	Bengal Plastics Ltd.	Accessories	2,815,000	2,815,000	-	-
29	Best Silica Gel Packaging	Accessories	135,341	135,341	-	-
30	Blue Coast Design	Accessories	747,000	747,000	-	-
31	Broadway Printing Ind's	Accessories	688,333	688,333	-	-
32	Brothers Accessories & Printing	Accessories	1,675,110	1,675,110	-	-
33	BSB Spinning Mills Ltd.	Yarn	4,498,160	4,498,160	-	-
34	CHARMING TRIMS & PACKAGING (BD) LTD.	Accessories	396,698	396,698	-	-
35	Checkpoint System BD Ltd.	Accessories	115,836	115,836	-	-
36	Chishtia Sizing Mills	Accessories	677,000	-	677,000	-
37	Chorka Textile Ltd.	Accessories	2,012,000	2,012,000	-	-

ESQUIRE KNIT COMPOSITE PLC
SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
38	COMBATS	Accessories	1,277,702	1,277,702		-
39	Concord Lace Industries	Accessories	1,059,000	1,059,000		-
40	D Raja Exports LLP	Yarn	9,105,048	9,105,048		-
41	Dekko Accessories Ltd.	Accessories	256,821	256,821		-
42	Digitex Incorporation	Accessories	3,760,105	-	3,760,105	-
43	Dynamic Narrow Loom & Accessories	Accessories	1,003,000	1,003,000		-
44	ENERGY EQUIPMENT ENGINEERING PVT. LTD.	Accessories	312,000	312,000		-
45	Epyllion Limited	Accessories	5,020,197	5,020,197		-
46	Esquire Accessories Ltd.	Accessories	72,755,797	-	72,755,797	-
47	Etafil Accessories Limited	Accessories	187,000	187,000	-	-
48	Fabitex Industries Ltd.	Accessories	717,674	717,674	-	-
49	Fair Poly Limited	Accessories	658,000	658,000	-	-
50	Fariha Knit Tex Ltd.	Accessories	1,520,000	1,520,000	-	-
51	Fariha Spinning Mills Ltd.	Yarn	1,007,700	1,007,700	-	-
52	Fashion Dots Images	Accessories	551,209	551,209	-	-
53	Fashion Trims	Accessories	1,048,814	1,048,814	-	-
54	FINE TEX ACCESSORIES	Accessories	1,814,464	-	1,814,464	
55	FnF Trims Ltd.	Accessories	3,241,000	-	3,241,000	
56	Forbes Marshall International PTE Ltd.	Yarn	7,975,000	7,975,000		-
57	FORMULA 1 SPINNING LIMITED	Yarn	2,173,805	-	2,173,805	-
58	Fortune Zipper Ltd.	Accessories	170,132	170,132		-
59	FR Traders	Accessories	3,311,000	3,311,000		-
60	Friends Accessories	Accessories	1,558,975	1,558,975		-
61	Fujian SBS Zipper Science & Techn. Co. Ltd.	Accessories	3,454,507	3,454,507		-
62	GANI SAH TEXTILE	Accessories	745,000	745,000		-
63	GAZARIA ELASTIC INDUSTRIES	Accessories	2,072,000	-	2,072,000	-
64	GPI CORPORATION	Accessories	321,000	321,000		-
65	GUNZE UNITED LIMITED	Accessories	697,000	697,000		-
66	Hangzhou Qingyun Holding Group Co. Ltd.	Yarn	742,118	-	742,118	-
67	HANGZHOU SILK TEXTILE TECHNOLOGY	Yarn	992,000	992,000		-
68	HnF Fashion Tex	Accessories	1,879,255	1,879,255		-
69	HOQUE SOLUTION	Accessories	161,717	161,717		-
70	HUAFON CHONGQING SPANDEX CO., LTD.	Yarn	959,264	959,264		-
71	Hyosung Vietnam Co. Ltd.	Yarn	1,107,699	1,107,699		-
72	Impress Accessories Ltd.	Accessories	1,630,000	1,630,000		-
73	Index Accessories Ltd.	Accessories	2,711,000	2,711,000		-
74	Interlabels Robust Bangladesh (PVT) Ltd.	Accessories	764,640	-	764,640	-
75	Jaba Textile Mills Ltd.	Yarn	1,094,904	1,094,904		-
76	Jannat Knit Fabrics	Accessories	343,000	343,000		-

ESQUIRE KNIT COMPOSITE PLC
SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
77	Jist Industrial Co. Ltd.	Accessories	247,000	247,000		-
78	J-TEX	Accessories	2,022,000	2,022,000		-
79	K. M. Accessories	Accessories	1,068,818	1,068,818		-
80	K.S.N. International	Accessories	109,929	109,929		-
81	Kamal Yarn Ltd.	Yarn	1,362,520	1,362,520		-
82	KARIM SPINNING MILLS LIMITED	Yarn	2,468,985	2,468,985		-
83	Kazi Knit Ware	Accessories	2,622,156	2,622,156		-
84	Kexin Patches and Access. Manu'ing Ltd.	Accessories	169,967	-	169,967	-
85	Knit Concern Printing Unit	Accessories	428,000	428,000	-	-
86	LATIF KNITTING MILLS LTD.	Accessories	338,240	338,240	-	-
87	Linda Elastics Limited	Accessories	233,262	233,262	-	-
88	M. S. Printing & Packaging	Accessories	928,232	928,232	-	-
89	M.B. ACCESSORIES	Accessories	252,454	252,454	-	-
90	M.N.S Garments Printing	Accessories	267,000	267,000	-	-
91	M/S RAFIK ENTERPRISE	Accessories	936,000	936,000	-	-
92	M/S. Dewan Knitting	Accessories	453,000	453,000	-	-
93	M/S. HAJI TEXTILE	Yarn	2,875,866	2,875,866	-	-
94	M/S. Shoaib Knitting	Accessories	567,757	567,757	-	-
95	Maa-Monowara Knitting	Accessories	392,287	392,287	-	-
96	Maheen Dizayn Etiket (BD) Ltd.	Accessories	1,674,000	1,674,000	-	-
97	Mahin Printing House	Accessories	189,545	189,545	-	-
98	Mainetti (Bangladesh) Pvt. Ltd.	Accessories	1,925,000	1,925,000	-	-
99	Mainetti Packaging Bangladesh Pvt. Ltd.	Accessories	380,000	-	380,000	-
100	Maksons Spinning Mills Ltd.	Yarn	5,159,700	5,159,700	-	-
101	Maria Knitting	Accessories	5,208,810	5,208,810	-	-
102	Masfi Knit Wear	Accessories	448,000	448,000	-	-
103	MASS PRODUCTS	Accessories	777,000	777,000	-	-
104	Matam Multi Fibre Mills Ltd.	Yarn	7,339,718	7,339,718	-	-
105	Maxim Label & Packaging Bangladesh PVT. Ltd.	Accessories	1,509,000	1,509,000	-	-
106	Mehmud Inds Pvt. Ltd.	Yarn	1,967,630	1,967,630	-	-
107	Metro Knitting & Dyeing Mills Ltd.	Accessories	676,951	676,951	-	-
108	Modern Poly Industries Limited	Yarn	4,980,895	4,980,895	-	-
109	Mohiuddin Textile Ltd.	Accessories	637,489	637,489	-	-
110	Mon Trims Ltd.	Accessories	3,371,064	-	3,371,064	-
111	Mondol Knitwears Ltd.	Accessories	798,000	798,000	-	-
112	MOSAFIR TEXTILES LIMITED	Yarn	347,000	347,000	-	-
113	MSA Textiles Limited	Accessories	2,932,890	2,932,890	-	-
114	N - Salam Textile	Accessories	4,748,046	4,748,046	-	-
115	N.S.I. International Trading Limited	Accessories	7,231,000	7,231,000	-	-

ESQUIRE KNIT COMPOSITE PLC
SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
116	Nahar Spinning Mills Ltd.	Yarn	5,912,300	5,912,300	-	-
117	NANTONG FENGLAN TEXTILE CO.,LTD.	Yarn	1,059,536	1,059,536	-	-
118	Nemrac Design Ltd.	Accessories	368,658	368,658	-	-
119	Nilorn Bangladesh Ltd.	Accessories	2,589,000	2,589,000	-	-
120	Nitu Knit World Limited	Accessories	563,083	563,083	-	-
121	NORTEX TEXTILE MILLS LTD.	Yarn	4,723,450	4,723,450	-	-
122	NRG HomeTex Ltd.	Yarn	3,841,400	3,841,400	-	-
123	NRG Spinning Mills Ltd.	Yarn	10,231,780	10,231,780	-	-
124	O.N Spinning Mills Ltd.	Yarn	548,700	548,700	-	-
125	Old Town Fashion Ltd.	Accessories	3,141,600	3,141,600	-	-
126	One Tex Knit Wear	Accessories	2,739,607	2,739,607	-	-
127	Osman Interlinings Ltd	Accessories	1,036,000	1,036,000	-	-
128	P.A. Knit Composite Ltd.	Accessories	488,000	488,000	-	-
129	Pahartali Textile & Hosiery Mills	Yarn	1,113,644	1,113,644	-	-
130	PAKIZA COTTON SPINNING MILLS (PVT.) LTD.	Yarn	9,450,080	9,450,080	-	-
131	PANAMA COMPOSITE TEXTILE MILLS LIMITED	Yarn	8,850,000	8,850,000	-	-
132	Pannatex International.	Accessories	6,000,000	6,000,000	-	-
133	Pantex Dress Ltd.	Accessories	358,000	358,000	-	-
134	Poly Plan Limited	Accessories	589,000	589,000	-	-
135	Prominent Plus	Accessories	427,401	427,401	-	-
136	PS TEX INTERNATIONAL	Accessories	316,046	316,046	-	-
137	QUALITY ACCESSORIES	Accessories	97,717	97,717	-	-
138	R.A. Spinning Mills Ltd.	Yarn	239,155	239,155	-	-
139	R.M.T Textile Mills Ltd.	Yarn	7,727,000	7,727,000	-	-
140	R.R Textile	Accessories	1,194,894	1,194,894	-	-
141	Racy Fashion & Packaging Ind. Ltd.	Accessories	303,000	303,000	-	-
142	RAINBOW INTERNATIONAL (HK), UNIT-B	Accessories	1,693,300	1,693,300	-	-
143	RAPID ACCESSORIES LTD.	Accessories	1,418,655	1,418,655	-	-
144	Red Rose Accessories	Accessories	270,720	270,720	-	-
145	Reedisha Blanded Yarn Ltd.	Yarn	2,485,353	2,485,353	-	-
146	RF SYSTEMS S.R.L	Accessories	201,300	2,013,000	-	-
147	RM Interlinning Ltd.	Accessories	123,829	123,829	-	-
148	Root Source	Accessories	1,631,814	1,631,814	-	-
149	Rotex Bangladesh Ltd.	Accessories	455,673	455,673	-	-
150	Rupashi Knitwears Ltd.	Accessories	1,964,000	1,964,000	-	-
151	S & Brothers Flat Knit Industry	Accessories	431,000	431,000	-	-
152	S. S Business Online	Accessories	382,000	382,000	-	-
153	SAAD STONE DESIGN	Accessories	865,178	865,178	-	-
154	Saanika Polytex Private Ltd.	Accessories	4,142,040	4,142,040	-	-

ESQUIRE KNIT COMPOSITE PLC
SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
155	Saifa Unique Printing	Accessories	1,604,000	1,604,000	-	-
156	Sami Printing Ltd.	Accessories	2,438,494	2,438,494	-	-
157	Santa Knit Fashion	Accessories	721,827	721,827	-	-
158	Sarf Print	Accessories	1,684,856	1,684,856	-	-
159	Shaikat Knitwear	Accessories	311,000	311,000	-	-
160	SHAO XING NA YE TEXTILE CO.,LTD.	Yarn	1,287,000	1,287,000	-	-
161	SHAOXING TEXIM TEXTILE CO., LTD.	Yarn	3,340,000	3,340,000	-	-
162	Sharmin Accessories Ltd.	Accessories	4,637,572	4,637,572	-	-
163	SHAWON KNITTING	Accessories	2,053,559	2,053,559	-	-
164	Shinest Button	Accessories	128,000	128,000	-	-
165	Shining Moon Trims Ltd.	Accessories	2,756,078	2,756,078	-	-
166	SHIVA SHAKTI INDUSTRIES	Accessories	7,847,000	7,847,000	-	-
167	SHOEB KNIT COMPOSITE LTD.	Yarn	7,189,000	7,189,000	-	-
168	Shohagpur Textile Mills Limited	Yarn	3,553,770	3,553,770	-	-
169	SHROFF TEXTILE EXPORTS	Yarn	6,389,810	6,389,810	-	-
170	Siam Computerized Elastic Inds. Ltd.	Accessories	1,678,947	1,678,947	-	-
171	SIF Textile Industries Ltd.	Accessories	734,000	734,000	-	-
172	SK. Knit Wear	Accessories	5,054,539	5,054,539	-	-
173	Smart Narrow Fabric	Accessories	419,000	419,000	-	-
174	SML Packaging Solutions BD Ltd.	Accessories	365,277	365,277	-	-
175	Sportking India Ltd.	Yarn	1,665,216	1,665,216	-	-
176	Square Fashion Yarns Ltd.	Yarn	3,472,150	3,472,150	-	-
177	Square Textile Ltd.	Yarn	1,641,980	1,641,980	-	-
178	SQUARE TEXTILE VENTURES PRIVATE LIMITED	Yarn	6,988,000	6,988,000	-	-
179	Suraiya Spinning Mills Ltd.	Yarn	5,028,320	5,028,320	-	-
180	Suzhou Shungpeng Textile Co. Ltd.	Yarn	1,460,000	1,460,000	-	-
181	T & A Associates	Accessories	1,437,670	1,437,670	-	-
182	T & S Buttons Bangladesh Ltd.	Accessories	582,141	582,141	-	-
183	Tamijuddin Textile Mills Ltd.	Yarn	428,930	428,930	-	-
184	TAZRI KNIT FASHION	Accessories	712,430	712,430	-	-
185	Team Star Asia	Accessories	3,243,000	3,243,000	-	-
186	Tex Zippers (BD) Limited	Accessories	247,853	247,853	-	-
187	Thanbee Print World Ltd.	Accessories	1,679,000	1,679,000	-	-
188	Trade Mode Trimming	Accessories	2,059,000	2,059,000	-	-
189	Trimco (BD) Co. Ltd .	Accessories	194,755	194,755	-	-
190	TRIMS VALLEY	Accessories	347,000	347,000	-	-
191	Trimstyle International Inc.	Accessories	1,226,822	1,226,822	-	-
192	TRU Fabrics Ltd.	Accessories	5,044,425	5,044,425	-	-
193	Uniglory Packaging Industries Ltd.	Accessories	1,390,818	1,390,818	-	-

ESQUIRE KNIT COMPOSITE PLC

SCHEDULE OF ACCOUNTS PAYABLE

As at 30 June 2024

Sl. No.	Supplier name	Items	Total	0-3 Months	3-6 Months	More than 1 Year
194	Uniglory Paper & Packing Ltd.	Accessories	3,996,557	3,996,557	-	-
195	United Apparels	Accessories	1,062,000	1,062,000	-	-
196	Unitex Composite Mills Ltd.	Yarn	1,713,742	1,713,742	-	-
197	Unitex Spinning Ltd.	Yarn	802,000	802,000	-	-
198	USAMA TEXTILE LTD.	Yarn	894,580	894,580	-	-
199	Viyellatex Ltd.	Yarn	7,016,000	7,016,000	-	-
200	Viyellatex Spinning Mills Ltd.	Yarn	1,342,000	1,342,000	-	-
201	VN TEXTPORTS PVT. LTD.	Yarn	8,295,400	8,295,400	-	-
202	Walid Offset Printers	Accessories	238,596	238,596	-	-
203	Western Paper Industries	Accessories	535,720	535,720	-	-
204	Yokohama Labels & Printing (Bd) Ltd.	Accessories	170,000	170,000	-	-
205	Young Labels Ltd.	Accessories	1,231,119	1,231,119	-	-
206	ZHANGJIAGANG HENGMEI TEXTILE CO., LTD	Yarn	4,939,479	-	4,939,479	-
207	ZHANGJIAGANG ZHIYI TEXTILE CO., LTD	Yarn	293,000	293,000	-	-
208	ZHEJIANG HENGYI PETROCHEMICALS CO. LTD	Yarn	7,248,000	7,248,000	-	-
209	ZW Accessories	Accessories	1,188,185	1,188,185	-	-
Total			510,719,411	412,010,771	98,708,639	-

ESQUIRE KNIT COMPOSITE PLC

SCHEDULE OF FINANCIAL ASSET AND LIABILITIES HELD IN FOREIGN CURRENCY

As at 30 June 2024

(Annexure-I)

Sl. No.	Particulars	Amount (USD)	Amount (Euro)	Amount as per Bangladesh Bank rate (Taka)	As per Ledger (Taka)	(Gain)/Loss (Taka)
	Monetary Assets					
1	Accounts Receivable	13,201,131	-	1,544,532,346	1,544,532,346	-
2	FBPAR A/C with DBBL-in USD(783)	-	-	-	-	-
3	FBPAR A/C with DBBL -in Euro	-	-	-	-	-
4	FBPAR A/C with DBBL-in USD(163)	139	-	16,262	16,262	-
5	FBPAR A/C with EBL-in USD(621)	247,681	-	28,978,677	28,978,677	-
6	FBPAR A/C with EBL -in Euro	-	-	-	-	-
7	Margin A/C with EBL-in USD	-	-	-	-	-
8	Margin A/C with EBL -in EURO	-	-	-	-	-
9	DBBL FCAD-in Dollar	-	-	-	-	-
10	DBBL FCAD-in Euro	-	-	-	-	-
11	DBBL FCAD-in Dollar (6900)	281	-	32,845	32,845	-
12	EBL FCAD in USD	-	-	-	-	-
13	EBL -EQQ/FCAD in USD	31,958	-	3,739,032	3,739,032	-
14	BRAC Bank FCAD in USD	-	-	-	-	-
15	UCBL -FACD in USD A/C # 0193	71,856	-	8,407,097	8,407,097	-
16	UCBL -FACD in USD A/C # 0267	621,734	-	72,742,899	72,742,899	-
17	AIBL-USD (352)	1,025	-	119,946	119,946	-
18	AIBL-USD (366)	304	-	35,513	35,513	-
19	AIBL-USD (453)	2,995,769	-	350,504,919	350,504,919	-
		17,171,876	-	2,009,109,537	2,009,109,537	-
	Monetary Liabilites					
20	AIBL-EDF	5,672,376	-	663,668,036	663,668,036	-
21	EBL-EDF	2,576,062	-	301,399,256	301,399,256	-
22	UCBL-EDF	4,797,222	-	561,274,963	561,274,963	-
23	IFC loan	6,917,335	-	809,328,252	809,328,252	-
24	Accounts Payable	4,365,123	-	510,719,411	509,546,901	1,172,510
		24,328,119	-	2,846,389,919	2,845,217,409	1,172,510
	Total	41,499,995	-	4,855,499,457	4,854,326,947	1,172,510

Conversion rate at closing rate

Euro 125.00

USD 117.00

30.06.2024 Bangladesh Bank



L' ESQUIRE LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June, 2024

Independent Auditor's Report

To the Shareholders' of L'Esquire Limited

Opinion

We have audited the accompanying Financial Statements of "L'Esquire Limited", which comprises the Statement of Financial Position as at 30 June, 2024 Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements including a summary of significant accounting policies.

In our opinion, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2024 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our Responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by "L'Esquire Limited" so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account; and
- (iv) The expenditure incurred was for the purpose of the Company's business.

Place: Dhaka
Date: 28 October, 2024



Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2410281615AS127667

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE, 2024



	Notes	30-June-2024	30-June-2023
		Taka	Taka
ASSETS			
Non-Current Assets :		1,962,475,037	1,970,679,293
Property, Plant and Equipment	3.00	214,741,827	214,860,004
Right of Use Assets	4.00	92,989,911	101,075,991
Capital Work in Progress	5.00	1,654,743,298	1,654,743,298
Current Assets :		422,759,604	255,678,293
Inventories	6.00	179,196,362	25,433,940
Accounts Receivables		174,949,484	150,114,353
Advance, Deposit and Prepayments	7.00	27,436,115	22,727,009
Cash and Cash Equivalents	8.00	41,177,642	57,402,991
TOTAL ASSESTS		2,385,234,641	2,226,357,586
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity :		(92,593,419)	(5,891,626)
Share Capital	9.00	42,420,000	42,420,000
Retained Earnings		(135,013,419)	(48,311,626)
Non-Current Liabilities :		2,023,743,761	1,860,157,698
Long Term Loan	10.00	1,923,920,470	1,754,336,816
Deferred Tax Liability	11.00	(225,662)	284,900
Lease Liability	12.00	100,048,952	105,535,982
Current Liabilities :		454,084,300	372,091,514
Lease Liability	13.00	5,487,030	5,016,452
Short Term Loan	14.00	336,496,359	134,864,245
Liabilities for Expenses	15.00	58,527,698	40,162,123
Accounts Payable		53,573,213	192,048,694
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,385,234,641	2,226,357,586

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

Signed as per our annexed report of even date.

Managing Director

Director

Place: Dhaka
Date: 28 October, 2024

Saptam Biswas, FCA
Partner

Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2410281615AS127667

L'ESQUIRE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE, 2024

	Notes	30-June-2024	30-June-2023
		Taka	Taka
Revenue	16.00	329,063,754	463,985,076
Cost of Goods Sold	17.00	363,621,237	450,082,332
Gross Profit		(34,557,483)	13,902,744
OPERATING EXPENSES		23,165,781	32,180,616
Administrative overhead	18.00	18,413,895	19,653,879
Selling and Distribution overhead	19.00	4,751,887	12,526,737
Profit/(Loss) from Operation		(57,723,264)	(18,277,872)
Financial Expenses	20.00	26,494,518	13,175,350
Net Profit/(Loss) from Operation		(84,217,782)	(31,453,222)
OTHER INCOME:		104,641	720,167
Interest Income		104,641	720,167
Net Profit Before Tax		(84,113,141)	(30,733,055)
Less: Income Tax Expenses	21.00	2,588,652	2,742,504
Net Profit After Tax		(86,701,793)	(33,475,559)
Basic Earning Per Share		(20.44)	(7.89)

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

Signed as per our annexed report of even date.



Managing Director



Director

Place: Dhaka
Date: 28 October, 2024



Saptam Biswas, FCA
Partner

Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2410281615AS127667

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2024

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at 01 July, 2023	42,420,000	(48,311,626)	(5,891,626)
Profit / (Loss) for the year	-	(86,701,793)	(86,701,793)
Balance as at 30 June, 2024	42,420,000	(135,013,419)	(92,593,419)

FOR THE YEAR ENDED 30 JUNE, 2023

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

Signed as per our annexed report of even date.

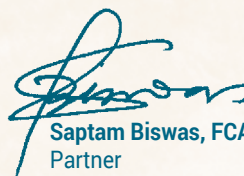


Managing Director



Director

Place: Dhaka
Date: 28 October, 2024



Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2410281615AS127667

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE, 2024

	2023-2024	2022-2023
	Taka	Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operating activities	304,333,264	328,155,447
Cash received from Sales Revenue	304,228,623	327,435,279
Cash received from Other Income	104,641	720,167
Cash paid for operating activities	(641,537,838)	(291,221,982)
Cash paid to Suppliers	(577,420,490)	(219,192,944)
Lease Rent Payment	(14,762,592)	(14,762,592)
Cash paid for Operating & Non-operating Expenses	(49,354,757)	(57,266,446)
Net Cash Generated From Operating Activities	(337,204,574)	36,933,464
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payment against Property, Plant and equipment and CWIP	(23,742,026)	(1,388,648,344)
Net Cash Used in Investing Activities	(23,742,026)	(1,388,648,344)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Finance Cost	(26,494,518)	(13,175,350)
Short Term Loan Received	201,632,115	834,411
Long Term Loan Received	169,583,654	1,369,298,881
Net Cash Used in Financing Activities	344,721,251	1,356,957,942
Net increase / (Decrease) during the year (A+B+C)	(16,225,349)	5,243,062
CASH AND CASH EQUIVALENTS AT THE BEGING OF THE YEAR	57,402,991	52,159,929
CASH AND CASH EQUIVALENTS AT THE ENDING OF THE YEAR	41,177,642	57,402,991

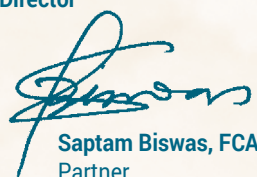
Signed as per our annexed report of even date.



Managing Director



Director



Saptam Biswas, FCA
Partner

Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants
DVC: 2410281615AS127667

Place: Dhaka
Date: 28 October, 2024

1.00 CORPORATE INFORMATION OF THE REPORTING ENTITY :**1.01 Legal Form of the Entity:**

L'Esquire Limited (hereinafter said as the Company) is a Private Company Limited by shares and registered with the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act XVIII of 1994 on the 20th day of June, 2019 vide Reg. no. C-152655/2019.

Consequently the company has acquired the following Licenses and legal approvals:

Sl. No.	Name of License	Registration No.	Date of License	Renewed up to
01	Certificate of Incorporation	C-152655/2019	20-Jun-19	N/A
02	Taxpayer's Identification Numbers (TIN)	749287636766	1-Jul-19	N/A
03	Trade License	1488	9-Oct-24	30-Jun-25
04	Business Identification Number (BIN)	002158374-0103	20-Oct-19	N/A
05	Import Registration Certificate (IRC)	260361120002120	8-Jan-20	30-Jun-25
06	Export Registration Certificate (ERC)	260361210006219	18-Dec-19	30-Jun-25

1.02 Nature of Business Activities:

L'Esquire Limited is engaged in manufacturing business unit of lingerie, active wear, Intimax, Sportswear, knitwear readymade garments including knitting, dyeing, sewing, printing, embroidery. To produce all kind of garments products viz men's and women's Shirt, Trousers, baby dresses, jeans pants, jeans shirt, sportswear. To establish any kind of 100% export oriented readymade garments business etc.

1.03 Address of Registered Office and Factory:

The registered office of the company is:

21, Shaheed Tajuddin Ahmed Sarani (7th Floor), Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

Factory address of the company is:

Jamirdia, Bhaluka, Mymansingh, Bangladesh.

2.00 BASIS OF PREPARATION :**2.01 Basis of Measurement:**

The financial statements of the company have been prepared under International Financial Reporting Standards (IFRSs) based on historical cost convention without taking into account the effect of inflation.

2.02 Statement of Compliance:

The financial statements have been prepared and the disclosures of information made under the Going Concern Concept on historical cost convention and on accrual basis in accordance with the requirements of the companies Act 1994 as applicable and International Accounting Standards (IAS) & International Financial Reporting Standard (IFRS), adopted by the Financial Reporting Council (FRC), Bangladesh Labor Act 2006, the Labor Rules 2015 and other applicable laws and regulations in Bangladesh.

2.03 Presentation of Financial Statements:

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994.

The Financial Statements comprise of:

- (a) a Statement of Financial Position as at 30 June 2024;
- (b) a Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024;
- (c) a Statement of Changes in Equity for the year ended 30 June 2024;
- (d) a Statement of Cash Flows for the year ended 30 June 2024 and
- (e) Notes, comprising summary of significant accounting policies and explanatory information.

2.04 Functional and Presentation Currency:

The financial statements are prepared and presented in Bangladesh Currency (Taka/Tk/BDT), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.05 Accrual Basis:

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

2.06 Use of Estimates and Judgments:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form that basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

Information about judgments related to lessee accounting under IFRS 16 made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

2.07 Going Concern:

The financial statements of the Company have been prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern. The management do not see any issue with respect to going concern status due to recent Ukraine & Russia war. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Moreover, the current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing business.

2.08 Reporting Period:

Reporting Period consist of 01 July, 2023 to 30 June, 2024.

2.09 Comparative Information:

Comparative information has been disclosed in respect of the period ended 30 June, 2023 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

2.10 Changes in Significant Accounting Principles:

Except for the changes below, the company has consistently applied the accounting policies to all periods presented in these financial statements.

2.11 Property, Plant and Equipment (Note 3):**(a) Recognition and Measurement:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of acquisition comprises of purchase price, including import duties and non-refundable taxes and any directly attributable cost of bringing the assets to its working condition for its intended use.

Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Parts of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment so disposed and is recognized with other income/general and administrative expenses in statement of profit or loss and other comprehensive income.

(b) Pre-Operating Expenses and Borrowing Costs:

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized.

(c) Subsequent Costs:

The cost of replacing component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(d) Depreciation:

Property, Plant & Equipment are depreciable after commencement of commercial activities of the company following the reducing balance method on the basis of its life expectancy. Full periods depreciation is charged in the period of acquisition and no depreciation is charged in the period when assets are retired or disposed off.

The rates at which assets are depreciated per annum, depending on the nature and estimated useful lives of assets are given below:

Category of Asset	Rate of Depreciation
Plant & Machinery	10%
Furniture and Office Equipment	10%
Vehicles	10%
IT Equipment	10%

e) Impairment of Assets (IAS 36):

The carrying amounts of the property, plant and equipment are reviewed at each balance sheet date or whenever there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account. No such indication of impairment has been observed till the end of the period.

(f) Retirements and Disposals:

An asset is derecognized on disposal or when no further economic benefits are expected from its use. Gain or loss on disposal of an asset is determined as the difference of net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income/expense in the statement of profit or loss and other comprehensive income.

2.12 Capital Work-in-Progress:

Construction-in-progress is stated at cost less any impairment losses, if any and is not depreciated. These are expenses of capital nature directly incurred for Plant & Machinery and Building & Other civil construction. No depreciation is charged on the capital work-in-progress which is in accordance with IAS-16.

2.13 Right of use Assets

L'Esquire Limited has entered into lease agreements with Esquire Knit Composite Ltd. authority for Proposed basement, basement, ground floor, mezzanine floor, 2nd floor, 3rd floor of factory building and basement, ground floor, mezzanine floor, 2nd floor of Utility building. The Company used 9% incremental borrowing rate per annum. Details of the leases are as follows.

Leased asset	Area (Sq. Ft)	Expired Date
Proposed basement, basement, ground floor, mezzanine floor, 2nd floor, 3rd floor of factory building and basement, ground floor, mezzanine floor, 2nd floor of Utility building	307,554	31/12/35

Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied, discounted by using the Company's incremental borrowing rate at the date of initial application: the Company applied this approach to all of the leases.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognize right-of-use assets and liabilities for leases of low value assets; and
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

2.14 Cash and Cash Equivalents:

Cash and cash equivalents comprise cash in hand, demand deposits, short term deposits, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. Considering the provisions of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

2.15 Share Capital:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2024

the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.16 *Provisions:*

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

2.17 *Revenue from Contracts with Customers (IFRS-15):*

The Company has initially applied IFRS 15 Revenue from contracts with customers from 20 June 2019. The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer or its agent (Forwarder/CFS). To achieve that core principle, IFRS 15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods are considered as transferred when (or as) the customer or its agent (Forwarder/CFS) obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

2.18 *Cash Flows Statement (IAS-7):*

Statement of Cash flows have been prepared in accordance with IAS 7 Statement of Cash Flows and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS 7 which provides that "Entities are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method".

2.19 *Earnings Per Share (IAS -33):*

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

2.20 *Events after the Reporting Period (IAS-10):*

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes wherever material.

2.21 *Deferred Tax*

Deferred Tax is calculated using the carrying amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the comprehensive income statement. A temporary difference is the difference between the tax bases of an asset or liabilities and its carrying amount/reported amount in the statement of financial position. Deferred tax assets is the amount of income tax recoverable or payable in the future periods recognized in the current period. The deferred tax asset/income or liability/expense does not create a legal recoverability/liability to and from the income tax authority.

2.22 Applicable accounting standards:

The following IASs and IFRSs are applicable to the financial statements for the period under review:

IASs:

IAS 1 Presentation of Financial Statements;
IAS 2 Inventories;
IAS 7 Statements of Cash flows;
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
IAS 10 Events after the Reporting Period
IAS 12 Income Taxes
IAS 16 Property, Plant and Equipment
IAS 19 Employee Benefits
IAS 21 The Effects of Changes in Foreign Exchange Rates
IAS 23 Borrowing Costs
IAS 24 Related Party Disclosures
IAS 32 Financial Instruments: Presentation
IAS 33 Earnings per Share
IAS 36 Impairment of Assets
IAS 37 Provisions, Contingent Liabilities and Contingent Assets
IAS 39 Financial Instruments: Recognition and Measurement

IFRSs:

IFRS 7 Financial Instruments: Disclosures
IFRS 8 Operating Segments
IFRS 9 Financial Instruments
IFRS 13 Fair Value Measurement
IFRS 15 Revenue from Contracts with Customers
IFRS 16 Leases

2.23 Directors' Responsibility Statement:

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

2023-2024	2022-2023
Taka	Taka

3.00 Property, Plant and Equipment: Tk. 214,741,827

Details of Property, plant and equipment and depreciation as at 30 June, 2024 are shown in the annexed Schedule-A. This is arrived as follows:

Opening Balance (cost)	256,398,630	95,379,395
Add: Addition during the year	23,742,026	161,019,235
	280,140,656	256,398,630
Less: Disposal during the year	-	-
Closing Balance (At Cost)	280,140,656	256,398,630
Less: Accumulated depreciation	65,398,829	41,538,626
Carrying Amount	214,741,827	214,860,004

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2024



	2023-2024	2022-2023
	Taka	Taka
4.00 Right of Use Assets: Tk. 92,989,911		
Details of Right of Use Assets and depreciation as at 30 June, 2024 are shown in the annexed Schedule-B. This is arrived as follows:		
Opening Balance (cost)	121,291,189	121,291,189
Add: Addition during the year	-	-
	121,291,189	121,291,189
Less: Disposal during the year	-	-
Closing Balance (At Cost)	121,291,189	121,291,189
Less: Accumulated depreciation	28,301,277	20,215,198
Carrying Amount	92,989,911	101,075,991
5.00 Capital Work in Progress: Tk. 1,654,743,298		
The above amount is made up as follows :		
Opening Balance	1,654,743,298	427,114,189
Add: Addition during the year	-	1,388,648,344
	1,654,743,298	1,815,762,533
Less: Transfer to Fixed Assets	-	161,019,235
Closing Balance	1,654,743,298	1,654,743,298
6.00 Inventories: Tk. 179,196,362		
The above amount is made up as follows :		
Finished Goods	27,977,334	25,433,940
Material in Transit	151,219,028	-
Total	179,196,362	25,433,940
7.00 Advance, Deposit and Prepayments: Tk. 27,436,115		
The above amount is made up as follows :		
L/C margin	16,086,149	14,623,772
Margin Against Bank Guarantee	4,822,301	4,383,910
Prepaid Insurance	271,697	246,997
Advance Income Tax Note: 7.01	6,255,968	3,472,330
Total	27,436,115	22,727,009
7.01 Advance Income Tax: Tk. 6,255,968		
The above amount is made up as follows :		
Opening Balance	3,472,330	441,180
Add: Additions during the year	3,099,214	3,156,754
Advance Income Tax-FDR	20,928	152,958
Advance Income Tax-Export	3,042,286	2,688,402
AIT on Import	-	279,393
AIT on Vehicle	36,000	36,000
	6,571,544	3,597,934
Less: Adjustment during the year	315,576	125,604
Closing Balance	6,255,968	3,472,330

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2024

8.00 Cash and Cash Equivalents: Tk. 41,177,642

The above amount is made up as follows :

i) Cash in Hand:

Head Office

Factory

ii) Cash at Bank:

Dutch Bangla Bank Ltd., Dilkusha Branch, A/C No. 10111050619

Community Bank Ltd. Gulshan Branch A/C # 0070316766101

Bank Asia, Kawranbazar Branch, A/C No. 62747000011 FC-USD

Bank Asia, Kawranbazar Branch, A/C No. 62742000001 FC-USD

Bank Asia, Kawranbazar Branch, A/C No. 62747000010 FC-EURO

Bank Asia, Kawranbazar Branch, A/C No. 6273300266

Shahjalal Islami Bank Ltd, Eskaton Branch, A/C No. 403311100000654

iii) Investment in FDR:

FDR-Community Bank Bangladesh Ltd. Gulshan Branch, A/C: 0074TDC122000301

FDR-Bank Asia Ltd. Karwan Bazar Branch, A/C: 62755000898

	2023-2024	2022-2023
	Taka	Taka
350,000	350,000	
200,000	200,000	
150,000	150,000	
39,091,865	47,701,052	
2,385	84,650	
273,989	80,538	
37,058,767	44,954,241	
609,232	2,174,930	
1,133,790	221,482	
535	171,525	
13,168	13,686	
1,735,777	9,351,939	
-	7,696,875	
1,735,777	1,655,064	
Total	41,177,642	57,402,991

9.00 Share Capital: Tk. 42,420,000

This is made up as follows :

Authorized:

100,000,000 Shares of Tk.10/- each

Issued, Subscribed and Paid-up:

42,420,000 Shares of Tk.10/- each fully paid-up in cash

1,000,000,000	1,000,000,000
42,420,000	42,420,000

Name of Share Holders	No. of Shares		Share %		Amount of Tk	Amount of Tk
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Esquire Knit Composite PLC	4,200,000	4,200,000	99.01%	99.01%	42,000,000	42,000,000
Mr. Md. Mofazzal Hossain	16,000	16,000	0.38%	0.38%	160,000	160,000
Mr. Md. Ehsanul Habib	15,000	15,000	0.35%	0.35%	150,000	150,000
Mr. Arifur Rahman	6,000	6,000	0.14%	0.14%	60,000	60,000
Mr. Md. Muddasar Hossain	5,000	5,000	0.12%	0.12%	50,000	50,000
Total	4,242,000	4,242,000	100%	100%	42,420,000	42,420,000

10.00 Long Term Loan (Non Current Portion) : Tk. 1,923,920,470

The above amount is made up as follows :

Esquire Knit Composite PLC

Opening Balance

Add: Addition During the year

Less: Payment made during the year

Closing Balance

Less: Current Portion of Long Term Loan

1,754,336,816	385,037,935
319,583,654	1,754,336,816
(150,000,000)	(385,037,935)
1,923,920,470	1,754,336,816
-	-
Total	1,923,920,470

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2024



2023-2024	2022-2023
Taka	Taka

11.00 Deferred Tax Liability : Tk. -225,662

The above amount is made up as follows :

Opening Balance	284,900	862,890
Add: Deferred Tax Expenses recognized through profit & loss	(510,562)	(577,990)
Closing Balance	(225,662)	284,900

As at 30 June, 2024

Particulars	Carrying amount on reporting date	Tax base	Taxable / (Deductible) temporary differences
Property, Plant & equipment	214,741,827	204,076,274	10,665,553
Right of Use Assets	92,989,911	-	92,989,911
Lease Liabilities	(105,535,982)	-	(105,535,982)
Taxable / (Deductible) temporary differences	202,195,757	204,076,274	(1,880,518)
Applicable Tax Rate			12%
Deferred Tax Liabilities			(225,662)

As at 30 June, 2023

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

12.00 Lease Liability (Non-Current Portion) : Tk. 100,048,952

The above amount is made up as follows :

Opening Balance	110,552,434	115,138,666
Add: Addition During the year	-	-
Add: Interest Charged During the year	9,746,140	10,176,360
Less: Payment made during the year	(14,762,592)	(14,762,592)
Closing Balance	105,535,982	110,552,434
Less: Current Portion of Lease Liability (Note:13)	5,487,030	5,016,452
Total	100,048,952	105,535,982

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2024

	2023-2024	2022-2023
	Taka	Taka
13.00 Lease Liability (Current Portion) : Tk. 5,487,030		
The above amount is made up as follows :		
Current Portion of Lease Liability (Note:12)	5,487,030	5,016,452
Total	5,487,030	5,016,452
14.00 Short Term Loan: Tk. 336,496,359		
The above amount is made up as follows :		
Community Bank Ltd. OD A/C:0070316766701	51,897,129	52,300,091
Bank Asia Ltd. OD A/C: 62733000289	30,930,332	30,683,370
Community Bank Ltd. OD A/C:007123523000028	-	23,870,218
Community Bank Ltd. OD A/C:007123523000059	-	4,146,229
Community Bank Ltd. OD A/C:007123523000042	-	23,864,337
Community Bank Ltd. A/C:0077123524000270	9,021,503	-
Community Bank Ltd. A/C:0077123524000298	20,731,549	-
Community Bank Ltd. A/C:0077123524000313	19,466,397	-
Community Bank Ltd. A/C:0077123524000331	2,534,156	-
Bank Asia Ltd. A/C: 62735000239	54,981,535	-
Bank Asia Ltd. A/C: 62735000260	11,878,557	-
Bank Asia Ltd. A/C: 62735000261	8,433,969	-
Bank Asia Ltd. A/C: 62735000265	11,616,760	-
Bank Asia Ltd. A/C: 62735000268	8,137,848	-
Bank Asia Ltd. A/C: 62735000269	23,234,221	-
Bank Asia Ltd. A/C: 62735000271	17,417,064	-
Bank Asia Ltd. A/C: 62735000281	3,562,730	-
Bank Asia Ltd. A/C: 62735000288	35,543,160	-
Bank Asia Ltd. A/C: 62735000291	8,551,050	-
Bank Asia Ltd. A/C: 62735000299	4,257,035	-
EDF - BAL - 62781000017	2,952,832	-
EDF - BAL - 62781000018	1,482,658	-
EDF - BAL - 62781000019	1,773,894	-
EDF - BAL - 62781000020	1,681,205	-
EDF - BAL - 62781000021	2,007,947	-
EDF - BAL - 62781000023	4,402,828	-
Total	336,496,359	134,864,245
15.00 Liabilities for Expenses: Tk. 58,527,698		
The above amount is made up as follows :		
Salary and wages	8,962,205	8,147,459
Audit fees	138,000	69,000
Electricity Bill	1,175,097	1,173,923
Payable to EKCL Lease Payment	41,996,428	27,233,836
Provision for Income Tax	6,255,968	3,537,906
Note: 15.01		
Total	58,527,698	40,162,123

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2024

		2023-2024	2022-2023
		Taka	Taka
15.01	Provision for Income Tax: Tk. 6,255,968		
	The above amount is made up as follows :		
	Opening Balance	3,537,906	469,556
	Add: Additions during the year	3,099,214	3,156,754
	Income Tax Expenses-Current	3,099,214	3,156,754
		6,637,120	3,626,310
	Less: Adjustment during the year for Financial Year 2021-2022	381,152	88,404
	Closing Balance	6,255,968	3,537,906
16.00	Revenue: Tk. 329,063,754		
	This is made up of the followings:		
	Export Sales	329,063,754	463,985,076
	Total	329,063,754	463,985,076
17.00	Cost of Goods Sold: Tk. 363,621,237		
	This is made up of the followings:		
	Cost of Purchase (Note-17.01)	147,419,073	251,273,613
	Wages & Salaries (Note-17.02)	140,306,907	152,794,846
	Direct Expenses (Note-17.03)	78,438,651	63,493,143
	Cost of Manufacture	366,164,631	467,561,602
	Add: Opening Finished Goods	25,433,940	7,954,670
	Cost of Goods Available for Sale	391,598,571	475,516,272
	Less: Closing Finished Goods	27,977,334	25,433,940
	Total	363,621,237	450,082,332
17.01	Cost of Purchase: Tk. 147,419,073		
	This is made up of the followings:		
	Accessories	66,490,584	110,955,971
	Chemicals	-	70,566
	Fabric	66,975,301	116,638,808
	Packing Materials	13,953,188	23,608,268
	Total	147,419,073	251,273,613
17.02	Wages & Salaries: Tk. 140,306,907		
	This is made up of the followings:		
	Workers wages	80,642,672	94,873,732
	Workers overtime	54,940,762	49,946,148
	Daily labor	2,008,414	1,825,831
	Salary	2,715,059	2,468,235
	Festival bonus and Provident Fund	-	3,680,900
	Total	140,306,907	152,794,846

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2024

	2023-2024	2022-2023
	Taka	Taka
17.03 Direct Expenses: Tk. 78,438,651		
This is made up of the followings:		
Gas and electricity	24,030,739	11,340,150
Insurance premium	3,259,608	1,420,963
Tiffin expenses for workers	2,499,903	2,272,639
Spare Parts Consumption	2,942,852	2,675,320
Vehicle running (Oil and fuel)	2,328,827	2,117,115
Local conveyance	1,265,971	1,150,883
Telephone & Mobile bills	418,330	380,300
Finance Charge-Lease	9,746,140	10,176,360
Depreciation (Schedule-A)	23,860,203	23,873,334
Depreciation (Schedule-B)	8,086,079	8,086,079
Total	78,438,651	63,493,143
18.00 Administrative overhead: Tk. 18,413,895		
This is made up of the followings:		
Director Remuneration	6,600,000	6,600,000
Salary & allowances	5,926,520	5,387,745
Contribution to employees provident fund	-	65,068
Vehicle maintenance	102,875	93,523
Vehicle running expenses	514,374	467,613
Entertainment	267,330	243,027
Insurance premium	93,734	85,213
Printing expenses	53,689	48,808
Stationery expenses	61,524	855,931
Telephone, mobile & internet	714,261	1,883,115
Travelling & conveyance	56,724	51,567
Bank charges	614,397	766,455
License, renewal & registration	1,049,836	954,396
Utility expenses	1,861,840	1,692,582
Audit fees	69,000	69,000
Central Fund	90,986	83,650
Miscellaneous expenses	336,805	306,186
Total	18,413,895	19,653,879
19.00 Selling and Distribution overhead: Tk. 4,751,887		
This is made up of the followings:		
Inspection & certificate issue expenses	1,288,024	1,170,930
Export Permission	86,460	78,600
Foreign Travel for marketing	869,330	790,300
Sample and courier expenses	373,839	339,853
Bank charges on export proceeds	853,024	8,957,294
Freight charges on export	578,000	550,476
C & F expenses on export	60,145	54,677
Carriage outward on export (Transportation)	643,067	584,606
Total	4,751,887	12,526,737

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE, 2024



		2023-2024	2022-2023
		Taka	Taka
20.00	Financial Expenses: Tk. 26,494,518		
	This is made up of the followings:		
	Interest on Loan	26,494,518	13,175,350
	Total	26,494,518	13,175,350
21.00	Income Tax Expenses: Tk. 2,588,652		
	This is made up of the followings:		
	Income Tax-Current	3,099,214	3,156,754
	Income Tax-Deferred	(510,562)	(577,990)
	Short Provision for the financial year 2020-2021	-	163,740
	Total	2,588,652	2,742,504

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

22.00 Related party disclosures

Name	Relationship	Nature of Transaction	Opening Balance	Net transaction Value during the year	Closing Balance 30-June-2024
Esquire Knit Composite PLC	Sister Concern	Purchase	1,754,336,816	169,583,654	1,923,920,470
Esquire Knit Composite PLC	Lessor	Service	27,233,836	14,762,592	41,996,428

L'ESQUIRE LIMITED

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

AS AT 30 JUNE, 2024

Property, Plant and Equipment Tk. 214,741,827

SCHEDULE - A

Sl. No.	Particulars	C O S T				D E P R E C I A T I O N					Carrying Amount as at 30-June-2024
		Balance as at 01-July-2023	During the year		Balance as at 30-June-2024	Rate	Balance as at 01-July-2023	During the year		Balance as at 30-June-2024	
			Additions	Disposal/ Adjustments				Charged	Adjustment		
1	Plant & Machinery	224,966,089	14,137,412	-	239,103,501	10%	35,180,079	20,392,342	-	55,572,421	183,531,079
2	Furniture and Office Equipment	26,273,541	9,604,614	-	35,878,155	10%	5,378,336	3,049,982	-	8,428,318	27,449,837
3	Vehicles	4,640,000	-	-	4,640,000	10%	881,600	375,840	-	1,257,440	3,382,560
4	IT Equipment	519,000	-	-	519,000	10%	98,610	42,039	-	140,649	378,351
	Balance as at 30 June, 2024	256,398,630	23,742,026	-	280,140,656		41,538,626	23,860,203	-	65,398,829	214,741,827
	Balance as at 30 June, 2023	95,379,395	161,019,235	-	256,398,630		17,665,292	23,873,334	-	41,538,626	214,860,004

SCHEDULE OF RIGHT OF USE ASSETS

AS AT 30 JUNE, 2024

Right of Use Assets Tk. 92,989,911

SCHEDULE - B

Sl. No.	Particulars	C O S T				D E P R E C I A T I O N					Carrying Amount as at 30-June-2024
		Balance as at 01-July-2023	During the year		Balance as at 30-June-2024	Rate	Balance as at 01-July-2023	During the year		Balance as at 30-June-2024	
			Additions	Disposal/ Adjustments				Charged	Adjustment		
1	Lease Assets	121,291,189	-	-	121,291,189		20,215,198	8,086,079	-	28,301,277	92,989,911
	Balance as at 30 June, 2024	121,291,189	-	-	121,291,189		20,215,198	8,086,079	-	28,301,277	92,989,911
	Balance as at 30 June, 2023	121,291,189	-	-	121,291,189		12,129,119	8,086,079	-	20,215,198	101,075,991



FREQUENTLY ASKED QUESTIONS (FAQS) ON THE DIGITAL PLATFORM

Why will this Annual General Meeting only be held under a virtual platform?

In light of the prevailing COVID-19 situation in Bangladesh and considering the health and safety of all shareholders, members, and others, a listed company can arrange a Virtual Annual General Meeting which may be conducted through a live webcast by using the digital platform to avoid large gathering at one place and also to maintain social distancing. In this connection, the Bangladesh Securities and Exchange Commission has issued a directive, vide order no. SEC/SRMIC/04-231/932 dated 24 March 2020. Under this circumstance, Esquire Knit Composite PLC has planned to arrange its 23rd Annual General Meeting virtually by using the digital platform.

Who is entitled to participate in the Annual General Meeting?

The Shareholders, whose names will appear in the Share Register of the Company or the Depository Register on the record date i.e., 2nd December 2024, will be entitled to attend the Annual General Meeting.

How can I participate in the Annual General Meeting?

The Shareholders will join the Virtual Annual General Meeting via the links-<https://esquireknit.bdvirtualagm.com>. For logging in to the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credentials as proof by visiting the said link. We encourage the members to log into the system before the meeting starts time. Please allow ample time to log in and establish your connectivity.

How I can submit questions/comments before and during the meeting?

The Shareholders will be able to submit their questions/comments and vote electronically 24 (twenty-four) hours before the commencement of the AGM and also during the AGM by visiting the link- <https://esquireknit.bdvirtualagm.com>.

How the Company will address our questions/comments?

During the live Question and answer session on the Annual General Meeting Day, the Board and the Management will try to answer the relevant questions, which will be submitted via the digital platform and e-mail prior to or during the meeting. However, Esquire Knit Composite PLC reserves the right to edit and reject questions if it deems impudent or otherwise inappropriate.

How can I vote in the Annual General Meeting?

You can vote electronically 24 (twenty-four) hours before the AGM's commencement and during the AGM by visiting the link- <https://esquireknit.bdvirtualagm.com>.

How can I submit the Proxy form?

A Member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The duly stamped proxy form valuing BDT 20/—must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

What if I have technical difficulties or trouble accessing the virtual meeting?

For any IT-related guidance, Shareholders may contact via email: mijanur@esquire.com.bd and farhan@esquire.com.bd.

www.esquireknit.com



Esquire Knit Composite PLC



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

REGISTERED & CORPORATE OFFICE

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

FACTORY ADDRESS

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

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