

**THE UNAUDITED ACCOUNTS**

**OF**

**ENVOY TEXTILES LIMITED**

FOR THE SECOND QUARTER ENDED 31ST MARCH, 2016

**ENVOY TEXTILES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT MARCH 31, 2016

Particulars	31st Mar- 16 TAKA	30th Sept- 15 TAKA
<b>ASSETS</b>		
<b>Non Current Assets</b>	<b>9,351,629,641</b>	<b>7,859,923,600</b>
Property, Plant & Equipments, net of depreciation	7,220,837,955	7,252,109,200
Deferred Expenses	-	20,157,114
Capital work in Process	2,130,791,686	587,657,286
<b>Current Assets</b>	<b>4,394,365,836</b>	<b>3,870,384,454</b>
Inventories & Stores	1,207,918,149	1,387,898,731
Material in Transit	202,057,666	65,080,932
Accounts Receivable	2,034,060,247	1,570,830,462
Export incentive Receivable	603,243,815	581,947,255
Advance , Deposits & Prepayments	273,140,023	196,028,838
Cash and Cash Equivalents	30,441,499	26,265,332
Investment	43,504,436	42,332,904
<b>Total Assets</b>	<b>13,745,995,476</b>	<b>11,730,308,054</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Authorised Capital</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>
275,000,000 ordinary shares of Tk.10/= each.	2,750,000,000	2,750,000,000
125,000,000 Redeemable Preference Shares of Tk.10/= each.	1,250,000,000	1,250,000,000
<b>Shareholders Equity</b>	<b>5,844,991,382</b>	<b>5,805,060,543</b>
Paid up Share Capital	1,520,534,920	1,448,128,500
Share Premium	1,120,000,000	1,120,000,000
Revaluation Surplus	1,723,954,875	1,729,000,621
Retained Earnings	1,152,579,397	1,180,009,232
Tax Holiday reserve	327,922,190	327,922,190
<b>Non-Current Liability</b>	<b>3,279,123,709</b>	<b>2,009,293,215</b>
Secured Loan	3,139,151,565	1,899,346,318
Provision for Deferred Tax	139,972,144	109,946,897
<b>Current Liabilities</b>	<b>4,621,880,385</b>	<b>3,915,954,296</b>
Secured Loan (Current Portion)	135,241,151	405,723,453
Accounts Payable	1,169,028,923	836,176,370
Short Term Liabilities	3,159,234,923	2,501,954,155
Provision for Expenses	85,871,177	107,412,374
Provision for Current Tax	72,504,210	64,687,944
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>13,745,995,476</b>	<b>11,730,308,054</b>
NAV Per Share	38.44	40.09
Restated NAV Per Share	-	38.18

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Saiful Islam, FCMA CFO	M.Saiful Islam Chowdhury Company Secretary	Tanvir Ahmed Director	Abdus Salam Murshedy Managing Director	Kutubuddin Ahmed Chairman

The annexed notes form an integral part of this financial statements.

Dated: 27 April 2016  
Dhaka

**ENVOY TEXTILES LIMITED**  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31ST MARCH 2016

Particulars	Six Months Ended		2nd Quarter Ended	
	31 Mar, 2016 TAKA	31 Mar, 2015 TAKA	31 Mar, 2016 TAKA	31 Mar, 2015 TAKA
Revenue	3,235,075,689	2,721,291,817	1,580,668,373	1,498,593,002
Less: Cost of Goods Sold	2,582,470,857	2,071,985,443	1,265,635,239	1,165,434,236
<b>Gross Profit</b>	<b>652,604,832</b>	<b>649,306,373</b>	<b>315,033,134</b>	<b>333,158,767</b>
<b>Less: Operating Expenses</b>	<b>141,916,675</b>	<b>114,114,699</b>	<b>76,115,642</b>	<b>56,945,914</b>
Administrative & General Expenses	109,770,785	89,164,180	58,854,579	43,399,684
Selling & Distribution Expenses	32,145,890	24,950,519	17,261,063	13,546,230
<b>Profit/ (Loss) from Operation</b>	<b>510,688,156</b>	<b>535,191,675</b>	<b>238,917,492</b>	<b>276,212,853</b>
Less: Financial Expenses	151,311,474	123,214,292	73,036,888	69,275,418
<b>Profit/ (Loss) after Financial Expenses</b>	<b>359,376,683</b>	<b>411,977,383</b>	<b>165,880,604</b>	<b>206,937,435</b>
Add: Other Income / Expenses	1,940,200	830,951	545,904	1,094,431
<b>Net Profit/ (Loss) before WPPF</b>	<b>361,316,883</b>	<b>412,808,333</b>	<b>166,426,508</b>	<b>208,031,866</b>
Less: Provision for Workers Profit Participation Fund	17,205,566	19,657,540	7,925,072	9,906,279
<b>Net Profit before Tax</b>	<b>344,111,317</b>	<b>393,150,794</b>	<b>158,501,436</b>	<b>198,125,586</b>
Less: Provision for Current Tax	7,816,267	19,687,201	1,279,904	9,414,933
Less: Provision for Deferred Tax	30,025,247	19,735,392	15,114,457	9,551,624
<b>Profit after Tax</b>	<b>306,269,803</b>	<b>353,728,200</b>	<b>142,107,075</b>	<b>179,159,030</b>
Earning Per Share (EPS)	2.01	2.44	0.93	1.24
Restated Earning Per Share (REPS)	-	2.33	-	1.18

Sd/- Saiful Islam, FCMA CFO	Sd/- M.Saiful Islam Chowdhury FCS Company Secretary	Sd/- Tanvir Ahmed Director	Sd/- Abdus Salam Murshedy Managing Director	Sd/- Kutubuddin Ahmed Chairman
-----------------------------------	-----------------------------------------------------------	----------------------------------	---------------------------------------------------	--------------------------------------

The annexed notes form an integral part of this financial statements.

Dated: 27 April 2016  
Dhaka

**ENVOY TEXTILES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31ST MARCH 2016**

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Tax Holiday Reserve	Retained Earnings	Total TAKA
<b>At the beginning of the year</b>	<b>1,448,128,500</b>	<b>1,120,000,000</b>	<b>1,729,000,621</b>	<b>327,922,190</b>	<b>1,180,009,232</b>	<b>5,805,060,543</b>
Less: Prior year Adjustment					(20,157,114)	(20,157,114)
Add: Issuence of Bonus Share	72,406,420				-	72,406,420
Add: Net Profit During the Period					306,269,803	306,269,803
Less: Decleration of Dividend- 2015					(318,588,270)	(318,588,270)
Depreciation on Revaluation Surplus			(5,045,746)		5,045,746	-
<b>As at 31.03.2016</b>	<b>1,520,534,920</b>	<b>1,120,000,000</b>	<b>1,723,954,875</b>	<b>327,922,190</b>	<b>1,152,579,397</b>	<b>5,844,991,383</b>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31ST MARCH 2015**

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Tax Holiday Reserve	Retained Earnings	Total TAKA
<b>At the beginning of the year</b>	<b>1,405,950,000</b>	<b>1,120,000,000</b>	<b>1,739,304,433</b>	<b>327,922,190</b>	<b>809,356,324</b>	<b>5,402,532,947</b>
Add: Issuence of Bonus Share	42,178,500					42,178,500
Add: Net Profit During the Period					353,728,200	353,728,200
Less: Decleration of Dividend- 2014					(210,892,500)	(210,892,500)
Depreciation on Revaluation Surplus			(5,151,906)		5,151,906	-
<b>As at 31.03.2015</b>	<b>1,448,128,500</b>	<b>1,120,000,000</b>	<b>1,734,152,527</b>	<b>327,922,190</b>	<b>957,343,930</b>	<b>5,587,547,148</b>

Sd/-  
Saiful Islam, FCMA  
CFO

Sd/-  
M.Saiful Islam Chowdhury FCS  
Company Secretary

Sd/-  
Tanvir Ahmed  
Director

Sd/-  
Abdus Salam Murshedy  
Managing Director

Sd/-  
Kutubuddin Ahmed  
Chairman

The annexed notes form an integral part of this financial statements.

Dated: 27 April 2016  
Dhaka

**ENVOY TEXTILES LIMITED**  
**STATEMENT OF CASH FLOW**  
FOR THE PERIOD ENDED 31ST MARCH 2016

Particulars	Six Months Ended	
	31 Mar, 2016 TAKA	31 Mar, 2015 TAKA
<b>Cash Flow From Operating Activities: (A)</b>		
Collection from Turnover and Others	2,752,489,543	2,154,293,876
Cash Payment to Creditors	(1,984,018,814)	(1,889,754,810)
Cash Payment for Operating Expenses	(242,945,741)	(98,394,117)
Income Tax Paid and Deducted at source	(18,596,985)	(12,329,105)
Financial Expenses	(149,479,608)	(112,646,231)
<b>Net Cash Provided/(Used) by Operation activities</b>	<b>357,448,395</b>	<b>41,169,613</b>
Net operating cash flow per share	2.35	0.28
Restated Net operating cash flow per share		0.27
<b>Cash Flows From Investing Activities: (B)</b>		
Purchase of Fixed Assets	(191,324,397)	(265,120,783)
Investment	(1,171,532)	665,233
Capital work in Process	(1,543,134,400)	(300,185,387)
<b>Net Cash Used in Investing Activities</b>	<b>(1,735,630,328)</b>	<b>(564,640,937)</b>
<b>Cash Flows From Financing Activities: (C)</b>		
Long Term Liabilities	1,239,805,247	121,046,203
Long Term Liabilities (Current Portion)	(270,482,302)	(203,742,472)
Short Term Liabilities	657,280,769	746,776,675
Payment of cash Dividend	(244,245,613)	(164,925,149)
<b>Net Cash Provided by Financing Activities</b>	<b>1,382,358,101</b>	<b>499,155,255</b>
Net Increase in Cash [A+B+C]	<b>4,176,167</b>	<b>(24,316,069)</b>
Add: Cash at the Opening	26,265,332	71,879,843
<b>Cash at end year</b>	<b>30,441,499</b>	<b>47,563,774</b>

Sd/-  
Saiful Islam, FCMA  
CFO

Sd/-  
M.Saiful Islam Chowdhury FCS  
Company Secretary

Sd/-  
Tanvir Ahmed  
Director

Sd/-  
Abdus Salam Murshedy  
Managing Director

Sd/-  
Kutubuddin Ahmed  
Chairman

The annexed notes form an integral part of this financial statements.

Dated: 27 April 2016  
Dhaka

# **Envoy Textiles Limited**

Notes to the Interim Financial Statements  
For the Half Year ended March 31, 2016

## **1. Activities of the Company**

Envoy Textiles Limited, publicly listed company, incorporated in Bangladesh under the Companies Act, 1994 is a 100% Export Oriented Denims Fabric Manufacturer. It is the first Rope Denims Plant in Bangladesh with highly sophisticated machineries of USA and Japan and went into commercial operation on 01 March 2008.

## **2. Basis of preparation of the Interim Financial Statement**

These are Interim Financial Statements of Envoy Textiles Limited for the Half year ended March 31, 2015, prepared in accordance with International Accounting Standard (IAS), Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Securities and Exchange Commission Rules 1987 and other applicable rules and regulations.

These financial statements should read in conjunction with the Annual Financial Statements as of September 30, 2014. The accounting policies and presentation used are in consistent with those of the annual financial statements.

Fixed assets are stated at their historical cost / revalued amount less accumulated depreciation. Depreciation on fixed assets is charged on reducing balance method.

Inventories and stores are comprised of raw materials, packing materials, work in progress and finished goods. Inventories are valued at the lower of cost and net realizable value.

Transactions in foreign currencies are translated into Bangladeshi Taka (BDT) at the rate of exchange ruling on date of transaction. Monetary assets and liabilities in foreign currencies are translated into BDT at the rate of exchange ruling at the balance sheet date. Gains or losses resulting from foreign currency transactions are taken to the income statement.

## **3. Significant Events:**

In the reporting period a significant variation of net operating profit has taken place compared to the corresponding period of the last year, because of the following excessive cost burden in operation:

1. Electricity and GAS unit price increased significantly and gone up more than double in compared to last period.
2. Short fall on production target due to interruption in power supply and breakdown of machineries.

#### **4.1 Taxation**

Income tax provision is made as per applicable rate of the Income Tax Ordinance 1984 and related SRO. Proper deferred tax assets / liabilities are calculated by the management in compliance with BAS-12.

#### **4.2 Related Party Transactions**

During the period the Company does not have any related party transaction with its sister concern.

#### **4.3 Cash Flow Statement**

Statement of Cash Flows is prepared in accordance with IAS-7. Cash Flow Statement and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Commissions Rules 1987.

#### **4.4 Earnings per Share**

Basic Earnings per Share (EPS) has been computed dividing the earnings attributable to the number of the ordinary shares outstanding as at balance sheet date. This has been calculated in compliance with the requirements of BAS-33: Earnings per share by dividing the basic earnings by the number of ordinary shares outstanding end of the period.

#### **4.5 Basic Earnings**

This represents earnings for the year attributable to ordinary shareholders. As there were no preference dividends, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

#### **4.6 Workers' Profit Participation Fund**

The company has charged @ 5.00% of net profit to workers profit participation fund for the half year ended March 31, 2016.