

THE UN-AUDITED ACCOUNTS

OF

**ENVOY TEXTILES LIMITED**

FOR THE THIRD QUARTER ENDED 31ST MARCH, 2018

**ENVOY TEXTILES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT MARCH 31, 2018

Particulars	TAKA 31st Mar, 2018	TAKA 30th June 2017
<b>ASSETS</b>		
<b>Non Current Assets</b>	<b>10,922,100,126</b>	<b>10,770,972,855</b>
Property, Plant & Equipments, net of depreciation	9,491,810,798	9,004,214,391
Capital work in Process	1,430,289,328	1,766,758,465
<b>Current Assets</b>	<b>5,564,161,737</b>	<b>5,289,365,791</b>
Inventories & Stores	2,177,809,098	2,155,076,681
Materials in Transit	444,756,391	225,497,732
Trade and Others Receivable	2,674,169,879	2,643,632,850
Advance , Deposits & Prepayments	162,128,032	137,246,819
Investment	57,774,022	45,707,026
Cash and Cash Equivalents	47,524,316	82,204,684
<b>Total Assets</b>	<b><u>16,486,261,863</u></b>	<b><u>16,060,338,647</u></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>6,157,364,781</b>	<b>6,030,896,848</b>
Paid up Share Capital	1,644,458,500	1,566,150,960
Share Premium	1,120,000,000	1,120,000,000
Revaluation Surplus	1,715,878,284	1,724,109,853
Retained Earnings	1,349,105,808	1,292,713,844
Tax Holiday Reserve	327,922,190	327,922,190
<b>Non-Current Liabilities</b>	<b>3,829,994,706</b>	<b>3,802,929,300</b>
Secured Loan	3,803,190,600	3,755,175,717
Provision for Deferred Tax	26,804,107	47,753,583
<b>Current Liabilities</b>	<b>6,498,902,375</b>	<b>6,226,512,499</b>
Secured Loan (Current Portion)	163,830,953	689,750,204
Short Term Liabilities	5,694,731,895	4,850,981,612
Accounts Payable	404,482,623	555,651,234
Provision for Expenses	149,660,572	84,773,302
Provision for Current Tax	86,196,332	45,356,147
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b><u>16,486,261,863</u></b>	<b><u>16,060,338,647</u></b>
NAV Per Share	37.44	38.51
Restated NAV Per Share	-	36.67

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

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

Dated: April 28, 2018  
Dhaka

**ENVOY TEXTILES LIMITED**  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED MARCH 31 2018

Particulars	Nine Months Ended		Three Months Ended	
	TAKA 31st Mar, 18	TAKA 31st Mar, 17	TAKA 31st Mar, 18	TAKA 31st Mar, 17
Revenue	5,493,341,476	4,481,679,635	1,827,032,691	1,695,180,555
Less: Cost of Goods Sold	4,547,445,006	3,686,816,776	1,511,836,875	1,398,818,791
<b>Gross Profit</b>	<b>945,896,470</b>	<b>794,862,859</b>	<b>315,195,815</b>	<b>296,361,764</b>
<b>Less: Operating Expenses</b>	<b>219,467,505</b>	<b>222,277,075</b>	<b>76,867,599</b>	<b>83,367,635</b>
Administrative & General Expenses	173,328,775	172,692,842	62,534,387	65,546,501
Selling & Distribution Expenses	46,138,730	49,584,233	14,333,213	17,821,134
<b>Profit/ (Loss) from Operation</b>	<b>726,428,966</b>	<b>572,585,784</b>	<b>238,328,216</b>	<b>212,994,129</b>
Less: Financial Expenses	458,362,536	319,049,522	148,236,952	116,345,906
<b>Profit/ (Loss) after Financial Expenses</b>	<b>268,066,430</b>	<b>253,536,263</b>	<b>90,091,264</b>	<b>96,648,223</b>
Add: Other Income / (Expenses)	722,241	679,661	20,121	5,779
<b>Net Profit/ (Loss) before WPPF</b>	<b>268,788,670</b>	<b>254,215,923</b>	<b>90,111,385</b>	<b>96,654,002</b>
Less: Provision for Workers Profit Participation Fund	12,799,460	12,105,520	4,291,018	4,602,572
<b>Net Profit before Tax</b>	<b>255,989,210</b>	<b>242,110,403</b>	<b>85,820,366</b>	<b>92,051,430</b>
Less: Provision for Current Tax	40,840,185	32,564,174	13,053,668	12,042,063
Less: Provision for Deferred Tax	(20,949,476)	(11,304,895)	(6,211,680)	(2,675,117)
<b>Profit after Tax</b>	<b>236,098,501</b>	<b>220,851,124</b>	<b>78,978,378</b>	<b>82,684,485</b>
Earning Per Share (EPS)	1.44	1.41	0.48	0.53
Restated Earning Per Share (REPS)	-	1.34	-	0.50

<u>Sd/-</u>	<u>Sd/-</u>	<u>Sd/-</u>	<u>Sd/-</u>	<u>Sd/-</u>
Saiful Islam, FCMA CFO	M.Saiful Islam Chowdhury FCS 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: April 28, 2018  
Dhaka

**ENVOY TEXTILES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
FOR THE THIRD QUARTER ENDED MARCH 31 2018

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Tax Holiday Reserve	Retained Earnings	Total Amount BDT
<b>Balance as at 01.07.2017</b>	<b>1,566,150,960</b>	<b>1,120,000,000</b>	<b>1,724,109,852</b>	<b>327,922,190</b>	<b>1,292,713,845</b>	<b>6,030,896,848</b>
Add: Issuance of Bonus Share	78,307,540					<b>78,307,540</b>
Add: Net Profit During the Period					236,098,501	<b>236,098,501</b>
Less: Declaration of Dividend- 2017					(187,938,107)	<b>(187,938,107)</b>
Depreciation on Revaluation Surplus			(8,231,569)		8,231,569	-
<b>Balance as at 31.03.2018</b>	<b>1,644,458,500</b>	<b>1,120,000,000</b>	<b>1,715,878,284</b>	<b>327,922,190</b>	<b>1,349,105,808</b>	<b>6,157,364,782</b>

**ENVOY TEXTILES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
FOR THE THIRD QUARTER ENDED MARCH 31 2017

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Tax Holiday Reserve	Retained Earnings	Total Amount BDT
<b>Balance as at 01.07.2016</b>	<b>1,520,534,920</b>	<b>1,120,000,000</b>	<b>1,721,432,002</b>	<b>327,922,190</b>	<b>1,202,295,295</b>	<b>5,892,184,412</b>
Add: Issuance of Bonus Share	45,616,040					<b>45,616,040</b>
Add: Net Profit During the Period					220,851,124	<b>220,851,124</b>
Less: Declaration of Dividend- 2016					(228,080,230)	<b>(228,080,230)</b>
Depreciation on Revaluation Surplus			(7,447,828)		7,447,828	-
<b>Balance as at 31.03.2017</b>	<b>1,566,150,960</b>	<b>1,120,000,000</b>	<b>1,713,984,174</b>	<b>327,922,190</b>	<b>1,202,514,017</b>	<b>5,930,571,345</b>

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

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Dated: April 28, 2018  
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**ENVOY TEXTILES LIMITED**  
**STATEMENT OF CASH FLOW**  
FOR THE THIRD QUARTER ENDED MARCH 31 2018

Particulars	TAKA 31st Mar, 18	TAKA 31st Mar, 17
<b>Cash Flow From Operating Activities: (A)</b>		
Collection from Turnover and Others	5,463,526,688	4,134,312,085
Cash Payment to Creditors	(4,495,214,392)	(3,476,510,538)
Cash Payment for Operating Expenses	(205,089,244)	(226,742,445)
Income Tax Paid and Deducted at Source	(40,840,186)	(32,564,174)
Financial Expenses	(405,272,387)	(322,628,443)
<b>Net Cash Used in / Provided by Operation activities</b>	<b>317,110,479</b>	<b>75,866,484</b>
<b>Net operating cash flow per share</b>	<b>1.93</b>	<b>0.48</b>
<b>Restated (NOCFPS)</b>	<b>-</b>	<b>0.46</b>
<b>Cash Flows From Investing Activities: (B)</b>		
Purchase of Fixed Assets	(932,409,163)	(2,166,399,680)
Investment	(12,066,996)	(1,064,007)
Capital work in Process	335,891,592	1,332,447,046
<b>Net Cash Used in Investing Activities</b>	<b>(608,584,566)</b>	<b>(835,016,641)</b>
<b>Cash Flows From Financing Activities: ( C )</b>		
Long Term Liabilities	48,014,882	798,854,817
Long Term Liabilities (Current Portion)	(525,919,251)	(506,643,073)
Short Term Liabilities	843,750,284	630,249,718
Payment of Cash Dividend	(109,052,196)	(181,867,656)
<b>Net Cash Provided by Financing Activities</b>	<b>256,793,719</b>	<b>740,593,806</b>
<b>Net Increase in Cash [A+B+C]</b>	<b>(34,680,368)</b>	<b>(18,556,351)</b>
Add: Cash at the Opening	82,204,684	68,293,079
<b>Cash at end of the year</b>	<b>47,524,316</b>	<b>49,736,727</b>

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

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Dated: April 28, 2018  
Dhaka

# **Envoy Textiles Limited**

Notes to the Interim Financial Statements  
For the period of Third Quarter ended March 31, 2018

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

Envoy Textiles Limited 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 Third Quarter ended March 31, 2018 prepared in accordance with International Accounting Standard (IAS 34). These financial statements should read in conjunction with the Annual Financial Statements as of June 30, 2017. The accounting policies and presentation used are in consistent with those of the annual financial statements

The financial statements are prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Securities and Exchange Commission Rules 1987 and other applicable laws and regulations.

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 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 Event:**

During the reporting period there has been increase of both revenue and net profit due to improvement of production capacity utilization in both the denim and spinning unit.

### **4.1 Taxation**

Income tax provision is made as per rate prevailing during that period specified by the Income Tax Ordinance 1984. 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 other than sales of finished goods as a normal course of business.

#### **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 period 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 Third Quarter ended March 31, 2018.