Evince Textiles Limited



ANNUAL REPORT

2017-2018

Competence and Reliability
is our motto





ANNUAL REPORT

2017-2018

Evince Textiles Limited

Evince Textiles Limited

Lotus Kamal Tower-ONE (Level-12), 57, Joar Shahara C/A, Nikunja-2, New Airport Road, Dhaka-1229, Bangladesh
Phone : +880-2-8900870-4, 8900781-3, Fax : 880-2-8900784
E-mail : info@evincetextiles.com, www.evincetextiles.com

MISSION

To be the most admired company in the textile industry of Bangladesh by producing and supplying quality products to customers at competitive prices while following ethical business processes so that the stakeholders and society at large are benefited.

VISION

- To gain market leadership in the yarn dyed woven fabric manufacturing industry.
- Use innovation and speed as the driving factor for progress.
- To produce various type of premium yarn dyed woven fabrics for global retailers and brands.
- To be a good corporate citizen.
- Ensure environment friendly and ethical process flow.

OBJECTIVES

- To grow continuously and ensure a fair return to the shareholders.
- To ensure that the return on investment is above the industry norm.
- To ensure development of skills and human resources.
- To contribute significantly to the national economy.

STRENGTHS

- Sound Infrastructure
- State of Art Machinery
- Quality Product
- Increase in production capacity
- Experienced Management team
- Committed work force
- Design and Development base
- Consistent growth

OPPORTUNITIES

- Meet the increase in demand
- Increase the Production facilities.
- Explore new markets
- Create new designs

Evince Textiles Limited

ANNUAL REPORT
2017-2018

CONTENTS	PAGE NO
LETTER OF TRANSMITTAL	04
NOTICE OF AGM	05
CORPORATE DIRECTORY	06
FINANCIAL HIGHLIGHT AT A GLANCE	07
THE COMPANY	08
THE BOARD OF DIRECTORS	09-12
KEY PERSONNEL OF THE COMPANY	13-14
DIRECTORS' REPORT	18-27
ANNEXURE – A: DECLARATION BY CEO & CFO	28
ANNEXURE – B: COMPLIANCE CERTIFICATE	29
ANNEXURE – C: STATUS OF COMPLIANCE	30-43
BAPLC CERTIFICATE	44
AUDIT COMMITTEE REPORT	45-46
FINANCIAL STATEMENTS (CONSOLIDATED)	48-74
FINANCIAL STATEMENTS (SEPARATE)	75-96
FINANCIAL STATEMENTS (SUBSIDIARY)	97-116

LETTER OF TRANSMITTAL

All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

SUB: ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE, 2018

Dear Sirs,

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements comprising Consolidated and Separate Statements of Financial Position as at June 30, 2018 and Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flow for the year ended 30 June, 2018 along with notes thereon of Evince Textiles Limited for your reference and record.

Yours truly,

Md. Mustafa Kamal
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **19th Annual General Meeting of Evince Textiles Limited** will be held on Tuesday, 30 October 2018 at 11:30 a.m. at **International Convention City Bashundhara (ICCB) Hall-02** (Pushpoguscho), Kuril Bishwa Road (Next to 300 Ft. Road) Purbachal Express Highway, Dhaka-1229 to transact the following business:

AGENDA

1. **Reports and Financial Statements**
   To receive, consider and adopt the Financial Statements and the Reports of the Directors and Audi tors of the Company for the year ended 30 June 2018

2. **Appointment/ Re-appointment of Managing Director**
   To consider Appointment/ Re-appointment of Managing Director

3. **Election of Directors**
   To elect / re-elect Directors

4. **Appointment of Auditors**
   To appoint Statutory Auditors and Corporate Governance Auditors and to fix their remuneration for the financial year 2018-2019

By Order of the Board

Md. Mustafa Kamal
Company Secretary
Dhaka. 10 October, 2018

NOTES:

1. The Record Date is 11 October 2018. Shareholders whose names will appear in the Register of Members or in the Depository Register on the Record Date will be eligible to attend the AGM.

2. A member eligible to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy form duly stamped with a revenue stamp of Tk. 20/- must be deposited at the Corporate Office of the Company (Lotus Kamal Tower- ONE, 57 Joar Sahara, C/A, Nikunja-2, New Airport Road, Dhaka-1229) not less than 48 hours before the time fixed for the AGM.

3. Admission to the meeting will be only on production of the attendance slip attached with the Annual Report.

4. The Annual report, Proxy Forms and Attendance Slip are also available in the website at www.evincetextiles.com

5. No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.

CORPORATE DIRECTORY

Board of Directors

Chairman
Anwar-ul Alam Chowdhury

Vice Chairman
Shabnam Shehnaz Chowdhury

Managing Director
Abu Kawser Majumder

Directors
A.K. Gouhor Rabbani
Md. Akhter Shahid
Shah Adeeb Chowdhury
Shah Rayeed Chowdhury
Faizul Hakim Khan (Independent Director)
M. Shahjahan Bhuiyan (Independent Director)

Company Secretary
Md. Mustafa Kamal

Audit Committee
Faizul Hakim Khan (Chairman)
Shabnam Shehnaz Chowdhury (Member)
A.K. Gouhor Rabbani (Member)
Md. Akhter Shahid (Member)

Chief Financial Officer
Khairul Islam Khan, FCA

Head of Internal Audit
A.K. M. Selim Reza

Statutory Auditor
Pinaki & Company
Chartered Accountants

Corporate Governance Auditor
Ahmed Zaker & Co.
Chartered Accountants

Legal Advisor
Dr. M. Zahir & Associates

Bankers
Pubali Bank Ltd.
Modhumoti Bank Ltd.
Standard Chartered Bank.
Prime Bank Ltd.

Insurer
Prime Insurance Company Ltd.
Bangladesh General Insurance Co. Ltd

Registered Office
Plot-33, Section-7, Mirpur, Dhaka-1216

Corporate Office
Lotus Kamal Tower ONE (Level-12)
57, Joar Shahara, Nikunja-2- C/A,
New Airport Road
Dhaka-1229

Factory
Vill: Shirir Chala
P.O. : Bhabanipur,
U.P. : Mirzapur P.S. : Gazipur Sadar
Dist: Gazipur, Bangladesh.

FINANCIAL HIGHLIGHTS AT A GLANCE

Export
Consolidated Tk. 2,411.29
Separate Tk. 1,796.33 million

Gross Profit
Consolidated Tk. 496.39
Separate Tk. 434.89 million

Profit Before Tax
Consolidated Tk. 208.05
Separate Tk. 178.31 million

Profit After Tax
Consolidated Tk. 168.75
Separate Tk. 143.61 million

Shareholders' Equity
Consolidated Tk. 2,287.90
Separate Tk. 2,144.01 million

Total Assets
Consolidated Tk. 4,363.21
Separate Tk. 4,130.02 million

Total Current Assets
Consolidated Tk. 1,809.61
Separate Tk. 1,555.48 million

Total Current Liabilities
Consolidated Tk. 1,421.22
SeparateTk. 1,343.89 million

Current Ratio
Consolidated-1.27
Separate-1.16

Company Profile

Evince Textiles Limited (ETL) was incorporated as a Private Limited Company on June 03, 1999 under the Companies act 1994. It was converted into a Public Limited Company on June 04, 2013. Registered office of the company is located at Plot No-33, Section-7, Mirpur, Dhaka-1216 and the Corporate Office is situated at Lotus Kamal Tower-ONE (Level-12), 57, Joar Sahara C/A, Nikunja-2, New Airport Road, Dhaka-1229.

The company was established with an Authorised Capital of Tk. 100,000,000/- and Paid-up Capital of Tk. 500,000/-. The Authorised Capital and Paid-up capital of the company was subsequently raised to Tk. 3,500,000,000/- and Tk. 1,584,000,000/- respectively. The shares of the company has been denominated from Tk. 100/- to Tk. 10/- per share as at June 04, 2013.

The commercial operations of the company started on May 02, 2003. The Factory is situated at Vill./Mouza: Shirir Chala, P.O.: Bhabanipur, U.P.: Mirzapur, P.S.: Joydevpur, Dist: Gazipur. The main activity of the Company are concentrated in manufacturing, dyeing and finishing of 100% cotton woven fabric and exporting the same.

Profile of Subsidiary- Evitex Fashions Limited (EFL):

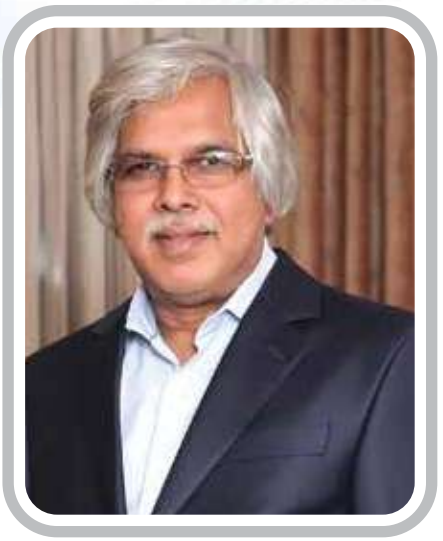
Evitex Fashions Limited (EFL) was incorporated as a private Limited company on April 11, 2004 under companies Act 1994. EFL has commenced its commercial operation on May 15, 2005. Registered office of the company is located at Plot No-33, Section-7, Mirpur, Dhaka-1216 and the Factory is situated at Vill./Mouza: Shirir Chala, P.O.: Bhabanipur, U.P.: Mirzapur, P.S.: Joydevpur, Dist: Gazipur. The main activities of the Company are concentrated in 100% export Oriented Readymade Garments.

Shareholding Positioning of the Subsidiary:

Evitex Fashions Limited has an authorized capital of BDT 100,000,000 divided into 10,000,000 shares of Tk. 10 each. At present, the paid up capital of the company stands at BDT 88,000,000 divided into 8,800,000 shares of Tk. 10 each. The current shareholding structure of the company is presented in the table below:

S.L.	Name of the shareholders	Number of shares held	Percentage of Holdings
1	Evince Textiles Limited	8,360,000	95.00%
2	Anwar-ul Alam Chowdhury	88,000	1.00%
3	Shabnam Shehnaz Chowdhury	88,000	1.00%
4	Abu Kawser Majumder	99,000	1.125%
5	A. K. Gouhor Rabbani	99,000	1.125%
6	Md. AkhterShahid	66,000	0.750%
Total		**8,800,000**	**100.00%**

THE BOARD OF DIRECTOR



Mr. Anwar-ul Alam Chowdhury
Chairman

Mr. Anwar-ul Alam Chowdhury, Chairman of Evince Textiles Limited, is a dynamic professional businessman with more than 33 years of experience. He established his first venture "Evince Garments Limited" in 1983, and since then he, by dint of his leadership, has achieved a massive expansion in his business ventures – both vertically and horizontally. A number of companies have been set up during the process and all of those are running successfully.

He obtained his MBA from USA in 1983. He has been associated with the activities of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) for over eleven years. He was the President of BGMEA during 2007-2008 and brought about significant improvements in the garments sector during his tenure as the President. He was also a Director of FBCCI.

Currently, he is a member of Dutch Bangla Chamber, Malaysia Bangladesh Chamber and Diabetic Association. Mr. Chowdhury is also associated with a number of social and philanthropic organizations.

In recognition of his services he has received "Desher Kagoj 2006 Award" and prestigious "Atish Dipankar 2008 Award".



Mrs. Shabnam Shehnaz Chowdhury
Vice Chairperson

Mrs. Shabnam Shehnaz Chowdhury, Vice Chairman of Evince Textiles Limited, obtained her Master's Degree from University of Dhaka. She has wide experience in Management, Procurement, HR and Internal Audit in the Garments and Textile sector. She holds shares of several organizations. She is associated with various cultural and philanthropic organizations.

THE BOARD OF DIRECTOR



Mr. Abu Kawser Majumder
Managing Director

Mr. Abu Kawser Majumder, an MBA from IBA, Dhaka University, is a dynamic and energetic personality. He started his career in Marketing Department in BEXIMCO Group and then joined Evince Textiles Limited at 2006 and continuing there at present. He joined as a Director in ETL at December 20, 2012 and started to play the role of Managing Director from June 03, 2013. He is also a Director of Argon Denims Limited, Argon Jeans Limited, Argon Spinning Limited and Evitex Fashion Limited of the Evince Group. He is an excellent business entrepreneur and a bonafide Businessman.



Mr. A.K. Gouhor Rabbani
Director

Mr. A.K. Gouhor Rabbani completed MBA from the Islamic University, Chittagong. He has gathered experience working with different internationally reputed Textile and Garments organization in the marketing and export arena. He is one of the experienced professional of Evince Textiles Ltd and possesses more than 28 years working knowledge in Apparel and Textile fields. He has brilliant and mentionable contribution to the Industry and the company. Being a bonafide businessman he possesses shareholding in several industrial undertakings.

THE BOARD OF DIRECTOR



Mr. Md. Akhter Shahid
Director

Mr. Akhter Shahid is a Director of the company. He completed his Bachelors of Arts Degree in 1983 under University of Dhaka. He has worked in marketing function all along and joined ETL on December 20, 2012. He is responsible for the Merchandising function of the company and therefore plays a vital role in the negotiations with the buyers. He possesses shareholdings in several industrial undertakings



Mr. Shah Adeeb Chowdhury
Director

Mr. Shah Adeeb Chowdhury is also a Director of the company. He has graduated from EIILM, Business School, Delhi, India. He joined the company on a full time basis immediately after his graduation and did his internship in different departments of the company. He is currently engaged in different sectors, including "Information Technology", in his attempt to both contribute to the growth and development of the company as well as increase his own knowledge and understanding of the product and the industry as a whole. He possesses shareholdings in several industrial undertakings



Mr. Shah Rayeed Chowdhury
Director

Mr. Shah Rayeed Chowdhury obtained his BBA Cum Laude Honors degree in Business Management from Pace University, New York. Upon completion of his higher studies, he has joined the company in 2013. In order to gain more practical experience in the field of finance, he has worked in a financial institution prior to joining the company. As the youngest member of the board, Mr. Chowdhury's constant research and development of modern means of taking the company forward, acts as a driving force for the company.

THE BOARD OF DIRECTOR



Mr. Faizul Hakim Khan
Independent Director

Mr. Faizul Hakim Khan obtained his Bachelor's Degree from University of Dhaka in 1970. He has vast experience in Financial and Corporate Management. He has a total working experience of forty two years of which twenty seven years were in the public/private banking sector and fifteen years in the private sector in Textile Industry as the Finance Head. During his career he spent more than twenty years in very senior positions.



Mr. M. Shahjahan Bhuiyan
Independent Director

Mr. M Shahjahan Bhuiyan is one of the independent Directors of Evince Textiles Limited. He is the former Managing Director of Prime Bank and United Commercial Bank (UCB); he is an M.Com in Accounting from University of Rajshahi. Starting his career in 1970 under State Bank of Pakistan, Mr. Bhuiyan has to his credit more than four decades of eventful and illustrious banking career. He was honored as kriti Banker by the Bangladesh Bank for his outstanding contribution to the banking sector of the country. Presently he is working as Board Member of Bank Asia Ltd. As Independent Director Since early 2015.

KEY SENIOR PERSONNEL



Mr. Romeo N. Gomes
Executive Director

Mr. Romeo N. Gomes graduated from Dhaka City College, under University of Dhaka and started his professional carrier in a German based garment buying house called C&A in 1991 and served till 2009 with duel responsibility at the position of Office Manager and Area Merchandise Manager (Area comprised of Bangladesh, India, Sri Lanka and Pakistan). To extend and explore his apparel production, product management and to qualify his managerial capability, he worked with a reputed Apparel manufacturing and Exporting Group as a Director Marketing and Merchandising.

In 2012 he joined Evince Textiles Ltd as an Executive Director and rendering his services towards Administration, Accounts, Production, Compliance and customer functioned areas. In addition to that, he looks after and monitor all new developments in factory and guide Management team.



Mr. Md. Mustafa Kamal
Company Secretary

Mr. Md. Mustafa Kamal passed CA Intermediate from The Institute of Chartered Accountants of Bangladesh (ICAB) in the year 1990. He has attended many training and workshops including Basic Textile Technology ISO-9000 and Internal Audit. He has more than 30 years practical experience in the country's large manufacturing industries and NGO in the area of Internal Audit, Inventory Control, Finance & Accounts, Commercial, Procurement, Supply Chain, Taxation, VAT and Custom Bond.

KEY SENIOR PERSONNEL



Mr. Khairul Islam Khan FCA

Chief Financial Officer

Mr. Khairul Islam Khan obtained M Com in both Management and Accounting from National University in 1994 & 1997. He is also a Fellow Member of "The Institute of Chartered Accounts of Bangladesh" (ICAB). He has more than 21 years wide experience in the field of Accounts, Finance and Taxation in different types of organization. He joined at Evince Textiles Limited (ETL) as Chief Financial Officer in 2014.



Mr. Atiqul Aktar

Executive Director (Marketing)

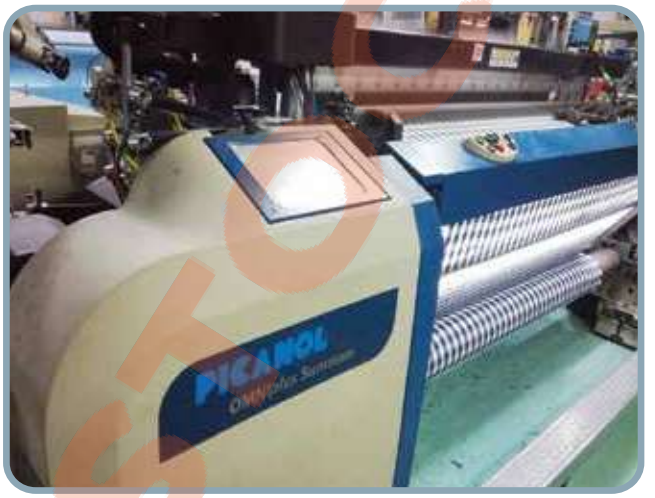
Mr. Atiqul Aktar joined Evince Textiles Ltd. Since 2005. He is leading the Evince Marketing team as Executive Director. He completed his BBA from International Islamic University Malaysia (IIUM). Back in 2001, he started his career in Textiles Marketing with Beximco Textiles Ltd., where he was handling some key European customers like ZARA, H&M, C&A, Marks and Spencer / Mexx, Mango, Carrefour. As a team leader of Evince Marketing, Mr. Aktar maintains regular contacts with all key buyers, such as ZARA, H&M, C&A, Tesco, Next, M&S, Target, Springfield, Jack & Jones, and Esprit etc. While conducting the marketing & order execution, regularly visits the Dhaka offices of these key customers & also frequently visits abroad to maintain the great business flow. Mr. Aktar believes in a great team effort with prompt actions but at the same time he patronizes to a great friendly & lively work environment which happens to be appreciated by the business partners & his own team.



Evince Textiles Factory Building

FACTORY PICTURE















DIRECTORS' REPORT

The Directors have the pleasure in presenting their report to the shareholders together with the Audited Financial Statements of the company for the year ended June 30, 2018. The Directors confirm that they are satisfied with all the compliance issues and there is no doubt about the Company's ability to continue as a going concern.

(i) Evince Textiles Ltd. was commissioned in 2003 with a goal to produce world-class premium yarn dyed fabrics in Bangladesh. Currently the mill is geared to produce about 1.20 million yards of yarn dyed fabrics per month. Our product range includes 100% cotton yarn dyed fabrics comprised of a variety counts: 30's, 40's, 50's, 60's, 70's, 80/2's and 100/2's with a wide range of dobby designs as well as different types of weavers. Evince Textiles is also fully equipped with modern yarn dyeing, warping, sizing, weaving and finishing facilities having two separate laboratories for color matching and ensuring quality of finished goods. Special emphasis is also given for product design and development. In order to attain positive result in-house design team attends both national & international fairs and regularly interacts with customer to be updated with the latest trend and fashion.

(ii) The segment-wise performance is given bellow;

Stage	Unit	Installed for	July 2017 to June 2018		July 2016 to June 2017	
		12 months	Utilization	Percentage (%)	Utilization	Percentage (%)
ETL						
Dyeing	Kg	3,000,000	2,533,087	84.44%	2,412,464	80.42%
Weaving	Yds	18,000,000	12,934,912	71.86%	12,318,964	68.44%
Finishing	Yds	20,000,000	12,306,163	61.53%	11,579,826	57.90%
EFL						
Cutting	Pcs	2,400,000	1,647,612	68.65%	1,471,082	61.30%
Sewing	Pcs	2,400,000	1,658,883	69.12%	1,481,146	61.71%
Finishing	Pcs	2,400,000	1,787,735	74.49%	1,481,937	61.75%

(iii) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment is stated below;

As the Company is availing Working Capital loan with variable interest rate, it is highly exposed to interest rate risk. To minimize this exposure, the Company is emphasizing on equity based financing to reduce dependency on interest based borrowed fund.

The Company was setup with all brand new imported machineries. However, management is very much aware of both advantages and technical risk of modern technology, for which it is continuously keeping the company technologically updated. The machineries of the company are in very good working condition.

DIRECTORS' REPORT

The manufacturing operationis largely dependent on LNG from "Titas Gas Transmission & Distribution Company Ltd." However, the management is very much aware about the risk of Scarcity of Gas for keeping production smoothly. For this, the management also set up dual-fuel firing capabilities. This enables the company to continue production in case of emergency and non-committal supply lapses.

(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin is as follows;

Particulars	July 17 to June 18	July 16 to June 17	Variance(Increase + &Decrease -)
Turnover	2,411,293,016	2,326,845,444	84,447,572
Cost of Goods sold	1,914,906,428	1,813,125,037	101,781,391
Gross Profit Margin	20.59%	22.08%	-1.49%
Net Profit Margin	6.95%	7.92%	-0.98%

Cost of Goods sold increased due to increase of price of raw materials and utility cost like Gas & fuel resulting decrease of Gross Profit Margin. During the year Bank interest rate also got increased over the previous year leading to increase of expenses on account of interest. ETL has also made provision for WPPF & WF for the first time. In addition to the above reasons the net profit was affected due to reduction of selling price of fabric in the international market.

(v) There was no extraordinary activity during the year.

(vi) Following statement showing the related party transactions along with amount, nature of related party, nature of transactions and basis of transactions;

Figure in Taka

Name of the Party	Relationship	Nature of Transaction	Transacted Amount	
			July 17 to June 18	July 16 to June 17
Mr. Anwar-ul Alam Chowdhury	Chairman	Remuneration	6,000,000	6,000,000
Mrs. Shabnam Shehnaz Chowdhury	Vice Chairman	Remuneration	3,600,000	3,600,000
Mr. Abu Kawser Majumder	Managing Director	Remuneration	4,800,000	4,800,000
Mr. A.K. Gouhor Rabbani	Director-Merchandising	Remuneration	4,800,000	4,800,000
Mr. Md. Akhter Shahid	Director-Marketing	Remuneration	3,600,000	3,600,000
Mr. Shah Rayeed Chowdhury	Director-Production	Remuneration	1,200,000	1,200,000
Mr. Shah Adeeb Chowdhury	Director-Support Service	Remuneration	1,200,000	1,200,000
Evince Design and Fashions Ltd.	Under common directorship	Selling Expenses	10,668,405	10,413,918
Argon Spinning Limited	Under common directorship	Import of Yarn	235,608,998	-
Total			**271,477,403**	**35,613,918**

* Transaction between ETL & EFL i.e. Parent & subsidiary for Tk. 1,620,000 as Factory Rent is eliminated as per IAS-27.

*During the year Evince Textiles Limited did not paid any remuneration to the directors but made provision stated in Para-X of this report.

DIRECTORS' REPORT

vii) ETL has raised capital through Initial Public Offering after consent of BSEC on April 04, 2016.

Date of Subscription : (02-12) May, 2016
Amount of Subscription : BDT 170,000,000

As Per Prospectus		Revised utilization Plan Approved in the 17th AGM	Estimated Time for completion	Investment made during 18 period from July 2016 to December 2017				Status of Utilization
Purpose of Issue	Item Wise budgeted Amount of IPO as per Prospectus			July 17 to June 18	%	July 16 to June 17	%	
Civil Construction	25,582,788	77,551,500	18 months	12,683,079	16.35%	64,868,421	83.65%	100%
Machineries, Erection, Electrical Fittings, Piping and Installation	114,289,058	77,748,000	18 months	14,444,974	18.58%	63,303,026	81.42%	100%
Working Capital	15,427,654	-	1 Month	-	-	-	-	-
IPO Expenses	14,700,500	14,700,500	-	-		14,700,500	100%	100%
Total Taka	**170,000,000**	**170,000,000**		**27,128,053**		**142,871,947**		

Note: The utilization completed on October 2017.

(viii) After going for IPO in the 2016 the production capacity of the company was enhanced by about 25% but due to the increase of cost of raw materials, utility cost like gas & fuel and higher Bank interest, the financial result slightly deteriorated. Over and above the fall of price of fabric in the international market was a major factor behind the financial deterioration.

(ix) There is slight deterioration in our financial result during the fourth quarter mainly due to loss of ten days production on account of Eid vacation, additional expenses incurred for annual maintenance of factory and payment of bonus to the employees.

DIRECTORS' REPORT

(x) Statement of remuneration paid to the directors including independent directors is stated below;

Figure in Taka

Name of Directors	Designation	Remuneration payable on 01.01.2017	Provision for Remuneration made during the year	Remuneration Paid during the year	Remuneration payable on 30.06.2018
Mr. Anwar-ul Alam Chowdhury	Chairman	8,900,000	6,000,000	1,200,000	13,700,000
Mrs. Shabnam Shehnaz Chowdhury	Vice Chairman	6,600,000	3,600,000	-	10,200,000
Mr. Abu Kawser Majumder	Managing Director	10,400,000	4,800,000	-	15,200,000
Mr. A.K. Gouhor Rabbani	Director-Merchandising	10,400,000	4,800,000	-	15,200,000
Mr. Md. Akhter Shahid	Director-Marketing	7,800,000	3,600,000	-	11,400,000
Mr. Shah Rayeed Chowdhury	Director-Production	2,600,000	1,200,000	-	3,800,000
Mr. Shah Adeeb Chowdhury	Director-Support Service	2,600,000	1,200,000	-	3,800,000
Mr. M. Shahjahan Bhuiyan	Independent Director	-	-	-	-
Mr. Faizul Hakim Khan	Independent Director	-	-	-	-
Total		**49,300,000**	**25,200,000**	**1,200,000**	**73,300,000**

*Tk. 1,200,000 has been paid to Mr. Anwar-ul Alam Chowdhury from the subsidiary company.

(xi) The management confirms that the financial statements i.e. the result of its operations, statement of cash flows and changes in equity of Evince Textiles Limited is prepared and presented fairly.

(xii) The management states that Evince Textiles Limited has been maintained the proper books of accounts.

(xiii) The management confirms that Evince Textiles Limited has been consistently applied the appropriate accounting policies in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

(xiv) The management confirms that Evince Textiles Limited has been followed the International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh in preparation of the financial statements and any departure there from has been adequately disclosed.

(xv) The management confirms that internal control of Evince Textiles Limited is sound in design and has been effectively implemented and monitored.

(xvi) The management confirms that the minority shareholders of Evince Textiles Limited 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.

(xvii) The management confirms that there is no significant doubt upon the issuer of company's ability to continue as a going concern.

DIRECTORS' REPORT

(xviii) Cost of Goods sold increased due to increase of price of raw materials and utility cost like Gas & fuel resulting decrease of Gross Profit Margin. During the year Bank interest rate also got increased over the previous year leading to increase of expenses on account of interest. ETL has also made provision for WPPF & WF for the first time. In addition to the above reasons the net profit was affected due to reduction of selling price of fabric in the international market.

(xix) A statement of key operating and financial data of preceding 5 (five) years is given bellow;

Figures in Million Taka

Particulars	Jul 17 to Jun 18		Jul 16 to Jun 17		July 15 to Jun 16		Jan to Dec 14		Jan to Dec 13	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
Turnover	2,411	1,796	2,327	1,745	2,175	1,580	2,337	1,564	1,518	1,518
Gross Profit	496	435	514	456	471	412	467	408	396	396
Net Profit Before Tax	208	178	233	204	208	174	190	164	162	120
Net Profit after Tax	169	144	186	160	181	157	166	143	149	106
Shareholders' Equity	2,288	2,144	2,120	2,000	2,056	1,960	1,637	1,573	896	854
Total Assets	4,363	4,130	4,178	3,933	3,977	3,774	3,282	3,076	2,898	2,686
Total Current Assets	1,810	1,555	1,769	1,504	1,856	1,599	1,284	1,020	1,293	1,018
Total Current Liabilities	1,421	1,344	1,264	1,149	1,001	905	1,321	1,188	1,594	1,430
Current Ration	1.27	1.16	1.40	1.31	1.85	1.77	0.97	0.86	0.81	0.71
Net Asset Value	14.44	13.54	14.73	13.89	17.13	16.34	15.90	15.28	20.05	19.09
EPS	1.06	0.91	1.28	1.11	1.40	1.22	1.88	1.64	4.16	2.98

(xx) The Board of Directors has not recommended for any dividend for the year ended on June 30, 2018. Although the company (i.e. ETL) earned a net profit of Tk. 14.36 crore during the financial year ended June 30, 2018, but the management of the company thought it prudent to invest the available amount for further expansion of production of the company. The management has taken up an expansion program of the existing project at a cost of Tk. 70.37 crore of which Tk. 55.41 crore to be arranged from Bank. The balance amount of Tk. 14.96 crore will be financed from own source as equity. Under the ongoing expansion scheme, in addition to procurement of Capital Machineries, Civil Construction works, a brand new 3.6MLD MBR Effluent Treatment Plant (ETP) is also included. The new ETP has become a compulsion since our buyer have declined to do business with our factory in future unless chemical free and membrane based technological ETP facility is available. The ETP project is expected to be functional within the next financial year.

The proposed BMRE is expected to increase the overall production capacity by 50%. This achievement will be possible by diversifying to value added product, balancing of the production line and optimizing the production efficiency by means of modernization of machineries.

It may mentioned here that the directors of the company are actively considering to forgo their accumulated remuneration amount a Tk. 7.32 crore, payable to them as on June 30. It is also mentionable that they have foregone similar remuneration of Tk. 1.04 crore in the year 2015.

DIRECTORS' REPORT

(xxi) The company has not declared any stock dividend or bonus share as interim dividend.

(xxii) The total number of Board meetings held during the year and attendance by each director is stated below;

Name of Directors	Position	Meeting Held	Attendance
Anwar-ul Alam Chowdhury	Chairman	5	5
Shabnam Shehnaz Chowdhury	Vice Chairman	5	3
Abu Kawser Majumder	Managing Director	5	5
A.K. Gouhor Rabbani	Director	5	4
Md. Akhter Shahid	Director	5	4
Shah Adeeb Chowdhury	Director	5	5
Shah Rayeed Chowdhury	Director	5	4
Faizul hakim Khan	Independent Director	5	4
M. Shahjahan Bhuiyan	Independent Director	5	4

(xxiii) A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by is given below:-

(a) Parent/Subsidiary/Associated Companies and other related parties (name wise details)

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
1	Evince Design and Fashions Ltd.	Related Party	2,233,000	22,330,000	1.41%

(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
1	Anwar-ul Alam Chowdhury	Chairman	8,236,800	82,368,000	5.20%
2	Shabnam Shehnaz Chowdhury	Vice Chairman	8,236,800	82,368,000	5.20%
3	Abu Kawser Majumder	Managing Director & CEO	13,068,000	130,680,000	8.25%
4	A.K. Gouhor Rabbani	Director	13,068,000	130,680,000	8.25%
5	Md. Akhter Shahid	Director	8,712,000	87,120,000	5.50%
6	Shah Adeeb Chowdhury	Director	3,379,200	33,792,000	2.13%
7	Shah Rayeed Chowdhury	Director	3,379,200	33,792,000	2.13%
8	Faizul hakim Khan	Independent Director	-	-	-
9	M. Shahjahan Bhuiyan	Independent Director	-	-	-
10	Md. Mustafa kamal	Company Secretary	-	-	-
11	Khairul Islam Khan, FCA	Chief Financial Officer	-	-	-
12	Md. Shaheen Mahmud	Head of Internal Audit & Compliance	-	-	-
	Sub-Total		58,080,000	580,800,000	36.67%
13	Institution & General Public	-	98,087,000	980,870,000	61.92%
	Total		158,400,000	1,584,000,000	100%

DIRECTORS' REPORT

(c) Executives (For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.)

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
1	Romeo N Gomes	Executive Director	Nil	Nil	Nil
2	Atiqul Aktar	ED-Marketing	Nil	Nil	Nil
3	Md. Jamal Hossain	GM-QA	Nil	Nil	Nil
4	Md. Mahbubur Rahman Khan	DGM-Finising	Nil	Nil	Nil
5	Md. Alkasur Rahman	DGM-Maintenance	Nil	Nil	Nil

(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)		Nil	Nil	Nil

(xxiv) With regard to the appointment, retirement and reappointment of directors, the company is governed by its Articles of Association, the Companies Act 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at the Annual General meeting.

1. Mr. Shah Adeeb Chowdhury:

Mr. Shah Adeeb Chowdhury graduated from EIILM, Business School, Delhi, India. Immediately after his graduation he joined the company in the year 2013 as Director-Support Service and did his internship in different departments of the company. He is currently engaged in different sectors, including "Information Technology", in his attempt to contribute both to the growth and development of the company as well as increase his own knowledge and understanding of the product and the industry as a whole. He is also director of Argon Denims Limited, Evitex Polycot Limited and Evince Apparels Limited. He is also eligible for re-appointment.

2. Mr. Shah Rayeed Chowdhury

Mr. Shah Rayeed Chowdhury obtained BBA Cum laude Honors Degree in Business Management from Pace University, New York. Upon completion higher studies, he joined the company in 2013 as Director-Production. In order to gain more practical experience in the field of finance, he has worked in a financial institution prior to joining the company. As youngest member of the board, Mr. Chowdhury' s constant research and development of modern means of taking the company forward, acts as a driving force for the company. He is also director of Argon Denims Limited and eligible for re-appointment.

(xxv) The management discussion and analysis signed by CEO/MD presenting details analysis of the company's position and operation is attached in an Annexure-01.

(xxvi) Declaration signed by the CEO and the CFO to the Board is enclosed herewith the report as required under condition No. 3(3) as per Annexure-A.

(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 has been disclosed in Annexure-B and Annexure-C.



Abu Kawser Majumder
Managing Director

Management's Discussion and Analysis

Annexure-01

Management's Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements as per condition no 5(XXV) of Corporate Governance Code dated June 03, 2018.

(a) The company has prepared and presented its financial statement as per IAS as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The following IASs are applicable for the financial statements for the period under review:

IAS – 01	Presentation of Financial Statement
IAS – 02	Inventories
IAS – 07	Statement of Cash Flows
IAS – 08	Accounting Policies, Changes in Accounting Estimates and Errors
IAS – 10	Events after the Reporting Period
IAS – 12	Income Taxes
IAS – 16	Property, Plant & Equipment
IAS – 17	Leases
IAS – 19	Employees Benefit
IAS – 21	The Effects of Changes in Foreign Exchange Rates
IAS – 23	Borrowing Costs
IAS – 24	Related Party Disclosures
IAS – 27	Separate Financial Statement
IAS – 33	Earnings per share
IAS – 34	Interim Financial Reporting
IAS – 37	Provision, Contingent Liabilities and Contingent Assets
IAS – 39	Financial Instruments: Recognition and Measurement
IFRS – 10	Consolidated Financial Statement
IFRS –15	Revenue from Contract with Customer

(b) There is no changes in accounting policies and estimation during the preparation of financial statement for the year ended June 30, 2018,

(c) comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons are as follows;

Figures In Million Taka

Particulars	Jul 17 to Jun 18		Jul 16 to Jun 17		July 15 to Jun 16		Jan to Dec 14		Jan to Dec 13	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
Turnover	2,411	1,796	2,327	1,745	2,175	1,580	2,337	1,564	1,518	1,518
Gross Profit	496	435	514	456	471	412	467	408	396	396
Net Profit Before Tax	208	178	233	204	208	174	190	164	162	120
Net Profit after Tax	169	144	186	160	181	157	166	143	149	106
Shareholders' Equity	2,288	2,144	2,120	2,000	2,056	1,960	1,637	1,573	896	854
Total Assets	4,363	4,130	4,178	3,933	3,977	3,774	3,282	3,076	2,898	2,686
Total Current Assets	1,810	1,555	1,769	1,504	1,856	1,599	1,284	1,020	1,293	1,018
Total Current Liabilities	1,421	1,344	1,264	1,149	1,001	905	1,321	1,188	1,594	1,430
Current Ration	1.27	1.16	1.40	1.31	1.85	1.77	0.97	0.86	0.81	0.71
Net Asset Value	14.44	13.54	14.73	13.89	17.13	16.34	15.90	15.28	20.05	19.09
EPS	1.06	0.91	1.28	1.11	1.40	1.22	1.88	1.64	4.16	2.98
NOCFPS	2.85	2.60	2.78	3.23	0.80	0.51	3.24	3.04	6.96	6.96

Management's Discussion and Analysis

Annexure-01

Evince Textiles Limited has continuous growth during 2013 to 2017 but in the financial year 2017-2018 ETL was unable to keep same growth because of Cost of Goods sold increased due to increase of price of raw materials and utility cost like Gas & fuel resulting decreased of Gross Profit Margin. During the year-bank interest rate also got increased over the previous year leading toincrease of interest expenses on account of interest. ETL has also made provision for WPPF & WF for the first time. In addition to the above reason the net profit was affected due to reduction of selling price of fabric in the international market.

(d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;

Figures In Million Taka

Particulars	Evince Textiles Ltd. June 30, 2018	Rahim Textile Mills Ltd. June 30, 2017	Shasha Denims Ltd. June 30, 2017	Square Textiles Ltd. June 30, 2017
Revenue(Turnover)	2,411.29	717.46	4,333.17	7,758.88
Gross Profit	496.39	118.45	833.63	788.94
Operating Expenses:	108.65	41.71	152.60	237.51
Financial Expenses	171.20	17.14	190.25	46.80
Net profit before tax:	208.05	59.68	525.61	481.41
Net Profit After Tax	168.75	44.96	459.37	411.39
Net Profit in %	7.00%	6.27%	10.60%	5.30%
Earnings per Share (EPS)	1.06	6.61	4.07	2.30

(e) Bangladesh's economy has grown by approximately 6 percent annually for two decades despite prolonged political instability, poor infrastructure, insufficient power supplies, and slow implementation of economic reforms. Despite some streamlining of business regulations, entrepreneurial activity is also hampered by an uncertain regulatory environment and the absence of effective institutional support for private-sector development. The top income tax rate is 30 percent, and the top corporate tax rate is 45 percent. Other taxes include a value-added tax. The overall tax burden equals 8.8 percent of total domestic income. Over the past three years, government spending has amounted to 13.9 percent of total output (GDP) and budget deficits have averaged 3.4 percent of GDP. Public debt is equivalent to 33.1 percent of GDP.

(f) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment is stated below;

As the Company is availing Working Capital loan with variable interest rate, it is highly exposed to interest rate risk. To minimize this exposure, the Company is emphasizing on equity based financing to reduce dependency on interest based borrowed fund.

Management's Discussion and Analysis

Annexure-01

The Company was setup with all brand new imported machineries. However, management is very much aware of both advantages and technical risk of modern technology, for which it is continuously keeping the company technologically updated. The machineries of the company are in very good working condition.

The manufacturing operation is largely dependent on LNG from "Titas Gas Transmission & Distribution Company Ltd." However, the management is very much aware about the risk of Scarcity of Gas for keeping production smoothly. For this, the management also set up dual-fuel firing capabilities. This enables the company to continue production in case of emergency and non-committal supply lapses.

(g) In the up coming year Evince Textiles Limited will take steps for installation of 3.6MLD MBR Effluent Treatment Plant (ETP) as per requirement and compulsion impose by the buyers. The project is expected to be functional within the next financial year and the company has planned to add another product line of high quality Indigo dyeing with finishing range.



Abu Kawser Majumder
Managing Director

EVINCE TEXTILES LIMITED

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

EVINCE TEXTILES LIMITED
Declaration by CEO and CFO

September 19, 2018

The Board of Directors
Evince Textiles Limited
Lotus Kamal Tower One (Level-12)
57 Joar Shahara C/A,
Nikunja-2, New Airport Road,
Dhaka-1229.

Subject: **Declaration on Financial Statements for the year ended on June 30, 2018.**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1) The Financial Statements of Evince Textiles Limited for the year ended on June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

I. We have reviewed the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Abu Kawser Majumder
Chief Executive Officer

Khairul Islam Khan, FCA
Chief Financial Officer

Registered Office:
Plot #33, Section#7, Mirpur
Dhaka-1216, Bangladesh.
Tel : +88 02 9020491-2.
Fax: +88 02 8900897

Corporate Office :
Lotus Kamal Tower-ONE (Level-12), 57, Joar Sahara C/A
Nikunja-2, New Airport Road, Dhaka-1229, Bangladesh.
Phone : +88 02 8900870-4, 8900781-3, Fax: +88 02 8900784
E-mail: info@evincetextiles.com, Web: www.evincetextiles.com

Factory :
Vill. : Shirir Chala, P.O. : Bhabanipur
P.S : Gazipur Sadar, Dist. : Gazipur
Bangladesh.

Ahmed Zaker & Co.
CHARTERED ACCOUNTANTS

Head Office :
89 Kakrail, Green City Edge (Level 10), Dhaka 1000, Bangladesh
Website: www.ahmed-zaker.com Email: azchangladesh@ahmed-zaker.com
Phone: +88-02-83005018, Fax: +88-02-8300509

Annexure-B
[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Evince Textiles Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Evince Textiles Limited for the year ended on June 30, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June2018 of the Bangladesh Securitiesand Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Ourexamination 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 ofthe 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:

(a) 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 except the conditions which are non-complied specified in **Annexure-C**;
(b) 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 except the conditions which are non-complied specified in **Annexure-C**;
(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws except the conditions which are non-complied specified in **Annexure-C**; and
(d) The governance of the company is satisfactory.

Place: Dhaka
Dated: 8 October, 2018

Ahmed Zaker & Co.
Chartered Accountants

INDEPENDENT MEMBER

Uttara Office:
Plot # 15 (G.Floor), Road # 17, Sector # 4, Uttara Model Town, Dhaka-1230. Tel: (R) 8918246, 8923233 Mobile: 01755603600 E-mail: uzhmahmud1@ahmed-zaker.com
Chittagong Office:
74, Sk. Mujib Road, Agrabad, C/A Chittagong - 4100. Tel: 031-634103 Cell No. 01819385193 E-mail: anupchy@ahmed-zaker.com

Annexure-C

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

Status of compliance with the conditions imposed by the Commission's NotificationNo.SEC/CMRRC-D/2006-158/207/Admin/80 dated: 3 June 2018 issued under section 2CC of theSecurities and Exchange Ordinance, 1969 (XVII of 1969):

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	**Board of Directors.-**			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred toas "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	**Independent Directors**			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shallbe independent directors; any fraction shall be considered to the next integer or wholenumber for calculating number of independent director(s);	√		
1(2)(b)(i)	who either does not hold any share in the company or holds less than onepercent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is 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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		

Annexure-C

1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	√		
1(3)	**Qualification of Independent Director:-**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
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 business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former 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; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A

Annexure-C

1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered CertifiedAccountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;		√	Noted for compliance
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.		√	Noted for compliance
1(5)	**The Directors' Report to Shareholders**			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external riskfactors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		

Annexure-C

1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	√		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound indesign and has been effectively implemented andmonitored;	√		
1(5)(xvi)	A statement that minority shareholders have beenprotected 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)	A statement that there is 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;	√		

Annexure-C

1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
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;	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		

Annexure-C

1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, withjustification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to theBoard as required under condition No. 3(3) shall bedisclosed as per **Annexure-A**; and	√		
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 as per **Annexure-B** and**Annexure-C**.	√		
1(6)	**Meetings of the Board of Directors** The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
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) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		√	Noted for compliance
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; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		√	Noted for compliance
2	**Governance of Board of Directors of Subsidiary Company:-**			
2(a)	Provisions relating to the composition of the Board of theholding company shall be made applicable to thecomposition of the Board of the subsidiary company;	√		

Annexure-C

2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the 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 also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular theinvestments made by the subsidiary company.	√		
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-**			
3(1)	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer(CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head ofInternal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO),Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;		√	Noted for compliance
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;		√	Noted for compliance
3(1)(d)	The Board shall clearly define respective roles,responsibilities and duties of the CFO,the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their positionwithout approval of the Board as well asimmediate dissemination to the Commission and stock exchange(s).	√		
3(2)	**Requirement to attend Board of Directors' Meetings** The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	**Duties of Managing Director (MD) or Chief ExecutiveOfficer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			

Annexure-C

3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee:-**			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.		√	Noted for compliance
5	**Audit Committee:-**			
5(1)	**Responsibility to the Board of Directors.**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The 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 and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
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)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;		√	Noted for compliance
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 management background and 10 (ten) years of such experience;	√		

Annexure-C

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 1 (one) month 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 Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	**Chairperson of the Audit Committee**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	**Role of Audit Committee** The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		

Annexure-C

5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the 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 management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
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;	√		

Annexure-C

5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	√		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
5(6)(b)	Reporting to the Authorities	√		
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 Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;		√	Noted for compliance
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		√	Noted for compliance
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).		√	Noted for compliance
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;		√	Noted for compliance
6(2)(b)	All members of the Committee shall be non-executive directors;		√	Noted for compliance
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;		√	Noted for compliance
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;		√	Noted for compliance
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		√	Noted for compliance

Annexure-C

6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be 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;		√	Noted for compliance
6(2)(g)	The company secretary shall act as the secretary of the Committee;		√	Noted for compliance
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;		√	Noted for compliance
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.		√	Noted for compliance
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;		√	Noted for compliance
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;		√	Noted for compliance
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:		√	Noted for compliance
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;		√	Noted for compliance
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		√	Noted for compliance
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);		√	Noted for compliance
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.		√	Noted for compliance

Annexure-C

6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		√	Noted for compliance
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		√	Noted for compliance
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		√	Noted for compliance
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 objectives appropriate to the working of the company and its goals;		√	Noted for compliance
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		√	Noted for compliance
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		√	Noted for compliance
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;		√	Noted for compliance
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		√	Noted for compliance
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;		√	Noted for compliance
6(5)(c)	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.		√	Noted for compliance
7	**External or Statutory Auditors:-**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
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 services related to the accounting records or financial statements;	√		

Annexure-C

7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the Company:-**			
8(1)	The company shall have an official website linked with the website 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 exchange(s).	√		
9	**Reporting and Compliance of Corporate Governance:-**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the **Annexure-C**attached, in the directors' report whether the company has complied with these conditions or not.	√		

Abu Kawser Majumder
Managing Director

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/108

BAPLC

Date of issue : March 8, 2018

Renewed Certificate

This is to certify that

EVINCE TEXTILES LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December **2018.**

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

AUDIT COMMITTEE REPORT

Composition of the Audit Committee

- The Board constituted an Audit Committee as a sub-committee of the Board on Monday March 10, 2014.
- Composition of theAudit Committee is as follows:

Mr. Faizul Hakim Khan (Independent Director)	Chairman
Mrs. Shabnam Shehnaz Chowdhury (Director)	Member
Mr. A. K. Gouhor Rabbani (Director)	Member
Mr. Md. Akhter Shahid (Director)	Member

- The Company Secretary acts as the Secretary of the Audit Committee.

Terms of Reference (TOR) of the Audit Committee

- The Board defined Terms of Reference (TOR) for the Audit Committee. Activities of the Committee are performed as per the said TOR.
- The Committee submits its report directly to the Board of Directors.

Meetings of the Audit Committee

- The Committee had its four (04) meetings during the year. Attendance of the Members was as follows :

Name of the Member	No. of Meetings held	No. of Meetings Attended
Mr. Faizul Hakim Khan	4	3
Mrs. Shabnam Shehnaz Chowdhury	4	4
Mr. A. K. Gouhor Rabbani	4	4
Mr. Md. Akhter Shahid	4	4

- Minutes of the Committee are properly recorded.

Activities

In order to discharge the duties and responsibilities of the Audit Committee, the Committee-

- reviewed the financial statements of the first quarter, half year, third quarter and the year ended 30 June, 2018 and subsequently recommended to the Board for consideration and approval.

- reviewed the work of the Internal Audit & Compliance Department and made suggestions for improvement.

- recognized the observations of the Internal Audit & Compliance Department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.

- reviewed the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended 30 June, 2018.

- Ensured, while reviewing the financial statements, that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to textile industries.

AUDIT COMMITTEE REPORT

- discussed with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to address areas of concern;

- approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;

- reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation; and

- reviewed the performance of External Auditors during the last term and recommended them for re-appointment.

- reviewed the Internal Control System and Financial Statements

Reporting

- Pursuant to Condition # 5.6 of the Corporate Governance Code issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal audit and Compliance process. There are no infringement of laws, rules and regulations also.

- The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee

Faizul Hakim Khan
Chairman of the Audit Committee
September 19, 2018



AUDITORS' REPORT TO THE SHAREHOLDERS OF EVINCE TEXTILES LIMITED AND ITS SUBSIDIARIES

We have audited the accompanying financial statements of Evince Textiles Limited and its Subsidiaries, which comprises the Statement of Consolidated Financial Position as at 30 June 2018, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year then ended, a summary of significant account ing policies, other explanatory notes and all related consolidated financial statements of Evince Textiles Limited and its Subsidiaries.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the prepa ration and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstate ment. An audit involves performing procedures to obtain audit evidence about the amounts and disclo sures in the consolidated financial statements. The procedures selected depend on the auditors' judg ment, including the assessment of the risks of material misstatement of the consolidated financial state ments, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appro priateness of accounting policies used and the reasonableness of accounting estimates made by man agement, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements including financial position of Evince Textiles Limit ed And Its Subsidiaries, prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the Company's/group's affairs as at 30 June 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. However, certain documentation & reconciliation process need be strengthened further.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and

d) the expenditures incurred were for the purposes of the Company's business.

Dhaka
Dated: 08/10/2018

Pinaki & Company
Chartered Accountants

Consolidated

EVINCE TEXTILES LIMITED

AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position

as at 30 June 2018

PROPERTIES & ASSETS	Notes	Amount in Taka	
		30-Jun-18	30-Jun-17
Non Current Assets			
Property, Plant and Equipment	04.00	2,514,493,830	2,094,986,715
Capital work-in-progress	05.00	39,110,200	314,170,059
		2,553,604,030	**2,409,156,774**
Current Assets			
Fixed Deposit		4,379,956	-
Inventories	06.00	803,935,540	615,344,914
Accounts Receivable	07.00	685,989,118	784,025,882
Advances, Deposits and Pre-payments	08.00	307,340,169	334,067,828
Cash and Cash Equivalents	09.00	7,965,027	35,842,830
		1,809,609,810	**1,769,281,454**
		4,363,213,840	**4,178,438,228**
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' Equity			
Paid-up Capital	10.00	1,584,000,000	1,440,000,000
Retained Earnings	11.00	362,316,389	329,608,484
Revaluation Surplus	12.00	341,582,958	350,798,494
		2,287,899,347	**2,120,406,978**
Non-controlling interests	13.00	**11,973,123**	**10,715,933**
Non Current Liabilities			
Long Term Loan	14.00	595,973,861	750,280,615
Obligation under Finance Lease	15.00	7,409,916	2,827,615
Deferred Tax Liabilities	26.02	38,737,422	30,371,935
		642,121,199	**783,480,165**
Current Liabilities			
Short Term Loan	16.00	1,006,441,077	900,351,659
Current Maturity of Long Term Loan	14 & 15	192,072,455	168,381,131
Accounts Payable	17.00	4,671,913	9,184,437
Liabilities for Expenses	18.00	122,241,961	95,942,519
Provision for Contribution to WPPF & WF	19.00	7,915,291	-
Dividend Payable		178,186	181,575
Current Tax Liabilities	26.01.i	87,699,288	89,793,831
		1,421,220,171	**1,263,835,152**
Total Shareholders' Equity and Liabilities		**4,363,213,840**	**4,178,438,228**
Net Assets Value (NAV) Per Share	20.00	**14.44**	**14.73**

Managing Director | Director | Company Secretary

Pinaki & Company
Chartered Accountants

Consolidated

EVINCE TEXTILES LIMITED

AND ITS SUBSIDIARIES

Statement of Profit or Loss and other Comprehensive Income

For the year ended 30 June 2018

Particulars	Note	Amount in BDT	
		July 17 to June 18	July 16 to June 17
Turnover	21.00	**2,411,293,016**	**2,326,845,444**
Less: Cost of Goods Sold	22.00	1,914,906,428	1,813,125,036
Gross Profit		**496,386,588**	**513,720,407**
Less: Administrative, Selling & Other Expenses	23.00	108,644,875	124,034,896
Operating Profit		**387,741,713**	**389,685,511**
Less: Financial Expenses	24.00	171,198,760	161,683,167
Profit Before Other Income		**216,542,953**	**228,002,344**
Add: Other Income	25.00	421,934	5,449,698
Net Profit before WPPF & WF		**216,964,887**	**233,452,042**
Less: Provision for Contribution to WPPF & WF		8,915,291	-
Net Profit before Tax		**208,049,596**	**233,452,042**
Less: Provision for Tax	26.00	39,300,037	47,838,009
Current Tax	26.01	30,934,550	37,650,487
Deferred Tax	26.02	8,365,487	10,187,522
Net Profit after Tax		**168,749,559**	**185,614,034**
Other Comprehensive Income :		-	-
Total Comprehensive Income		**168,749,559**	**185,614,034**
Profit attributable to:			
Equity holders of the company		167,492,369	184,341,811
Non-controling interests	13.00	1,257,190	1,272,223
		168,749,559	**185,614,034**
Earnings Per Share (EPS)	27.01	**1.06**	**1.16**

Managing Director | Director | Company Secretary

Pinaki & Company
Chartered Accountants

Consolidated

EVINCE TEXTILES LIMITED

AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the year ended 30 June 2018

Amount in Taka

Particulars	Share Capital	Retained Earnings	Revaluation Surplus	Total
Balance as at July 01, 2017	**1,440,000,000**	**329,608,484**	**350,798,494**	**2,120,406,978**
Net Profit after Tax	-	167,492,369	-	167,492,369
Bonus Share Allotted on October 30, 2017	144,000,000	(144,000,000)		-
Adjustment for Depreciation on Revaluation	-	9,215,536	(9,215,536)	-
Balance as at June 30, 2018	**1,584,000,000**	**362,316,389**	**341,582,958**	**2,287,899,345**

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

Amount in Taka

Particulars	Share Capital	Retained Earnings	Revaluation Surplus	Total
Balance as at July 01, 2016	**1,200,000,000**	**495,566,108**	**360,499,059**	**2,056,065,167**
Net Profit after Tax	-	184,341,811	-	184,341,811
Adjustment for Depreciation on Revaluation	-	9,700,565	(9,700,565)	-
Bonus Share Allotted on November 24, 2016 @ 20%	240,000,000	(240,000,000)	-	-
Dividend (10% Cash)	-	(120,000,000)	-	(120,000,000)
Balance as at June 30, 2017	**1,440,000,000**	**329,608,484**	**350,798,494**	**2,120,406,977**

Managing Director | Director | Company Secretary

Consolidated

EVINCE TEXTILES LIMITED

AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows

For the year ended 30 June 2018

Particulars	Notes	Taka	
		July 17 to June 18	July 16 to June 17
Cash flow from Operating Activities			
Cash received from customers	28.00	2,509,329,781	2,357,085,985
Cash paid to suppliers , Employees & others	29.00	(2,029,691,758)	(1,943,531,903)
Income Tax paid		(29,009,882)	(18,827,341)
Other Income		421,934	5,449,698
Net cash provided by Operating Activities		**451,050,075**	**400,176,439**
Cash flow from Investing Activities			
Addition to Fixed Assets		(244,291,865)	(172,810,331)
Capital work-in-progress		(39,110,200)	(260,701,122)
Fixed Deposit		(4,379,956)	48,692,001
Net Cash provided by Investing Activities		**(287,782,021)**	**(384,819,452)**
Cash flow from Financing Activities			
Financial Expenses		(171,198,760)	(161,683,167)
Dividend paid		(3,389)	(119,818,425)
Long Term Loan-Increase/(Decrease)		(130,787,070)	(85,548,975)
Obligation under Finance Lease-Increase/(Decrease)		4,753,943	(988,269)
Short Term Loan-Increase/(Decrease)		106,089,418	191,073,518
Net cash provided by Financing Activities		**(191,145,858)**	**(176,965,318)**
Increase/(decrease) in Cash and Bank Balances		**(27,877,803)**	**(161,608,329)**
Cash and Cash Equivalents on Opening		35,842,830	197,451,161
Cash and Cash Equivalents on Closing		**7,965,027**	**35,842,830**
Net Operating Cash flow per shares (NOCFPS)	**30.00**	**2.85**	**2.78**

Managing Director Director Company Secretary

EVINCE TEXTILES LIMITED
AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statement
as at 30 June 2018

1.1 Legal form of the Company:

A) Evince Textiles Limited (Parent)

Evince Textiles Limited was incorporated as a Private Limited Company on 3rd June 1999 under the Companies Act 1994 and the company commenced its commercial production on May 02, 2003.It was converted into Public Limited Company on June 04, 2013. Registered office of the company is at Plot No. 33, Sector-7, Mirpur, Dhaka-1216 while Factory is situated at Vill./Mouza: Shirir Chala, P.O.: Bhabanipur, P.S.: Gazipur Sadar, Dist: Gazipur. The principal activity of the company is to manufacture 100% cotton yarn dyed woven Fabrics. The Company was established with an Authorised Capital of Tk. 100,000,000/- and Paid-up Capital of Tk. 500,000/-. The Authorised capital and Paid-up capital of the company was subsequently raised to Tk. 3,500,000,000/- and Tk. 1,584,000,000/- respectively. The Shares of the company has been denominated from Tk. 100/- to Tk. 10/- per share as at June 04, 2013.

B) Evitex Fashions Limited (Subsidiary)

Evitex Fashions Limited was incorporated as a Private Limited Company on April 11, 2004 under the Compa nies Act 1994 and the company commenced its commercial production on May 15, 2005. Registered office of the company is at Plot No. 33, Sector-7, Mirpur, Dhaka-1216 while Factory is situated at Vill./Mouza: Shirir Chala, P.O.: Bhabanipur, P.S.: Gazipur sadar, Dist: Gazipur. The principal activity of the company is 100% export oriented Readymade Garments. Evince Textiles Limited is now holding 95% shares of the company. The Company was established with an Authorised Capital of Tk. 100,000,000/- and Paid-up Capital of Tk. 200,000/-. The Paid-up capital of the company was subsequently raised to Tk. 88,000,000/-. The Shares of the company has been denominated from Tk. 100/- to Tk. 10/- per share as at April 21, 2013.

1.2 Nature of Business:

i. Parent Company:

The main activities of the company concentrated in Manufacturing, Dyeing & Finishing of 100% cotton woven Fabric and exporting the same.

ii. Subsidiary Company:

The main activities of the company concentrated in 100% export oriented Readymade Garments.

1.3 Share Capital

Particulars	June 30, 2018	June 30, 2017
Authorized Capital 35,00,00,000 ordinary shares of Tk. 10 each	3,500,000,000	3,500,000,000
Issued, Subscribed and fully paid up : 15,84,00,000 ordinary shares of Tk. 10 each	1,584,000,000	1,440,000,000

2.0 Basis of Preparation:

2.1 Statements Compliance:

The financial statements have been prepared in accordance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2 Reporting Period:

Financial statements of the company cover from 01-07-2017 to 30-06-2018.

2.3 Date of Authorization:

The Board of Directors of Evince Textiles Limited approved this Financial Statements on 20th September 2018.

2.4 Reporting Currency and Level of Precision:

Currency of Reporting:

The figure in the financial statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

Foreign Currency Transactions

Foreign Currency Transactions in foreign currencies are converted into equivalent taka applying the ruling rate at the date of such transactions as per IAS-21 "The Effects of Changes in Foreign Exchange Rates".

2.5 Comparative Information:

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors". Comparative information has been provided in accordance with IAS-1 para 38 & 38A Statement of Financial Position, Statement of Comprehensive Income, statement of changes in equity and statement of cash flows.

3.0 Significant Accounting Policies:

3.1 Basis of Consolidation:

These consolidated financial statements comprise the consolidated financial position and consolidated results of operations of the company and its subsidiaries (Collectively referred to as "the Group") on a line by line basis together with the Group's share in the net assets of its equity-accounted investees.

IFRS 10 introduced a new control model that focuses on whether the group has power over an investee, expo sure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. An investor has power over an investee when the investor has existing rights that gives it the current ability to direct the relevant activities that significantly affect the investee's return. Power arises from rights. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. An investor controls an investee if the investor not only has the power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's return from its involvement with the investee.

Subsidiaries

Subsidiaries are enterprises controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The results of operations and total assets and liabilities of subsidiary companies are included in the consolidated financial statements on a line by-line basis and the interest of minority shareholders, if any, in the results and net assets of subsidiaries is stated separately. The financial statements of subsidiaries are included in the consolidated financial state ments of the Group from the date that control commences until the date that control ceases. Any gains or losses on increase/decrease in non-controlling interest in subsidiaries without a change in control, is recog nized as a component of equity.

Loss of Control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interest and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such inter est is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transaction, and any unrealized income and expenses arising from intra-group trans action, are eliminated in preparing the consolidated financial statements. Unrealized gain arises from transac tion with equity-accounted investees are eliminated against the investment to the extent of the Group's inter est in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2.1 Non-derivative Financial Assets

The Entity initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date that the Entity becomes a party to the contractual provisions of the instrument.

The Entity derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by Entity is recognized as a separate asset or liability.

The Entity classifies non-derivative financial assets into the following categories: Accounts Receivable and Cash and Cash Equivalents.

a. Accounts Receivable

Accounts Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subse quent to initial recognition Accounts receivables are measured at amortized cost using the effective interest method, less any bad debts provision and the entity has not provision for bad debts provision.

b. Cash and Cash Equivalents

Cash and Cash equivalents comprise cash in hand and cash at bank.

3.2.2 Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the entity becomes a party to contractual provisions of the instrument.

The entity derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Non-derivative financial liabilities comprise Bills Payable and borrowings.

a. Bills Payable

Bills payables are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, bills payables are measured at amortised cost using the effective interest method.

b. Borrowings

Interest-bearing borrowing include short term bank loan. Interest-bearing borrowings are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

3.3 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as deduction form equity, net of any tax effects. Paid-up share capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Hold ers 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 the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

3.4 Application of International Accounting Standards (IASs):

The financial statements have been prepared in compliance with requirement of IAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following IASs are applicable for the financial statements for the period under review:

IAS – 01	Presentation of Financial Statement
IAS – 02	Inventories
IAS – 07	Statements of Cash Flows
IAS – 08	Accounting Policies, Changes in Accounting Estimates and Errors
IAS – 10	Events after the Reporting Period
IAS – 12	Income Taxes
IAS – 16	Property, Plant & Equipment
IAS – 17	Leases
IAS – 19	Employees Benefit
IAS – 23	Borrowing Costs
IAS – 24	Related Party Disclosures
IAS – 33	Earnings per share
IAS – 34	Interim Financial Reporting
IAS – 36	Impairment of Assets
IAS – 37	Provision, Contingent Liabilities and Contingent Assets
IAS – 39	Financial Instruments: Recognition and Measurement
IFRS-10	Consolidated Financial Statement
IFRS-15	Revenue from Contracts with Customers

3.5 Recognition of Property, Plant & Equipment and Depreciation:

Property, Plant & Equipment is stated at cost less depreciation in accordance with IAS-16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction and include purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use. During Financial year 2012 the Company Revalued again the Assets amounting Tk. 172,372,331 by M.M. Rahman & Co., Chartered Accountants after the Revaluation during financial year 2008 amounting Tk. 260,672,242 by G.K. Adjusters Ltd., Licensed Certified Surveyor Government of Bangladesh. No depreciation is charged on land and land development. Depreciation on all other fixed assets is computed using the reducing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation on addition is charged when it is available for use. Expenditure for maintenance and repairs are expenses, major replace ments, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for period.

The depreciation rate in this period has been restructured as under:

Sl.	Category of Fixed Assets Rate	Rate
1.	Land and Land Development	-
2.	Building	5%
3.	Plant and Machinery	10%
4.	Fire Detection System & Equipment	15%
5.	Balancing, Modernization, Rehabilitation & Expansion	5%
6.	Furniture and Fixtures	10%
7.	Office Equipment	15%
8.	Electricity, Gas and Water Line Installation	10%
9.	Electric Sub-Station	10%
10.	Installation Cost of Machinery	10%
11.	False Ceiling & Cooling Ducting	15%
12.	Vehicles	20%

3.6 Impairment:

In accordance with the provision of IAS 36, the carrying amount of non-financial assets other than invento ries of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of compre hensive income. No such indication of impairment has been observed till the end of the period.

3.7 Revaluation of Fixed Assets:

The company revalued its fixed assets for the 1st time in the year 2008 and the 2nd time in the year 2012. Reserve is created in accordance with International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) and other applicable laws, rules, regulations and guidelines. Depreciation is charged on the revalued assets except Land and Land Development. Proper accounting treatments, inclu ing provisions, tax and other liabilities, have been made in the financial statements to consider the valuation.

3.8 Inventories:

Inventories comprise of Raw Materials, Work-in Process and Finished Goods. They are stated at the lower of cost or net realizable value in accordance with the Para of 21 & 25 of IAS-2 "Inventories" after making due allowance for any obsolete or slow moving item. Quantity wise Schedule of inventory as per requirement of companies act 1994 is detailed in Annexure-B.

3.9 Advance, Deposit and Prepayment:

Evince Textiles Limited has been incurred some expenses as Advance, Deposit and Pre-payment that are shown in the notes to Financial Statement in details.

3.10 Accounts Receivable:

These are carried forward at their original invoiced value amount and represents net realizable value. Man agement considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current period's account.

3.11 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS-7 Statement Cash Flows and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions that Enterprises are encouraged to Report Cash Flow from Operating Activities Using the Direct Method". There has been made a certain change in financial expenses treating the same under financial activities rather than operating activities shown earlier.

3.12 Cash and Cash Equivalents:

According to IAS-7 'Statement of Cash Flows' cash comprises of cash-in-hand and demand deposits. IAS-1 'Presentation of Financial Statements' provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1, Cash in hand and Bank Balances have been considered as cash and cash equivalents.

3.13 Long Term Liabilities:

Long Term liabilities comprises the amount borrowed from the bank and other concern for the long period of time and accounted and shown in the accounts at transaction cost as per IAS 39 "Financial Instrument: Recognition and Measurement."

3.14 Creditors and Accruals:

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.15 Income Tax:

Current Tax:

Evince Textiles Limited:

Provision for current income tax has been made at the rate of 15% as prescribed in the finance act on the accounting profit made by the company as per ITO 1984 in compliance with IAS-12 "Income Taxes".

Evitex Fashions Limited:

Provision for current tax for the year has been made at the rate of 12% as prescribed in the SRO 255-Ain/Incometax/2017 dated August 01, 2017 on the accounting profit made by the company as per ITO 1984 in compliance with IAS-12 "Income Taxes".

Deferred Tax:

Evince Textiles Limited:

Deferred tax is provided for all temporary timing differences arising between the tax base of assets and liabilities and their accounting base in the financial statements in accordance with the provisions of IAS-12. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

Evitex Fashions Limited:

The provision for deferred tax is raised due to taxable temporary difference for this period in accordance with the provisions of IAS-12. The Tax Authority allowed the accounting depreciation as tax depreciation so there is no difference between tax depreciation and accounting depreciation as such deferred tax is nil.

3.16 Compliance with Local Laws:

The financial statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities and Exchange Rules, 1987 and other relevant local laws and rules.

3.17 Borrowing Cost:

The borrowing cost is capitalized unless active developments of related assets are interrupted or cease when the borrowing cost directly transferred to the profit and Loss account as per IAS-23 "Borrowing Cost".

3.18 Revenue Recognition:

Revenue from the sales is measured at the fair value of the consideration received or receivable. The com pany recognizes revenue when risk and rewards associated with ownership has been transferred to buyer, which satisfied all the condition for the revenue recognition as provided in IFRS-15 'Revenue from Contracts with Customers'.

Sales revenue is recognized when transactions related to sales are completed and the sales invoices are issued in favor of the buyers.

3.19 VAT:

The Company's traded income is 100% export oriented so its income is not subject to VAT.

3.20 Components of the Financial Statements:

According to the International Accounting Standard IAS-1 'Presentation of Financial Statements' the com plete set of Financial Statements includes the following components:

i. Consolidated Statement of Financial Position as at June 30, 2018.
ii. Consolidated Statement of Comprehensive Income for the year ended from July 2017 to June 2018.
iii. Consolidated Statement of Changes in Equity for the year ended from July 2017 to June 2018.
iv. Consolidated Statement of Cash flows for the year ended from July 2017 to June 2018.
v. Accounting Policies and Explanatory Notes for the year ended from July 2017 to June 2018.

3.21 Earnings per Share:

Earning per share (EPS) is calculated in accordance with the International Accounting Standard IAS-33 and weighted average number of share has been used as the denominator and details are shown in the Notes to the Financial Statement.

Basic earnings per share:

This represents earning for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the period has been consid ered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding During the Period:

This represents the number of ordinary shares outstanding at the beginning of the period plus the number of shares issued during the period multiplied by a time-weighted factor is the number of months the specific shares are outstanding as a proportion of the total number of months in the period.

3.22 Responsibility for Preparation and 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 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements' issued by the International Accounting Standards Board (IASB).

3.23 Going Concern:

The financial statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

3.24 Employees Benefits:

Evince Textiles Limited are paying to its employees some benefits which include Salaries, Wages, Sick Leave, Mobile Allowance, Lunch Subsidy etc. as short term benefit and as the long term benefit the company imple mented Contributory Provident Fund (CPF) from March 01, 2015 and Worker's Profit Participation Fund and Welfare Fund (WPPF & WF) from July 01, 2017. On monetary benefits like Medical Care, Transport Facilities.

3.25 Events after the Reporting Period:

As per AS-10 "Event after the Reporting Period" are those event favorable and unfavorable that occur between the end of the reporting period and the date when the financial statement is authorized for issue. Two types of event can be indentified:

Those are providing evidence of conditions that existed at the end of the reporting period (adjusting events after the Reporting Period); and

Those are indicative of conditions that arose after the reporting period (Non-adjusting events after the Reporting Period).

As per decision of 72th Board meeting held on 07 October 2018, the company will go for BMRE for Tk. 70.37 crore to increase 50% production capacity by its own source Tk. 14.96 crore & loan financing from Modhu-moti Bank Limited Tk. 55.41 crore. Moreover, the directors have taken decision not to take their outstanding remuneration amounting to Tk. 7.32 crore which intern would be added as income for the next year.

3.26 Financial Instruments:

Derivative:

According to IFRS-7 "Financial Instruments Disclosers", the company was not a party to any derivative contract (financial instruments) at the financial statement date, such as forward exchange contract, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per IAS 39 "Financial Instruments Recognition and Measure ment".

EVINCE TEXTILES LIMITED
AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statement
as at 30 June 2018

Sl.No.	Particulars	Notes / Annex.	Amount in BDT 30-Jun-18	Amount in BDT 30-Jun-17
04.00	**Property, Plant and Equipment:**			
	Land and Land Development		401,914,964	373,189,487
	Building		884,347,685	756,943,353
	Plant & Machinery		1,086,877,285	815,438,105
	Fire Detection System & Equipment		20,592,137	20,144,657
	Balancing, Modernization, Rehabilitation & Expansion		28,977,671	30,502,812
	Furniture and Fixtures		4,235,341	4,386,135
	Office Equipment		4,556,513	4,603,006
	Electricity, Gas & Water Installation		3,858,874	4,287,638
	Electrical Equipment		1,587,756	1,867,949
	Electric Sub-Station		6,479,609	7,199,566
	False Ceiling & Cooling Ducting		54,931,754	64,625,592
	Vehicles		16,134,240	11,798,413
			2,514,493,830	**2,094,986,715**
04.01	**Movement of Consolidated PPE**			
	Opening Balance		**2,094,986,715**	**2,067,145,494**
	Add: Addition during the year		558,461,925	172,810,331
	Closing Balance		**2,653,448,639**	**2,239,955,825**
	Less: Depreciation charged during the year		138,954,809	144,969,112
	Written Down Value (WDV)		**2,514,493,830**	**2,094,986,715**
	For Details please refer to Annexure-'A' (PPE Schedule)			
05.00	**Capital work-in-progress**			
	Civil Construction		39,110,200	152,568,421
	Machineries		-	161,601,638
			39,110,200	**314,170,059**
06.00	**Inventories**			
	Raw Materials	06.01	501,816,122	323,214,682
	Work in Process	06.02	159,281,969	151,884,340
	Finished Goods	06.03	142,837,449	140,245,892
			803,935,540	**615,344,914**
06.01	**Raw Materials**			
	Yarn	Annex-B	331,003,878	190,492,274
	Sizing Chemical	Annex-B	12,569,768	3,827,723
	ETP Chemical	Annex-B	8,379,845	6,394,819
	Dyes Chemical	Annex-B	56,563,954	28,490,181
	Finishing Chemical		10,474,806	-
	Fabrics	Annex-B	66,259,097	75,207,747
	Accessories	Annex-B	16,564,774	18,801,937
			501,816,122	**323,214,682**
06.02	**Work in Process**			
	Warping	Annex-B	23,422,144	32,885,076
	Sizing	Annex-B	28,106,573	37,369,405
	Dyeing	Annex-B	29,668,050	44,843,286
	Weaving	Annex-B	46,844,289	34,379,853
	Finishing	Annex-B	28,106,573	-
	Evitex Fashions Ltd.	Annex-B	3,134,340	2,406,720
			159,281,969	**151,884,340**
06.03	**Finished Goods**			
	100% Cotton Fabrics	Annex-B	139,516,315	137,090,327
	Finished Shirts	Annex-B	3,321,134	3,155,565
			142,837,449	**140,245,892**

Consolidated

EVINCE TEXTILES LIMITED

AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statement

as at 30 June 2018

Sl.No.	Particulars	Notes / Annex.	Amount in BDT	
			30-Jun-18	30-Jun-17
07.00	**Accounts Receivable**			
	Consolidated Export Bills Receivable	07.01	685,989,118	784,025,882
			685,989,118	**784,025,882**
07.01	**Consolidated Export Bills Receivable**			
	Export Bills Receivable of ETL		608,222,963	697,296,320
	Export Bills Receivable of EFL		77,766,155	86,729,560
			685,989,118	**784,025,880**
07.03	**Disclosure as per Schedule-XI, Part-I of the Companies Act, 1994**			
	Maturity Less than 6 months		685,989,118	784,025,884
	Maturity more than 6 months		-	-
			685,989,118	**784,025,884**
	Debts considered Good and Secured		685,989,118	784,025,884
	Debts considered Good without security		-	-
	Debts considered doubtful and bad		-	-
	Debts due by directors or other officers & staffs		-	-
	Debts due from companies under same management		-	-
	Maximum debt due any directors or officers & staffs at any time		-	-
08.00	**Advance, Deposits and Pre-payments**			
	Security Deposit - Gas Connection		18,431,497	13,887,447
	Advance Income Tax		36,372,729	40,391,939
	FC held account		145,389,410	185,227,988
	Reserve for BTB LC payment		33,752,009	22,189,129
	Reserve Margin		517,523	1,881,324
	ERQ Accounts-sebl		177,003	-
	Advance against Land Purchase		38,700,000	36,475,000
	Advance against Salary		-	15,000
	Share Money Deposit to Argon Spinning Ltd.		34,000,000	34,000,000
			-	-
			307,340,169	**334,067,828**
08.01	**Disclosure as per Schedule-XI, Part-I of the Companies Act, 1994**			
	Advance exceeding 6 months		54,804,226	54,279,387
	Advance not exceeding 6 months		252,535,943	279,788,441
	Advance, deposit & prepayments considered good with secured		307,340,169	334,067,828
	Advance, deposit & prepayments considered good without security		-	-
	Advance, deposit & prepayments considered doubtful & bad		-	-
	Advance, deposit & prepayments due by directors or other officers and staffs		-	-
	Advance, deposit & prepayments due from companies under same management		-	-
	Maximum Advance due by directors or officers & staffs at any time		-	-
09.00	**Cash and Cash Equivalent**			
	Cash in Hand	09.01	1,017,360	1,582,193
	Cash at Banks	09.02	6,947,667	34,260,637
			7,965,027	**35,842,830**
09.01	**Cash in Hand :**			
	At Head office		638,683	851,990
	At Factory office		378,677	730,203
			1,017,360	**1,582,193**

Sl.No.	Particulars	Notes / Annex.	Amount in BDT	
			30-Jun-18	30-Jun-17
09.02	**Cash at Banks :**			
	Prime Bank IBB#3105		1,639,668	1,643,918
	Prime Bank CD # 8484		-	1
	Standard Chartered Bank CD A/C		133,343	163,688
	EXIM Bank CD A/C		29,324	31,049
	Modhumoti Bank - CD A/C		583,766	180,281
	Modhumoti Bank - FDRA A/C		181,762	92,421
	Dhaka Bank CD A/C		195,184	1,081,747
	Brac Bank # 5001		3,324,445	30,485,766
	Brac Bank # 5005		167,699	184,417
	Prime Bank CD A/C-744		47,745	175
	Prime Bank STD A/C-115		15,059	16,784
	Southeast Bank CD A/C - 8028		437,345	229,108
	Brac Bank - 001		192,328	151,283
			6,947,667	**34,260,637**
10.00	**Share Capital**			
	Authorized Capital			
	350,000,000 Ordinary Shares of Tk 10/- each		**3,500,000,000**	**3,500,000,000**
	Issued subscribed and fully paid up capital			
	158,400,000 Ordinary shares of Tk. 10/- each		**1,584,000,000**	**1,440,000,000**
10.01	**Breakup of paid up capital:**			
	Opening balance		1,440,000,000	1,200,000,000
	Bonus Share Allotted on November 24, 2016		-	240,000,000
	Bonus Share Allotted on October 30, 2017		144,000,000	
			1,584,000,000	**1,440,000,000**

10.02 Share holdings Position

Particulars of Shareholders and their share holding position is as under:

Name of Share holders	Number of Shares		%	Amount in BDT	
	30-Jun-18	30-Jun-17		30-Jun-18	30-Jun-17
Anwar-ul Alam Chowdhury	8,236,800	7,488,000	5.20%	82,368,000	74,880,000
Shabnam Shehnaz Chowdhury	8,236,800	7,488,000	5.20%	82,368,000	74,880,000
Abu Kawser Majumder	13,068,000	11,880,000	8.25%	130,680,000	118,800,000
A.K. Gouhor Rabbani	13,068,000	11,880,000	8.25%	130,680,000	118,800,000
Md. Akhter Shahid	8,712,000	7,920,000	5.50%	87,120,000	79,200,000
Shah Rayeed Chowdhury	3,379,200	3,072,000	2.13%	33,792,000	30,720,000
Shah Adeeb Chowdhry	3,379,200	3,072,000	2.13%	33,792,000	30,720,000
Other Shareholder	100,320,000	91,200,000	63.33%	1,003,200,000	912,000,000
Total	**158,400,000**	**144,000,000**	**100.00%**	**1,584,000,000**	**1,440,000,000**
Face Value Per share	Tk. 10/-	Tk. 10/-			

10.03 Classification of shares by holding:

Slabs by number of shares	No. of Shareholders		No. of shares	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Less than 500	1443	1288	342,881	258,001
From 500 to 5,000	4325	4590	8,872,430	9,556,554
From 5,001 to 10,000	1161	1065	9,196,086	8,462,970
From 10,001 to 20,000	839	686	11,925,102	10,326,256
From 20,001 to 30,000	296	253	6,429,318	6,343,948
From 30,001 to 40,000	151	115	5,432,724	4,132,114
From 40,001 to 50,000	89	90	3,485,161	4,221,742
From 50,001 to 100,000	165	135	10,202,488	10,015,956
From 100,001 to 1,000,000	112	83	28,980,414	22,450,998
Above 1,000,000	14	15	73,533,396	68,231,461
Total	**8595**	**8320**	**158,400,000**	**144,000,000**

Consolidated

EVINCE TEXTILES LIMITED

AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statement

as at 30 June 2018

Sl.No.	Particulars	Notes / Annex.	Amount in BDT 30-Jun-18	30-Jun-17
11.00	**Retained Earnings**			
	Opening Balance		329,608,484	495,566,108
	Add: Current year Profit after Tax		167,492,369	184,341,812
	Add: Adjustment for Depreciation on revaluation		9,215,536	9,700,565
	Less: Dividend (10% Stock) on October 30, 2017		(144,000,000)	(360,000,000)
	Closing Balance		**362,316,389**	**329,608,484**
12.00	**Revaluation Surplus**			
	Opening Balance		350,798,494	360,499,059
	Less : Depreciation on revalued assets		(9,215,536)	(9,700,565)
	Closing Balance		**341,582,959**	**350,798,494**
13.00	**Non-controling Interest**			
	Opening Balance		10,715,933	9,443,710
	Proportionate profit		1,257,190	1,272,223
			11,973,123	**10,715,933**
14.00	**Long Term Loan :**			
	This represents amount provided and related by the Modhumoti Bank Ltd., Pubali Bank Ltd., and LankaBangla Finance Ltd. The breakup of the loans is given below:			
	Opening Balance		**917,571,545**	**1,003,120,520**
	Add: Loan Received During the Year		22,565,149	74,082,684
	Add: Interest Charged During the Year		87,634,766	88,804,557
			1,027,771,460	**1,166,007,761**
	Less - Paid during the year :		240,986,985	248,436,216
	Principal		153,352,219	160,173,958
	Interest		87,634,766	88,262,258
	Balance before current maturity	14.01	**786,784,475**	**917,571,545**
	Less : Current Maturity		190,810,613	167,290,930
	Balance after current maturity		**595,973,861**	**750,280,615**
14.01	**Term Loan:**			
	Pubali Bank Limited		188,613,141	237,624,569
	Modhumoti Bank Ltd.		511,039,796	592,688,602
	LankaBangla Finance Ltd.		87,131,538	87,258,374
			786,784,475	**917,571,545**
15.00	**Obligation under Finance Lease**			
	This represents amount provided and related by the Nitol Motors Ltd. and LankaBangla Finance Ltd. The breakup of the loans is given below :			
	Opening Balance		**3,917,816**	**4,906,085**
	Add: During the Year		6,398,325	-
	Add: Interest Charged During the Year		854,592	600,423
			11,170,733	**5,506,508**
	Less: Paid during the year :		2,498,974	1,588,692
	Principal		1,644,382	988,269
	Interest		854,592	600,423
	Balance before current maturity	15.01	**8,671,759**	**3,917,816**
	Less : Current Maturity		1,261,843	1,090,201
	Balance after current maturity		**7,409,916**	**2,827,615**
15.01	**Details of Obligation under Finance Lease**			
	Nitol Motors Ltd.		542,830	826,686
	LankaBangla Finance Ltd.		8,128,929	3,091,130
			8,671,759	**3,917,816**

EVINCE TEXTILES LIMITED
AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statement

as at 30 June 2018

Sl.No.	Particulars	Notes / Annex.	Amount in BDT 30-Jun-18	30-Jun-17
16.00	**Short Term Loan**			
	Deferred Loan		118,457,000	93,634,000
	IDBP Loan		258,719,575	210,336,777
	LTR Loan		124,507,841	92,867,121
	EDF Loan		208,070,129	273,347,412
	Cash Credit Loan		61,661,092	60,406,900
	OD Loan		71,782,078	71,125,265
	ST Loan # 679-388		15,332,308	15,060,575
	Demand Loan		97,521,011	-
	ST Loan - LB		-	6,525,819
	OD against non cash security-SEBL-290		7,423,672	7,623,945
	Packing Credit-SEBL		23,302,026	18,334,426
	FBP-SEBL		-	7,970,280
	Time Loan-SEBL-1876/1825		10,077,777	10,030,833
	EDF Loan-SEBL		9,586,568	33,088,306
			1,006,441,077	**900,351,659**
17.00	**Accounts Payable :**			
	Asia Plastic Container		220,000	524,125
	Active Environmental Technology		100,000	-
	Prime Insurance Co. Ltd.		551,280	355,585
	Sarabor Trading co.		58,580	478,580
	RJM Corporation		45,910	800
	Corona Trade & Transport		109,310	89,310
	Colours Confidence		45,840	2,545
	Dammam Transport		51,700	1,700
	EFA Enterprise		33,619	333
	Falcate Paper Tube Co		108,990	20,990
	Payable for Raw Material		2,297,499	5,293,237
	Payable for Accessories		795,507	1,832,778
	Payable for Packing Material		253,679	584,454
			4,671,913	**9,184,437**
18.00	**Liabilities for Expenses :**			
	Gas Bill		19,307,081	17,249,631
	Salary and Wages		24,973,510	21,748,147
	PF Contribution (Employee & Employer)		2,638,902	777,014
	Telephone & Mobile Bill		122,110	122,000
	Audit fees & VAT		218,500	253,000
	Directors' Remuneration		73,300,000	49,300,000
	Office Rent		154,509	400,986
	AIT & VAT Payable		1,522,091	6,085,493
	Electricity Bill		5,260	6,249
			122,241,961	**95,942,519**
19.00	**Provision for Contribution to WPPF & WF**			
	Opening Balance		-	-
	Add: Provision made during the year		8,915,291	-
	Less: Paid during the year		(1,000,000)	-
			7,915,291	**-**
20.00	**Net Assets Value (NAV) Per Share**		**14.44**	**14.73**
	Shareholders' Equity		2,287,899,347	2,120,406,978
	Total Number of Shares	20.01	158,400,000	144,000,000
20.01	**Total Number of Shares**			
	Opening Balance		144,000,000	120,000,000
	Bonus Share Allotted on November 24, 2016		-	24,000,000
	Bonus Share Allotted on October 30, 2017		14,400,000	-
			158,400,000	**144,000,000**
	Face Value per Share		Tk. 10/-	Tk. 10/-

Consolidated

EVINCE TEXTILES LIMITED
AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statement

For the year ended 30 June 2018

Sl.No.	Particulars	Notes / Annex.	Amount in BDT	
			July 17 to June 18	July 16 to June 17
21.00	**Turnover**			
	Export-ETL		1,778,067,419	1,735,653,058
	Export-EFL		610,927,457	578,211,901
	Export Incentive		-	1,159,200
	Foreign Exchange Gain/(Loss)		22,298,140	11,821,285
			2,411,293,016	**2,326,845,444**
21.01	**Sales Quantity**			
	Export-ETL	Yds	12,588,088	11,661,396
	Export-EFL	Pcs	1,786,338	1,652,040
22.00	**Cost of Goods Sold**			
	Raw material consumed	22.01	1,358,196,261	1,269,973,524
	Factory Overhead	22.02	566,699,352	540,424,890
			1,924,895,614	**1,810,398,414**
	Add: Opening Work-in-Process	Annex B	151,884,340	152,871,646
			2,076,779,954	**1,963,270,060**
	Less: Closing Work-in-Process	Annex B	159,281,969	151,884,340
	Cost of Production		**1,917,497,985**	**1,811,385,720**
	Add: Opening Stock of Finished Goods	Annex B	140,245,892	141,985,208
			2,057,743,877	**1,953,370,928**
	Less: Closing Stock of Finished Goods	Annex B	142,837,449	140,245,892
			1,914,906,428	**1,813,125,036**
22.01	**Raw Material Consumed**			
	Opening Stock of Raw Materials	Annex B	**323,214,682**	**322,008,549**
	Add. Purchase of Raw Materials	Annex B	1,536,797,702	1,271,179,657
			1,860,012,384	**1,593,188,206**
	Less: Closing Stock of Raw Materials	Annex B	501,816,122	323,214,682
			1,358,196,261	**1,269,973,524**
22.01.1	**Opening Stock of Raw Materials**			
	Yarn	Annex B	190,492,274	180,296,557
	Sizing Chemical	Annex B	3,827,723	4,709,549
	ETP Chemical	Annex B	6,394,819	1,917,802
	Dyes Chemical	Annex B	28,490,181	42,835,281
	Fabrics	Annex B	75,207,747	73,799,488
	Accessories	Annex B	18,801,937	18,449,872
			323,214,682	**322,008,549**
22.01.2	**Import of Raw Materials and Consumables**			
	Yarn	Annex B	873,754,489	721,386,600
	Sizing Chemical	Annex B	33,180,550	14,495,225
	ETP Chemical	Annex B	22,120,367	24,216,714
	Dyes Chemical	Annex B	149,312,476	107,890,952
	Finishing Chemical		27,650,458	-
	Fabrics	Annex B	344,623,490	322,552,134
	Accessories	Annex B	86,155,872	80,638,033
			1,536,797,702	**1,271,179,657**
22.01.3	**Closing Stock of Raw Materials**			
	Yarn	Annex B	331,003,878	190,492,274
	Sizing Chemical	Annex B	12,569,768	3,827,723
	ETP Chemical	Annex B	8,379,845	6,394,819
	Dyes Chemical	Annex B	56,563,954	28,490,181
	Finishing Chemical		10,474,806	-
	Fabrics	Annex B	66,259,097	75,207,747
	Accessories	Annex B	16,564,774	18,801,937
			501,816,122	**323,214,682**

Sl.No.	Particulars	Notes / Annex.	Amount in BDT	
			July 17 to June 18	July 16 to June 17
22.02	**Factory Overhead**			
	Wages & Salary with PF contribution		237,910,418	251,857,696
	Factory Staff Salary & Allowance		16,093,488	16,505,271
	Workers & Employee Welfare		616,137	309,030
	Packing Materials with VAT		3,924,016	3,235,312
	Gas Bill		119,845,352	97,599,770
	Repair & Maintenance		3,406,131	706,216
	Spare Parts		6,661,633	7,211,538
	Carriage inward		5,980,253	3,627,769
	C & F expenses		9,791,951	3,985,805
	Insurance Premium		6,352,699	4,768,949
	Medical expenses		157,991	165,049
	Labour charge		1,221,004	1,069,403
	Staff Fooding Expenses		2,288,586	3,902,021
	Disel Consumption for Generator		6,477,936	-
	CNG bill		1,680,228	-
	Entanment expenses for ifter		518,656	-
	Travelling & Conveyance		770,000	460,350
	Electrical Maintenance-Electric Equipment		551,817	24,499
	Spare Parts for Electric Equipment		415,210	250,000
	Power/Fuel/Electricity		3,186,576	93,374
	Factory Maintenance-Workshop Bill		396,426	133,521
	Spare parts for Factory Maintenance		58,360	650,000
	B/L Charge		435,600	-
	Depreciation		137,958,885	143,869,318
			566,699,352	**540,424,890**
23.00	**Administrative, Selling & Other Expenses**			
	Salary with PF Contribution		40,303,059	37,023,822
	Managing Director's Remuneration		6,000,000	6,000,000
	Directors' Remuneration		19,200,000	19,200,000
	Board meeting fees		310,000	250,000
	Telephone & Mobile Bill		1,244,629	1,352,966
	Stationery		823,111	961,679
	Travelling & Conveyance		875,902	2,106,021
	Entertainment		802,770	1,942,261
	Fuel for vehicles		990,363	1,852,368
	Vehicle Spareparts		-	1,392,114
	Vehicle Maintenance		711,372	1,272,711
	Accounting software maintenance		25,000	-
	Newspapers and Periodicals		18,128	29,840
	Postage and Courier		48,289	189,788
	Website maintenance fees		5,000	-
	Fees for IPO fund utilization audit with VAT		-	172,500
	Fees for PF fund audit with VAT		28,750	28,750
	Internet Bill with VAT		250,000	331,000
	Advertisement Expenses		385,113	1,197,760
	Fees & Forms		1,911,972	3,846,704
	Office Rent with VAT		2,494,193	1,603,936
	Selling Expenses		10,668,405	10,413,918
	Audit fees & VAT		189,750	189,750
	IPO Expenses		-	4,372,926
	AGM Expenses		1,931,602	1,446,941
	Listing fees		1,853,140	1,675,863
	Bank Charges		8,635,012	15,441,082
	Repairs & Maintenance - Workshop Bill		397,477	70,466

Sl.No.	Particulars	Notes / Annex.	Amount in BDT	
			July 17 to June 18	July 16 to June 17
	Courier Charges		1,066,956	1,719,681
	Insurance Premium		2,427,357	1,503,176
	Travelling Expenses		385,679	2,471,355
	Renewal & Registration		670,655	-
	C&F Expenses		898,581	1,800,631
	Business promotion		599,054	-
	Transportation		688,912	602,388
	Testing Expenses		808,723	472,705
	Depreciation		995,922	1,099,794
			108,644,875	**124,034,896**
24.00	**Financial Expenses :**			
	Interest from long term borrowings		87,634,766	88,804,056
	Interest from finance lease		854,592	600,423
	Interest from short term borrowings		82,709,402	72,278,687
			171,198,760	**161,683,167**
25.00	**Other Income**			
	Interest Income from FDR		91,618	1,785,096
	Interest Income on IPO Proceed		330,316	3,664,602
			421,934	**5,449,698**
26.00	**Provision for Tax**			
26.01	**Current Tax**			
	This represents estimated Income Tax on Net Income for the period from July 01, 2017 to June 30, 2018.			
	Tax on core business / Operational Income		30,701,163	22,968,960
	Tax on Other Income		398,145	1,792,934
	Under/(over) Provision of previous year		(164,758)	12,888,592
	Tax Provision for the year		**30,934,550**	**37,650,487**
26.01.i	**Net Current Tax Liability**			
	Opening Balance for Current Tax		89,793,831	64,416,743
	Less: Adjustment during the year for AY 2016-2017/2015-2016		(21,937,350)	(7,036,979)
			67,856,481	**57,379,766**
	Add: Provision for the year		30,934,550	37,650,487
			98,791,031	**95,030,253**
	Less. Arrear Tax paid		(11,091,743)	(5,236,422)
			87,699,288	**89,793,831**
26.02	**Deferred Tax**			
	The provision for deferred tax is raised due to taxable temporarty difference for this period in accordance with the provisions of BAS - 12.			
	Opening Balance		30,371,935	20,184,413
	Provision made during the year		**8,365,487**	**10,187,522**
			38,737,422	**30,371,935**
27.00	**Earnings Per Share (EPS)**			
27.01	**Basic Earnings Per Share**		**1.06**	**1.16**
	Net Profit from Core Business		167,492,369	184,341,811
	Weighted Average number of Shares	27.01.A	158,400,000	158,400,000

Sl.No.	Particulars	Notes / Annex.	Amount in BDT	
			July 17 to June 18	July 16 to June 17
27.01.A	**Weighted Average Number of Shares**			
	Opening Balance		144,000,000	120,000,000
	Bonus Share Allotted on November 24, 2016		-	24,000,000
	Bonus Share Allotted on October 30, 2017		14,400,000	14,400,000
	Considering the retrospective effect		**158,400,000**	**158,400,000**
	Face Value of Share		Tk. 10/-	Tk. 10/-
28.00	**Cash Received from Customers**			
	Turnover (Export)		2,411,293,016	2,326,845,444
	Add. Opening Balance of Accounts Receivable		784,025,882	814,266,424
	Cash available for collection		**3,195,318,898**	**3,141,111,867**
	Less. Closing Balance of Accounts Receivable		685,989,118	784,025,882
			2,509,329,781	**2,357,085,985**
29.00	**Cash paid to suppliers , Employees & others**			
	Purchase		(1,536,797,702)	(1,271,179,657)
	Accounts Payable		(4,512,524)	(45,187,758)
	Liabilities for Expenses		26,299,442	41,201,546
	Factory Expenses		(566,699,352)	(540,424,890)
	Administrative Expenses		(108,644,875)	(124,034,896)
	Paid to WPPF		(1,000,000)	-
	Add. Depreciation		138,954,806	144,969,112
	Advance Deposit and Prepayment		22,708,447	(148,875,359)
			(2,029,691,758)	**(1,943,531,903)**
30.00	**Net Operating Cash flow per shares**		**2.85**	**2.78**
	Net cash provided by operating activities		451,050,075	400,176,439
	Total Number of shares	20.01	158,400,000	144,000,000

31.00 Related party Disclosure

The Details of related party transactions during the year alongwith the ralationship is illustrated below in accordance of IAS 24:

Name of the Party	Relationship	Nature of Transaction	Transacted Amount	
			July 17 to June 18	July 16 to June 17
Mr. Anwar-ul Alam Chowdhury	Chairman	Remuneration	6,000,000	6,000,000
Mrs. Shabnam Shehnaz Chowdhury	Vice Chairman	Remuneration	3,600,000	3,600,000
Mr. Abu Kawser Majumder	Managing Director	Remuneration	4,800,000	4,800,000
Mr. A.K. Gouhor Rabbani	Director-Merchandiser	Remuneration	4,800,000	4,800,000
Mr. Md. Akhter Shahid	Director-Marketing	Remuneration	3,600,000	3,600,000
Mr. Shah Rayeed Chowdhury	Director-Production	Remuneration	1,200,000	1,200,000
Mr. Shah Adeeb Chowdhury	Director-Support Service	Remuneration	1,200,000	1,200,000
Evince Design and Fashions Ltd.	Under common directorship	Selling Expenses	10,668,405	10,413,918
Argon Spinning Limited	Under common directorship	Import of Yarn	235,608,998	-
Total			**271,477,403**	**35,613,918**

* Transaction between ETL & EFL i.e. Parent & subsidiary for Tk. 1,620,000 as Factory Rent is eleminated as per IAS-27.

32.00 Disclosure of Managerial Remuneration

32.01 The total amount of remuneratin paid to the top five salaried officers of the company in the accounting year is as follows:

Name	Designation	July 17 to June 18	July 16 to June 17
Mr. Anwar-ul Alam Chowdhury	Chairman	6,000,000	6,000,000
Mrs. Shabnam Shehnaz Chowdhury	Vice Chairman	3,600,000	3,600,000
Mr. Abu Kawser Majumder	Managing Director	4,800,000	4,800,000
Mr. A.K. Gouhor Rabbani	Director-Merchandiser	4,800,000	4,800,000
Mr. Md. Akhter Shahid	Director-Marketing	3,600,000	3,600,000
	Total	**22,800,000**	**22,800,000**

Sl.No.	Particulars	Notes / Annex.	Amount in BDT	
			July 17 to June 18	July 16 to June 17

32.02 Aggregated amount of remuneration paid to all Directors and Officers during the accounting year is as follows:

Sl. No.	Particulars	Nature of Payment	July 17 to June 18	July 16 to June 17
1	Directors	Board Meeting Fees	310,000	250,000
2	Directors	Remuneration	25,200,000	25,200,000
3	Officers and Executives	Salary and Other Allowances	40,303,059	37,023,822
		Total	**65,813,059**	**62,473,822**

33.00 General

a) Audit Fee: Audit fee of Tk. 189,750 Represents only the audit fees and VAT thereon of Evince Textiles Limited and Evitex Fashions Limited.

b) Number of Employees

i. Evince Textiles Limited:

Salary Range (Monthly)	Officers & Staffs		Worker	Total
	Head Office	Factory		
Not Less Than Tk. 3000	20	208	1106	1334
Less Than Tk. 3000	-	-	-	-
Total	**20**	**208**	**1106**	**1334**

ii.Evitex Fashions Limited:

Salary Range (Monthly)	Officers & Staffs		Worker	Total
	Head Office	Factory		
Not Less Than Tk. 5,300	33	64	598	695
Less Than Tk. 5,300	-	-	-	-
Total	**33**	**64**	**598**	**695**

c) Income Tax Assessment:

Income tax assessment of the company up to the Assessment year 2016-2017 has been Completed.

d) Contingent Liabilities & Capital Commitments:

There is no claim against the company not acknowledged debt and no un-availed credit facilities, other than those in the normal course of business, available to the company on June 30, 2018.

Consolidated

EVINCE TEXTILES LIMITED

AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statement

as at 30 June 2018

Annexure-A

A. COST Schedule :

Amount in Taka

ITEMS	COST			DEPRECIATION			WDV at 30.06.2018
	Balance at 01.07.2017	Addition	Total as at 30.06.2018	Balance at 01.07.2017	Charged during the year	Total as at 30.06.2018	
Land & Land Development	206,701,721	28,725,477	235,427,198	-	-	-	235,427,198
Building	692,519,023	165,251,500	857,770,523	119,886,398	28,631,631	148,518,030	709,252,493
Plant & Machinery	1,620,322,706	353,457,966	1,973,780,672	804,884,601	82,018,786	886,903,387	1,086,877,285
Fire Detection System & Equipment	22,058,471	3,469,179	25,527,650	1,913,814	3,021,699	4,935,513	20,592,137
Balancing, Modernization, Rehabilitation & Expansion	31,315,437	-	31,315,437	812,625	1,525,141	2,337,766	28,977,671
Furniture & Fixtures	7,918,520	287,820	8,206,340	3,532,385	438,614	3,970,999	4,235,341
Office Equipment	12,282,630	643,958	12,926,588	7,679,624	690,451	8,370,075	4,556,513
Electricity, Gas & Water Line Installation	10,951,662	-	10,951,662	6,664,024	428,764	7,092,788	3,858,874
Electrical Equipment	3,318,075	-	3,318,075	1,450,126	280,192	1,730,319	1,587,756
Electric Sub-Station	18,099,438	-	18,099,438	10,899,872	719,957	11,619,829	6,479,609
False ceiling & Cooling ducting	133,866,356	-	133,866,356	69,240,764	9,693,839	78,934,603	54,931,754
Software Installation	24,091	-	24,091	24,091	-	24,091	-
Vehicles	33,331,954	6,626,025	39,957,979	21,533,541	2,290,198	23,823,739	16,134,240
Sub - Total	**2,792,710,084**	**558,461,925**	**3,351,172,009**	**1,048,521,866**	**129,739,272**	**1,178,261,138**	**2,172,910,872**

B. REVALUATION Schedule :

ITEMS	COST			DEPRECIATION			WDV at 30.06.2018
	Balance at 01.07.2017	Addition	Total as at 30.06.2018	Balance at 01.07.2017	Charged during the year	Total as at 30.06.2018	
Land & Land Development	166,487,766	-	166,487,766	-	-	-	166,487,766
Building	266,556,807	-	266,556,807	82,246,078	9,215,536	91,461,615	175,095,192
Sub - Total	**433,044,573**	-	**433,044,573**	**82,246,078**	**9,215,536**	**91,461,615**	**341,582,958**
Grand Total	**3,225,754,657**	**558,461,925**	**3,784,216,582**	**1,130,767,944**	**138,954,808**	**1,269,722,753**	**2,514,493,830**

Consolidated

EVINCE TEXTILES LIMITED

AND ITS SUBSIDIARIES

Statement of Inventory

as at 30 June 2018

Annexure-B

i) Opening Raw Materials

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	Kg	670,747	190,492,274
2	Sizing Chemical	Kg	28,145	3,827,723
3	ETP Chemical	Kg	228,386	6,394,819
4	Dyes Chemical	Kg	203,661	28,490,181
5	Finishing Chemical	Kg	-	-
Total			**1,130,940**	**229,204,998**

ii) Opening Work in Process:

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Warping	Kg	302,253	32,885,076
2	Sizing	Kg	343,469	37,369,405
3	Dyeing	Kg	412,163	44,843,286
4	Weaving	Kg	315,991	34,379,853
5	Finishing	Yds	-	-
Total			**1,373,875**	**149,477,620**

iii) Opening Finished Goods

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	100% Cotton Fabrics	Yds	1,232,827	**137,090,327**

iv) Import of Raw Materials

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	Kg	2,567,601	873,754,489
2	Sizing Chemical	Kg	232,846	33,180,550
3	ETP Chemical	Kg	731,252	22,120,367
4	Dyes Chemical	Kg	901,918	149,312,476
5	Finishing Chemical	Kg	130,698	27,650,458
Total			**4,564,314**	**1,106,018,340**

EVINCE TEXTILES LIMITED

AND ITS SUBSIDIARIES

Statement of Inventory

as at 30 June 2018

Annexure-B

v) Closing Raw Materials

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	Kg	994,244	331,003,878
2	Sizing Chemical	Kg	88,209	12,569,768
3	ETP Chemical	Kg	277,020	8,379,845
4	Dyes Chemical	Kg	341,673	56,563,954
5	Finishing Chemical	Kg	49,512	10,474,806
Total			**1,750,658**	**418,992,251**

vi) Closing Work in Process:

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Warping	Kg	194,246	23,422,144
2	Sizing	Kg	233,095	28,106,573
3	Dyeing	Kg	246,044	29,668,050
4	Weaving	Kg	388,491	46,844,289
5	Finishing	Yds	233,095	28,106,573
Total			**1,294,971**	**156,147,629**

vii) Closing Finished Goods

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	100% Cotton Fabrics	Yds	950,902	**139,516,315**

viii) Raw Materials Consumed

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	Kg	2,244,104	733,242,884
2	Sizing Chemical	Kg	172,782	24,438,506
3	ETP Chemical	Kg	682,619	20,135,341
4	Dyes Chemical	Kg	763,906	121,238,703
5	Finishing Chemical	Kg	81,186	17,175,652
Total			**3,944,596**	**916,231,087**

Consolidated

EVINCE TEXTILES LIMITED
AND ITS SUBSIDIARIES
Statement of Inventory
as at 30 June 2018

Annexure-B

i) Opening Raw Materials of Evitex Fashions Limited

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Fabrices	Yrds	309,341	75,207,747
2	Accesssories	Variouse Item		18,801,937
	Total			**94,009,684**

ii) Opening Work in Process& Finished goods of Evitex Fashions Limited :

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Shirts (WIP)	Pcs	5,956	2,406,720
2	Shirts (Finished Goods)	Pcs	8,371	3,155,565
	Total			**5,562,285**

iii) Import of Evitex Fashions Limited :

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Fabrices	Yrds	1,188,357	344,623,490
2	Accessories	Variouse Item		86,155,872
	Total			**430,779,362**

i) Closing Raw Materials of Evitex Fashions Limited:

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Fabrices	Yrds	228,480	66,259,097
2	Accessories	Variouse Item		16,564,774
	Total			**82,823,871**

ii) Closing Work in Process & Finished goods of Evitex Fashions Limited :

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Shirts (WIP)	Pcs	9,498	3,134,340
2	Shirts (Finished Goods)	Pcs	9,768	3,321,134
	Total			**3,321,133**

iii) Raw Materials Consumed of Evitex Fashions Limited:

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Fabrices	Yrds	1,269,218	353,572,140
2	Accessories	Variouse Item		88,393,035
	Total			**441,965,175**

AUDITORS' REPORT TO THE SHAREHOLDERS OF EVINCE TEXTILES LIMITED

We have audited the accompanying financial statements of Evince Textiles Limited which comprises the Statement of Financial Position as at 30 June 2018, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, a summary of significant accounting policies, other explanatory notes and all related financial statements of Evince Textiles Limited.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 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 misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. However, certain documentation & reconciliation process need be strengthened further.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared 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 returns; and

d) the expenditures incurred were for the purposes of the Company's business.

Dhaka
Dated: 08/10/2018

Pinaki & Company
Chartered Accountants

Separate

EVINCE TEXTILES LIMITED

Statement of Financial Position
as at 30 June 2018

PROPERTIES & ASSETS	Notes	Amount in Taka	
		30-June-2018	30-June-2017
Non Current Assets			
Property, Plant and Equipment	04.00	2,451,827,932	2,030,408,973
Capital work-in-progress	05.00	39,110,200	314,170,059
Investment in Shares	06.00	83,600,000	83,600,000
		2,574,538,132	**2,428,179,032**
Current Assets			
Inventories	07.00	714,656,195	515,772,945
Accounts Receivable	08.00	608,222,963	697,296,320
Advances, Deposits and Pre-payments	09.00	225,857,875	256,448,548
Cash and Cash Equivalents	10.00	6,746,861	34,877,831
		1,555,483,894	**1,504,395,643**
Total Assets		**4,130,022,026**	**3,932,574,675**
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' Equity			
Paid-up Capital	11.00	1,584,000,000	1,440,000,000
Retained Earnings	12.00	218,427,058	209,605,760
Revaluation Surplus	13.00	341,582,959	350,798,495
		2,144,010,017	**2,000,404,255**
Non Current Liabilities			
Long Term Loan	14.00	595,973,861	750,280,614
Obligation under Finance Lease	15.00	7,409,916	2,827,615
Deferred Tax Liabilities	26.02	38,737,423	30,371,936
		642,121,200	**783,480,164**
Current Liabilities			
Short Term Loan	16.00	956,051,034	823,303,870
Current Maturity of Long Term Loan	14 & 15	192,072,456	168,381,131
Accounts Payable	17.00	1,325,229	1,473,968
Liabilities for Expenses	18.00	114,354,063	88,552,734
Provision for Contribution to WPPF & WF	19.00	7,915,291	-
Dividend Payable		178,186	181,575
Current Tax Liabilities	26.01.A	71,994,550	66,796,977
		1,343,890,809	**1,148,690,256**
Total Shareholders' Equity and Liabilities		**4,130,022,026**	**3,932,574,675**
Net Assets Value (NAV) Per Share	20.00	**13.54**	**13.89**

Managing Director **Director** **Company Secretary**

Pinaki & Company
Chartered Accountants

EVINCE TEXTILES LIMITED

Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2018

Particulars	Notes	Amount in BDT	
		July 17 to June 18	July 16 to June 17
Turnover	21.00	**1,796,329,635**	**1,745,279,585**
Less: Cost of Goods Sold	22.00	1,361,438,230	1,289,622,650
Gross Profit		**434,891,405**	**455,656,935**
Less: Administrative, Selling & Other Expenses	23.00	81,721,535	98,677,600
Operating Profit		**353,169,870**	**356,979,335**
Less: Financial Expenses	24.00	167,899,076	158,012,611
Profit Before Other Income		**185,270,794**	**198,966,724**
Add: Other Income	25.00	1,950,316	5,104,602
Net Profit before WPPF & WF		**187,221,110**	**204,071,326**
Less: Provision for Contribution to WPPF & WF		8,915,291	-
Net Profit before Tax		**178,305,819**	**204,071,326**
Less: Provision for Tax		34,700,057	43,901,751
Current Tax	26.01	26,334,570	33,714,228
Deferred Tax	26.02	8,365,487	10,187,523
Net Profit after Tax		**143,605,762**	**160,169,575**
Other Comprehensive Income :		-	-
Total Comprehensive Income		**143,605,762**	**160,169,575**
EPS - Basic	27.01	**0.91**	**1.01**

Managing Director **Director** **Company Secretary**

Pinaki & Company
Chartered Accountants

Separate

EVINCE TEXTILES LIMITED

Statement of Changes in Equity
For the year ended 30 June 2018

Amount in Taka

Particulars	Share Capital	Retained Earnings	Revaluation Surplus	Total
Balance as at July 01, 2017	**1,440,000,000**	**209,605,760**	**350,798,495**	**2,000,404,255**
Net Profit after Tax	-	143,605,762	-	143,605,762
Bonus Share Allotted on October 30, 2017	144,000,000	(144,000,000)	-	-
Adjustment for Depreciation on Revaluation	-	9,215,536	(9,215,536)	-
Balance as at June 30, 2018	**1,584,000,000**	**218,427,058**	**341,582,959**	**2,144,010,017**

Statement of Changes in Equity
For the year ended 30 June 2017

Amount in Taka

Particulars	Share Capital	Retained Earnings	Revaluation Surplus	Total
Balance as at July 01, 2016	**1,200,000,000**	**399,735,620**	**360,499,059**	**1,960,234,680**
Net Profit after Tax	-	160,169,575	-	160,169,575
Adjustment for Depreciation on Revaluation	-	9,700,565	(9,700,565)	-
Bonus Share Allotted on November 24, 2016 @ 20%	240,000,000	(240,000,000)	-	-
Dividend (10% Cash)	-	(120,000,000)	-	(120,000,000)
Balance as at June 30, 2017	**1,440,000,000**	**209,605,760**	**350,798,495**	**2,000,404,255**

Managing Director **Director** **Company Secretary**

Separate

EVINCE TEXTILES LIMITED

Statement of Cash Flows

For the year ended 30 June 2018

Particulars	Notes	Taka	
		July 17 to June 18	July 16 to June 17
Cash flow from Operating Activities			
Cash received from customers	28.00	1,885,402,992	1,776,727,336
Cash paid to suppliers, Employees & others	29.00	(1,451,945,034)	(1,300,715,021)
Income Tax paid		(23,630,852)	(15,342,538)
Other Income		1,950,316	5,104,602
Net cash provided by Operating Activities		**411,777,422**	**465,774,379**
Cash flow from Investing Activities			
Addition to Fixed Assets		(239,609,765)	(133,217,429)
Capital Work in Progress		(39,110,200)	(260,701,122)
Net Cash provided by Investing Activities		(278,719,965)	(393,918,551)
Cash flow from Financing Activities			
Financial Expenses		(167,899,076)	(158,012,611)
Dividend paid		(3,389)	(119,818,425)
Long Term Loan-Increase/(Decrease)		(130,787,070)	(85,548,975)
Obligation under Finance Lease-Increase/(Decrease)		4,753,943	(988,269)
Short Term Loan-Increase/(Decrease)		132,747,165	132,412,513
Net cash provided by Financing Activities		**(161,188,427)**	**(231,955,767)**
Increase/(decrease) in Cash and Bank Balances		**(28,130,970)**	**(160,099,939)**
Cash and Cash Equivalents on Opening		34,877,831	194,977,770
Cash and Cash Equivalents on Closing		**6,746,861**	**34,877,831**
Net Operating Cash Flow per share	30.00	**2.60**	**3.23**

Managing Director **Director** **Company Secretary**

Separate

EVINCE TEXTILES LIMITED

Notes to the Financial Statements
as at 30 June 2018

1.0 Reporting Entity:

Evince Textiles Limited was incorporated as a Private Limited Company on 3rd June 1999 under the Companies Act 1994 and the company commenced its commercial production on May 02, 2003. It was converted into Public Limited Company on June 04, 2013. Registered office of the company is at Plot No. 33, Sector-7, Mirpur, Dhaka-1216 while Factory is situated at Vill./Mouza: Shirir Chala, P.O.: Bhabanipur, P.S.: Gazipur Sadar, Dist: Gazipur. The principal activity of the company is to manufacture 100% cotton yarn dyed woven Fabrics.

The Company was established with an Authorized Capital of Tk. 100,000,000/- and Paid-up Capital of Tk. 500,000/-. The Authorised capital and Paid-up capital of the company was subsequently raised to Tk. 3,500,000,000/- and Tk. 1,584,000,000/-respectively. The Shares of the company has been denominated from Tk. 100/- to Tk. 10/- per share as at June 04, 2013.

1.1 Nature of Business:

The main activities of the company are concentrated in Manufacturing, Dyeing & Finishing of 100% cotton woven Fabric and exporting the same.

Share Capital :

Particulars	June 30, 2018	June 30, 2017
Authorized Capital: 35,00,00,000 ordinary shares of Tk. 10 each	3,500,000,000	3,500,000,000
Issued, Subscribed and fully paid up: 15,84,00,000 ordinary shares of Tk. 10 each	1,584,000,000	1,440,000,000

2.0 Basis of Preparation:

2.1 Statements Compliance:

The financial statements have been prepared in accordance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2 Reporting Period:

Financial statements of the company cover from 01-07-2017 to 30-06-2018.

2.3 Date of Authorization:

The Board of Directors of Evince Textiles Limited approved this Financial Statements on 20th September 2018.

2.4 Reporting Currency and Level of Precision:

Currency of Reporting:

The figure in the financial statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

Foreign Currency Transactions:

Foreign Currency Transactions in foreign currencies are converted into equivalent taka applying the ruling rate at the date of such transactions as per IAS-21 “The Effects of Changes in Foreign Exchange Rates”.

2.5 Comparative Information:

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year’s financial statements.

Previous year’s figure has been re-arranged whenever considered necessary to ensure comparability with the current year’s presentation as per IAS-8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

Comparative information has been provided in accordance with IAS-1 para 38 & 38A Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders Equity and Statement of Cash Flows.

3.0 Significant Accounting Polices:

3.1 Principal Accounting Policies:

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "Presentation of Financial Statement" in preparation and presentation of financial statements. The previous period's figures were presented according to the same accounting principles.

3.2 Application of International Accounting Standards (IASs):

The financial statements have been prepared in compliance with requirement of IAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following IASs are applicable for the financial statements for the period under review:

IAS – 01 Presentation of Financial Statements
IAS – 02 Inventories
IAS – 07 Statement of Cash Flows
IAS – 08 Accounting Policies, Changes in Accounting Estimates and Errors
IAS – 10 Events after the Reporting Period
IAS – 12 Income Taxes
IAS – 16 Property, Plant & Equipment
IAS – 17 Leases
IAS – 19 Employees Benefit
IAS – 21 The Effect of Changes in Foreign Exchange Rate
IAS – 23 Borrowing Costs
IAS – 24 Related Party Disclosures
IAS – 27 Separate Financial Statements
IAS – 33 Earnings per share
IAS – 34 Interim Financial Reporting
IAS – 37 Provision, Contingent Liabilities and Contingent Assets
IAS – 39 Financial Instrument: Recognition and Measurement
IFRS – 10 Consolidated Financial Statement
IFRS –15 Revenue from Contracts with Customer

3.3 Recognition of Property, Plant & Equipment and Depreciation:

Property, Plant & Equipment is stated at cost less depreciation in accordance with IAS-16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction and includes purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use. During Financial year 2012 the Company revalued again the Assets amounting Tk. 172,372,331 by M.M Rahman & Co., Chartered Accountants after the Revaluation during financial year 2008 amounting Tk. 260,672,242 by G.K. Adjusters Ltd., Licensed Certified Surveyor Government of Bangladesh. No depreciation is charged on land and land development. Depreciation on all other fixed assets is computed using the reducing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation on addition is charged when it is available for use. Expenditure for maintenance and repairs are expenses, major replacements, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for period.

The depreciation rate in this period is as under:

Sl.	Category of Fixed Assets Rate	Rate
1.	Land and Land Development	-
2.	Building	5%
3.	Plant and Machinery	10%
4.	Furniture and Fixtures	10%
5.	Office Equipment	15%
6.	Electricity, Gas and Water Installation	10%

Sl.	Category of Fixed Assets Rate	Rate
7.	Electric Sub-Station	10%
8.	False Ceiling & Cooling Ducting	15%
9.	Vehicles	20%

3.4 Impairment:

In accordance with the provision of IAS 36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the period.

3.5 Revaluation of Fixed Assets:

The company revalued its fixed assets for the 1st time in the year 2008 and the 2nd time in the year 2012. Reserve is created in accordance with International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) and other applicable laws, rules, regulations and guidelines. Depreciation is charged on the revalued assets except Land and Land Development. Proper accounting treatments, including provisions, tax and other liabilities, have been made in the financial statements to consider the valuation.

3.6 Inventories:

Inventories comprise of Raw Materials, Work-in Process and Finished Goods. They are stated at the lower of cost or net realizable value in accordance with the Para of 21 & 25 of IAS-2 "Inventories" after making due allowance for any obsolete or slow moving item. Quantity wise Schedule of inventory as per requirement of companies act 1994 is detailed in Annexure-B.

3.7 Advance, Deposit and Prepayment:

Evince Textiles Limited has been incurred some expenses as Advance, Deposit and Prepayment that are shown in the notes to Financial Statements in details.

3.8 Accounts Receivable:

These are carried forward at their original invoiced value amount. Management considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current period's account.

3.09 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement Cash Flows" and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions that Enterprises are encouraged to Report Cash Flow from Operating Activities Using the Direct Method. There has been made a certain change in Financial expenses treating the same under Financial activities rather than operating activities shown earlier.

3.10 Cash and Cash Equivalents:

According to IAS-7 'Statement of Cash Flows' cash comprises of cash-in-hand and demand deposits. IAS-1 'Presentation of Financial Statements' provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1, Cash in hand and Bank Balances have been considered as cash and cash equivalents.

3.11 Long Term Liabilities:

Long Term liabilities comprises the amount borrowed from the bank and other concern for the long period of time and accounted and shown in the accounts at transaction cost as per IAS 39 "Financial Instrument: Recognition and Measurement."

3.12 Creditors and Accruals:

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.13 Income Tax:

Current Tax:

Provision for current income tax has been made at the rate of 15% as prescribed in the finance act on the accounting profit made by the company as per ITO 1984 in compliance with IAS-12 "Income Taxes".

Deferred Tax:

Deferred tax is provided for all temporary timing differences arising between the tax base of assets and liabilities and their accounting base in the financial statements in accordance with the provisions of IAS-12. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

3.14 Compliance with Local Laws:

The financial statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities and Exchange Rule, 1987 and other relevant local laws and rules.

3.15 Borrowing Cost:

The borrowing cost is capitalized unless active developments of related assets are interrupted or cease when the borrowing cost directly transferred to the Statement of Comprehensive Income as per IAS-23 "Borrowing Cost".

3.16 Revenue Recognition:

Revenue from the sales is measured at the fair value of the consideration received or receivable. The company recognizes revenue when risks and rewards associated with ownership has been transferred to buyer, which satisfied all the condition for the revenue recognition as provided in IFRS-15 'Revenue from Contracts with Customers'.

Sales revenue is recognized when transactions related to sales are completed and the sales invoices are issued in favor of the buyers.

3.17 Value Added Tax (VAT):

The Company's traded income is 100% export oriented so its income is not subject to Value Added Tax (VAT).

3.18 Components of the Financial Statements:

According to the Bangladesh Accounting Standard IAS-1 'Presentation of Financial Statements' the complete set of Financial Statements includes the following components:

i. Statement of Financial Position as at June 30, 2018.
ii. Statement of Profit or Loss and Other Comprehensive Income for the year ended from July 2017 to June 2018.
iii. Statement of Cash Flows for the year ended from July 2017 to June 2018.
iv. Statement of changes in Equity for the year ended from July 2017 to June 2018.
v. Accounting Policies and Explanatory Notes for the year ended from July 2017 to June 2018.

3.19 Earnings Per Share:

Earnings per share (EPS) is calculated in accordance with the Bangladesh Accounting Standard IAS-33 and weighted average number of share has been used as the denominator and details are shown in the Notes to the Financial Statement.

Basic Earnings Per Share:

This represents earning for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the period has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding During the Period:

This represents the number of ordinary shares outstanding at the beginning of the period plus the number of shares issued during the period multiplied by a time-weighted factor is the number of months the specific shares are outstanding as a proportion of the total number of months in the period.

3.20 Responsibility for Preparation and 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 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements' issued by the International Accounting Standards Board (IASB).

3.21 Going Concern:

The financial statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

3.22 Employees Benefits:

Evince Textiles Limited are paying to its employees some benefits which include Salaries, Wages, Sick Leave, Mobile Allowance, Lunch Subsidy etc. as short term benefit and as the long term benefit the company implemented Contributory Provident Fund (CPF) from March 01, 2015 and Worker's Profit Participation Fund and Welfare Fund (WPPF & WF) from July 01, 2017. On monetary benefits like Medical Care, Transport Facilities.

3.23 Events After the Reporting Period:

As per IAS-10 "Event after the Reporting Period" are those event favorable and unfavorable that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

Those are provided evidence of conditions that existed at the end of the reporting period (adjusting events after Reporting Period); and

Those are indicative of conditions that arose after the reporting period (Non-adjusting events after Reporting Period).

As per decision of 72th Board meeting held on 07 October 2018, the company will go for BMRE for Tk. 70.37 crore to increase 50% production capacity by its own source Tk. 14.96 crore & loan financing from Modhumoti Bank Limited Tk. 55.41 crore. Moreover, the directors have taken decision not to take their outstanding remuneration amounting to Tk. 7.32 crore which intern would be added as income for the next year.

3.24 Financial Instruments:

Derivative:

According to IFRS-7 "Financial Instruments Disclosers", the company was not a party to any derivative contract (financial instruments) at the financial statement date, such as forward exchange contract, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per IAS 39 "Financial Instruments Recognition and Measurement".

EVINCE TEXTILES LIMITED

Notes to the Financial Statement
as at 30 June 2018

Sl. No.	Particulars	Notes / Annex.	Amount in BDT	
			30-June-2018	30-June-2017
04.00	**Property, Plant and Equipment:**			
	Land and Land Development		401,914,964	373,189,487
	Building		884,347,685	756,943,352
	Plant & Machinery		1,077,589,784	805,938,600
	Furniture and Fixtures		3,471,446	3,537,361
	Office Equipment		4,280,815	4,278,655
	Electricity, Gas & Water Installation		3,858,874	4,287,638
	Electric Sub-Station		6,479,609	7,199,566
	False Ceiling & Cooling Ducting		54,931,753	64,625,592
	Vehicles		14,953,002	10,408,721
			2,451,827,932	**2,030,408,973**
04.01	**Movement of PPE (Annexure-A)**			
	Opening Balance		**2,030,408,973**	**2,038,479,696**
	Add: Addition during the year		553,779,824	133,217,429
	Closing Balance		**2,584,188,797**	**2,171,697,125**
	Less: Depreciation charged during the year		132,360,865	141,288,153
	Written Down Value (WDV)		**2,451,827,932**	**2,030,408,973**
05.00	**Capital work-in-progress**			
	Civil Construction		39,110,200	152,568,421
	Machineries		-	161,601,638
			39,110,200	**314,170,059**
06.00	**Investment in Shares**			
	Evitex Fashions Ltd.		83,600,000	83,600,000
	83,60,000 shares @ Tk. 10/- each.			
07.00	**Inventories (Annexure-B)**			
	Raw Materials	07.01	418,992,251	229,204,998
	Work in Process	07.02	156,147,629	149,477,620
	Finished Goods	07.03	139,516,315	137,090,327
			714,656,195	**515,772,945**
07.01	**Raw Materials**			
	Yarn	Annexure-B	331,003,878	190,492,274
	Sizing Chemical	Annexure-B	12,569,768	3,827,723
	ETP Chemical	Annexure-B	8,379,845	6,394,819
	Dyes Chemical	Annexure-B	56,563,954	28,490,181
	Finishing Chemical	Annexure-B	10,474,806	
			418,992,251	**229,204,998**
07.02	**Work in Process**			
	Warping	Annexure-B	23,422,144	32,885,076
	Sizing	Annexure-B	28,106,573	37,369,405
	Dyeing	Annexure-B	29,668,050	44,843,286
	Weaving	Annexure-B	46,844,289	34,379,853
	Finishing	Annexure-B	28,106,573	
			156,147,629	**149,477,620**
07.03	**Finished Goods**			
	100% Cotton Fabrics	Annexure-B	139,516,315	137,090,327
			139,516,315	**137,090,327**
08.00	**Accounts Receivable**			
	Export Bills Receivable	08.01	608,222,963	697,296,320
			608,222,963	**697,296,320**
08.01	**Export Bills Receivable :**			
	Opening Balance		**697,296,320**	**728,744,071**
	Add: Sales during the year		1,796,329,635	1,745,279,585
	Available for Received		**2,493,625,955**	**2,474,023,656**
	Less: Realized during the year		1,885,402,992	1,776,727,336
	Closing Balance		**608,222,963**	**697,296,320**

Separate

EVINCE TEXTILES LIMITED

Notes to the Financial Statement
as at 30 June 2018

Sl. No.	Particulars	Notes / Annex.	Amount in BDT 30-June-2018	30-June-2017
	Maturity Less than 6 months		608,222,963	697,296,320
	Maturity more than 6 months		-	-
	Debts considered Good and Secured		608,222,963	697,296,320
	Debts considered Good without security		-	-
	Debts considered doubtful and bad		-	-
	Debts due by directors or other officers & staffs		-	-
	Debts due from companies under same management		-	-
	Maximum debt due any directors or officers & staffs at any time		-	-
09.00	**Advance, Deposit and Pre-payments**			
	Security Deposit - Gas Connection		18,431,497	13,887,447
	Advance Income Tax	09.01	23,336,968	20,843,113
	FC held account	09.02	145,389,410	185,227,988
	Advance against Salary		-	15,000
	Advance against Land Purchase		38,700,000	36,475,000
			225,857,875	**256,448,548**
09.01	**Advance Income Tax**			
	Opening Balance		20,843,113	17,773,975
	Add: Paid during the year	09.01.A	13,230,852	10,106,116
			34,073,965	27,880,091
	Less: Adjustment during the year AY 2016-2017/2015-2016		(10,736,997)	(7,036,979)
	Closing Balance		**23,336,968**	**20,843,113**
09.01.A	**AIT Paid during the year**			
	AIT on Export		13,197,821	9,739,656
	TDS on Interest income on IPO fund		33,031	366,460
			13,230,852	**10,106,116**
09.02	**FC held account**			
	Modhumoti Bank Ltd.		145,131,464	185,151,603
	Pubali Bank Ltd.		257,946	76,385
			145,389,410	**185,227,988**
09.03	**Disclosure as per Schedule-XI, Part-I of the Companies Act, 1994**			
	Advance exceeding 6 months		57,131,497	50,362,447
	Advance not exceeding 6 months		168,726,378	206,086,101
	Advance, deposit & prepayments considered good with security		225,857,875	256,433,548
	Advance, deposit & prepayments considered good without security		-	15,000
	Advance, deposit & prepayments considered doubtful & bad		-	-
	Advance, deposit & prepayments due by directors or other officers and staffs		-	-
	Advance, deposit & prepayments due from companies under same management		-	-
	Maximum Advance due by directors or officers & staffs at any time		-	-
10.00	**Cash and Cash Equivalents**			
	Cash in Hand	10.01	491,671	1,014,543
	Cash at Banks	10.02	6,255,190	33,863,288
			6,746,861	**34,877,831**
10.01	**Cash in Hand :**			
	At Head office		112,994	284,340
	At Factory office		378,677	730,203
			491,671	**1,014,543**

EVINCE TEXTILES LIMITED

Notes to the Financial Statement

as at 30 June 2018

Sl. No.	Particulars	Notes / Annex.	Amount in BDT	
			30-June-2018	30-June-2017
10.02	**Cash At Banks :**			
	Prime Bank IBB # 228		1,639,668	1,643,918
	Prime Bank IBB # 8484		-	1
	Standard Chartered Bank CD A/C		133,343	163,688
	EXIM Bank CD A/C		29,324	31,049
	Modhumoti Bank - CD A/C		583,765	180,281
	Modhumoti Bank - FDR A/C		181,762	92,421
	Dhaka Bank CD A/C		195,184	1,081,747
	Brac Bank # 5001		3,324,445	30,485,766
	Brac Bank # 5005		167,699	184,417
			6,255,190	**33,863,288**
11.00	**Share Capital**			
	Authorized Capital			
	350,000,000 Ordinary Shares of Tk 10/- each		3,500,000,000	3,500,000,000
	Issued subscribed and fully paid up capital			
	158,400,000 Ordinary shares of Tk. 10/- each		1,584,000,000	1,440,000,000
11.01	**Breakup of paid up capital:**			
	Opening balance		1,440,000,000	1,200,000,000
	Bonus Share Allotted on November 24, 2016		-	240,000,000
	Bonus Share Allotted on October 30, 2017		144,000,000	-
			1,584,000,000	1,440,000,000

11.02 Share holdings Position

Particulars of Shareholders and their share holding position is as under:

Name of Share holders	Number of Shares		%	Amount in BDT	
	30-June-2018	30-June-2017		30-June-2018	30-June-2017
Anwar-ul Alam Chowdhury	8,236,800	7,488,000	5.20%	82,368,000	74,880,000
Shabnam Shehnaz Chowdhury	8,236,800	7,488,000	5.20%	82,368,000	74,880,000
Abu Kawser Majumder	13,068,000	11,880,000	8.25%	130,680,000	118,800,000
A.K. Gouhor Rabbani	13,068,000	11,880,000	8.25%	130,680,000	118,800,000
Md. Akhter Shahid	8,712,000	7,920,000	5.50%	87,120,000	79,200,000
Shah Adeeb Chowdhry	3,379,200	3,072,000	2.13%	33,792,000	30,720,000
Shah Rayeed Chowdhury	3,379,200	3,072,000	2.13%	33,792,000	30,720,000
Other Shareholders	100,320,000	91,200,000	63.33%	1,003,200,000	912,000,000
Total	**158,400,000**	**144,000,000**	**100.00%**	**1,584,000,000**	**1,440,000,000**
Face Value Per share	Tk. 10/-	Tk. 10/-			

11.03 Classification of shares by holding:

Slabs by number of shares	No. of Shareholders		No. of shares	
	30-June-2018	30-June-2017	30-June-2018	30-June-2017
Less than 500	1443	1288	289,078	258,001
From 500 to 5,000	4325	4590	8,840,961	9,556,554
From 5,001 to 10,000	1161	1065	8,433,488	8,462,970
From 10,001 to 20,000	839	686	11,696,983	10,326,256
From 20,001 to 30,000	296	253	7,295,120	6,343,948
From 30,001 to 40,000	151	115	5,242,074	4,132,114
From 40,001 to 50,000	89	90	4,092,396	4,221,742
From 50,001 to 100,000	165	135	11,491,743	10,015,956
From 100,001 to 1,000,000	112	83	29,534,761	22,450,998
Above 1,000,000	14	15	71,483,396	68,231,461
Total	**8595**	**8320**	**158,400,000**	**144,000,000**

Separate

EVINCE TEXTILES LIMITED

Notes to the Financial Statement

as at 30 June 2018

Sl. No.	Particulars	Notes / Annex.	Amount in BDT	
			30-June-2018	30-June-2017
12.00	**Retained Earnings**			
	Opening Balance		209,605,760	399,735,620
	Add: Current year Profit after Tax		143,605,762	160,169,575
	Add: Adjustment for Depreciation on revaluation		9,215,536	9,700,565
	Less: Dividend (10% Stock) on October 30, 2017		(144,000,000)	(360,000,000)
	Closing Balance		**218,427,058**	**209,605,760**
13.00	**Revaluation Surplus**			
	Opening Balance		350,798,495	360,499,059
	Less : Depreciation on revalued assets		(9,215,536)	(9,700,565)
	Closing Balance		**341,582,959**	**350,798,495**
14.00	**Long Term Loan :**			
	This represents amount provided and related by the Pubali Bank Limited, Modhumoti Bank Limited and LankaBangla Finance Limited. The breakup of the loans is given below:			
	Opening Balance		**917,571,544**	**1,003,120,520**
	Add: Loan Received During the year		22,565,149	74,082,684
	Add: Interest Charged During the year		87,634,766	88,804,557
			1,027,771,459	**1,166,007,761**
	Less - Paid during the year :		240,986,985	248,436,216
	Principal		153,352,219	160,173,958
	Interest		87,634,766	88,262,258
	Balance before current maturity	14.01	**786,784,474**	**917,571,544**
	Less : Current Maturity		190,810,613	167,290,930
	Balance after current maturity		**595,973,861**	**750,280,614**
14.01	**Term Loan :**			
	Pubali Bank Limited		188,613,141	237,624,569
	Modhumoti Bank Ltd.		511,039,796	592,688,602
	LankaBangla Finance Ltd.		87,131,538	87,258,374
			786,784,475	**917,571,544**
15.00	**Obligation Under Finance Lease**			
	This represents amount provided and related by the Nitol Motors Ltd. and LankaBangla Finance Ltd. The breakup of the loans is given below :			
	Opening Balance		**3,917,816**	**4,906,085**
	Add: During the year		6,398,325	-
	Add: Interest Charged During the year		854,592	600,423
			11,170,733	**5,506,508**
	Less: Paid during the year :		2,498,974	1,588,692
	Principal		1,644,382	988,269
	Interest		854,592	600,423
	Balance before current maturity	15.01	**8,671,759**	**3,917,816**
	Less : Current Maturity		1,261,843	1,090,201
	Balance after current maturity		**7,409,916**	**2,827,615**
15.01	**Details of Obligation Under Finance Lease**			
	Nitol Motors Ltd.		542,830	826,686
	LankaBangla Finance Ltd.		8,128,929	3,091,130
			8,671,759	**3,917,816**

EVINCE TEXTILES LIMITED

Notes to the Financial Statement
as at 30 June 2018

Sl. No.	Particulars	Notes / Annex.	Amount in BDT	
			30-June-2018	30-06-2017
16.00	**Short Term Loan :**			
	Deferred Loan		118,457,000	93,634,000
	IDBP Loan		258,719,575	210,336,777
	LTR Loan		124,507,841	92,867,121
	EDF Loan		208,070,129	273,347,412
	Cash Credit Loan		61,661,092	60,406,900
	OD Loan		71,782,078	71,125,265
	ST Loan # 679-388		15,332,308	15,060,575
	Demand Loan		97,521,011	-
	ST Loan - LB		-	6,525,819
			956,051,034	**823,303,870**
17.00	**Accounts Payable :**			
	Asia Plastic Container		220,000	524,125
	Active Environmental Technology		100,000	-
	Prime Insurance Co. Ltd.		551,280	355,585
	Sarabor Trading co.		58,580	478,580
	RJM Corporation		45,910	800
	Corona Trade & Transport		109,310	89,310
	Colours Confidence		45,840	2,545
	Dammam Transport		51,700	1,700
	EFA Enterprise		33,619	333
	Falcate Paper Tube Co		108,990	20,990
			1,325,229	**1,473,968**
18.00	**Liabilities for Expenses :**			
	Gas Bill		19,307,081	17,249,631
	Salary and Wages		17,236,870	14,510,611
	PF Contribution (Employee & Employer)		2,638,902	777,014
	Telephone & Mobile Bill		122,110	122,000
	Audit fees & VAT		172,500	207,000
	Directors' Remuneration	18.01	73,200,000	49,200,000
	Office Rent		154,509	400,986
	AIT & VAT Payable		1,522,091	6,085,493
			114,354,063	**88,552,734**
18.01	**Direcotors' Remuneration**			
	Opening Balance		49,200,000	25,200,000
	Add: made during the year		24,000,000	24,000,000
			73,200,000	**49,200,000**
19.00	**Provision for Contribution to WPPF & WF**			
	Opening Balance		-	-
	Add: Provision made during the year		8,915,291	-
	Less: Paid during the year		(1,000,000)	-
			7,915,291	-
20.00	**Net Assets Value (NAV) Per Share**		**13.54**	**13.89**
	Shareholders' Equity with Revaluation		2,144,010,017	2,000,404,255
	Number of Shares Outstanding	20.01	158,400,000	144,000,000
20.01	**Number of Shares outstanding:**		**158,400,000**	**144,000,000**
	Opening Balance		144,000,000	120,000,000
	Bonus Share Allotted on November 24, 2016		-	24,000,000
	Bonus Share Allotted on October 30, 2017		14,400,000	-
	Face Value per Share		Tk. 10/-	Tk. 10/-

Separate

EVINCE TEXTILES LIMITED

Notes to the Financial Statement
For the year ended 30 June 2018

Sl. No.	Particulars	Notes / Annex.	Amount in BDT	
			July 17 to June 18	July 16 to June 17
21.00	**Turnover**			
	Export		1,778,067,419	1,735,653,058
	Add: Exchange Gain		18,262,216	9,626,527
			1,796,329,635	**1,745,279,585**
21.01	**Sales Quantity:**		**Yds**	**Yds**
	Export		12,588,088	11,661,396
22.00	**Cost of Goods Sold**			
	Raw material consumed	22.01	916,231,087	868,543,681
	Factory Overhead	22.02	454,303,140	418,712,572
			1,370,534,227	**1,287,256,253**
	Add: Opening Work-in-Process	Annex B	149,477,620	150,419,736
			1,520,011,847	**1,437,675,989**
	Less: Closing Work-in-Process	Annex B	156,147,629	149,477,620
	Cost of Production		**1,363,864,218**	**1,288,198,369**
	Add: Opening Stock of Finished Goods	Annex B	137,090,327	138,514,608
			1,500,954,545	**1,426,712,977**
	Less: Closing Stock of Finished Goods	Annex B	139,516,315	137,090,327
			1,361,438,230	**1,289,622,650**
22.01	**Raw Material Consumed**			
	Opening Stock of Raw Materials	Annex B	**229,204,998**	**229,759,189**
	Add. Purchase of Raw Materials	Annex B	1,106,018,340	867,989,489
			1,335,223,338	**1,097,748,678**
	Less: Closing Stock of Raw Materials	Annex B	418,992,251	229,204,998
			916,231,087	**868,543,681**
22.01.1	**Opening Raw Material**			
	Yarn	Annex B	190,492,274	180,296,557
	Sizing Chemical	Annex B	3,827,723	4,709,549
	ETP Chemical	Annex B	6,394,819	1,917,802
	Dyes Chemical	Annex B	28,490,181	42,835,281
			229,204,998	**229,759,189**
22.01.2	**Import of Raw Materials**			
	Yarn	Annex B	873,754,489	721,386,600
	Sizing Chemical	Annex B	33,180,550	14,495,225
	ETP Chemical	Annex B	22,120,367	24,216,714
	Dyes Chemical	Annex B	149,312,476	107,890,952
	Finishing Chemical	Annex B	27,650,458	-
			1,106,018,340	**867,989,489**
22.01.3	**Closing Raw Material**			
	Yarn	Annex B	331,003,878	190,492,274
	Sizing Chemical	Annex B	12,569,768	3,827,723
	ETP Chemical	Annex B	8,379,845	6,394,819
	Dyes Chemical	Annex B	56,563,954	28,490,181
	Finishing Chemical	Annex B	10,474,806	-
			418,992,251	**229,204,998**

EVINCE TEXTILES LIMITED

Notes to the Financial Statement
For the year ended 30 June 2018

Sl. No.	Particulars	Notes / Annex.	Amount in BDT	
			July 17 to June 18	July 16 to June 17
22.02	**Factory Overhead**			
	Wages & Salary with PF contribution		157,914,890	154,884,493
	Packing Materials		3,924,016	3,235,312
	Gas Bill		119,845,352	97,599,770
	Repairs and Maintenance		1,775,275	340,300
	Spare Parts		5,029,126	4,685,799
	Carriage inward		5,813,236	3,627,769
	C & F expenses		9,791,951	3,985,805
	Insurance Premium		6,352,699	4,768,949
	Medical expenses		115,665	122,115
	Labour charge		1,153,474	1,069,403
	Staff Fooding Expenses		2,288,586	3,902,021
	Diesel Consumption for Generator		6,477,936	-
	CNG bill		1,680,228	-
	Entertainment expenses for ifter		518,656	-
	Depreciation	Annex-A	131,622,050	140,490,837
			454,303,140	**418,712,572**
23.00	**Administrative, Selling & Other Expenses**			
	Salary and allowance with PF contribution		30,856,777	30,541,682
	Managing Director's Remuneration		4,800,000	4,800,000
	Directors' Remuneration		19,200,000	19,200,000
	Board meeting fees		310,000	250,000
	Telephone & Mobile Bill		865,542	1,242,473
	Printing & Stationery		213,142	832,722
	Travelling & Conveyance		875,902	1,899,058
	Entertainment		145,883	1,692,520
	Fuel for vehicles		211,297	1,532,743
	Vehicle Spareparts		-	1,392,114
	Vehicle Maintenance		711,372	1,272,711
	Accounting software maintenance		25,000	-
	Newspapers and Periodicals		13,018	24,740
	Postage and Courier		28,350	175,119
	Website maintenance fees		5,000	-
	Fees for IPO fund utilization audit with VAT		-	172,500
	Fees for PF fund audit with VAT		28,750	28,750
	Internet Bill with VAT		250,000	331,000
	Advertisement Expenses		385,113	1,197,760
	Fees & Forms		1,911,972	3,276,542
	Office Rent with VAT		2,494,193	1,603,936
	Selling expenses with VAT		10,668,405	10,413,918
	Audit fees with VAT		143,750	143,750
	IPO Expenses		-	4,372,926
	AGM Expenses		1,931,602	1,446,941
	Listing fees		1,853,140	1,675,863
	Bank Charges		3,054,512	8,360,515
	Depreciation	Annex-A	738,815	797,316
			81,721,535	**98,677,600**
24.00	**Financial Expenses :**			
	Interest from long term borrowings		87,634,766	88,804,056
	Interest from finance lease		854,592	600,423
	Interest from short term borrowings		79,409,718	68,608,131
			167,899,076	**158,012,611**
25.00	**Other Income**			
	Rental Income		1,620,000	1,440,000
	Interest Income on IPO proceed		330,316	3,664,602
			1,950,316	**5,104,602**

EVINCE TEXTILES LIMITED

Notes to the Financial Statement
For the year ended 30 June 2018

Sl. No.	Particulars	Notes / Annex.	Amount in BDT	
			July 17 to June 18	July 16 to June 17
26.00	**Provision for Tax**			
26.01	**Current Tax**			
	This represents estimated Income Tax on Net Income for the period from July 01, 2017 to June 30, 2018.			
	Tax on core business / Operational Income		26,133,249	19,657,486
	Tax on Other Income		366,079	1,168,151
	Under/(over) Provision of previous year		(164,758)	12,888,592
	Tax Provision for the year		**26,334,570**	**33,714,228**
26.01.A	**Current Tax Liability**			
	Opening Balance for Current Tax		66,796,977	45,356,149
	Less: Adjustment during the year for AY 2016-2017/2015-2016		(10,736,997)	(7,036,979)
			56,059,980	**38,319,170**
	Add: Provision for the year	26.01	26,334,570	33,714,228
			82,394,550	**72,033,399**
	Less. Arrear Tax paid during the year		(10,400,000)	(5,236,422)
			71,994,550	**66,796,977**
26.02	**Deferred Tax**			
	The provision for deferred tax is raised due to taxable temporarty difference for this period in accordance with the provisions of BAS - 12.			
	Opening Balance		30,371,936	20,184,413
	Provision made during the year		8,365,487	10,187,523
			38,737,423	**30,371,936**
27.00	**Earnings Per Share (EPS)**			
27.01	**Basic Earnings Per Share**		**0.91**	**1.01**
	Net Profit after Tax		143,605,762	160,169,575
	Weighted Average number of Shares	27.01.A	158,400,000	158,400,000
27.01.A	**Weighted Average Number of Shares**			
	Opening Balance		144,000,000	120,000,000
	Bonus Share Allotted on November 24, 2016		-	24,000,000
	Bonus Share Allotted on October 30, 2017		14,400,000	14,400,000
	Considering the retrospective effect		**158,400,000**	**158,400,000**
	Face Value of Share		Tk. 10/-	Tk. 10/-
28.00	**Cash Received from Customers**			
	Turnover (Export)		1,796,329,635	1,745,279,585
	Add. Opening Balance of Accounts Receivable		697,296,320	728,744,071
	Cash available for collection		**2,493,625,955**	**2,474,023,656**
	Less. Closing Balance of Accounts Receivable		608,222,963	697,296,320
			1,885,402,992	**1,776,727,336**
29.00	**Cash paid to suppliers , Employees & others**			
	Import of Raw Material		(1,106,018,340)	(867,989,489)
	Accounts Payable		(148,740)	(477,722)
	Liability for Expenses		25,801,329	40,724,696
	Factory Overhead		(454,303,140)	(418,712,572)
	Administrative, Selling & Other Expenses		(81,721,535)	(98,677,600)
	Paid to WPPF		(1,000,000)	-
	Add. Depreciation		132,360,865	141,288,153
	Advance, Deposit and Prepayment		33,084,527	(96,870,487)
			(1,451,945,034)	**(1,300,715,021)**

EVINCE TEXTILES LIMITED

Notes to the Financial Statement
For the year ended 30 June 2018

Sl. No.	Particulars	Notes / Annex.	Amount in BDT	
			July 17 to June 18	July 16 to June 17
30.00	**Net Operating Cash Flow per share**		**2.60**	**3.23**
	Net cash provided by Operating Activities		411,777,422	465,774,379
	Number of Shares Outstanding	20.01	158,400,000	144,000,000

31.00 Related party Desclosure

The Details of related party transactions during the year alongwith the ralationship is illustrated below in accordance of BAS 24:

Name of the Party	Relationship	Nature of Transaction	Transacted Amount	
			July 17 to June 18	July 16 to June 17
Mr. Anwar-ul Alam Chowdhury	Chairman	Remuneration	4,800,000	4,800,000
Mrs. Shabnam Shehnaz Chowdhury	Vice Chairman	Remuneration	3,600,000	3,600,000
Mr. Abu Kawser Majumder	Managing Director	Remuneration	4,800,000	4,800,000
Mr. A.K. Gouhor Rabbani	Director-Merchandiser	Remuneration	4,800,000	4,800,000
Mr. Md. Akhter Shahid	Director-Marketing	Remuneration	3,600,000	3,600,000
Mr. Shah Adeeb Chowdhury	Director-Production	Remuneration	1,200,000	1,200,000
Mr. Shah Rayeed Chowdhury	Director-Support Service	Remuneration	1,200,000	1,200,000
Evitex Fashions Limited	Subsidiary	Factory Rent	1,620,000	1,440,000
Evince Design and Fashions Ltd.	Under Common Directorship	Selling expenses	10,668,405	10,413,918
Argon Spinning Limited	Under Common Directorship	Import of Yarn	235,608,998	-
Total			**271,897,403**	**35,853,918**

32.00 Disclosure of Managerial Remuneration

32.01 The total amount of remuneratin paid to the top five salaried officers of the company in the accounting year is as follows:

Name	Designation	July 17 to June 18	July 16 to June 17
Mr. Anwar-ul Alam Chowdhury	Chairman	4,800,000	4,800,000
Mrs. Shabnam Shehnaz Chowdhury	Vice Chairman	3,600,000	3,600,000
Mr. Abu Kawser Majumder	Managing Director	4,800,000	4,800,000
Mr. A.K. Gouhor Rabbani	Director-Merchandiser	4,800,000	4,800,000
Mr. Md. Akhter Shahid	Director-Marketing	3,600,000	3,600,000
	Total	**21,600,000**	**21,600,000**

32.02 Aggregated amount of remuneration paid to all Directors and Officers during the accounting year is as follows:

Sl. No.	Particulars	Nature of Payment	July 17 to June 18	July 16 to June 17
1	Directors	Board Meeting Fees	310,000	250,000
2	Directors	Remuneration	24,000,000	24,000,000
3	Officers and Executives	Salary and Other Allowances	30,856,777	30,541,682
		Total	**55,166,777**	**54,791,682**

33.00 General

a) Number of Employees

Salary Range (Monthly)	Officers & Staffs		Worker	Total
	Head Office	Factory		
Not Less Than Tk. 3,000	20	208	1106	1334
Less Than Tk. 3,000	-	-	-	-
Total	**20**	**208**	**1106**	**1334**

b) Income Tax Assessment:

Income tax assessment of the company up to the Assessment Year 2016-2017 has been Completed.

c) Contingent Liabilities & Capital Commitments:

There is no claim against the company not acknowledged debt and no un-availed credit facilities, other than those in the normal course of business, available to the company on June 30, 2018.

EVINCE TEXTILES LIMITED

Notes to the Financial Statement
as at 30 June 2018

Annexure-A

Schedule of Property, Plant and Equipment

A. COST Schedule :

Amount in Taka

ITEMS	COST			Rate	DEPRECIATION			WDV at 30.06.2018
	Balance at 01.07.17	Addition during the period	Total as at 30.06.18		Balance at 01.07.17	Charged during the period	Total as at 30.06.18	
Land & Land Development	206,701,721	28,725,477	235,427,198	0%	-	-	-	235,427,198
Building	692,519,023	165,251,500	857,770,523	5%	119,886,399	28,631,631	148,518,030	709,252,493
Plant & Machinery	1,599,787,006	352,245,044	1,952,032,050	10%	793,848,406	80,593,860	874,442,266	1,077,589,784
Furniture & Fixtures	6,424,701	287,820	6,712,521	10%	2,887,340	353,736	3,241,075	3,471,446
Office Equipment	11,638,255	643,958	12,282,213	15%	7,359,600	641,798	8,001,398	4,280,815
Electricity,Gas & Water Line Installation	10,951,662	-	10,951,662	10%	6,664,024	428,764	7,092,788	3,858,874
Electric Sub-Station	18,099,438	-	18,099,438	10%	10,899,872	719,957	11,619,829	6,479,609
False ceiling & Cooling ducting	133,866,356	-	133,866,356	15%	69,240,764	9,693,839	78,934,603	54,931,753
Vehicles	30,419,815	6,626,025	37,045,840	20%	20,011,094	2,081,744	22,092,838	14,953,002
Sub - Total	**2,710,407,977**	**553,779,824**	**3,264,187,801**		**1,030,797,499**	**123,145,329**	**1,153,942,827**	**2,110,244,974**

B. REVALUATION Schedule :

ITEMS	COST			Rate	DEPRECIATION			WDV at 30.06.2018
	Balance at 01.07.17	Addition during the period	Total as at 30.06.18		Balance at 01.07.17	Charged during the period	Total as at 30.06.18	
Land & Land Development	166,487,766	-	166,487,766	0%	-	-	-	166,487,766
Building	266,556,807	-	266,556,807	5%	82,246,078	9,215,536	91,461,615	175,095,192
Sub - Total	**433,044,573**	-	**433,044,573**		**82,246,078**	**9,215,536**	**91,461,615**	**341,582,958**
Grand Total	**3,143,452,550**	**553,779,824**	**3,697,232,374**		**1,113,043,578**	**132,360,865**	**1,245,404,442**	**2,451,827,932**

a. Depreciation of Operating Expenses	131,622,050
b. Depreciation of Administrative Expenses	738,815
	132,360,865

EVINCE TEXTILES LIMITED

Statement of Inventory
as at 30 June 2018

Annexure-B

i) Opening Raw Materials

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	Kg	670,747	190,492,274
2	Sizing Chemical	Kg	28,145	3,827,723
3	ETP Chemical	Kg	228,386	6,394,819
4	Dyes Chemical	Kg	203,661	28,490,181
5	Finishing Chemical	Kg	-	-
Total			**1,130,940**	**229,204,998**

ii) Opening Work in Process:

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Warping	Kg	302,253	32,885,076
2	Sizing	Kg	343,469	37,369,405
3	Dyeing	Kg	412,163	44,843,286
4	Weaving	Kg	315,991	34,379,853
5	Finishing	Yds	-	-
Total			**1,373,875**	**149,477,620**

iii) Opening Finished Goods

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	100% Cotton Fabrics	Yds	1,232,827	137,090,327

iv) Import of Raw Materials

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	Kg	2,567,601	873,754,489
2	Sizing Chemical	Kg	232,846	33,180,550
3	ETP Chemical	Kg	731,252	22,120,367
4	Dyes Chemical	Kg	901,918	149,312,476
5	Finishing Chemical	Kg	130,698	27,650,458
Total			**4,564,314**	**1,106,018,340**

v) Closing Raw Materials

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	Kg	972,683	331,003,878
2	Sizing Chemical	Kg	88,209	12,569,768
3	ETP Chemical	Kg	277,020	8,379,845
4	Dyes Chemical	Kg	341,673	56,563,954
5	Finishing Chemical	Kg	49,512	10,474,806
Total			**1,729,096**	**418,992,251**

vi) Closing Work in Process:

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Warping	Kg	194,246	23,422,144
2	Sizing	Kg	233,095	28,106,573
3	Dyeing	Kg	246,044	29,668,050
4	Weaving	Kg	388,491	46,844,289
5	Finishing	Yds	233,095	28,106,573
Total			**1,294,971**	**156,147,629**

Separate

EVINCE TEXTILES LIMITED

Statement of Inventory
as at 30 June 2018

Annexure-B

vii) Closing Finished Goods

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	100% Cotton Fabrics	Yds	950,902	**139,516,315**

viii) Raw Materials Consumed

Sl. No.	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	Kg	2,265,665	733,242,884
2	Sizing Chemical	Kg	172,782	24,438,506
3	ETP Chemical	Kg	682,619	20,135,341
4	Dyes Chemical	Kg	763,906	121,238,703
5	Finishing Chemical	Kg	81,186	17,175,652
Total			**3,966,158**	**916,231,087**

AUDITORS' REPORT TO THE SHAREHOLDERS OF EVITEX FASHIONS LIMITED

We have audited the accompanying financial statements of Evitex Fashions Limited which comprises the Statement of Financial Position as at 30 June 2018, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 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 misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. However, documentation & reconciliation process need be strengthened further. Company has not introduced any Worker's Participation Fund as yet.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared 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 returns; and

d) the expenditures incurred were for the purposes of the Company's business.

Dhaka
Dated: 08/10/2018

Pinaki & Company
Chartered Accountants

Subsidiary

EVITEX FASHIONS LIMITED

Statement of Financial Position
as at 30 June 2018

Particulars	Note	TAKA	
		30-Jun-18	30-Jun-17
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	04.00	62,665,900	64,577,740
		62,665,900	**64,577,740**
CURRENT ASSETS			
Fixed Deposit	05.00	4,379,956	-
Inventory	06.00	89,279,345	99,571,969
Accounts Receivable	07.00	77,766,154	86,729,560
Advance Deposit & Prepayments	08.00	81,482,295	77,619,280
Cash and Cash Equivalents	09.00	1,218,166	965,000
		254,125,916	**264,885,809**
TOTAL ASSETS		**316,791,816**	**329,463,549**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Paid up Capital	10.00	88,000,000	88,000,000
Retained Earnings	11.00	151,462,451	126,318,654
		239,462,451	**214,318,654**
CURRENT LIABILITIES			
Short Term Borrowing	12.00	50,390,043	77,047,790
Accounts Payable	13.00	3,346,685	7,710,468
Liabilities for expenses	14.00	7,887,900	7,389,784
Current Tax Liability	22.01.A	15,704,737	22,996,853
		77,329,365	**115,144,895**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**316,791,816**	**329,463,549**
Net Asset Value Per Share	15.00	**27.21**	**24.35**

Managing Director **Director** **Company Secretary**

Pinaki & Company
Chartered Accountants

Subsidiary

EVITEX FASHIONS LIMITED

Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2018

Particulars	Note	Taka	
		July 17 to June 18	July 16 to June 17
Turnover	16.00	**614,963,381**	**581,565,859**
Less: Cost of Goods Sold	17.00	555,088,198	524,942,386
Gross profit		**59,875,183**	**56,623,473**
Less: Office and Administrative Expenses	18.00	23,928,070	22,481,572
		35,947,113	**34,141,901**
Less: Selling & Distribution Expenses	19.00	2,995,270	2,875,724
Net Profit before financial Expenses		**32,951,843**	**31,266,177**
Less: Financial Expenses	20.00	3,299,684	3,670,556
Net Profit after financial Expenses		**29,652,159**	**27,595,621**
Add : Other Income	21.00	91,618	1,785,096
Net Profit before Tax provision		**29,743,777**	**29,380,717**
Provision for Income Tax		4,599,980	3,936,258
Current Tax	22.00	4,599,980	3,936,258
Net Profit after Income Tax		**25,143,797**	**25,444,459**
Earning Per Share	23.00	**2.86**	**2.89**

Managing Director **Director** **Company Secretary**

Pinaki & Company
Chartered Accountants

Subsidiary

EVITEX FASHIONS LIMITED

Statement of Changes in Equity
For the year ended 30 June 2018

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as at July 01, 2017	**88,000,000**	**126,318,654**	**214,318,654**
Net Profit for the period	-	25,143,797	25,143,797
Balance as at June 30, 2018	**88,000,000**	**151,462,451**	**239,462,451**

Statement of Changes in Equity
For the year ended 30 June 2017

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as at July 01, 2016	**88,000,000**	**100,874,195**	**188,874,195**
Net Profit for the period	-	25,444,459	25,444,459
Balance as at June 30, 2017	**88,000,000**	**126,318,654**	**214,318,654**

Managing Director **Director** **Company Secretary**

EVITEX FASHIONS LIMITED

Statement of Cash Flows

For the year ended 30 June 2018

Particulars	Note	Taka	
		July 17 to June 18	July 16 to June 17
Cash flow from Operating Activities			
Cash received from customers	24.00	623,926,787	580,358,652
Cash paid to suppliers and employees	25.00	(579,366,722)	(644,256,884)
Income Tax Paid		(5,379,030)	(3,484,803)
Other Income		91,618	1,785,096
Net cash provided by Operating Activities		**39,272,654**	**(65,597,939)**
Cash flow from Investing Activities			
Addition to fixed Assets		(4,682,101)	(39,592,902)
Fixed Deposit		(4,379,956)	48,692,001
Net Cash provided by Investing Activities		**(9,062,057)**	**9,099,099**
Cash flow from Financing Activities			
Short Term Loan		(26,657,746)	58,661,005
Financial Expenses		(3,299,684)	(3,670,556)
Net cash provided by Financing Activities		**(29,957,430)**	**54,990,449**
Increase/(decrease) in Cash and Bank Balances		**253,166**	**(1,508,390)**
Cash and Cash Equivalents at Opening		965,000	2,473,391
Cash and Cash Equivalents at Closing		**1,218,166**	**965,000**
Net Operation Cash Flow per share	26.00	**4.46**	**(7.45)**

Managing Director **Director** **Company Secretary**

Subsidiary

EVITEX FASHIONS LIMITED

Notes to the Financial Statements
as at 30 June 2018

1.0 Reporting Entity:

Evitex Fashions Limited was incorporated as a Private Limited Company on 11th April 2004 under the Com panies Act 1994 and the company commenced its commercial production on May 15, 2005. Registered office of the company is at Plot No. 33, Sector-7, Mirpur, Dhaka-1216 while Factory is situated at Vill./Mouza: Shirir Chala, P.O.: Bhabanipur, P.S.: Gazipur Sadar, Dist: Gazipur. The principal activity of the company is 100% export oriented Readymade Garments.
The Company was established with an Authorised Capital of Tk. 100,000,000/- and Paid-up Capital of Tk. 200,000/-. The Paid-up capital of the company was subsequently raised to Tk. 88,000,000/-. The Shares of the company has been denominated from Tk. 100/- to Tk. 10/- per share as at April 21, 2013.

1.1 Nature of Business:

The main activities of the company are concentrated in 100% export oriented Readymade Garments.
Share Capital:

Particulars	June 30, 2018	June 30, 2017
Authorized Capital: 1,00,00,000 ordinary shares of Tk. 10 each	100,000,000	100,000,000
Issued, Subscribed and fully paid up: 88,00,000 ordinary shares of Tk. 10 each	88,000,000	88,000,000

2.0 Basis of Preparation:

2.1 Statements Compliance:

The financial statements have been prepared in accordance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2 Reporting Period:

Financial statements of the company cover from 01-07-2017 to 30-06-2018.

2.3 Date of Authorization:

The Board of Directors of Evitex Fashions Limited approved this Financial Statements on 20th September 2018.

2.4 Reporting Currency and Level of Precision:

Currency of Reporting:

The figure in the financial statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

Foreign Currency Transactions:

Foreign Currency Transactions in foreign currencies are converted into equivalent taka applying the ruling rate at the date of such transactions as per IAS-21 “The Effects of Changes in Foreign Exchange Rates”.

2.5 Comparative Information:

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year’s financial statements.
Previous year’s figure has been re-arranged whenever considered necessary to ensure comparability with the current Year’s presentation as per IAS-8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

Comparative information has been provided in accordance with IAS-1 para 38 & 38A Statement of Financial Position, Statement of profit and loss and other Comprehensive Income, statement of changes in equity and statement of cash flows.

3.0 Significant Accounts Polices:

3.1 Principal Accounting Policies:

Specific accounting policies were selected and applied by the company's management for significant trans actions and events that have a material effect within the framework of IAS-1 "Presentation of Financial Statements" in preparation and presentation financial statements. The previous year's figures were presented according to the same accounting principles.

3.2 Application of International Accounting Standards (IASs):

The financial statements have been prepared in compliance with requirement of IAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following IASs are applicable for the financial statements for the year under review:

IAS – 01 Presentation of Financial Statement
IAS – 02 Inventories
IAS – 07 Statement of Cash Flows
IAS – 08 Accounting Policies, Changes in Accounting Estimates and Errors
IAS – 10 Events after the Reporting Period
IAS – 12 Income Taxes
IAS – 16 Property, Plant & Equipment
IAS – 17 Leases
IAS – 21 The Effect of Changes in Foreign Exchange Rates
IAS – 23 Borrowing Costs
IAS – 24 Related Party Disclosures
IAS – 33 Earnings Per Share
IAS – 34 Interim Financial Reporting
IAS – 37 Provision, Contingent Liabilities and Contingent Assets
IAS – 39 Financial Instruments Recognition and Measurement
IFRS-15 Revenue from Contracts with Customer

3.3 Statement of Cash flows:

Statement of Cash Flow is prepared in Accordance with IAS-7 "Statement of Cash Flows" and the Securities and Exchange Rules, 1987 and the cash flow from the operation activities are shown under the direct method as prescribed.

3.4 Recognition of Property, Plant & Equipment and Depreciation:

Property, Plant & Equipment is stated at cost less depreciation in accordance with IAS-16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction and include purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use. Depreciation on all other fixed assets is computed using the reducing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation on addition is charged when the asset is ready for use. Expenditure for maintenance and repairs are expenses, major replacements, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or other wise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for year.

The depreciation rate in this year is as under:

Sl.	Category of Property, Plant & Equipment Rate	Rate
Factory/Manufacturing: -		
1.	Machinery	15%
2.	Electrical Installation	15%
3.	Fire Detection System & Equipment	15%
4.	Balancing, Modernization, Rehabilitation & Expansion	5%
5.	Furnitures & Fixtures	10%
Administrative/Non-Manufacturing: -		
6.	Office Equipment	15%
7.	Motor Vehicles	15%

3.5 Impairment:

In accordance with the provision of IAS 36, the carrying amount of non-financial assets other than invento ries of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of compre hensive income. No such indication of impairment has been observed till the end of the year.

3.6 Inventories:

Inventories comprise of Raw Materials, Work-in Process and Finished Goods. They are stated at the lower of cost or net realizable value in accordance with IAS-2 "Inventories" after making due allowance for any obso lete or slow moving item. Quantity wise Schedule of inventory as per requirement of companies act 1994 is detailed in Annexure-B.

3.7 Advance, Deposit and Prepayment:

Evitex Fashions Limited has been incurred some expenses as Advance, Deposit and Prepayment that are shown in the notes to Financial Statements in details.

3.8 Accounts Receivable:

These are carried forward at their original invoiced value amount. Management considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's account.

3.9 Cash and Cash Equivalents:

According to IAS-7 'Statement of Cash Flows' cash comprises of cash-in-hand and demand deposits. IAS-1 'Presentation of Financial Statements' provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1, Cash in hand and Bank Balances have been considered as cash and cash equivalents.

3.10 Creditors and Accruals:

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.11 Income Tax:

Current Tax

Provision for current tax for the year has been made at the rate of 12% as prescribed in the SRO 255 Ain/Income tax/2017 dated August 01, 2017 on the accounting profit made by the company as per ITO 1984 in compliance with IAS-12 "Income Taxes".

Deferred Tax

The provision for deferred tax is raised due to taxable temporary difference for this year in accordance with the provisions of IAS-12. The Tax Authority allowed the accounting depreciation as tax depreciation so there is no difference between tax depreciation and accounting depreciation as depreciation so there is no differ ence between tax depreciation and accounting depreciation as such deferred tax is nil.

3.12 Compliance with Local Laws:

The financial statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities and Exchange Rule, 1987 and other relevant local laws and rules.

3.13 Revenue Recognition:

Revenue from the sales is measured at the fair value of the consideration received or receivable. The com pany recognizes revenue when risk and rewards associated with ownership has been transferred to buyer, which satisfied all the condition for the revenue recognition as provided in IFRS-15 'Revenue from Contracts with Customers'.

Sales revenue is recognized when transactions related to sales are completed and the sales invoices are issued in favor of the buyers.

3.14 Value Added Tax (VAT):

The Company's traded income is 100% export oriented so its income is not subject to Value Added Tax (VAT).

3.15 Components of the Financial Statements:

According to the International Accounting Standard IAS-1 'Presentation of Financial Statements' the com-plete set of Financial Statements includes the following components:

i. Statement of Financial Position as at June 30, 2018.
ii. Statement of Profit or Loss and Other Comprehensive Income for the year ended from July, 2017 to June, 2018.
iii. Statement of Cash flows for the year ended from July, 2017 to June, 2018.
iv. Statement of Changes in Equity for the year ended from July, 2017 to June, 2018.
v. Accounting Policies and Explanatory Notes for the year ended from July, 2017 to June, 2018.

3.16 Earnings Per Share:

Earnings Per Share (EPS) is calculated in accordance with the International Accounting Standard IAS-33 and weighted average number of share has been used as the denominator and details are shown in the Notes to the Financial Statement.

Basic Earnings Per Share:

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

Weighted Average Number of Ordinary Shares Outstanding During the Year:

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighted factor is the number of months the specific shares are outstanding as a proportion of the total number of months in the year.

3.17 Responsibility for Preparation and 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 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements' issued by the International Accounting Standards Board (IASB).

3.18 Going Concern:

The financial statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

3.19 Employees Benefits:

Evitex Fashions Limited offers a number of benefits which include Short term employee benefits like Salaries, Wages, Sick Leave and Bonus. On monetary benefits like Medical Care, Transport Facilities.

3.20 Events After the Reporting Period:

As per IAS-10 "Event After the Reporting Period" are those event favorable and unfavorable that occur between the end of the reporting period and the date when the financial statement is authorized for issue. Two types of event can be indentified:

Those are providing evidence of conditions that existed at the end of the reporting period (adjusting events after Reporting date); and Those are indicative of conditions that arose after the reporting period (Non-adjusting events after reporting date).

3.21 Financial Instruments:

Derivative:

According to IFRS-7 "Financial Instruments Disclosers", the company was not a party to any derivative contract (financial instruments) at the financial statement date, such as forward exchange contract, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per IAS 39 "Financial Instruments Recognition and Measurement".

EVITEX FASHIONS LIMITED

Notes to the Financial Statements
as at 30 June 2018

Sl. No.	Particulars	Note/Annex	Taka	
			30-Jun-18	30-Jun-17
04.00	**Property, Plant & Equipment**			
	Factory/Manufacturing			
	Machinery		9,287,501	9,499,505
	Electrical Installation		1,587,756	1,867,949
	Fire Detection System & Equipment		20,592,138	20,144,657
			28,977,672	30,502,812
	Furnitures & Fixtures		763,897	848,774
	Administrative/Non Manufacturing			
	Office Equipment		275,698	324,351
	Motor vehicles		1,181,238	1,389,692
			62,665,900	**64,577,740**
04.01	**Movement of PPE**			
	Opening Balance		**64,577,740**	**28,665,797**
	Add: Addition during the year		4,682,101	39,592,902
	Closing Balance		**69,259,841**	**68,258,699**
	Less: Depreciation charged during the year		6,593,941	3,680,959
	Written Down Value (WDV)		**62,665,900**	**64,577,740**
05.00	**Fixed Deposit**			
	Opening Balance		-	**48,692,001**
	Add: Addition during the year		4,379,956	3,078,236
			4,379,956	**51,770,237**
	Less: Withdrawn during the year		-	51,770,237
	Closing Balance		**4,379,956**	-
06.00	**Inventory**			
	Fabrics	17.01.03	66,259,097	75,207,747
	Accessories	17.01.03	16,564,774	18,801,937
	WIP	17.00	3,134,340	2,406,720
	Finished Goods	17.00	3,321,134	3,155,565
			89,279,345	**99,571,969**
07.00	**Accounts Receivable**			
	Export Bills Receivable	07.01	77,766,154	86,729,560
			77,766,154	**86,729,560**
07.01	**Export Bills Receivable**			
	Opening Balance		**86,729,560**	**85,522,353**
	Add: Sales during the year		610,927,457	581,565,859
	Available for Received		**697,657,017**	**667,088,212**
	Less: Realized during the year		619,890,863	580,358,652
			77,766,154	**86,729,560**
07.02	**Disclosure as per Schedule-XI, Part-I of the Companies Act, 1994**			
	Matuarity Less than 6 months		**77,766,154**	**86,729,560**
	Matuarity more than 6 months		Nil	Nil
			77,766,154	**86,729,560**
	Debts considered Good and Secured		77,766,154	86,729,560
	Debts considered Good without security		-	-
	Debts considered doubtful and bad		-	-
	Debts due by directors or other officers & staffs		-	-
	Debts due from companies under same management		-	-
	Maximum debt due by directors or officers & staffs at any time		-	-

Subsidiary

EVITEX FASHIONS LIMITED

Notes to the Financial Statements
as at 30 June 2018

No.	Particulars	Note/Annex	Taka	
			30-Jun-18	30-Jun-17
08.00	**Advance Deposit & Prepayments**			
	Advance Income Tax	08.01	13,035,761	19,548,827
	Reserve Margin		517,523	1,881,324
	Reserve for BTB LC payment		33,752,008	22,189,129
	ERQ Accounts-sebl		177,003	-
	Share Money Deposit to Argon Spinning Ltd.		34,000,000	34,000,000
			81,482,295	**77,619,280**
08.01	**Advance Income Tax**			
	Opening Balance		19,548,827	16,064,024
	Add: during the year	08.01.A	4,687,287	3,484,803
	Less: Adjustment for the assessment completion of previous years		(11,200,353)	-
			13,035,761	**19,548,827**
08.01.A	**AIT during the year**			
	TDS on Export		4,678,025	3,271,517
	TDS on FDR		9,262	178,510
	TDS on Incentive Income		-	34,776
			4,687,287	**3,484,803**
08.02	**Disclosure as per Schedule-XI, Part-I of the Companies Act, 1994**			
	Advance exceeding 6 months		47,035,761	53,548,827
	Advance not exceeding 6 months		34,446,534	24,070,453
			81,482,295	**77,619,280**
	Advance, deposit & prepayments considered good with secured		-	77,619,280
	Advance, deposit & prepayments considered good without security		-	-
	Advance, deposit & prepayments considered doubtful & bad		-	-
	Advance, deposit & prepayments due by directors or other officers and staffs		-	-
	Advance, deposit & prepayments due from companies under same management		-	-
	Maximum Advance due by directors or officers & staffs at any time		-	-
09.00	**Cash and Cash Equivalents**			
	Cash in hand		525,689	567,650
	Cash at bank	09.01	692,477	397,350
			1,218,166	**965,000**
09.01	**Cash at Bank**			
	Prime Bank CD A/C		47,745	175
	Prime Bank STD A/C		15,059	16,784
	Southeast Bank CD A/C - 8028		437,345	229,108
	Brac Bank		192,328	151,283
			692,477	**397,350**
10.00	**Share Capital**			
	Authorized Capital			
	10,000,000 Ordinary Shares of Tk 10/- each		**100,000,000**	**100,000,000**
	Paid up capital	10.01	**88,000,000**	**88,000,000**
	8,800,000 shares @ Tk. 10/- each			
10.01	**Breakup of above paid up capital:**		**88,000,000**	**88,000,000**
	Opening balance		88,000,000	88,000,000
	Face Value per share		Tk. 10/-	Tk. 10/-

No.	Particulars	Note/Annex	Taka	
			30-Jun-18	30-Jun-17

10.02 Share holdings Position

Particulars of Shareholders and their share holding position is as under:

Name of Share holders	Number of Shares		%	Amount in BDT	
	30-Jun-18	30-Jun-17		30-Jun-18	30-Jun-17
Anwar-ul Alam Chowdhury	88,000	88,000	1.00%	880,000	880,000
Shabnam Shehnaz Chowdhury	88,000	88,000	1.00%	880,000	880,000
Abu Kawser Majumder	99,000	99,000	1.13%	990,000	990,000
A.K. Gouhor Rabbani	99,000	99,000	1.13%	990,000	990,000
Md. Akhter Shahid	66,000	66,000	0.75%	660,000	660,000
Evince Textiles Limited	8,360,000	8,360,000	95.00%	83,600,000	83,600,000
Total	**8,800,000**	**8,800,000**	**100%**	**88,000,000**	**88,000,000**
Face Value Per share	Tk. 10/-	Tk. 10/-			

10.03 Classification of shares by holding:

Slabs by number of shares	Number of Sharesholder		Amount in BDT	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Less than 500				
From 500 to 5,000			-	-
From 5,001 to 10,000				
From 10,001 to 20,000				
From 20,001 to 30,000				
From 30,001 to 40,000				
From 40,001 to 50,000				
From 50,001 to 100,000	5	5	4,400,000	4,400,000
From 100,001 to 1,000,000				
Above 1,000,000	1	1	83,600,000	83,600,000
Total	**6**	**6**	**88,000,000**	**88,000,000**

11.00	**Retained Earnings**		
	Opening Balance	126,318,654	100,874,195
	Add: Current Year Profit after Tax	25,143,797	25,444,459
		151,462,451	**126,318,654**
12.00	**Short Term Borrowing**		
	OD against non cash security-SEBL-290	7,423,672	7,623,945
	Packing Credit	23,302,026	18,334,426
	FDBP	-	7,970,280
	Time Loan-SEBL-1876/1825	10,077,777	10,030,833
	EDF Loan	9,586,568	33,088,306
		50,390,043	**77,047,790**
13.00	Accounts Payable		
	Payable for Raw Material	2,297,499	5,293,237
	Payable for Accessories	795,507	1,832,778
	Payable for Packing Material	253,679	584,454
		3,346,685	**7,710,468**
14.00	Liabilities for Expenses		
	Wages & Overtime	5,623,326	5,513,669
	Factory Salaries	1,331,124	1,220,644
	Salary & Allowances	782,190	503,223
	Director Remenuration	100,000	100,000
	Audit fees & VAT	46,000	46,000
	Electicity Bill	5,260	6,248
		7,887,900	**7,389,784**

Subsidiary

EVITEX FASHIONS LIMITED

Notes to the Financial Statements
as at 30 June 2018

No.	Particulars	Note/Annex	Taka	
			30-Jun-18	30-Jun-17
15.00	**Net Asset Value Per Share**		**27.21**	**24.35**
	Shareholders' Equity		239,462,451	214,318,654
	Outstanding Number of Shares	15.01	8,800,000	8,800,000
	Face Value per Share		Tk. 10/-	Tk. 10/-
15.01	**Outstanding Number of Shares:**		**8,800,000**	**8,800,000**
	Opening Balance		8,800,000	8,800,000
	Face Value per Share		Tk. 10/-	Tk. 10/-

AMAR STOCK

EVITEX FASHIONS LIMITED

Notes to the Financial Statements
as at 30 June 2018

No.	Particulars	Note/Annex	Taka	
			July 17 to June 18	July 16 to June 17
16.00	**Turnover**			
	Export		610,927,457	578,211,901
	Export Incentive		-	1,159,200
	Foreign Exchange Gain/(Loss)		4,035,924	2,194,758
			614,963,381	**581,565,859**
16.01	**Export Quantity:**		**Pcs**	**Pcs**
	Export		1,786,338	1,652,040
17.00	**Cost of Goods Sold**			
	Raw Material consumed	17.01	441,965,175	401,429,843
	Factory Overhead	17.02	114,016,213	123,152,318
			555,981,388	**524,582,161**
	Add: Opening Work-in -Process		2,406,720	2,451,910
			558,388,108	**527,034,071**
	Less: Closing Work-in -Process		3,134,340	2,406,720
	Cost of Production		**555,253,768**	**524,627,351**
	Add: Opening Stock of Finished Goods		3,155,565	3,470,600
			558,409,333	**528,097,951**
	Less: Closing Sotck of Finished Goods		3,321,134	3,155,565
			555,088,198	**524,942,386**
17.01	**Raw Material Consumed**			
	Opening Stock of Raw Materials	17.01.01	94,009,684	92,249,360
	Add: Purchase during the year	17.01.02	430,779,362	403,190,167
			524,789,046	**495,439,527**
	Less : Closing Stock of Raw Materials	17.01.03	82,823,871	94,009,684
			441,965,175	**401,429,843**
17.01.01	**Opening Stock of Raw Materials**			
	Fabrics		75,207,747	73,799,488
	Accessories		18,801,937	18,449,872
			94,009,684	**92,249,360**
17.01.02	**Import of Raw Materials**			
	Fabrics		344,623,490	322,552,134
	Accessories		86,155,872	80,638,033
			430,779,362	**403,190,167**
17.01.03	**Closing Stock Of Raw Materials**			
	Fabrics		66,259,097	75,207,747
	Accessories		16,564,774	18,801,937
			82,823,871	**94,009,684**

Subsidiary

EVITEX FASHIONS LIMITED

Notes to the Financial Statements
as at 30 June 2018

No.	Particulars	Note/Annex	Taka	
			July 17 to June 18	July 16 to June 17
17.02	**Factory Overhead**			
	Wages, Overtime, Bonus & Allowance		79,995,528	96,973,203
	Factory Staff Salary & Allowance		16,093,488	16,505,271
	Workers & Employee Welfare		616,137	309,030
	Medical Expenses		42,326	42,934
	Travelling & Conveyance		770,000	460,350
	Carriage Inward		167,017	-
	Machinery Repair & Maintenance		1,630,856	365,916
	Spare parts for Machinery		1,632,507	2,525,739
	Electrical Maintenance-Electric Equipment		551,817	24,499
	Spare parts for Electric Equipment		415,210	250,000
	Power/Fuel/Electricity		3,186,576	93,374
	Factory Maintenance-Workshop Bill		396,426	133,521
	Spare parts for Factory Maintenance		58,360	650,000
	B/L charge		435,600	-
	Labour Charges		67,530	-
	Factory Rent		1,620,000	1,440,000
	Depreciation	Annex-A	6,336,835	3,378,481
			114,016,213	**123,152,318**
18.00	**Administrative Expenses:**			
	Salary & Allowances		9,446,282	6,482,139
	Managing Director's Remuneration		1,200,000	1,200,000
	Conveyance		382,092	206,963
	Entertainment		656,887	249,741
	Stationery		609,969	128,957
	Postage & Stamps		19,939	14,669
	Papers & Periodicals		5,110	5,100
	Fuel & Lubricants (Vehicles)		779,066	319,625
	Renewal & Registration		670,655	570,162
	Telephone ,Fax,Mobile & Internet		379,087	110,493
	Repairs & maintenance - workshop bill		397,477	70,466
	Courier Charges		1,066,956	1,719,681
	Insurance Premium		2,427,357	1,503,176
	Travelling Exp.		3,587	2,471,355
	Bank Charges		5,580,500	7,080,567
	Audit Fees & VAT		46,000	46,000
	Depreciation	Annex-A	257,107	302,478
			23,928,070	**22,481,572**
19.00	**Selling & Distribution Expenses**			
	C & F Expenses		898,581	1,800,631
	Business Promotion		599,054	-
	Transportation		688,912	602,388
	Testing Expenses		808,723	472,705
			2,995,270	**2,875,724**
20.00	**Financial Expenses**			
	Interest Expenses		3,299,684	3,670,556
			3,299,684	**3,670,556**

No.	Particulars	Note/Annex	Taka	
			July 17 to June 18	July 16 to June 17
21.00	**Other Income**			
	Interest Income from FDR		91,618	1,785,096
			91,618	**1,785,096**
22.00	**Provision for Tax**			
22.01	**Current Tax**			
	This represents estimated Income Tax on Net Income for the period from July 01, 2017 to June 30, 2018 and any short provision for prior year.			
	Tax on core business / Operational Income		4,567,914	3,311,474
	Tax on Other Income		32,066	624,784
	Tax provision for the year		**4,599,980**	**3,936,258**
22.01.A	**Current Tax Liability**			
	Opening Net Balance for Current Tax		22,996,853	19,060,596
	Less: Adjustement of previous years IY 2013		(11,200,353)	-
	Less: Arrear Tax Paid during the year		(691,743)	
			11,104,757	**19,060,596**
	Add: Current Tax for the year		4,599,980	3,936,258
			15,704,737	**22,996,853**
22.02	**Deferred Tax**			
	The provision for deferred tax is raised due to taxable temporary difference for this period in accordance with the provisions of BAS-12. The Tax Authority allowed the accounting depreciation as tax depreciation so there is no difference between tax depreciation and accounting depreciation as such deferred tax is nil.			
23.00	**Earnings Per Share**		**2.86**	**2.89**
	Net Profit from Core Business		25,143,797	25,444,459
	Total Existing Number of Shares		8,800,000	8,800,000
	Share Value		Tk. 10/-	Tk. 10/-
23.01	**Total Existing Number of Shares**			
	Number of Shares		**8,800,000**	**8,800,000**
	Share Value		Tk. 10/-	Tk. 10/-
24.00	**Cash received from customer**			
	Export		614,963,381	581,565,859
	Add : Opening Balance of Accounts Receivable		86,729,560	85,522,353
	Cash available for collection		**701,692,941**	**667,088,212**
	Less : Closing Balance of Accounts Receivable		77,766,154	86,729,560
			623,926,787	**580,358,652**
25.00	**Cash paid to suppliers , Employees & others**			
	Purchase		(430,779,362)	(403,190,167)
	Accounts payable		(4,363,783)	(44,710,039)
	Liability for Expenses		498,116	476,849
	Factory Expenses		(114,016,213)	(123,152,318)
	Administrative Expenses		(23,928,070)	(22,481,572)
	Add. Depreciation		6,593,941	3,680,959
	Selling and distribution Expenses		(2,995,270)	(2,875,724)
	Advance, Deposit and Prepayment		(10,376,081)	(52,004,872)
			(579,366,722)	**(644,256,884)**

Subsidiary

EVITEX FASHIONS LIMITED

Notes to the Financial Statements
as at 30 June 2018

No.	Particulars	Note/Annex	Taka	
			July 17 to June 18	July 16 to June 17
26.00	**Net Operation Cash Flow per share**		4.46	(7.45)
	Net cash provided by Operating Activities		39,272,654	(65,597,939)
	Total Existing Number of Shares	23.01	8,800,000	8,800,000

27.00 Related Party Disclosure

The Details of related party transactions during the year alongwith the ralationship is illustrated below in accordance of BAS-24:

Particulars			July 17 to June 18	July 16 to June 17
Name of the Party	Relationship with the company	Nature of Transaction	Transacted Amount	Transacted Amount
Mr. Anwar-ul Alam Chowdhury	Managing Director	Remuneration	1,200,000	1,200,000
Evince Textiles Limited	Parent Company	Factory Rent	1,620,000	1,440,000
Total			**2,820,000**	**2,640,000**

28.00 Disclosure of Managerial Remuneration

28.01 The total amount of remuneratin paid to the top Five salaried officers of the company in the accounting year is as follows:

Sl No	Name	Designation	July 17 to June 18	July 16 to June 17
1	Mr. Anwar-ul Alam Chowdhury	Managing Director	1,200,000	1,200,000
2	Mr. Badrul Alam Chowdhury	Executive Director	3,480,000	3,000,000
3	Mr. Protul Kumar Saha	P.C.O	744,000	686,400
4	Mr. Joynal Abedin	Prod. Manager	732,000	650,000
5	Mr. Forhad Ali	Manager- Accounts	678,000	600,000
	Total		**6,834,000**	**6,136,400**

28.02 Aggregated amount of remuneration paid to all Directors and Officers during the accounting year is as follows:

Sl no	Particulars	Nature of Payment	July 17 to June 18	July 16 to June 17
1	Directors	Board Meeting Fees	Nil	Nil
2	Directors	Remuneration	1,200,000	1,200,000
3	Officers and Executives	Salary and Other Allowances	9,446,282	6,482,139
	Total		**10,646,282**	**7,682,139**

29.00 General:

a) Audit Fee: Audit fee of Tk. 46,000 Represents only the audit fees & VAT thereon.

b) No of Employees:

Salary Range (Monthly)	Officers & Staffs		Worker	Total
	Head Office	Factory		
Not Less Than Tk. 5300	33	64	598	695
Less Than Tk. 5300	-	-	-	-
Total	**33**	**64**	**598**	**695**

c) Events after the reporting period:

No material events had occurred after the reporting period to the date of issue of these financial statements, which could effect the values stated in the financial statements.

d) Income Tax Assessment:

Income tax assessment of the company up to the Assessment year 2015-2016 has been Completed.

e) Contingent Liabilities & Capital Commitments:

There is no claim against the company not acknowledged debt and no un-availed credit facilities, other than those in the normal course of business, available to the company on June 30, 2018.

EVITEX FASHIONS LIMITED

Notes to the Financial Statements
as at 30 June 2018

Annexure-A

Taka

Particulars	COST			Rate	DEPRECIATION			W.D.V. as at 30-06-2018
	Opening Balances as at 01-07-2017	Addition during the period	Total as at 30-06-2018		Opening Balances as at 01-07-2017	Depreciation for the period	Total as at 30-06-2018	
Factory/Manufacturing:-								
Machinery	20,535,700	1,212,922	21,748,622	15%	11,036,195	1,424,926	12,461,121	9,287,501
Electrical Equipment	3,318,075	-	3,318,075	15%	1,450,126	280,192	1,730,319	1,587,756
Fire Detection System & Equipment	22,058,471	3,469,179	25,527,650	15%	1,913,814	3,021,699	4,935,512	20,592,138
Balancing, Modernization, Rehabilitation & Expansion	31,315,437	-	31,315,437	5%	812,625	1,525,141	2,337,765	28,977,672
Furnitures & Fixtures	1,493,819	-	1,493,819	10%	645,045	84,877	729,922	763,897
Sub Total	**78,721,502**	**4,682,101**	**83,403,603**		**15,857,805**	**6,336,835**	**22,194,639**	**61,208,964**
Administrative/Non Manufacturing:-								
Software Installation	24,091	-	24,091	-	24,091	-	24,091	-
Office Equipment	644,375	-	644,375	15%	320,024	48,653	368,677	275,698
Motor vehicles	2,912,139	-	2,912,139	15%	1,522,447	208,454	1,730,901	1,181,238
Sub Total	**3,580,605**	-	**3,580,605**		**1,866,562**	**257,107**	**2,123,668**	**1,456,936**
Total	**82,302,107**	**4,682,101**	**86,984,208**		**17,724,367**	**6,593,941**	**24,318,308**	**62,665,900**

Subsidiary

EVITEX FASHIONS LIMITED

Notes to the Financial Statements
as at 30 June 2018

Annexure - B

i) Opening Raw Materials

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Fabrics	Yds	309,341	75,207,747
2	Accesssories	Various Item		18,801,937
	Total			**94,009,684**

ii) Opening Work in Process& Finished goods :

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Shirts (WIP)	Pcs	5,956	2,406,720
2	Shirts (Finished Goods)	Pcs	8,371	3,155,565
	Total			**5,562,285**

iii) Import :

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Fabrics	Yds	1,188,357	344,623,490
2	Accessories	Various Item		86,155,872
	Total			**430,779,362**

i) Closing Raw Materials

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Fabrics	Yds	228,480	66,259,097
2	Accessories	Various Item		16,564,774
	Total			**82,823,871**

ii) Closing Work in Process & Finished goods :

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Shirts (WIP)	Pcs	9,498	3,134,340
2	Shirts (Finished Goods)	Pcs	9,768	3,321,134
	Total			**6,455,474**

iii) Raw Materials Consumed

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Fabrics	Yds	1,269,218	353,572,140
2	Accessories	Various Item		88,393,035
	Total			**441,965,175**

SHAREHOLDERS NOTE

AMAR STOCK

EVINCE TEXTILES LIMITED

Corporate Office: Lotus Kamal Tower-ONE (Level-12)
57 Joar Sahara C/A, Nikunja-2, New Airport Road, Dhaka-1229.

Affix Revenue Stamp of Tk. 20

PROXY FORM

I/WE.....

of (Adress).....

being a Shareholder of Evince Textiles Limited, do hereby appoint

Mr/Ms/Mrs. .....

of (Address).....

As my/our proxy to attend and vote for me/us behalf at **19th Annual General Meeting** of the Company to be held on- Tuesday 30 October, 2018 at 11:30 a.m at International Convention City Basundhara (ICCB) **Hall-02,** (Pushpoguscho), Kuril Bishwa Road (North side of 300 feet Road) Purbachal Express Highway, Dhaka-1229

As witness my hand this day of ..... 2018.

.....
(Signature of the proxy)

Dated:.....

.....
(Signature of the Shareholder)

Dated: .....

Folio/ Bo ID ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Note: A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend vote in his/her stead. The proxy form should reach the Corporate Office of the Company not less than 48 hours before the time for the meeting.

Signature of witness

Authorized Signatory
Evince Textiles Limited

Attendance Slip

Name of the Member/Proxy (in lock letter) ☐

Register Folio no./ BO ID of Member ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

I/We do bereby record my/our attendance at the **19th Annual General Meeting** of the Company to be held on- Tuesday 30 October, 2018 at 11:30 a.m at International Convention City Basundhara (ICCB) **Hall-02,** (Pushpoguscho), Kuril Bishwa Road (North side of 300 feet Road) Purbachal Express Highway, Dhaka-1229

No. of Shares held .....

.....
(Signature of the Proxy)

.....
(Signature of the Shareholder)

Note: Plese Present this attendance Slip at the registration counter on the AGM date.

Evince Textiles Limited

ইভেন্স টেক্সটাইলস্ লিমিটেড

প্রক্সি ফরম

২০ টাকার রেভিনিউ স্ট্যাম্প সংযুক্ত করুন

আমি/আমরা .....

ঠিকানা .....

ইভেন্স টেক্সটাইলস্ লিমিটেড এর সদস্য হিসেবে

জনাব/ বেগম .....

ঠিকানা .....

আমার/ আমাদের প্রতিনিধি আগামী ৩০শে অক্টোবর ২০১৮ রোজ মঙ্গলবার সকাল ১১.৩০ ঘটিকায় ইন্টারন্যাশনাল কনভেনশন সিটি, বসুন্ধরা (আইসিসিবি) হল-০২, (পুষ্পগুচ্ছ), কুড়িল বিশ্বরোড (৩০০ ফুট রোডের উত্তরে) পূর্বাচল এক্সপ্রেস হাইওয়ে ঢাকা- ১২২৯ অনুষ্ঠিতব্য ১৯তম বার্ষিক সাধারন সভায় আমার/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্ত করিলাম।

স্বাক্ষ্য হিসেবে অদ্য ....., ২০১৮ তারিখে আমি/ আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করিলাম।

.....
(প্রতিনিধির স্বাক্ষর)
তারিখ .....

.....
(সদস্যের স্বাক্ষর)
তারিখ .....

ফলিও/বিওআইডি নম্বর

বিঃদ্রঃ বার্ষিক সাধারন সভায় যোগদানের অধিকারী শেয়ার হোল্ডার তার পরিবর্তে বার্ষিক সাধারন সভায় যোগদানের জন্য একজন প্রক্সি নিয়োগ করিতে পারেন। প্রক্সি ফরম যথাযথ পুরণের পর সভা অনুষ্ঠানের ৪৮ ঘন্টা পূর্বে কোম্পানীর করপোরেট অফিসে জমা দিতে হইবে।

.....
সাক্ষীর স্বাক্ষর

.....
অনুমোদিত স্বাক্ষরকারী
ইভেন্স টেক্সটাইলস্ লিমিটেড

www.evincetextiles.com

CORPORATE OFFICE:

Lotus Kamal Tower-ONE (Level-12), 57 Joar Shahara C/A, Nikunja-2,
New Airport Road, Dhaka-1229, Bangladesh
Phone: (+8802) 896 1552-4, 8900781-3
Fax: (+8802) 896 1941, 8900784
E-mail : info@evincetexiles.com

REGISTERED OFFICE:

Plot-33, Section-7, Mirpur, Dhaka-1216, Bangladesh.
Phone: (+8802) 902 0491-5, Fax: (+8802) 902 0490