

THE UN-AUDITED ACCOUNTS

OF

ENVOY TEXTILES LIMITED

FOR THE FIRST QUATER ENDED SEPTEMBER 30 2017

ENVOY TEXTILES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2017

| Particulars | TAKA 30 Sept, 2017 | TAKA 30 June, 2017 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Non Current Assets | 10,792,031,689 | 10,770,972,855 |
| Property, Plant & Equipments, net of depreciation | 9,408,253,515 | 9,004,214,391 |
| Capital work in Process | 1,383,778,174 | 1,766,758,465 |
| Current Assets | 5,354,219,040 | 5,289,365,791 |
| Inventories & Stores | 1,888,020,004 | 2,155,076,681 |
| Materials in Transit | 484,615,690 | 225,497,732 |
| Trade and Others Receivable | 2,735,649,512 | 2,643,632,850 |
| Advance , Deposits & Prepayments | 170,606,096 | 137,246,819 |
| Investment | 57,107,522 | 45,707,026 |
| Cash and Cash Equivalents | 18,220,216 | 82,204,684 |
| Total Assets | 16,146,250,729 | 16,060,338,647 |
| EQUITY & LIABILITIES | | |
| Authorised Capital | 4,000,000,000 | 4,000,000,000 |
| 275,000,000 Ordinary Shares of Tk.10/= each. | 2,750,000,000 | 2,750,000,000 |
| 125,000,000 Redeemable Preference Shares of Tk.10/= each. | 1,250,000,000 | 1,250,000,000 |
| Shareholders Equity | 6,111,605,746 | 6,030,896,848 |
| Paid up Share Capital | 1,566,150,960 | 1,566,150,960 |
| Share Premium | 1,120,000,000 | 1,120,000,000 |
| Revaluation Surplus | 1,721,365,996 | 1,724,109,853 |
| Retained Earnings | 1,376,166,600 | 1,292,713,844 |
| Tax Holiday Reserve | 327,922,190 | 327,922,190 |
| Non-Current Liabilities | 3,863,455,959 | 3,802,929,300 |
| Secured Loan | 3,817,587,817 | 3,755,175,717 |
| Provision for Deferred Tax | 45,868,142 | 47,753,583 |
| Current Liabilities | 6,171,189,024 | 6,226,512,499 |
| Secured Loan (Current Portion) | 522,853,002 | 689,750,204 |
| Short Term Liabilities | 5,009,474,508 | 4,850,981,612 |
| Accounts Payable | 448,993,183 | 555,651,234 |
| Provision for Expenses | 131,685,546 | 84,773,302 |
| Provision for Current Tax | 58,182,786 | 45,356,147 |
| Total Liabilities & Shareholders' Equity | 16,146,250,729 | 16,060,338,647 |
| NAV Per Share | 39.02 | 38.51 |
| Diluted NAV Per Share | 37.16 | 36.67 |

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

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

Dated: November 11, 2017
Dhaka

ENVOY TEXTILES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUATER ENDED SEPTEMBER 30 2017

| Particulars | TAKA 30th Sept- 17 | TAKA 30th Sept 16 |
|---|-----------------------|----------------------|
| Revenue | 1,820,435,176 | 1,287,110,555 |
| Less: Cost of Goods Sold | 1,500,578,840 | 1,055,777,607 |
| Gross Profit | 319,856,336 | 231,332,948 |
| Less: Operating Expenses | 75,541,170 | 71,917,195 |
| Administrative & General Expenses | 58,671,779 | 55,610,299 |
| Selling & Distribution Expenses | 16,869,391 | 16,306,896 |
| Profit/ (Loss) from Operation | 244,315,167 | 159,415,754 |
| Less: Financial Expenses | 148,460,016 | 97,713,387 |
| Profit/ (Loss) after Financial Expenses | 95,855,151 | 61,702,367 |
| Add: Other Income / (Expenses) | 377,450 | (5,150) |
| Net Profit/ (Loss) before WPPF | 96,232,601 | 61,697,217 |
| Less: Provision for Workers Profit Participation Fund | 4,582,505 | 2,937,963 |
| Net Profit before Tax | 91,650,096 | 58,759,254 |
| Less: Provision for Current Tax | 12,826,639 | 9,946,142 |
| Less: Provision for Deferred Tax | (1,885,441) | (1,946,685) |
| Profit after Tax | 80,708,898 | 50,759,797 |
| Earning Per Share (EPS) | 0.52 | 0.33 |
| Diluted Earning Per Share (EPS) | 0.49 | 0.32 |

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

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Dated: November 11, 2017
Dhaka

ENVOY TEXTILES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30 2017

| Particulars | Share Capital Taka | Share Premium Taka | Revaluation Taka | Tax Holiday Reserve | Retained Earnings | Total (Tk.) |
|-------------------------------------|-----------------------|-----------------------|----------------------|------------------------|----------------------|----------------------|
| Balance as at 01.07.2017 | 1,566,150,960 | 1,120,000,000 | 1,724,109,852 | 327,922,190 | 1,292,713,845 | 6,030,896,848 |
| Add: Net Profit During the Period | | | | | 80,708,898 | 80,708,898 |
| Depreciation on Revaluation Surplus | | | (2,743,856) | | 2,743,856 | - |
| Balance as at 30.09.2017 | 1,566,150,960 | 1,120,000,000 | 1,721,365,996 | 327,922,190 | 1,376,166,600 | 6,111,605,746 |

ENVOY TEXTILES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30 2016

| Particulars | Share Capital Taka | Share Premium Taka | Revaluation Taka | Tax Holiday Reserve | Retained Earnings | Total (Tk.) |
|-------------------------------------|-----------------------|-----------------------|----------------------|------------------------|----------------------|----------------------|
| Balance as at 01.07.2016 | 1,520,534,920 | 1,120,000,000 | 1,721,432,002 | 327,922,190 | 1,202,295,300 | 5,892,184,412 |
| Add: Net Profit During the Period | | | | | 50,759,797 | 50,759,797 |
| Depreciation on Revaluation Surplus | | | (2,522,873) | | 2,522,873 | - |
| Balance as at 30.09.2016 | 1,520,534,920 | 1,120,000,000 | 1,718,909,129 | 327,922,190 | 1,255,577,969 | 5,942,944,209 |

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

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Dated: November 11, 2017
Dhaka

ENVOY TEXTILES LIMITED

STATEMENT OF CASH FLOW

FOR THE FIRST QUATER ENDED SEPTEMBER 30 2017

| Particulars | TAKA 30th Sept, 17 | TAKA 30th Sept, 16 |
|--|-----------------------|-----------------------|
| Cash Flow From Operating Activities: (A) | | |
| Collection from Turnover and Others | 1,728,795,964 | 1,381,968,325 |
| Cash Payment to Creditors | (1,454,959,580) | (703,723,990) |
| Cash Payment for Operating Expenses | (77,984,786) | (111,554,278) |
| Income Tax Paid and Deducted at Source | (12,826,639) | (9,946,142) |
| Financial Expenses | (124,030,918) | (107,700,103) |
| Net Cash Used in / Provided by Operation activities | 58,994,041 | 449,043,812 |
| Net operating cash flow per share | 0.38 | 2.95 |
| Diluted Net operating cash flow per share | 0.36 | 2.81 |
| Cash Flows From Investing Activities: (B) | | |
| Purchase of Fixed Assets | (548,034,047) | (17,339,187) |
| Investment | (11,400,496) | 8,573 |
| Capital work in Process | 382,636,622 | (153,463,336) |
| Net Cash Used in Investing Activities | (176,797,922) | (170,793,950) |
| Cash Flows From Financing Activities: (C) | | |
| Long Term Liabilities | 62,412,100 | 34,817,590 |
| Long Term Liabilities (Current Portion) | (166,897,202) | (169,407,131) |
| Short Term Liabilities | 158,492,896 | (176,542,827) |
| Payment of Cash Dividend | (188,381) | (750,172) |
| Net Cash Provided by Financing Activities | 53,819,413 | (311,882,540) |
| Net Increase in Cash [A+B+C] | (63,984,468) | (33,632,679) |
| Add: Cash at the Opening | 82,204,684 | 68,293,079 |
| Cash at end of the Period | 18,220,216 | 34,660,400 |

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

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

Dated: November 11, 2017
Dhaka

Envoy Textiles Limited

Notes to the Interim Financial Statements
For the period of first quarter ended September 30, 2017

1. Activities of the Company

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

2. Basis of preparation of the Interim Financial Statement

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

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

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

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

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

3. Significant Event:

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

4.1 Taxation

Income tax provision is made as per rate prevailing during that period specified by the Income Tax Ordinance 1984. Proper deferred tax assets / liabilities are calculated by the management in compliance with BAS-12.

4.2 Related Party Transactions

During the period the Company do not have any related party transaction with its sister concern other than sales of finished goods as a normal course of business.

4.3 Cash Flow Statement

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

4.4 Earnings per Share

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

4.5 Basic Earnings

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

4.6 Workers Profit Participation Fund

The company has charged @ 5.00% of net profit to workers profit participation fund for the first quarter ended September 30 2017.