

1ST DENIM PROJECT
IN **BANGLADESH**
WITH ROPE DYED TECHNOLOGY

**HALF-YEARLY
FINANCIAL
REPORT
2014**



Envoy Textiles Limited

CORPORATE OFFICE
Envoy Tower (5th -8th Floor) 18/E, Lake Circus, Kalabagan
West Panthapath, Dhaka-1205, Bangladesh
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
MANUFACTURING PLANT
Jamirdia, Bhaluka, Mymensingh, Bangladesh


**ENVOY
TEXTILES
LIMITED**

Dear Shareholders :

As per Rule 13 of the Securities & Exchange Rules, 1987 and Regulation 36(9)(a) of the Stock Exchanges Listing regulation, We are pleased to present the un-audited financial statements of Envoy Textiles Limited for the half year ended on March 31, 2014


Tuesday, 15 April 2014
Dhaka


Kutubuddin Ahmed
Chairman

ENVOY TEXTILES LIMITED
STATEMENT OF FINACIAL POSITION
AS AT MARCH 31, 2014

Particulars	TAKA 31st March 14	TAKA 30th Sep 13
ASSETS		
Non Current Assets		
Property, Plant & Equipments (Net of depreciation)	6,910,763,790	6,427,128,721
Deferred Expenses	3,929,315,124	3,998,700,636
Capital work in Process	31,714,888	24,885,326
	2,949,733,778	2,403,542,759
Current Assets		
Inventories & Stores	2,659,666,905	2,474,208,172
Material in Transit	811,870,387	681,629,585
Accounts Receivable	92,859,497	42,006,091
Export Incentive Receiveable	1,075,327,594	1,052,840,269
Advance , Deposits & Prepayments	413,248,475	394,985,136
Investment	165,827,131	195,472,902
Cash and Cash Equivalents	58,285,704	76,069,430
	42,248,117	31,204,759
Total Assets	9,570,430,695	8,901,336,893
EQUITY & LIABILITIES		
Authorised Capital		
150,000,000 ordinary shares of Tk.10/= each.	2,750,000,000	2,750,000,000
125,000,000 Redeemable Preference Shares of Tk.10/= each.	1,500,000,000	1,500,000,000
	1,250,000,000	1,250,000,000
Shareholders Equity		
Paid up Share Capital	5,192,801,214	5,323,657,885
Share Premium	1,405,950,000	1,365,000,000
Revaluation Surplus	1,120,000,000	1,120,000,000
Retained Earnings	1,744,560,750	1,749,817,068
Tax Holiday Reserve	594,368,273	760,918,627
	327,922,190	327,922,190
Non-Current Liability		
Secured Loan	1,435,912,826	780,800,065
	1,435,912,826	780,800,065
Current Liabilities		
Secured Loan (Current Portion)	2,941,716,654	2,796,878,943
Accounts Payable	46,086,331	134,795,636
Short Term Liabilities	1,387,500,302	2,011,589,300
Provision for Expenses	1,371,658,858	530,263,825
Provision for Current and Deferred Tax	49,325,013	40,319,214
	87,146,150	79,910,967
Total Liabilities & Shareholders' Equity	9,570,430,695	8,901,336,893

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



Saiful Islam, FCMA
CFO



Abdus Salam Murshedy
Managing Director



Kutubuddin Ahmed
Chairman

Dated: Tuesday, 15 April 2014
Dhaka

ENVOY TEXTILES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31st MARCH 2014

Particulars	Six Months Ended		2nd Quarter Ended	
	Taka 31st March 14	Taka 31st March 13	Taka Jan to Mar 31, 2014	Taka Jan to Mar 31, 2013
Revenue	1,843,601,771	1,940,987,404	1,103,948,229	1,024,079,374
Less: Cost of Goods Sold	1,518,357,570	1,494,275,681	919,639,051	775,386,299
Gross Profit	325,244,201	446,711,722	184,309,178	248,693,076
Less: Operating Expenses	110,473,625	102,934,817	56,470,587	51,496,646
Administrative & General Expenses	87,596,979	86,317,265	42,984,175	43,454,005
Selling & Distribution Expenses	22,876,646	16,617,551	13,486,412	8,042,642
Profit/ (Loss) from Operation	214,770,576	343,776,906	127,838,592	197,196,429
Less: Financial Expenses	105,489,007	87,862,542	60,074,681	37,774,381
Profit/ (Loss) after Financial Expenses	109,281,569	255,914,364	67,763,911	159,422,049
Add: Other Income / (Expenses)	4,568,368	22,952,423	1,249,848	(4,313,268)
Net Profit/ (Loss) before WPPF	113,849,938	278,866,787	69,013,759	155,108,780
Less: Provision for Workers Profit Participation Fund	5,421,426	13,279,371	3,286,369	7,386,132
Net Profit before Tax	108,428,512	265,587,416	65,727,389	147,722,648
Less: Provision for Current Tax	-	18,001,554	-	13,620,667
Less: Provision for Deferred Tax	7,235,183	18,998,499	3,894,976	9,510,060
Profit after Tax	101,193,329	228,587,364	61,832,413	124,591,921
Earning Per Share (EPS)	0.72	1.67	0.44	0.91

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

ENVOY TEXTILES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31st MARCH 2014

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Tax Holiday Taka	Retained Earnings Taka	Total Taka
Opening as at 30.09.2013	1,365,000,000	1,120,000,000	1,749,817,068	327,922,190	760,918,627	5,323,657,885
Add: Issuance of Bonus Share	4,095,000					40,950,000
Add: Net Profit During the Period					101,193,329	101,193,329
Less: Declaration of Dividend					(273,000,000)	(273,000,000)
Depreciation on Revaluation Surplus			(5,256,317)		5,256,317	-
As at 31.03.2014	1,405,950,000	1,120,000,000	1,744,560,750	327,922,190	594,368,273	5,192,801,214


STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31st MARCH 2013

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Tax Holiday Taka	Retained Earnings Taka	Total Taka
Opening as at 30.09.2012	1,000,000,000	520,000,000	1,760,533,803	327,922,190	577,458,567	4,185,914,561
Add: Addition During the Period	3,000,000,000	600,000,000				900,000,000
Add: Issuance of Bonus Share	6,500,000					65,000,000
Add: Net Profit During the Period					228,587,364	228,587,364
Less: Declaration of Dividend					(260,000,000)	(260,000,000)
Depreciation on Revaluation Surplus			(5,358,368)		5,358,368	-
As at 31.03.2013	1,365,000,000	1,120,000,000	1,755,175,435	327,922,190	551,404,299	5,119,501,924


Saiful Islam, FCMA
CFO

Dated: Tuesday, 15 April 2014
Dhaka


Abdus Salam Murshedy
Managing Director


Kutubuddin Ahmed
Chairman

ENVOY TEXTILES LIMITED
STATEMENT OF CASH FLOW
FOR THE HALF YEAR ENDED 31st MARCH 2014

Particulars	Six Months Ended	
	31 March 2014 Taka	31 March 2013 Taka
Cash Flow From Operating Activities: (A)		
Collection from Turnover and Others	1,807,419,476	1,991,187,662
Cash Payment to Creditors	(1,529,968,541)	(1,100,265,690)
Cash Payment for Operating Expenses	(62,852,269)	(99,540,353)
Income Tax Paid and Deducted at source	(20,633,810)	(10,000,000)
Financial Expenses	(101,771,363)	(81,942,156)
Net Cash Provided/(Used) by Operation activities	92,193,493	699,439,464
Net operating Cash Flow Per Share	0.66	5.12
Cash Flow From Investing Activities: (B)		
Purchase of Fixed Assets	(731,016,285)	(203,050,837)
Investment	17,783,726	(80,842,964)
Capital work in Process	(546,191,019)	(1,032,107,718)
Net Cash Used in Investing Activities	(1,259,423,578)	(1,316,001,519)
Cash Flow From Financing Activities: (C)		
Long Term Liabilities	655,112,762	108,358,223
Long Term Liabilities (Current Portion)	(88,709,306)	(68,512,124)
Short Term Liabilities	841,395,033	(274,139,831)
Payment of Dividend	(229,525,046)	(192,082,706)
Paid up Capital	-	300,000,000
Share Premium	-	600,000,000
Net Cash Provided by Financing Activities	1,178,273,443	473,623,563
Net Increase in Cash [A+B+C]	11,043,358	142,938,493
Add: Cash at the Opening	31,204,759	195,506,600
Cash at the end of Period	42,248,117	52,568,107



Saiful Islam, FCMA
CFO



Abdus Salam Murshedy
Managing Director



Kutubuddin Ahmed
Chairman

Dated: Tuesday, 15 April 2014
Dhaka



Envoy Textiles Limited

Notes to the Interim Financial Statements
For the period of Half- Year ended March 31, 2014



Activities of the Company

Envoy Textiles Limited incorporated in 1995 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 state of the art technology. The Company went into commercial operation on 01 March 2008.

Basis of preparation of the Interim Financial Statement

These are Interim unaudited Financial Statements of Envoy Textiles Limited for the Half- Year ended March 31, 2014 prepared in accordance with International Accounting Standard (IAS 34), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations. These financial statements should read in conjunction with the Annual Financial Statements as of September 30, 2013. The accounting policies and presentation used are in consistent with those of the annual financial statements

Fixed assets are stated at their historical cost / revalued amount less accumulated depreciation. Depreciation on fixed assets has been charged under 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.

Significant Events:

In the reporting period a significant variation of net operating profit has taken place compared to the corresponding period of the last year for reasons of unfavorable business situation prevailing for months together because of political instability and numbers of unprecedented incidents occurred in Garments Sector of the Country. Because of the above adverse situation the company sales has gone down both in quantity and rate and resultantly net profit has gone down by Tk. 12.74 Crore in compared to the same period of the last year.

Besides, an amount Tk. 2.73 Crore was earned during the last corresponding period on account of interest income from subscription of IPO.

Taxation

Income tax provision is made considering prevailing rate during the reporting period as specified by the Income Tax Ordinance 1984, rules and SRO's. Proper deferred tax assets / liabilities are calculated by the management in compliance with BAS-12.

Related Party Transactions

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

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 Bangladesh Securities and Exchange Commission Rules 1987.

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.

Basic Earnings

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

Saiful Islam, FCMA
CFO

Abdus Salam Murshedy
Managing Director

Kutubuddin Ahmed
Chairman

Dated: Tuesday, 15 April 2014
Dhaka