

THE ACCOUNTS

OF

ENVOY TEXTILES LIMITED

FOR THE FIRST QUARTER ENDED 31ST DECEMBER 2014

ENVOY TEXTILES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

Particulars	TAKA 31 Dec. 2014	TAKA 30 Sept. 2014
ASSETS		
Non Current Assets	7,128,185,828	7,078,699,980
Property, Plant & Equipments, net of depreciation	5,491,988,734	5,553,965,920
Deferred Expenses	21,836,873	22,396,793
Capital work in Process	1,614,360,220	1,502,337,266
Current Assets	3,559,660,842	3,183,855,503
Inventories & Stores	1,205,343,978	983,462,632
Material in Transit	65,432,348	46,552,319
Accounts Receivable	1,535,606,851	1,394,634,113
Export incentive Receiveable	495,378,968	445,642,378
Advance , Deposits & Prepayments	171,277,415	180,151,663
Investment	59,772,552	61,532,556
Cash and Cash Equivalentents	26,848,729	71,879,843
Total Assets	10,687,846,669	10,262,555,483
EQUITY & LIABILITIES		
Authorised Capital	4,000,000,000	2,750,000,000
275,000,000 Ordinary Shares of Tk.10/= each.	2,750,000,000	1,500,000,000
125,000,000 Redeemable Preference Shares of Tk.10/= each.	1,250,000,000	1,250,000,000
Shareholders Equity	5,408,388,117	5,402,532,947
Paid up Share Capital	1,448,128,500	1,405,950,000
Share Premium	1,120,000,000	1,120,000,000
Revaluation Surplus	1,736,728,480	1,739,304,433
Retained Earnings	775,608,947	809,356,324
Tax Holiday reserve	327,922,190	327,922,190
Non-Current Liability	1,190,184,372	1,190,184,371
Secured Loan	1,190,184,372	1,190,184,371
Current Liabilites	4,089,274,180	3,669,838,164
Secured Loan (Current Portion)	320,890,047	420,534,767
Accounts Payable	826,041,345	810,282,016
Short Term Liabilities	2,594,578,720	2,291,491,404
Provision for Expenses	218,476,979	38,698,925
Provision for Current Tax	56,407,608	46,135,340
Provision for Deferred Tax	72,879,481	62,695,713
Total Liabilities & Shareholders' Equity	10,687,846,669	10,262,555,483

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

Sd/-
Saiful Islam, FCMA
CFO

Sd/-
Abdus Salam Murshedy
Managing Director

Sd/-
Kutubuddin Ahmed
Chairman

Dated: 20 January 2015
Dhaka

ENVOY TEXTILES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31ST DECEMBER 2014

Particulars	TAKA 31 Dec. 2014	TAKA 31 Dec. 2013
Revenue	1,222,698,814	739,653,542
Less: Cost of Goods Sold	906,551,207	598,718,519
Gross Profit	316,147,607	140,935,023
Less: Operating Expenses	57,168,785	54,003,038
Administrative & General Expenses	45,764,496	44,612,804
Selling & Distribution Expenses	11,404,289	9,390,234
Profit/ (Loss) from Operation	258,978,822	86,931,985
Less: Financial Expenses	53,938,874	45,414,326
Profit/ (Loss) after Financial Expenses	205,039,948	41,517,659
Add: Other Income / Expenses	(263,480)	3,318,520
Net Profit/ (Loss) before WPPF	204,776,467	44,836,179
Less: Provision for Workers Profit Participation Fund	9,751,260	2,135,056
Net Profit before Tax	195,025,207	42,701,123
Less: Provision for Current Tax	10,272,269	-
Less: Provision for Deferred Tax	10,183,768	3,340,207
Profit after Tax	174,569,170	39,360,916
Earning Per Shares (EPS)	1.21	0.28
Restated Earning Per Shares (EPS)		0.27

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CFO

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Managing Director

Sd/-

Kutubuddin Ahmed
Chairman

Dated: 20 January 2015
Dhaka

ENVOY TEXTILES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31ST DECEMBER 2014

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Tax Holiday Reserve	Retained Earnings	Total (Tk.)
At the beginning of the year	1,405,950,000	1,120,000,000	1,739,304,433	327,922,190	809,356,324	5,402,532,947
Add: Issuance of Bonus Share	42,178,500					42,178,500
Add: Net Profit During the Period					174,569,170	174,569,170
Less: Declaration of Dividend- 2014					(210,892,500)	(210,892,500)
Depreciation on Revaluation Surplus			(2,575,953)		2,575,953	-
As at 31.12.2014	1,448,128,500	1,120,000,000	1,736,728,480	327,922,190	775,608,947	5,408,388,117

FOR THE FIRST QUARTER ENDED 31st DECEMBER 2013

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Tax Holiday Reserve	Retained Earnings	Total (Tk.)
At the beginning of the year	1,365,000,000	1,120,000,000	1,749,817,068	327,922,190	626,863,179	5,189,602,437
Add: Issuance of Bonus Share	40,950,000					40,950,000
Add: Net Profit During the Period					39,360,916	39,360,916
Less: Declaration of Dividend-2013					(273,000,000)	(273,000,000)
Depreciation on Revaluation Surplus			(2,628,159)		2,628,159	-
As at 31.12.2013	1,405,950,000	1,120,000,000	1,747,188,909	327,922,190	395,852,254	4,996,913,353

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CFO

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Managing Director

Sd/-

Kutubuddin Ahmed
Chairman

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

Dated: 20 January 2015
Dhaka

ENVOY TEXTILES LIMITED
STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31ST DECEMBER 2014

Particulars	TAKA 31 Dec. 2014	TAKA 31 Dec. 2013
Cash Flow From Operating Activities: (A)		
Collection from Turnover and Others	1,031,726,006	797,393,299
Cash Payment to Creditors	(961,905,006)	(776,039,033)
Cash Payment for Operating Expenses	(41,880,367)	(3,316,913)
Income Tax Paid and Deducted at source	(5,809,040)	(10,722,773)
Financial Expenses	(53,190,512)	(27,444,514)
Net Cash Provided/(Used) by Operation activities	(31,058,919)	(20,129,935)
Net operating cash flow per share	(0.21)	(0.14)
Cash Flows From Investing Activities: (B)		
Purchase of Fixed Assets	(11,202,052)	(338,932,997)
Investment	1,760,004	(1,197,513)
Capital work in Process	(188,596,303)	(245,668,878)
Net Cash Used in Investing Activities	(198,038,351)	(585,799,388)
Cash Flows From Financing Activities: (C)		
Long Term Liabilities	-	360,555,298
Long Term Liabilities (Current Portion)	(99,644,720)	(38,839,062)
Short Term Liabilities	283,751,575	300,298,816
Payment of cash Dividend	(40,698)	(4,860)
Net Cash Provided by Financing Activities	184,066,157	622,010,192
Net Increase in Cash [A+B+C]	(45,031,114)	16,080,870
Add: Cash at the Opening	71,879,843	31,204,759
Cash at end year	26,848,729	47,285,629

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CFO

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Abdus Salam Murshedy
Managing Director

Sd/-
Kutubuddin Ahmed
Chairman

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

Dated: 20 January 2015
Dhaka

Envoy Textiles Limited

Notes to the Interim Financial Statements
For the period of Three Month ended December 31, 2014

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 December 31, 2014 prepared in accordance with International Accounting Standard (IAS 34). These financial statements should read in conjunction with the Annual Financial Statements as of September 30, 2014. The accounting policies and presentation used are in consistent with those of the annual financial statements

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 Events:

In the reporting period a significant variation of net operating profit has taken place compared to the corresponding period of the last year main reasons being the following:

1. Operational results of the enhanced production capacity because of the expansion.
2. Improvement of Denim order position
3. Reduction of raw material price (Cotton yarn)
4. Additional revenue generated from new product line (Yarn dyeing and rewinding)
5. Effective raw material sourcing through Sight LC instead of deferred LC by using low cost EDF facilitated by Bangladesh Bank
6. Redeemed of high cost loan by significant low cost offshore loan both short and long term.

3.1 New product line

The company introduced a fresh revenue segment by yarn dyeing and re-winding for local Knit Garments Manufacturing industry from mid 2014. During the reporting period the company earned revenue of Tk. 3.77 Crore from this segment.

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.

4.3 Cash Flow Statement

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

4.4 Earnings per Share

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

4.5 Basic Earnings

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

4.6 Workers Profit Participation Fund

The company has charged @ 5.00% of net profit to workers profit participation fund for the quarter ended December 31 2014.