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DRAFT INFORMATION MEMORANDUM

Zero-Coupon Bond of BDT 2,000 Million (Face Value) For Envoy Textiles Limited

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Issue Name: Envoy Textiles Zero Coupon Bond

Issue Type: Non-convertible, Transferable, Fully Redeemable Unsecured Zero-Coupon Bond

Trustee: UCB Investments Limited

Issuer's Contact Information: Envoy Tower (Level 5-8) 18/E, Lake Circus, Kalabagan
West Panthapath, Dhaka-1205, Bangladesh

Total Face Value: Up to BDT 2,000,000,000

Face Value of Each Bond is: BDT 200,000 and **Face Value of Each Lot of Bond:** BDT 2,000,000

Bonds in Each Lot: 10, **Number of Lot:** 1000, **Total Number of Bonds:** 10,000

Issue Price of each Bond is Variable as it is ZCB and mentioned in Features of Bond

Issue Price of Each Lot of Bond: BDT 16,844,790*

Total Issue Price of the Bond: BDT 1,684,479,016*

*Calculation are based on the Face Value of BDT 2,000 million of the Bonds and YTM of 6.50% p.a. The approval from BSEC to be taken in a range of 6.50% p.a. – 8.00% p.a. to adopt any market change and to be finalized based on market conditions at the time of bond issuance.

Credit Rating status of the Issuer: AA₁

Credit Rating status of the Issue: AA₂

Credit Rating Agency: Credit Rating Agency of Bangladesh (CRAB)

"If you have any query about this document, you may consult the Issuer, Arranger and the Trustee."



Mandated Arranger: NDB Capital Limited


Saiful Islam, FCMA[®]
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Arranger's Disclaimer

This Information Memorandum with respect to issuance of Envoy Textiles Zero-Coupon Bond (hereinafter referred as "the Bond" or "the Issue") by Envoy Textiles Limited (hereinafter referred to as "ENVOYTEX" or "the Company" or "the Issuer") has been prepared by NDB Capital Limited (hereinafter referred to as "NDB Capital") for circulation amongst potential investors.

The company and market information, financial analysis, forecasts, assumptions and opinions contained herein have been compiled or arrived at solely based on information obtained from the management of ENVOYTEX and publicly available information unless otherwise mentioned. NDB Capital does not provide any guarantee, representation or warranty, expressed or implied as to the accuracy, completeness or correctness of information provided by ENVOYTEX. Nothing contained in this document is, or shall be relied upon as, a promise or representation by NDB Capital. All such information is subject to change without notice and such changes could be due to unforeseen circumstances. This document is for information purposes only and does not purport to be a complete description of the subject matter referenced to herein.

Accordingly, ENVOYTEX and NDB Capital shall not be liable for any loss or damage howsoever arising as a result of any person acting or refraining from acting in reliance on any information, forecast analysis and opinion contained herein. The recipients of this investment document are expected to carry out their own independent evaluations on the transaction contemplated herein taking into consideration macro-economic variables and other relevant conditions. Further, the recipients of this investment document are advised to obtain independent tax, legal and accounting opinions prior to making any investment decision. No person is authorized to give any information or to make any representation not contained in this investment document.

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Saiful Islam, FCMA[®]
 CFO
 Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

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 Company Secretary

Envoy Textiles Ltd.

 Tanvir Ahmed
 Managing Director


 Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited



Contact Information

THE ARRANGER



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THE ISSUER



ENVOY TEXTILES LIMITED

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director
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Letter of Authority

Mr. Kazi Farhan Zahir
Managing Director & CEO
NDB Capital Limited
Uday Tower
6th Floor (South-West Side), 57 & 57/A
Gulshan Avenue, Circle-1, Dhaka-1212

LETTER OF AUTHORITY

Dear Sir:

We refer to the Envoy Textiles Zero-Coupon Bond (the "Issue") which, you (the Arranger) are arranging at our request to raise fund for the BMRE finance of existing Denim & Spinning Unit as well as refinancing of existing high-cost debt, the principal terms and conditions of which are set forth in the attached Information Memorandum (the "Information Memorandum").

Envoy Textiles Limited (the Issuer), the undersigned, confirms that:

- Except as otherwise provided in the Information Memorandum, all the information contained therein relating to the company and its business has been provided to you by us;
- We confirm that we are fully responsible for all material statements, facts and opinions in the Information Memorandum.
- To the best of our knowledge the Information Memorandum does not omit any fact in the context of the proposed facility although the Information Memorandum does not purport to be all the information which lender may require in order to evaluate the debt.
- The information contained in the Information Memorandum were made after due and careful consideration on our part based on the best information available to us and we consider them fair and reasonable on the circumstances now prevailing; and
- The information in the Information Memorandum fairly represents the basis on which the issuer and its shareholders are proceeding with the Bond.

The issuer does not however make any express of implied representation of warranty as to the fairness, accuracy; or completeness of the information (including statements of opinion) or forecasts, nor does it provide any guarantee or accept any liability should a third-party act in reliance of the same. Appropriate warranties or other undertakings in relation to the information and forecasts will be given on the bond documentation and no representations or warranties other than those specially set forth on the bond documentation shall be deemed to be given to any party.

We hereby request and authorize you to distribute this Information Memorandum to prospective investors in the Facility. We understand that as per local practice, no confidentiality agreement will be signed between the Arranger and the prospective investors to whom the Information Memorandum shall be placed. We irrevocably confirm that we shall not hold the Arranger accountable for any consequences arising out of distribution and transmission of the "Information Memorandum" to prospective lenders distributed in this manner.

Yours sincerely,

Authorized Signatory
Envoy Textiles Limited

Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

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Report to the Investor

This Information Memorandum (IM) with respect to issuance of series of Zero-Coupon Bond by Envoy Textiles Limited (Hereinafter referred to as ENVOYTEX or the Company or the Issuer) has been prepared by NDB Capital Limited (Hereinafter referred to as NDB Capital or the Mandated Arranger).

This IM is prepared based on the information obtained from the management of ENVOYTEX and upon several discussions with the management of the Company. Envoy Textiles Limited and NDB Capital Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Information Memorandum and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Information Memorandum to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

Since any investment in private debt instruments poses some degree of risk, investors are requested to analyse the Company/Issuer fundamentals, seek professional consultant's opinion on legal and tax issues of the offered instrument, rigorous study of the credit rating report of the Company and the instrument, talking to regulators and personal investigate the affairs of the Company/Issuer before any such investment.


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
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Envoy Textiles Ltd.

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Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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3. Risk factors and management's perception about the risks

1. Interest Rate Risks

Risk

Interest rate risk arises due to changes in market interest rate structure and the resultant adverse impact on the value of the assets and liabilities of the company. In case there is a mismatch between the future yield of assets and their funding costs, the company is susceptible to interest rate risk.

Management Perception

The company has a clearly defined policies for limiting and controlling the risk. The company maintains an interest rate risk management review process, appropriate limits on risk taking, adequate systems of risk measurement, a comprehensive interest rate risk reporting system, and effective internal controls. Also, a major portion of its high-cost debt will be settled by ENVOYTEX through a portion of proceeds from the issue in discussion.

2. Exchange Rate Risks

Risk

The Foreign Exchange Risk arises from dealings in foreign currencies and from exchange rate volatility in the international currency market

Management Perception

The company enjoys natural hedging as major share of the revenue comes in foreign currencies and ENVOYTEX can pay off its import dues in foreign currencies from its revenue earned in foreign currencies. To protect the retained earnings in foreign currency from the exchange rate risk the company makes forward hedge contracts.

3. Non-Repayment Risks (Credit Risks)

Risk

Credit risk arises as a result of failure of the customers of ENVOYTEX to meet loan or any other repayment obligations on the due date. Credit risk could also arise when a major portion of the credit portfolio is invested in few sectors / customers.

Management Perception

85% of the total revenue of Envoy Textiles Limited comes from export which is protected by L/C. 12% of the total revenue comes from local sale which are made in advance, and the rest of the revenue (3%) comes from export incentive which is provided by the government. This makes ENVOYTEX invulnerable to credit risk.

4. Prepayment, Call or Refunding Risks

Risk

The risk faced by investors that the issuer may redeem the bond earlier than the scheduled maturity

Management Perception

The issue will have early redemption clause to prevent the issuer from prepaying the bond.

5. Security Risks

Risk

The risk associated with the default, authenticity or validation of the collateral used to guarantee servicing or repayment of a debt.


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Managing Director

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Managing Director & CEO
UCB Investment Limited

Management Perception

Since this facility is fully backed by bank guarantee, the risk concerning the authenticity or validation of the collateral does not apply.

6. Liquidity Risks

Risk

The components of liquidity risk are a tenor mismatch between assets and liabilities, direction of the repricing of the assets and the overall ability of the company to convert its assets into cash to service its payment obligations.

Management Perception

The management of the company maintains a liquidation contingency plan keeping the maturity of assets and liabilities in mind. funds. An optimal match of risk and return is maintained while fulfilling liquidity requirements.

7. Management Risks

Risk

The risk associated with inefficient or underperforming management which fails to act in the best interests of the shareholders.

Management Perception

ENVOYTEX's corporate governance has always been regarded as one of best in the country. The management team always operates keeping the best interests of shareholders in mind.

8. Operational Risks

Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events.

Management Perception

Internal control and internal audit systems are vital to addressing operational risks. All the policies and guidelines of internal control and compliances are duly approved and monitored by the Board. The Board delegates its authority to Management Committee as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of Internal Audit and Control department as per good governance guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC). The Internal Audit and Control department addresses operational risks and frames and implements policies to counter such risks. The department assesses operational risks across the company that ensures an appropriate framework to identify, assess and manage operational risks. The recruitment strategy of the company is also based on retaining and attracting the most suitable people at all levels of the business which mitigates many aspects of operational risks.

9. Business Risks

Risk

It is a risk that the company may fail to perform in line with expectations or forecasts. Business risks could crop up due to a host of factors including general economic conditions, cost structures, competition etc.

Management Perception

ENVOYTEX is well prepared to deal with business risk posed by unanticipated events. Some of the measures that the company regularly engages in are assessing the economic environment and taking prompt actions in anticipation, continuous improvement in product quality, ensuring customer satisfaction, reviewing budgets, and setting targets, assessing the competitive environment etc.

10. Market and Technology Related Risk:

Risk

Technology risk emanates from embracing and implementing new technology and maintaining existing technology. Existing technologies could become obsolete, and the company may have to incur capital expenditures to upgrade systems. Moreover, proper technology is required to store and process large volume of customer related data to undertake effective analysis and decision making.

Management Perception

ENVOYTEX is the only LEED Platinum certified denim manufacturer in the world. When it comes to adopting and implementing a new technology ENVOYTEX has always been the forerunner. A major portion of funds raised from this issuance will be used in technology improvement which will result in increased revenue and better-quality product.

11. Risks related to potential or existing government regulations

Risk

Financial institutions are licensed and monitored by the Bangladesh Bank. There could be substantial changes in the policies and guidelines of the regulator relating to asset/ liability management, credit/ deposit ratio, minimum capital etc. which may have significant impact on the overall performance of the company.

Management Perception

Government has always been supportive to the exporters from the textiles sector. ENVOYTEX enjoys some comfort when it comes to national regulations or guidelines being one of most prominent exporters of the country. ENVOYTEX is a member of Bangladesh Textiles Mills Association (BTMA). BTMA has a strong bargaining power with the regulators when it comes to safeguarding the best interest of the members.

12. Risks related to potential changes in global or national policies

Risk

Risk associated with change in international regulations relating to financial intermediaries or introduction of any new policy guidelines globally impacting the business of the company. Such global policy guidelines may become part of the local regulations in a bid to meet international standards.

Management Perception:

In global context Bangladesh is in a favourable position when it comes to denim fabric manufacturing and is provided by strategic support of Bangladesh Government to be in line with 2030 export goals. Envoy Textiles Limited has always been amongst the top names in denim fabric manufactures when it comes to compliance and industry best practices.


13. Industry Risk

Risk

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which can have an adverse impact on the business, financial condition, and results of operation.

Management Perception:

ENVOYTEX has been not only the market leader but also the trend setter for the Bangladesh Denim sector. The members of BTMA are very closely bonded as well. As a result, the members will not take any such decision which causes a negative disruption for the sector. These factors make Envoy Textiles Limited not vulnerable to this risk.


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary


Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

1. Detailed Description and information

1.	Particulars of Issuer									
a.	Name of the Issuer	Envoy Textiles Limited (DSE: ENVOYTEX)								
b.	Legal Status of the Issuer	Public Limited Company Listed with DSE and CSE								
c.	Details of contact information	Head Office: Envoy Towers 18/E, Lake Circus, Kalabagan, West Panthapath, Dhaka-1205. Attention: Mr. Saiful Islam, FCMA, Chief Financial Officer, Envoy Textiles Limited								
d.	Date of Incorporation	18 th June 1995								
e.	Date of Commencement of Business	18 th June 1995								
f.	Authorized capital	BDT 4,000 Million								
g.	Paid-up capital	BDT 1,667.34 Million								
h.	Total equity	BDT 6,484.95 Million								
i.	Total Liabilities	BDT 13,098.06 Million								
j.	Total Financial Obligation	BDT 12,311.11 Million								
k.	Total Assets	BDT 19,583.01 Million								
l.	Total Tangible Assets	BDT 14,766.44 Million								
m.	Net Worth	BDT 6,484.95 Million								
	Particulars of the issue									
a.	Name of the Issue	Envoy Textiles Zero-Coupon Bond								
b.	Type of Debt Instrument to be issued	Non-convertible, Transferable, Fully Redeemable Unsecured Zero-Coupon Bond								
c.	Purpose of the Issue	To the finance BMRE of existing Denim & Spinning Unit as well as refinancing existing high-cost debt. The breakdown of utilization of proceeds plan in issue price can be summarized as follows: <table border="1" data-bbox="733 1291 1324 1437"> <thead> <tr> <th>Purpose</th> <th>Amount (In BDT)</th> </tr> </thead> <tbody> <tr> <td>BMRE-Power Plant to support existing Denim & Spinning Unit</td> <td>473,263,239</td> </tr> <tr> <td>High-cost debt restructuring</td> <td>1,211,215,777</td> </tr> <tr> <td>Total</td> <td>1,684,479,016</td> </tr> </tbody> </table>	Purpose	Amount (In BDT)	BMRE-Power Plant to support existing Denim & Spinning Unit	473,263,239	High-cost debt restructuring	1,211,215,777	Total	1,684,479,016
Purpose	Amount (In BDT)									
BMRE-Power Plant to support existing Denim & Spinning Unit	473,263,239									
High-cost debt restructuring	1,211,215,777									
Total	1,684,479,016									
d.	Number of Securities and Total Size of the Issue to be Offered	<ul style="list-style-type: none"> Number of Securities/Bond: 10,000 nos. Total Issue Size: BDT 2,000 million (Face Value) 								
e.	Face value and issue price of securities mentioning discount or premium thereof:	Total Face value of each bond: BDT 2,000,000,000 Issue price of each bond: BDT 1,684,479,016 * Discounted at 6.50 % p.a.								
f.	Discount Rate	The discount rate to be fixed between 6.50-8.0 % p.a. (floor is 6.50% p.a. and ceiling is 8.00% p.a. to be considered for fixing the discount rate) *Rate to be decided at time of approaching the market for subscription of bond based on the then market conditions like market interest rate, deposit/FDR rate etc.								
g.	Tenor or maturity	05 (five) years from the Issue Date								
h.	Details of conversion/exchange option features	Not Applicable								


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UCB Investment Limited

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e

i.	Mode of redemption or conversion/exchange	Redemption: To be redeemed in 10 equal Instalments starting from end of 6 th month from the Issue Date and each 6 months from there after as per the redemption schedule Conversion: Not Applicable
j.	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof	Not Applicable
k.	Applicable tax rate	As applicable as per law of the land
l.	Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.), if any	The Issue can be credit enhanced upon request of the investors through any/all of the following Credit Enhancement mechanisms: <ul style="list-style-type: none"> Bank Guarantee by any scheduled bank(s) in Bangladesh in favour of each Investor to provide protection against potential default should the investor require such credit enhancement (dependent upon the investor). The Bank Guarantee will be executed in favour of the investor to secure the investors on an as, when and if required basis. Personal Guarantee of the following Sponsor Directors to be provided on an as, when and if required basis: <ol style="list-style-type: none"> Mr. Kutubuddin Ahmed Mr. Abdus Salam Murshedy MP Mr. Tanvir Ahmed Mrs. Rashida Ahmed Mrs. Sharmin Salam Barrister Shehrin Salam Oishe
m.	Type of collateral securities being offered, if any	Unsecured.
n.	Enforcement of Charges over securities	The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the securities of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer.
o.	Period within which securities to be issued	As per BSEC approval
p.	Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange)	The Issuer hereby covenants that the bond will be issued in registered and unlisted form and the facility arranger may decide to list the Bonds in ATB in the Stock Exchanges of Bangladesh as per BSEC consent letter.
3. Particulars of the Trustee		
a.	Name of the trustee	UCB Investment Limited
b.	Paid-up capital of the trustee	BDT 25,00,00,000.00 (BDT Twenty-Five Crore) as of 31 Dec 2020.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Saiful Islam, FCMA
CFO
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Managing Director

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		*Paid-up capital has been increased to BDT 100,00,00,000/- (One Hundred Crore Taka) as on 13 July 2021.
c.	Net worth of the trustee	BDT 312,194,085/- (BDT Thirty-One Crore Twenty-One Lacs Ninety-Four Thousand and Eighty-Five Taka) as of 31 Dec 2020
d.	Name of the issue(s) where performing as trustee	a. NRBC Bank Subordinated Bond-1 of BDT 3,000 million b. Bank Asia Perpetual Bond of BDT 5,000 million c. Mercantile Bank Perpetual Bond of BDT 5,000 million
4.	Particulars of the credit rating company	
a.	Name of credit rating company	Issuer: Credit Rating Agency of Bangladesh Bond: Credit Rating Agency of Bangladesh
b.	Credit rating status of the issuer or originator	Long Term: AA1 Short Term: ST-2
c.	Credit rating status of the issue	Long Term Rating: AA2
d.	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue	Issuer: Date of Rating: 30 th September 2021 Validity of Rating: 30 th September 2022 Bond: Date of Rating: 10 th April 2022 Validity of Rating: 9 th October 2022
e.	Latest default rate of the credit rating company	N/A
f.	Average time to default of the rated category	N/A
g.	Rating trigger, if any	N/A



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2. Details of the Utilization of Proceeds

Envoy Textiles Limited has always been the trendsetter and innovator when it came to Denim Fabric Manufacturing in Bangladesh. The company is planning to enter to new markets and attain new customers by manufacturing bi-stretch denim fabric, a more comfortable denim with no shrinkage. Currently only Turkey is catering to this premium portion of the denim market. By making this upgrade, ENVOYTEX would be first bi-stretch denim fabric manufacturer in the country, another first in ENVOYTEX's glorious portfolio.

To upgrade their product quality, ENVOYTEX needs to procure new technology. Thus, the Issuer has planned to raise BDT 2,000 million (in Face Value) through issuance of Zero-Coupon bond and this fund will be used to finance the machineries import to establish power set up to solely meet the internal power requirement of the company under the BMRE to support the denim and spinning unit and adjustment of some high-cost existing debts.

In 2020, ENVOYTEX had to avail funds at high interest rate from banking sources since the business situation was volatile because of the rapid spreading of corona virus worldwide. As a result, the company is witnessing an increase in its financial expenses. This is having a negative impact on the company's profitability. To overcome this situation, the management of ENVOYTEX has decided to reduce this financial expense by prepaying a portion of this high cost borrowing by utilizing the remaining proceed amount of this bond subscription amounting to BDT 1,211,215,777.

The breakdown of utilization of proceeds plan in issue price can be summarized as follows:

Purpose	Amount (In BDT)
BMRE – Power Plant to support existing Denim & Spinning Unit	473,263,239
High-cost debt restructuring	1,211,215,777
Total	1,684,479,016

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Tanvir Ahmed
Managing Director

3. Features of the Debt Instrument to be Issued

a. Basic Features of the Instrument

Issuer:	Envoy Textiles Limited																																																				
The Issue:	Envoy Textiles Zero-Coupon Bond																																																				
Issue Size:	BDT 2,000 Million (Face Value)																																																				
Bond type:	Non-convertible, Transferable, Fully Redeemable Unsecured Zero-Coupon Bond																																																				
Arrangement Basis:	Private Placement on Best Efforts Basis																																																				
Mandated Lead Arranger (MLA)	NDB Capital Limited																																																				
Purpose:	To the finance the BMRE expansion of existing Denim & Spinning Unit as well as refinancing existing high-cost debt. The breakdown of utilization of proceeds plan in issue price can be summarized as follows: <table border="1" data-bbox="729 716 1246 862"> <thead> <tr> <th>Purpose</th> <th>Amount (In BDT)</th> </tr> </thead> <tbody> <tr> <td>BMRE – Power Plant to support existing Denim & Spinning Unit</td> <td>473,263,239</td> </tr> <tr> <td>High-cost debt restructuring</td> <td>1,211,215,777</td> </tr> <tr> <td>Total</td> <td>1,684,479,016</td> </tr> </tbody> </table>	Purpose	Amount (In BDT)	BMRE – Power Plant to support existing Denim & Spinning Unit	473,263,239	High-cost debt restructuring	1,211,215,777	Total	1,684,479,016																																												
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Investors:	Banks, NBFIs, Corporate Houses, Insurance Companies, Asset Management Firms, Mutual Funds, Merchant Banks, Institutional Investors and High Net Worth Individuals.																																																				
Currency:	Bangladeshi Taka (BDT)																																																				
Mode of Placement:	Private Placement																																																				
Face Value:	BDT 200,000 per share																																																				
Denomination:	BDT 2,000,000 per bundle																																																				
Number of Bonds/Bundles:	10,000																																																				
Issue Price:	BDT 1,684,479,016.00 (considering discount rate 6.50% p.a.)																																																				
Tenor:	5 years from the Issue Date																																																				
Maturity:	From 6 months and up to 5 years from the Issue Date																																																				
Mode of Placement	Private Placement																																																				
Minimum Subscription:	For Individual: BDT 2,000,000 (BDT Two million) For Institutions: BDT 10,000,000 (BDT Ten million)																																																				
Redemption Schedule	<table border="1" data-bbox="619 1400 1387 1948"> <thead> <tr> <th colspan="4">5 years to maturity</th> </tr> <tr> <th>Tenure (Semi-annual)</th> <th>Semi-annual Yield</th> <th>Redemption at Face Value (In Million BDT)</th> <th>Investment at Discounted Value (In Million BDT)</th> </tr> </thead> <tbody> <tr><td>1</td><td>3.250%</td><td>200.00</td><td>145.25</td></tr> <tr><td>2</td><td>3.250%</td><td>200.00</td><td>149.98</td></tr> <tr><td>3</td><td>3.250%</td><td>200.00</td><td>154.85</td></tr> <tr><td>4</td><td>3.250%</td><td>200.00</td><td>159.88</td></tr> <tr><td>5</td><td>3.250%</td><td>200.00</td><td>165.08</td></tr> <tr><td>6</td><td>3.250%</td><td>200.00</td><td>170.44</td></tr> <tr><td>7</td><td>3.250%</td><td>200.00</td><td>175.98</td></tr> <tr><td>8</td><td>3.250%</td><td>200.00</td><td>181.70</td></tr> <tr><td>9</td><td>3.250%</td><td>200.00</td><td>187.61</td></tr> <tr><td>10</td><td>3.250%</td><td>200.00</td><td>193.70</td></tr> <tr><td>Total</td><td></td><td>2,000.00</td><td>1,684.48</td></tr> </tbody> </table>	5 years to maturity				Tenure (Semi-annual)	Semi-annual Yield	Redemption at Face Value (In Million BDT)	Investment at Discounted Value (In Million BDT)	1	3.250%	200.00	145.25	2	3.250%	200.00	149.98	3	3.250%	200.00	154.85	4	3.250%	200.00	159.88	5	3.250%	200.00	165.08	6	3.250%	200.00	170.44	7	3.250%	200.00	175.98	8	3.250%	200.00	181.70	9	3.250%	200.00	187.61	10	3.250%	200.00	193.70	Total		2,000.00	1,684.48
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Security:	Unsecured																																																				


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CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.


Faruk Ahmed
Managing Director

Tanzim Atangir
Managing Director & CEO
UCB Investment Limited

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Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.), if any	<p>The Issue can be credit enhanced upon request of the investors through any/all of the following Credit Enhancement mechanisms:</p> <ul style="list-style-type: none"> Bank Guarantee by any scheduled bank(s) in Bangladesh in favour of each Investor to provide protection against potential default should the investor require such credit enhancement (dependent upon the investor). The Bank Guarantee will be executed in favour of the investor to secure the investors on an as, when and if required basis. Personal Guarantee of the following Sponsor Directors to be provided on an as, when and if required basis: <ol style="list-style-type: none"> Mr. Kutubuddin Ahmed Mr. Abdus Salam Murshedy MP Mr. Tanvir Ahmed Mrs. Rashida Ahmed Mrs. Sharmin Salam Barrister Shehrin Salam Oishe
Governing Law:	The laws of The People's Republic of Bangladesh
Form:	Registered
Listing:	The bond may be listed as per BSEC's consent
Redemption Amount:	Bonds will be redeemed at Face Value.
Credit Rating of the Issue:	AA2
Credit Rating of the Issuer	AA1
Payment Frequency:	Semi-annually beginning at the end of the 6 th month to the closing date
Conditions precedent:	In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for the Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for the financing.
Call and Refunding Feature	Non-callable and Non-refundable
Trustee, Registrar, Paying Agent & Transfer Agent:	UCB Investment Limited
Legal Counsel:	Lex Juris
Documentation:	<ul style="list-style-type: none"> Subscription agreement Trust deed Any other agreement relating to such transaction (if requires)
Credit Rating Agency:	Credit Rating Agency of Bangladesh Limited
Governing Law:	The laws of The People's Republic of Bangladesh
Tax / VAT Features:	According to the laws of Bangladesh
Discount Rate	The discount rate to be fixed between 6.50-8.00 % p.a. (floor is 6.50% p.a. and ceiling is 8.00% p.a. to be considered for fixing the discount rate)

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 UCB Investment Limited


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 CFO
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Envoy Textiles Ltd.

 Tanvir Ahmed
 Managing Director

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	*Rate to be decided at time of approaching the market for subscription of bond based on the then market conditions like market interest rate, deposit/FDR rate etc.	
Transferability/Liquidity:	Transferable in accordance with the provisions of the Trust Deed and Subscription Agreement	
Delay in Payment:	The Issuer shall pay a late payment penalty of 2% (two percent) higher than the discount rate and be payable on the amount not paid on the due date up to the date of actual payment.	
Early Redemption:	Subject to the regulatory approval (if requires), the Issuer shall have the option to redeem all Outstanding Bonds, and such rights shall be exercisable at the end of 36 th month from the Closing Date at a price equal to Face Value and 2% Premium over the Face Value.	
Cost related to the issue:	Particulars	Amount in BDT
	Trustee Fee (Per year)	250,000
	VAT (15%)	37,500
	Legal Fee	150,000
	VAT (15%)	22,500
	BSEC application Fee	10,000
	BSEC approval fee @ 0.1% of FV	2,000,000
	Credit Rating Fee	150,000
	VAT (15%)	22,500
	Surveillance Fee (per year)	100,000
	VAT (15%)	15,000
	Arrangement Fee	0.30% on the total amount raised
VAT on Arrangement Fee	15% on the fee amount	
Bank Guarantee Fee	0.50%0-60% p.a. on the guarantee backed amount	
Enforcement of Charges over securities:	The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the securities of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer.	
Terms of Investment	As defined in the subscription agreement and other Bond related documents.	
Availability Period	Subject to fulfilment of relevant conditions, the Envoy Textiles Zero-Coupon Bond shall be available for issuance not less than 30 (thirty) days and not more than 180 days from the date of BSEC consent, subject to any extensions that may be applied for and approved by the Commission.	
Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission (BSEC), the Company will issue the bonds as per the information memorandum. In no way the Company shall issue any such bonds without taking approval from the BSEC.	

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UCB Investment Limited


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Envoy Textiles Ltd.

Tanzim Alamgir
Managing Director

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4. Description of Collateral Security and type of charges to be created against issue

The Envoy Zero Coupon Bond is a Non-convertible, Transferable, Fully Redeemable Unsecured Zero-Coupon Bond and hence no charge on assets is to be created. The issuer only owes the bondholders an indebtedness, and which is secured by claims over all present and future assets of the issuer subsequent to all secured lenders.


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Managing Director


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Managing Director & CEO
UCB Investment Limited

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5. Rights & Obligations of the Issuer

1. Covenant to Repay:


The Issuer covenants with the Trustee that it will, as and when the Bonds becomes due to be redeemed, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency is immediately available freely transferable funds for redemption on Redemption Date and shall (subject to the provisions of the Conditions) until all such payment (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions, provided that:

- a. The payment due in respect of the Bonds or any of them made to or to the order of the Trustee shall be in satisfaction *pro tanto* of the relative covenant by the Issuer contained in this clause in relation to the Bonds except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Bondholders;
- b. If any payment in respect of such Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the relevant Bondholders or, if earlier, the fifth day after notice has been given to the relevant Bondholders in accordance with the Conditions that the full amount has been received by the Trustee, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions ; and
- c. In any case where payment is due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, interest shall accrue in accordance with the Conditions and the full amount is payable in respect of the unpaid amount to the Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the other covenants including Clause 14.3 of the trust deed (Other Covenants by the Issuer) on trust for the Bondholders.

2. Following an Event of Default:

- a. At any time after any Default or Event of Default has occurred, the Trustee may by notice in writing to the Issuer, require it to make all subsequent payments in respect of each class of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn.
- b. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions (including, without limitation, Clause 14.3 (Other Covenants by the Issuer), and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed and the Conditions, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.


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Managing Director & CEO
UCB Investment Limited

e

- c. The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

3. Other Covenants by the Issuer:

The Issuer hereby covenants with the Trustee that so long as any of the Bonds remains outstanding, it will:

- a. *Comply with Bond Documents*
Comply with, perform and observe all those provisions of this Trust Deed, the Agency Agreement, the Conditions and the other schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them;
- b. *Comply with Applicable Laws*
Comply with, perform, and observe all those provisions of the applicable laws including, but not limited to, the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable laws and will be deemed to have notice of all of the provisions of the applicable laws, as applicable to them;
- c. *Bonds held by Issuer and Affiliates*
Send to the Trustee forthwith upon being so requested in writing by the Trustee a certificate of the Issuer (signed on its behalf by two Authorized Signatories) setting out the total number of Bonds which at the date of such certificate are held by it or for its benefit or for the benefit of the Issuer or any affiliate of the Issuer.
- d. *Execution of further documents*
So far as permitted by applicable law, do all such further acts and things as may be necessary in the reasonable opinion of the Trustee to give effect to the provisions of this Trust Deed;
- e. *Notices to the Bondholders*
Send or procure to be sent to the Trustee not less than five (5) days prior to the date of publication one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

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Managing Director

e

f. *Notification of late payment*

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith upon request by the Trustee give notice to the Bondholders that such payment has been made;

g. *Notification of redemption or repayment*

Not less than 14 (Fourteen) days prior to the redemption date in respect of any Class of Bonds, give to the Trustee notice in writing of the amount of such redemption pursuant to the Conditions and duly proceed to redeem such Bonds accordingly;

h. *Evidence of Due Approval by the Board of Directors and Authorized Signatories*

Upon reasonable notice by the Trustee to deliver to the Trustee a copy of the resolution of the Board of Directors of the Settlor authorizing issuance of the Bond, the declaration of the Trust, a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same;

i. *Payments*

Money payable by it to the Trustee under Clause 7.1 (*Expenses*) of this Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.


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Managing Director & CEO
UCE Investment Limited

6. Rights & Obligations of the Trustee

1. Trustee's Right

a. Rights under Applicable Law

Notwithstanding anything contained in this Trust Deed, the Trustee shall have all such rights and powers granted to it under the applicable law including, but is not limited to, the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021 and the Trust Act 1882;

b. Advice

The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;

c. Certificate of directors or Authorized Signatories

The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorized Signatories of the Issuer or other person duly authorized on their behalf as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;

d. Resolution or direction of Bondholders


The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a written resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the-making of the directions or that for any reason the resolution purporting to be a written resolution or to have been passed at any meeting or the making of the directions was not valid or binding upon the Bondholders;

e. No obligation to monitor

The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;

f. Bonds held by the Issuer

In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry that no Bonds are for the time being held by or for the benefit of the Issuer or any of its affiliates;


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 Managing Director

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

g. Events of Default

The Trustee shall not be bound to give notice to any person or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Default or Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents and no event has happened as a consequence of which any of the Bonds may become repayable;

h. Entry on the Register

The Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;

i. Right to deduct or withhold for taxes

Notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and when so ever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein or any other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts of this Trust Deed;

j. No responsibility to investigate

The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:

- a. the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any or all of the Bond Documents.
- b. any recitals, statements, warranties, representations or covenants of any party to any of the Bond Documents.
- c. its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
- d. the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents.

k. Error of judgment

The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate matters.


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Envoy Textiles Ltd.

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Envoy Textiles Ltd.

Faruq Ahmed
Managing Director

l. No responsibility for loss

The Trustee shall not in any circumstances, except under any applicable laws or regulations:

- a. be liable to account to any Bondholder or any other person for anything except sums received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
- b. be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, willful default or fraud;

m. Enforcement of Obligations of the Issuer

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

n. Force Majeure

The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labor disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.

o. Immunities

The Trustee's immunities and protections from liabilities and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors, employees and consultants. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds, but in any event will be subject to any gross negligence, willful default, or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under this Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, the Issuer will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;

p. Professional Charges

Any Trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him on matters arising in connection with the Trust of this Trust Deed and also its properly incurred charges in addition to disbursements for all other work and business done and all time spent by him on matters arising in connection with this Trust Deed;


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 Company Secretary

Envoy Textiles Ltd.

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 Managing Director

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

q. Expenditure by the Trustee

Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial Liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it;

r. Trustee may enter into financial transaction with the Issuer

No Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transaction in the ordinary course of business with the Issuer or any subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, or from accepting the trusteeship of any other debenture stock, debenture or securities of the Issuer or any subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty retain the same for its or his own benefit.

2. Trustee's requirements regarding Paying Agents

At any time after an Event of Default have occurred and for so long as Event of Default is continuing and has not been waived or, in the opinion of the Trustee, has not been remedied or the Bonds shall otherwise have become due and repayable or the Trustee shall have received any money which it proposes to pay under Condition XI-B (Application of Moneys) to the relevant Bondholders, the Trustee may by notice in writing to the Issuer, the Agents and the Registrar, require the Paying Agent and the other Agents or any of them:

- a. to act thereafter as Agents of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of this Trust Deed *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of proper out-of-pocket expenses of the Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of this Trust Deed relating to the Bonds and available for such purpose) and thereafter to hold all Bonds and all sums, documents and records held by them in respect of Bonds on behalf of the Trustee; or
- b. to deliver up all Bonds and all sums, documents and records held by them in respect of Bonds to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and
- c. by notice in writing to the Issuer require it to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Paying Agent and with effect from the issue of any such notice and until such notice is withdrawn shall cease to have effect.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Faruq Ahmed
Managing Director

3. Trustee's Duty and Obligation

a. *Duties and Obligation under Applicable Law*

Notwithstanding anything contained in this Trust Deed, the Trustee shall have all such duties and obligations as set out in the applicable laws including but is not limited to the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021 and the Trust Act 1882;

b. *Administration of Trust*

The Trustee shall issue, manage and administer the Bonds in accordance with the terms of this Trust Deed and the Conditions and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith and to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;

c. *Act for the Bondholders*

Save the provision of all applicable laws of Bangladesh, the Trustee shall act on behalf and for the exclusive interests of the Bondholders and be liable to sue and to be sued on behalf of them;

d. *Monitoring*

The Trustee shall ensure that the Issuer is observing the applicable laws including, but not limited to, the requirements of the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021 and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions and the other Schedules which are expressed to be binding on it and to perform and observe the same;

e. *Maintaining Account*

The Trustee shall open and maintain such accounts as it deems necessary for discharging the functions of Trustee in pursuant to the provision of this Trust Deed, the Conditions, the Trust Act 1882 and the Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021;

f. *Holding Trust Property*

The Trustee shall hold and keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;

g. *Report to BSEC*

The Trustee shall monitor timely payment of all dues of the Issuer to the Bondholders in terms of the Information Memorandum approved by BSEC and submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC, it shall provide a copy of the Report to the Issuer and each of the bondholders;


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 Envoy Textiles Ltd.

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 Tanvir Ahmed
 Managing Director

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

h. Grievances of the Bondholders

Upon receipt of a complaint from the Bondholders, the Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and it shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

i. Call for Meeting of the Bondholders

On the recommendation of the Bondholders in accordance with the provision of the Trust Deed, the Trustee shall call any meetings of the Bondholders and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;

j. Compliance with the Instruction of the Bondholders

Upon instruction by the Bondholders in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;

k. Duty to Inspect

It is the duty of the Trustee to inspect or call for books of accounts, records, register of the Issuers and the Trust Property, if required, to the extent necessary for discharging its obligation;

l. Duty to Ensure the Interest of the Bondholders

The trustee shall have power to insert any additional terms and conditions for the performance of the obligations under this Trust Deed for the protection of the interest of the bondholders;

m. Trustee's determination

The trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the bondholders, such certificate shall be conclusive and binding upon the Issuer and the bondholders;

n. Determination of questions

The trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and/or the Conditions and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the bondholders;

o. Trustee's discretion

The trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;


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 M Saiful Islam Chowdhury FCS
 Company Secretary

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 Managing Director 26

p. Trustee's consent

Any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;

q. Application of proceeds

The trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it;

r. Agents

The trustee may with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided the Trustee shall have exercised reasonable care in the selection of any such agent, the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

s. Delegation

The Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;

t. Custodians and nominees

The trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any Liability by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

u. Confidential information

The trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with this Trust Deed and no


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 Managing Director & CEO
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Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with this Trust Deed;

1. Trustee liable for gross negligence

None of the provisions of this Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of this Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any Liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, willful default or fraud of which it may be guilty in relation to its duties under this Trust Deed.

2. Indemnity

The Issuer shall, on demand by the Trustee, indemnify it and any Appointee (a) in respect of all liabilities and expenses incurred by it or by any Appointee or other person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Trust Deed and (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to this Trust Deed.


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Managing Director


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Managing Director & CEO
UCE Investment Limited

7. Rights and obligations of the Investors:

- a. Each of the Bondholders has the right to demand any information relating to the issuance of Bond and/or information relating to the Issuer, as set forth in this Trust Deed or in the Conditions, from the Issuer.
- b. Each of the Bondholders has the right to receive payment of Face Value of the Bond on the respective Redemption Date in accordance with the procedure as set out in the Condition VII (*Redemption*) of the Schedule I (*Terms and Conditions of the Bonds*).
- c. Each of the Bondholders has the right to receive any other payment including default interest and/or early redemption fee, if applicable, whenever such payment becomes due and payable by the Issuer in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (*Terms and Conditions of the Bonds*).
- d. Each has the right to attend meeting of the Bondholders and vote therein in accordance with the provisions of the Schedule II (*Meeting of Bondholders*).
- e. Following enforcement of Securities, each of the Bondholders shall have the right to receive payment in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (*Terms and Conditions of the Bonds*).
- f. The rights of the Bondholder under the Subscription Agreement are several and any debt or other obligation arising under this Agreement at any time from the Issuer to any other Bondholder shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights arising out of this Agreement independently of any other Bondholder and it shall not be necessary for any other Bondholder to be joined as an additional party in proceedings for such purpose.
- g. Notwithstanding anything mentioned in this Trust Deed or the Conditions, the Bondholders shall not be entitled to any of the rights, benefits and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their Authorization.

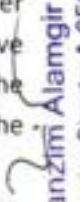

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Managing Director & CEO
UCB Investment Limited

8. Rights and obligations of the Arranger

The general obligation of the Arranger to the Issue of Bonds shall be as follows (including and not limited to the compilation and preparation of the documents, papers, studies hereunder).

1. Regulatory guidance:

- a. Assist and guide the Issuer regarding documentation and preparation of related papers;
- b. Dealings with regulatory authorities;
- c. Dealing with the stakeholders related to the Issue;
- d. Ensuring compliance of/with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other relevant rules, regulations, practices, directives, guidelines etc. or any, which may time to time be introduced by Bangladesh Securities and Exchange Commission.

2. Financing strategy:

- a. Formulation of marketing and fund-raising strategy.

3. Issue arrangements:

- a. Preparation of the Draft Information Memorandum.
- b. Filing of application including the Draft Information Memorandum with all required documents to the Commission and the Exchanges with prior information to the Issuer.
- c. Assist Issuer regarding Documentation for application submission.
- d. Assist Issuer for incorporation of modification suggested by BSEC.
- e. Coordination with relevant parties related to the preparation and execution of all necessary papers and deeds, agreements, declarations, certificates relating to the Issue for submission to BSEC

Additionally, The Arranger has the following duties and powers in connection with the Arrangement:

Reliance on information: The Arranger may in relation to the terms of agreement with the Issuer act on the opinion or advice of or a certificate or any information obtained from any lawyer or other experts and shall not be responsible for any Liability occasioned by so acting;

No obligation to monitor or investigate: The Arranger is under no obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein. In the absence of actual knowledge of a breach of obligation the Arranger may assume that each such person is properly performing and complying with its obligations. Similarly, the Arranger is under no obligation to investigate Bonds or other agreement or documents to that effect.

Events of Default: The Arranger shall not be held liable for any actions in the event of default by the Issuer.

Error of judgment: Arranger has no liability for error of judgment made in good faith.


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 Managing Director & CEO
 UCB Investment Limited

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No responsibility for loss: The Arranger shall not be responsible for any loss incurred subject to any applicable laws or regulations.

Force Majeure: The Arranger shall not be liable for Force Majeure.

Application of proceeds: The Arranger shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds;

Delegation: The Arranger may, with the prior consent in writing of the Issuer, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons all or any of the trusts, powers, authorities, and discretions vested in it by the terms and conditions agreed with the Issuer and any such delegation may be made upon such terms and conditions and subject to such regulatory approvals (if requires).

Confidential information: the Arranger shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Arranger by the Issuer or any other person in connection with the agreement for the role of Mandated Lead Arranger.

Expenditure by the Arranger: The Arranger is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties if it has grounds for believing the repayment (if approved by the issuer) of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it.

Arranger liable for gross negligence: Arranger shall be liable for gross negligence in the performance of its duties under the agreement of mandated lead arranger by the Issuer.


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Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
IICF Investment Limited

9. Description of the Issuer: Envoy Textiles Limited

a. Capital Structure

Authorized capital:

275,000,000 ordinary shares of BDT 10 each total BDT 2,750,000,000 and 125,000,000 redeemable preference shares of BDT 10 each total BDT 1,250,000,000. Total authorized capital is BDT 4,000,000,000. (As of June 30, 2021)

Issued, subscribed and fully paid-up capital: (as of June 30, 2021)

Issued, Subscribed and Fully Paid-Up Capital 30-Jun-21	
167,734,767 Ordinary Shares of BDT 10 each	1,677,347,670
Total	1,677,347,670

Shareholding Structure of Envoy Limited as of June 30th, 2021:

As of June 30 th , 2021			
Category	Number of Shares	Value In BDT	Shareholding (%)
Sponsors/Directors	76,453,883	764,538,830	45.58%
Sponsors (Individuals)	20,332,520	203,325,200	12.12%
General Public (Institutions)	70,804,797	708,047,970	42.21%
General Public (Individuals)	143,567	1,435,670	0.09%
Total	1,677,347,67	1,677,347,670	100.00%

b. Business

Envoy Textiles Limited (ENVOYTEX) went into commercial operations in 2008 and merged with an associate company-Edge Denims Limited in 2009, designed for setting off a new era of excellence in management, cost control, and avoidance of complications in business dealings and operations. In June 2012, the company obtained consent, from the Bangladesh Securities and Exchange Commission, for raising funds through Initial Public Offering (IPO) and thus got listed with both Dhaka Stock Exchange and Chittagong Stock Exchange in the same year.

The factory of envoy textiles limited is located in Jamirdia, Bhaluka, Mymensingh, around 71 km north from Dhaka City. The company started its commercial operation with an initial production capacity of 16 million yards per annum in 2008. Within a short span of time, the capacity was enhanced to 24 million. In 2015, another 26-million-yard capacity was added with the existing production fleet and current the total production capacity is 54 million yards.

As a backward integration of Denim production, Envoy Textiles Limited has its own spinning unit inside the factory compound with a size of 294,000 square feet, producing around 70-75 MT per day with an annual production capacity of 24,500 MT. The spinning unit with state-of-the-art technology, produces yarn mostly for own consumption i.e. production of quality denim fabric. With machineries procured from Europe, this unit came to commercial operation from October 2016.

ENVOYTEX specializes in 4.5 oz to 14.75 oz ring and open-end denim, and uses stretch, mill wash, and modern finishing processes for products intended for the new age consumers, featuring ring-ring constructions in pure indigo and sanforised denim. ENVOYTEX specializes in basic indigo products and plans to move up the value chain to cater to the most refined customers.

Research and Development occupies high importance in the company for product innovation, variations, and colour combinations for picky consumers with exclusive taste. This has contributed and is expected to contribute in years to come by seizing new opportunities, newer markets and fashionable customers across the globe.

Product Range

The product range of Envoy Textiles Limited consists of:

- | | |
|---------------------------|--|
| a. 100% Cotton Denim | h. Stretch denim fabric |
| b. Over dyed denim fabric | i. Vintage crosshatch style denim fabric |
| c. Flat/mercerized denim | j. Natural denim |
| d. Coated Denim | k. Cotton/poly/spandex |
| e. Dual Core | l. Performance denim |
| f. Blender | m. Handloom/ Knit look |
| g. Indigo by Indigo denim | n. 100% Tencel |

Company's Position Compared to Competitors

ENVOYTEX was set up with the sole objective of servicing the garment manufacturers by providing quality goods and service at a competitive price. The only way to be competitive in an ever-changing environment is through continuous product innovation and upgradation. 95% of ENVOYTEX's capacity is sold to retailers and 5% is reserved for in-house consumption. ENVOYTEX's focus is on upgradation of design and process technology to cater to the more sophisticated customers in the middle and higher bracket of the industry.

ENVOYTEX's core differentiating factors are:

- Diversified Products
- Flexibility
- Short Lead Time
- Competitive Pricing by running a lean operation
- Frequent Training and the right exposure in the marketplace

Suppliers

A list of top suppliers for the company is as follows:

- Olam International limited, Singapore.
- Cargil Cotton, USA.
- Jess Smith & Sons cotton, LLC, USA.
- Paul Reinhart AG, Switzerland.
- CDI Cotton Distribution, Switzerland.
- Louis Dreyfus Company, Switzerland.
- ECOM USA, LLC. USA
- Calik Pamuk DogalVeSentetik, Turkey

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Saiful Islam, FCMA
CFO
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M Saiful Islam Chowdhury FCS
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a. **Management**

a. **Mr. Tushar Tripathi (Chief Executive Officer)**

A Postgraduate in International Management, Mr. Tushar is currently the Chief Executive Officer (CEO) of the Company. With over two decades of experience in the Textile Industry he joined the Company in 2009. Prior to joining the company, he was the CEO of different textile concerns and was posted in various countries.

b. **Mr. Saiful Islam, FCMA (Chief Financial Officer)**

With more than a decade of experience in the field of Accounts, Finance, Taxation & Issue Management, Mr. Saiful holds a master's degree in Accounting, he is a qualified Cost & Management Accountant and a Fellow Member of ICMAB. He joined the Company in 2008 and currently holds the position of Chief Financial Officer (CFO).

c. **M Saiful Islam Chowdhury, FCS (Company Secretary)**

Mr. Saiful has over a decade of experience in corporate management and holds a Master's Degree in Accounting. He is a qualified Chartered Secretary and a Fellow Member of ICSB. Having joined in 2012, he is currently the Company Secretary of Envoy Textiles Limited.

d. **Mr. Nanda Dulal Biswas (Head of Production)**

A Graduate in Textile Engineering & Masters in Business Administration, Mr. Biswas holds the position of Head of Production at the Company and he is also in charge of the factory as 'Plant Head'. With over two decades of experience in the Textile Industry he joined the Company in 2006, before joining the Company he worked for various prominent Textiles Companies in Bangladesh.

e. **Mr. Shama Proshad Ghosh (Deputy Plant Head & Head of Engineering)**

A Graduate in Mechanical Engineering & Masters in Business Administration, Mr. Ghosh currently holds the position of Head of Engineering at the Company also working as 'Deputy Plant Head' of the Factory. With over two decades of experience in the Textile Industry, he has been working from the beginning of the Company.

f. **K. M. Rezaur Rahman (Head of Project Management)**

A Graduate Mechanical Engineer from Bangladesh University of Engineering & Technology (BUET) & Masters in Business Administration from IBA, University of Dhaka. Mr. Reza is the Head of Project Management Division of the Company. With more than two decades of experience in diverse fields having multi-dimension exposures. He joined the Company in 2011. Prior to joining ENVOYTEX, he worked as consultant for a World Bank project.

g. **Mr. Hamimur Rahman (Head of Human Resource)**

With a Master in Business Administration (MBA), Mr. Hamim is heading the HR Division of the Company since 2012. He has over a decade of experience in the area of Human Resource and in organizational systems development & process design.

h. **Mr. Mohammad Majibur Rahman (Head of Spinning)**

A Textile Engineer, graduated from Bangladesh University of Textiles. He has 20 years of experience in Textile Industry. Mr. Rahman is holding the position of Head of Spinning division of the Company.

i. **Mr. Shekhar Ghosh (Head of Quality Assurance)**

A Post Graduate from Indian Institute of Technology (Delhi) in Textile Engineering with two decades of experience in Textile industry with specialisation in denim, Mr Ghosh is holding the position of Head Quality Assurance at the company since December 2018.

j. **Atiqur Rahman (Head of Commercial)**

With more than 29 years of experience in the RMG/Textiles commercial functions industry, Mr. Rahman is the head of the Commercial Division of the company.

k. **Nurul Huq (Head of Supply Chain)**

A Master of Commerce in Accounting, Mr Huq is head of the Supply Chain Division. He joined the Company in November 2010.

l. **Mohammad Ataur Rahman, ACMA (Head of Internal Audit)**

Mr. Ataur holds a Master's Degree in Accounting and is a Cost & Management Accountant. He is currently the head of Internal Audit at Envoy Textiles Limited having joined the company in December 2015.

m. **Mr. Yalcin Eren (Head of Research & Development)**

A graduate in Textile Engineering from University of Gaziantep, Turkey. He has more than 9 years of experience in Research & Development of Textile Industry. Mr. Eren holds the position of 'Head of Research & Development' at this company. He joined the Company in May 2017.



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M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.



Tanvir Ahmed
Managing Director



Tanzim Alamgir
Managing Director & CEO
UCE Investment Limited

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b. Description of encumbered assets with value thereof:

Encumbered assets list:						
Type of Asset	Size/Quantity	Qty Type	Value in BDT	Location	Purpose	Offered to
Factory Land	806	Decimal	322,500,000	Valuka, Mymensingh	Registered Mortgage against different Funded and Non-Funded	Pubali Bank Ltd.
Factory Land	1,011	Decimal	404,400,000	Valuka, Mymensingh		Dutch Bangla Bank Limited
Factory Land	442.2	Decimal	176,880,000	Valuka, Mymensingh		HSBC
Factory Land	1,006.50	Decimal	402,600,000	Valuka, Mymensingh		Southeast Bank
Floor space, Corporate Office	23,567.00	SFT	329,938,000	Panthapath, Dhaka		Uttara Bank
Floor space, Corporate Office	5,327	SFT	74,578,000	Panthapath, Dhaka		Mutual Trust Bank
Total Encumbered Assets			BDT 1,710,896,000			

Other than the above, all the other asset of the company is unencumbered which is BDT 16,938,707,520 out of their total assets of BDT 18,649,603,520 as per latest audit report of 2021.


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Managing Director & CEO
UCB Investment Limited

c. Profile of Board of Directors

Mr. Kutubuddin Ahmed

Chairman

Mr. Kutubuddin Ahmed is the Founder of Envoy Textiles Ltd and Chairman of the Company. He began his business career in 1984 by setting up Envoy Ltd and later he initiated Envoy Group's forward integration journey from Garments into Textiles.

An Engineering Graduate from Bangladesh University of Engineering and Technology (BUET), he is focused on the organization's growth by continuously improving the products, services and processes; developing the people; deploying new technologies and working closely with the stakeholders. His primary objective is to accomplish the mission of Envoy Textiles Ltd., which is to be a one of the best world class denim textile manufacturers in Asia.

Throughout in his business career he has performed exceptionally well and reached to these heights where he has created a benchmark.

A widely known business personality, Mr. Ahmed is associated with a number of businesses, trades & sporting organizations.

Mr. Abdus Salam Murshedy

Managing Director

Mr. Abdus Salam Murshedy, Managing Director and founder of Envoy Textiles Ltd is a dynamic personality infused with entrepreneurial spirit. His far-sighted vision and keen business acumen provide the necessary leadership and impetus to the group activities. He has more than three decade's experience in Apparel & Textiles business.

An arts graduate from University of Dhaka, Mr. Murshedy's considerable expertise and experience will guide the company from success to success.

Mr. Murshedy is closely associated to the Garment movement in Bangladesh. He is one of the finest sport personalities in the country and active organizer.

Mr. Tanvir Ahmed

Director

Mr. Tanvir Ahmed, Director of the Company, was first appointed to the Board on June 27, 2010. He brings with him an impressive educational background specializing in Business Management Administration and Finance. He holds a Master's degree from Cardiff University, a Diploma from London School of Economics (LSE) and Bachelor of Arts degree (with honours) from Kingston University, United Kingdom.

Mr. Tanvir Ahmed, has been a quintessential figure in attaining the LEED certification for Envoy Textiles Limited. He hopes to lead the development of business and incorporate traits of corporate culture.


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

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Managing Director

Tanzim Alamgir
Managing Director & CEO
JCE Investment Limited

Ms. Shehrin Salam Oishee
Director

Barrister Shehrin Salam Oishee, Director of the Company, was first appointed to the Board on June 27, 2010. She has excellent academic track record, holds a Bachelor of Law (LLB) from University of London, UK and pursued Barrister from the honourable society of Lincoln's Inn, UK.

Her vision of the future is to see the Company as an entity with the highest calibre in regards of work output, quality and legal aspects while incorporating new business ideas to meet the competition in the global market.

Ms. Sumayyah Ahmed
Director

Ms. Sumayyah Ahmed completed his BSc and MSc in Marketing Management from Essex University (UK). She is an active member of Gulshan Club, Uttara Club, and Dhaka Club.

Mr. Ishmam Salam
Director

Mr. Ishmam Salam, a director of the company, is pursuing his undergraduate studies in English from BRAC University.

Mrs. Sharmin Salam
Director

Mrs. Sharmin Salam, a Director of the company, is also the Chairman of Sharmin Holdings Limited and Director of Envoy Garments Limited. She is also a shareholder of The Premier Bank Limited.

Mrs. Rashida Ahmed
Director

Mrs. Rashida Ahmed is also a director of Envoy Garments Limited, KTS Syndicate Limited, Canopus Syndicate Limited, Oyster Syndicate Limited, KS Builders Limited, and Opal Properties Limited.

Mr. Itrat Husain, FCMA
Independent Director

Mr. Itrat Husain FCMA, FCS was appointed to the Board on 03 July 2019 as Independent Director. Mr. Itrat has over 41 years of experience in Corporate Management, both in the public and private reputed companies in senior positions in Finance functions, in Manufacturing, Trading and Service sectors in Asia, Europe and Africa, including over 11 years' experience in two Multinational Companies.

Mr. Itrat Husain is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He was a Past President of ICSB (2007-2008). Mr. Itrat did his Chartered Management Accountancy (CIMA) from UK in 1981 and is also a Fellow Member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) He has attended many training programmes and workshops both at home and abroad. He is a faculty member of ICSB and also organizes and conducts training programs regularly. He is a certified trainer of IFC.

Mr. Itrat is a widely travelled person who has visited more than thirty three countries. He is a Rotarian and is also associated with various philanthropic and cultural activities in the country.

He holds no shares in the Company.



Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED



Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.



Tanvir Ahmed
Managing Director

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Mr. Syed Shahed Reza
Independent Director

Mr. Syed Shahed Reza was appointed to the Board on 11 October 2018 as Independent Director. Mr. Shahed is a dynamic personality, holds a master's degree in public administration from Dhaka University, has multi-exposure in the field of diplomatic affairs, education, Social, Culture and Sports. He was a Secretary to Bangladesh Ministry of Foreign Affairs and Ambassador to the Republic of Yemen. He was also an Ambassador to the Bangladesh Embassy in Kuwait. He worked as National Chancellor-Bangladesh Chapter for International Association of Education for World Peace (IAEWP), NGO UN (ECOSOC) UNDP, UNICEF, UNESCO and UNCEO.

Mr. Shahed is also an active sports organizer, he was a Secretary General of Bangladesh Olympic Association, apart from his leadership position in various prestigious sport organization. He is actively engaged with different social and cultural activities and related organizations


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

d. Description of Assets and Liabilities:

Description of Assets:

Particulars	Figures in BDT	
	31-Dec-2021 (Half yearly)	30-Jun-2021
Non-Current Assets	10,291,035,032	10,507,884,952
Property, Plant & Equipment	10,242,787,331	10,455,971,546
Intangible Assets	25,919,833	28,551,664
Machinery in Transit	22,327,867	23,361,742
Current Assets	9,292,049,213	8,141,718,568
Inventories & Stores	3,379,784,734	3,305,857,175
Material in Transit	623,216,100	418,182,093
Trade & Other Receivable	4,795,451,237	3,940,079,043
Advance Deposits & Prepayments	324,097,733	317,212,450
Investment	46,433,354	44,282,614
Cash and Cash Equivalents	123,066,055	116,105,193
Total Assets	19,583,084,245	18,649,603,520

Description of Liabilities:

Particulars	Figures in BDT	
	31-Dec-2021 (Half yearly)	30-Jun-2021
Non-Current Liability	6,143,023,557	4,977,690,879
Long Term Loan	4,752,535,105	4,175,609,245
LC Accepted Liability	999,808,546	425,068,806
Deferred Tax Liability	390,679,906	377,012,828
Current Liability	6,955,115,649	7,333,401,458
Long Term Loan (Current Portion)	251,679,611	521,760,051
Short Term Liabilities	5,508,633,173	6,439,671,624
Accounts Payable	873,315,818	172,620,111
Provision for Expenses	175,865,243	87,162,108
Provision for Tax	145,621,804	112,187,564
Shareholders' Equity	6,484,945,039	6,338,511,184
Paid-up Capital (Common Share)	1,677,347,670	1,677,347,670
Share Premium	1,120,000,000	1,120,000,000
Revaluation Surplus	1,677,376,785	1,682,215,316
Retained Earnings	2,010,220,584	1,858,948,198
Total Liabilities & Shareholders' Equity	19,583,084,245	18,649,603,520

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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e. Description of previously issued debt and equity securities:

Compliance Status of Previously Issued Debt Securities of Envoy Textiles Limited
Trustee: EBL Investments Limited

Name of the Issue: Envoy Textiles Non-Convertible Redeemable Zero-Coupon Bond

Name of the Issuer: Envoy Textiles Limited

Date of Issue Consent & IM Issue: 16 January 2018

Issue Amount: BDT 150 Crore (Face Value)

Maturity Period: 5 Years

Amount in BDT Crore

Sl. No.	Name of Investors	Date of Subscription	Subscription Amount (Face Value)	Redemption Amount	Outstanding Amount	Default (If Any)
1	Square Pharmaceuticals Limited	11/06/2018	6.00	4.20	1.80	N/A
2	Janata Jute Mills Limited	11/06/2018	21.00	4.70	6.30	
3	Employee's Provident Fund-Envoy Textiles Limited	11/06/2018	6.00	6.00	0.00	
4	Workers' Profit Participation Fund-Envoy Textiles Limited	11/06/2018	1.50	1.05	0.45	
5	Mr. Mahmudul Huq	11/06/2018	3.00	2.10	0.90	
6	Ms. Monisha Anwar Huq	11/06/2018	1.50	1.05	0.45	
7	Mr. Khandaker Moinul Ahsan Shamim	18/10/2018	1.50	0.90	0.60	
	Total		40.50	30.00	10.50	


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Description of equity securities:

Particulars of Allotment	Date of Allotment	Nature of Shares	Number of Shares issued			Shares in Amount (Taka)
			Consideration in Cash	Consideration in other than Cash	Total (in shares)	
1st (Subscribe to the Memorandum & Articles of Association at the time of incorporation)	18.06.1995	Initial Subscription	50,000		50,000	500,000
2nd	21.06.2007	Fresh Allotment	1,000,000		1,000,000	10,000,000
3rd	27.11.2008	Fresh Allotment	38,950,000		38,950,000	389,500,000
4th	28.09.2009	Alloted through Amalgamation with Edge Denims		10,000,000	10,000,000	100,000,000
5th	30.09.2009	Fresh Allotment	10,000,000		10,000,000	100,000,000
6th	06.06.2010	Alloted through Private Placement	40,000,000		40,000,000	400,000,000
7th	19.11.2012	Alloted through IPO	30,000,000		30,000,000	300,000,000
8th	31.12.2012	Bonus Share		6,500,000	6,500,000	65,000,000
9th	21.12.2013	Bonus Share		4,095,000	4,095,000	40,950,000
10th	24.12.2014	Bonus Share		4,217,850	4,217,850	42,178,500
11th	26.12.2015	Bonus Share		7,240,642	7,240,642	72,406,420
12th	15.12.2016	Bonus Share		4,561,604	4,561,604	45,616,040
Total			120,000,000	36,615,096	156,615,096	1,566,150,960



Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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10. Auditors Report along with Audited Financial Statements of
The Issuer

Half yearly audit report till December 2021 enclosed in annexure # V
Audited report for June 2021 enclosed in annexure # VI


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

11. Brief Overview and Comparative Financial Statements

Particulars	31 Dec 2021 (Half Yearly)	30 June 2021.	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Assets						
Non Current Assets	10,291,035,032	10,507,884,953	10,848,388,636	11,105,427,746	11,165,178,556	10,770,972,856
Property, Plant & Equipment	10,242,787,331	10,455,971,547	10,737,647,479	11,008,406,226	9,607,848,564	9,004,214,391
Intangible Assets	25,919,833	28,551,664	35,689,579	42,212,305	-	-
Capital Work In Progress	-	-	-	-	1,557,329,992	1,766,758,465
Deferred Expenses	-	-	-	-	-	-
Machinery in Transit	22,327,867	23,361,742	75,051,578	54,809,215	-	-
Current Assets	9,292,049,213	8,141,718,567	7,162,015,698	6,686,192,736	6,299,459,090	5,289,365,791
Inventories & Stores	3,379,784,734	3,724,039,268	3,911,199,890	3,030,387,296	2,645,507,118	2,155,076,681
Material in Transit	-	-	-	-	207,265,197	225,497,732
Trade & Other Receivables	4,795,451,237	3,940,079,043	2,933,391,302	3,414,988,864	3,147,123,680	2,643,632,850
Advances, Deposits, & Prepayments	324,097,733	317,212,449	181,922,652	202,947,250	145,641,186	137,246,818
Investment	46,433,354	44,282,614	17,911,667	13,695,729	54,907,662	45,707,026
Cash & Cash Equivalents	123,066,055	116,105,193	117,590,187	24,173,597	99,014,247	82,204,684
Total Assets	19,583,084,245	18,649,603,520	18,010,404,334	17,791,620,482	17,464,637,646	16,060,338,647
Shareholders Equity and Liabilities						
Shareholders Equity	6,484,945,039	6,338,511,186	6,805,478,206	6,433,260,623	6,251,205,269	6,030,896,847
Paid up Share Capital (Common Share)	1,677,347,670	1,677,347,670	1,677,347,670	1,677,347,670	-	-
Paid up Share Capital (Preference Share)	-	-	360,000,000	-	-	-
Issues, Subscribed & Paid Up Capital	-	-	-	-	1,644,458,500	1,566,150,960
Share Premium	1,120,000,000	1,120,000,000	1,120,000,000	1,120,000,000	1,120,000,000	1,120,000,000
Revaluation Surplus	1,677,376,785	1,682,215,316	1,692,199,373	1,702,501,772	1,713,134,427	1,724,109,853
Retained Earnings	2,010,220,584	1,858,948,200	1,955,931,163	1,933,411,181	1,445,690,152	1,292,713,844
Tax Holiday Reserve	-	-	-	-	327,922,190	327,922,190
Non Current Liabilities	6,143,023,557	4,977,690,878	4,731,177,445	5,089,037,140	3,915,968,095	3,802,929,300
Long Term Loan	4,752,535,105	4,175,609,245	4,349,212,488	4,309,810,544	3,893,868,051	3,755,175,717
Deferred Tax Liability	390,679,906	377,012,827	236,034,468	277,095,179	22,100,044	47,753,583
L/C Accepted Liability	999,808,546	425,068,806	145,930,489	502,131,417	-	-
Current Liabilities	6,955,115,649	7,333,401,458	6,473,748,685	6,269,322,720	7,297,464,283	6,226,512,498
Long Term Loan (Current Portion)	251,679,611	521,760,051	501,588,200	645,802,885	787,576,054	689,750,204
Short Term Liabilities	5,508,633,173	6,439,671,624	5,567,900,485	4,864,213,499	5,712,381,266	4,850,981,612
Trade & Other Payables	873,315,818	172,620,112	257,126,798	577,541,698	650,082,956	555,651,234
Provision for Tax	145,621,804	112,187,564	57,965,063	94,234,347	53,581,591	45,356,147
Provision for Expense	175,865,243	87,162,107	89,168,139	87,530,291	93,842,416	84,773,301
Total Shareholder Equity & Liabilities	19,583,084,245	18,649,603,522	18,010,404,336	17,791,620,483	17,464,637,647	16,060,338,645

Tanzim Alamgir
 Managing Director & CEO
 UCE Investment Limited

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Statement of Profit and Loss Account (Amount in BDT)						
Particulars	31 Dec 2021 (Half Yearly)	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2018
Net Sales	5,507,584,827	8,665,304,750	8,176,823,160	9,118,517,693	7,558,432,416	6,078,738,108
Cost of Goods Sold	4,709,160,253	7,377,859,626	6,882,729,345	7,419,623,020	6,358,041,367	4,994,609,392
Gross Profit	798,424,574	1,287,445,124	1,294,093,815	1,698,894,673	1,200,391,049	1,084,128,716
Less: Operating Expenses	148,637,277	272,808,393	276,176,866	290,584,017	282,922,342	271,944,208
Administrative & General Expenses	107,331,528	206,541,218	216,460,514	223,765,807	225,556,742	217,949,450
Selling & Distribution Expenses	41,305,749	66,267,175	59,716,352	66,818,210	57,365,600	53,994,758
Operating Profit (Loss)	649,787,296	1,014,636,731	1,017,916,949	1,408,310,656	917,468,707	812,184,508
Less: Financial Expenses	360,036,412	712,545,712	718,098,503	725,021,019	543,476,724	444,855,445
Add: Other Income	1,521,800	2,376,016	1,571,878	2,131,201	1,363,391	1,384,890
Profit/Loss before Tax and WPPF and Welfare	291,272,684	304,467,035	301,390,324	685,420,838	375,355,374	368,713,953
Less: Provision for Workers' Profit Participation Fund	13,870,128	14,498,430	14,351,920	32,639,088	17,874,065	17,557,807
Profit Before Taxes	277,402,556	289,968,605	287,038,404	652,781,750	357,481,309	351,156,146
Income Tax Provision	47,101,318	195,200,860	12,916,271	98,354,480	27,542,321	29,979,520
Net Profit After Taxes	230,301,239	94,767,745	274,122,133	554,427,270	329,938,988	321,176,626


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED


M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.


Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



Statement of Cash Flows (Amount in BDT)

Particulars	31-Dec-21 (Half Yearly)	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Cash Flow from Operating Activities: (A)						
Collection from Turnover and Others	4,650,296,128	7,641,743,563.69	8,646,267,716.43	8,847,615,215.00	7,056,304,577.00	5,723,344,889.00
Exchange Fluctuation Gain/ (Loss)	3,438,305	19,249,461.28	13,724,884.98	6,262,457.00		
Cash Payment to Creditors	(3,936,005,403)	(6,889,523,356.07)	(7,321,366,852.35)	(7,308,329,862.00)	(6,127,612,288.00)	(5,223,061,845.00)
Cash Payment for Operating Expenses	(73,218,443)	(396,400,090.94)	(261,680,760.51)	(346,795,988.00)	(311,386,857.00)	(310,321,347.00)
Income Tax Paid and Deducted at Source	(51,387,055)	(59,681,694.04)	(64,819,913.65)	(45,705,177.00)	(53,195,860.00)	(45,356,147.00)
Financial Expenses	(377,818,525)	(692,366,730.96)	(750,132,685.21)	(720,993,396.00)	(524,312,078.00)	(457,942,510.00)
Interest Income	-	-	-	-	-	-
Net Cash Provided by Operating Activities	215,305,007	(376,978,847.04)	261,992,389.69	432,053,249.00	39,797,894.00	(313,336,962.00)
Net Operating Cash Flow Per Share	1.28	(2.25)	1.56	2.58	0.24	(1.87)
Cash Flows from Investing Activities: (B)						
Acquisition of Fixed Assets	-135,604,663	(457,630,587.21)	(495,610,914.56)	(2,150,829,034.00)	(1,209,195,614.00)	(2,440,166,758.00)
Investment	-2,150,740	(26,370,947.46)	(4,215,937.99)	41,211,933.00	(9,200,637.00)	(1,565,626.00)
Machinery in Transit	1,033,875	51,689,836.37	(20,242,363.30)	1,502,520,776.00	206,794,654.00	1,293,967,188.00
Net Cash Used in Investing Activities	-136,721,528	(432,311,698.30)	(520,069,215.85)	(607,096,325.00)	(1,011,601,597.00)	(1,147,765,196.00)
Cash Flows from Financing Activities: (C)						
Long Term Liabilities	1,151,665,600	(563,981,031.79)	(316,798,985.02)	368,073,910.00	138,692,334.00	49,302,200.00
Long Term Liabilities (Current Portion)	-270,080,439	20,171,851.76	(144,214,685.62)	(141,773,169.00)	97,825,850.00	12,121,681.00
Short Term Liabilities	-931,038,451	1,553,272,084.24	703,686,986.14	37,809,249.00	861,399,654.00	1,596,019,440.00
Preferential Share Capital	-	-	360,000,000.00	-	-	-
Payment of Cash Dividend	-22,169,326	(201,657,352.61)	(251,179,899.79)	(163,907,565.00)	(109,304,571.00)	(182,429,558.00)
Net Cash Used in / Provided by Financing Activities	-71,622,616	807,805,551.60	351,493,415.71	100,202,425.00	988,613,267.00	1,475,013,763.00
Net Decrease in Cash [A+B+C]	6,960,863	(1,484,993.74)	93,416,589.55	(74,840,651.00)	16,809,564.00	13,911,605.00
Add: Cash at the Opening	116,105,193	117,590,186.78	24,173,597.23	99,014,247.00	82,204,684.00	68,293,079.00
Cash at end of the Year	123,066,055	116,105,193.04	117,590,186.78	24,173,596.00	99,014,247.00	82,204,684.00
Number of outstanding shares	167734767	167,734,767.00	167,734,767.00	167,734,767.00	167,734,767.00	167,734,767.00

Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

12. Ratios of Last Five Accounting Years

Particulars	31 Dec 2021 (Half Yearly)	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Current Ratio	1.34	1.11	1.11	1.07	0.86	0.85
Quick ratio	0.85	0.60	0.50	0.58	0.50	0.50
Times interest earned ratio	1.80	1.42	1.42	1.94	1.69	1.83
Break-even point	N/A	N/A	N/A	N/A	N/A	N/A
Debt to equity ratio	1.91	1.85	1.59	1.69	1.77	1.63
Debt to total asset ratio	0.67	0.66	0.62	0.64	0.64	0.62
Accounts receivable ratio	1.26	2.52	2.58	2.78	2.61	4.60
Inventory Turnover Ratio	1.33	1.93	1.98	2.61	2.65	2.87
Asset Turnover Ratio	0.29	0.47	0.46	0.52	0.45	0.40
Debt Service Coverage Ratio	1.80	1.42	1.42	1.94	1.69	1.83
Gross Profit Margin	14.50%	14.86%	15.83%	18.63%	15.88%	17.83%
Operating Profit Margin	11.80%	11.71%	12.45%	15.44%	12.14%	13.36%
Net Profit Margin	4.18%	1.09%	3.35%	6.08%	4.37%	5.28%
Return on Assets (%)	1.20%	0.52%	1.53%	3.15%	1.97%	2.12%
Return on Equity (%)	3.59%	1.44%	4.14%	8.74%	5.37%	5.39%
Earnings-Per-Share (EPS)	1.37	0.56	1.63	3.31	1.97	1.91
Net Operating Cash Flow Per Share	1.28	-2.25	1.56	2.58	0.24	-1.87
Net Asset Value (NAV) per share	39	38	41	38	37	36
Net Operating Cash Flow to Net Income	0.93	(3.98)	0.96	0.78	0.12	(0.98)
Total Debt to Tangible Assets Ratio	90%	82%	73%	78%	89%	88%

	After Bond	Before Bond
Debt to Equity Ratio	1.98	1.91

Saiful Islam, FCMA
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ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

13. Forecasted Financials of The Issuer for Next Five Years

ENVOY TEXTILES LIMITED Forecasted Balance Sheet					
	2023	2024	2025	2026	2027
Non Current Asset					
Property, Plant & Equipment, net of Depreciation	10,161,832,970	9,098,783,370	8,038,264,798	6,981,767,867	5,889,660,317
Intangible Assets	2,211,027	-	-	-	-
Machinery in Transit					
Current Asset	9,860,172,381	11,160,988,134	12,360,875,523	13,700,384,838	15,801,721,371
Trade and Others Receivable	4,366,062,248	4,457,140,050	4,549,376,025	4,601,062,176	4,620,095,981
Inventory	4,701,021,337	4,788,182,623	4,879,737,861	4,931,852,507	4,956,386,920
Advance, Deposits & Prepayments	247,483,740	252,072,318	256,892,213	259,635,772	260,927,378
Materials in Transit					
Investment	44,282,614	44,282,614	44,282,614	44,282,614	44,282,614
Cash and Cash Equivalents	501,302,442	1,619,310,529	2,830,306,810	3,863,551,768	5,914,028,477
Total Asset	20,022,005,351	20,259,771,504	20,398,940,322	20,682,152,705	21,691,381,688
Equity & Liabilities					
Shareholders' Equity	8,032,256,654	9,135,381,974	10,223,538,588	11,349,679,573	12,516,817,809
Paid up Share Capital (Common Share)	1,677,347,670	1,677,347,670	1,677,347,670	1,677,347,670	1,677,347,670
Paid up Share Capital (Preferential Share)	-	-	-	-	-
Share Premium	1,120,000,000	1,120,000,000	1,120,000,000	1,120,000,000	1,120,000,000
Revaluation Surplus	1,663,207,203	1,654,183,146	1,645,479,089	1,637,095,033	1,629,030,976
Retained Earnings	3,571,701,781	4,683,851,158	5,780,711,829	6,915,236,870	8,090,436,163
Non Current Liabilities	3,760,294,029	2,678,291,257	1,596,288,486	1,334,460,714	1,070,628,215
Long Term Loan	2,731,722,600	1,821,148,400	910,574,200	820,175,000	727,771,073
LC Accepted Liability					
Long Term Loan for Expansion Only (Considering loan for 7 years)	1,028,571,429	857,142,857	685,714,286	514,285,714	342,857,143
Provision for Deferred Tax	-	-	-	-	-
Current Liabilities	8,229,454,669	8,446,098,273	8,579,113,247	7,998,612,417	8,103,935,664
Long Term Loan (Current Portion)					
Short Term Liabilities	7,347,971,509	7,524,321,628	7,645,993,889	7,050,110,199	7,145,013,574
Accounts Payable	591,704,805	602,675,559	614,199,369	620,758,898	623,846,978
Provision for Expenses	122,090,974	124,431,912	126,892,352	128,412,558	129,109,540
Provision for Current Tax	167,687,382	194,869,174	192,027,638	198,730,762	205,965,571
Total Liabilities & Shareholders' Equity	20,022,005,351	20,259,771,504	20,398,940,322	20,682,152,705	21,691,381,688


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanzim Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

ENVOY TEXTILES LIMITED
Forecasted Income Statement

	2023	2024	2025	2026	2027
Capacity Utilisation Rate	90%	92%	94%	95%	95%
Revenue	11,646,229,300	11,889,119,832	12,135,153,062	12,273,022,377	12,339,798,359
Less: Cost of Goods Sold (excluding Depreciation)	8,436,884,828	8,625,331,141	8,812,200,194	8,921,046,629	8,936,285,344
Gross Profit	3,209,344,472	3,263,788,691	3,322,952,868	3,351,975,747	3,403,513,015
Less:					
Administrative & General Expenses less Depreciation	196,541,484	196,543,410	206,447,196	213,805,857	215,468,788
Selling & Distribution Expenses	80,598,349	83,626,840	86,858,770	91,014,428	92,615,756
Operating Expenses	277,139,833	280,170,250	293,305,967	304,820,285	308,084,544
Less: Depreciation	1,076,444,101	1,063,049,599	1,060,518,572	1,056,496,932	1,092,107,550
Profit (loss) from Operations	1,855,760,538	1,920,568,842	1,969,128,329	1,990,658,531	2,003,320,921
Less: Financial Expenses	687,787,000	563,452,000	629,722,900	601,054,450	562,234,495
Add: Other Income	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Net Profit(Loss) before WPPF	1,169,473,538	1,358,616,842	1,340,905,429	1,391,104,081	1,442,586,426
Less: Workers Profit Participation Fund Expenses	51,557,659	60,822,347	60,721,176	66,232,334	69,482,619
Net Profit before Tax	1,117,915,879	1,297,794,494	1,280,184,253	1,324,871,747	1,373,103,807
Less: Provision for Deferred Tax					
Less: Provision for Current Tax	167,687,382	194,669,174	192,027,638	198,730,762	205,965,571
Earning after Tax	950,228,497	1,103,125,320	1,088,156,615	1,126,140,985	1,167,138,236
Number of Shares Outstanding Sahares					
Earnings Per Share (EPS)	5.67	6.58	6.49	6.71	6.96
Diluted Earnings Per Share	5.67	6.58	6.49	6.71	6.96


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Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCE Investment Limited

ENVOY TEXTILES LIMITED
FORECASTED STATEMENT OF CASH FLOW

Particulars	TAKA 30th June 2023	TAKA 30th June 2024	TAKA 30th June 2025	TAKA 30th June 2026	TAKA 30th June 2027
Cash Flow from Operating Activities: (A)					
Collection from Turnover and Others	11,411,225,679	11,798,062,030	12,042,917,087	12,221,336,225	12,314,764,554
Exchange Fluctuation Gain / (Loss)	-	-	-	-	-
Cash Payment to Creditors	(8,661,289,068)	(8,706,110,250)	(8,897,051,518)	(8,969,345,305)	(8,959,023,284)
Cash Payment for Operating Expenses	(331,701,737)	(347,675,716)	(360,270,760)	(377,916,469)	(384,934,238)
Income Tax Paid and Deducted at Source	(132,141,758)	(167,687,382)	(194,669,174)	(192,027,638)	(198,730,762)
Financial Expenses	(687,787,000)	(563,452,000)	(629,722,900)	(601,054,450)	(562,234,495)
Interest Income	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Net Cash Provided by Operating Activities	1,599,806,115	2,014,636,682	1,962,702,734	2,082,492,364	2,211,341,775
Net Operating Cash Flow Per Share	9.54	12.01	11.70	12.42	13.18
Cash Flows from Investing Activities: (B)					
Acquisition of Fixed Assets	(1,753,393,385)	(0)	0	(0)	(0)
Investment	-	-	-	-	-
Machinery in Transit	-	-	-	-	-
Net Cash Used in Investing Activities	(1,753,393,385)	(0)	0	(0)	(0)
Cash Flows from Financing Activities: (C)					
Long Term Liabilities	(1,082,002,771)	(1,082,002,771)	(1,082,002,771)	(261,827,771)	(263,832,499)
Long Term Liabilities (Current Portion)	9,344,057	9,024,057	8,704,057	8,384,057	8,064,057
Short Term Liabilities	355,878,311	176,350,119	121,672,261	(595,863,690)	94,903,375
Preferential Share Capital	-	-	-	-	-
Payment of Cash Dividend	-	-	-	-	-
Net Cash Used in / Provided by Financing Act	(716,780,404)	(896,628,596)	(951,626,453)	(849,327,405)	(160,865,067)
Net Decrease in Cash [A+B+C]	(870,367,674)	1,118,008,087	1,011,076,281	1,233,164,959	2,050,476,708
Add: Cash at the Opening	1,371,670,115	501,302,442	1,619,310,529	2,630,386,810	3,863,551,768
Cash at end of the Year	501,302,442	1,619,310,529	2,630,386,810	3,863,551,768	5,914,028,477
Number of outstanding shares	167,734,767	167,734,767	167,734,767	167,734,767	167,734,767


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Managing Director & CEO
UCB Investment Limited

14. Forecasted Ratios of The Issuer for Next Five Years

	2023	2024	2025	2026	2027
RATIOS:					
Operating Profit Margin On Sales	15.93%	16.15%	16.23%	16.22%	16.23%
Net Profit Before Tax	9.60%	10.92%	10.55%	10.79%	11.13%
Net Profit After Tax	8.16%	9.28%	8.97%	9.18%	9.46%
Revenue Growth	5.69%	2.09%	2.07%	1.14%	0.54%
Profit Growth based in 2019	72.88%	100.70%	97.97%	104.88%	112.34%
Profitability					
EBITDA Margin	25.18%	25.10%	24.97%	24.83%	25.08%
EBIT Margin	15.93%	16.15%	16.23%	16.22%	16.23%
Net Profit Margin	8.16%	9.28%	8.97%	9.18%	9.46%
Leverage					
Long Term Debt/EBITDA (x)	1.28	0.90	0.53	0.44	0.35
Total Debt/Capital Employed (%)	58.0%	52.8%	47.5%	42.5%	39.6%
Debt/Equity (x)	1.38	1.12	0.90	0.74	0.66
Coverage					
TIER (x)	2.70	3.41	3.13	3.31	3.56
DSCR (based on FFO)	1.53	1.66	1.62	3.23	3.42
CFODebt (%)	14.40%	19.75%	21.24%	24.84%	26.92%



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Managing Director & CEO
UCE Investment Limited

15. Rating summary with rating rationale of the Issue and Issuer

Credit Rating Information of Issuer

Date of Declaration	Validity	company Rating	Rated by	Outlook
September 30, 2021	September 30, 2022	Long Term: AA1 Short Term: ST-2	Credit Rating Agency of Bangladesh (CRAB)	Stable

Credit Rating Information of The Bond

Date of Declaration	Validity	Bond Rating	Rated by	Outlook
April 10, 2022	October 9, 2022	AA2	Credit Rating Agency of Bangladesh (CRAB)	Stable

Rating Rationale:

CRAB has assigned AA2 (Double A Two) rating (long term) to the proposed Zero Coupon Bond (up to BDT 2,000.0 million) of Envoy Textile Limited. The rating reflects the issuer's standalone credit profile as well as features of the instrument. The final rating will be based on a host of factors which includes clearance from regulatory authority (BSEC), deal structure and documentation.

It is to be noted here that CRAB has assigned AA1 (Double A One) entity/issuer rating to Envoy Textiles Limited (ETL) with a Short Term rating of ST-2. The rating outlook is stable reflecting the outlook on the Issuer's credit rating.

Per the Term Sheet, the bond is non-convertible, transferable, fully redeemable and unsecured zero-coupon bond. The issue will have credit enhancement mechanism by issuing bank guarantee and/or personal guarantee of the aforementioned sponsor directors of the Issuer. This security arrangement is still not finalized which explains the absence of legal documents and MOU at this stage. CRAB has also considered the seniority of claims of the investors on the bond to arrive at the rating.

Rating Strengths:

- Fundamental strength of the Issuer on its revenue generation capacity and the demand outlook of Textile industry.
- Established track record, vast experience of promoters and expertise of Management & availability of group support.
- State of the art manufacturing facility, conforming to compliance via green manufacturing, and a network of buyers which lends comfort to financiers on its business sustenance and future growth.
- Acceptable DSCR based on financial projections based upon assumptions and strategic plan.
- Purpose of finance – to be used to finance plant BMRE and repay/reduce existing high-cost debt.

Rating Challenges:

- There is volatility in financial parameters via earnings, leverage and coverage factors.
- Competitive business conditions, volatility of international cotton prices (raw material for yarn).
- Sustenance/growth of ETL hinges on economic stability of buyers/importing nation. Global economic recession, pandemic conditions will put a dampener on the Seller.
- Any significant impact in business and operations may lead to adverse impact on debt coverage profile.



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Managing Director & CEO
UCB Investment Limited



Going forward, the bond rating could be upgraded in the event of an upgrade of the Issuer rating and vice versa. Any material development with regards to "guarantee" could also trigger a change.

KEY FINANCIAL INDICATORS OF ENVOY TEXTILES LIMITED

		--Year ended June 30--				
		(Months)	(06)	(12)	(12)	(12)
		(06)	(12)	(12)	(12)	(12)
		HY2022	2021	2020	2019	2018
Earnings & Stability	(Mil. BDT)					
	Sales Revenue	5,507.6	8,665.3	8,176.8	9,118.5	7,558.4
	Sales Growth	n.a.	6.0%	-10.3%	20.6%	24.34%
	CoGS as % of Sales	85.5%	85.1%	84.2%	81.4%	84.1%
	EBITDA	988.9	1,749.0	1,767.7	2,075.2	1,506.5
	EBITDA Growth	n.a.	-1.1%	-14.8%	37.8%	15.0%
	EBITDA Margin	18.0%	20.2%	21.6%	22.8%	19.9%
Profitability	Net Profit after Tax	230.3	94.8	274.1	554.4	329.9
	Gross Profit Margin	14.5%	14.9%	15.8%	18.6%	15.9%
	Operating Profit Margin	11.8%	11.7%	12.4%	15.4%	12.1%
	Net Profit Margin	4.2%	1.1%	3.4%	6.1%	4.4%
	Return on Average Asset	n.a.	0.5%	1.5%	3.1%	2.0%
Liquidity	Return on Average Equity	n.a.	1.5%	4.3%	8.7%	5.4%
	Current Ratio (x)	1.34	1.16	1.11	1.07	0.93
	Quick Ratio (x)	0.76	0.63	0.50	0.58	0.51
	Inventory +AR to TA	44.9%	41.1%	38.0%	36.2%	34.4%
	Net Working Capital to TA	40.5%	40.8%	36.8%	33.1%	24.2%
	Average Inventory Processing Period (Days)	n.a.	189	185	145	151
	Average Receivable Collection Period (Days)	n.a.	145	142	132	140
Leverage & Capital Structure	Average Payable Payment Period (Days)	n.a.	11	23	58	67
	Operating Cycle (Days)	n.a.	334	327	277	291
	Cash Conversion Cycle (Days)	n.a.	323	304	219	224
	Total Assets	19,583.1	18,649.6	18,010.4	17,791.6	17,464.6
	Total Equity	6,484.9	6,338.5	6,445.5	6,433.3	6,251.2
	Adjusted Equity	4,807.6	4,656.3	4,753.3	4,730.8	4,538.1
	Total Borrowed Fund	11,512.7	11,562.1	10,924.6	10,322.0	9,267.2
Coverage	Total Long Term Debt	5,752.3	4,895.5	4,855.1	4,811.9	4,443.9
	Financial Expenses	360.0	712.5	718.1	725.0	543.5
	Fund Flow from Operation (FFO)	581.7	841.2	1,036.7	1,251.9	935.5
	Cash Flow from Operation (CFO)	263.3	(145.9)	303.5	(415.8)	1,189.8
	Retained Cash Flow (RCF)	263.3	(347.6)	52.3	(579.7)	1,080.5
	Free Cash Flow (FCF)	127.7	(805.2)	(443.3)	(2,730.5)	(128.7)
	Total Liabilities to Equity (x)	2.02	1.94	1.79	1.77	1.79
	Borrowed Fund to Equity (x)	1.78	1.82	1.69	1.60	1.48
	Borrowed Fund to Adj. Equity (x)	2.39	2.48	2.30	2.18	2.04
	Borrowed Fund/EBITDA (x)	n.a.	6.61	6.18	4.97	6.15
Coverage	FFO/Borrowed Fund	5.1%	7.3%	9.5%	12.1%	10.1%
	CFO/Borrowed Fund	2.3%	-1.3%	2.8%	-4.0%	12.8%
	RCF/Borrowed Fund	2.3%	-3.0%	0.5%	-5.6%	11.7%
	FCF/Borrowed Fund	1.1%	-7.0%	-4.1%	-26.5%	-1.4%
	EBIT to Financial Expenses, TIER (x)	1.77	1.41	1.40	1.90	1.66
Coverage	FCF to Financial Expenses (x)	0.35	-1.13	-0.62	-3.77	-0.24
	(EBITDA-CAPEX) to Financial Expenses (x)	2.37	1.81	1.77	-0.10	0.55
	Debt Service Coverage, DSCR (x)	1.62	1.42	1.45	1.51	1.13

Note: Figures are based on Financial Statements audited by Mahfel Huq & Co. Chartered Accountants (Unqualified)

Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Anvir Ahmed
Managing Director

16. Latest Default Matrix & Transition Statistics of CRC

Default Summary of Rating:

CRAB RATINGS' DEFAULT STUDY-2020

Rating Category	1-Year Default Rate	3-Year Cumulative Default Rate (CDR)
AAA	0.00%	0.00%
AA	0.00%	0.00%
A	0.00%	0.00%
BBB	0.00%	0.00%
BB	0.00%	0.00%
B	0.00%	0.00%
CCC	0.00%	0.00%

Rating Transition Matrix (2011-2020)

CRAB RATINGS' TRANSITION MATRIX (2019 to 2020)

Rating after 1 year						
AAA	AA	A	BBB	BB	B	CCC
100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	97.22%	2.78%	0.00%	0.00%	0.00%	0.00%
0.00%	3.76%	93.55%	2.69%	0.00%	0.00%	0.00%
0.00%	0.00%	2.43%	95.74%	1.83%	0.00%	0.00%
0.00%	0.00%	0.00%	12.90%	87.10%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Each row corresponds to a previous rating.

Each column corresponds to a rating after 1 year.

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited


 Saiful Islam, FCMA
 CFO
 Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

 M Saiful Islam Chowdhury FCS
 Company Secretary

Envoy Textiles Ltd.

 Tanzim Ahmed
 Managing Director

17. Description of the Trustee: UCB Investment Limited

UCB Investment Limited is acting as Trustee for Envoy Textiles Limited Zero-Coupon Bond subject to regulatory approval.

UCB Investment limited (UCBIL) is a fully owned subsidiary of United Commercial Bank PLC. – one of the leading private commercial bank in Bangladesh. It was incorporated in Bangladesh with the Registrar of Joint Stock Companies & Firms (RJSCF), vide registration number: C-94654/11 dated 3rd August, 2011 as a private limited company under the Companies Act (Act XVIII) of 1994. It obtained full-fledged Merchant Banker & Portfolio Management license (Reg No: MB- 97/2020) from Bangladesh Security and Exchange Commission on 5th October, 2020.

The key strength of UCBIL comes from its people, who are highly talented investment managers with vast and versatile experience in the investment landscape, both locally and globally. Utilizing this knowledge and expertise, UCBIL intends to provide and promote unique financial solutions for some of the nation's most successful institutions and corporations. Keeping innovation and sustainable growth at the core of its operations, UCBIL intends to lead its clients and the country to a brighter and wealthier future.

The head office of UCB Investment Limited is located at BULUS Center, Plot- CWS (A)-1 Road: 34, Gulshan Avenue Dhaka- 1212, Bangladesh.

- Authorized capital as of 31 Dec 2020: 100,00,00,000/- (One Hundred Crore Taka)
- Paid-up capital as of 31 Dec 2020: 25,00,00,000/- (Twenty-Five Crore Taka).
***Paid-up capital has been increased to BDT 100,00,00,000/- (One Hundred Crore Taka) as on 13 July 2021.*
- Net worth as of 31 Dec 2020: 312,194,085/- (Thirty-One Crore Twenty-One Lacs Ninety-Four Thousand and Eighty-Five Taka)

a. Shareholding Details:

Share Holding Position		
Shareholders	% of Share Holdings	No. of Shares
United Commercial Bank Limited	99.999996%	9,99,99,999
Mohammed Habibur Rahman	0.000004%	1
Total	100%	1,00,000,000

Brief on Board of Directors:

Mr. Mohammed Habibur Rahman:
Chairman

Mr. Habibur Rahman is acting as the Chairman of UCB Investment Limited. He has recently joined United Commercial Bank PLC. (UCB) as the Deputy Managing Director. Prior to joining UCB, he was Senior Executive Vice President at Corporate Banking division of Eastern Bank Limited.

Mr. Rahman having vast experience in home and abroad in diverse sectors of banking for over 24 years worked in different financial institutions like Bank Indosuez, ANZ Grindlays, Standard Chartered, Toronto Dominion (TD), HSBC, City and EBL. He played a very important role in Corporate Banking division of EBL and was also the Head of Credit Risk management division.


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Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mr. Md. Shah Alam Bhuiyan:

Director

Mr. Md. Shah Alam Bhuiyan (Representative of Ardent Assets Management Limited) is acting as a Director of UCBIL, Deputy Managing Director of UCB and also a Member of Audit Committee of the Bank. Mr. Alam has a wide experience in the field of Cost and Management Accounting. As a qualified Cost and Management Accountant he is associated with numerous reputed group of Companies including Aramit Group. Prior to joining this group, he was associated with Birds Bangladesh Agencies Limited Chittagong for a period of nearly 26 years.

Mr. Nurul Mustafa Tarek:

Director

Mr. N. Mustafa Tarek is acting as a Director of UCB Investment Limited and has been serving as Deputy Managing Director of United Commercial Bank PLC.

Mr. Tarek, having 26 years of professional experiences in Government, Multinational, Telecommunication, Local Conglomerate and financial institution, joined United Commercial Bank Limited on 5th January, 2012 as Executive Vice President. He has a long professional track record in Human Resource and Industrial Relations, Administration, Project Management, Supply Chain and Safety, Health and Environment.

Mr. Md. Abdullah Al Mamoon:

Director

Mr. Md. Abdullah Al Mamoon is acting as a Director of UCB Investment Limited and is the Deputy Managing Director and Chief Operating Officer (COO) of United Commercial Bank PLC.

Mr. Mamoon joined UCB on 01/03/2017 as Senior Executive Vice President with over 27 years of multi-disciplinary experiences in diversified professional domains with Government and Financial Institutions. Prior to joining in UCB, Mr. Mamoon served in AB Bank and BRAC Bank Ltd in different capacities that include Head of Core Business Team, Head of Operational Risk Management, Head of Program Management etc. He also served in bKash Limited, Kayfin Consultants Limited and Bangladesh Army, Government of Bangladesh. He served in the United Nations 'Peace Keeping' mission in United Nations Mission in Sierra Leone (UNAMSIL).

Mr. Touhid Shipar Rafiqzaman:

Independent Director

Mr. Touhid Shipar Rafiqzaman is the Independent Director of UCB Investment Limited and one of the Independent Directors of United Commercial Bank PLC. He is also a member of Audit Committee.

Mr. Rafiqzaman is a highly experienced international banker with 36 years of professional experience in the entire gamut of banking, having worked in two multi-national banks across four geographies. He is a certified risk professional and has extensive experience of working in emerging markets.


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Company Secretary

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Tauqir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Tanzim Alamgir:
Managing Director and CEO

Mr. Alamgir is the founding Chief Executive Officer (CEO) and Managing Director of UCB Investment Limited. Mr. Alamgir has a special focus on fund raising for large, local and multinational corporate houses of the country. He is a seasoned professional having diversified exposure in finance, operations and strategy for more than 13 years. Previously, he was the Chief Operating Officer (COO) of City Bank Capital. He has completed numerous first of its kind deals in Bangladesh during his tenure in CBC like perpetual bonds, bank guarantee backed bonds, preference share of first private LNG terminal in Bangladesh, first subordinated bond for a state-owned bank (Agrani Bank Limited) etc. He has also completed numerous other deals like subordinated bonds, zero coupon bonds for a number of commercial banks and corporates in different industries.

Business Activities of UCIBIL:

With its group of versatile financial consultants, UCIBIL aims at delivering top-class, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner. The services UCIBIL provide are:

Investment Banking Services:

- a. Bond Issuance
- b. Corporate Advisory
- c. Mergers and Acquisitions

Primary Market Services:

- a. Issue Management Services
- b. Underwriting
- c. Capital Raising and Private Placement

Secondary Market Services:

- a. Portfolio Management

Status of Debt Securities issued under trusteeship of UCB Investment Limited

Present status of issued debt securities in which UCB Investment Limited is acting as Trustee is as follows

Sl	Name of the Issue	Maturity Period	IM Issue Date	Date of Completion subscription	Value of debt (BDT Million)	Repayment Amount (BDT Million)	Outstanding as on Dec 20, 2021 (BDT Million)	Default (If Any)	Remarks
1	NRBC Bank Subordinated Bond-1	07 years	November 23, 2021	Subscription Ongoing	3,000	-	3,000	Nil	
2	Bank Asia Perpetual Bond	Perpetual	-	N/A	5,000	-	5000	Nil	
3	Mercantile Bank Perpetual Bond	Perpetual	-	N/A	5,000	-	5000	Nil	

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

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CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

The Issuer shall apply to Central Depository Bangladesh Ltd (CDBL) for dematerialization of the allotted securities/bonds in order to enable the bond holders to hold and transfer the units/bonds in dematerialized form exchanges.

Title

Title to the Bonds passes only by transfer and registration in the Register. A registered Bondholder shall (except as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein. and no person shall be liable for so treating such Bondholder. In these Terms and Conditions "Bondholder" and (in relation to a Bond) "holder" means the person in whose name a Bond is registered in the Register as owner of the Bond

Register

means the register of the Bondholders as per the CDBL Bye Laws.

c. Refund:

The refund mechanism of the bond (if any) will be done as per the rules and regulations of the BSEC stock exchanges and Bangladesh Bank

d. Transfer

A Bond may be transferred to another Person in Bangladesh (a "Transferee") in the CDBL System upon initiation and upon issuance of a duly completed Transfer Request Form 14 to CDBL as referred to under Bye Law 11.5 under the CDBL Bye Laws. On receipt of a valid Transfer Request Form 14, the Participant or CDBL, in the case of Direct Accounts, shall enter a Transaction into the CDBL System in accordance with the User Manual. On the Settlement Date specified in the Transaction, the Bonds will be debited from the balance in the delivering Account and credited to the receiving Account.


e. Trading or listing with stock exchange

The Bonds, (each, a "series") will be issued in registered form. As per the consent of BSEC, the Bonds to be issued in dematerialised form as per the CDBL Bye Laws and shall be listed in the stock exchanges complying with respective regulations of the stock exchange(S) in this regard and subjected to guidelines/notification as formulated by BSEC. The Issuer shall apply to central Depository Bangladesh Ltd (CDBL) for dematerialization of the allotted securities/bonds in order to enable the bond holders to hold and transfer the units/bonds in dematerialized form exchanges.

f. Repayment and Coupon Payment

Payment of Coupon

Payment of redemption amount and other payments (if any) will be made on the Redemption Date in accordance with Scheduled Redemption by the Issuer into a bank account to be designated by the Trustee (all cost of maintaining such account to be borne by Issuer) against presentation or surrender of the relevant Bond Certificate to Trustee.


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Managing Director

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

18. Modus Operandi of the Issue

a. Application Procedure

The Bonds shall be distributed through private placement.

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors.

Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and issue the bond in dematerialized form as per CDBL bylaws.

Undertaking to Subscribe

The Investor will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

Closing

Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.

Investor Representation Letter: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer.

Payment of net issue proceeds: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka.

Notwithstanding anything contained anywhere in this Information Memorandum, the Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and to be listed with the stock exchanges as per the consent of BSEC.

b. Allotment

Entitlement to treat Registered Holder as owner

The Register and/or the CDBL records shall be prima facie evidence of any matter in relation to the ownership of the Bonds. Each of the Issuer and the Trustee may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond. All payments made to any such Holder shall be valid and, to the extent of the sums so paid effective to satisfy and discharge the liability for the moneys payable upon the Bonds.

Form and Denomination

The Bonds, (each, a "series") are issued in registered form in a minimum denomination of BDT 2,000,000.00 per lot and integral multiples thereof. The Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and shall be listed in the stock exchanges complying with respective regulations of the stock exchange(s) in this regard and subjected to guidelines/notification as formulated by BSEC.

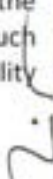

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Managing Director & CEO
UCB Investment Limited

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All such payments shall be made by the Trustee by transfer to the registered account of the Bondholder or by a BDT cheque drawn on a bank that processes payments in BDT mailed to the registered address of the Bondholder if it does not have a registered account. Trustee shall forthwith notify the Issuer of presentation or surrender of Bond Certificate and the amount paid by the Trustee. The Trustee shall cancel the same and shall make the corresponding entries in the Register with a notification to the Issuer. If the Trustee made payment in part against a Bond Certificate it shall act in accordance with the clause "Partial Payments" of Trust Deed. For the purposes of this Clause, a Bondholder's "registered account" means the BDT account maintained by or on behalf of it with the Issuer in BDT, details of which appear on the Register at the close of business, and a Bondholder's "registered address" means its address appearing on the Register at that time.

g. Redemption or conversion or exchange

To be redeemed in 10 equal instalments starting from end of 6th month from the Issue Date and each 6 months from there after as per the redemption schedule

h. Details of conversion or exchange option exercise procedures

The bond is non-convertible hence there is no feature for conversion.


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Managing Director


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Managing Director & CEO
UCB Investment Limited

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19. Details of Fees Structure and expenses

Particulars	Amount in BDT
Trustee Fee (Per year)	250,000
VAT (15%)	37,500
Legal Fee	150,000
VAT (15%)	22,500
BSEC application Fee	10,000
BSEC approval fee @ 0.1% of FV	2,000,000
Credit Rating Fee	150,000
VAT (15%)	22,500
Surveillance Fee (per year)	100,000
VAT (15%)	15,000
Arrangement Fee	0.30% on the total amount raised+ VAT
Bank Guarantee Fee	0.5%-0.60% p.a. on the guarantee backed amount + VAT



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M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.



Tanvir Ahmed
Managing Director



Tanzim Alamgir
Managing Director & CEO
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20. Conditions Imposed by the Commission

As per conditions in the consent letter.


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Managing Director


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Managing Director & CEO
UCB Investment Limited

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21. Declaration and Due Diligence Certificates



Due diligence certificate of the Trustee

UCB Investment Limited

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance 10,000 numbers of Non-Convertible Secured Zero Coupon Bond of BDT 200,000 (Two Lacs taka) each of Envoy Textiles Limited.

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Bucks Centre (27th Floor), Plot-CWS-(A)-1, Road No-34, Gulshan Avenue, Dhaka-120.
E-mail: support@ucb-investment.com, Web: www.ucb-investment.com

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Saiful Islam, FCMA
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Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

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Managing Director

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22. Credit Rating Report of the Issuer and the Issue

- Credit Rating Report of the Issuer provided in annexure # III
- Credit Rating Report of the Issue provided in annexure # IV


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23. Compliance status from Trustee of previously issued debt securities

Compliance status of previously issued debt securities provided in annexure # VII


Saiful Islam, FCMA
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24. Private Offer Application Procedure

As per conditions in the consent letter.


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Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

25. Termination and Final Settlement of The Proposed Bond

Date of Commencement of the Trust

The Trust hereby created shall be deemed to be established from the date of Trust Deed.

Date of Termination of the Trust

The Trust shall be extinguished when all liabilities, if any, are repaid in full in accordance with Trust Deed and the Conditions.

Notwithstanding anything to the contrary in Trust Deed or the other Bond Documents, the Settlor may revoke the Trust with the express consent of all Beneficiaries of the Trust and the permission from the BSEC.

Termination

The Bondholders may give a termination notice to the Issuer at any time on or prior to the Closing Date if:

Breach of obligation: the Issuer fails to perform any of its obligations under the Subscription Agreement;

Failure of condition precedent: any of the conditions precedent is not satisfied or waived by the Bondholders on the Closing Date; or

Force majeure: since the date of the Subscription Agreement there has been (i) any material outbreak or escalation of hostilities involving Bangladesh or declaration by Bangladesh of a national emergency or war or other calamity or crisis or (ii) a material adverse change in economic, political or financial conditions or currency exchange rates or exchange controls in Bangladesh or international market, of such magnitude and severity in its effect on the financial markets as to make it impracticable or inadvisable to proceed with the offer, sale, distribution or delivery of the Bonds.

Payments

Payments subject to applicable laws

Unless otherwise agreed herein, all payments in respect of the Bonds are subject in all cases to any applicable laws and Regulations of Bangladesh, but without prejudice to the provisions of *Events of Default*. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

Record Date

Each payment in respect of a Bond will be made to the person shown as the Holder in the Register at the close of business on the day that is ten Business Days before the due date for such payment (the "Record Date").

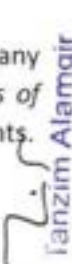

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Tanzim Alamgir
Managing Director & CEO
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Default Rate

The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the coupon rate and be payable on the amount not paid on the due date up till the date of actual payment.

Failure to Surrender the Bond Certificate

In the event of any Bondholder not surrendering the Bond Certificate when due, which the Paying Agent is ready to pay or satisfy in accordance with the terms of these presents, within seven (7) days, after the Redemption Date, the Paying Agent shall return the said unclaimed amount to the Issuer who shall be at liberty to deposit in a scheduled bank in the name of the Issuer in an account for the purpose, an amount equal to the amount due to such Bondholders in respect of such Bond and upon such deposit being made subject to the condition that the monies deposited therein shall be withdrawn for settling the future claim of the Bondholders, the Bond which the Issuer is ready to pay or satisfy as aforesaid shall be deemed to have been paid off or satisfied in accordance with the provisions hereof.

Payment to Nominee

If the Holder of a Bond is a natural person, he may appoint a nominee who shall on the death of the Holder of a Bond is entitled to all money in relation to the Bond held in the name of the Bondholder in the Register. Bondholder shall inform the Registrar in the prescribed form the name of his nominee and upon receipt of such information the Registrar shall record the name of nominee in the Register and shall inform the Issuer. If the Holder of a Bond is more than one person each Holder of a Bond may appoint a nominee for himself who shall hold the Bond along with the surviving Holder of the Bond. Payment by the Paying Agent to the nominee on the Redemption Date on the death of the Bondholder shall be sufficient to discharge payment obligations of the Issuer to the Bondholders.

Taxation

All tax will be paid or deducted as per prevailing law of the land.

Status

The indebtedness of the Issuer, including the principal and premium, if any, and interest shall be subordinate and junior in right of payment to its obligations to its depositors, its obligations under bankers' acceptances and letters of credit, and its obligations to its other creditors, including its obligations to the Bangladesh Bank, Deposit Insurance Trust Fund (DITF). In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of debt or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such obligations shall be entitled to be paid in full before any payment shall be made on account of the principal of, or premium, if any, or interest, on the note. In the event of any such proceedings, after payment in full of all sums owing on such prior obligations, the Bondholder will rank senior to the share capital of the Issuer, together with any obligations of the Issuer ranking on a parity with the Bond, shall be entitled to be paid from the remaining assets of the bank the unpaid principal thereof and any unpaid premium, if any, and interest before any payment or other distribution, whether in cash, property, or otherwise, shall be made on account of any capital stock or any obligations of the Issuer ranking junior

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Managing Director & CEO
UCE Investment Limited


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Tanvir Ahmed
Managing Director

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to the Bonds. Nothing herein shall impair the obligation of the bank, which is absolute and unconditional, to pay the principal of and any premium and interest on the note according to its terms

No Bondholders may exercise, claim or plead any right of set-off, counter-claim, deduction, withholding or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Bonds, and no Bondholders shall set-off, deduct, withhold or retain any amount owing by it to the Issuer against any amount owing to it by the Issuer under the Bonds. Each Bondholder, by his acceptance of the Bonds, shall be deemed to have waived all such rights of set-off, counter-claim, deduction, withholding or retention to the fullest extent permitted by law. If at any time any Bondholders receives payment or benefit of any sum in respect of the Bonds as a result of the exercise or carrying into effect of any such set-off, counterclaim, deduction, withholding or retention (whether or not such exercise or carrying into effect is mandatory under applicable law), the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and such Bondholders, by acceptance of any Bonds, shall agree as a separate and independent obligation that any such sum or benefit so received shall be paid or returned by such Bondholders to the Issuer upon demand by the Issuer or, in the event of the winding-up of the Issuer, the liquidator of the Issuer, whether or not such payment or receipt shall have been deemed void hereunder. Any sum so paid or returned shall then be treated for purposes of the Issuer's obligations as if it had not been paid by the Issuer, and its original payment or the original benefit previously received by the relevant Bondholders as a result of any such set-off, counterclaim, deduction, withholding or retention shall be deemed not to have discharged any of the obligations of the Issuer under the Bonds

The Bondholders shall not be entitled to any of the rights and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their Authorization.

The Bonds are not a deposit and are not insured by the Deposit Insurance Scheme established under the Deposit Insurance Ordinance 1984 or any other insurance scheme. The Bonds are unsecured and it will be ineligible as collateral for a loan made by the Issuer.

Each Bondholder unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Bond. No collateral is or will be given for the payment obligations under the Bonds and any collateral that may have been or may in the future be given in connection with other indebtedness of the Issuer shall not secure the payment obligations under the Bonds.

The Bonds shall be distributed to Eligible Persons comprising of financial institutions, corporates and high net worth individuals via private placement only and may only be transferred to another Eligible Person.

Sponsor shareholders of the Issuer or their Affiliate are ineligible for subscription or purchase of Bonds.

Events of default

The occurrence of following events shall constitute an Event of Default:-


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CFO
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ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

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Managing Director

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- a. the Issuer defaults in the payment of any money owing in respect of the Bonds (whether principal or coupon payment) when the same shall become due and payable in accordance with these presents and such default continues for at least seven (7) Business Days;
- b. a court order is made or an effective resolution is passed for the winding-up of the Issuer.

Upon the occurrence of:-

an Event of Default, subject to the terms of this Trust Deed, the Trustee may by written notice to the Issuer declare that the Bonds shall immediately become due and payable at their respective outstanding Nominal Value together with accrued but unpaid coupon (if any), whereupon the same shall, immediately or in accordance with the terms of such notice, become so due and payable notwithstanding the stated maturity of the Bonds.

For the avoidance of doubt:

the occurrence of an Event of Default shall not prejudice the subordination; and

save as provided in events of default in Trust Deed, the Trustee or any Bondholder shall not be entitled to accelerate any payment under the Bonds as a result of any default by the Issuer in the performance or observance of any covenant, condition or provision contained in the Bonds or the Trust Deed or any of the Issue Documents.

Enforcement

Proceeding

The Trustee, shall enforce all payment obligations under the Bonds only within the scope of law of the land for the amount due and payable under the Bonds.

For the avoidance of doubt:

The Trustee shall not be bound to take any step to enforce the rights of the Bondholders against the Issuer unless it has been directed to do so in writing by the holders of not less than 75% in principal amount of the Bonds then outstanding and unless it has been fully indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs (including legal costs on a solicitor and client basis), charges, damages and expenses which it may incur by so doing

Only the Trustee may pursue the rights and remedies available under Proceeding in Trust Deed to enforce the rights of the Bondholders against the Issuer and no Bondholder shall be entitled to pursue such remedies against the Issuer unless the Trustee, having become bound to do so in accordance with the terms of Trust Deed, fails to do so after the expiry of fourteen (14) days from the date of the Trustee having become bound to do so.


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Company Secretary

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Tanvir Ahmed
Managing Director

Tanzim Alamgir
Managing Director & CEO
UCE Investment Limited

Application of Moneys

All moneys received by the Trustee in respect of the Bonds or amounts payable under the Trust Deed will be held by the Trustee on trust to apply them (subject to the terms of the Trust Deed):

- a. first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by, or other amounts owing to, the Trustee in relation to the preparation and execution of the Trust Deed (including remuneration of the Trustee) agreed between the Trustee and the Issuer but not paid by the Issuer;
- b. secondly, in payment of any amounts due and owing by the Issuer to any Agent under the Agency Agreement;
- c. thirdly, in or towards payment pari-passu and rateably of all amounts remaining due and unpaid in respect of the Bonds; and
- d. fourthly, the balance (if any) in payment to the Issuer for itself.

Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) subject to such certificate or report and/or engagement letter or other document entered into by the Trustee with consent from the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

In the event of the passing of an Extraordinary Resolution Meetings, a modification, waiver or authorisation in accordance with Modifications and Waiver the Issuer will procure that the Bondholders be notified.

Replacement of Certificates

If any Bond Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require. Mutilated or defaced Bond Certificates must be surrendered before replacements will be issued.

Notices

Addresses for notices

All notices and other communications hereunder shall be made in writing (by letter or fax) and shall be sent as follows:

Issuer: If to the Issuer, to it at:

Address: Envoy Textiles Limited, Envoy Tower , 18/E, Lake Circus, Kalabagan, West Panthapath, Dhaka-1205

Attention: Mr. Saiful Islam, FCMA, Chief Financial Officer

Trustee: If to the Trustee, to it at:

Address: UCB Investment Limited, BULUS Center, Plot- CWS (A)-1 Road: 34, Gulshan Avenue Dhaka- 1212

Attention: Mr. Tanzim Alamgir, Chief Executive Officer


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tahir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Registrar, Paying Agent and Transfer Agent: If to the Registrar, Paying Agent and Transfer Agent, to it at:
Address: UCB Investment Limited, BULUS Center, Plot- CWS (A)-1 Road: 34, Gulshan Avenue Dhaka- 1212
Attention: Mr. Tanzim Alamgir, Chief Executive Officer

or, in any case, to such other address or fax number or for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose, in writing.

Effectiveness

Every notice or other communication sent shall be effective if sent by letter, three days after the time of despatch and if sent by fax at the time of despatch provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

Notices to Bondholders

All notices are validly given if:

- mailed to the Bondholders at their respective addresses in the Register; or
- published for three consecutive days in one English newspaper and one Bengali newspaper, each having wide circulation in Bangladesh; or
- emailed to the Bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the Bondholders or published for three consecutive days in a leading newspaper as aforesaid.

Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.

Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer.

Cancellation

All Bonds which are redeemed by the Issuer will forthwith be cancelled.

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED


M. Saiful Islam Chowdhury FCS
 Company Secretary

Envoy Textiles Ltd.


Mansoor Ahmed
 Managing Director

Annexure- I

Declaration about the responsibility of the directors, including the CEO of the issuer or originator in respect of the information memorandum [See rule 4(2)(a)]

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

Authorized Signatory
Envoy Textiles Limited


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd,

ENVOY TEXTILES LIMITED

M Naiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCE Investment Limited

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Annexure-II

[See rule 3(1)(m), 4(1)(c) and 4(2) (a)] Due diligence certificate of the trustee



Due diligence certificate of the Trustee

UCB Investment Limited

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance 10,000 numbers of Non-Convertible Secured Zero Coupon Bond of BDT 200,000 (Two Lacs taka) each of Envoy Textiles Limited.

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Bulus Center (7th Floor) Plot-GWS-04-1 Road No-34, Gulshan Avenue, Dhaka-100.
E-mail: support@ucb-investment.com, Web: www.ucb-investment.com

Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

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Annexure-III

Credit Rating Report (Issuer)


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

e



CREDIT RATING REPORT (SURVEILLANCE)

Envoy Textiles Limited

Particular	Rating	Remark
Envoy Textiles Limited	AA ₁	
BDT 2,480.2 million Long Term Outstanding	AA ₁ (Lr)	
BDT 7,005.0 million Short Term Fund based Limit	ST-2	Vide Appendix-1
BDT 7,850.0 million Short Term Non-Fund based Limit	ST-2	
Outlook	Stable	

Lr - Loan Rating, ST - Short Term
(Refer to Appendix-3 for rating history)

Date of Rating: 30 September, 2021

Validity: This rating is valid up to 30 September, 2022.

Rating based on: Audited financial statements up to 30 June 2020, Un-Audited financial statements up to 31 March 2021, bank liability position as on 31 August 2021, and other relevant quantitative & qualitative information up to the date of rating declaration.

Auditor: Mahfel Huq & Co., Chartered Accountants

Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

Analysts:

Mohammed Nazrul Islam Bhuiyan
nazrul@crab.com.bd

Farah Marjan
farah@crabrating.com

* RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has retained the rating of Envoy Textiles Limited at AA₁ (Pronounced as Double A One) and assigned AA₁(Lr) rating to BDT 2,480.2 million long term outstanding of the Company. CRAB has also assigned ST-2 rating of BDT 7,005.0 million aggregate fund based limits and BDT 7,850.0 million aggregate non-fund based limits of the Company in the short term.

The retention of ratings takes into account ETL's scale of operation having variety of products (denim fabrics) with stable revenue generation, overall profitability position, increased equity resulted from internal capital generation through retained earnings, positive demand outlook textile industry and established buyer network which mitigates demand risk to some extent. The ratings also take into consideration the experience of the key promoters and top-level management in related business, established forward and backward integration through associate industrial units, contemporary manufacturing facilities with lab, and satisfactory loan repayment history as positive factors.

Financial Highlights

(Mil. BDT)	--Year ended June 30--		
	2020	2019	Change
Revenue	8,176.8	9,118.5	▽
EBITDA	1,767.7	2,075.2	▽
EBITDA Margin (%)	21.6%	22.8%	▽
Net Profit Margin (%)	3.4%	6.1%	▽
Return on Avg. Asset (%)	1.5%	3.1%	▽
Quick Ratio (x)	0.50	0.58	▽
Operating Cycle (Days)	327	277	▽
Borrowed Fund to Equity (x)	1.55	1.60	△
Borrowed Fund to EBITDA (x)	5.98	4.97	▽
Cash Flow from Operation	303.5	(415.8)	△
Free Cash Flow	(443.3)	(2,730.5)	△
EBIT/Financial Expenses (x)	1.40	1.90	▽

△ = Positive, ▽ = Negative, □ = Stable

* PROFILE

Envoy Textiles Limited (hereinafter referred to as 'ETL' or 'the Company'), a 100% export oriented cotton yarn and denim fabrics manufacturer, started its commercial operations in March 2008. The Company is engaged in manufacturing of denim fabrics having production capacity of 52.0 million yards per year. The Company has its own spinning facility as backward integration of denim production with production capacity of around 67 MT yarn per day. The factory of the Company is situated at Zamirdia, Bhaluka, Mymensingh with captive power generation facility. ETL was awarded Lead Platinum Certification by US Green Building Council, ensuring environment friendly production facilities.

However, ratings are constrained to some extent by volatility in profitability, high leverage and moderate coverage position at present. The ratings also take into consideration the competitive nature of business resulting from leading denim manufacturer and risk come from price volatility of cotton which is the main raw material for yarn. Moreover, growth of the Company is mostly dependent on the economic stability of importing countries, a repeat global economic recession will surely put the industry as well as the Company at business risk.

Head of Rating
 Credit Rating Agency
 of Bangladesh Ltd.

2021

Envoy Textiles Limited

Tanzim Alamgir
 Managing Director & CEO
 UCE Investment Limited

Saiful Islam, FCMA
 CFO
 Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

 M Saiful Islam Chowdhury FCS
 Company Secretary

Envoy Textiles Ltd.

 Tanzim Alamgir
 Managing Director

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Envoy Textiles Limited

Revenue of the Company mostly comes from deemed export and direct export fabrics. The Company also earns revenue from deemed export of cotton yarn and dyed yarn, weaving and finishing, 8 grade fabrics sales, sample sales, stock fabric sales, export incentives etc. Envoy Textiles Limited reported revenue of BDT 8,176.8 million in FY2020 which was BDT 9,118.5 million in FY2019 and BDT 7,558.4 million in FY2018. Revenue of the Company declined by 10.3% in FY2020 over previous financial year due to lower quantity of sales volume because of mainly orders dropped drastically in last quarter of FY2020. Revenue earnings of the Company were not in a steady flow in FY2020 as revenue increased by 13.9% in 2nd quarter but it decreased in 3rd quarter and drastically declined in last quarter. The business operation completely halted for around two months in last quarter of FY2020 due to impact of COVID-19 pandemics. As a result, revenue from fabrics declined by 9.8% and revenue from yarn also declined by 14.4% in FY2020. ETL experienced decline in EBITDA and gross profit margin resulting from higher CoGS as % of sales in FY2020 due to high overhead cost compared to previous year. Depreciation in absolute amount also increased by BDT 66.2 million in FY2020 from FY2019 because of assets accumulation. Financial expenses as % of sales also increased by 0.8% in FY2020 due to more dependence on bank borrowings. As a result, net profit margin of the Company decreased to 3.4% in FY2020 from 6.1% in FY2019.

Total shareholders' equity of the Company reached BDT 6,805.5 million (including revaluation reserve of BDT 1,692.2 million) at the end of 30 June 2020. The adjusted total equity of BDT 5,113.3 million comprises BDT 1,677.3 million share capital, BDT 360.0 million preference shares, BDT 1,120.0 share premium and BDT 1,955.3 million retained earnings revealing sound equity base of the Company. On the other hand borrowed fund outstanding also increased to BDT 10,564.6 million at the end of 30 June 2020. As a result, borrowed fund to adjusted equity almost remained same at 2.1x in FY2020 (FY2019: 2.2x). However, borrowed fund was reported 6.0x times to EBITDA revealing high leverage position of the Company in FY2020 (FY2019: 5.0x) due to decrease of EBITDA as well as increase of borrowed fund outstanding. Though financial expenses of ETL declined to BDT 718.1 million in FY2020 from BDT 725.0 million in FY2019 however EBIT/Financial Expenses ratios decreased to 1.4x in FY2020 from 1.9x in FY2019 revealing deteriorated coverage position of the Company. Such coverage position indicates moderate capacity to repay the financial obligation of the Company. However, further increase in the debt level may heighten its financial risk to some extent.

Going forward, the Company's ability to continue positive growth in revenue through increased value addition and capacity utilization, and retaining its biggest customers; its ability to improve the cash flows, working capital intensity, and leverage position through improving the operating profitability; satisfactorily pay its long term obligations and timely enhancement of the working capital limits will remain key rating sensitivities.

■ RECENT INFORMATION

Envoy Textiles Limited earned revenue of BDT 6,057.0 million during the first 9 month of operations in FY2021, which if annualized, the Company's revenue almost remain stable. However, revenue as well as performance of the Company may be deteriorated in FY2021 due to COVID-19 pandemic situation in the country and around the globe.

Table 1
Performance of ETL in Q3 of FY2021 (All BDT)

Particulars	Q3 of FY2021		Q3 of FY2020		Growth (%)
	Amount	Percentage	Amount	Percentage	
Revenue	6,057.00	100.0%	6,948.28	100.0%	-12.8%
Gross Profit	913.53	15.1%	1,254.79	18.1%	-27.2%
Operating Expenses	217.84	3.6%	228.76	3.3%	-4.8%
Financial Expenses	530.48	8.8%	594.01	8.5%	-10.7%
Profit Before Tax	152.91	2.6%	411.64	5.9%	-61.6%
Net Profit	97.41	1.6%	344.99	5.0%	-71.8%

Source: ETL

CAPACITY EXPANSION PLAN

Envoy Textiles Limited is going to increase its production capacity of spinning unit by 3,710 MT per annum. Total cost of the proposed project has been estimated at BDT 1,761.9 million with debt to equity ratio of 68:32. Out of total estimated cost of the project, an amount of BDT 561.9 million to be invested from the Company's retained earnings and remaining BDT 1,200 million to be finance by bank borrowings.



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanzim Alamgir
Managing Director

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Envoy Textiles Limited

■ BACKGROUND

Envoy Textiles Limited, the flagship Company of Envoy Group, was incorporated as a Private Limited Company in June 1995 and went into commercial operations in March 2008. The Company amalgamated with Edge Denims Limited in September 2009 and converted to Public Limited Company in October 2009. ETL is a leading denim manufacturing company having production capacity of 52.0 million yards per year. The Company has its own Spinning Unit inside the factory compound with production capacity of around 60 MT yarn per day. The registered office of the Company is located at Envoy Tower, 18/E Lake Circus Kalabagan (West Panthpath), Dhaka and the factory of the Company is situated at Zamirdia, Bhaluka, Mymensingh on around 126 Bigha own land.

Table 2

Key Milestone of Envoy Textiles Limited

Year	Event
2008	Commencement of commercial operation
2009	Certification of GOTS and OE -100 for organic production
2010	Production capacity increased by 25% and Entered into new market through direct fabric export
2010	Awarded ISO 9001:2008 and ISO 14001:2008 Certificates
2011	Awarded First EPB National Export Trophy (Gold) for 2009-10
2014	Additional capacity of 24 million yards denim production
2015	Planned to set up a yarn manufacturing plant as backward integration of denim production
2016	Started production of Spinning Unit, awarded LEED Platinum Certification by US Green Building Council
2017	HSBC Excellence Award 2017 (Supply Chain & Backward Linkage - Apparel Category)
2017	ICSB National Award 2016 Gold for Corporate Governance Excellence
2017	ICMAB Best Corporate Award 2016 - 1 st Position in Textile Manufacturing Category
2018	Presidential Award (Category- Large Industry) for Industrial Development
2018	Awarded National Export Trophy (Gold)
2019	Awarded National Environment Award 2019 and National Export Trophy Gold for the Year 2016-2017

Source: The Company

■ SHAREHOLDING AND BOARD COMPOSITION

Envoy Textiles Limited is a concern of Envoy Group. Envoy Group, a diversified conglomerate with primary focus on readymade garments and textile manufacturing, has experienced consecutive growth and expansion over the past three decades under the leadership of Engr. Kutubuddin Ahmed and Mr. Abdus Salam Murshedy, the promoters of the Group. Currently, Mr. Kutubuddin Ahmed is the Chairman and Mr. Abdus Salam Murshedy is the Managing Director of Envoy Group. The Group represents around 40 business enterprises and it has diversified its business in the field of readymade garments, textiles, local and international trading, freight forwarding, information technology, washing plant, real-estate, banking automation, financial institution, energy and power sector, hospitality service and consumer products etc.

Envoy Textiles Limited has been listed with the Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) since 2012. The authorized share capital of the Company is BDT 4,000.0 million divided into 2,750.0 million Ordinary Shares and 1,250.0 million Redeemable Preference Shares of BDT 10.0 each and paid up capital of the Company was BDT 1,677.3 million up to 31 March 2021 divided into 167,734,767 Ordinary Shares.

Table 3

Composition of the Shareholding

Particulars	31 March 2021			30 June 2020		
	No. of Shares	Value (Mil. BDT)	%	No. of Shares	Value (Mil. BDT)	%
Sponsors/Directors	76,453,883	764.54	45.58	76,453,883	764.54	45.58
Individual Shareholders	18,247,509	182.47	10.88	20,332,520	203.33	12.12
Institutional Shareholders	72,923,107	729.23	43.48	70,804,797	708.05	42.21
Foreign Shareholders	110,286	1.10	0.07	143,567	1.44	0.09
Total	167,734,767	1,677.35	100.00	167,734,767	1,677.35	100.00

Source: ETL



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanzim Ahmed
Managing Director

Currently around 45.6% of shares of the Company are held by its sponsors/directors and 54.4% of shares are held by individual/institutional shareholders and foreign shareholders.

Table 4

Composition of Board

Name of Shareholders	Position held	No of Shares	% of holding
Mr. Kutubuddin Ahmed	Chairman	11,813,663	7.04%
Mr. Abdus Salam Murshed	Managing Director	12,529,091	7.47%
Mrs. Rashida Ahmed	Sponsor Director	3,354,774	2.00%
Mrs. Sharmin Salam	Sponsor Director	3,657,867	2.18%
Mr. Tanvir Ahmed	Sponsor Director	4,193,167	2.50%
Barrister Shehrih Salam Oishee	Sponsor Director	3,657,867	2.18%
Ms. Sumayyah Ahmed	Director	3,354,907	2.00%
Mr. Ishmam Salam	Director	3,399,467	2.03%
Envoy Towers Limited	Sponsor	11,289,837	6.73%
Pastel Apparels Limited	Sponsor	8,003,526	4.77%
Fontina Fashions Limited	Sponsor	7,741,603	4.62%
Nadia Garments Limited	Sponsor	3,457,914	2.06%
Mr. Syed Shahed Reza	Independent Director	-	0.00%
Mr. Itrat Hussain FCMA, FCS	Independent Director	-	0.00%
Total		76,453,883	45.18%

Source: ETL

Currently, the Board of the Company comprises of ten (10) Directors including two Independent Directors, who possess a wide range of skills and experience over a range of professions and businesses. The Directors have a range of local and international experience and expertise, and specialized skills to assist in decision making and leading the Company. The Board of Directors are responsible for proper governance which including setting out the Company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to the shareholders on their stewardships.

■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE

Envoy Textiles Limited is a manufacturer of 100% export oriented denim fabric which established with sophisticated machineries of USA, Europe, Japan etc. ETL is the first denim project in Bangladesh with Rope Dyed Technology. The Company started its operation in 2008 with an initial production capacity of 16.0 million yards per annum. During last 12 years of operations, ETL has expanded its capacity by more than three times. Current production capacity of the Company is manufacturing 52.0 million yards denim fabrics per year and capacity utilization was around 71.8% in FY2020.

The Company also gives emphasis on product development through research and innovation. ETL recruited experts from Turkey to innovate products in order to sustain with the changing market environment. The Company has also installed a dedicated dyeing plant for research and innovation purpose. The Company produces high quality denim products and waves in various shades of indigo and black. ETL specializes in 4.5 oz to 14.75 oz (ounce) ring and open-end denim, and uses stretch, mill wash, modern finishing processes, featuring ring-ring constructions in pure indigo and sanforized denim.

The Company has also yarn manufacturing facility which came into operation at the end of 2016. The Spinning Unit is established with European machineries and producing cotton yarn mostly for own consumption for the production of denim fabrics. The running production capacity of the Spinning Unit is around 22,000 MT yarn per annum and capacity utilization was 88.0% in FY2020. The Company is utilizing optimum capacity in producing of yarn which will help to reduce dependence on outsourced yarn and will support in improving operating margin.



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Envoy Textiles Limited

Table 5
Details of Production and Sales of HCSL

Particulars	--Year ended June 30--			
	FY2020	FY2019	FY2018	FY2017
Production Capacity				
Fabrics (Million Yards)	52.00	52.00	50.00	50.00
Yarn (Million Kg)	22.00	22.00	21.00	17.50
Actual Production				
Fabrics (Million Yards)	37.35	44.71	39.41	37.78
Yarn (Million Kg)	19.37	19.59	17.56	11.36
Utilization				
Fabrics	71.82%	85.98%	78.82%	75.55%
Yarn	88.04%	89.02%	83.64%	64.91%
Sales Quantity				
Fabrics (Million Yards)	37.09	44.14	39.14	37.00
Yarn (Million Kg)	19.21	19.30	18.06	10.31
Total Revenue (Mil. BDT)	8,176.8	9,118.5	7,558.4	6,078.7

Source: The Company

Revenue of the Company mostly comes from deemed export through export oriented local readymade garment (RMC) against back to back LC. The Company also exports fabrics directly to more than 15 countries which is 15-20% of its total production. Part of revenue is cash incentive from Govt. on export. There are also some revenue from exporting dyed yarn through export oriented local knit garments. Foreign exchange fluctuation gain or loss is recognized in revenue. A volume of around 30% of total produced yarn is exported through local export oriented denim fabric manufacturer.

Table 6
Composition of Revenue

(Mil. BDT)	--Year ended June 30--			
	FY2020	FY2019	FY2018	FY2017
Revenue from Fabric Export	6,641.4	7,359.8	5,851.1	5,102.1
% of Total Revenue	81.22%	80.71%	77.41%	83.93%
Revenue from Yarn Export	1,178.6	1,377.0	1,003.9	437.5
% of Total Revenue	14.41%	15.10%	13.28%	7.20%
Revenue from Other Sales	110.7	154.7	500.0	360.6
% of Total Revenue	1.35%	1.70%	6.62%	5.93%
Export Cash Subsidy	232.4	220.8	203.4	178.6
% of Total Revenue	2.84%	2.42%	2.69%	2.94%
Exchange Fluctuation Gain	13.7	6.6	-	-
% of Total Revenue	0.17%	0.07%	0.00%	0.00%
Total Revenue	8,176.8	9,118.9	7,558.4	6,078.7

Source: Management of the Company

ETL experienced an increase of its sales revenue over the years. Revenue sources of the Company was dominated by export of fabrics (on an average 79.8% for the last three years) followed by export of yarn (on an average 14.3% for the last three years). As per un-audited financial statement, ETL earned revenue of BDT 6,057.0 million during the first 9 month of operations in FY2021, which if annualized, the Company's revenue may almost remain as FY2021. However, revenue as well as performance of the Company may be deteriorated in FY2021 due to COVID-19 pandemic situation in the country and around the globe.

Manufacturing of textile is based on the conversion of fibre into yarn, yarn into fabric. These are then dyed or printed, fabricated into clothes. Different types of fiber are used to produce yarn. Cotton remains the most important natural fibre. The country



Enzaim Alamgir
Managing Director & CEO
Enzaim Investment Limited

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Envoy Textiles Limited

needs 4 million bales of cotton per year for its consumption. Only 25,000 bales are produced locally and the rest is imported from USA, Africa and the Commonwealth of Independent States (CIS), India and Pakistan. Since cotton price is directly correlated with crops harvesting, price of cotton is volatile in the world market. Therefore, the Company is exposed to volatility of raw materials price. The sponsors and management of the Company have long experience in related business which may support to mitigate business risk derived from price volatility of raw materials.

For the manufacturing process, uninterrupted supply of electricity/fuel is required therefore the Company ensures uninterrupted power supply by setting captive power generation facilities. The Company gets gas supply from Titas Gas Transmission and Distribution Limited. The Company has installed ETP at its factory which minimises the risk associated with environmental pollution.

Envoy Textiles Limited was awarded LEED Platinum Certified company by U.S. Green Building Council (USGBC), the highest worldwide recognition for Leadership in Energy & Environmental Design. ETL is the first to score 'LEED Platinum' among all denim manufacturer in the world. The LEED Certification is a mark of quality and achievement in green building. ETL brought Laser Wash Technology in last year, by which any wash effect can be made in fabrics without using water and chemical and accumulated washing machines for sample testing.

Bangladesh, the second largest exporters of apparel goods, has taken lead in the global denim export markets by grabbing more market, attracting an increasing number of international buyers. Presently, Bangladesh is the number one exporter of denim products to the European Union, while the third largest in the United States. According to market study, the global denim products market was around USD 66.02 billion in 2018 and it is expected to reach approximately USD 85.4 billion by 2025. According to the data from Bangladesh Textile Mills Association (BTMA), Bangladesh exports over USD 2.0 billion worth of denim products to the global market every year. There are 32 denim fabrics manufacturers which produce over 450 million yards of fabric in a year. Major international brands such as H&M, Uniqlo, Levi's, Nike, Tesco, Wrangler, Hugo Boss, Puma, Primark, and JC Penney are now importing denim products from Bangladesh.

Since the denim industry of Bangladesh is an export oriented sub-sector, its growth is mostly dependent on the economic stability of importing countries. A repeat economic recession, high volatility of cotton price in the international market, infrastructure bottlenecks, government soft textile policy, and political unrest will surely put the industry as well as the Company at business risk. The industry is struggling to survive and to be competitive mainly because of ongoing gas crisis and the frequent hike in energy prices. Moreover, inefficiency in ports, inadequate rail and road networks and need for a deep sea port are some of the major challenges for the export oriented businesses.

Bangladesh has to compete with other established manufacturer in countries like China, India, Pakistan, Cambodia and Vietnam. India and Pakistan are two leading denim exporters that have cost advantages being they producing cotton. Besides, Pakistan is enjoying GSP facility in the EU market. Due to raising cost in China, buyers are already planning to move to other cost efficient destination like Bangladesh. Moreover, Bangladesh Denim Textile Industry has a competitive advantage as well have a very developed garments infrastructure and continuously upgrading skills of human resources enabling the Company to bring out high quality and cost competitive products.

ETL has insurance protection with Bangladesh General Insurance Company Limited for sum insured of BDT 4,004.8 million which is valid till 19 January 2022. Insurance cover the risk associated with industrial all risk only on building, machineries and

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Tanvir Ahmed
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e



equipment, electrical installations, spare parts, IT Tower, stock of raw materials, work-in-progress, and finished goods.



In this surveillance period, there were no major changes in core management team of the Company. The Board is overall responsible for total functioning and operations of the Company. Under reporting to the Board, a team of dedicated and efficient management carries out day-to-day operations of the Company. Chief Executive Officer (CEO) of the Company, Mr. Tushar Tripathi, a highly experienced textile and apparel management executive is in charge of day to day operations-production, marketing, HRM, financial management, and overall business performance of ETL. A group of senior executives aids the CEO to perform day-to-day business of the Company. There are Unit Heads for each unit who report to the CEO, and CEO reports time-to-time to the Board/Chairman/Managing Director with summary reports on the performance of the Company. The factory operates three (3) shifts a day and 335 days in a year. As on 31 August 2021, the Company has 2,780 employees (430 officers & staff and 2,350 permanent workers) combined with head office and factory.



Revenue of the Company mostly comes from deemed export and direct export fabrics. The Company also earns revenue from deemed export of cotton yarn and dyed yarn, weaving and finishing, 8 grade fabrics sales, sample sales, stock fabric sales etc.

Table 7

Segment Wise Revenue Growth (Mil. BDT)

Particulars	FY2020		FY2019	
	Amount	Growth	Amount	Growth
Revenue from Deemed Export	4,473.4	-19.5%	5,554.1	6.1%
Revenue from Direct Export	2,168.0	20.1%	1,805.8	191.9%
Revenue from Total Fabric Export	6,641.4	-9.8%	7,359.8	25.8%
Revenue from Cotton Yarn Export	1,079.6	-10.9%	1,211.7	57.0%
Revenue from Dyed Yarn Export	99.0	-40.1%	165.3	-28.8%
Revenue from Total Yarn Export	1,178.6	-14.4%	1,377.0	37.2%
Revenue from Other Fabric Sales	110.7	-28.4%	154.7	-69.1%

Source: ETL

Envoy Textiles Limited reported revenue of BDT 8,176.8 million in FY2020 which was BDT 9,118.5 million in FY2019 and BDT 7,558.4 million in FY2018. Revenue of the Company declined by 10.3% in FY2020 over previous financial year due to lower quantity of sales volume because of mainly orders dropped drastically in last quarter of FY2020. Revenue earnings of the Company were not in a steady flow in FY2020 as revenue increased by 13.9% in 2nd quarter but it decreased in 3rd quarter and drastically declined in last quarter. The business operation completely halted for around two months in last quarter of FY2020 due to impact of COVID-19 pandemics. As a result, revenue from-fabrics declined by 9.8% and revenue from yarn also declined by 14.4% in FY2020.

Table 8

Cost Component and Profitability as % of Revenue (Mil. BDT)

Particulars	FY2020		FY2019		FY2018	
	Amt.	%	Amt.	%	Amt.	%
Sales Revenue	8,176.8	100	9,118.5	100	7,558.4	100
Cost of Goods Sold	6,882.7	84.2	7,419.6	81.4	6,358.0	84.1
Admin. & General Expenses	216.5	2.6	273.8	2.5	225.6	3.0
Selling & Distributing Exp.	59.7	0.7	66.8	0.7	57.4	0.8
Financial Expenses	718.1	8.8	725.0	8.0	543.5	7.2
Net Profit	274.1	3.4	554.4	6.1	329.9	4.4

Source: ETL



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Envoy Textiles Limited

ETL experienced decline in EBITDA and gross profit margin resulting from higher CoGS as % of sales in FY2020 due to high overhead cost compared to previous year. Depreciation in absolute amount also increased by BDT 66.2 million in FY2020 from FY2019 because of assets accumulation. Financial expenses as % of sales also increased by 0.8% in FY2020 due to more dependence on bank borrowings. As a result, net profit margin of the Company decreased to 3.4% in FY2020 from 6.1% in FY2019.

Total shareholders' equity of the Company reached BDT 6,805.5 million (including revaluation reserve of BDT 1,692.2 million) at the end of 30 June 2020. The adjusted total equity of BDT 5,113.3 million comprises BDT 1,677.3 million share capital, BDT 360.0 million preference shares, BDT 1,120.0 share premium and BDT 1,955.3 million retained earnings revealing sound equity base of the Company. On the other hand borrowed fund outstanding also increased to BDT 10,564.6 million at the end of 30 June 2020. As a result, borrowed fund to adjusted equity almost remained same at 2.1x in FY2020 (FY2019: 2.2x). However, borrowed fund was reported 6.0x times to EBITDA revealing high leverage position of the Company in FY2020 (FY2019: 5.6x) due to decrease of EBITDA as well as increase of borrowed fund outstanding.

Though financial expenses of ETL declined to BDT 718.1 million in FY2020 from BDT 725.0 million in FY2019 however EBIT/Financial Expenses ratios decreased to 1.4x in FY2020 from 1.9x in FY2019 revealing deteriorated coverage position of the Company. Such coverage position indicates moderate capacity to repay the financial obligation of the Company. However, further increase in the debt level may heighten its financial risk to some extent.



ETL has banking relation with 12 Commercial Banks and one Financial Institution having total short-term limit facilities of BDT 14,855.0 million and BDT 2,480.2 million long term outstanding as of 31 August 2021. Details bank liability position of the Company is given in appendix -1.



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tauqir Ahmed
Managing Director

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Envoy Textiles Limited

APPENDIX - 1: CREDIT FACILITIES OF ENVOY TEXTILES LIMITED (Figures in BDT Millions)

Loan Type	Bank/Financial Institution	Facility Name	Limit	Outstanding	Limit Expiry
Long Term Funded	HSBC Bangladesh	Offshore Term Loan	858.0	18.4	01/07/2022
	Mutual Trust Bank Ltd.	Offshore Term Loan	640.0	151.1	31/03/2022
	Pubali Bank Ltd.	Term Loan	1,720.0	535.4	07/05/2024
	Dutch-Bangla Bank Ltd.	Term Loan	500.0	361.2	24/08/2024
	Southeast Bank Ltd.	Term Loan	1,379.9	1,137.0	04/08/2024
	IDLC Finance Ltd.	Term Loan	230.0	141.2	31/12/2024
	Zero Coupon Bond	Series Zero Coupon Bond	450.0	135.9	11/06/2023
		Total Long Term	5,777.9	2,480.2	
Short Term Funded	HSBC Bangladesh	Cash Credit	100.0	13.4	01/07/2022
		RSTL	320.0	147.5	01/07/2022
	BASIC Bank Ltd.	STL	500.0	156.2	21/04/2022
	Commercial Bank of Ceylon	Revolving Loan	250.0	198.5	12/01/2022
	Dutch-Bangla Bank Ltd.	Cash Credit	200.0	177.0	03/08/2022
		RSTL	900.0	890.1	03/08/2022
	Mutual Trust Bank Ltd.	SOD (General)	30.0	14.8	30/09/2022
		RSTL	250.0	61.2	03/01/2022
	Pubali Bank Ltd.	Cash Credit	700.0	582.9	31/05/2022
		STL	930.0	267.7	13/06/2022
	SBAC Bank Ltd.	RSTL	700.0	700.0	09/08/2022
		Stimulus Loan	295.0	295.0	02/01/2022
	Southeast Bank Ltd.	Cash Credit	250.0	245.8	26/10/2021
		RSTL	600.0	266.4	31/07/2022
	Standard Chartered Bank	Cash Credit	50.0	48.1	31/01/2022
	The Premier Bank Ltd.	Cash Credit	130.0	90.9	01/01/2022
	Uttara Bank Ltd.	Cash Credit	300.0	296.3	10/06/2022
	RSTL	500.0	500.0	31/10/2022	
	Total Short Term Funded	7,005.0	4,951.7		
Short Term Non- Funded	HSBC Bangladesh	LC/Bill/EDF	1,300.0	1,092.8	31/05/2022
	Commercial Bank of Ceylon	LC/EDF	450.0	166.3	31/05/2022
	Dutch-Bangla Bank Ltd.	LC/Bill/EDF	800.0	269.9	31/05/2022
	Jamuna Bank Ltd.	LC/Bill/EDF	600.0	16.7	31/05/2022
	Mutual Trust Bank Ltd.	LC/Bill/EDF	700.0	303.2	01/07/2022
	Pubali Bank Ltd.	LC/Bill/EDF	1,700.0	848.2	01/07/2022
	Southeast Bank Ltd.	LC/Bill/EDF	1,500.0	396.5	01/07/2022
	Uttara Bank Ltd.	LC/Bill/EDF	800.0	335.4	01/07/2022
	Total Short Term Non Funded	7,850.0	3,428.9		
Total Long Term Loan Outstanding			2,480.2		
Total Short Term Funded Limit			7,005.0		
Total Short Term Non Funded Limit			7,850.0		
Grand Total (Long Term Outstanding + ST Limit)			17,335.2		

Source: Management of the Company and Respective Banks

Note:

- Bank Liabilities are based on 31/08/2021

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



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CFO
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ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Manvir Ahmed
Managing Director

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Envoy Textiles Limited

APPENDIX - 2: KEY FINANCIAL INDICATORS OF ENVOY TEXTILES LIMITED

Financial Indicators & Ratios		--Year ended June 30--			
(Mil. BDT)		2020	2019	2018	2017
Earnings & Stability	Revenue	8,175.8	9,118.5	7,558.4	6,078.7
	Revenue Growth	-10.3%	20.6%	24.3%	27.9%
	CoGS as % of Sales	84.2%	81.4%	84.1%	82.2%
	EBITDA	1,767.7	2,075.2	1,506.5	1,309.8
	EBITDA Growth	-14.8%	37.8%	15.0%	30.9%
	EBITDA Margin	21.6%	22.8%	19.9%	21.5%
	Net Profit after Tax	274.1	554.4	329.9	321.2
Profitability	Net Profit after Tax growth	-50.6%	68.0%	2.7%	-9.1%
	Gross Profit Margin	15.8%	18.6%	15.9%	17.8%
	Operating Profit Margin	12.4%	15.4%	12.1%	13.4%
	Net Profit Margin	3.4%	6.1%	4.4%	5.3%
	Return on Average Asset	1.5%	3.1%	2.0%	2.1%
	Return on Average Equity	4.1%	8.7%	5.4%	5.4%
	Current Ratio (x)	1.11	1.07	0.93	0.85
Liquidity	Quick Ratio (x)	0.50	0.58	0.51	0.47
	Inventory + AR to Total Assets	38.0%	36.2%	34.4%	31.3%
	Net Working Capital to Total Assets	36.8%	33.1%	24.2%	27.9%
	Average Inventory Processing Period (Days)	185	145	151	141
	Average Receivable Collection Period (Days)	142	132	140	149
	Average Payable Payment Period (Days)	23	58	67	37
	Operating Cycle (Days)	327	277	291	290
Leverage & Capital Structure	Cash Conversion Cycle (Days)	304	219	224	253
	Total Assets	18,010.4	17,791.6	17,464.6	16,060.3
	Total Equity	6,805.5	6,433.3	6,251.2	6,030.9
	Adjusted Equity	5,113.3	4,730.8	4,538.1	4,306.8
	Total Borrowed Fund	10,564.6	10,322.0	9,267.2	9,295.9
	Total Long Term Debt	4,495.1	4,811.9	4,443.9	3,755.2
	Fund Flow from Operation (FFO)	1,036.7	1,251.9	935.5	834.9
	Cash Flow from Operation (CFO)	303.5	(415.8)	1,189.8	(336.9)
	Retained Cash Flow (RCF)	52.3	(579.7)	1,080.5	(519.3)
	Free Cash Flow (FCF)	(443.3)	(2,730.5)	(128.7)	(2,959.5)
	Total Debt to Equity (x)	1.65	1.77	1.79	1.66
	Debt to Adjusted Equity (x)	2.19	2.40	2.47	2.33
	Coverage	Borrowed Fund to Equity (x)	1.55	1.60	1.48
Borrowed Fund/EBITDA (x)		5.98	4.97	6.15	7.10
FFO/Borrowed Fund		9.8%	12.1%	10.1%	9.0%
CFO/Borrowed Fund		2.9%	-4.0%	12.8%	-3.6%
RCF/Borrowed Fund		0.5%	-5.6%	11.7%	-5.6%
FCF/Borrowed Fund		-4.2%	-26.5%	-1.4%	-31.8%
Financial Expenses (x)		718.1	725.0	543.5	444.9
EBT to Financial Expenses (x)	1.40	1.00	1.66	1.79	
FCF to Financial Expenses (x)	-0.62	-3.77	-0.24	-6.65	
(EBITDA-CAPEX) to Financial Expenses (x)	1.77	-0.10	0.55	-2.34	
Debt Service Coverage (x)	1.45	1.51	1.13	1.15	

Note: Figures are based on Financial Statements audited by Mahfel Huq & Co. Chartered Accountants (unqualified)

Calculation Considerations:

- EBT = Net Profit + Tax + Financial Expenses; Adjusted Equity is adjusted with Revaluation Reserve
- Borrowed Fund = Long Term Loan Outstanding + Current Portion of Long Term Loan + Short Term Loan Outstanding
- Cash flow from Operation is calculated as Net Profit after Tax plus Depreciation Expenses plus Net Changes in Working Capital (considering the net changes in all Current Assets and Current Liabilities excluding Cash & Cash Equivalents and Bank Loan Amounts).

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Tanzim Ahmed
Managing Director

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Envoy Textiles Limited

APPENDIX - 3: RATING HISTORY OF ENVOY TEXTILES LIMITED

Date of Rating: 10 September 2020

Particular	Rating
Envoy Textiles Limited	AA ₁
BDT 3,496.6 million Long Term Outstanding	AA ₁ (Lr)
BDT 5,611.0 million Short Term Fund based Limit	ST-2
BDT 6,900 million Short Term Non-Fund based Limit	ST-2
Outlook	Stable

Lr - Loan Rating, ST - Short Term

Rating based on: Audited financial statements up to 30 June 2019, Un-Audited financial statements up to 31 March 2020, bank liability position as on 30 June 2020, and other relevant quantitative & qualitative information up to the date of rating declaration.

Date of Rating: 12 September 2019

Particular	Rating
Envoy Textiles Limited	AA ₁
BDT 3,917.5 million aggregate Long Term Outstanding (LTO)	AA ₁ (Lr)
BDT 368.1 million zero coupon bond	AA ₁ (So)
BDT 1,570.0 million aggregate Cash Credit (CC) Limits*	AA ₁ (Lr)
BDT 1,255.0 million aggregate fund-based Limits	ST-2
BDT 5,700.0 million aggregate non-fund-based Limits	ST-2
Rating Outlook	Stable

Lr - Loan Rating, ST - Short Term; *Due to its revolving nature CRAB views Cash Credit/Overdraft as long-term facility.

Rating based on: Audited financial statements up to 30 June 2018; un-audited financial statements up to 31 March 2019, bank liability position as on 30 June 2019 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Date of Rating: 13 September 2018

Particular	Rating
Envoy Textiles Limited	AA ₁
BDT 3,923.5 million aggregate Long Term Outstanding (LTO)	AA ₁ (Lr)
BDT 304.8 million zero coupon bond	AA ₁ (So)
BDT 1,070.0 million aggregate Cash Credit (CC) Limits*	AA ₁ (Lr)
BDT 3,950.0 million aggregate fund-based Limits	ST-2
BDT 7,300.0 million aggregate non-fund-based Limits	ST-2
Rating Outlook	Stable

Lr - Loan Rating, ST - Short Term; *Due to its revolving nature CRAB views Cash Credit/Overdraft as long-term facility.

Rating based on: Audited financial statements up to 30 June 2017, Un-Audited financial statements up to 31 March 2018, bank liability position as on 30 June 2020, and other relevant quantitative & qualitative information up to the date of rating declaration.



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ENVOY TEXTILES LIMITED
Ahmed
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Ram Ahmed
Managing Director

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Envoy Textiles Limited

CRAB RATING SCALES AND DEFINITIONS -Long Term (Corporate)

Long Term Rating	Definition
AAA Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
AA+, AA, AA- Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
A+, A, A- Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
BB+, BB, BB- Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
BB+, BB, BB- Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
B+, B, B- Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC+, CCC, CCC- Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
CC Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

**Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*



Anzlim Alamgir
Managing Director & CEO
C.E. Investment Limited

Saiful Islam
Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
M Saiful Islam
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Amir Ahmed
Amir Ahmed
Managing Director

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Envoy Textiles Limited

LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS
(All loans/facilities with original maturity exceeding one year)

RATINGS	DEFINITION
AAA (Lr) (Triple A) Highest Safety	Loans/facilities rated AAA (Lr) are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
AA (Lr)* (Double A) High Safety	Loans/facilities rated AA (Lr) are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
A (Lr) Adequate Safety	Loans/facilities rated A (Lr) are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
BBB (Lr) (Triple B) Moderate Safety	Loans/facilities rated BBB (Lr) are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
BB (Lr) (Double B) Inadequate Safety	Loans/facilities rated BB (Lr) are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
B (Lr) High Risk	Loans/facilities rated B (Lr) are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
CCC (Lr) Very High Risk	Loans/facilities rated CCC (Lr) are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favorable circumstances continue.
CC (Lr) Extremely High Risk	Loans/facilities rated CC (Lr) are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
C (Lr) Near to Default	Loans/facilities rated C (Lr) are currently highly vulnerable to non-payment, having obligations with payment arrangements allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
D (Lr) Default	Loans/facilities rated D (Lr) are in default or are expected to default on scheduled payment dates.

*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS
(All loans/facilities with original maturity within one year)

RATINGS	DEFINITION
ST-1 Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
ST-2 High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
ST-3 Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
ST-4 Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
ST-5 Inadequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
ST-6 Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
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Company Secretary

Envoy Textiles Ltd.
Rana Ahmed
Managing Director

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Annexure-IV
Credit Rating Report (Issue)


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Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

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Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



2022

CREDIT RATING REPORT
ZERO COUPON BOND (UP TO BDT 2,000.00 MILLION) OF
ENVOY TEXTILES LIMITED

Particular	Rating	Remark
Zero Coupon Bond (up to BDT 2,000.00 million) of Envoy Textiles Ltd.	AA2	Bond Rating
Envoy Textiles Limited	AA1	Issuer Rating
Outlook	Stable	

Date of Rating: 10 April, 2022

Validity: The bond rating is valid up to 09 October, 2022.

Rating based on: Draft Information Memorandum of Bond Issuance, Audited Financial Statements for the interim period ended 31/12/2021, Audited Financial Statements for the year ended 30/06/2021, 30/06/2020, 30/06/2019, 30/06/2018 of Envoy Textiles Limited (issuer), and other relevant quantitative & qualitative information up to the date of rating declaration.

Auditor: Mahfeel Huq & Co., Chartered Accountants

Methodology: CRAB's Rating Methodology (www.crab.com.bd)

Analysts:

Mohammed Nazrul Islam Bhuiyan

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Mohd. Asifur Rahman

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ISSUER PROFILE

Envoy Textiles Limited (hereinafter referred to as "ETL" or "the Company" or "the issuer"), a 100% export oriented cotton yarn and denim fabrics manufacturer, started its commercial operations in March 2008. The Company is engaged in manufacturing of denim fabrics having production capacity of 52.0 million yards per year. The Company has its own spinning facility as backward integration of denim production with production capacity of around 68 MT yarn per day. The factory of the Company is situated at Zamirdia, Bhaluka, Mymensingh with captive power generation facility. ETL was awarded Leed Platinum Certification by US Green Building Council, ensuring environment friendly production facilities.

RATIONALE

CRAB has assigned **AA2** (Double A Two) rating (long term) to the proposed Zero Coupon Bond (up to BDT 2,000.0 million) of Envoy Textile Limited. The rating reflects the issuer's standalone credit profile as well as features of the instrument. The final rating will be based on a host of factors which includes clearance from regulatory authority (BSEC), deal structure and documentation.

It is to be noted here that CRAB has assigned **AA1** (Double A One) entity/issuer rating to Envoy Textiles Limited (ETL) with a Short Term rating of **ST-2**. The rating outlook is stable reflecting the outlook on the issuer's credit rating.

Per the Term Sheet, the bond is non-convertible, transferable, fully redeemable and unsecured zero-coupon bond. The issue will have credit enhancement

mechanism by issuing bank guarantee and/or personal guarantee of select sponsor directors of the issuer. This security arrangement is still not finalized which explains the absence of legal documents and MOU at this stage. CRAB has also considered the seniority of claims of the investors on the bond to arrive at the rating.

Rating Strengths:

- Fundamental strength of the Issuer on its revenue generation capacity and the demand outlook of Textile industry.
- Established track record, vast experience of promoters and expertise of Management & availability of group support.
- State of the art manufacturing facility, conforming to compliance via green manufacturing, and a network of buyers which lends comfort to financiers on its business sustenance and future growth.
- Acceptable DSCR based on financial projections based upon assumptions and strategic plan.
- Purpose of finance - to be used to finance plant BMRE and repay/reduce existing high cost debt.

Rating Challenges:

- There is volatility in financial parameters via earnings, leverage and coverage factors.
- Competitive business conditions, volatility of international cotton prices (raw material for yarn).
- Sustenance/growth of ETL hinges on economic stability of buyers/importing nation. Global economic recession, pandemic conditions will put a dampener on the Seller.
- Any significant impact in business and operations may lead to adverse impact on debt coverage profile.

Managing Director
 Credit Rating Agency
 of Bangladesh Ltd.

Envoy Textiles Zero Coupon Bond

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ENVOY TEXTILES LIMITED

 M Saiful Islam Chowdhury FCS
 Company Secretary

Envoy Textiles Ltd.

 Anwar Ahmed
 Managing Director

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Envoy Textiles Zero Coupon Bond

Going forward, the bond rating could be upgraded in the event of an upgrade of the issuer rating and vice versa. Any material development with regards to "guarantee" could also trigger a change.

■ **FEATURES OF THE DEBT INSTRUMENT TO BE ISSUED**

According to the Draft Information Memorandum, Envoy Textile Limited is going to issue a series of non-convertible, transferable, fully redeemable unsecured zero-coupon bonds worth up to BDT 2,000.0 million with maturities starting from 6 months to 5 years. The Bonds will be redeemed in 10 equal semiannual instalments starting from the end of 6th month and each six months from thereafter. The final maturity of the Bonds will be at the end of fifth year of the Bonds from the Issue Date. Finalization of all terms & conditions of this instrument are subject to approval from concerned regulatory authorities and may need to change as per regulatory instruction.

Table 1

Basic Features of the Instrument

Issuer	Envoy Textiles Limited								
The Issue	Envoy Textiles Zero-Coupon Bond								
Issue Size	BDT 2,000.00 million								
Bond Type	Non-convertible, Transferable, Fully Redeemable Unsecured Zero-Coupon Bond								
Arrangement Basis	Private Placement on Best Efforts Basis								
Mandated Lead Arranger (MLA)	NDB Capital Limited								
Purpose	To finance the BMRE expansion of existing Denim & Spinning Unit as well as refinancing existing high-cost debt. The breakdown of utilization of proceeds plan in issue price can be summarized as follows:								
	<table border="1"> <thead> <tr> <th>Purpose</th> <th>Amount (In BDT)</th> </tr> </thead> <tbody> <tr> <td>BMRE - Power Plant to support existing Denim & Spinning Unit</td> <td>473,263,239</td> </tr> <tr> <td>High-cost debt restructuring</td> <td>1,211,215,777</td> </tr> <tr> <td>Total</td> <td>1,684,479,016</td> </tr> </tbody> </table>	Purpose	Amount (In BDT)	BMRE - Power Plant to support existing Denim & Spinning Unit	473,263,239	High-cost debt restructuring	1,211,215,777	Total	1,684,479,016
Purpose	Amount (In BDT)								
BMRE - Power Plant to support existing Denim & Spinning Unit	473,263,239								
High-cost debt restructuring	1,211,215,777								
Total	1,684,479,016								
Investors	Banks, NBFIs, Corporate Houses, Insurance Companies, Asset Management Firms, Mutual Funds, Merchant Banks, Institutional Investors and High Net Worth Individuals								
Currency	Bangladeshi Taka (BDT)								
Mode of Placement	Private Placement								
Face Value	BDT 200,000.00 per share								
Denomination	BDT 2,000,000.00 per bundle								
Number of Bonds/Bundles	10,000								
Issue Price	BDT 1,684,479,016.00 (discounted at 6.50% p.a.)								
Tenor	5 years from the Issue Date								
Maturity	From 6 months and up to 5 years from the Issue Date								
Minimum Subscription	For Individual: BDT 2,000,000.00 million (BDT Two million) For Institution: BDT 10,000,000.00 million (BDT Ten million)								

Redemption Schedule

5 years to maturity			
Tenure (Semiannual)	Semi-annual Yield	Redemption at Face Value (In Million BDT)	Investment at Discounted Value (In Million BDT)
1	3.250%	200.00	193.70
2	3.250%	200.00	187.61
3	3.250%	200.00	181.70
4	3.250%	200.00	175.98
5	3.250%	200.00	170.44
6	3.250%	200.00	165.08
7	3.250%	200.00	159.88
8	3.250%	200.00	154.85
9	3.250%	200.00	149.98
10	3.250%	200.00	145.25
Total		2,000.00	1,684.48

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
M Saiful
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Tanvir Ahmed
Tanvir Ahmed
Managing Director

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Envoy Textiles Zero Coupon Bond

Security	The Issue will have Credit enhancement mechanisms as Default protection mechanism as mentioned under Default protection mechanism.
Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.), if any	The Issue will be credit enhanced through any/all from the following Credit Enhancement mechanisms <ul style="list-style-type: none"> • Bank Guarantee by any scheduled bank(s) in Bangladesh in favour of each Investor to provide protection against potential default should the investor require such credit enhancement (dependent upon the investor). The Bank Guarantee will be executed in favour of the investor to secure the investors on an as, when and if required basis. • Personal Guarantee of select Sponsor Directors of the Issuer to be provided on an as, when and if required basis.
Governing Law	The laws of The People's Republic of Bangladesh
Form	Registered
Listing	The bond may be listed as per BSEC's consent
Redemption Amount	Bonds will be redeemed at Face Value
Credit Rating of the Issue	AA2 (Double A Two)
Credit Rating of the Issuer	AA1 (Double A One)
Payment Frequency	Semi-annually beginning at the end of the 6 th month to the closing date
Conditions Precedent	In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for the Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for the financing.
Call and Refunding Feature	Non-callable and Non-refundable
Trustee, Registrar, Paying Agent & Transfer Agent	UCB Investment Limited
Legal Counsel	Lex Juris
Documentation	<ul style="list-style-type: none"> • Subscription agreement • Trust deed • Any other agreement relating to such transaction (if requires)
Credit Rating Agency	Credit Rating Agency of Bangladesh Limited
Tax / VAT Features	According to the laws of Bangladesh
Discount Rate	The discount rate to be fixed between 6.50-8.00 % p.a. (floor is 6.50% p.a. and ceiling is 8.00% p.a. to be considered for fixing the discount rate) *Rate to be decided at time of approaching the market for subscription of bond based on the then market conditions like market interest rate, deposit/FDR rate etc.
Transferability/Liquidity	Transferable in accordance with the provisions of the Trust Deed and Subscription Agreement.
Cost related to the issue	

Particulars	Amount in BDT
Trustee Fee (Per year)	250,000
VAT (15%)	37,500
Legal Fee	150,000
VAT (15%)	22,500
BSEC application Fee	10,000
BSEC approval fee @ 0.1% of FV	2,000,000
Credit Rating Fee	150,000
VAT (15%)	22,500
Surveillance Fee (per year)	100,000
VAT (15%)	15,000
Arrangement Fee	0.30% on the total amount raised
VAT on Arrangement Fee	15% on the fee amount
Bank Guarantee Fee	0.50%- 60% p.a. on the guarantee backed amount

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Envoy Secured Zero Coupon Bond

Delay in Payment	The Issuer shall pay a late payment penalty of 2% (two percent) higher than the discount rate and be payable on the amount not paid on the due date up to the date of actual payment.
Early Redemption	Subject to the regulatory approval, the issuer shall have the option to redeem all Outstanding Bonds, and such rights shall be exercisable at the end of 36th month from the Closing Date at a price equal to Face Value and 2% (Premium over the Face Value)
Enforcement of Charges over Securities	The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the securities of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer.
Terms of Investment Availability Period	As defined in the subscription agreement and other Bond related documents. Subject to fulfilment of relevant conditions, the Envoy Textiles Zero-Coupon Bond shall be available for issuance not less than 30 (thirty) days and not more than 180 days from the date of BSEC consent, subject to any extensions that may be applied for and approved by the Commission.
Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission (BSEC), the Company will issue the bonds as per the information memorandum. In no way the Company shall issue any such bonds without taking approval from the BSEC.

Source: Draft Information Memorandum

■ **PURPOSE OF THE ISSUANCE**

The fund raised through issuing bonds will be used to finance the import machineries for establishing power set up to solely meet the internal power requirement of the Company under the BMRE to support the denim and spinning unit and adjustment of some high-cost existing debts. The breakdown of utilization of proceeds plan in issue price can be summarized as follows:

Table 2
Utilization of Proceeds (Amount in BDT Million)

Purpose	Amount
BMRE - Power Plant to support existing Denim & Spinning Unit	473.26
High-cost debt restructuring	1,211.22
Total	1,684.48

■ **BACKGROUND OF THE ISSUER**

Envoy Textiles Limited (hereinafter referred to as "ETL" or "the Company"), was incorporated as a Private Limited Company in June 1995 and went into commercial operations in March 2005. The Company amalgamated with Edge Denims Limited in September 2009 and converted to Public Limited Company in October 2009. ETL is a leading denim manufacturing company having production capacity of 52.0 million yards per year and capacity utilization was around 71.3% in FY2021. The Company has also yarn manufacturing facility which came into operation at the end of 2016. The running production capacity of the Spinning Unit is around 24,000 MT yarn per annum and capacity utilization was 92.1% in FY2021. The Company is utilizing optimum capacity in producing of yarn which will help to reduce dependence on outsourced yarn and will support in improving operating margin. The registered office of the Company is located at Envoy Tower, 18/E Lake Circus Kalabagan (West Panthpath), Dhaka and the factory of the Company is situated at Zamirdia, Bhaluka, Mymensingh.

■ **SHAREHOLDING AND BOARD COMPOSITION**

Envoy Textiles Limited is a concern of Envoy Group. Envoy Group, a diversified conglomerate with primary focus on readymade garments and textile manufacturing, has experienced consecutive growth and expansion over the past three decades under the leadership of Engr. Kutubuddin Ahmed and Mr. Abdus Salam Murshedy, the promoters of the Group. Currently, Mr. Kutubuddin Ahmed is the Chairman and Mr. Abdus Salam Murshedy is the Managing Director of Envoy Group. The Group represents around 40 business enterprises and it has diversified its business in the field of readymade garments, textiles, local and international trading, freight forwarding, information technology, washing plant, real-estate, banking automation, financial institution, energy and power sector, hospitality service and consumer products etc.

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Salful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Kutubuddin Ahmed
Managing Director


Envoy Textiles Zero Coupon Bond

Envoy Textiles Limited has been listed with the Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) since 2012. The authorized share capital of the Company is BDT 4,000.0 million divided into 2,750.0 million Ordinary Shares and 1,250.0 million Redeemable Preference Shares of BDT 10.0 each and paid up capital of the Company was BDT 1,677.3 million up to 31 December 2021 divided into 167,734,767 Ordinary Shares.

Table 3
Composition of the Shareholding

Particulars	31 December 2021			30 June 2021		
	No. of Shares	Value (Mil. BDT)	%	No. of Shares	Value (Mil. BDT)	%
Sponsors/Directors	76,453,883	764.54	45.58	76,453,883	764.54	45.58
Individual Shareholders	6,649,895	66.50	3.96	16,397,228	163.97	9.78
Institutional Shareholders	84,527,011	845.27	50.39	74,777,204	747.77	44.58
Foreign Shareholders	103,978	1.04	0.06	106,452	1.06	0.06
Total	167,734,767	1,677.35	100.00	167,734,767	1,677.35	100.00

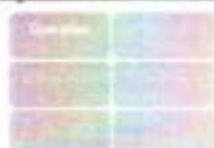
Currently around 45.6% of shares of the Company are held by its sponsors/directors and remaining 54.4% of shares are held by individual/institutional shareholders and foreign shareholders.

Table 4
Composition of Board

Name of Shareholders	Position held	No of Shares	% of holding
Mr. Kutubuddin Ahmed	Chairman	11,813,063	7.04%
Mr. Abdus Salam Murshedy	Managing Director	12,520,091	7.47%
Mrs. Rashida Ahmed	Sponsor Director	3,354,774	2.00%
Mrs. Sharmin Salam	Sponsor Director	3,657,867	2.18%
Mr. Tanvir Ahmed	Sponsor Director	4,193,367	2.50%
Barrister Shehrin Salam Oishee	Sponsor Director	3,657,867	2.18%
Ms. Sumayyah Ahmed	Director	3,354,907	2.00%
Mr. Ishmam Salam	Director	3,399,467	2.03%
Envoy Towers Limited	Sponsor	11,289,837	6.73%
Pastel Apparels Limited	Sponsor	8,003,526	4.77%
Fontina Fashions Limited	Sponsor	2,741,603	1.62%
Nadia Garments Limited	Sponsor	3,457,914	2.06%
Mr. Syed Shahed Reza	Independent Director	-	0.00%
Mr. Itrat Hussain FCMA, FCS	Independent Director	-	0.00%
Total		76,453,883	45.58%

Source: ETL

■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE OF THE ISSUER



Envoy Textiles Limited is a manufacturer of 100% export oriented denim fabric which established with sophisticated machineries of USA, Europe, Japan etc. ETL is the first denim project in Bangladesh with Rope Dyed Technology. The Company started its operation in 2008 with an initial production capacity of 16.0 million yards per annum. During last 12 years of operations, ETL has expanded its capacity by more than three times. Current production capacity of the Company is manufacturing 52.0 million yards denim fabrics per year and capacity utilization was around 71.3% in FY2021.

The Company also gives emphasis on product development through research and innovation. ETL recruited foreign experts to innovate products in order to sustain with the changing market environment. The Company has also installed a dedicated dyeing plant for research and innovation purpose. The Company produces high quality denim products and waves in various shades of indigo and black. ETL specializes in 4.5 oz to 14.75 oz ring and open-end denim, and uses stretch, mill wash, modern finishing processes, featuring ring-ring constructions in pure indigo and sanforized denim.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Envoy Secured Zero Coupon Bond

The Company has also yarn manufacturing facility which came into operation at the end of 2016. The Spinning Unit is established with European machineries and producing cotton yarn mostly for own consumption for the production of denim fabrics. The running production capacity of the Spinning Unit is around 24,000 MT yarn per annum and capacity utilization was 92.1% in FY2021. The Company is utilizing optimum capacity in producing of yarn which will help to reduce dependence on outsourced yarn and will support in improving operating margin.

Table 5
Details of Production and Sales of HKSL

Particulars	--Year ended June 30--			
	HY2022*	FY2021	FY2020	FY2019
Production Capacity				
Fabrics (Million Yards)	26.00	52.00	52.00	52.00
Yarn (Million Kei)	12.00	24.00	22.00	22.00
Actual Production				
Fabrics (Million Yards)	23.79	37.05	37.35	46.71
Yarn (Million Kei)	11.69	22.11	19.37	19.59
Utilization				
Fabrics	91.50%	71.26%	71.82%	89.98%
Yarn	97.38%	92.13%	88.04%	89.02%
Sales Quantity				
Fabrics (Million Yards)	22.26	37.00	37.00	46.14
Yarn (Million Kei)	11.64	22.58	19.21	19.30
Total Revenue (Mil. BDT)	5,507.6	8,665.3	8,176.8	9,118.5

Source: Management of ETL. * For the half-yearly ended 31 December 2019 (6 months)

Revenue of the Company mostly comes from deemed export through export oriented local readymade garment (RMG) against back to back LC. The Company also exports fabrics directly to more than 15 countries which is 15-20% of its total production. Part of revenue is cash incentive from Govt. on export. There are also some revenue from exporting dyed yarn through export oriented local knit garments. Foreign exchange fluctuation gain or loss is recognized in revenue. A volume of around 30% of total produced yarn is exported through local export oriented denim fabric manufacturer.

Table 6
Composition of Revenue

(Mil. BDT)	--Year ended June 30--			
	HY2022*	FY2021	FY2020	FY2019
Revenue from Fabric Export	4,626.3	6,527.3	6,641.4	7,359.8
% of Total Revenue	84.00%	75.33%	81.22%	80.71%
Revenue from Yarn Export	738.5	1,918.3	1,178.6	1,377.0
% of Total Revenue	13.41%	22.14%	14.41%	15.10%
Revenue from Other Sales	0.6	4.7	110.7	154.7
% of Total Revenue	0.01%	0.05%	1.35%	1.70%
Export Cash Subsidy	138.8	195.8	232.4	220.8
% of Total Revenue	2.52%	2.26%	2.84%	2.42%
Exchange Fluctuation Gain	3.4	19.2	13.7	6.6
% of Total Revenue	0.06%	0.22%	0.17%	0.07%
Total Revenue	5,507.6	8,665.3	8,176.8	9,118.9

Source: ETL. * For the half-yearly ended 31 December 2019 (6 months)

Revenue sources of the Company was dominated by export of fabrics (on an average 79.1% for the last three years) followed by export of yarn (on an average 17.2% for the last three years). As per audited financial statement, ETL earned revenue of BDT 5,507.6 million during the first 6 month of operations in FY2022, which if annualized, the Company's revenue may have ~27% growth in FY2022.

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanzim Ahmed
Managing Director

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

e



Manufacturing of textile is based on the conversion of fibre into yarn, yarn into fabric. These are then dyed or printed, fabricated into clothes. Different types of fiber are used to produce yarn. Cotton remains the most important natural fibre. The country needs 4 million bales of cotton per year for its consumption. Only 25,000 bales are produced locally and the rest is imported from USA, Africa and the Commonwealth of Independent States (CIS), India and Pakistan. Since cotton price is directly correlated with crops harvesting, price of cotton is volatile in the world market. Therefore, the Company is exposed to volatility of raw materials price. The sponsors and management of the Company have long experience in related business which may support to mitigate business risk derived from price volatility of raw materials.

For the manufacturing process, uninterrupted supply of electricity/fuel is required therefore the Company ensures uninterrupted power supply by setting captive power generation facilities. The Company gets gas supply from Titas Gas Transmission and Distribution Limited. The Company has installed ETP at its factory which minimises the risk associated with environmental pollution.

Envoy Textiles Limited was awarded LEED Platinum Certified company by U.S. Green Building Council (USGBC), the highest worldwide recognition for Leadership in Energy & Environmental Design. ETL is the First to score 'LEED Platinum' among all denim manufacturer in the world. The LEED Certification is a mark of quality and achievement in green building. ETL brought Laser Wash Technology in last year, by which any wash effect can be made in fabrics without using water and chemical and accumulated washing machines for sample testing.

Bangladesh, the second largest exporters of apparel goods, has taken lead in the global denim export markets by grabbing more market, attracting an increasing number of international buyers. Presently, Bangladesh is the number one exporter of denim products to the European Union, while the third largest in the United States. According to market study, the global denim products market was around USD 66.02 billion in 2018 and it is expected to reach approximately USD 85.4 billion by 2025. According to the data from Bangladesh Textile Mills Association (BTMA), Bangladesh exports over USD 2.0 billion worth of denim products to the global market every year. There are 32 denim fabrics manufacturers which produce over 450 million yards of fabric in a year. Major international brands such as H&M, Uniqlo, Levi's, Nike, Tesco, Wrangler, Hugo Boss, Puma, Primark, and JC Penny are now importing denim products from Bangladesh.

Since the denim industry of Bangladesh is an export oriented sub-sector, its growth is mostly dependent on the economic stability of importing countries. A repeat economic recession, high volatility of cotton price in the international market, infrastructure bottlenecks, government stiff textile policy, and political unrest will surely put the industry as well as the Company at business risk. The industry is struggling to survive and to be competitive mainly because of ongoing gas crisis and the frequent hike in energy prices. Moreover, inefficiency in ports, inadequate rail and road networks and need for a deep sea port are some of the major challenges for the export oriented businesses.

Bangladesh has to compete with other established manufacturer in countries like China, India, Pakistan, Cambodia and Vietnam. India and Pakistan are two leading denim exporters that have cost advantages being they producing cotton. Besides, Pakistan is enjoying CSP facility in the EU market. Due to raising cost in China, buyers are already planning to move to other cost efficient destination like Bangladesh. Moreover, Bangladesh Denim Textile industry has a competitive advantage as well have a very developed garments infrastructure and continuously upgrading skills of human resources enabling the Company to bring out high quality and cost competitive products.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



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Envoy Textiles Ltd.

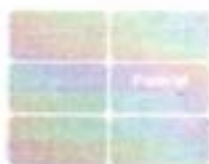
Tanzim Ahmed
Managing Director



Envoy Secured Zero Coupon Bond



There were no major changes in core management team of the Company in the last year. The Board is overall responsible for total functioning and operations of the Company. Under reporting to the Board, a team of dedicated and efficient management carries out day-to-day operations of the Company. Chief Executive Officer (CEO) of the Company, Mr. Tushar Tripathi, a highly experienced textile and apparel management executive is in charge of day to day operations-production, marketing, HRM, financial management, and overall business performance of ETL. A group of senior executives aids the CEO to perform day-to-day business of the Company. There are Unit Heads for each unit who report to the CEO, and CEO reports time-to-time to the Board/Chairman/Managing Director with summary reports on the performance of the Company. The factory operates three (3) shifts a day and 335 days in a year. As on 31 March 2022, the Company has 2,889 employees (464 officers & staff and 2,425 permanent workers) combined with head office and factory.



Revenue of the Company mostly comes from deemed and direct export of fabrics. The Company also earns revenue from deemed export of cotton yarn and dyed yarn, weaving and finishing, B grade fabrics sales, sample sales, stock fabric sales etc.

Table 7

Segment Wise Revenue Growth (Mil. BDT)

Particulars	FY2021		FY2020	
	Amount	Growth	Amount	Growth
Revenue from Deemed Export	4,498.7	0.6%	4,473.4	-19.5%
Revenue from Direct Export	2,028.6	-6.4%	2,168.0	20.1%
Revenue from Total Fabric Export	6,527.3	-1.7%	6,641.4	-9.8%
Revenue from Cotton Yarn Export	1,642.1	52.1%	1,079.6	-10.9%
Revenue from Dyed Yarn Export	276.2	178.9%	99.0	-40.1%
Revenue from Total Yarn Export	1,918.3	62.8%	1,178.6	-14.4%
Revenue from Other Fabric Sales	4.7	-95.8%	110.7	-28.4%

Source: ETL

Envoy Textiles Limited reported revenue of BDT 8,665.3 million in FY2021 which was BDT 8,176.8 million in FY2020 and BDT 9,118.5 million in FY2019. Revenue of the Company increased by 6.0% in FY2021 over previous financial year due to growth of revenue from yarn export. Revenue earnings of the Company were seen a growth in quarter to quarter except in 2nd quarter in FY2021. The production was closed for a period during the quarter due to prevention of spreading corona virus, moreover the plant was run under capacity due to order shortage. The revenue flow in the first nine months were slowdown due to impact of second wave of Coronavirus. However, the business operation has been showing signs of recovery since the final quarter of FY2021.

Table 8

Cost Component and Profitability as % of Revenue (Mil. BDT)

Particulars	FY2021		FY2020		FY2019	
	Amt.	%	Amt.	%	Amt.	%
Sales Revenue	8,665.3	100	8,176.8	100	9,118.5	100
Cost of Goods Sold	7,377.9	85.1	6,882.7	84.2	7,419.6	81.4
Admin. & General Expenses	206.5	2.4	216.5	2.6	223.8	2.5
Selling & Distribution Exp.	66.1	0.8	59.7	0.7	66.8	0.7
Financial Expenses	712.5	8.2	718.1	8.8	725.0	8.0
Profit before Tax	290.0	3.3	287.0	3.5	652.8	7.2
Provision for Tax	195.2	2.3	12.9	0.2	98.4	1.1
Net after Profit	94.8	1.1	274.1	3.4	554.4	6.1

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Saiful Islam, FCMA

CFO

Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS

Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed

Managing Director

Tanzim Alamgir

Managing Director & CEO

UCB Investment Limited

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ETL experienced decline in EBITDA and gross profit margin resulting from higher CoGS as % of sales in FY2021 due to high overhead cost compared to previous year. Operating expenses and financial expenses as % of sales of the Company decreased by 0.8% in FY2021. Though profit before tax in absolute amount increased by 1.0% however net profit after tax reduced by 65.4% in FY2021 compare to previous year due to an adjustment in provisioning deferred income tax. As a result, net profit margin of the Company decreased to 1.1% in FY2021 from 3.4% in FY2020.

At the end of 30 June 2021, total shareholders' equity of the Company decreased to BDT 6,338.5 million (including revaluation reserve of BDT 1,682.2 million) from BDT 6,445.5 million at the end of 30 June 2020 due to payment of BDT 201.7 million as dividend. The adjusted total equity of BDT 4,656.3 million comprises BDT 1,677.3 million share capital, BDT 1,120.0 share premium and BDT 1,858.9 million retained earnings. On the other hand borrowed fund outstanding increased to BDT 11,562.1 million at the end of 30 June 2021. As a result, borrowed fund to adjusted equity increased to 2.5x in FY2021 (FY2020: 2.3x). However, borrowed fund was reported 6.6x times to EBITDA revealing high leverage position of the Company at present due to decrease of EBITDA as well as increase of borrowed fund outstanding.

Financial expenses of ETL declined to BDT 712.5 million in FY2021 from BDT 718.1 million in FY2020. As a result, EBIT/Financial Expenses ratios were almost same at 1.41x in FY2021 (FY2020: 1.40x). Such coverage position indicates moderate capacity to repay the present financial obligation of the Company. However, further increase in the debt level may heighten its financial risk to some extent.

■ CAPACITY EXPANSION PLAN

Envoy Textiles Limited is going to increase its production capacity of spinning unit by 3,600 MT blended yarn per year which will be consumed internally. Total cost of the project has been estimated by the management was BDT 1,761.9 million with debt to equity ratio of 68.32.

Table 9

Details of Project Cost (Amount in BDT Million)

Particular	Estimated Cost	Proportion
Civil Cost (PEB, False Ceiling, PU, Civil Work etc.)	545.5	30.9%
Production Plant & Machinery	710.1	40.3%
Electrical & Mechanical Installation	79.0	4.5%
Land Value	214.2	12.2%
Service Equipment	205.0	11.6%
Other expenses	8.5	0.5%
Total Investment	1,761.9	100.0%

Major project cost includes plant & machinery and civil cost which is aggregately accounted for ~71% of total investment. Out of total estimated cost of the project, an amount of BDT 561.9 million to be invested from the Company's retained earnings and remaining BDT 1,200 million to be finance by bank borrowings and issuing preference shares.

Table 10

Means of Finance (Amount in BDT Million)

Particulars	Amount	Proportion
Debt Financing	1,200.0	68.1%
Equity Financing	561.9	31.9%
Total Means of Financing	1,761.9	100.0%

■ ASSUMPTIONS FOR FINANCIAL PROJECTIONS

The forecasting of future earning has been done based on expectations on economy, industry, business variables as well as management's strategic plan and assumptions.



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M Saiful Islam
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Munir Ahmed
Munir Ahmed
Managing Director

Tanzim Alamgir
Managing Director & CEO
JCB Investment Limited

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Basic Assumptions:

1. Sales composition as per existing sales mix of FY2021
2. Long term liabilities will be paid off within 7 years
3. Rate of interest on new term loan - 7.00% p.a. (repayment will be made by 28 equal quarterly instalment)
4. Fixed assets against new spinning project expansion will be effective will from FY2023
5. Average sales price is considered at actual basis of FY2021 for denim unit - USD 2.31 per yard, spinning units - USD 3.00 per kilogram (KG), yarn dyeing units - USD 2.50 per KG (1 USD - BDT 85.00)
6. Raw material cost composition will be as per existing ratio of FY2021
7. Cash incentive revenue from Bangladesh Bank is considered at 3.00% of fabrics export amount only
8. Number of operating days in a year - 350 days
9. Raw material holding period - 90 days
10. Work in process period - 18 days
11. Finished goods storage period - 30 days
12. Packaging materials storage period - 15 days
13. Spare parts storage period - 60 days

Table 11

Existing Production Facility

Product	Yearly Capacity	Average Sales Price	Estimated Sales @100% Capacity
Denim Fabric Unit	52.00 million Yards	BDT 196.00/Yard	BDT 10,210.2 million
Spinning Unit	24,0000 MT Yarn	BDT 255.00/KG	BDT 2,142.0 million
Yarn Dyeing Unit	1,440 MT Yarn	BDT 213.00/KG	BDT 306.0 million
Total			BDT 12,658.2 million

In FY2021, capacity utilization for denim fabric unit and spinning unit was 71.3% and 92.1% respectively. The management is expecting that the Company can utilize 84% of its denim fabrics production capacity and 94% of its yarn production capacity in FY2022 whereas around 65% of produced yarn will be consumed internally. Moreover, management of the Company is expecting that the Company can utilize 91.8%, 92%, 93%, 95% of its yarn dyeing production capacity in FY2022, FY2023, FY2024, FY2025 respectively and afterward it will continue.

Table 12

Projected Capacity Utilization

Particular	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Denim Fabric Unit	84%	90%	92%	94%	95%	95%	95%	95%	95%
Spinning Unit	94%	95%	95%	95%	95%	95%	95%	95%	95%
Yarn Dyeing Unit	91.8%	92%	93%	95%	95%	95%	95%	95%	95%

Note: Around 65% of produced yarn will be consumed internally.

Based on the above assumptions, the management of ETL is expecting to earn revenue of BDT 11,019.4 million in FY2022 which included net benefit from new spinning unit and replacing GMW diesel generators by gas generators. In the base scenario, average gross profit margin might be 18.9% and average net profit margin might be 8.9% which expose a good return of the Company.

Table 13

Base Case: Projected Profitability (Amount in BDT Million)

Particular	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Forecasted Revenue*	11,019.4	11,640.2	11,889.1	12,135.2	12,273.0	12,339.8	12,357.2	12,374.6	12,392.0
CoGS as % of Revenue	81.5%	81.3%	81.1%	81.0%	81.0%	80.9%	80.9%	80.9%	80.9%
EBITDA Margin	24.4%	24.7%	24.6%	24.5%	24.3%	24.5%	24.0%	19.7%	18.0%
Operating Profit Margin	15.7%	15.9%	16.2%	16.2%	16.2%	16.2%	16.2%	16.4%	16.4%
Net Profit Margin	6.8%	8.2%	9.3%	9.0%	9.2%	9.5%	9.4%	9.5%	9.6%

* Forecasted revenue includes net benefit from new spinning unit and net benefit from replacing GMW diesel generators to gas based generators.

It seems viable as per basic assumptions but there are risk factors which are in the areas of working capital management, performance and maintenance of capital machinery, price of the raw material, foreign exchange risk and



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Tanzim Alamgir
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UCB Investment Limited



Envoy Textiles Zero Coupon Bond

interest rate risk as well as cost of capital. If the Company is very much sensitive to these variables, ETL should mitigate the factors which influence the fluctuation of those variables. If raw material price increases, in turn, operational cost will increase, margin will be squeezed which will affect the cash flow available to service its debt. Also if capacity utilization is shortened, it will hamper revenue generation.

Table 14

Base Case: Solvency Ratio

Times (x)	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Debt Service Coverage Ratio, DSCR (-)	1.5	1.6	1.8	1.7	3.5	3.7	3.8	2.7	2.0
Times Interest Earned Ratio, TIER (-)	2.1	2.6	3.3	3.0	3.2	3.4	3.4	3.4	3.5

As indicated in the above exhibit, DSCR in the coming years of operation reflecting adequate repayment ability of the Company's debt obligation which includes principal & interest of term loan and interest on short term loan from its operating cash flows. Times Interest Earned Ratio (TIER) of the Company also indicating adequate ability of the Company to meet its interest obligation on time from its operating cash flows in the early years of operation.

Sensitivity Analysis (5% decrease of Unit Sales Price)

The analysis shows the effect on profitability and solvency ratios at adverse possibilities in future such as 5% decrease in unit sales price of base case.

Table 15

Scenario 1: Projected Profitability (Amount in BDT Million)

Particular	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Forecasted Revenue*	10,476.0	11,070.9	11,303.5	11,539.0	11,671.8	11,738.5	11,750.0	11,773.4	11,790.7
CoGS as % of Revenue	81.9%	81.6%	81.4%	81.3%	81.3%	81.2%	81.2%	81.2%	81.2%
EBITDA Margin	24.4%	24.7%	24.6%	24.5%	24.3%	24.5%	23.9%	19.4%	17.7%
Operating Profit Margin	15.2%	15.5%	15.7%	15.8%	15.8%	15.8%	15.8%	15.9%	15.9%
Net Profit Margin	6.0%	7.5%	8.7%	8.3%	8.6%	8.9%	8.8%	8.9%	9.0%

Note: EBITDA = Net Profit + Tax + Financial Expenses + Depreciation and Amortization

Based on the above assumption, the Company may be able to earn revenue of BDT 10,476.0 million with BDT 633.2 million net profit in FY2022. In this scenario, average gross profit margin might be 18.6% and average net profit margin might be 8.3% exposing good return of the Company. It is revealed from the calculation that if the unit sales prices declines by 5% the Company is expected to be able to service its debt obligation.

Table 16

Scenario 1: Solvency Ratio

Times (x)	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Debt Service Coverage Ratio, DSCR (-)	1.4	1.5	1.7	1.6	3.3	3.5	3.6	2.6	1.9
Times Interest Earned Ratio, TIER (-)	1.9	2.4	3.0	2.8	3.0	3.2	3.1	3.2	3.2

Note: DSCR = EBITDA / (Current Portion of Long Term Loan + Financial Expenses)

Sensitivity Analysis (by decreasing Capacity Utilization Rate i.e. by decreasing Sales Volume)

For the sensibility analysis, it is assumed that the Company can utilize 70% of its denim fabrics production capacity in FY2022 and capacity utilization will increase at 5% in each of next four years then it will continue at 90% utilization rate. Moreover, it is expecting that the Company can utilize 90%, 91%, 92%, 93%, 94%, 95% of its yarn and yarn dyeing production capacity in FY2022, FY2023, FY2024, FY2025, FY2026, FY2027 respectively and afterward it will continue.

Table 17

Projected Capacity Utilization

Particular	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Denim Fabric Unit	70%	75%	80%	85%	90%	90%	90%	90%	90%
Spinning Unit	90%	91%	92%	93%	94%	95%	95%	95%	95%
Yarn Dyeing Unit	90%	91%	92%	93%	94%	95%	95%	95%	95%

Note: Around 65% of produced yarn will be consumed internally.

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Based on the above assumptions, ETL may earn revenue of BDT 9,501.8 million with BDT 426.0 million net profit in FY2022. In this scenario, average gross profit margin would be 18.4% and average net profit margin would be 7.9% expose good return of the Company.

Table 18

Scenario 2: Solvency Ratio

Times (x)	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Debt Service Coverage Ratio, (DSCR (-))	1.3	1.4	1.6	1.6	1.3	1.5	1.6	2.6	1.9
Times Interest Earned Ratio, TIER (-)	1.6	2.0	2.7	2.6	1.0	1.2	1.2	1.2	1.2

As indicated in the above exhibit, DSCR in the first four years of operation reflect moderate repayment ability of the Company's debt obligation which includes principal & interest of term loan and interest on short term loan from its operating cash flows. Times Interest Earned Ratio (TIER) of the Company indicates adequate ability of the project to meet its interest obligation on time from its operating cash flows.

Sensitivity Analysis (By decreasing Capacity Utilization Rate and 5% decrease of Unit Sales Price)

In order to look the viability of the project under different scenarios, CRAB conducts its stress testing by changing both capacity utilization rate and unit sales price. In this scenario, it is assumed that the Company can utilize 70% of its denim fabrics production capacity in FY2022 and capacity utilization will increase at 5% in each of next four years then it will continue at 90% utilization rate. Moreover, it is expecting that the Company can utilize 90%, 91%, 92%, 93%, 94%, 95% of its yarn and yarn dyeing production capacity in FY2022, FY2023, FY2024, FY2025, FY2026, FY2027 respectively and afterward it will continue.

Based on the above assumptions, the Company may be able to earn revenue of BDT 9,034.3 million with BDT 126.5 million net profit in FY2022. In this scenario, average gross profit margin might be 18.1% and average net profit margin might be 7.2% which is also exposing good return of the Company.

Table 19

Scenario 3: Solvency Ratio

Times (x)	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Debt Service Coverage Ratio, (DSCR (-))	1.2	1.3	1.5	1.5	1.1	1.3	1.5	2.4	1.8
Times Interest Earned Ratio, TIER (-)	1.5	1.9	2.5	2.4	2.7	1.0	1.9	1.0	1.0

It is revealed from the table that coverage position of the Company is more vulnerable to adverse change in sales revenue. The DSCR in the first four years of operation reflecting closed to marginal level however Times Interest Earned Ratio (TIER) of the Company still indicating adequate ability of the Company to meet its interest obligation from its operating cash flows. The cash flow position will be significantly susceptible to timely starting of commercial operation of new expansion. The Company will also face stressed situation if they can't utilize the facility as per their plan ensuring efficient management of inventory and collection against sales.

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Tanvir Ahmed
Managing Director

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APPENDIX - 1: KEY FINANCIAL INDICATORS OF ENVOY TEXTILES LIMITED

Issuer's Financial Indicators & Ratios		--Year ended June 30--				
		(Months)	(06)	(12)	(12)	(12)
		HY2022	2021	2020	2019	2018
Earnings & Stability	(Mil. BDT)					
	Sales Revenue	5,507.6	8,665.3	8,176.8	9,118.5	7,558.4
	Sales Growth	n.a.	6.0%	10.3%	20.6%	24.34%
	CoGS as % of Sales	85.5%	85.1%	84.2%	81.4%	84.1%
	EBITDA	988.9	1,749.0	1,767.7	2,075.2	1,506.5
	EBITDA Growth	n.a.	-1.1%	14.8%	37.8%	15.0%
Profitability	EBITDA Margin	18.0%	20.2%	21.6%	22.8%	19.9%
	Net Profit after Tax	230.3	94.8	274.1	554.4	329.9
	Gross Profit Margin	14.5%	14.9%	15.8%	18.6%	15.9%
	Operating Profit Margin	11.8%	11.7%	12.4%	15.4%	12.1%
	Net Profit Margin	4.2%	1.1%	3.4%	6.1%	4.4%
	Return on Average Asset	n.a.	0.5%	-1.5%	3.1%	2.0%
Liquidity	Return on Average Equity	n.a.	1.5%	4.3%	8.7%	5.4%
	Current Ratio (x)	1.34	1.16	1.11	1.07	0.93
	Quick Ratio (x)	0.76	0.63	0.50	0.58	0.51
	Inventory - AR to TA	44.9%	41.1%	38.0%	36.2%	34.4%
	Net Working Capital to TA	40.5%	40.8%	36.8%	33.1%	24.2%
	Average Inventory Processing Period (Days)	n.a.	189	185	145	151
	Average Receivable Collection Period (Days)	n.a.	145	142	132	140
	Average Payable Payment Period (Days)	n.a.	11	23	58	67
	Operating Cycle (Days)	n.a.	334	327	277	291
	Cash Conversion Cycle (Days)	n.a.	323	304	219	224
Leverage & Capital Structure	Total Assets	19,583.1	18,649.6	18,010.4	17,791.6	17,464.6
	Total Equity	6,484.9	6,338.5	6,445.5	6,433.3	6,251.2
	Adjusted Equity	4,807.6	4,656.3	4,753.3	4,730.8	4,538.1
	Total Borrowed Fund	11,512.7	11,562.1	10,924.6	10,322.0	9,267.2
	Total Long Term Debt	5,752.3	4,895.5	4,855.1	4,811.9	4,443.9
	Financial Expenses	360.0	712.5	718.1	725.0	543.5
	Fund Flow from Operation (FFO)	581.7	841.2	1,036.7	1,251.9	935.5
	Cash Flow from Operation (CFO)	263.3	(145.9)	303.3	(615.8)	1,189.8
	Retained Cash Flow (RCF)	263.3	(347.6)	52.3	(579.7)	1,080.5
	Free Cash Flow (FCF)	127.7	(805.2)	(443.3)	(2,730.5)	(128.7)
	Total Liabilities to Equity (x)	2.02	1.94	1.79	1.77	1.79
	Borrowed Fund to Equity (x)	1.78	1.82	1.69	1.60	1.48
	Borrowed Fund to Adj. Equity (x)	2.39	2.48	2.30	2.18	2.04
	Borrowed Fund / EBITDA (x)	n.a.	6.61	6.18	4.97	6.15
	FFO/Borrowed Fund	5.1%	7.3%	9.5%	12.1%	10.1%
CFO/Borrowed Fund	2.3%	-1.3%	2.8%	-4.0%	12.8%	
RCF/Borrowed Fund	2.3%	-3.0%	0.5%	-5.6%	11.7%	
FCF/Borrowed Fund	1.1%	-7.0%	-4.1%	-26.5%	-1.4%	
Coverage	EBIT to Financial Expenses, TIER (x)	1.77	1.41	1.40	1.90	1.66
	FCF to Financial Expenses (x)	0.35	-1.13	-0.62	-3.77	-0.24
	(EBITDA-CAPEX) to Financial Expenses (x)	2.37	1.81	1.77	-0.10	0.55
	Debt Service Coverage, DSCR (x)	1.62	1.42	1.45	1.51	1.13

Source: Figures are based on Audited Financial Statements. Audited by Mahfil Haq & Co. Chartered Accountants (Unqualified)

Note: Calculation Considerations:

- EBIT = Net Profit + Tax + Financial Expenses. Adjusted Equity is adjusted with Revaluation Reserve
- Borrowed Fund = Long Term Loan Outstanding + Current Portion of Long Term Loan + Short Term Loan Outstanding
- Cash Flow from Operation is calculated as Net Profit after Tax plus Depreciation Expenses plus Net Changes in Working Capital (considering the net changes in all Current Assets and Current Liabilities excluding Cash & Cash Equivalents and Bank Loan Amounts).



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Managing Director & CEO
UCB Investment Limited

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CREDIT RATING AGENCY OF BANGLADESH LIMITED



10 April, 2022

Credit Rating Agency of Bangladesh Limited

DECLARATION

We, Credit Rating Agency of Bangladesh Limited, while assigning this rating to Non-Convertible, Transferable, Fully Redeemable Unsecured Zero Coupon Bond (up to BDT 2,000.00) of Envoy Textiles Limited declare that:

- We, Credit Rating Agency of Bangladesh Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- We have complied with all the requirements, policy and procedures of these rules as prescribed by the Securities and Exchange Commission vide letter No: SEC/CMRRCD/2001-27/01/Admin/01/40 dated 17 November 2009 in respect of this rating.

Yours Sincerely,

Mohammed Zubair Wafa
Managing Director

Tanzim Alamgir
Managing Director & CEO
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Annexure-V

Audited Financial Statements as on 12.31.2021


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M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd

Tanvir Ahmed
Managing Director


Tanzim Alamgir
Managing Director & CEO
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ENVOY TEXTILES LIMITED
AUDITED FINANCIAL STATEMENTS
As at and for the Interim Period
ended 31 December 2021


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

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Independent Auditor's Report To the Board of Directors of Envoy Textiles Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Interim financial statements of Envoy Textiles Limited (the "Company"), which comprise the Statement of Financial Position as at 31 December 2021 and along with the Statement of Profit or Loss and Other Comprehensive Income for the quarter and year-to-date period then ended, Statement of Changes in Equity and Statement of Cash Flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim financial statements give a true and fair view in conformity with International Accounting Standard "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB") is presented fairly, in all material respects, the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Interim Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the following notes of the financial statements,

- In note no. 6.00 Inventories & Stores, amount of Tk 3,379,784,734 for which we were unable to perform physical verification as on 31 December 2021, due to the fact that decision to audit Interim Financial Statements was taken later.

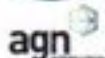
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.


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1. Revenue Recognition	
See note 25.00 to the financial statements	
Risk	Our Response to the Risks
<p>The company reported total revenue of BDT 5,507,584,827 as on 31 December 2021. Revenue increased by BDT. 1,694,753,877 over six-month period ending 31 December 2021, which shows 44.45% higher revenue compared to six-month period ending 31 December 2020. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the company's profitability, which has a consequent impact on its share price performance. Revenue is derived from export sales of Fabrics, Cotton Yarn and Others as disclosed in note 25.00 to the financial statements.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of incentives; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. • Our substantive procedures in relation to the revenue recognition comprises the following: • Obtaining supporting documentation for sales transactions recorded at the yearend date to determine whether revenue was recognized in the current period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
2. Existence and Valuation of Inventories	
See note 6.00 to the financial statements	
Risk	Our Response to the Risks
<p>The company had inventory of BDT 3,379,784,734 at 31st December 2021, held in warehouses. Inventory value is measured at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for value in use and working progress. The provision of Work in Progress is calculated within the company's accounting systems using an automated process. Where local systems require manual interfaces and inputs, there is a risk that inappropriate management override and/or error may occur.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of warehouses. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; and • challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory to assess whether provisions for slow-moving/obsolete stock are valid and complete, if any

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3. Trade and Other Receivable	
See note 8.00 to the financial statements	
<p>The company has reported BDT. 4,795,451,237 as Trade and Other receivable which includes both accounts receivable and Export Incentive receivable.</p> <p>The company is 100% export oriented which includes direct export through L/C and deemed export, therefore receivable confirmation is a material issue, which requires proper correspondence with debtors.</p> <p>The estimation of incentives recognized based on sales made during the year is material and considered to be complex and judgmental.</p>	<p>For trade receivables and the management's estimations for trade receivables, our key audit procedures included the following:</p> <ul style="list-style-type: none"> • We performed trade receivables balance confirmations for deemed export debtors; • We analyzed the aging of trade receivables; and • We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the interim financial statements of the Company and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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CFO
Envoy Textiles Ltd.

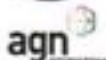
ENVOY TEXTILES LIMITED
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Tanzim Ahmed
Managing Director



Mahfel Huq & Co.
Chartered Accountants
The first registered accounting firm in independent Bangladesh

BGC Tower (4th Floor)
34, Tophkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
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E-mail: info@mahfelhuq.com
Web: www.mahfelhuq.com



An independent member firm of AGN International

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the interim financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matter, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 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 those books;
- the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- The expenditure incurred, except as noted above, were for the purpose of company business.

Md. Abdus Satter Sarkar, FCA
ICAB Enrollment No: 1522
Mahfel Huq & Co., Chartered Accountants
Firm Registration No. P-46323
DVC: N/A

Dhaka, 01 February 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tan Ahmed
Managing Director



ENVOY TEXTILES LIMITED

Statement of Financial Position

As at 31 December 2021

Particulars	Notes	Amount in Taka	
		31-Dec-21	30-Jun-21
ASSETS:			
Non-Current Assets		10,291,635,032	10,507,884,952
Property, Plant & Equipment	4.00	10,242,787,331	10,451,971,546
Intangible Assets	4.01	25,919,833	28,551,664
Machinery in Transit	5.00	22,327,867	23,361,742
Current Assets		9,292,849,213	8,141,718,568
Inventories & Stores	6.00	3,379,784,734	3,305,857,175
Materials in Transit	7.00	623,216,100	418,182,093
Trade and Others Receivable	8.00	4,795,451,237	3,940,079,043
Advance, Deposits & Prepayments	9.00	324,097,733	317,212,450
Investment	10.00	46,433,354	44,282,614
Cash and Cash Equivalents	11.00	123,066,055	116,105,193
Total Assets		19,583,084,245	18,649,603,520
EQUITY & LIABILITIES:			
Shareholders' Equity		6,484,545,039	6,338,511,184
Paid up Share Capital (Common Share)	13.00	1,677,347,670	1,677,347,670
Share Premium	14.00	1,120,000,000	1,120,000,000
Revaluation Surplus	15.00	1,677,376,785	1,682,215,316
Retained Earnings	16.00	2,010,220,584	1,858,946,198
Non-Current Liabilities		6,143,023,557	5,272,484,173
Long Term Loan	17.00	4,752,535,105	4,470,402,540
LC Accepted Liability	18.00	999,808,546	425,068,806
Deferred Tax Liability	24.00	390,679,906	377,012,828
Current Liabilities		6,955,115,649	7,038,608,163
Long Term Loan (Current Portion)	19.00	251,679,611	321,760,051
Short Term Liabilities	20.00	5,508,633,173	6,144,878,330
Accounts Payable	21.00	873,315,818	172,620,111
Provision for Expenses	22.00	175,865,243	87,162,108
Provision for Current Tax	23.00	145,621,804	114,187,564
Total Liabilities & Shareholders' Equity		19,583,084,245	18,649,603,520
NPV Per Share		38.66	27.79

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

Kutubuddin Ahmed
Chairman

Abdus Salam Mursheedy
Managing Director

Tanvir Ahmed
Director

M. Saiful Islam Chowdhury, FCS
Company Secretary

Saiful Islam, FCMA
Chief Financial Officer

Md. Abdes Satter Sarkar, FCA
ICAB Enrollment No: 1522
Mahfel Huq & Co., Chartered Accountants
Firm Registration No. P-46323
DVC: N/A

Dhaka, 01 February 2022



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textile

ENVOY TEXTILES LIMITED

M. Saiful Islam Chowdhury FCS
Company Secretary

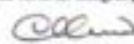
Envoy Textiles Ltd.


Tanvir Ahmed
Managing Director

ENVOY TEXTILES LIMITED
Statement of Comprehensive Income
For the period ended 31 December 2021

Particulars	Notes	Six Months Ended		Three Months Ended	
		Amount in Taka		Amount in Taka	
		31st Dec 2021	31st Dec 2020	31st Dec 2021	31st Dec 2020
Revenue	25.00	5,507,584,827	3,812,830,950	3,157,629,741	1,846,285,212
Less: Cost of Goods Sold	Schedule-A	4,708,160,253	3,217,744,650	2,669,069,159	1,526,707,544
Gross Profit		798,424,574	595,086,300	488,560,582	309,577,669
Less: Operating Expenses		148,637,277	135,658,228	67,821,291	62,494,737
Administrative & General Expenses	26.00	107,331,528	100,088,321	47,904,649	45,929,354
Selling & Distribution Expenses	27.00	41,305,749	35,569,907	19,916,642	16,565,383
Profit/ (Loss) from Operation		649,787,296	459,428,072	420,739,290	247,082,932
Less: Financial Expenses	28.00	360,036,412	350,226,125	191,813,830	181,406,410
Profit/ (Loss) after Financial Expenses		289,750,884	109,201,947	228,925,460	65,676,521
Add: Other Income / (Expenses)	29.00	1,521,800	299,616	536,395	235,700
Net Profit/ (Loss) before WPPF		291,272,684	109,501,563	229,461,855	65,912,221
Less: Workers Profit Participation Fund Expenses		13,870,128	5,214,360	10,826,755	3,138,677
Net Profit before Tax		277,402,556	104,287,202	218,635,100	62,773,544
Less: Provision for Current Tax		33,434,240	26,954,140	15,911,983	15,283,719
Less: Provision for Deferred Tax		13,667,078	15,566,635	6,945,091	7,457,503
Profit after Tax		230,301,239	61,766,427	195,778,026	48,032,322
Earnings Per Share (EPS)	32.00	1.37	0.37	1.17	0.24
Diluted Earnings Per Share		1.37	0.37	1.17	0.24

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

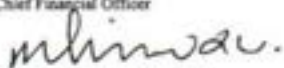

Kutubuddin Ahmed
Chairman


Abdu Salam Marshedy
Managing Director


Tanvir Ahmed
Director


M. Saiful Islam Chowdhury, FCS
Company Secretary


Saiful Islam, FCMA
Chief Financial Officer


Md. Abbas Satter Sarkar, FCA
ICAB Enrollment No. 1522
Mahfel Huq & Co., Chartered Accountants
Firm Registration No. P-46323
DVC: N/A

Dhaka, 01 February 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M. Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.


Tanvir Ahmed
Managing Director

ENVOY TEXTILES LIMITED
Statement of Changes in Equity
For the half year ended 31 December 2021

Particulars	Share Capital	Share Premium	Revaluation	Retained Earnings	Total Amount TAKA
	Taka	Taka	Taka		
Balance as at 01.07.2021	1,677,347,670	1,120,000,000	1,682,215,316	1,838,948,196	6,338,511,183
Net Profit During the Period	-	-	-	230,301,239	230,301,239
Declaration of Dividend-2020-21	-	-	-	(83,867,384)	(83,867,384)
Depreciation on Revaluation Surplus	-	-	(4,838,531)	4,838,531	-
Balance as at 31.12.2021	1,677,347,670	1,120,000,000	1,677,376,785	2,010,220,583	6,484,945,039


ENVOY TEXTILES LIMITED
Statement of Changes in Equity
For the half year ended 31 December 2021


Particulars	Share Capital	Share Premium	Revaluation	Retained Earnings	Total Amount TAKA
	Taka	Taka	Taka		
Balance as at 01.07.2020	1,677,347,670	1,120,000,000	1,682,199,373	1,955,931,164	6,445,478,207
Add: Net Profit During the Period	-	-	-	61,766,427	61,766,427
Payment of Preference Dividend	-	-	-	(18,000,000)	(18,000,000)
Less: Declaration of Dividend-2019-20	-	-	-	(83,867,384)	(83,867,384)
Less: Interim Dividend-2020-21	-	-	-	(83,867,384)	(83,867,384)
Depreciation on Revaluation Surplus	-	-	(4,992,028)	-	(4,992,028)
Balance as at 30.06.2020	1,677,347,670	1,120,000,000	1,687,207,344	1,831,963,824	6,326,517,838


Kutubuddin Ahmed
Chairman


Abdu Salam Mursheedy
Managing Director


Tanvir Ahmed
Director


M Saiful Islam Chowdhury, FCS
Company Secretary


Saiful Islam, FCMA
Chief Financial Officer

Dhaka, 01 February 2022




Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



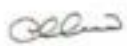
ENVOY TEXTILES LIMITED

Statement of Cashflows

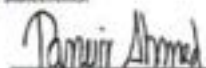
For the period ended 31 December 2021


Particulars	Notes	Amount in Taka	
		31-Dec-21	31-Dec-20
Cash Flow from Operating Activities: (A)			
Collection from Turnover and Others		4,650,296,128	3,848,441,533
Exchange Fluctuation Gain / (Loss)		3,438,305	12,666,457
Cash Payment to Creditors		(3,936,005,403)	(2,584,903,693)
Cash Payment for Operating Expenses		(73,218,443)	(127,328,118)
Income Tax Paid and Deducted at Source		(51,387,055)	(28,615,075)
Financial Expenses		(377,818,523)	(327,174,298)
Net Cash Provided by Operating Activities		215,305,007	792,086,806
Net Operating Cash Flow Per Share		1.28	4.73
Cash Flows from Investing Activities: (B)			
Acquisition of Fixed Assets		(135,604,663)	(598,131,060)
Investment		(2,150,740)	(25,888,011)
Machinery in Transit		1,033,875	68,510,498
Net Cash Used in Investing Activities		(136,721,528)	(555,508,573)
Cash Flows from Financing Activities: (C)			
Long Term Liabilities		1,151,665,600	4,192,646
Long Term Liabilities (Current Portion)		(270,080,439)	(306,032,876)
Preferential Share Capital		-	(40,000,000)
Short Term Liabilities		(931,038,451)	218,331,767
Payment of Cash Dividend		(22,169,326)	(101,762,114)
Net Cash Used in / Provided by Financing Activities		(71,622,616)	(212,270,577)
Net Decrease in Cash [A+B+C]		6,960,863	11,307,656
Add: Cash at the Opening		116,105,193	117,590,187
Cash at end of the Year	Note-11.00	123,066,055	129,897,843


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


 Kutubuddin Ahmed
 Chairman


 Abdus Salam Mursheedy
 Managing Director


 Tanvir Ahmed
 Director


 Saiful Islam, FCMA
 CFO


 M. Saiful Islam Chowdhury FCS
 Company Secretary

Dhaka, 01 February 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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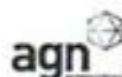
Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

 M. Saiful Islam Chowdhury FCS
 Company Secretary

Envoy Textiles Ltd.

 Tanvir Ahmed
 Managing Director



Envoy Textiles Limited
Notes to the Interim Financial Statements
For the Half year ended December 31, 2021

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 Statements

These are Interim Financial Statements of Envoy Textiles Limited for the Half year ended December 31, 2021 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, 2021. The accounting policies and presentation used are in consistent with those of the annual financial statements.

The financial statements are prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), 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 this half year ended December 31, 2021, Revenue increased by 44.45% as compared to the same period of the previous year due to increase of export order. The Europe and USA market, key consumers of Bangladeshi apparel, is responding well during this period. Resultantly, net profit after Tax increased by 272.86%.

At the end of the reporting period, Net operating cash flow per share decreased from Taka 4.73 to Taka 1.28 on account of increase in Accounts receivables against export bills collection and increase in purchase of raw materials inventory in compared to its consumption in production of finished goods.



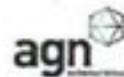
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
Risla
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Tanvir Ahmed
Tanvir Ahmed
Managing Director



3.1 Taxation

Income tax provision is made as per rate prevailing during that period specified by the Income Tax Ordinance 1984 u/s 82C (2) (b). Proper deferred tax assets / liabilities are calculated by the management in compliance with IAS-12.

3.2 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.

3.3 Statement of Cash Flows

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.

3.4 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 IAS-33: Earnings per share by dividing the basic earnings by the number of ordinary shares outstanding end of the period.

3.5 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.

3.6 Workers Profit Participation Fund

The company has charged @ 5.00% of net profit to workers profit participation fund for the Half year ended December 31, 2021.



Tanzim Alamgir
Managing Director & CEO
JCB Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
Ai Sone
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Tanvir Ahmed
Tanvir Ahmed
Managing Director



	Amount in Taka	
	31 Dec 2021	30 Jan 2021
4.00 Property, Plant & Equipment (WDV): Details have been shown in Annexure- "A"	10,242,787,331	10,455,971,546
4.01 Intangible Assets	25,919,833	28,551,664
5.00 Machinery in Transit		
Capital Machinery	22,327,867	23,361,742
Total	22,327,867	23,361,742
6.00 Inventories & Stores:		
6.01 Inventories:		
Packaging Material	30,581,731	31,914,383
Raw Materials-Yarn	464,440,126	388,792,493
Raw Materials-Cotton	505,536,617	980,412,368
Raw Materials-Chemicals	556,019,393	389,374,363
Finished Goods- Fabrics	1,077,170,017	904,629,425
Finished Goods- Yarn	173,703,580	120,006,257
Work in Process	455,830,249	377,095,677
Sub Total	3,263,281,713	3,192,224,966
6.02 Stores:		
Spare Parts & Accessories	116,503,020	113,632,209
Sub Total	116,503,020	113,632,209
Total	3,379,784,734	3,305,857,175
7.00 Material in Transit:		
Dyes & Chemical	86,838,186	80,437,710
Raw Yarn	169,621,850	102,748,514
Spare Parts	50,683,397	92,700,462
Raw Cotton	316,072,666	141,295,407
Total	623,216,100	418,182,093
8.00 Trade and Others Receivable		
Accounts Receivable (Note 8.01)	3,969,423,415	3,148,196,610
Export Incentive Receivable (Note 8.02)	826,021,994	790,908,023
Interest Receivable on FDR (Note 8.03)	5,827	974,411
Total	4,795,451,237	3,940,079,043
8.01 Accounts Receivable		
Opening Balance	3,148,196,610	2,157,409,268
Add: Addition During the Year	5,364,753,684	8,445,584,928
	8,512,950,293	10,602,994,196
Less: Realized During the Year	4,543,526,878	7,454,797,586
Closing Balance	3,969,423,415	3,148,196,610
8.02 Export Incentive Receivable:		
Opening Balance	790,908,023	774,806,237
Add: Addition During the Year	138,788,472	195,817,574
	929,696,494	970,623,812
Less: Realization During This Year	103,674,500	179,715,789
Total	826,021,994	790,908,023



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



		Amount in Taka	
		31 Dec 2021	30 Jun 2021
8.03	Interest Receivable on FDR	5,827	974,411
9.00	Advance, Deposits & Prepayments		
	Advance	19,819,585	64,377,166
9.01	Advance Tax and VAT	197,417,893	146,030,837
	Deposits	106,860,256	106,804,446
9.02	Total	324,097,733	317,212,450
9.01	Advance:		
	Advance Against Salary	689,983	815,398
	Advance Office Rent	255,000	255,000
	Advance to Driver against Fuel	192,000	192,000
	Advance to Employees	10,000	2,185,192
	Advance to Suppliers	12,117,000	55,201,423
	Advance to Department for Expenses	440,000	749,500
	Advance Against Purchase	6,115,602	4,978,653
	Sub Total	19,819,585	64,377,166
9.02	Advance Tax and VAT:		
	Advance Income Tax-Export	97,733,470	75,047,130
	Advance to Income Tax-Import	16,705,319	13,202,322
	Advance Income Tax-Incentive	42,532,829	32,165,379
	Advance Income Tax-Vehicle	3,739,000	2,945,000
	Advance Tax FDR	609,858	326,549
	Advance Tax STD/ Other Accounts	20,158	15,796
	Income Tax Paid in Advance	12,874,459	12,874,459
	Advance Payment of VAT- Import	23,202,801	9,454,202
	Sub Total	197,417,893	146,030,837
9.03	Deposits:		
	Bank Guaranty Margin	305,702	-
	Deposit for Electricity Connection	30,664,060	30,664,060
	Deposit for Gas Connection	58,607,421	58,607,421
	Deposit for Telephone Connection	10,000	10,000
	LC Margin Spare parts	1,001,410	2,152,165
	LC Margin-Machinery	14,537,521	13,732,658
	LC Margin- Yarn	116,000	-
	Security Deposits	1,618,142	1,618,142
	Sub Total	106,860,256	106,804,446
10.00	Investment:		
	Fixed Deposit (FDR)	46,433,354	44,282,614
	Total	46,433,354	44,282,614
11.00	Cash and Cash Equivalents		
	a) Cash in Hand	21,187,722	424,817

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited





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Amount in Taka	
31 Dec 2021	30 Jun 2021

b) Cash at Bank:

1 Agrani Bank-CD-335	12,648	813,493
2 Basic Bank-3963	282,276	284,542
3 Brac Bank Ltd. FC Account	63,238	62,866
4 Brac Bank Ltd.IPO.FC-8007	2,278	2,265
5 Brac Bank Ltd.IPO- FC-8003	146,480	145,618
6 Brac Bank Ltd.8006	10,861	310,861
7 Brac Bank Ltd. Dividend- 2012	291,514	34,405
8 Brac Bank Ltd. Supreme-8002	196,652	28,512
9 Commercial Bank of Ceylon CD- 16947	801,164	132,090
10 Dutch Bangla Bank Ltd ERQ. 124	23,802,523	3,093,577
11 Dutch Bangla Bank Ltd ERQ. 044	11,467,103	
12 Dutch Bangla Bank Ltd. SND- 842	1,854	42,200
13 Dutch Bangla Bank Ltd. 14502	21,812	2,207
14 Dutch Bangla Bank Ltd.- Dividend- 2013	657,651	3,766
15 HSBC Offshore Settlement- 005	77	6,871,184
16 HSBC Dividend- 2014	661	27,486
17 HSBC Dividend- 2015	29,805	2,263
18 HSBC ERQ- 047	9,996,559	18,773,526
19 Jamuna Bank FC Account	46,215	1,014,145
20 Jamuna Bank CD-16275	492,981	1,281,442
21 Midland Bank- 2291	8,624	8,624
22 Modhumoti Bank 832	186,289	
23 Mutual Trust Bank- CD- 6095	122,173	11,553
24 Mutual Trust Bank- FC Account	510,122	1,406,270
25 NRB Commercial Bank-495	4,000	4,000
26 Pubali Bank SND- 1901	44,325	44,770
27 Pubali Bank CD 999	1,725	
28 Premier bank-000002	95,635	45,839
29 Premier bank Dividend- 2016	36,090	588,122
30 Premier bank Dividend- 2017	29,900	581,437
31 Premier bank Dividend- 2018	11,510	523,721
32 Premier bank Dividend- 2019	631,549	766,612
33 Premier bank Dividend- 2020	155,548	226,251
34 Premier bank Interim Dividend- 2020-21	288,497	308,040
35 Premier bank- STD- 017	4	484
36 Pubali Bank EFCR AC-38	17,050,447	19,719,706
37 Pubali Bank Ltd STD-1275	18,458	157,974
38 SBAC-256	35,715	6,632
39 Margin Account- SCB- 01	-	3,141
40 Shimanto bank-1042	10,558,109	13,068
41 Southeastbank-1073	37,231	192
42 Southeast bank-ERQ 1381	18,387,929	21,766,178
43 Margin Account HSBC- 091	-	14,780,251
44 Margin Accounts Pubali Bank	9,448	172,544
45 Uttara Bank Ltd. ERQ- 670001	5,326,805	21,618,919
46 Uttara Bank Ltd. CD- 3004	3,850	
Sub Total	101,878,333	115,681,176

	12,648	813,493
	282,276	284,542
	63,238	62,866
	2,278	2,265
	146,480	145,618
	10,861	310,861
	291,514	34,405
	196,652	28,512
	801,164	132,090
	23,802,523	3,093,577
	11,467,103	
	1,854	42,200
	21,812	2,207
	657,651	3,766
	77	6,871,184
	661	27,486
	29,805	2,263
	9,996,559	18,773,526
	46,215	1,014,145
	492,981	1,281,442
	8,624	8,624
	186,289	
	122,173	11,553
	510,122	1,406,270
	4,000	4,000
	44,325	44,770
	1,725	
	95,635	45,839
	36,090	588,122
	29,900	581,437
	11,510	523,721
	631,549	766,612
	155,548	226,251
	288,497	308,040
	4	484
	17,050,447	19,719,706
	18,458	157,974
	35,715	6,632
	-	3,141
	10,558,109	13,068
	37,231	192
	18,387,929	21,766,178
	-	14,780,251
	9,448	172,544
	5,326,805	21,618,919
	3,850	
	101,878,333	115,681,176

Tanzim Alamgir
Managing Director & CEO
UCE Investment Limited



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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Tanzim Ahmed
Managing Director



	Amount in Taka		
	31 Dec 2021	30 Jun 2021	
Total	123,866,855	116,105,193	
12.00 Authorized Capital:			
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	
	4,000,000,000	4,000,000,000	
13.00 Paid up Share Capital (Common Share):			
167,734,767 Ordinary Shares of Tk.10 ^{/=} each.			
Particulars	Number of Share	Taka	Taka
Sponsors/Directors	76,453,883	764,538,830	764,538,830
General Shareholders (Individual)	16,397,228	163,972,280	209,559,300
General Shareholders (Institution)	74,777,204	747,772,040	702,146,680
Foreign Shareholders	106,452	1,064,520	1,102,860
Total	167,734,767	1,677,347,670	1,677,347,670
Paid up Share Capital (Preferential Share):			
36,000,000 Shares of Tk.10 ^{/=} each.			
Particulars	Number of Share	Taka	Taka
Preference Shareholders (Institution)	25,600,000	256,000,000	256,000,000
14.00 Share Premium:			
40,000,000 Ordinary Shares of Tk.13 ^{/=} each.		520,000,000	520,000,000
30,000,000 Ordinary Shares of Tk.20 ^{/=} each.		600,000,000	600,000,000
Total		1,120,000,000	1,120,000,000
15.00 Revaluation Surplus			
Opening Balance		1,682,215,316	1,692,199,373
Less: Depreciation on Revaluation Surplus		4,838,531	9,984,057
Closing Balance		1,677,376,785	1,682,215,316
16.00 Retained Earnings:			
Opening Balance		1,858,948,198	1,955,731,163
Add: Profit during the Period		230,301,239	94,767,745
Preference Share Dividend		-	(34,000,000)
Less: Declaration of Final Dividend		(83,867,384)	(83,867,384)
Less: Declaration of Interim Dividend 2020-21		-	(83,867,384)
Add: Depreciation on Revaluation Surplus		4,838,531	9,984,057
Closing Balance		2,010,220,584	1,858,948,198
17.00 Secured Loan:			
1 DBBL Term Loan		303,123,934	295,121,775
2 Southeast Bank- Offshore Term Loan		92,347,529	140,101,392
3 Modhumoti Bank - Term Loan		247,282,721	-
4 IDLC Finance Ltd		112,703,500	124,233,454
5 MTBL Offshore Term Loan		37,793,348	75,569,085
6 Pubali Bank Ltd. Project Loan		459,282,647	476,488,215
7 Southeast Bank Ltd.-Term Loan		795,067,993	788,014,958



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Tanvir Ahmed
Managing Director



Mahfel Huq & Co.
Chartered Accountants
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	Amount in Taka	
	31 Dec 2021	30 Jun 2021
8 Series Zero Coupon Bond	112,879,053	136,995,535
9 Preference Share	256,000,000	256,000,000
10 DBBL CC- 043	201,959,676	189,688,650
11 HSBC- OD Account- 011	87,512,997	25,428,515
12 MTBL SOD- 0084	2,259,728	14,750,030
13 Premier Bank Ltd- OD- 08	77,890,328	98,660,949
14 Pubali Bank Ltd. -CC-371	555,547,274	645,026,317
15 Southeast Bank CC-538	203,693,315	248,555,105
16 Uttara Bank CC-630-31-79	290,057,870	294,793,294
17 DBBL- RSTL	917,133,191	613,470,952
18 Standard Chartered-CC- 911-01	-	47,504,294
Total	4,752,535,105	4,470,402,540
18.00 LC Accepted Liability :		
Southeast Bank UPAS- Machinery	644,832,628	294,810,996
Pubali Bank Ltd. -UPAS- Machinery	354,975,918	130,248,810
Total	999,808,546	425,068,806
19.00 Secured Loan (Current Portion):		
HSBC- Offshore Term Loan -3	-	18,400,828
Pubali Bank Ltd. Project Loan	47,648,822	95,297,643
DBBL Term Loan	36,890,222	73,780,444
Southeast Bank Ltd.-Term Loan	78,801,496	157,602,992
Southeast Bank- Offshore Term Loan	35,025,348	70,050,696
IDLC Finance Ltd	15,529,182	31,058,364
MTBL- Offshore Term Loan	37,784,542	75,569,085
Total	251,679,611	521,760,051
20.00 Short Term Liabilities:		
1 Commercial Bank of Ceylon- RSTL	253,743,056	-
2 EDF-Bank of Ceylon	-	206,882,139
3 EDF - DBBL	260,604,058	269,883,555
4 EDF - HSBC	397,812,201	776,891,849
5 EDF - Jamuna Bank	-	16,704,786
6 EDF - MTBL	-	30,175,315
7 EDF - Pubali Bank Ltd.	697,726,829	697,893,621
8 EDF - Southeast Bank Ltd.	106,427,880	212,569,240
9 EDF - Uttara Bank Ltd.	173,737,320	381,226,041
10 HSBC Offshore IBP	118,969,285	115,154,574
11 HSBC - RSTL	148,292,000	568,779,367
12 MTBL- RSTL	152,854,565	61,166,667
13 Pubali Bank Ltd.- IBP	235,331,000	99,379,000
14 Pubali Bank Ltd.- STL	643,294,681	276,199,293
15 SBAC Bank RSTL	714,938,825	-
16 Standard Chartered-CC- 911-01	(4,091)	-
17 ShimantoBank RSTL	510,379,502	-
18 Southeast Bank RSTL	356,819,691	461,937,496
19 Stimulation Loan Package	130,185,173	1,146,586,356
20 Uttara Bank -RSTL	607,511,200	549,948,629
Total	5,508,633,173	6,144,878,330



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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
Saiful
M Saiful Islam Chowdhury, FCS
Company Secretary

Envoy Textiles Ltd.
Rau Ahmed
Rauvir Ahmed
Managing Director

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		Amount in Taka	
		31 Dec 2021	30 Jun 2021
21.00	Accounts Payable:		
	Opening Balance	144,970,026	257,126,798
	Add: Purchase during the Year	3,530,278,150	4,640,609,156
		3,675,248,176	4,897,735,954
	Less: Payment During the Year	3,417,528,401	4,752,765,927
	Closing Balance	257,719,775	144,970,026
	Add: LC Accepted Liability:		
	HSBC - UPAS	615,596,043	27,550,085
	Total-	873,315,817.95	172,620,111
22.00	Provision for Expenses:		
	This consists of as follows:		
	Liabilities for Expenses	22.01 63,443,122	47,419,232
	Liabilities for Other Finance	22.02 41,129,067	30,147,878
	Unclaimed Dividend	22.03 71,293,055	9,594,997
		175,865,243	87,162,108
22.01	Liabilities for Expenses:		
	Gas Bill Payable	37,484,500	27,553,801
	Audit Fees Payable	-	230,000
	WPPF Payable	12,018,494	5,137,001
	WPPF Payable- 2021-22	13,870,128	14,498,430
	Total	63,443,122	47,419,232
22.02	Liabilities for Other Finances:		
	TDS Payable Salary	4,452,120	-
	With holding Tax Payable	14,148,640	-
	With holding VAT Payable	1,805,681	-
	Interest Payable on Bank Loan	2,396,868	20,178,981
	Advance against Sales	18,259,758	7,308,284
	Others Payable	-	1,700,232
	Deposit against IPO Subscription	66,000	960,381
	Total	41,129,067	30,147,878
22.03	Unclaimed Dividend:		
	Unclaimed Dividend- 2011	-	124,171
	Unclaimed Dividend- 2012	-	1,636,708
	Unclaimed Dividend- 2013	-	1,698,556
	Unclaimed Dividend- 2014	-	1,764,964
	Unclaimed Dividend- 2015	-	1,600,547
	Unclaimed Dividend- 2016	-	582,877
	Unclaimed Dividend- 2017	-	576,278
	Unclaimed Dividend- 2018	-	520,896
	Unclaimed Dividend- 2019	383,856	523,013
	Unclaimed Dividend- 2020	193,813	225,007
	Unclaimed Interim Dividend- 2021	70,715,386	341,580
	Total	71,293,055	9,594,997





Amount in Taka	
31 Dec 2021	30 Jun 2021

22.04 Amount Transferred to Capital Market Stabilization Fund:
In compliance with the condition 3(vii) of BSEC Directive no. BSEC/CMRRCD/2021-385/03 dated: 14th January 2021

	No. of Recipients		
Unclaimed IPO Subscription Amount	141	894,381	-
Unclaimed Dividend- 2011	11	124,171	-
Unclaimed Dividend- 2012	2,365	1,603,005	-
Unclaimed Dividend- 2013	2,829	1,211,571	-
Unclaimed Dividend- 2014	3,461	1,733,834	-
Unclaimed Dividend- 2015	1,933	1,552,238	-
Unclaimed Dividend- 2016	645	546,787	-
Unclaimed Dividend- 2017	1,222	551,432	-
Unclaimed Dividend- 2018	1,358	492,545	-
Total amount Transferred to CMSF		8,709,964	-

23.00 Provision for Current Tax:		
Opening Balance	112,187,564	57,965,063
Add: Addition during the Year	33,434,240	54,222,501
	145,621,804	112,187,564
Less: assessment Cleared	-	-
Closing Balance	145,621,804	112,187,564

24.00 Deferred Tax Liability:		
Opening Balance	377,012,828	236,034,468
Add: Addition during the Year	13,667,078	140,978,360
	390,679,906	377,012,828



Tanzim Alamgir
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CFO
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ENVOY TEXTILES LIMITED

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Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director



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Amount in Taka	
31 Dec 2021	30 Jun 2021

25.00 Revenue:

Export Sale of Fabrics	4,626,282,388	2,655,656,608
Export Sale of Cotton Yarn	713,753,148	1,008,864,507
Export Sale of Dyed Yarn	24,718,148	39,363,586
Foreign Exchange Fluctuation Loss or Gain	3,438,305	12,666,457
Sample sales	604,366	988,481
Stock Fabric Sales	-	2,343,330
Export Incentive	138,788,472	92,947,981
Total	5,567,584,827	3,812,830,950

26.00 Administrative & General Expenses:

Salary, Allowance and Bonus	25,530,596	28,591,401
Audit Fees	17,250	313,869
Annual Subscription	14,640	129,710
Bank Charges and Commission	17,037,778	11,410,487
Bank Excise Duty	4,925,228	3,972,383
BTMA Certification Expenses	394,250	446,325
Directors' Remuneration	9,540,000	13,290,000
CSR Expenses	2,836,210	1,385,676
Electricity	3,006,451	1,066,271
Employee Retirement Benefit	5,792,754	5,951,378
Entertainment Expenses	680,342	906,641
Fuel Expenses	1,624,497	1,902,924
Incentive Return	305,702	-
Insurance Premium	4,809,304	1,559,183
License and Renewal fees	1,105,475	536,907
Medical Bill- HO	709,885	2,220,429
Employees Other Benefit	-	376,497
Office Expenses	1,395,637	1,354,857
Refreshment H/O	362,993	389,025
Security and Protection	1,637,587	600,000
Printing & Stationery	341,320	435,980
Rent Rate & Taxes	715,394	1,040,700
Repair & Maintenance admin	809,806	861,864
Share Management Expenses	-	290,164
Software Maintenance	950,000	1,415,075
Stamp, Postage & Courier	1,380,878	807,666
Surveillance Fees	145,125	134,528
Travelling & Conveyance Expenses	-	851,945
Telephone and Mobile Bill	1,716,042	1,733,607
Training & Development Expenses	239,200	-
Vehicle Maintenance Expenses	699,096	995,612
VAT Deposit	503,037	-
Wasa Bill	481,196	162,970
Depreciation	17,623,855	14,954,246
Total	107,331,528	100,868,320



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Tanzim Alamgir
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Tanzim Alamgir
Managing Director

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27.00 Selling & Distribution Expenses:

Salary, Allowance and Bonus	30,789,039	25,309,938
Advertisement	253,091	148,287
Business Promotion	1,370,964	629,521
Conveyance Marketing	319,562	317,869
Entertainment-MKT	321,349	226,395
Freight Charge- Direct Export	680,484	1,431,017
Fuel Expenses-Mkt	581,062	290,527
Hong Kong Office Expenses	6,218,500	6,497,500
Vehicle Maintenance-Distribution	496,666	317,946
Sample Production Expenses	275,032	400,907
Total	41,305,749	35,569,907

28.00 Financial Expenses:

Dividend on Preference Share	12,800,000	-
Interest on Brac Bank Offshore Term	-	9,769,570
Interest on DBBL Term Loan	9,214,146	20,669,472
Interest on HSBC BDT Term Loan	-	26,157
Interest on HSBC Offshore Term Loan	89,080	3,251,182
Interest on IDLC	2,858,592	-
Interest on MTBL Offshore Term Loan	3,144,008	7,542,177
Interest on Pubali Bank Ltd- Term Loan	22,287,524	35,153,181
Interest on Series JCB	16,124,388	17,537,665
Interest on Southeast Bank- Term Loan	25,810,257	42,893,488
Interest on Southeast Bank Off- Term Loan	4,814,500	3,693,948
Interest on Offshore- IBP	5,974,239	2,524,981
Interest on Brac Bank Ltd- OD	-	201,157
Interest on DBBL-CC	7,625,057	8,239,100
Interest on DBBL STL	38,252,061	12,031,216
Interest on EDF-DBBL	2,432,039	5,751,510
Interest on HSBC- EDF	8,373,245	8,013,134
Interest on JBL- EDF	409,429	3,517,509
Interest on MTBL- EDF	3,691,124	-
Interest on -Pubali Bank Ltd- EDF	9,433,931	3,863,710
Interest on Southeast Bank - EDF	2,234,444	2,227,645
Interest on EDF-Uttara Bank	3,953,934	7,504,375
Interest on HSBC- OD	3,084,635	3,895,590
Interest on HSBC- RL	9,243,946	20,149,746
Interest on MTBL- SOO	391,014	2,566,544
Interest on MTBL-STL	6,937,325	5,853,028
Interest on -Pubali Bank Ltd- CC-37	24,149,073	30,135,544
Interest on -Pubali Bank Ltd- TOD	21,097,274	3,182,345
Interest on -Premier Bank Ltd- CC	4,419,966	4,621,331
Interest on SCB- CC	1,009,263	2,153,150
Interest on SCB- RL	-	4,975,000
Interest on Shimanto Bank-STL	13,599,873	10,628,709
Interest on SBAC Bank-STL	22,627,675	-
Interest on Southeast Bank-STL	30,098,614	12,800,528
Interest on Southeast Bank-CC	8,628,655	5,745,563
Interest on Stimulus Package	-	-



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Envoy Textiles Ltd.

 Tanzim Ahmed
 Managing Director



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Interest on HSBC- UPAS	456,981	9,780,326
Interest on PBL- UPAS	896,827	1,015,491
Interest on Uttara Bank- CC	12,112,157	13,034,194
Interest on Uttara Bank- STL	21,761,135	24,277,858
Total	360,836,412	390,226,124
29.00 Other Income and Expenses:		
Interest Income	1,521,800	299,616
Total	1,521,800	299,616
30.00 Basic Earnings Per Share (ESP):		
Profit After Tax	230,301,239	61,766,427
Number of Shares Outstanding	167,734,767	167,734,767
Earnings Per Share (EPS)	1.37	0.37
Diluted Earnings Per Share	1.37	0.37
31.00 Factory Overhead:		
Salary, Allowance and Bonus	114,781,972	232,447,377
C & F expenses	2,664,575	6,401,102
Chiller Maintenance	-	362,910
Conveyance-Factory	80,670	142,056
Electricity Expenses	147,498,673	467,216,663
Entertainment	2,107,684	1,678,251
Fuel, Oil & Lubricant	9,614,274	9,283,538
Gas Bill	191,849,805	279,892,070
Itary Expenses	-	1,635,918
Fuel for Machinery	7,177,426	2,932,432
Insurance Premium	-	3,837,219
Medical & Medicine Expenses	3,166,288	480,185
Agro Project-Expenses	607,680	405,299
Other Benefit	684,684	659,308
Overtime-Production	18,819,885	27,202,061
Painting Expenses	1,718,469	1,586,651
Spare Parts- Generator	11,340,602	7,679,213
Spare Parts Production Machinery	130,102,660	111,961,453
Factory Maintenance Expenses	23,506,562	7,661,743
Fire Fighting Expenses	1,061,527	1,563,279
Sample Washing and Making Cost	1,257,721	6,327,302
Security and Protection-Factory	4,708,362	10,817,698
Site Expenses	-	163,903
Stationery-Factory	1,780,141	893,473
Telephone, Mobile and Internet bill Factory	1,516,503	2,895,423
Test and Examination	2,781,459	2,432,301
Travelling & Conveyance	848,352	754,024
Uniform	617,798	895,253
Vehicle Maintenance Expenses	1,617,990	1,475,310
Worker Free Tiffin	178,996	5,330,367
Worker Free Fooding	14,553,663	32,755,828
Depreciation	333,796,853	709,821,665
Total	1,038,441,275	1,934,591,276



Tanzim Alamgir
Managing Director & CEO
TCE Investment Limited



32.00 Related party Disclosure under IAS-24:

32.01 During the period from July 01, 2021 to December 31, 2021 following transactions incurred with related party as per IAS-24 Para-21 in the form of Sales of Finished goods against export I.C.

Particulars	Opening	Addition	Adjustment/ Realized	Balance
M/S Envoy Fashion Ltd.	14,561,734	7,967,450	14,561,734	7,967,450
M/S Epoch Garments Ltd.	24,334,928	4,540,700	24,334,928	4,540,450
M/S Manta Apparel Ltd.	118,151,879	166,598,626	87,850,191	196,900,310
M/S Otto Apparel Ltd.	601,640	497,250	601,640	497,250
Total-	187,650,181	179,604,026	127,386,746	299,867,460

32.02 Related party disclosure as per IAS-24 Para-17 regarding Key management personnel compensation:

(a) Short-Term Employee Benefits:	Monthly Salary
	Two Festival Bonus
	Medical assistance for own and Family
	Earn Leave encashment as per Labor Law- 2006, Amended 2016.
	Profit participation as company act- 1994
(b) Post-Employment Benefits:	Contributory Provident Fund @ 8.33% of Basic Salary.
	Long term service benefit.
(c) Other Long-Term Benefits:	Group Insurance Policy with Fareast Life Insurance Co.
(d) Termination Benefits:	As per Labor Law- 2006, Amended 2016.
(e) Share-Based Payment:	Nil

32.03 Disclosures under Para 8 of schedule XI part II of the Companies Act, 1994.
Transaction in Foreign Currency

Particulars	Amount in Taka
CIF value of import:	
1. Raw Materials	
(a) Yarn	1,039,235,428
(b) Cotton	1,621,432,581
(c) Dyes & Chemicals	841,877,147
2. Accessories / Spare Parts	141,443,262
3. Capital Machinery	48,618,437
Total CIF value of import:	3,692,626,856
FOB value of Export	5,364,753,684

32.04 Net Asset Value (NAV) Per Share:

	Amount in Taka	
	31st Dec 2021	30th June 2021
Total Assets	19,583,084,244	18,649,603,520
Less: Total Liabilities	13,098,139,205	12,311,092,337
A. Net Assets Value	6,484,945,039	6,338,511,184
B. Total Number of Share Outstanding	167,734,767	167,734,767
Net Asset Value (NAV) Per Share (A/B):	38.66	37.79



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



32.05 Earnings Per Share (EPS):

Profit After Tax
Number of Shares Outstanding
Earnings Per Share (EPS)
Diluted Earnings Per Share

Amount in Taka	
31st Dec 2021	30th Sep 2020
230,301,239	61,766,427
167,734,767	167,734,767
1.37	0.37
1.37	0.37

**32.06 Clause No. 5 (2) (c) of Notification No. BSEC/CMRCD/2006-158/206/Adm/81, Dated: 20 June 2018:
Reconciliation of Net Operating Cash Flow under Indirect Method:**

Particulars	31st Dec 2021	30th Sept 2020
Net Profit after TAX	230,301,239	61,766,427
Depreciation	351,420,709	371,891,908
Increase (Decrease) of Account Payable	700,695,707	(383,656,333)
Increase (Decrease) of Provision for Expenses	27,005,077	35,186,030
Increase (Decrease) of Provision for Tax	47,101,318	42,520,775
(Increase) Decrease of Inventory	(73,927,558)	533,028,334
(Increase) Decrease of Transit	(205,034,007)	111,577,048
(Increase) Decrease of Accounts Receivable	(855,372,193)	47,977,425
Advance, Deposits & Prepayments	(6,885,284)	(27,204,809)
Net Cash Provided by Operation Activities	215,305,807	793,886,886

Net Operating Cash Flow Per Share 1.28 4.73

32.07 Authorized Capital:

275,000,000 Ordinary shares of Tk. 10⁰⁰ each.
125,000,000 Redeemable Preference Shares of Tk. 10⁰⁰ each.

	31st Dec 2021	30th June 2021
275,000,000 Ordinary shares of Tk. 10 ⁰⁰ each.	2,750,000,000	2,750,000,000
125,000,000 Redeemable Preference Shares of Tk. 10 ⁰⁰ each.	1,250,000,000	1,250,000,000
	4,000,000,000	4,000,000,000

32.08 Composition of Shareholding (Issued, Subscribed and Paid up Share Capital):

167,734,767 Ordinary Shares of Tk. 10⁰⁰ each.

Particulars	31st Dec 2021		30th June 2021	
	Number of Share	Taka	Number of Share	Taka
Sponsors/Directors	76,453,883	764,538,830	76,453,883	764,538,830
General Shareholders (Individual)	6,649,895	66,498,950	16,397,228	163,972,280
General Shareholders (Institution)	84,527,011	845,270,110	74,777,204	747,772,040
Foreign Shareholders	101,978	1,019,780	106,452	1,064,520
Total	167,734,767	1,677,347,670	167,734,767	1,677,347,670

32.09 Paid up Share Capital (Preference Share)

	31st Dec 2021	30th June 2021
	256,000,000	256,000,000



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED
Schedule of Property, Plant & Equipment
As at 31 December 2021

Particulars	C O S T I N V E S T M E N T					D E P R E C I A T I O N					W E A R A N D T E A R				
	Balance as at 01.01.2021	Additions during the year	Total as at 31.12.21	Residual Value as at 31.12.21	%	Balance as at 01.01.2021	Charge during the year	Total as at 31.12.21	Balance as at 31.12.21	%	Balance as at 01.01.2021	Charge during the year	Total as at 31.12.21	Balance as at 31.12.21	%
1. Building Assets	1,036,992,207	-	1,036,992,207	1,036,992,207	7%	113,052,000	31,776,000	144,828,000	1,094,942,206	85.17%	80,176,000	3,094,942,206	3,175,118,000	1,075,032,000	85.07%
2. Free Asset (Office & Staff quarters)	80,176,000	5,363,800	85,539,800	85,539,800	7%	80,176,000	3,175,700	83,351,700	88,714,500	7%	80,176,000	15,975,300	96,151,300	96,151,300	7%
3. Plant & Equipment (Office)	391,208,070	15,458,500	406,666,570	406,666,570	7%	391,208,070	2,048,000	393,256,070	404,304,070	7%	391,208,070	2,048,000	393,256,070	393,256,070	7%
4. Plant & Equipment (Factory)	292,564,830	3,078,300	295,643,130	295,643,130	10%	292,564,830	8,635,435	301,200,265	300,478,070	10%	292,564,830	8,635,435	301,200,265	301,200,265	10%
5. Furniture and fixtures	80,975,342	2,482,500	83,457,842	83,457,842	10%	80,975,342	2,500,000	83,475,342	83,475,342	10%	80,975,342	2,500,000	83,475,342	83,475,342	10%
6. Land and Land Development	170,972,000	2,473,200	173,445,200	173,445,200	10%	170,972,000	-	170,972,000	173,445,200	10%	170,972,000	-	170,972,000	173,445,200	10%
7. Machinery & Equipment	8,114,713,200	48,149,500	8,162,862,700	8,162,862,700	10%	8,114,713,200	30,608,000	8,145,321,200	8,162,862,700	10%	8,114,713,200	30,608,000	8,145,321,200	8,162,862,700	10%
8. Motor Vehicle	30,828,500	-	30,828,500	30,828,500	10%	30,828,500	1,000,000	31,828,500	31,828,500	10%	30,828,500	1,000,000	31,828,500	31,828,500	10%
9. Office Equipment	100,233,267	312,000	100,545,267	100,545,267	10%	100,233,267	312,000	100,545,267	100,545,267	10%	100,233,267	312,000	100,545,267	100,545,267	10%
10. Motor Vehicle	113,645,000	84,000	113,729,000	113,729,000	10%	113,645,000	84,000	113,729,000	113,729,000	10%	113,645,000	84,000	113,729,000	113,729,000	10%
11. Motor Vehicle	238,681,000	6,072,500	244,753,500	244,753,500	10%	238,681,000	6,072,500	244,753,500	244,753,500	10%	238,681,000	6,072,500	244,753,500	244,753,500	10%
12. Motor Vehicle	200,262,000	84,100,000	284,362,000	284,362,000	10%	200,262,000	84,100,000	284,362,000	284,362,000	10%	200,262,000	84,100,000	284,362,000	284,362,000	10%
Net Total	13,847,273,000	107,980,000	13,955,253,000	13,955,253,000		13,847,273,000	143,710,000	13,990,983,000	13,990,983,000		13,847,273,000	143,710,000	13,990,983,000	13,990,983,000	

ENVOY TEXTILES LIMITED
Schedule of Property, Plant & Equipment
As at 31 December 2021

Particulars	C O S T I N V E S T M E N T					D E P R E C I A T I O N					W E A R A N D T E A R				
	Balance as at 01.01.2021	Additions during the year	Total as at 31.12.21	Residual Value as at 31.12.21	%	Balance as at 01.01.2021	Charge during the year	Total as at 31.12.21	Balance as at 31.12.21	%	Balance as at 01.01.2021	Charge during the year	Total as at 31.12.21	Balance as at 31.12.21	%
1. Furniture and other tangibles	80,176,000	5,363,800	85,539,800	85,539,800	10%	80,176,000	3,175,700	83,351,700	88,714,500	10%	80,176,000	15,975,300	96,151,300	96,151,300	10%
Net Total	13,847,273,000	107,980,000	13,955,253,000	13,955,253,000		13,847,273,000	143,710,000	13,990,983,000	13,990,983,000		13,847,273,000	143,710,000	13,990,983,000	13,990,983,000	

Particulars	Balance as at 01.01.2021	Additions during the year	Total as at 31.12.21	Residual Value as at 31.12.21	%
Plant & Equipment	391,208,070	15,458,500	406,666,570	406,666,570	7%
Machinery & Equipment	8,114,713,200	48,149,500	8,162,862,700	8,162,862,700	10%
Motor Vehicle	113,645,000	84,000	113,729,000	113,729,000	10%
Office Equipment	100,233,267	312,000	100,545,267	100,545,267	10%
Total	13,847,273,000	107,980,000	13,955,253,000	13,955,253,000	



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

ENVOY TEXTILES LIMITED
Chirine
Ms Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.
Ray Ahmed
Ray Ahmed
Managing Director



ENVOY TEXTILES LIMITED

Statements of Cost of Goods Sold
For the period ended 31 December 2021

Particulars	Notes	Schedule-A	
		TAKA 31st Dec 2021	TAKA 30th Jun 2021
Opening Stock of Raw Material		1,790,493,607	2,154,647,337
a) Yarn		388,792,493	500,846,718
b) Cotton		980,412,368	1,203,176,555
c) Chemical		389,374,363	423,704,053
d) Packaging Materials		31,914,383	26,920,011
Add: Purchase During the Year		3,530,278,150	4,048,609,156
a) Yarn		1,039,255,428	463,312,491
b) Cotton		1,621,432,581	3,252,956,301
c) Chemical		841,877,147	868,388,941
d) Packaging Materials		27,712,993	55,951,423
Raw Material Available for Use		5,320,771,757	6,795,256,493
Less: Closing Stock of Raw Material		1,556,577,868	1,770,493,607
a) Yarn		464,440,126	388,792,493
b) Cotton		505,536,617	980,412,368
c) Chemical		556,019,393	389,374,363
d) Packaging Materials		30,581,731	31,914,383
Direct Material Consumed		3,764,193,889	5,004,762,886
a) Yarn		963,607,793	775,366,716
b) Cotton		2,096,308,332	3,475,720,488
c) Chemical		673,232,117	902,718,631
d) Packaging Materials		29,045,645	50,957,051
Add: Direct Labour/ Wages		219,497,576	393,061,772
Prime Cost		3,983,691,465	5,397,824,658
Manufacturing Overhead			
Total Factory Overhead	31.00	1,836,441,275	1,934,591,276
Cost of production		5,814,132,740	7,332,415,933
Add: Opening Work in Process		377,095,677	373,760,731
Less: Closing Work in Process		455,830,249	377,095,677
Cost of Goods Manufactured		4,935,398,167	7,329,081,008
Add: Opening Stock of Finished Goods		1,024,635,682	1,073,414,300
		5,960,033,850	8,402,495,308
		1,250,873,597	1,024,635,682
		4,709,160,253	7,377,859,626



Tanzim Alamgir
Managing Director & CEO
UCE Investment Limited

Annexure-VI

Audited Financial Statements as on 06.30.2021


Tanzim Alamgir
Managing Director & CEO
UCE Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED


M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.


Tanvir Ahmed
Managing Director

ENVOY TEXTILES LIMITED
AUDITED FINANCIAL STATEMENTS
As at and for the year ended 30 June 2021


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

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Tanzim Alamgir
Managing Director & CEO
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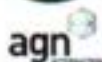
M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director



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**Independent Auditor's Report
To the Shareholders' of Envoy Textiles Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Envoy Textiles Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2021 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements is present fairly, in all material respects, the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended 30 June 2021 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following notes:

- Note no. 4.15 and 24.01 the company has kept BDT 19,635,431 as provision for 20% liability for payment in Welfare fund and Workers Welfare Foundation Fund.
- Note no. 4.02, the last revaluation on Property, plant and equipment was performed on 2010 by an Independent valuer.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition	
See note 26.00 to the financial statements	
Risk	Our Response to the Risks
At year end, the company reported total revenue of BDT 8,665,304,750 Revenue is measured including incentives by customers on the company's sales. Within a number of the company's markets, the estimation of incentives recognized based on sales made during	We have tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"> • Calculation of incentives; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition.

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Managing Director & CEO
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CFO
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ENVOY TEXTILES LIMITED

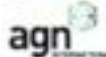
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<p>the year is material and considered to be complex and judgmental.</p> <p>We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the company's profitability, which has a consequent impact on its share price performance.</p>	<p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded at the yearend date to determine whether revenue was recognized in the current period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
---	--

2. Existence and Valuation of Inventories	
See note 9.01 to the financial statements	
Risk	Our Response to the Risks
<p>The company had inventory of BDT 3,192,224,966 at 30th June 2021, held in warehouses.</p> <p>Inventory value is measured at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for value in use and working progress.</p> <p>The provision of Work in Progress is calculated within the company's accounting systems using an automated process. Where local systems require manual interfaces and inputs, there is a risk that inappropriate management override and/or error may occur.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of warehouses. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; and • challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory to assess whether provisions for slow-moving/obsolete stock are valid and complete, if any

3. Trade and Other Receivable	
See note 10.00 to the financial statements	
<p>The company has reported BDT. 3,940,079,043 as Trade and Other receivable which includes both accounts receivable and Export Incentive receivable.</p> <p>The company is 100% export oriented which includes direct export through L/C and deemed export, therefore receivable confirmation is a material issue, which requires proper correspondence with debtors.</p>	<p>For trade receivables and the management's estimations for trade receivables, our key audit procedures included the following:</p> <ul style="list-style-type: none"> • We performed trade receivables balance confirmations for deemed export debtors; • We analyzed the aging of trade receivables; and • We obtained a list of long outstanding receivables

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Envoy Textiles Ltd.

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The estimation of incentives recognized based on sales made during the year is material and considered to be complex and judgmental.

and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

Legal and Regulatory Matters

We focused on this area because the company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

Overall, the legal provision represents the company's best estimate for existing legal matters that have a probable and estimable impact on the company's financial position.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the legal provision and contingencies process.

We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the company's provisions and contingent liabilities disclosure.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the company.

Tanzim Alamgir
Managing Director & CEO
ITC Investment Limited

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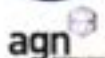
ENVOY TEXTILES LIMITED
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Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

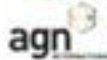
Tanzim Alamgir
Managing Director



Mahfel Huq & Co.
Chartered Accountants

The first registered accounting firm in independent Bangladesh

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, International Financial Reporting Standard (IFRS) and other applicable laws and regulations, we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 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 those books;
- the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- the expenditures incurred were for the purpose of the Company's business for the year;

Dhaka, 11 October 2021

Md. Abdus Satter Sarkar, FCA
ICAB Enrollment No. 1522
Mahfel Huq & Co., Chartered Accountants
Firm Registration No. P-46323
DVC: 211021152AS38256

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

By Saiful Islam Chowdhury, FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

ENVOY TEXTILES LIMITED
Statement of Financial Position
As at 30 June 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
ASSETS:			
Non-Current Assets		10,507,884,953	10,885,108,636
Property, Plant & Equipment	6	10,455,971,547	10,737,647,479
Intangible Assets	7	28,551,664	35,689,579
Machinery in Transit	8	23,361,742	71,771,578
Current Assets		8,141,718,567	7,142,815,698
Inventories & Stores	9	3,724,039,268	3,911,199,890
Trade and Others Receivable	10	3,940,079,043	2,933,391,302
Advance, Deposits & Prepayments	11	317,212,449	181,922,652
Investment	12	44,282,614	17,931,667
Cash and Cash Equivalents	13	116,105,193	117,990,187
Total Assets		18,649,603,520	18,018,404,334
EQUITY & LIABILITIES:			
Shareholders' Equity		6,338,511,185	6,445,478,206
Paid up Share Capital (Common Share)	14	1,677,347,670	1,677,347,670
Share Premium	15	1,120,000,000	1,120,000,000
Revaluation Surplus	16	1,682,215,316	1,692,199,373
Retained Earnings	17	1,858,948,200	1,955,931,163
Non-Current Liabilities		4,977,498,878	5,091,177,445
Long Term Loan	18	4,175,609,245	4,709,212,488
LC Accepted Liability	19	425,068,806	145,930,489
Deferred Tax Liability	20	377,612,827	236,614,468
Current Liabilities		7,333,401,457	6,475,748,683
Short Term Liabilities	21	6,439,671,624	5,567,900,483
Long Term Loan (Current Portion)	22	521,760,051	501,588,200
Accounts Payable	23	172,628,112	257,126,798
Provision for Expenses	24	87,162,107	89,168,139
Provision for Tax	25	112,187,564	57,965,063
Total Liabilities & Shareholders' Equity		18,649,603,520	18,018,404,334
Net Assets Value (NAV) Per Share	44	37.79	38.43

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


Karubuddin Ahmed
Chairman


Abdes Salam Mursheedy
Managing Director


Tanvir Ahmed
Director


Barrister Shabrin Salam Orshon
Director


M. Saiful Islam Chowdhury, FCS
Company Secretary

Sign as per our annexed report of even date

Dhaka, 11 October 2021


Md. Abbas Satter Sarkar, FCA
ICAB Enrollment No. 1522
Mahfil Haq & Co., Chartered Accountants
Firm Registration No. P-46323
DVC: 2110 2115 22AS 381 256



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M. Saiful Islam Chowdhury, FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

ENVOY TEXTILES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
Revenue	26	8,665,304,750	8,176,823,160
Less: Cost of Goods Sold	27	7,377,859,626	6,882,729,345
Gross Profit		1,287,445,124	1,294,093,815
Less: Operating Expenses		272,808,393	276,176,866
Administrative & General Expenses	28	206,541,218	216,460,514
Selling & Distribution Expenses	29	66,267,175	59,716,352
Profit/(Loss) from Operation		1,014,636,731	1,017,916,949
Less: Financial Expenses	30	712,545,712	718,098,503
Profit/(Loss) after Financial Expenses		302,091,019	299,818,445
Add: Other Income / (Expenses)	31	2,376,056	1,571,878
Net Profit/(Loss) before WPPF		304,467,075	301,390,323
Less: Workers Profit Participation Fund Expenses		14,498,430	14,351,920
Net Profit before Tax		289,968,645	287,038,403
Less: Provision for Tax			
Current Tax	32	54,222,501	53,976,982
Deferred Tax	30	140,978,339	(41,060,711)
Profit after Tax		94,767,746	274,122,133
Earnings Per Share (EPS)	33	0.56	1.63
Diluted Earnings Per Share	34	0.56	1.63

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


Kotubuddin Ahmed
Chairman


Abdus Salam Marsoody
Managing Director


Tanvir Ahmed
Director


Harisra Shabrina Salam Othman
Director


M. Saiful Islam Chowdhury, FCS
Company Secretary

Sign as per our annexed report of even date

Dhaka, 11 October 2021



Md. Abdus Satter Sarkar, FCA
ICAI Enrollment No. 1522
Mahfil Haq & Co., Chartered Accountants
Firm Registration No. P-46323
DNC: 2110211522AS381256




Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M. Saiful Islam Chowdhury, FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

ENVOY TEXTILES LIMITED
Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Share Capital Table	Share Premium Table	Reserves Table	Retained Earnings	Total Amount BDT
Balance as at 01.07.2020	1,677,347,678	1,120,000,000	1,092,199,273	1,955,931,163	6,445,478,206
ADD: Net Profit During the Period	-	-	-	94,767,746	94,767,746
Less: Preference Dividend	-	-	-	(14,000,000)	(14,000,000)
Less: Declaration of Dividend (2018-20)	-	-	-	(81,867,184)	(81,867,184)
Less: Interim Dividend (2020-21)	-	-	-	(81,867,184)	(81,867,184)
Depreciation on Revaluation Surplus	-	-	(9,984,025)	9,984,025	-
Balance as at 30.06.2021	1,677,347,678	1,120,000,000	1,082,215,248	1,958,808,208	6,318,511,135

ENVOY TEXTILES LIMITED
Statement of Changes in Equity
For the year ended 30 June 2020

Particulars	Share Capital Table	Share Premium Table	Reserves Table	Retained Earnings	Total Amount BDT
Balance as at 01.07.2019	1,677,347,678	1,120,000,000	1,792,591,272	1,833,411,181	6,423,349,624
ADD: Net Profit During the Period	-	-	-	274,122,133	274,122,133
Less: Declaration of Dividend (2018-19)	-	-	-	(251,862,151)	(251,862,151)
Depreciation on Revaluation Surplus	-	-	159,302,400	-	159,302,400
Balance as at 30.06.2020	1,677,347,678	1,120,000,000	1,092,199,273	1,955,931,163	6,445,478,206

The annexed notes form an integral part of this financial statements

Chairman
Karimuddin Ahmed
Chairman

Managing Director
Tanvir Ahmed
Managing Director

Director
Tanvir Ahmed
Director
Company Secretary
M. Saiful Islam Chowdhury, FCS
Company Secretary

Dhaka, 11 October 2021

Managing Director & CEO
Tanvir Ahmed
Managing Director & CEO
UCE Investment Limited



ENVOY TEXTILES LIMITED
Statement of Cash Flows
For the year Ended 30 June 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
Cash Flow from Operating Activities: (A)			
Collection from Turnover and Others		7,641,743,564	8,646,267,716
Exchange Fluctuation Gain		19,249,461	13,724,885
Cash Payment to Creditors		(6,900,746,093)	(7,321,366,852)
Cash Payment for Operating Expenses		(385,177,354)	(261,680,761)
Income Tax Paid and Deducted at Source		(59,681,694)	(64,819,913)
Financial Expenses		(692,366,731)	(750,132,686)
Net Cash Provided by Operating Activities		(356,978,847)	261,992,390
Cash Flows from Investing Activities: (B)			
Acquisition of Fixed Assets		(457,630,587)	(495,610,916)
Investment		(26,370,947)	(4,215,938)
Machinery in Transit		51,689,836	(20,242,361)
Net Cash Used in Investing Activities		(432,311,698)	(520,069,217)
Cash Flows from Financing Activities: (C)			
Long Term Liabilities		(563,981,032)	(316,798,984)
Long Term Liabilities (Current Portion)		20,171,852	(144,214,683)
Short Term Liabilities		1,553,272,084	701,686,986
Paid up Share Capital (Preferential Shares)		-	360,000,000
Payment of Cash Dividend		(201,657,353)	(251,179,900)
Net Cash Used in / Provided by Financing Activities		807,805,552	351,493,419
Net Decrease in Cash [A-B+C]		(1,084,994)	93,416,591
Add: Cash at the Opening		117,590,187	24,171,597
Cash at end of the Year	13.00	116,105,193	117,590,187
Net Operating Cash Flow Per Share (NOCFPS)	47.00	(2.25)	1.56

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


Kaziuddin Ahmed
Chairman


Abdu Salam Marshedy
Managing Director


Tanvir Ahmed
Director


Bariqat Shehrin Salam Osoob
Director


M. Saiful Islam Chowdhury, FCS
Company Secretary

Dhaka, 11 October 2021



Tanzim Alamgir
Managing Director & CEO
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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

ENVOY TEXTILES LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2021

1.00 Legal status and nature of the Company – Disclosure under IAS 1 “Presentation of Financial Statements”

a. Background of the Company

Envoy Textiles Limited was incorporated as a private company limited by shares registered under the Companies Act, 1994, vide registration no. C-28622 (2468)/1995 dated 18 June 1995 and converted into public limited company on 25 October 2009. The Company has been listed with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on June 2012. The registered office of the company is located at Envoy Tower, I&E Lake c/o/cus Katabagan (West pathpath), Dhaka-1205.

b. Nature of the business

Envoy Textiles Limited is a manufacturer of 100% export-oriented denim fabric with advanced quality denim fabric finishing. It is the first rope denim plant in Bangladesh with highly sophisticated machineries of USA, Europe and Japan. Commercial operation of the company has been started from 01 March 2008.

c. Board of Directors

Sl. No.	Name	Position
1	Mr. Katsubuddin Ahmed	Executive Chairman
2	Mr. Abbas Salam Murnahedy	Managing Director
3	Mrs. Rashida Ahmed	Director
4	Mrs. Sharmin Salam	Director
5	Mr. Tanvir Ahmed	Director
6	Barrister Muhrin Salam Gubee	Director
7	Ms. Sumayyah Ahmed	Director
8	Mr. Ishman Salam	Director
9	Mr. Syed Shohed Reza	Independent Director
10	Mr. Izat Hussain FCMA, FCS	Independent Director

2.00 Compliance with the requirements of notification of the Bangladesh Securities and Exchange Commission dated 20.06.2018, reference # BSEC/CMEMRRCD/2006-158/208/ Admin/81.

a. Notes to the financial statements marked from 3.01 to 4.07 setting out the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.

b. The accounting policies on all material areas have been stated clearly in the notes marked from 3.01 to 4.07.

c. The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:



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Managing Director & CEO
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Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M. Saiful Islam Chowdhury, FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

Sl. No.	Name of Standards	IAS/IFRS No.
1	Presentation of Financial Statements	IAS - 1
2	Inventories	IAS - 2
3	Statement of Cash Flows	IAS - 7
4	Accounting policies, Changes in accounting Estimates and Errors	IAS - 8
5	Events after the Reporting Period	IAS- 10
6	Income Taxes	IAS - 12
7	Property, Plant and Equipment	IAS - 16
8	Employees Benefits	IAS - 19
9	The Effects of Changes in Foreign Exchange Rates	IAS - 21
10	Borrowing Costs	IAS - 23
11	Related Party Disclosures	IAS - 24
12	Earnings Per Share	IAS - 33
13	Financial Instruments: Disclosures	IFRS-7
14	Revenue from Contracts with Customers	IFRS-15

d. The financial statements are in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

3.00 Basis of Preparation:

3.01 Statement of Compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

3.02 Regulatory Compliances

As required Envoy Textiles Limited comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- The Income Tax Ordinance 1984;
- The Income Tax Rules 1984;
- The Value Added Tax and Supplementary Duty Act, 2012;
- The Value Added Tax and Supplementary Duty Rules, 2016;
- The Customs Act, 1969;
- Bangladesh Labor Law, 2006 (Amended 2013);
- Bangladesh Labor Rules, 2015;
- The Securities and Exchange Ordinance, 1969;
- The Securities and Exchange Rules, 1987;
- The Securities and Exchange Rules, 2020;
- Securities and Exchange Commission Act, 1993; and
- Dhaka Stock Exchange (DSE) Listing Regulations, 2015.



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Tanzim Alamgir
Managing Director & CEO
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ENVOY TEXTILES LIMITED

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Company Secretary

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Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

3.03 Reporting Period

The financial period of the company covers from 01 July to 30 June consistently.

3.04 Components of the Financial Statements

According to the International Accounting Standards (IAS)-1 adopted by ICAB "Presentation of Financial Statements", the complete set of Financial Statements includes the following components:

- a. Statement of Financial Position
- b. Statement of Profit or Loss and Other Comprehensive Income
- c. Statement of Changes in Equity
- d. Statement of Cash Flows
- e. Notes to the Financial Statements

4.00 Significant accounting policies and significant transactions and events.

4.01 Foreign currency transaction

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into (BDT) at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

4.02 Property, Plant & Equipment

i) Recognition and measurement

Property, plant and equipment (PPE) is recognized as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Parts of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

ii) Subsequent cost

Subsequent cost of an item of property, plant and equipment is capitalized only if it is probable that future economic benefits embodied within the item will flow to the Company and its costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

iii) Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. However, under usage methods of depreciation the depreciation charge can be zero while there is no production.



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Tanzim Alamgir
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Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

Name of Assets	Rate of Depreciation
Factory Building	3%
Rest House, Officer and Staff Quarter	2%
Building Corporate Office	3%
Factory Equipment	10%
Furniture & Fixture	10%
Machinery	10%
ETP Cost	10%
Office Equipment	10%
Motor Vehicle	20%
Software	20%
Other Construction	5%
Other Assets	5%

Revaluation of Fixed Assets

The fixed assets as on 30 June 2010 have been revalued at fair market value as per decision of the board of directors. All fixed assets under land, building, machineries and equipment available on the cut of date on 30 June 2010 were revalued by an independent valuation company named Asian Surveyors Limited. The revaluation of assets has been made at present market value of land, building, machinery and equipment allowing due depreciation on building, machinery and equipment for the month which has already been expired from the estimate total useful life. Increase in the carrying amount arising on revaluation of land, building, machinery and equipment are credited to "Revaluation Surplus" under shareholders equity. Amount of depreciation on revaluation surplus has been credited to retained earnings by debiting revaluation surplus as per IAS-16: Property, Plant and Equipment.

iv) Derecognition

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of comprehensive income. There was no disposal of asset during the period.

v) Capital Work in Progress

Capital work in progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. These are transferred to the property, plant and equipment on the completion of the projects.

vi) Capitalization of borrowing costs

As per the requirements of IAS 23 Borrowing Costs, directly attributable borrowing costs are capitalized during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


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ENVOY TEXTILES LIMITED

Md Saiful Islam Chowdhury, FCS
Company Secretary

Envoy Textiles Ltd.

Tanzim Alamgir
Managing Director

4.03 Intangible Assets

i) Recognition and measurement

Intangible assets have finite useful lives and are stated at cost less accumulated amortization and any impairment losses. Intangible assets are recognized in accordance with IAS 38 Intangible assets. Intangible assets include cost of acquisition of computer software, intellectual property, copyright and other costs incidental to such capital expenditure.

ii) Subsequent costs

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in profit or loss as incurred.

iii) Amortization

Amortization is recognized in profit or loss on reducing basis over the estimated useful lives of intangible assets.

Intangible asset (Software) are amortized at the rate of 20%

4.04 Inventories and Stores

Inventories and stores are comprised of raw materials, raw materials in transit, packing materials, work in progress, finished goods, store items and spare & spare parts in transit. Inventories are valued at the lower of the cost and net realizable value according of International Accounting Standards (IAS-2) "Inventories".

4.05 Cash and Cash Equivalents

Cash and Cash equivalents comprise cash in hand, bank current accounts, other bank deposits free of encumbrance and having maturity date of three months or less from respective dates of deposit.

4.06 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with International Accounting Standards (IAS-7), and the cash flows from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS 7 which provides that "enterprises are encouraged to report cash flows from operating activities using the direct method".

4.07 Taxation

a. Tax Holiday

The company is enjoyed tax holiday for 4 (four) years commencing from March 01, 2008, under approval of National Board of Revenue (NBR) dated on September 09, 2008. The tax-holiday period of the company expired on February 29, 2012 and due provision for Income Tax has been maintained in the profit or loss and other comprehensive income. During the tax holiday period 40% of net profit of the company is transferred to the tax holiday reserve in proportionately to invest in the areas as specified by the income Tax Ordinance 1984. Income tax provision made after expiry of tax holiday period as per rate prevailing during that period.

b. Current Tax

Current tax is the expected tax payable on the taxable income for the period ended, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate and non-compliance with the Finance Act, 2020.



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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Envoy Textiles Ltd.

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M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanzim Alamgir
Managing Director

c. Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.08 Segment Reporting

Segment reporting is not applicable for the company this year as the company does not meet the criteria required for segment reporting specified in IFRS-8, "Operating Segment". A Segment reporting is a distinguishable component of an entity that is engaged in providing products within a particular economic environment which is subject to risk and rewards that are different from those of other segments.

4.09 Revenue Recognition

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, IFRS 15 establishes a five-step model as follows:

- a. The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b. The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c. The amount of revenue can be measured reliably;
- d. It is probable that the economic benefits associated with the transaction will flow to the company; and
- e. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Saiful Islam, FCMA
CFO
Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M. Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Raza Ahmed
Managing Director

4.10 Other Income and Expenses:

Interest income is recognized on accrual basis and all other income and expenses is recognized when it is received.

4.11 Foreign Currency Transactions

Foreign Currency Transaction is recognized by International Accounting Standards (IAS-21). Transactions in Foreign Currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed 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 profit or loss and other comprehensive income.

4.12 Borrowing Costs/Financial Expenses

Borrowing costs are recognized International Accounting Standards (IAS-23) as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

4.13 Earnings Per Share (EPS)

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

4.14 Dividend to the equity holders

The Company recognizes a liability to make cash dividend when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

4.15 Workers Profit Participation Fund (WPPF)

The company has complied with the Labor Law 2006, amendment in 2018 and introduced workers profit participation fund (5% of profit before charging such expenses). The 5% will be distributed in a proportion of 80:10:10 to the Participatory Fund, Welfare Fund and Workers Welfare Foundation Fund respectively.

4.16 Financial Instruments:

Financial assets and liabilities are recognized on the balance sheet when the company has become a party to a contractual provision of the instrument.

- Accounts Receivables

Accounts Receivables are stated at their nominal value and considered good. No provision has been made for doubtful debt and no amount was written off as bad.

-Accounts Payables

Accounts Payables are stated at their nominal value and no bank acceptance is provided as of the reporting date.



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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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CFO
Envoy Textiles Ltd,

ENVY TEXTILES LIMITED

M Saiful Islam Chowdhury, FCS
Company Secretary

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Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

Due to/Due from Related Parties

Due to /due from related parties are stated at nominal value.

Borrowings/Secured Loan

Interest bearing bank loans and overdrafts are recorded at the proceeds received. Finance charges are accounted for on an accrual basis.

4.17 Event after the Reporting Period

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, 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:

- (a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
- (b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

4.18 Significant Event:

Revenue of the Company increased by 5.97% over previous financial year. The revenue flow of first nine month was very slow due to impact of the second wave of Coronavirus, revenue slightly increased from April 2021 to June 2021, but the price margin was very tight due to the local and international export order shortage, resultanty COGS increased by .97% and GP margin reduced by 0.51%.

Net profit before tax increased by 1.02% but the net profit after tax reduced by 65.43% due to increase in deferred income tax.

Net operating Cash Flow has deteriorated to Taka (2.25) per share from Taka 1.56 in the previous year in result of the followings:

- a) Significant increase in Accounts Receivable: Credit sales under Export L/C picked up in last quarter of the year.
- b) Reduction of Accounts Payable by Tk. 45.84 crore out of which UPAS payable reduced by against new materials purchase amount of Tk. 34.43 crore.

5.00 Additional Information

5.01 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 Committee (IASC).



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

5.02 Risk and uncertainties for use of estimates in preparation of financial statements

The preparation of financial statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the report, amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain terms such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees benefit plans, taxes reserves and contingencies.

5.03 Functional and presentation currency

The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest integer.

5.04 Going Concern

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, which is most unlikely though yet considering overall perspectives.

5.05 Comparative and reclassification

Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current year financial statements. Comparative figures have been rearranged/reclassified wherever considered necessary, to ensure better comparability with the current year financial statements and to comply with relevant IFRSs.




Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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M Saiful Islam Chowdhury FCS
Company Secretary

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Envoy Textiles Ltd.

Amir Ahmed
Managing Director

Notes to the Statement of Financial Position

		Amount in Taka	
		30 June 2021	30 June 2020
6.00	Property, Plant & Equipment:		
	Tangible Assets:		
	Written Down Value of Cost Value	6.01 8,773,756,232	9,045,448,107
	Written Down Value of Revaluation Value	6.02 1,682,215,315	1,692,199,372
	Total	10,455,971,547	10,737,647,479
6.01	Tangible Assets:		
	Cost Value (A)		
	Opening Balance	12,949,643,355	12,456,165,479
	Add: Addition during the Year	437,630,588	493,477,876
	Total	13,387,273,943	12,949,643,355
	Accumulated Depreciation (B)		
	Opening Balance	3,904,195,248	3,150,261,026
	Add: Charged during the Year	729,322,463	753,934,222
	Total	4,633,517,711	3,904,195,248
	Written Down Value of Cost Value (A-B)	8,773,756,232	9,045,448,107
6.02	Revaluation (C)		
	Opening Balance	1,811,647,590	1,811,647,590
	Total	1,811,647,590	1,811,647,590
	Accumulated Depreciation on Revaluation Surplus (D)		
	Opening Balance	119,448,218	109,145,818
	Add: Charged during the Year	9,984,057	10,302,400
	Total	129,432,275	119,448,218
	Written Down Value of Revaluation Value (C-D)	1,682,215,315	1,692,199,372
	Fair value measurement		
	In 30 June 2020 all the property, plant and equipment of the company were revalued by the independent professional valuer Asian Surveyors Limited. Such Revaluation is ensured by sufficient regulatory standards that increased carrying amount does not differ materially from their fair value.		
	Details are shown at Schedule-A		
7.00	Intangible Assets:		
	Cost Value (E)		
	Opening Balance	82,314,489	80,181,449
	Add: Addition during the Year	-	2,133,040
	Total	82,314,489	82,314,489
	Accumulated Amortization (F)		
	Opening Balance	46,624,910	37,969,144
	Add: Charged during the Year	7,137,916	8,655,765
	Less: Adjustment during the Year	-	-
	Total	53,762,826	46,624,910
	Written Down Value of Cost Value (E-F)	28,551,664	35,689,579
	Details are shown at Schedule-B		
8.00	Machinery in Transit:	23,361,742	75,851,578



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Tanzim Alamgir
Managing Director & CEO
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Company Secretary

Envoy Textiles Ltd.

Tanzim Alamgir
Managing Director

Notes to the Statement of Financial Position

		Amount in Taka	
		30 June 2021	30 June 2020
9.00 Inventories & Stores:			
Inventories	9.01	3,192,224,966	3,601,822,388
Stores	9.02	113,632,209	101,550,596
Material in Transit	9.03	418,182,093	207,826,907
Total		3,724,039,268	3,911,199,891
9.01 Inventories:			
Packaging Material		31,914,383	26,920,011
Raw Materials-Yarn		388,792,493	500,846,718
Raw Materials-Cotton		480,412,368	1,203,176,555
Raw Materials-Chemicals		389,374,363	423,704,053
Finished Goods- Fabrics		904,629,425	850,397,396
Finished Goods- Yarn		120,006,237	223,016,964
Work in Process		377,095,677	373,760,731
Sub Total		3,192,224,966	3,601,822,388
9.02 Stores:			
Spare Parts & Accessories		113,632,209	101,550,596
Sub Total		113,632,209	101,550,596
9.03 Material in Transit:			
Spare Parts		93,700,462	83,780,747
Raw Yarn		102,748,514	99,471,116
Raw Cotton		141,295,407	8,308,768
Dyes & Chemical		80,437,710	16,266,276
Total		418,182,093	207,826,907
10.00 Trade and Others Receivable			
Accounts Receivable	10.01	3,148,196,610	2,157,409,268
Export Incentive Receivable	10.02	790,908,023	774,806,237
Interest Receivable	10.03	924,411	1,175,797
Total		3,940,079,043	2,933,391,302
10.01 Accounts Receivable			
Opening Balance		2,157,409,268	2,666,646,925
Add: Addition during the Year		8,445,584,928	7,819,902,626
		10,602,994,196	10,486,549,551
Less: Realized during the Year		7,454,797,586	8,329,230,283
Closing Balance		3,148,196,610	2,157,409,268
Aging for Accounts Receivable: Details is shown at Note No-45			
10.02 Export Incentive Receivable:			
Opening Balance		774,806,237	747,247,977
Add: Addition during the Year		195,817,574	232,448,109
		970,623,811	979,696,086
Less: Realized during the Year		179,715,788	204,889,849
Closing Balance		790,908,023	774,806,237



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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Company Secretary

Envoy Textiles Ltd.
Tanvir Ahmed
Managing Director

Notes to the Statement of Financial Position

	Amount in Taka	
	30 June 2021	30 June 2020
10.03 Interest Receivable	974,411	1,175,797
11.00 Advances, Deposits & Prepayments:		
Advance	11.01 54,377,166	11,748,977
Advance Tax and VAT	11.02 146,030,837	86,349,143
Deposits	11.03 106,804,446	83,824,532
Total	317,212,449	181,922,652
11.01 Advances:		
Advance Against Salary	815,398	-
Advance Office Rent	255,000	255,000
Advance to Driver against Fuel	192,000	238,000
Advance to Employees	2,185,192	86,320
Advance to Suppliers	55,201,423	8,504,138
Advance to Department for Expenses	749,500	2,656,519
Advance Against Purchase	4,978,653	9,000
Sub Total	64,377,166	11,748,977
11.02 Advance Tax and VAT:		
Advance Income Tax-Export	75,047,130	39,390,212
Advance to Income Tax-Import	13,202,322	6,069,327
Advance Income Tax-Incentive	32,165,379	14,193,800
Advance Income Tax-Vehicle	2,945,000	1,568,000
Advance Tax FDR	326,549	144,760
Advance Tax STD/ Other Accounts	15,796	5,230
Income Tax Paid in Advance	12,874,459	17,442,767
Advance Payment of VAT-Import	9,454,202	7,535,047
Sub Total	146,030,837	86,349,143
11.03 Deposits:		
Deposit for Electricity Connection	30,664,060	30,664,060
Deposit for Gas Connection	58,607,421	38,000,371
Deposit for Telephone Connection	10,000	10,000
LC Margin	2,152,163	1,380,608
LC Margin-Machinery	13,752,658	12,151,351
Prepaid Interest Expenses	-	-
Security Deposits	1,618,142	1,618,142
Sub Total	106,804,446	83,824,532
12.00 Investment:		
Fixed Deposit (FDR)	12.01 44,282,614	17,911,667
Total	44,282,614	17,911,667
12.01 Fixed Deposit (FDR)		
Opening Balance	44,282,614	13,695,729
Add: Addition during the Year	-	4,215,938
Total	44,282,614	17,911,667
13.00 Cash and Cash Equivalents		
Cash in Hand	424,017	1,266,051
Cash at Bank	115,681,176	116,324,136
Total	116,105,193	117,590,187



Notes to the Statement of Financial Position

13.01 Cash at Bank:

Agrani Bank-Karna	
Premier Bank dividend 2020	
Premier Bank Intra	
HSBC offshore settlement 005	
Bank of ceylon CD	
Brac Bank Ltd 8006	
Basic Bank-3965	
Brac Bank Ltd. FC Account	
Brac Bank Ltd. Offshore Settlement A/C	
Brac Bank Ltd. Supreme- FC	
Brac Bank Ltd. Dividend- 2012	
Brac Bank Ltd. Supreme-8002	
Dutch Bangla Bank Ltd. ERQ. 124	
Dutch Bangla Bank Ltd. SNE- 842	
Dutch Bangla Bank Ltd. 14502	
Dutch Bangla Bank Ltd- Dividend- 2013	
HSBC Dividend- 2014	
HSBC Dividend- 2015	
HSBC ERQ- 047	
Jamuna Bank FC Account	
Jamuna Bank CD-16275	
Midland Bank-2291	
Mutual Trust Bank- CD- 6095	
Mutual Trust Bank- FC Account	
Premier bank-000002	
Premier bank Dividend- 2016	
Premier bank Dividend- 2017	
Premier bank Dividend- 2018	
Premier bank Dividend- 2019	
Premier bank- STD- 017	
Pubali Bank SNE- 1901	
Pubali Bank EFCR AC-38	
Pubali Bank Ltd STD-1275	
SBAC-256	
NKH Commercial Bank	
Margin Account- SCB- 01	
Shimanto Bank-1042	
Southeast Bank-1073	
Southeast Bank-EQR-670001	
Margin Account HSBC- 091	
Margin Accounts Pubali Bank	
Uttara Bank Ltd. EQR-670001	
Uttara Bank Ltd. CD- 3004	
Sub Total	

Amount in Taka	
30 June 2021	30 June 2020
813,493	766,830
226,251	-
308,040	-
6,871,184	-
132,090	-
310,861	-
284,542	2,571
62,866	410,183
2,265	2,265
145,618	145,769
34,405	35,394
28,512	29,384
3,093,577	6,778,649
42,200	23,864
2,207	9,694
3,266	3,911
27,486	30,331
2,263	3,286
18,773,526	36,779,938
1,014,145	1,458,960
1,281,442	5,052
8,624	9,314
11,553	147,788
1,406,279	19,233
45,839	3,741
588,122	26,473
581,437	32,814
523,721	60
766,612	1,025,444
484	4,999
44,770	45,440
19,719,706	40,418,789
157,974	21,044
6,632	10,622
4,000	-
3,141	288,304
13,968	6,643
192	7,642
21,766,178	14,851,446
14,780,251	6,442,546
172,544	392,296
21,618,919	6,081,276
-	2,197
115,681,176	116,224,136
2,750,000,000	2,750,000,000
1,250,000,000	1,250,000,000
4,000,000,000	4,000,000,000

14.00 Authorized Capital:

275,000,000 Ordinary shares of Tk. 10/- each	
125,000,000 Redeemable Preference Shares of Tk. 10/- each	



(Handwritten signature)

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Notes to the Statement of Financial Position

Amount in Taka	
30 June 2021	30 June 2020

Paid up Share Capital (Common Share):
167,734,767 Ordinary Shares of Tk. 10/- each

Particulars	Number of Share	Taka	Taka
Sponsors/Directors	76,453,883	764,538,830	764,538,830
General Shareholders (Individual)	20,332,520	203,325,200	203,325,200
General Shareholders (Institution)	70,804,797	708,047,970	708,047,970
Foreign Shareholders	143,567	1,435,670	1,435,670
Total	167,734,767	1,677,347,670	1,677,347,670

15.00 Share Premium:

40,000,000 Ordinary Shares of Tk. 15/- each	520,000,000	520,000,000
30,000,000 Ordinary Shares of Tk. 20/- each	600,000,000	600,000,000
Total	1,120,000,000	1,120,000,000

16.00 Revaluation Surplus

Opening Balance	1,692,199,373	1,702,501,772
Less: Depreciation on Revaluation	9,984,057	10,303,400
Closing Balance	1,682,215,316	1,692,199,373

17.00 Retained Earnings:

Opening Balance	1,955,931,163	1,933,411,181
Less: Prior Year Adjustment	-	-
Preference share Dividend	34,000,000	-
Add: Profit during the Period	94,767,746	274,122,133
Less: Interim dividend (2020-21)	83,867,384	-
Add: Revaluation Surplus	9,984,057	-
Less: Final Dividend (2019-20)	83,867,384	251,602,151
Closing Balance	1,858,948,290	1,955,931,163

18.00 Long Term Loan:

Secured Loan	18.01	3,782,613,710	4,057,986,060
Series Zero Coupon Bond		136,995,535	291,226,428
Preference share		256,000,000	360,000,000
		4,175,609,245	4,709,212,488

18.01 Secured Loan:

Brac Bank Ltd. Offshore Term Loan- 2	-	26,965,323
Brac Bank Ltd. Offshore Term Loan- 3	-	193,989,781
DBBL Term Loan	295,121,775	311,858,679
HSBC- BDT Term Loan	-	1,137,267
HSBC- Offshore Term Loan -3	-	127,734,470
Southeast Bank offshore	140,101,392	-
IDLC Finance Ltd	124,233,454	199,439,258
MTBL Offshore Term Loan	75,569,085	226,680,823
Pabna Bank Ltd. Project Loan	476,488,215	694,873,871
Southeast Bank Ltd. Term Loan	788,014,958	917,096,987
DBBL CC- 043	189,688,650	-
HSBC OD -08	25,428,515	-
MTBL SOO -0084	14,750,050	-



Notes to the Statement of Financial Position

	Amount in Taka	
	30 June 2021	30 June 2020
Primer Bank OD-08	98,660,949	-
Pubali Bank Ltd -CC-371	645,026,317	-
Standard chartered CC	47,504,294	-
DBBL- RSTL	613,470,952	-
MTBL- Revolving Term Loan	-	158,808,657
Southeast Bank Ltd Revolving Term Loan	248,555,105	591,100,944
Utara Bank- Revolving Term Loan	-	608,300,000
Total	3,782,613,710	4,057,986,060
19.00 L/C Accepted Liability:		
Southeast Bank UPAS	294,819,996	114,537,120
Pubali Bank Ltd -UPAS- Machinery	130,248,810	31,393,369
Total	425,068,806	145,930,489
20.00 Calculation of Deferred Tax Liability 30 June 2021:	377,012,827	236,034,468
Fixed Assets including Land and Land Development (WDV)	10,484,523,210	10,773,337,059
Less: Land and Land Development	1,494,730,156	1,494,730,156
	8,989,793,054	9,278,566,903
Less: WDV (Tax base)	5,608,507,213	6,257,406,473
	3,381,245,841	3,021,160,430
Less: Workers Profit Participation Fund	-	14,351,920
Taxable Temporary Difference	3,381,245,841	3,006,808,510
Deferred Tax Liability @ 11.15%	377,012,827	236,034,468
Less: Opening Deferred Tax	236,034,468	277,095,179
Deferred Tax Expenses	140,978,359	(41,060,711)
21.00 Short Term Liabilities:		
Brac Bank- IBP	206,882,139	-
EDF Bank of Ceylon	-	40,231,480
Brac Bank Ltd - OD- 006	-	-
Brac Bank Ltd- RSTL	-	-
DBBL CC- 043	-	178,543,532
DBBL- RSTL	-	299,461,174
EDF - Brac Bank Ltd	-	-
EDF - DBBL	269,883,955	188,813,338
EDF - HSBC	736,891,849	383,870,468
EDF - Jamuna Bank	16,704,786	216,193,032
EDF - MTBL	303,175,315	134,970,141
EDF - Pubali Bank Ltd	697,893,621	288,401,263
EDF Southeast Bank Ltd	212,569,240	251,711,662
EDF - Utara Bank Ltd	381,226,041	325,594,285
HSBC - RSTL	568,779,367	402,095,850
Utara Bank RSTL	549,948,629	-
MTBL- RSTL	61,166,667	-
Stimulation loan package	1,146,586,356	-
HSBC - OD Account- 011	-	74,822,371
HSBC Offshore IBP	-	34,478,288
HSBC UPAS	-	371,984,838
HSBC Offshore Settlement 005	115,154,574	2,411,014
MTBL SOD- 0084	-	20,047,026



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Notes to the Statement of Financial Position

	Amount in Taka	
	30 June 2021	30 June 2020
Premier Bank Ltd- OD- 08	-	98,492,444
Pubali Bank Ltd -CC-371	-	693,853,049
Pubali Bank Ltd - TBP	99,879,000	47,049,600
Pubali Bank Ltd - TOD	276,199,295	518,819,715
Southeast Bank RSTL	461,937,496	-
Southeast Bank CC	-	251,890,371
Shimanto Bank STL	-	251,062,500
Standard Chartered -IBP	-	-
Standard Chartered- RSTL	-	150,000,000
Standard Chartered-CC- 911-01	-	50,615,728
Utara Bank CC-630-31-79	294,793,294	292,487,404
Total	6,439,671,624	5,567,908,485
22.00 Secured Loan (Current Portion):		
Brac Bank Ltd. Offshore Term Loan- 2	-	13,482,662
Brac Bank Ltd. Offshore Term Loan- 3	-	96,994,891
HSBC- Offshore Term Loan -3	18,400,828	63,867,233
Southeast bank offshore term loan	70,050,696	-
Pubali Bank Ltd. Project Loan	95,297,643	173,718,468
Southeast bank Ltd	157,602,992	-
IDLC FINANCE LOAN	31,058,364	-
DBBL Term Loan	73,780,444	77,964,670
MTBL- Offshore Term Loan	75,569,085	75,560,274
Total	521,760,851	501,588,300
23.00 Accounts Payable:		
Trade payable	23 01 144,970,028	257,126,798
LC Accepted Liability	23 02 27,650,085	-
Total	172,620,113	257,126,798
Aging: Credit Available up to 4 Months.		
23.01 Trade payable		
Opening Balance	257,126,798	241,564,683
Add: Purchase during the Year	46,302,064,612	5,707,347,433
	4,887,333,259	5,948,912,099
Less: Payment during the Year	4,742,363,232	5,691,785,295
Closing Balance	144,970,028	257,126,798
23.02 LC Accepted Liability:		
Standard Chartered Bank- UPAS	27,650,085	-
Sub Total	27,650,085	-
24.00 Provision for Expenses:		
This consists of as follows		
Liabilities for Expenses	24 01 47,419,232	57,612,994
Liabilities for Other Finance	24 02 30,147,878	22,037,563
Unclaimed Dividend	24 03 9,594,997	9,517,583
	87,162,107	89,168,139



Notes to the Statement of Financial Position

	Amount in Taka	
	30 June 2021	30 June 2020
24.01 Liabilities for Expenses:		
Gas Bill Payable	27,553,801	22,976,867
Audit Fees Payable	230,000	230,000
Provident Fund Payable	-	6,595,916
Liability for WPPY	19,635,431	27,810,211
Total	47,419,232	57,612,994
24.02 Liabilities for Other Finance:		
Interest Payable	20,178,981	-
Advance against Sales	7,308,284	20,707,682
Others Payable	1,700,232	369,500
Deposit against IPO Subscription	960,381	960,381
Total	30,147,878	22,037,563
24.03 Unclaimed Dividend:		
Unclaimed Dividend- 2011	124,171	124,171
Unclaimed Dividend- 2012	1,636,708	1,636,708
Unclaimed Dividend- 2013	1,698,956	1,698,956
Unclaimed Dividend- 2014	1,764,964	1,767,264
Unclaimed Dividend- 2015	1,600,547	1,600,547
Unclaimed Dividend- 2016	582,877	582,877
Unclaimed Dividend- 2017	576,278	576,278
Unclaimed Dividend- 2018	520,896	520,896
Unclaimed Dividend- 2019	523,013	1,009,885
Unclaimed Dividend- 2020	225,007	-
Unclaimed Dividend (Interest)- 2021	341,580	-
Total	9,594,997	9,517,583
25.00 Provision for Tax:		
Opening Balance	57,965,063	94,234,347
Add: Addition during the Year	32,00 54,222,501	53,976,902
	112,187,564	148,211,249
Less: Assessment cleared up to 2018-19	-	90,246,266
Closing Balance	112,187,564	57,965,063
This is litigation regarding current tax which has highly possible to win case no: 596, dated 23.04.2019		
26.00 Revenue:		
Export Sale of Fabrics	6,527,252,471	6,641,374,556
Export Sale of Cotton Yarn	1,642,140,301	1,079,590,054
Export Sale of Dyed Yarn	276,192,156	99,028,016
Foreign Exchange Fluctuation Gain	19,249,461	13,724,885
Weaving & Finishing	-	30,884,917
B-Grade Sales	-	47,133,489
Sample sales	2,309,457	1,079,066
Stock Fabric Sales	2,343,330	31,560,127
Export Incentive	195,817,574	212,448,109
Total	8,665,304,750	8,176,823,160



Notes to the Statement of Financial Position

	Amount in Taka	
	30 June 2021	30 June 2020
27.00 Cost of Goods Sold		
Opening Stock of Raw Material	2,154,647,337	1,329,043,776
a) Yarn	500,846,718	193,244,736
b) Cotton	1,203,176,555	710,066,075
c) Chemical	423,704,053	401,071,639
d) Packaging Materials	26,920,011	24,661,326
Add: Purchase During the Year	4,640,609,156	5,707,347,418
a) Yarn	463,312,491	931,014,337
b) Cotton	3,252,956,301	3,754,070,812
c) Chemical	868,388,941	979,561,313
d) Packaging Materials	55,951,423	42,700,948
Raw Material Available for Use	6,795,256,493	7,036,391,196
Less: Closing Stock of Raw Material	1,790,493,687	2,154,647,337
a) Yarn	388,792,493	500,846,718
b) Cotton	980,412,368	1,203,176,555
c) Chemical	389,374,363	423,704,053
d) Packaging Materials	31,914,383	26,920,011
Direct Material Consumed	5,004,762,806	4,881,743,859
a) Yarn	575,366,716	623,412,353
b) Cotton	3,475,720,488	3,260,960,332
c) Chemical	902,718,631	956,928,899
d) Packaging Materials	50,957,051	40,442,263
Add: Direct Labour/ Wages	393,061,772	409,499,310
Prime Cost	5,397,824,658	5,291,243,159
Manufacturing Overhead		
Total Factory Overhead	27.01 1,934,591,276	1,744,253,336
Cost of production	7,332,415,934	7,035,496,495
Add: Opening Work in Process	373,760,751	369,755,135
Less: Closing Work in Process	377,095,677	373,760,751
Cost of Goods Manufactured	7,329,081,008	7,031,490,879
Add: Opening Stock of Finished Goods	1,073,414,300	924,652,766
Less: Closing Stock of Finished Goods	1,024,635,682	1,073,414,300
Total Cost of Goods Sold	7,377,859,626	6,882,729,345
27.01 Factory Overhead:		
Salary, Allowance and Bonus	232,447,377	218,102,356
C & F expenses	6,401,102	8,343,221
Chiller Maintenance	362,910	254,000
Conveyance-factory	142,056	99,840
Electricity Expenses	462,216,663	400,294,162
Entertainment	1,678,251	2,978,759
Fuel, Oil & Lubricant	9,283,538	5,636,688
Gas Bill	279,892,070	253,210,474
Harly Expenses	1,635,918	1,492,151
Fuel for Machinery	2,932,432	3,646,338
Insurance Premium	3,837,219	3,866,823
Lab expenses	-	1,347,494
Medical Expenses	480,183	-
Miscellaneous Expenses-Agro Project	405,299	208,390
Employee Other Benefit	659,308	1,909,634
Overtime-Production	27,202,061	6,747,969
Painting Expenses	1,586,651	691,755

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

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Envoy Textiles Ltd.

Tanzim Ahmed
Managing Director

Notes to the Statement of Financial Position

	Amount in Taka	
	30 June 2021	30 June 2020
Repair & Maintenance Generator	7,679,213	13,271,436
Spare Parts & Machine Maintenance	111,961,453	36,531,751
Factory Maintenance	7,661,343	6,086,299
Fire Fighting Maintenance	1,563,279	1,086,695
Sample washing and making cost	6,327,302	2,748,669
Security and Protection-Factory	10,817,698	9,013,744
Site Maintenance	163,983	4,391,303
Stationery-Factory	893,473	1,099,091
Telephone, Mobile and Internet	2,895,423	3,876,187
Test and Examination	2,432,301	1,929,164
Travelling & Conveyance	754,024	1,878,208
Uniform	895,253	324,219
Vehicle Maintenance Expenses	1,475,310	1,437,097
Worker Free Tiffin	5,330,367	8,831,758
Worker Free Fooding	32,755,828	12,381,893
Depreciation	709,821,665	730,435,748
Total	1,934,591,276	1,744,253,336

18.00 Administrative & General Expenses:

Salary, Allowance and Bonus	54,249,370	59,566,491
Audit & Others Professional fees	996,930	230,000
Annual Subscription	558,614	322,299
Bank Charges and Commission	31,666,124	21,416,322
Bank Excise Duty	6,852,611	3,877,692
BTMA Certification Expenses	986,505	995,890
Directors' Remuneration	23,436,250	31,602,550
Directors' Meeting Attendance fees	409,000	300,000
CSR Expenses	5,562,517	4,195,278
Electricity	2,263,833	1,705,618
Entertainment Expenses	1,533,751	1,826,910
Fuel Expenses	3,565,491	3,529,397
Insurance Premium	1,723,955	2,010,009
Software Maintenance	2,685,075	2,335,210
License and Renewal fees	1,001,087	3,417,805
Medical Bill- HD	3,136,808	1,798,348
Office Maintenance	3,408,407	2,655,826
Employee's Other Benefit	1,026,533	567,435
Share Management Expenses	537,222	736,073
Contribution to Provident Fund	-	18,967,867
Refreshment	708,635	738,651
Printing & Stationery	629,069	513,188
Rent Rate & Taxes	1,151,416	-
Repair & Maintenance	1,098,146	449,570
Security and Protection	835,408	750,000
Employee Retirement Benefit	10,210,744	5,139,867
Stamp, Postage & Courier	1,543,217	1,885,489
Sports & Recreation	356,657	1,655,947
Subsidy Fooding for Head Office	-	596,186
Share Listing Fees	1,200,000	1,200,000
Surveillance Fees	134,528	138,000
Utility Banani	31,957	-
Vehicle Maintenance Expenses	1,027,620	1,160,411
Vehicle Tracking	-	-

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Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

Notes to the Statement of Financial Position

	Amount in Taka	
	30 June 2021	30 June 2020
Visa Processing Fees		273,942
VAT Deposit		235,520
Travelling & Conveyance Expenses	1,659,352	1,651,482
AGM Expenses	18,737	284,000
Telephone and Mobile Bill	3,344,755	3,042,930
Training & Development Expenses	3,500	58,525
Waste Bill	364,624	1,075,537
Amortization		8,655,765
Depreciation	36,622,771	23,498,424
Total	296,541,218	216,468,514

29.00 Selling & Distribution Expenses:

Salary, Allowance and Bonus	51,638,748	43,425,790
Advertisement	430,605	355,529
Business Promotion	2,949,715	2,906,861
Conveyance Marketing	721,024	516,394
Entertainment	587,172	500,312
Freight Charge- Direct Export	2,390,982	2,514,882
Fuel Expenses - MKI	1,086,506	1,345,636
Expenses of Chittagong Branch	-	-
Office Maintenance-Fongkong	5,935,000	5,939,000
Vehicle Maintenance	895,991	716,830
Sample Production Expenses	531,432	1,494,899
Total	64,267,178	59,716,352

30.00 Financial Expenses:

Interest on Brac Bank Offshore Term Loan-2	-	3,253,672
Interest on Brac Bank Offshore Term Loan-3	-	18,366,624
Interest on Brac Bank IDT Term Loan	-	429,006
Interest on DBBL Term Loan	38,636,007	37,544,982
Interest on HSBC BDT Term Loan	26,157	149,650
Interest on HSBC Offshore Term Loan- 1	4,304,176	-
Interest on HSBC Offshore Term Loan- 2	12,764,344	-
Interest on HSBC Offshore Term Loan- 3	61,013,880	17,279,274
Interest on MTBL Offshore Term Loan	31,266,990	28,057,155
Interest on Puhali Bank Ltd - Term Loan	85,877,911	105,315,124
Interest on Southeast Bank Ltd - Term Loan	9,487,599	75,518,467
Interest on - Uttara Finance Term Loan	5,316,827	-
Interest on Series PCB	134,504	35,121,130
Interest on Offshore- IBP	-	11,761,979
Interest on Brac Bank Ltd- OD	16,739,358	4,645,107
Interest on Brac Bank Ltd- STL	26,301,214	6,019,900
Interest on DBBL -CC	6,424,344	20,220,713
Interest on DBBL STL	14,142,449	31,766,612
Interest on Brac Bank - FDF	6,724,920	-
Interest on EDF-DBBL	1,512,697	6,035,511



Notes to the Statement of Financial Position

	Amount in Taka	
	30 June 2021	30 June 2020
Interest on HSBC- EDF	8,439,676	2,313,886
Interest on JBL- EDF	7,511,841	9,013,488
Interest on -Pubali Bank Ltd- EDF	8,029,225	11,811,413
Interest on -Southeast Bank- EDF	6,784,711	1,809,730
Interest on -Ultras Bank- EDF	33,694,247	9,094,564
Interest on HSBC- OD	-	11,700,812
Interest on HSBC- RL	3,541,752	23,976,558
Interest on IDFC	6,155,386	4,893,196
Interest on MTBL- SOO	56,080,473	2,699,378
Interest on MTBL-STL	26,492,701	14,231,202
Interest on -Pubali Bank Ltd- CC-37	9,152,881	55,835,507
Interest on -Pubali Bank Ltd- STL	4,711,748	11,295,975
Interest on -Premier Bank Ltd- CC	4,974,755	11,156,130
Interest on SCB- CC	17,026,685	4,088,373
Interest on SCB- RL	50,198,882	13,577,574
Interest on Shanto Bank-STL	15,001,439	1,062,500
Interest on Southeast Bank-STL	48,756,191	9,100,944
Interest on Southeast Bank-CC	-	16,851,225
Interest on HSBC- UPAS	9,998,338	10,066,865
Interest on PBL- UPAS	1,222,720	4,497,907
Interest on SCD- UPAS	-	6,355,007
Interest on Ultras Bank- CC	20,777,354	23,249,332
Interest on Ultras Bank- STL	53,321,331	57,930,060
Total	712,545,712	718,098,563
31.00 Other Income and Expenses:		
Interest Income	1,829,316	1,571,878
Sale of Wastage & Scrap	546,700	-
	2,376,016	1,571,878
32.00 Current Tax Calculation:		
Net Profit before Tax	289,968,685	287,038,463
Less: Export Incentive	195,817,574	232,448,109
Other Income	2,376,016	1,571,878
Taxable Operating Income	91,775,015	53,018,416
Tax Payable on Operating Income @ 15.00%	13,766,252	7,952,762
Tax Payable on other Income @ 25.00%	594,004	392,970
Tax Payable On Export Incentive @ 10.00%	17,971,579	14,193,800
Total Income Tax payable A	32,331,835	22,539,532
Tax Deducted at Source		
On Export bill Collection	35,656,918	39,390,212
On FDR & Bank Interest	594,004	392,970
On Cash Incentive	17,971,579	14,193,800
Total B	54,222,501	53,976,982
Tax as Gross Receipt C	31,209,333	29,436,563
Minimum Tax Liability as per sec 82C, ITO 1984: (whichever is higher among A, B & C mentioned above) i.e. Tk. 54,222,501		



Notes to the Statement of Financial Position

	Amount in Taka	
	30 June 2021	30 June 2020
33.00 Basic Earnings Per Share (EPS):		
Profit After Tax	94,767,746	274,122,133
Number of Shares Outstanding	167,734,767	167,734,767
Earnings Per Share (EPS)	0.56	1.63
34.00 Diluted Earnings Per Share	0.56	1.63



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Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director

25.00 Related party Disclosures under IAS-24

25.01 During the reporting period from July 01, 2023 to June 30, 2024 following transactions occurred with related party as per IAS-24 Para- 11 in the form of Sales of Finished goods against export I.C.

Particulars	Opening	Addition	Adjustment	Balance
M/S Envoys Fashion Ltd	-	10,870,021	1,218,827	8,431,390
M/S Epoch Garments Ltd	24,307,529	22,185,367	27,367,696	18,305,362
M/S Motta Apparels Ltd	3,942,087	58,899,496	10,008,902	94,020,535
M/S Omi Apparels Ltd	-	872,832	672,832	-
Total	28,250,616	92,827,716	40,029,257	41,249,714

25.02 Related party disclosure as per IAS-24 Para- 17 regarding Key management personnel compensation:

	Monthly Salary
(a) Short Term Employee Benefits:	Travel Expense Medical insurance for own and Family Earn Leave encumbrance as per existing Labor Law Profit participation as company act, 1994
(b) Post-Employment Benefits:	Contribution Provident Fund @ 8.17% of Basic Salary Long term service benefit
(c) Other Long Term Benefits:	Group Insurance Policy with Faysal Life Insurance Co
(d) Termination Benefits:	As per Existing Labor Law
(e) Share Based Payment:	N/A

25.03 Disclosure of Directors Remuneration and Meeting attendance fee under Para 4 of Schedule XI part II of the Companies Act, 1994:

25.04 Directors have received the following remuneration from the company during the year ended 30 June 2024:

Name	Position	No. of Month	2023 (Tk.)	No. of Month	2024 (Tk.)
Mr. Lutfulkar Ahmed	Executive Chairman	7	4,121,000	12	8,296,125
Mr. Akbar Salam Mordhady	Managing Director	12	7,481,250	12	8,876,125
Mr. Rashidul Alam	Director	7	871,800	12	1,347,750
Mr. Shamsul Islam	Director	7	871,800	12	1,347,750
Mr. Faruk Ahmed	Director	11	1,241,000	12	1,421,900
Mr. Shafiqul Islam Othman	Director	12	1,241,000	12	1,421,900
Mr. Sumayyah Ahmed	Director	12	1,820,000	12	1,900,500
Mr. Akbarul Islam	Director	12	1,820,000	12	1,900,500
Total			23,456,750		27,483,750

25.05 Independent Directors have received the following meeting attendance fee during the Year ended 30 June 2024:

Name	Position	No. of Meeting	2023 (Tk.)	No. of Meeting	2024 (Tk.)
Mr. Saad Shafiqul Haq	Independent Director	11	170,000	11	180,000
Mr. Iqbal Hossain FCMA, FCS	Independent Director	14	170,000	11	141,000
Total			340,000		321,000

25.06 Disclosure under Para 4 of schedule XI Part II of the Companies Act, 1994:

Salary Range (Monthly)	Officer & Staff		Worker	Total Employee
	Head Office	Factory		
Below 6,375	64	64	64	192
Above 6,375	101	129	1,150	1,380

25.07 Disclosure under Para 4 of schedule XI Part II of the Companies Act, 1994:

Name	Purpose	2023 (Tk.)	2024 (Tk.)
ARTISAN Chartered Accountants	Audit Fee	28,750	17,000
Surtee Veritas Computer Products Services (BD) Ltd	Audit Fee	182,847	-
TUV RHEINLAND Bangladesh PVT Limited	Audit Fee	70,214	-
Mahul Haq & Co	Audit Fee	201,250	172,500
CGR Bangladesh Ltd - CGD & RCS Audit	Audit Fee	107,849	-
Total		690,910	189,500



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Envoy Textiles Ltd.
Faruk Ahmed
Managing Director

38.00 Disclosures under Part 8 of schedule XI part II of the Companies Act, 1994.
Transaction in Foreign Currency

Particulars	Amount in (TL)
CFI value of imports:	
1. Raw Materials	
(a) Yarn	660,100,880
(b) Cotton	1,248,129,916
(c) Dyes & Chemicals	865,994,222
2. Accessories / Spare Parts	175,640,966
3. Capital Machinery	295,961,444
Total CFI value of imports:	3,085,897,148
FOB value of Export	6,229,264,225

40.00 Disclosures under Part 8 of schedule XI part II of the Companies Act, 1994.
Particulars of Foreign Shareholders

Name	No. of Shareholders	%	Value of Shares
Foreign Individuals	128,452	0.96%	1,064,520
Total	128,452	0.96%	1,064,520

41.00 Disclosures under Part 8 of schedule XI part II of the Companies Act, 1994.
Imported and local raw materials and spare parts consumed during the year ended 30 June 2021

Raw materials	Qty (Ton)	Amount in BDT	% on Consumption
1. Yarn	2724 (Ton)	675,366,714	11.20%
2. Cotton	20865 (Ton)	1,475,720,488	47.83%
3. Dyes & Chemicals	4109 (Ton)	865,718,871	17.62%
4. Packaging Materials	Various	50,957,251	0.96%
5. Spare Parts	Various	119,640,966	2.12%
		5,114,402,332	100%

42.00 Disclosures under Part 7 of schedule XI part II of the Companies Act, 1994.
Capacity Utilization (Period ended 31 July 2020 to 30 June 2021)

Description of Product	Installed Capacity (Yards)		Actual Production (Yards)		Capacity Utilization	
	June-21	June-20	June-21	June-20	June-21	June-20
Cotton Fabrics Unit-1	24,000,000	24,000,000	17,413,281	15,517,414	72.56%	71.14%
Cotton Fabrics Unit-2	28,000,000	28,000,000	19,818,511	19,796,320	70.78%	70.69%
Spinning Unit (at SSC)	24,000,000	22,000,000	22,113,349	18,349,338	92.13%	83.39%
Total	76,000,000	74,000,000	59,345,141	53,663,072		

43.00 Aging of Accounts Receivable under Part 7 of schedule XI of the Companies Act, 1994

Particulars	Amount 2021	%	Amount 2020	%
Within the Credit cycle up to 4 Months	1,280,561,224	45.13%	1,564,119,024	72.36%
From 4 to 6 Months	120,660,960	4.17%	430,219,154	19.94%
From 6 to 8 Months	7,896,817	0.28%	113,689,818	5.12%
Above 8 Months	12,489,290	0.42%	30,381,874	1.40%
Total	2,544,198,419	100%	2,178,409,868	100%

Amount (TL)	
30 June 2021	30 June 2020
18,449,800,520	18,010,404,134
12,201,093,534	11,564,026,128
6,226,211,085	6,445,478,206
147,714,517	147,714,517
37.1%	34.4%

44.00 Net Asset Value (NAV) Per Share
Total Assets
Less: Total Liabilities
A. Net Assets Value
B. Total Number of Share Outstanding
Net Asset Value (NAV) Per Share (A/B)

Amount (TL)	
30 June 2021	30 June 2020
18,449,800,520	18,010,404,134
12,201,093,534	11,564,026,128
6,226,211,085	6,445,478,206
147,714,517	147,714,517
37.1%	34.4%



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Company Secretary

Envoy Textiles Ltd.
Tanzim Ahmed
Managing Director

Annexure-VII



HEAD OFFICE

Bangladesh Shipping Corporation (BSC) Tower
11, DAKA Avenue 10th Floor, Mirpur C-1
Dhaka 1000, Bangladesh

Ref: EBL/081/2022

Date: 08 February, 2022

Compliance Status of Previously Issued Debt Securities of Envoy Textiles Limited From the Trustee, EBL Investments Limited

Name of the Issue: Envoy Textiles Non-Convertible Redeemable Zero Coupon Bond
Name of the Issuer: Envoy Textiles Limited
Date of Issue Consent & IM Issue: 16 January, 2018
Issue Amount: BDT 150 Crore (Face Value)
Maturity Period: 5 Years

Sl. No.	Name of Investors	Date of Subscription	Amount in BDT Crore			
			Subscription Amount (Face Value)	Redemption Amount	Outstanding Amount	Default (if Any)
1	Square Pharmaceuticals Limited	11/06/2018	6.00	4.20	1.80	N/A
2	Janata Jute Mills Limited	11/06/2018	21.00	14.70	6.30	
3	Employee's Provident Fund-Envoy Textiles Limited	11/06/2018	6.00	6.00	0.00	
4	Workers' Profit Participation Fund-Envoy Textiles Limited	11/06/2018	1.50	1.05	0.45	
5	Mr. Mahmudul Huq	11/06/2018	3.00	2.10	0.90	
6	Ms. Monisha Anwar Huq	11/06/2018	1.50	1.05	0.45	
7	Mr. Khandaker Moinul Ahsan Shamim	18/10/2018	1.50	0.90	0.60	
Total			40.50	30.00	10.50	

Md. Nazrul Islam Chowdhury FCS
Head of Compliance & Legal

Ahmed Arefin FCA
Managing Director

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Strictly Private & Confidential

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Envoy Textiles Ltd.

ENVOY TEXTILES LIMITED

M Saiful Islam Chowdhury FCS
Company Secretary

Envoy Textiles Ltd.

Tanvir Ahmed
Managing Director