

THE UN-AUDITED ACCOUNTS

OF

ENVOY TEXTILES LIMITED

FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2019

ENVOY TEXTILES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

Particulars	TAKA 30th Sept 2019	TAKA 30th June 2019
ASSETS:		
Non-Current Assets	10,958,839,518	11,050,618,531
Property, Plant & Equipment, net of Depreciation	10,958,839,518	11,050,618,531
Current Assets	6,928,157,536	6,741,001,952
Inventories & Stores	3,009,683,461	2,740,742,478
Materials in Transit	386,765,296	344,454,033
Trade and Others Receivable	3,277,044,562	3,413,894,902
Advance, Deposits & Prepayments	220,475,811	204,041,213
Investment	14,562,599	13,695,729
Cash and Cash Equivalents	19,625,807	24,173,597
Total Assets	17,886,997,053	17,791,620,483
EQUITY & LIABILITIES:		
Authorised Capital	4,000,000,000	4,000,000,000
275,000,000 Ordinary Shares of Tk.10/= each.	2,750,000,000	2,750,000,000
125,000,000 Redeemable Preference Shares of Tk.10/= each.	1,250,000,000	1,250,000,000
Shareholders' Equity	6,524,251,152	6,433,260,624
Paid up Share Capital	1,677,347,670	1,677,347,670
Share Premium	1,120,000,000	1,120,000,000
Revaluation Surplus	1,699,926,172	1,702,501,772
Retained Earnings	2,026,977,310	1,933,411,181
Tax Holiday Reserve	-	-
Non-Current Liabilities	5,536,305,554	5,734,840,024
Long Term Loan	4,211,657,993	4,309,810,544
LC Accepted Liability	552,136,870	502,131,417
Long Term Loan (Current Portion)	484,352,163	645,802,885
Provision for Deferred Tax	288,158,528	277,095,179
Current Liabilities	5,826,440,347	5,623,519,835
Short Term Liabilities	4,207,330,446	3,908,896,026
Accounts Payable	1,382,147,342	1,532,859,171
Provision for Expenses	119,996,808	87,530,290
Provision for Current Tax	116,965,751	94,234,347
Total Liabilities & Shareholders' Equity	17,886,997,053	17,791,620,483
NAV Per Share	38.90	38.35

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

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

Dated: November 13, 2019
Dhaka

ENVOY TEXTILES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30 2019

Particulars		TAKA 30th Sept 2019	TAKA 30th Sept 2018
Revenue		2,199,314,378	2,364,975,146
Less: Cost of Goods Sold		1,784,775,310	1,889,483,066
Gross Profit		414,539,068	475,492,080
Less: Operating Expenses		83,034,229	77,997,133
Administrative & General Expenses		64,108,461	59,741,351
Selling & Distribution Expenses		18,925,768	18,255,782
Profit/ (Loss) from Operation		331,504,839	397,494,947
Less: Financial Expenses		197,834,860	196,525,601
Profit/ (Loss) after Financial Expenses		133,669,980	200,969,346
Add: Other Income / (Expenses)		58,947	802,127
Net Profit/ (Loss) before WPPF		133,728,927	201,771,473
Less: Workers Profit Participation Fund Expenses		6,368,044	9,608,165
Net Profit before Tax		127,360,882	192,163,308
Less: Provision for Current Tax		22,731,404	20,496,385
Less: Provision for Deferred Tax		11,063,350	(706,837)
Profit after Tax		93,566,129	172,373,760
Earnings Per Share (EPS)		0.56	1.05
Diluted Earnings Per Share		0.56	1.03

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

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Dated: November 13, 2019
Dhaka

ENVOY TEXTILES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30 2019

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Retained Earnings	Total Amount BDT
Balance as at 01.07.2019	1,677,347,670	1,120,000,000	1,702,501,772	1,933,411,181	6,433,260,623
Add: Net Profit During the Period				93,566,129	93,566,129
Depreciation on Revaluation Surplus			(2,575,600)		(2,575,600)
Balance as at 30.09.2019	1,677,347,670	1,120,000,000	1,699,926,172	2,026,977,310	6,524,251,152

ENVOY TEXTILES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30 2018

Particulars	Share Capital Taka	Share Premium Taka	Revaluation Taka	Retained Earnings	Total Amount BDT
Balance as at 01.07.2018	1,644,458,500	1,120,000,000	1,713,134,427	1,773,612,342	6,251,205,269
Add: Net Profit During the Period				172,373,760	172,373,760
Depreciation on Revluation Surplus			(2,658,164)	2,658,164	-
Balance as at 30.09.2018	1,644,458,500	1,120,000,000	1,710,476,264	1,948,644,266	6,423,579,029

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

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

Dated: November 13, 2019
Dhaka

ENVOY TEXTILES LIMITED
STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED SEPTEMBER 30 2019

Particulars	TAKA 30th Sept, 19	TAKA 30th Sept, 18
Cash Flow from Operating Activities: (A)		
Collection from Turnover and Others	2,345,309,495	2,104,232,247
Exchange Fluctuation Gain	(9,085,831)	-
Cash Payment to Creditors	(1,987,302,754)	(1,800,568,022)
Cash Payment for Operating Expenses	(52,667,330)	(63,666,506)
Income Tax Paid and Deducted at Source	(24,179,974)	(20,496,385)
Financial Expenses	(194,351,151)	(166,003,442)
Net Cash Provided by Operating Activities	77,722,455	53,497,892
Net Operating Cash Flow Per Share	0.46	0.33
Cash Flows from Investing Activities: (B)		
Acquisition of Fixed Assets	(96,615,741)	(1,633,716,916)
Investment	(866,870)	44,926,986
Capital Work in Process	-	1,556,634,062
Net Cash Used in Investing Activities	(97,482,611)	(32,155,868)
Cash Flows from Financing Activities: (C)		
Long Term Liabilities	(48,147,099)	46,021,833
Long Term Liabilities (Current Portion)	(161,450,721)	(221,975,796)
Short Term Liabilities	224,816,944	76,252,829
Payment of Cash Dividend	(6,758)	-
Net Cash Used in / Provided by Financing Activities	15,212,366	(99,701,134)
Net Decrease in Cash [A+B+C]	(4,547,790)	(78,359,109)
Add: Cash at the Opening	24,173,597	99,014,247
Cash at end of the Year	19,625,807	20,655,138

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

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

Dated: November 13, 2019
Dhaka

Envoy Textiles Limited

Notes to the Interim Financial Statements
For the period of first quarter ended September 30, 2019

1. Activities of the Company

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

2. Basis of preparation of the Interim Financial Statement

These are Interim Financial Statements of Envoy Textiles Limited for the First Quarter ended September 30, 2019 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, 2019. The accounting policies and presentation used are in consistent with those of the annual financial statements

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

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

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

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

3. Significant Event:

During the reporting period, Revenue has been decreased by 7.00% as compared to previous year same period due to a depressed market demand; where net profit significantly declined by 45.72 due to decrease in Production because of shorter working days in the period for Eid vacation. Ever-increasing input cost, power cost, incremental rate of source Tax absorbed the profit significantly.

During this reporting period Net operating cash flow per share increased from BDT 0.33 to BDT 0.46 due to increase in export collection in compared to export credit sales.

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 Cash Flow Statement

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

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 first quarter ended September 30, 2019.

4.00 Related party Disclosure under IAS-24:

4.1 During the reporting period from July 01, 2019 to Sept 30, 2019 following transactions incurred with related party as per IAS-24 Para- 21 in the form of Sales of Finished goods against export LC.

Particulars	Opening	Addition	Adjustment/ Realized	Balance
M/S Envoy Fashion Ltd.	62,690,841	6,701,767	63,039,935	6,352,673
M/S Epoch Garments Ltd.	21,098,226	28,004,958	9,894,477	39,208,707
M/s Manta Apparels Ltd.	972,706	48,858,082	972,706	48,858,082
M/S Olio Apparels Ltd.	18,013,690	17,981,753	16,230,364	19,765,079
Total-	41,944,837	101,546,560	90,137,482	114,184,541

4.2 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.
	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.
(e) Share-Based Payment;	Nil

4.3 Disclosures under Para 8 of schedule XI part II of the Companies Act. 1994.

Transaction in Foreign Currency

Particulars	Amount in (Tk.)
CIF value of import:	
1. Raw Materials	
(a) Yarn	396,374,234
(b) Cotton	766,461,476
(c) Dyes & Chemicals	315,125,421
2. Accessories / Spare Parts	22,686,266
3. Capital Machinery	86,774,906
Total CIF value of import:	1,587,422,302
FOB value of Export	2,032,402,538

4.4 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 (Tk.)	
30th Sept-19	30th Sept-18
17,886,997,053	17,791,620,483
11,362,745,901	11,358,359,859
6,524,251,152	6,433,260,624
167,734,767	167,734,767
38.90	38.35

4.5 Earnings Per Share (ESP):

Profit After Tax

Number of Shares Outstanding

Earnings Per Share (EPS)

Diluted Earnings Per Share

Amount (Tk.)	
30th Sept-19	30th Sept-18
93,566,129	172,373,760
167,734,767	164,445,850
0.56	1.05
0.56	1.03

4.6 Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018:

Reconciliation of Net Operating Cash Flow under Indirect Method:

Particulars	TAKA 30th Sept, 19	TAKA 30th Sept, 18
Net Profit after TAX	93,566,129	172,373,760
Depreciation	185,819,154	170,709,950
Increase of Account Payable	(77,094,353)	47,834,775
Increase Provision for Expenses	32,473,275	45,437,024
Decrease of Provision for Tax	33,794,754	19,789,547
Increase of Inventory	(268,940,983)	69,508,248
Decrease of Transit	(42,311,263)	(199,137,929)
Increase of A/R	136,850,339	(261,545,026)
Advance, Deposits & Prepayments	(16,434,598)	(11,472,457)
Net Cash Provided by Operation Activities	77,722,455	53,497,892

Net Operating Cash Flow Per Share

0.46 0.33

4.7 Authorized Capital:

275,000,000 Ordinary shares of Tk.10/= each.

125,000,000 Redeemable Preference Shares of Tk.10/= each.

30th Sept-19	30th Sept-18
2,750,000,000	2,750,000,000
1,250,000,000	1,250,000,000
4,000,000,000	4,000,000,000

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

167734767 Ordinary Shares of Tk.10/= each.

Particulars	30th Sept-19		30th Sept-18	
	Number of Share	Taka	Number of Share	Taka
Sponsors/Directors	76,453,883	764,538,830	74,954,795	749,547,950
General Shareholders (Individual)	20,117,252	201,172,520	23,203,910	232,039,100
General Shareholders (Institution)	71,053,240	710,532,400	66,150,195	661,501,950
Foreign Shareholders	110,392	1,103,920	136,950	1,369,500
Total	167,734,767	1,677,347,670	164,445,850	1,644,458,500