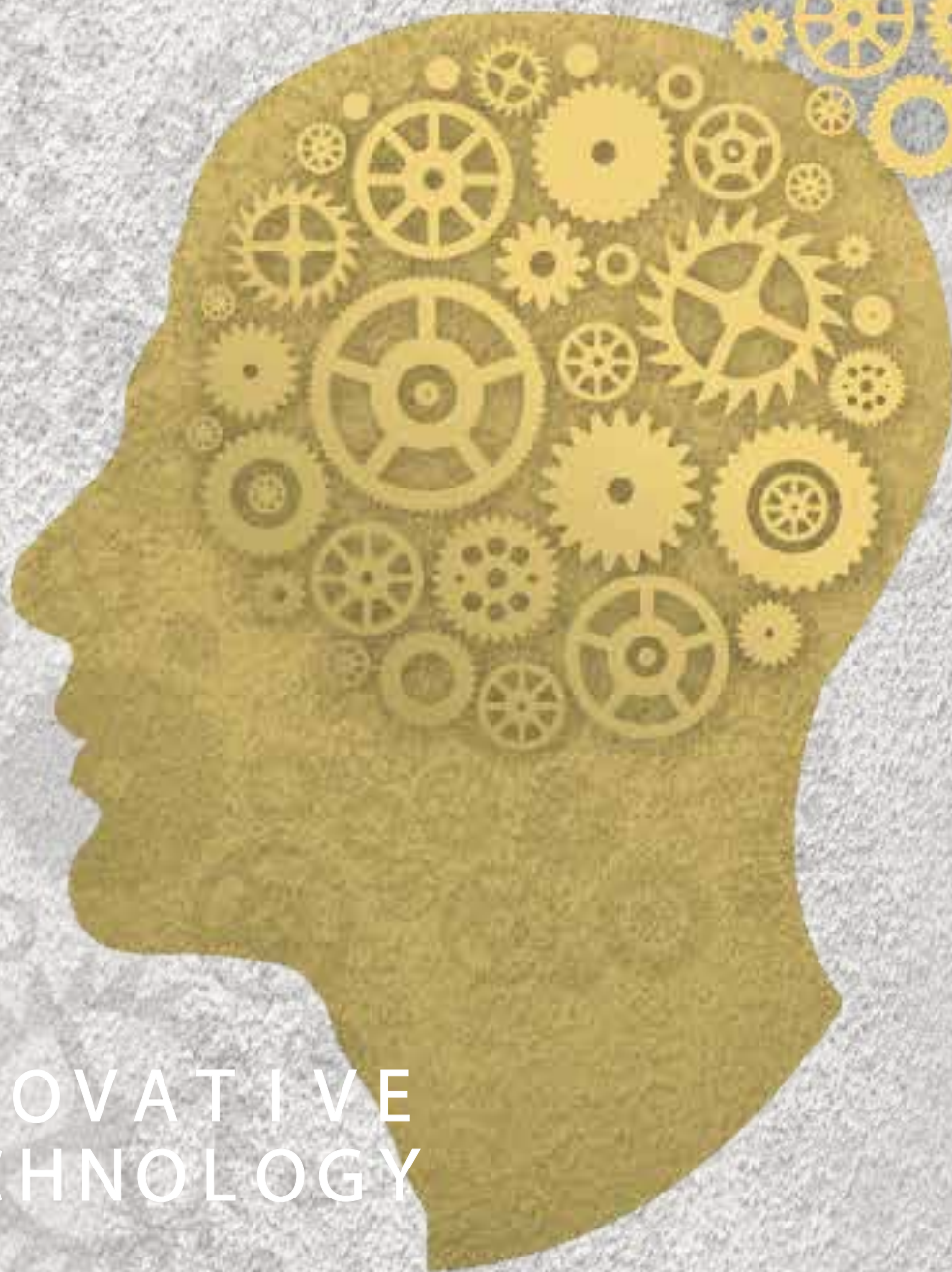


ANNUAL REPORT

2019-2020



INNOVATIVE
TECHNOLOGY



KDS Accessories Limited



ANNUAL REPORT

2019-2020



Let's go with technology

Believe in continuous change & growth
Because transforming is only the path

CONTENTS

CHAPTER : GENERAL

Who We Are	07
Vision	09
Core Values	11
Corporate Information	13
Highlighting Events	16-17
Products & Markets	21-30
Management Team	43
Letter From The Chairman	44-45
Message From The Managing Director	46-48
Comments By CEO	49
Award & Recognition	97-101
Events & Image	145-149
Press & Media Coverage	150-151
Shareholder Index	153-154
Attendance & Proxy Form	155

CHAPTER: FINANCIAL

Financial Synopsis of 2019-2020	05
Value Added Statement	95
Auditors' Report	103-143

CHAPTER: CORPORATE GOVERNANCE

Letter of Transmittal	19
Notice of The 29 th AGM	33
Board Of Directors	35-41
Directors' Report	52-85
Report of The Audit Committee	86-87
NRC Report	88-90
Corporate Governance Report	91-92
Certificate of BAPLC	93

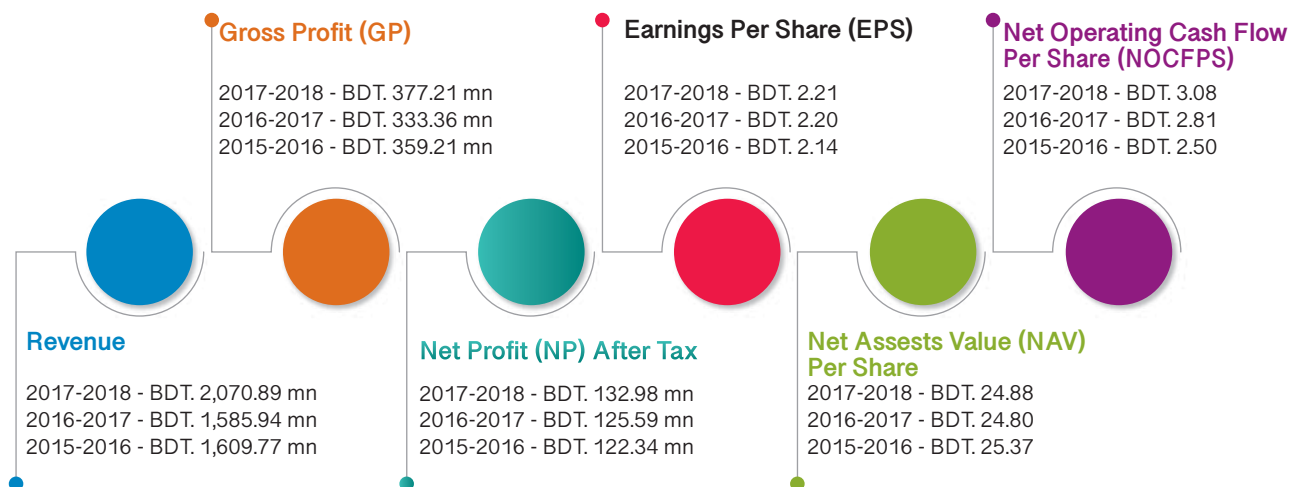
KDS ACCESSORIES LIMITED

IS ONE OF THE COUNTRY'S LEADING AND
LARGEST GARMENTS ACCESSORIES COMPANY
WITH COMPREHENSIVE PRODUCT RANGE.

HAVING SINGLE LARGEST CAPACITY
WE ARE PIONEER OF PACKAGING.

WE BELIEVE IN WORKING CLOSELY WITH
OUR CLIENTS TO UNDERSTAND THEIR
NEEDS TO DESIGN SERVICES
ACCORDINGLY AND ALIGN OURSELVES
AS A STRATEGIC PARTNER, HELPING US
TO REALIZE OUR VISION

**'TO BE A GLOBALLY PREFERRED TRIMS
AND PACKAGING SOLUTIONS COMPANY'**





- Sustainability is our Goal

For long lasting development,
Sustainability brings enhancement.

WHO WE ARE

STARTING ITS JOURNEY BACK TO THE 1991, KDS ACCESSORIES LIMITED IS THE COUNTRY'S LEADING AND LARGEST ACCESSORIES MANUFACTURER AND A MAJOR PLAYER IN THE BANGLADESH READY-MADE GARMENTS (RMG) MARKET.

OUR STRENGTH

Our extensive experience in the industry has helped us acquire knowledge and information to design products and services that best suites requirements of our clients.

We offer flexibility, competitiveness and sharper lead-time to facilitate demanding sourcing requirement. Our national network supported by a dynamic team of professionals allows us to serve our clients as a strong supply chain partner providing production, consolidation and solution based services.



COMPREHENSIVE PRODUCTS RANGE

We offer one of the most comprehensive ranges of apparel Trims & Packaging products and services. In Bangladesh we manufacture almost all the products in our IMS (ISO-9001 : 2015, ISO- 14001 : 2015, BS OHSAS- 18001 : 2007) certified international standard facilities and our products meet global quality standards.

GLOBAL RECOGNITION

We are preferred by world most reputed brand for as reliable and quality supplier for their garment accessories.



for a better tomorrow

www.kdsaccessories.com



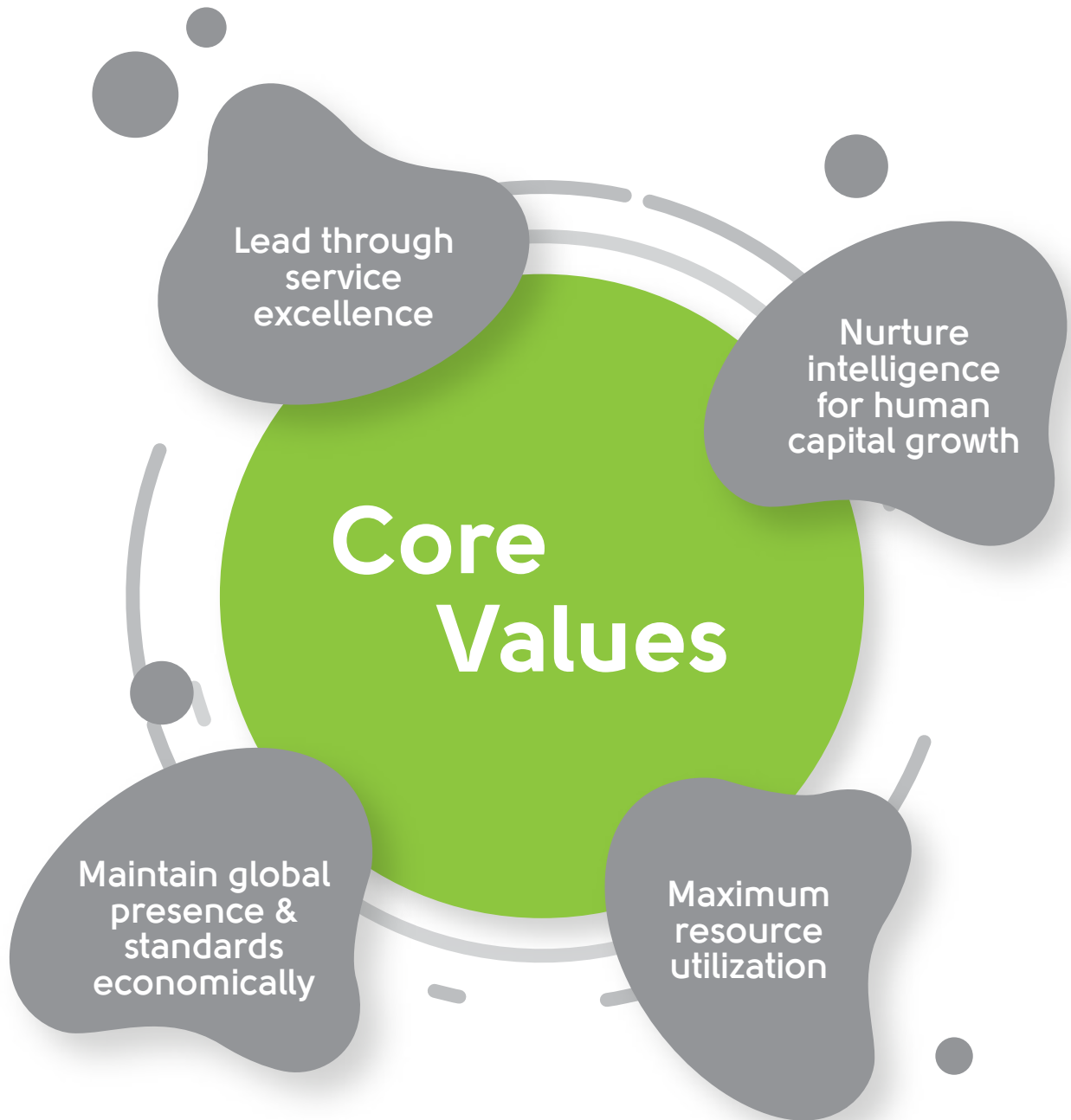
Vision

To be a globally preferred trims & packaging solutions company



- Carry positive action to develop positive vision

Work with positive attitude & attainable vision
Thus, bring goodwill & Developing notion





Front view of our Corporate Office, Chattogram



Front view of our Dhaka Office



Partial view of our Gazipur Factory

CORPORATE INFORMATION

Company Name	: KDS Accessories Limited	
Company Registration No	: C-H-C-862/154 of 1991	
Status of the Company	: Public Limited Company	
Date of Incorporation	: 21 April 1991	
Offices	: Registered Office- 255, Nasirabad I/A, Chattogram, Bangladesh.	
	Corporate Head Office 191-192, Baizid Bostami Road Nasirabad I/A, Chattogram-4210 Bangladesh.	Dhaka Office Road 4, House 63 Block C, Banani Dhaka-1213, Bangladesh
Plant Location	: Unit-01 191-192, Baizid Bostami Road Nasirabad I/A, Chattogram-4210 Bangladesh	Unit-02 6, West Dogory, Mirzapur Gazipur Sadar, Dhaka Bangladesh.
Phone No	: +880 31 681701-3	+880 2 9821665
Fax	: +880 31 682137	+880 2 9821682
E-mail	: accessories@kdsgroup.net	
Website	: www.kdsaccessories.com	
Bankers & NBFIs	: Bank Asia Limited HSBC Mutual Trust Bank Limited Trust Bank Limited Exim Bank Limited	Standard Chartered Bank Southeast Bank Limited Dutch Bangla Bank Limited NCC Bank Limited IIDFC
Insurers	: Pragati Insurance Limited Northern General Insurance Company Limited	
Auditors	: Statutory Auditor Hoda Vasi Chowdhury & Co. Chartered Accountants Delwar Bhaban (4th Floor) 104, Agrabad C/A Chattogram-4000, Bangladesh.	Auditor For Corporate Governance Shafiq Basak & Co. Chartered Accountants National House (1st Floor) 109 Agrabad Commercial Area Chattogram-4100, Bangladesh.
	Internal Auditor Rahman Rahman Huq Chartered Accountants 78 Agrabad Commercial Area Makkah Madina Trade Centre (13th floor) Sabadar Ali Road, Chattogram- 4100.	
Credit Rating Agency	: Credit Rating Information and Services Limited (CRISL)	
Listing with	: Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.	



| pearls of pride |



KDS

Since 1983

- One of the largest business conglomerate in the country
- Operating mostly in export industry & products
- More than 25,000 employess working across the group
- Leading export winner industry with global reach
- Has strong brand value of its products
- Adheres to most international standards

BUSINESS AT A GLANCE

THE GROUP OPERATES THROUGH SEVERAL STRATEGIC BUSINESS SEGMENTS

APPAREL



TEXTILES



**GARMENTS
ACCESSORIES**



LOGISTICS



STEEL



**BANKING &
INSURANCE**



**SHARES &
SECURITIES**



HIGHLIGHTING EVETNS





10 September 2015
IPO Lottery

07 October 2015
Listing with
Stock Exchanges

15 October 2015
Trade Opening

22 September 2016
Implementation
of Packaging Line-3

10 August 2017
Expansion of
Button and
Addition of
Hanger Project



- **Adapt to correct**

Let us Bring the imperfect
to perfection Choose
adaptability is the only option

LETTER OF TRANSMITTAL

Date : 05 November 2020

To

Valued Shareholders of KDS Accessories Limited
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject : Annual Report for the year ended 30 June 2020.

Dear Sir (s),

The undersigned on behalf of the Board of Directors and Management of KDS Accessories Limited is pleased to enclose the notice of the 29th Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements, Report of the Board of Directors and Auditors' Report thereon for the year ended 30 June 2020 for your information and record.

Thank You.

Yours Sincerely,



Manjure Khuda

Company Secretary



We deliver
**Innovative,
Efficient
& Value
Driven
Solutions**
for our
Esteemed
Customers



PRODUCTS & MARKETS

Think Strength & Robustness KDS Carton



CORRUGATED CARTON

BDT. 1,485.00 mn

- 100,000 average size boxes/day.
- Highest single plant capacity.
- High Speed Die Cutting machines to produce complex designs.
- Automatic Printing and Gluing Machines.
- IMS (ISO-9001:2015, ISO-14001:2015, BS OHSAS-18001:2007) certified.
- In house testing Lab.
- Over 27 years of plant engineering experience.

BUTTON

BDT. 94.26 mn

Free from any RSL-substances like lead, cadmium, nickel and chromium or any Azo-Compound and Phthalate.

Using world Branded Machineries.

Full Scale testing laboratories.

Laser with Turning Machines

(with Color logo/Side Logo machine).

All types of Plastic Button, Specially Horn and Sheet Buttons.

Button size started from 13L to 60L.

Using imported Raw Materials form Europe.

**ATTACH YOUR
FASHION
WITH OUR FINEST
COLLECTION OF
BUTTON**



WE WEAVE
YOUR DREAMS
ON OUR FINE
WOVEN LABEL

WOVEN LABEL

BDT. **50.55** mn

- High Speed Airjet Looms-Reduced Lead Time per booking.
- Ultrasonic Slitting-Soft Edge Woven Requirements.
- Updated Textile CAD Systems-Weaving Accuracy.
- High Skilled Technicians & Product Development Team.
- 100% QC system for all productions & raw materials.
- Needle Looms-Woven Edge Label requirements.
- High Color Accuracy through spectrophotometer measuring.
- In-house Color Fastness Testing Capabilities.
- Oeko-Tex® Standard 100 Certified for Human-Ecological Requirements/Baby Articles.

ELASTIC & NARROW FABRIC

BDT. 92.83 mn

In-house warping facilities.

In-house Starching and finishing requirements.

High Pressure Ribbon calendaring machine.

Ability to weave Jacquard design Woven Elastics of both Nylon and Polyester.

Can weave Cotton, Nylon and Polyester ribbons.

**Complementing
the apparel luxury
and comfort through our
Elastic & Narrow Fabric**



OFFSET PRINTING

BDT. 69.15 mn

Complete Pre-Press Capabilities.

Using FSC Certified Paper Source.

In-house print quality testing Equipment's.

100% QC system for all production & raw materials.

Graphic Design dept. with latest Mac OS & Windows OS.

Secured Data Transfer System for Graphic Designs/variable data.

Color Quality management by Spectrophotometer

and i-Color software.

Heighten your
brand with our
Printing
Proficiency

HEAT TRANSFER

BDT. 11.20 mn

Complete Pre-Press capabilities.

A range of modern heat transfer systems.

Eco-friendly, AZO, APEO, PVC, DOP free sticker transfer (carcinogenic items).

Super quality production with higher production capacity.

Can produce image transfer, sublimation printing.

Overall Satisfaction.



TAG FREE
LABELING WITH OUR
HEAT TRANSFER
PRINTING FACILITY



GUM TAPE

BDT. 25.66 mn

A Complete Barrier to execute dust and dirt.
Preserves the Hygienic Integrity of the contents.
Total protection against Vermin such as rodents.

Tamper evidence, tape bonds to carton.
Cost effective, shorter lengths are required.

Easily and securely printed or coded.

**GREAT CLOSURE
STRENGTH
SINCE PERMANENT BOND**

HANGER

BDT. 93.68 mn

More than 150,000 hangers a day

Primary materials: PP, PS & Clear [polystyrene]

7 injection molding machines, capacity ranging from 150 to 500 tons

Pantone Color code Size Tab color matching system

Tooling design & production facilities

IMS certified (ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007) System

**GLOBAL SOURCING
& LOCAL SUPPLY
KDS HANGERS**



PRINTED FABRIC LABEL

High Speed Flexo Printing Machines-Reduced Lead Time per booking.

Printed Cylinder availability to print Any Length 10mm to 340mm.

Very High Print Accuracy using Different Anilox.

Full in-house pre-press capabilities.

In-house Ribbon production facility.

Additional Ink Curing Facility to assure wash fastness.

Oeko-Tex® Standard 100 Certified for Human-Ecological Requirements/Baby Articles.

**ENHANCE YOUR BRAND
SOPHISTICATION
PRINTED FABRIC LABEL**





ReThink > ReShape > Reboot

To achieve success, think and rethink the ways that brings favorable outcomes

INVITATION FOR
The 29th Annual General Meeting
of
KDS Accessories Limited

AT

<https://kdsaccessories.bdvirtualagm.com>

DATE & TIME

Thursday, 19 November 2020

at 11:00 AM

NOTICE OF THE 29th ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the Shareholders of KDS Accessories Limited will be held on Thursday, 19 November 2020 at 11:00 AM. The AGM will be held virtually by using digital platform through the following link : <https://kdsaccessories.bdvirtualagm.com> to transact the following businesses:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2020 together with the Auditors' Report and the Directors Report thereon.
2. To approve the dividend as recommended by the Board of Directors.
3. To elect/re-elect the Director(s) of the company.
4. Appointment of Statutory Auditor and Auditor for Corporate Governance.

Dated : 04 November 2020
Chattogram

By order of the Board



Manjure Khuda

Company Secretary

NOTES:

- Shareholders whose names would appear in the Share Register/Depository Register on the record date on 04 November 2020 will be eligible to attend at the 29th Annual General Meeting and entitled to receive the dividend.
- Pursuant to the Bangladesh Securities and Exchange Commission's Order No.SEC/SRMIC/94-231/25 dated 08 July 2020, the AGM will be conducted via live webcast by using digital platform.
- The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link <https://kdsaccessories.bdvirtualagm.com>
- We encourage the Members to log in to the system prior to the meeting start time of 11:00 AM on 19 November 2020. Please allow ample time to login and establish your connectivity. The webcast will start at 11:00 AM. Please contact: +88 01777 775 389 for any technical difficulties in accessing the virtual meeting.
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2019-2020 is being sent to the email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The Members are requested to update their email addresses through their respective Depository Participant (DP). The soft copy of the Annual Report 2019-2020 will also be available on the Company's website at: www.kdsaccessories.com
- A Shareholder eligible to attend and vote at the AGM, may appoint a Proxy to attend and vote in his/her behalf. The Proxy Form duly filled, signed and stamped must be deposited at the Corporate Office at 191-192, Baizid Bostami Road, Nasirabad I/A, Chattogram-4210 not later than 72 hours before the AGM.
- Members are requested to update their respective BO Account with 12 Digit e-TIN, Bank Account, Mailing Address and Contact Number through their respective Depository Participant (DP). Advance Income Tax (AIT) @ 15% (instead of 10%) will be deducted from eligible cash dividend, if anyone fails to update his/her BO Account with the 12 Digit e-TIN before/on the Record Date.
- The concerned Brokerage Houses/DPs are requested to provide us the statement (both of hard copy & soft copy on or before 08 November 2020 with details of their margin loan holders entitled to Dividend for the year ended on 30 June 2020. The statement should include Shareholders Name, BOID Number, Client-wise shareholding position, contact person etc. The record date was 04 November 2020.



BOARD OF DIRECTORS



Mr. Khalilur Rahman is the Founder of the KDS group and Chairman of the Company.

Mr. Khalilur Rahman is a seasoned and highly experienced businessman & successful entrepreneur. Coming from a very humble background, he has been pioneer in kick starting several industries in the country.

Starting his journey in 1967 from a small-localized business, he kept on diversifying into many areas of his interests.

His love for the struggling people of his area inspired him to start exploring labour intensive ventures. Around 1983, he started his major scale garments manufacturing facility, KDS Garments, out of Chattogram.

A keen sense of determination had enabled Mr. Rahman to expand his empire to include many other large scale projects over the years such as textiles, garment accessories, steel, investment management, logistics, banking, insurance and education etc.

Today, KDS group is one of the largest business conglomerate in the country having business links with USA, Canada, Europe, Japan, South Asian Sub-Continent, India and China etc. and the group was awarded President Gold Trophy for export 9 times and got recognition of Quality Garments Exporter from foreign retailers 4 times.

Apart from being founding father of all Groups' business, Mr. Rahman has been truly the guiding force of business growth cutting across several business verticals within the group.

His energy and passion has been instrumental in not only he has guided the group into a large industrial behemoth, but also he metamorphosed the group into a closely-knit family of organizations, each complementing the need of others.

His inspirational leadership style has developed several leaders within the group to undertake key business activities. He is also one of the few



Mr. Khalilur Rahman
Chairman

entrepreneurs of private banks and insurance business in the country.

He is one of the founding directors of National Bank Ltd. - a first generation private bank of the country.

He was also pioneer in the private sector insurance of the country and currently holding the position of director of Pragati Insurance Limited. and Chairman of Pragati Life Insurance Limited.

He is the chairman of AIBL Capital Market Services Ltd. (a subsidiary of Al-Arafah Islami Bank Limited)

Besides contributing to the industrial growth in the country, he has undertaken various social activities, which helps the marginalized section of the society in a large way. A large number of non-profit and entirely charitable educational institutions (School, College, Madrasha etc.) have been setup by Mr. Khalilur Rahman.

He is the founder chairman of Southern University, founder of Khalilur Rahman Mohila College, Khalil Mir Degree College, Khalilur Rahman Girls' High School, Khalil Mir Girls' High School, Ziri Khalil Mir

High School and three Madrashas and one cultural academy in greater Patiya of Chattogram.

He was vice president of BGMEA (Bangladesh Garment Manufacturer & Export Association) & currently President of Chittagong Metropolitan Chamber of Commerce & Industries.

He is also involved with Bangladesh CR Coil Manufacturer & Exporters Association and Bangladesh Inland Container Depot Association (BICDA).

He was awarded EKUSHEY PADAK 2015 from Chattogram City Corporation for his contribution in Trade and commerce.

He is the Life Member of Bhatiary Golf & Country Club, Chittagong Boat Club, Chittagong Club Ltd., Chittagong Metropolitan Lions Club, Chittagong Press Club, Chittagong Institute Limited (Senior's Club), Chittagong Maa & Shishu Hospital & Ziri Janakollan Trust.

Inheriting the rich legacy of his father, Mr. Salim Rahman has made his own mark in taking the group to next level of business excellence through strategic expansion and organizational transformation through his passionate and dynamic leadership style.

Educating in India and the US, Mr. Salim Rahman has joined the group in 1997. Since then, he has actively involved with different sectors like Garments, Accessories, Steel, Textile, Shipping, Securities, Banking and Insurance.

Within few years of his joining in the group, he has been instrumental in capacity expansion of steel division, which strategically helped steel business to be a key player in the country's infrastructural growth. Apart from steel, he has been instrumental in setting up the country's largest "Dry-dock" or Inland Container Depot (ICD) under KDS Logistics. He undertook similar expansion in other group businesses notably in Garments and Accessories.

Apart from business expansion, he has been instrumental with key organizational changes across the group to transform it a complete professional organization. Today KDS Group has been benchmarked as one of the true Bangladeshi professional organization. Setting up several industry-verticals led by competent CEOs, Mr. Rahman has helped the group perform more objectively and transparently.

Mr. Rahman has also injected operational excellence in key areas, which help the group business to grow several times in revenue & profitability. Mr. Rahman has also taken the group's footprint across various overseas locations including that of India, Hong Kong, the UK etc.

Besides manufacturing base he is also involved with investment and IT sector and currently he is director & chairman of Executive Committee of Al-Arafah Islami Bank Ltd. He was director of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and current director of Chittagong Metropolitan Chamber of Commerce & Industries.

He is a life member of Bhatiyari Golf & Country Club and member of Chittagong Club Limited, Chittagong Institute Limited (Senior's Club)

He is also involved with others social organizations and activities being associated with many organizations.



Mr. Salim Rahman
Managing Director



Ms. Tahsina Rahman
Director

Ms. Tahsina Rahman obtained her BBA from University of Science and Technology, Chittagong (USTC) and completed MBA from Independent University Bangladesh (IUB).

She is a dynamic, results-oriented professional with experience and visible achievements in business development startup, strategic business partnerships and emerging markets including childcare arenas.

Ms. Tahsina Rahman is an Out-of-box thinker with visionary leadership strengths, resourceful team player characterized by innovative entrepreneurial spirit. She is also associated with number of Social Organizations and activities.



Mr. Muhammad Jamaluddin Independent Director

Mr. Muhammad Jamaluddin was born in a respectable Muslim family of Chattogram on 29 August 1950. He obtained his B.Sc. (Hons.) and M.Sc. Degrees in Physics from the University of Dhaka.

Mr. Jamaluddin joined Petrobangla as Geophysicist in June 1975 and started his career as an oil and gas explorer in the country. He retired from Petrobangla in August 2007 as the Managing Director of BAPEX. He was also member of Bangladesh Gas Act' Preparation Committee, Steering Committee for the "Gas Sector Master Plan and Strategy for Bangladesh Project" and Bangladesh Expert Committee for "Petroleum Potential and Resource Assessment Project 2001" during his tenure in Petrobangla.

He served as Member of Board of Directors of Bangladesh Petroleum Exploration & Production Company Ltd. (BAPEX) and Pashchimanchal Gas Company Ltd. (PGCL). Currently he is Independent Director of the Board of Directors of Pragati Life Insurance Limited and also a Director of Center for Mass Education in Science (CMES), an NGO working in rural Bangladesh for imparting non-formal education and hands-on technical education to the disadvantaged children of the country.

Since his retirement from Petrobangla, Mr. Muhammad Jamaluddin had been working as a consultant for different gas-sector projects of Asian Development Bank (ADB), SAARC Energy Center, Islamabad, Gustavson Associates, USA (for implementation of ADB funded project), Keystone Business Support Company Ltd., and International Union for Conservation of Nature (IUCN). He occasionally writes in the national dailies on critical energy sector issues of the country. He travelled to a number of countries in Europe, Asia and the USA for professional training and education and also as member of government delegation.

Mr. Kamrul Hasan FCA Director

(Representative of KDS Garment Industries Limited)

Mr. Kamrul Hasan FCA is a Director at KDS Accessories Limited representing KDS Garment Industries Ltd. He is a fellow Chartered Accountant with more than 20 years of experience in Finance & business operation. Currently he is working as CFO of KDS Garment Division.

He is involved in various social activities in various professional and social organization.





At KDS Accessories
People is our
Biggest **Capital**

MANAGEMENT TEAM

Board of Directors

Mr. Khalilur Rahman	:	Chairman
Mr. Salim Rahman	:	Managing Director
Ms. Tahsina Rahman	:	Director
Mr. Kamrul Hasan FCA (Representative of KDS Garment Industries Ltd.)	:	Director
Mr. Muhammad Jamaluddin	:	Independent Director

Audit Committee

Mr. Muhammad Jamaluddin	:	Chairman
Ms. Tahsina Rahman	:	Member
Mr. Kamrul Hasan FCA (Representative of KDS Garment Industries Ltd.)	:	Member
Mr. Manjure Khuda	:	Member Secretary

NRC Committee

Mr. Muhammad Jamaluddin	:	Chairman
Mr. Khalilur Rahman	:	Member
Mr. Kamrul Hasan FCA (Representative of KDS Garment Industries Ltd.)	:	Member
Mr. Manjure Khuda	:	Member Secretary

Senior Executives

Mr. Debasis Daspal	:	Chief Executive Officer
Mr. Anwar-Ul-Azam	:	EVP-HR, Compliance & Operation
Mr. Biplob Kanti Banik FCA	:	Chief Financial Officer
Mr. Manjure Khuda	:	Company Secretary
Mr. Natesan Srinivasan	:	GM-SLP
Mr. Abu Taher	:	GM-Sales
Mr. Sarwar Hossain	:	DGM-HR & Compliance
Mr. A.K.S. Parvez	:	DGM-Packaging
Mr. Abdur Rouf Mollah	:	DGM-Button
Mr. Apu Sarwar	:	Head of IT
Mr. Kongku Chakma	:	Head of Hanger Unit

LETTER FROM THE CHAIRMAN



Dear Fellow Shareholders,

At the beginning, my best wishes for you and your family. We are living through an unprecedented crisis time and we hope to overcome this critical time collectively for a better world ahead.

It gives me great pleasure to present the Annual Report of the company for the year 2019-2020.

Our story

KDS Accessories Ltd. (KDSA) is one of the first-generation garment accessories company, which makes a significant contribution to our RMG industry through our quality, products variety, and strong supply chain management.

Since 1991, the year of starting the journey, KDS Accessories has attained its recognition as one of the country's leading garment Accessories Company, with a significant and growing global reach.

KDS Accessories has become one of the compliant manufacture in the country and one of the first of its kind.

Unforeseeable challenges

Around the world, we are confined or restricted to do our full-length activities and business is not running with full potentials. We don't know the end of pandemic.

Despite the challenges, we had consistent growth both in net worth and profit in the year 2019-2020.

The Board has recommended 15% dividend, in line with our consistent dividend policy, resulting in a 68.65% pay-out ratio based on earnings per share. This reflects the Board's continued confidence in the future growth of the business.

Looking forward

In this time of uncertain global outlook, we reassure you that our strategy is focused on driving growth and creating long term shareholders' value.

I would like to thank our employees for their commitment to KDS Accessories. It is their hard work and dedication that enables us to deliver on our promises.

I also want to thank our shareholders for your continued support, your confidence and above all for your trust.

I would like to express my gratitude to bankers, regulatory bodies (BSEC, DSE, CSE, CDBL, NBR, RJSC) and business associates for their cordial support in enabling KDS Accessories to achieve success.

I would like to take this opportunity to thank our Board for their contribution to the company.

Even though whole RMG business conditions are likely to remain competitive and challenging in days to come, I believe the foundations of our business are very strong and will only be strengthened further.



Khalilur Rahman
Chairman



MESSAGE FROM THE MANAGING DIRECTOR

Dear Valued Shareholders,

The world is experiencing an unprecedented and tough time, which has turned to be a matter of survival in all aspects -as individual, families, businesses and as a society. Under this very unusual time, I, from my own behalf and on behalf of the Board and Management of the company, wish you and your family healthy and safe life.

Performance of the year 2019-2020

Doing business by responding to this pandemic reflects our strength that is planted in the core values of our company. We have not only taken precautions to steer out business out of the great challenging times, but also made special provision in all our operation to cut cost to the bare minimum to protect our bottom-line.

To support our endeavor, I mention two major performance indicators of the company in the year 2019-2020:

- Sale was decreased by 16.50% than that of last year;
- Net Profit of the year was increased by 4.51%

As you know, country's ready-made garment sector has been hard hit by the rise of the coronavirus across the world, especially in Europe and USA-the main export hub of Bangladesh's garment export. Despite this, our revenue has been stabilized except one month of complete loss of business and our profit increased due to our excellent cost management!

To limit the COVID-19 infection, the government declared holidays till 25 April 2020 for which all industrial operations were remained closed and many buyers either cancelled or postponed their committed orders without any further hope.

During this unprecedented time, your company was in the challenge of humanitarian and business uncertainly-retaining and continuing employee's payments and also for coming back to operations. However, we have taken all efforts to normalize the business operation at the earliest with minimal inconvenience to all our stakeholders.

Despite of such unprecedented challenges, your company's earnings per share was increased by 4.31% than that of last year.

Expansion and Developments

KDS Accessories has been on forefront of absorbing technology to link its supply chain with the future digital revolution of garment technology.

As declared, this year we have planned to invest BDT 144.50 Million for the automation of our corrugated packaging and upon completion of this automation, total capacity utilization can be enhanced by further 15% from existing and this will increase our ability to craft more designed products and to commit more faster delivery.

Outlook

Though orders are improving gradually but still world marches to the uncertainty of second wave of infection and we have no clear pathways to return to normalcy and business is not as usual at all.

On this backdrop, I would say, our outlook is simply optimistic.

We are determined to learn from response and accelerate our strategy to maintain our mission of continuing **"I stop trims & packaging solutions"**.

Finally, I want to thank my Board of Directors, business partners, and colleagues for their

tremendous support over the past years. I also appreciate our customers for keeping confidence over all the years. Last but not the least, I would like to thank our shareholders for their continued support to KDS Accessories.

My gratitude and thanks go to officials of Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Central Depository Bangladesh Limited, Registrar of

Joint Stock Companies, all Bankers, National Board of Revenue & other Government bodies for their continued support to our endeavor.

Thank you,

Stay Safe!



Salim Rahman
Managing Director

COMMENTS BY CEO



Dear Valued Shareholders

We have just witnessed a pandemic unparalleled in the history of our times, which has catapulted our business into great uncertainty not only in terms of wiping out demand, but also in terms of protecting our most valuable resources, human lives. Our last year just ended with the unfolding of this crisis and our performance otherwise superior had been impacted hugely due to complete lock-down in last quarter of the year 2019-20.

Under this very unusual backdrop, I take privilege to present your company performance for the year 2019-20.

The crisis unfolded in the last quarter resulted into uncharted territory of unpredictable demand and supply. This unpredictability compelled us to redesign our supply chain to absorb volatility of both demand and supply. This agility of our supply chain yield resulted in terms of arresting loss in revenue and protecting our bottom line. Though revenue decreased compared to last year, we managed tighter cost control as reflected by better material cost to sales ratio. This tighter direct cost control led to better bottom line despite falling revenue.

In order to minimize the impact of Covid-19 to our business, we further perpetuate cost optimization initiatives across our organization. This initiative was aimed to reduction of cost without sacrificing inherent quality and value of our service and hampering de-motivation.

Under these initiatives, we curtailed all kinds of non-essential activities, engaged redundant resources to maintenance. We also ensured minimum lay-off to minimize organizational de-motivation and protection of our human resources, which was instrumental in our success.

Key to sustaining our business in difficult time was adherence to stringent safety norms and safeguarding our people. Our sterling performance even in this difficult time to successfully complete various institutional audits like TQP, BSCI, SEDEX, FSC-COC, IMS, Alliance (Green certification) and several others substantiated our commitment to maintain the same quality and process standards irrespective of challenges we faced.

Operationally we understood that automation of our manufacturing was key to further bolster our product and process quality. Hence, we undertook further modernize our packaging line by planning to bring complete state of the art finishing line for our packaging, which will be operationalise next year. Hopefully, this will greatly enhance our productivity and quality of our packaging business next year.

We also took great effort to "Green" our supply chain by procuring raw material from FSC-certified sources, reengineering our products to use recycled material in various stages of production like 100% recyclable printed packaging, Non-OBA ribbon, bio-degradable spandex, recyclable resin etc. All these initiatives resulted in providing solution of sustainable products greatly valued by our esteemed buyers.

We also undertook diversifying risk by horizontal product line expansion in order to galvanize our product demands. As traditional market demand in apparel sector decreased due to Covid-19 crisis across the world, we endeavored to create new demand in non-apparel sectors like FMCG products and Tobacco packaging. New nomination and market penetration to non-apparel segment also helped us to compensate revenue loss from existing customer bases in the fag-end of the year.

We successfully obtained new approval from buyers like C&A, Decathlon, Eland etc in different product categories. In the end, I sincerely appreciate for your continued support to our company and solicit the same patronage to overcome the present crisis.

Thank you

Debasis Daspal
Chief Executive Officer

A person in a blue suit is sitting at a desk, working on a laptop. In the foreground, a glass of water is on the left, and a pen rests on a document with a bar chart. The background is blurred, showing a white chair and a small potted plant.

“EVERY ACCOMPLISHMENTS STARTS WITH THE DECISION TO TRY”



DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Honorable Shareholders, On behalf of the Board of Directors of your company, I would like to welcome you all to the 29th Annual General Meeting of the company and take the opportunity to present the report of the Board of Directors together with the audited financial statements for the year ended on 30 June 2020 before all of you.

The whole world is passing through an unpredicted crisis and such situation has changed our ways of doing business. I wish good health for all of you and your family members.

OUR BUSINESS

Manufacturing all types of Garment Accessories – Corrugated Carton, Button, Soft Line Printing Products (Label, Elastics, Offset Printing), Hanger and Gum Tape. Our products are supplied to major retailers like Wal-Mart, Tesco, and Decathlon to name few of many others.

OVERVIEW 2019-2020

Let us present before you a short review on the total operational and financial performance of your company from 01 July 2019 to 30 June 2020. Among others, the major areas, of our business in last year were:

Revenue:

You all are aware that due to the outbreak of coronavirus in Bangladesh from March 2020, RMG sector was the first impacted industry having order cancellation from buyers and shutdown of factories for safety of workers.

We had no operation from 27 March, 2020 to 25 April, 2020 for which our revenue growth was negative from last year.

Despite of such sudden closure and uncertainty, we ended up the year with an increasing momentum.

Cost & Price Impact:

Despite of decreasing of sale and price from last year, the year (2019-2020) we achieved a higher contribution margin mainly due to decrease of average cost of imported raw material price and our efficient cost management. Price pressure will be a key issue of maintaining profitability in the coming year due to significant cost cutting measure at buyers end and also increasing trend of input prices in the global market after reopening from lockdown and manufacturing growth in China.

Development

We are continually reviewing market innovation and investing to ensure that we are well positioned for continued long-term and profitable growth. And as part of our continuous development, this year we have also decided to automate our finishing line of corrugated packaging with an estimated investment amount of BDT 144.5 million.

We hope upon this automation; our capacity utilization can be increased by another 15% than existing upon on having orders

INDUSTRY OUTLOOK

The crisis created by the coronavirus pandemic hit the fashion industry hardest.

Brands are now beginning to reopen their business but will take time to return to what it was. Bangladesh's RMG export goes mostly in the advanced economics where the COVID-19 has disrupted billions of lives and development progress. Now we are living in an unknown world and we don't know what and how will be the second wave of coronavirus.

Though we have returned to our operation after 1/2 months' lockdown and slowdown but future growth absolutely depends on the speed of recovery of the world's economy.

We are hopeful that demand is likely to return to pre-covid level within 2021 as the numbers indicate a positive shift in Bangladesh's apparel exports.

SEGMENT & PRODUCTS' PERFORMANCE

Operational Performance

Particulars	Unit	Production Capacity	01 July 2019 to 30 June 2020		Production Capacity	01 July 2018 to 30 June 2019	
			Actual Production	Capacity Utilization in (%)		Actual Production	Capacity Utilization in (%)
Carton	Pcs	30,000,000	21,187,785	70.63%	30,000,000	26,210,626	87.37%
Label	Pcs	175,964,208	59,755,814	33.96%	175,964,208	87,492,430	49.72%
Elastic & Narrow Fabrics	Pcs	30,576,000	14,755,712	48.26%	30,576,000	19,076,753	62.39%
Offset Printing	Pcs	150,009,600	71,584,246	47.72%	150,009,600	87,763,426	58.51%
Heat Transfer Printing	Pcs	24,960,000	8,665,093	34.72%	24,960,000	11,768,543	47.15%
Button	GG	360,000	168,160	46.71%	360,000	208,659	57.96%
Gum Tape	Pcs	4,290,000	568,329	13.25%	4,290,000	643,139	14.99%
Hanger	Pcs	45,000,000	18,776,312	41.73%	45,000,000	21,390,858	47.54%

* For calculation of capacity utilization, weighted average of actual production capacity of each product has been considered.

Product wise Revenue

Particulars	01 July 2019 to 30 June 2020		01 July 2018 to 30 June 2019	
	Contribution to total Revenue		Contribution to total Revenue	
	In Taka	In (%)	In Taka	In (%)
Carton	1,484,990,358	77.25%	1,782,071,439	77.41%
Label	50,552,893	2.63%	81,177,670	3.53%
Elastic & Narrow Fabrics	92,827,620	4.83%	127,283,883	5.53%
Offset Printing	69,152,318	3.60%	66,910,837	2.91%
Heat Transfer Printing	11,199,192	0.58%	13,867,267	0.60%
Button	94,262,159	4.90%	116,112,745	5.04%
Gum Tape	25,656,397	1.33%	22,058,018	0.96%
Hanger	93,685,972	4.87%	92,677,778	4.03%
Total	1,922,326,909	100.00%	2,302,159,637	100.00%

Last 5 Years' Key Operating and Financial Performances:

Particulars	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	Amount in BDT.				
Revenue	1,922,326,909	2,302,159,637	2,070,885,808	1,585,937,175	1,609,773,407
Gross Profit	422,675,837	418,004,019	377,208,994	333,360,520	359,206,753
Profit Before WPPF & Taxes	181,463,361	180,605,877	169,628,231	157,074,315	149,977,050
Net Profit After WPPF & Taxes	144,679,379	138,440,217	132,984,828	125,588,351	122,340,224
Earning Per Share (EPS)	2.18	2.09	2.21	2.20	2.14
Share Holder's Equity	1,654,527,148	1,572,910,769	1,494,530,552	1,418,745,724	1,319,157,373
Current Liabilities	1,510,242,105	1,417,325,234	2,012,391,304	1,347,796,367	1,048,769,357
Non-Current Liabilities	146,125,621	287,926,972	224,059,577	278,679,562	184,851,346
Addition to Fixed Assets & CWIP	13,830,563	35,179,286	98,940,650	169,045,295	264,744,459
NAV Per Share	24.99	24.94	24.88	24.80	25.37
Net Operating Cash Flow Per Share (NOCFPS)	8.12	2.02	3.08	2.81	2.50

RISK AND CONCERNS

Board of Directors reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks while trying to achieve its business objectives. A detailed report on Risk & Concerns are given in **Annexure-J, Page: 84-85.**

ANALYSIS COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN (Refer to **Annexure-D, Page No: 75-77**) .

EXTRA-ORDINARY GAIN / (LOSS)

There is no extraordinary gain or loss occurred during the reporting period.

RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements in Note 36 and in **Annexure-G, Page: 81** in accordance with relevant International Accounting Standards (IAS).

UTILIZATION OF PROCEEDS RAISED THROUGH PUBLIC ISSUES, RIGHTS ISSUES AND/OR ANY OTHER INSTRUMENTS

Initial Public offering (IPO) of KDS Accessories Limited was made in 2015 and the fund raised thereby has already been utilized as per purposes stated in the prospectus and reported to the regulators.

No other issues of any instrument including right share was made during the year.

EXPLANATION IF THE FINANCIAL RESULTS DETERIORATE AFTER THE COMPANY GOES FOR INITIAL PUBLIC OFFERING (IPO), REPEAT PUBLIC OFFERING (RPO), RIGHTS SHARE OFFER, DIRECT LISTING
KDS Accessories Limited went for IPO in 2015 and

after that the company didn't not raise any fund by any sort of offerings up to 2019-20. Moreover, the financial results have improved during the year under review. Therefore, no explanation is required in this connection.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND PERIOD ENDED REPORT

There was no significant difference between quarterly performance and overall period ended performance of the Company except the shutdown of operation from 27 March 2020 to 25 April 2020 due to lockdown declared by the Govt. on outbreak of Coronavirus in Bangladesh.

DIRECTORS REMUNERATION

Directors of KDSAL don't enjoy any facilities in the name of remuneration, bonus or any other form except the Managing Director for his direct participation to Company's day to day operations. Managing Director enjoys remuneration and festival bonus for his contribution to the Company which are as under:

Name	Amount In Taka
Mr. Khalitur Rahman, Chairman	-
Mr. Salim Rahman, Managing Director	2,400,000
Ms. Tahsina Rahman, Director	-
KDS Garment Industries Ltd., Director Represented by-Mr. Kamrul Hasan FCA	-
Mr. Muhammad Jamaluddin, Independent Director	-
Total	2,400,000

This amount paid for reporting 12 months period from 01 July 2019 to 30 June 2020.

INTERNAL CONTROL SYSTEM

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal

control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Board.

MINORITY SHAREHOLDERS' PROTECTION

The Board is and shall be committed to respect the rights of the minority shareholders to voting, right to information, dividends and appraisal of any alteration in Memorandum and Articles.

GOING CONCERN

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future and has therefore continued to adopt the going concern basis in preparing the financial statements.

SIGNIFICANT DEVIATION IN OPERATING RESULTS COMPARED TO PREVIOUS PERIOD

There is no such deviation in operating results compared to the previous period.

DIVIDEND

Our Policy is to offer consistent dividends that closely reflect business performance. As announced by the Company on 13 October 2020, the Board has recommend dividend for all shareholders 7.50% Cash and 7.50% Stock dividend per share in respect of the year ended on 30 June

2020 which will be paid after approval in the Annual General Meeting of the Company as per respective shareholding position on record date i.e. on 04 November 2020.

Board of Directors confirm that no bonus share or stock dividend has been declared as interim dividend.

BOARD OF DIRECTORS

i) Structure and size of the Board

On 30 June 2020, there were 5 members on the Board of the Company. The Board comprises Chairman, Managing Director, Two Directors and One Independent Director.

ii) Status of Companies in which Directors also hold Directorship

An Annexure is attached to this report on the status of Companies in which Directors are also hold Directorship. **Annexure-I, Page: 83.**

iii) Director's Retirement And Re-election

In accordance with the Articles of Association of the Company, one third of the total number of Directors is to retire by rotation in every year. In the forthcoming Annual General Meeting the following two Directors will retire and being eligible, offer themselves for re-appointment:

i) Ms. Tahsina Rahman

ii) Mr. Kamrul Hasan FCA

Representative Director of KDS Garment Industries Limited Board of Directors' in its meeting held on 13 October 2020 proposed their appointment. The brief bio-data of the said Directors are enclosed herewith in the section of Director's Profile in **Page: 39 & 41.**

iv) Board Meeting and Attendance

During the reporting period the Board met 6 times. The attendance record of the Directors is as follows:

Name	Position	No. of Meeting	Attendance
Mr. Khalilur Rahman	Chairman	06	06
Mr. Salim Rahman	Managing Director	06	06
Ms. Tahsina Rahman	Director	06	06
KDS Garment Industries Limited Represented by-Mr. Kamrul Hasan FCA	Director	06	06
Mr. Muhammad Jamaluddin	Independent Director	06	06

APPOINTMENT OF INDEPENDENT DIRECTOR

As per provision of Corporate Governance Guidelines notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC), Mr. Muhammad Jamaluddin was appointed as Independent Director of the Company for a period of 3 (three) years in the 27th Annual General Meeting. Short bio-data of the said director is enclosed herewith in the section of Director's Profile **Page: 40**.

SHAREHOLDING PATTERN

(Refer to **Annexure-H, Page No:81**)

DIRECTORS' INVOLVMENT IN OTHER BUSINESS

(Refer to **Annexure-I, Page No:83**)

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors converse on the increase / decrease of revenue, cost of goods sold, gross and net profit margin. The Board also takes instant actions on the inquiry as required. A detailed report on discussion in the regard is comprised in **Annexure-D, Page: 75-77**.

CERTIFICATION BY THE CEO & THE CFO

Declaration of certificate by the CEO & the CFO to the Board as required under condition no. 3(3) of Corporate Governacnce Code is included in **Annexure-A, Page: 67**

CREDIT RATING

Credit Rating Information and Services Limited (CRISL) assigned rating for your company as below:

Long Term	Short Term
AA-	ST-3

Above rating have been assigned on the basis of good fundamental such as good profitability, sound infrastructural arrangement with state-of-the art, pioneer and market leader in Garment Accessories industry, experienced management. Entities rated in this category are adjudged to be of

high quality, offer higher safety and have credit quality.

Your Company in the evaluation of Credit Rating Company was also placed with "Stable".

SUBSEQUENT EVENTS

There is no subsequent event after the date of balance sheet and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

AUDIT COMMITTEE

The Board has constituted the Audit Committee as follows:

Name	Position
Mr. Muhammad Jamaluddin	Chairman & Independent Director
Ms. Tahsina Rahman	Member
KDS Garment Industries Limited Represented by-Mr. Kamrul Hasan FCA	Member
Mr. Manjure Khuda	Member Secretary

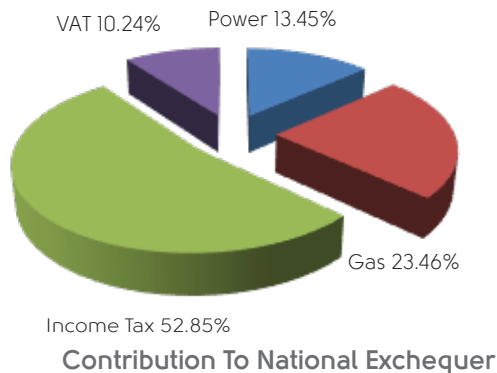
During the reporting period under review, the Committee held four meetings. A detailed of the roles and activities of the Audit Committee has been provided in "The Report of The Audit Committee". **Page: 86-87**.

NOMINATION AND REMUNERATION COMMITTEE (NRC):

KDS Accessories Limited has formed a Nomination and Remuneration Committee (NRC) on 3rd December, 2018 as a sub-committee of the Board of Directors. This committee will assist the Board of Directors in formulation of the nomination criteria or policy to determine qualifications, experiences, remuneration and independence of directors and top level of executives. The NRC has three members including one Independent Director. A detailed roles and activities of the NRC has been provided in "The Report of The Nomination and Remuneration Committee (NRC)" **Page: 88-90**

CONTRIBUTION TO NATIONAL EXCHEQUER

Being a responsible business entity, KDSAL is paying and facilitating collection of Government's revenue. In the reporting period, we have paid collected and deposited a significant amount of tax, VAT and duties. During the period, KDSAL contributed to Tk. 87,210,361 to the Government Exchequer along with utility bill which is presented below:



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Over the years, your company's commitment to Corporate Social Responsibility (CSR) activities is part and parcel of the Company's business model. Your Company has been contributing to the welfare of the community, research and development and protection of environment. Few initiatives of CSR of your company are mentioned below:

- Contributing donation to the Educational Institutes.
- Launching Tree Plantation program in patronizing a green environment.
- Contribute for safe drinking water supply.

AWARDS & RECOGNITION

Since starting your Company received the following awards and recognitions:

- ISO 14001:2015 Certified.
- ISO 9001:2015 Certified.
- BS OHSAS 18001:2007 Certified.
- FSC Chain of Custody Certification Standard & FSC CoC Certification of Multiple Sites Standard by Bureau Veritas
- OEKO-TEX Standard 100 Certified for

Woven Labels.

- OEKO-TEX Standard 100 Certified for Elastic Labels.
- OEKO-TEX Standard 100 Certified for Buttons.
- Achievement Award of Trim Qualification Program by Intertek.
- CAP Closure Verification Visit Results by Alliance.

INFORMATION TECHNOLOGY

We, at KDS Accessories always strive for the innovation in business by adopting something different, smarter or better for bringing positive impact in terms of value, quality or productivity.

We believe that now accurate business planning, effective marketing, global sales, systematic management, real time monitoring, instant customer support and long-term business growth cannot be achieved at the optimum level without IT and we plan ahead of others to enable our operations process through IT.

Some of our IT enabled applications and systems are Accounting Management System (AMS), HRIS, Sales & Distribution Management System (SDMS), Production Management System (PMS), Inventory Management System (IMS), Inventory & Procurement Managing System (IPMS) and Fixed Asset Management System (FAMS). Through these applications management can view various reports for its review and decision from any location.

WEBSITE

Company maintains a website namely www.kdsaccessories.com which is linked with the websites of the stock exchanges and it is functional from the date of listing and all disclosures and financials are available in the website of the company.

HUMAN RESOURCES

Human Resources are a fundamental asset across the entire business model.

The development of the company builds its competitive advantage on the skills and commitment of its employees, promoting and rewarding pro-activity, goal orientation and teamwork.

The HR Department of your company operates with specific policy, manual and plan designed by the world class consulting firm and approved by the Board of Directors.

We provide on-the-job training and development opportunities to enhance our employees' carrier progression. Through different training, staff's professional knowledge in corporate operations, occupational and management skills are enhanced.

KDS Accessories is an equal opportunity employer and does not discriminate on the basis of personal characteristics. Company has employee handbooks outlining terms and conditions of employment, expectations for employees' conduct and behavior, employees right and benefits. We establish and implement policies that promote a harmony and respectful workplace.

ASSOCIATE COMPANY

SKYS Securities Limited

SKYS Securities Limited, is dealing in stock brokerage for trading of shares in the stock exchanges. Your Company holds 46.69% of paid-up capital of SKYS Securities Limited and during the reporting period till 30 June 2020, your company incurred a loss share of Tk. (2.47) million from the business of associate.

CODE OF CONDUCT

The underlying philosophy of KDS Accessories Limited's Code is to conduct the business in an ethical manner as well as create a work environment that is conducive for members and associates alike, based on the Company's values and beliefs.

Code of Conduct for Board of Directors was framed and followed accordingly in discharging their duties and responsibilities.

APPOINTMENT OF AUDITORS & PROFESSIONAL

A. Appointment of External Auditors:

Hoda Vasi Chowdhury & Co. Chartered Accountants, having its office at Delwar Bhaban (4th Floor), 104, Agrabad C/A, Chattogram will retire in the 29th Annual General Meeting and being eligible, they expressed their willingness for re-appointment.

On their willingness and being eligible, the Board in their meeting held on 13 October 2020, recommended re-appointment of Hoda Vasi Chowdhury & Co. Chartered Accountants as Auditor of the company for the year 2020-2021 subject to the approval by the shareholders in the 29th Annual General Meeting.

B. Appointment of Professional for Corporate Governance Certificate:

On the willingness to be re-appointed as professional to certify on the compliance of corporate governance as issued by the Bangladesh Securities and Exchange Commission, the Board of Directors in its meeting held on 13 October 2020, recommended the appointment of Shafiq Basak & Co., Chartered Accountants, having its office at National House (1st Floor), 109, Agrabad C/A, Chattogram-4100 for the year 2020-2021 subject to the approval by the shareholders in the 29th AGM.

COMPLIANCE OF CORPORATE GOVERNANCE

Pursuant to notification No:

BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC), the Corporate Governance Report and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report and attached in **Annexure-B & C, Page : 68-74** respectively.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to the BSEC notification No.

BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 the Directors confirm that:

- i) The financial statements prepared by the management of KDS Accessories Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- ii) Proper books of Account of the company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in preparation of the financial

statements and that the accounting estimates are based on reasonable and prudent judgment.

iv) International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.

v) The system of internal control is sound in design and has been effectively implemented and monitored.

vi) There are no doubts upon the Company's ability to continue as a going concern and the accounts have been prepared on going concern basis.

vii) The significant deviations from previous period in the operating results of the company have been highlighted in the report and the reasons thereof have been explained.

viii) The key operating and financial data of last 5 years is disclosed in **Annexure-D Page: 76**.

ix) The number of Board Meeting held during the reporting period and the attendance by each director is disclosed in this report in **Page: 55**.

x) The pattern of shareholding is disclosed in **Annexure-H, Page: 81**.

xi) A compliance status report with requirements of Corporate Governance as required by BSEC is disclosed in Corporate Governance Report and is

disclosed in **Annexure-C, Page: 69-74**.

xii) Directors' profile is attached in page no 36 - 41 and their directorship and business interest in other organizations have been disclosed in Board of Directors segment and in **Annexure-I, Page: 83**.

APPRECIATION

We thank our customers, vendors, investors, business associates and bankers for their continued support during the years. We place on record our appreciation of the contribution made by workers and employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of Bangladesh, and Government Agencies and Regulatory Bodies-BSEC, DSE, CSE, CDBL, RJSC, NBR and others related parties for their support and look forward to their continued support in the future.

Allah Hafiz
Stay safe and healthy!

on behalf of the Board



Khalilur Rahman

Chairman
13 October 2020

পরিচালকমণ্ডলীর প্রতিবেদন

বিছমিল্লাহির রাহমানির রাহিম,

সম্মানিত শেয়ারহোল্ডারবৃন্দ,
পরিচালনাপর্ষদের পক্ষ হতে আমি আপনাদের সকলকে কোম্পানীর ২৯তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি এবং ৩০ জুন ২০২০ সমাপ্ত তারিখে আর্থিক বৎসরের উপর পরিচালনা পর্ষদের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী ও প্রতিবেদন আপনাদের সামনে উপস্থাপন করছি।

আপনারা জানেন যে, বিশ্ব আজ এক মহাসংকটের মধ্য দিয়ে যাচ্ছে যা আমাদের কাহারও পূর্বানুমানে ছিল না এবং এই পরিস্থিতি আমাদের ব্যবসা পরিচালনার দিকও পরিবর্তন করে দিয়েছে। এই পরিস্থিতিতে আমি আপনাদের এবং আপনাদের পরিবারের সকলের সু-স্বাস্থ্য কামনা করছি।

ব্যবসায়িক পরিধি

কোম্পানী মূলত সব ধরনের তৈরী পোশাকের এক্সেসরিজ যেমন- কার্টন, লেবেল, বোতাম, হ্যান্ডার, গাম টেপ এবং সফট লাইন প্রিন্টিং (SLP) পণ্যসামগ্রী উৎপাদন ও বিশ্বের শীর্ষস্থানীয় তৈরী পোশাকের Brand যথা- Wal-Mart, Tesco, Decathlon প্রভৃতি সমূহকে সরবরাহ করে থাকে।

পর্যালোচনা

বিগত বৎসরের (০১ জুলাই ২০১৯ হতে ৩০ জুন ২০২০) অপারেশন এবং আর্থিক ফলাফল সংক্রান্ত একটি সংক্ষিপ্ত পর্যালোচনা আপনাদের সামনে উপস্থাপন করছি।
অন্যান্য অনেক বিষয়গুলোর মধ্যে যে সমস্ত দিকগুলো আমাদের ব্যবসা পরিচালনায় ব্যাপক প্রভাব ফেলেছে সেই দিকগুলো হলো :

বিক্রয়

আপনারা অবগত আছেন যে, বিগত মার্চ ২০২০ থেকে বাংলাদেশেও করোনা ভাইরাসের প্রাদুর্ভাব দেখা দেয় এবং যার প্রথম প্রভাব পড়ে তৈরী পোশাক শিল্পে। যার ফলশ্রুতিতে অনেক অর্ডার বাতিল হয় এবং শ্রমিকদের নিরাপত্তার জন্য কারখানাসমূহও বন্ধ ঘোষণা করা

পন্যভিত্তিক ফলাফল

পরিচালন ফলাফলঃ

বিবরণ	ইউনিট	উৎপাদন ক্ষমতা	০১ জুলাই ২০১৯ হতে ৩০ জুন ২০২০		০১ জুলাই ২০১৮ হতে ৩০ জুন ২০১৯	
			প্রকৃত উৎপাদন	ধারণ ক্ষমতার ব্যবহার (%)	প্রকৃত উৎপাদন	ধারণ ক্ষমতার ব্যবহার (%)
কার্টন	পিচ	৩০,০০০,০০০	২১,১৮৭,৭৮৫	৭০.৬০%	২৬,২১০,৬২৬	৮৭.০৭%
লেবেল	পিচ	১৭৫,৯৬৪,২০৮	৫৯,৭৫৫,৮১৪	৩৩.৯৬%	৮৭,৪৯২,৪৩০	৪৯.৭২%
ইলাস্টিকস এবং ন্যার ফ্যাব্রিক্স	পিচ	৩০,৫৭৬,০০০	১৪,৭৫৫,৭১২	৪৮.২৬%	১৯,০৭৬,৭৫৩	৬২.৩৯%
অফসেট প্রিন্টিং	পিচ	১৫০,০০৯,৬০০	৭১,৫৮৪,২৪৬	৪৭.৭২%	৮৭,৭৬৩,৪২৬	৫৮.৫১%
হিট ট্রান্সফার	পিচ	২৪,৯৬০,০০০	৮,৬৬৫,০৯৩	৩৪.৭২%	১১,৭৬৮,৫৪৩	৪৭.১৫%
বাটন	জিজি	৩৬০,০০০	১৬৮,১৬০	৪৬.৭১%	২০৮,৬৫৯	৫৭.৯৬%
গামটেপ	পিচ	৪,২৯০,০০০	৫৬৮,৩২৯	১৩.২৫%	৬৪৩,১৩৯	১৪.৯৯%
হ্যান্ডার	পিচ	৪৫,০০০,০০০	১৮,৭৭৬,৩১২	৪১.৭৩%	২১,৩৯০,৮৫৮	৪৭.৫৪%

হয়। ২৭শে মার্চ ২০২০ থেকে ২৫শে এপ্রিল ২০২০ পর্যন্ত উৎপাদন তথা সকল কার্যক্রম বন্ধ থাকায় বিগত বছরের তুলনায় আমাদের বিক্রয় হ্রাস পায়। এরূপ আকস্মিক স্থবিরতা ও অনিশ্চিয়তা সত্ত্বেও গত আর্থিক বছরটি আমরা উত্তরণের আশা নিয়ে শেষ করেছি।

ব্যয় ও দাম পরিবর্তনের প্রভাব

বিক্রয়ের পরিমাণ ও বিক্রয় মূল্য হ্রাস পাওয়া সত্ত্বেও কাঁচামালের দাম হ্রাসের কারণে বিগত বছরে আমাদের Gross Margin বৃদ্ধি পায়। ক্রেতাগণের ব্যয় নিয়ন্ত্রণ পদক্ষেপ এবং China তে উৎপাদন বৃদ্ধির কারণে কাঁচামালের উর্ধমূল্য গতি আগামী দিনে Profitability ধরে রাখার অন্তরায় হতে পারে।

উন্নয়ন ও সম্প্রসারণ

দীর্ঘমেয়াদী এবং লাভজনক প্রবৃদ্ধির অবস্থান নিশ্চিতকরণের লক্ষ্যে আমরা প্রতিনিয়ত বাজার উদ্ভাবন পর্যালোচনা করে থাকি এবং এই ধারাবাহিকতায় এই বৎসরও আমরা আরো ১৪৪.৫০ মিলিয়ন টাকা বিনিয়োগ করে আমাদের Corrugated Packaging এর Finishing Process আরো সূয়ংক্রিয় করার উদ্যোগ নিয়েছি যা সম্পন্ন হলে আমাদের Capacity Utilization বর্তমানের চেয়ে আরো ১৫% বৃদ্ধি করা যাবে।

সম্ভবনা

করোনা ভাইরাস মহামারীর কারণে যে সংকটের সৃষ্টি হয়েছে তা সবচেয়ে বেশী আঘাত হেনেছে পোশাক শিল্পে। যদিও Brand গুলো পুনরায় তাদের ব্যবসা কার্যক্রম শুরু করছে কিন্তু পূর্ববস্থায় ফেরত যেতে অনেক সময় লাগবে। আপনারা জানেন যে, উন্নত অর্থনীতির দেশগুলোতে যেখানে বাংলাদেশের অধিকাংশ Garment পন্য রপ্তানী হয়, সেখানে কোটি কোটি লোকের জীবন এবং উন্নয়ন স্থবির হয়ে গেছে এবং আমরা সকলে এখনও এক অজানা দিক নিয়ে চলছি। ১/২ মাস বন্ধ ও স্থবিরতা শেষে যদিও আমরা আমাদের কার্যক্রম শুরু করেছি কিন্তু Future Growth পুরোপুরি নির্ভর করছে করোনা ভাইরাসের দ্বিতীয় চেউর উপর। আমরা আশাবাদী যে আগামী বছরে আমরা Pre-Covid Situation এ ফিরে যেতে পারবো যা ইতিমধ্যে বাংলাদেশ থেকে রপ্তানীর কিছু Positive Indication এ আভাস পাচ্ছি।

পণ্যভিত্তিক বিক্রয় :

বিবরণ	২০১৯ - ২০২০		২০১৮ - ২০১৯	
	বিক্রয়		বিক্রয়	
	টাকায়	(%)	টাকায়	(%)
কার্টুন	১,৪৮৪,৯৯০,০৫৮	৭৭.২৫%	১,৭৮২,০৭১,৪০৯	৭৭.৪১%
লেবেল	৫০,৫৫২,৮৯০	২.৬০%	৮১,১৭৭,৬৭০	৩.৫৩%
ইলাস্ট্রিকস এবং ন্যারু ফ্যাট্রিক্স	৯২,৮২৭,৬২০	৪.৮০%	১২৭,২৮৩,৮৮০	৫.৫৩%
অফসেট প্রিন্টিং	৬৯,১৫২,০১৮	৩.৬০%	৬৬,৯১০,৮০৭	২.৯১%
হিট ড্রাগফার	১১,১৯৯,১৯২	০.৫৮%	১৩,৮৬৭,২৬৭	০.৬০%
বটিন	৯৪,২৬২,১৫৯	৪.৯০%	১১৬,১১২,৭৪৫	৫.০৪%
গামটেপ	২৫,৬৫৬,০৯৭	১.৩৩%	২২,০৫৮,০১৮	০.৯৬%
হ্যাঙ্গার	৯৩,৬৮৫,৯৭২	৪.৮৭%	৯২,৬৭৭,৭৭৮	৪.০৩%
সর্বমোট	১,৯২২,৩২৬,৯০৯	১০০.০০%	২,৩০২,১৫৯,৬৩৭	১০০.০০%

বিগত ৫ বৎসরের প্রধান আর্থিক অনুপাত ও ফলাফল :

বিবরণ	০১ জুলাই ২০১৯ হতে ৩০ জুন ২০২০	০১ জুলাই ২০১৮ হতে ৩০ জুন ২০১৯	০১ জুলাই ২০১৭ হতে ৩০ জুন ২০১৮	০১ জুলাই ২০১৬ হতে ৩০ জুন ২০১৭	০১ জুলাই ২০১৫ হতে ৩০ জুন ২০১৬
	মূল্যমান টাকায়				
বিক্রয়	১,৯২২,৩২৬,৯০৯	২,৩০২,১৫৯,৬৩৭	২,০৭০,৮৮৫,৮০৮	১,৫৮৫,৯৩৭,১৭৫	১,৬০৯,৭৭০,৪০৭
মোট মুনাফা	৪২২,৬৭৫,৮০৭	৪১৮,০০৪,০১৯	৩৭৭,২০৮,৯৯৪	৩৩৩,৩৬০,৫২০	৩৫৯,২০৬,৭৫৩
WPPF এবং Income Tax পূর্ববর্তী মুনাফা	১৮১,৪৬৩,৩৬১	১৮০,৬০৫,৮৭৭	১৬৯,৬২৮,২০১	১৫৭,০৭৪,৩১৫	১৪৯,৯৭৭,০৫০
নীট মুনাফা (Net Profit)	১৪৪,৬৭৯,৩৭৯	১৩৮,৪৪০,২১৭	১৩২,৯৮৪,৮২৮	১২৫,৫৮৮,৩৫১	১২২,৩৪০,২২৪
শেয়ার প্রতি আয় (EPS)	২.১৮	২.০৯	২.২১	২.২০	২.১৪
শেয়ারহোল্ডারদের সম্পদ	১,৬৫৪,৫২৭,১৪৮	১,৫৭২,৯১০,৭৬৯	১,৪৯৪,৫০০,৫৫২	১,৪১৮,৭৪৫,৭২৪	১,৩১৯,১৫৭,৩৭৩
চলতি দায়	১,৫১০,২৪২,১০৫	১,৪১৭,৩২৫,২০৪	২,০১২,৩৯১,৩০৪	১,৩৪৭,৭৯৬,৩৬৭	১,০৪৮,৭৬৯,৩৫৭
দীর্ঘমেয়াদী দায়সমূহ	১৪৬,১২৫,৬২১	২৮৭,৯২৬,৯৭২	২২৪,০৫৯,৫৭৭	২৭৮,৬৭৯,৫৬২	১৮৪,৮৫১,৩৪৬
স্থায়ী সম্পদ এবং চলতি কার্যের সংযোজন	১৩,৮৩০,৫৬৩	৩৫,১৭৯,২৮৬	৯৮,৯৪০,৬৫০	১৬৯,০৪৫,২৯৫	২৬৪,৭৪৪,৪৫৯
শেয়ার প্রতি নীট সম্পদ মূল্য (NAV)	২৪.৯৯	২৪.৯৪	২৪.৮৮	২৪.৮০	২৫.৩৭
শেয়ার প্রতি নগদ প্রবাহ	৮.১২	২.০২	৩.০৮	২.৮১	২.৫০

ঝুঁকি ও উদ্ভ্রগ

ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক ঝুঁকি ব্যবস্থাপনা, ঝুঁকির ফলাফল নির্ধারণ, পর্যবেক্ষণ, হ্রাসকরণ এবং প্রতিবেদন কোম্পানীর পরিচালনা পর্ষদ সময়ে সময়ে পর্যালোচনা করে থাকেন। কোম্পানীর পরিচালনায় ব্যবসায়িক ঝুঁকির ব্যবস্থাপনা সংক্রান্ত একটি বিস্তারিত প্রতিবেদন **Annexure -J, Page:84-85** এ উপস্থাপন করা হয়েছে।

বিক্রিত পণ্যের উৎপাদন ব্যয়, মোট মুনাফা এবং নীট মুনাফার বিশ্লেষণ বিক্রিত পণ্যের উৎপাদন ব্যয়, মোট মুনাফা এবং নীট মুনাফার বিশ্লেষণ **Annexure -D, Page:75-77** এ উপস্থাপন করা হয়েছে।

অস্বাভাবিক লাভ বা ক্ষতি

উল্লেখিত সময়ে কোম্পানীর কোন ধরনের অস্বাভাবিক লাভ বা ক্ষতি হয়নি।

স্বার্থসংশ্লিষ্ট প্রতিষ্ঠানের সাথে লেনদেন

এ বিষয়ে কোম্পানীর নিরীক্ষিত আর্থিক প্রতিবেদনের নোট নং -৩৬ এবং **Annexure - G, Page:81** এ আন্তর্জাতিক হিসাবমান (IAS) অনুসারে বিস্তারিত বর্ণনা করা হয়েছে। উক্ত লেনদেন ব্যতীত আর্থিক বৎসরে কোম্পানীর সাথে স্বার্থসংশ্লিষ্ট অন্যান্য কোম্পানীর উল্লেখযোগ্য কোন লেনদেন সংগঠিত হয়নি।

IPO তহবিলের ব্যবহার

কেডিএস এক্সেসরিজের প্রাথমিক গণপ্রস্তাব (IPO) অনুষ্ঠিত হয় ২০১৫ সালে এবং এর মাধ্যমে উত্তোলিত অর্থ ইতোমধ্যে Propecstus এ বর্ণিত খাতে সম্পূর্ণরূপে ব্যবহার করা হয়েছে যা নিরীক্ষা করে যথাযথ নিয়ন্ত্রক সংস্থার নিকট প্রেরণ করা হয়েছে।

IPO পরবর্তী কোম্পানীর আর্থিক ফলাফল

২০১৫ সালের IPO পরবর্তী সময়ে কোম্পানী অন্য কোনভাবে আর কোন Fund Raising করে নাই এবং IPO এর পর কোম্পানীর আর্থিক অবস্থান সুদৃঢ় রয়েছে।

ত্রৈমাসিক এবং বার্ষিক আর্থিক ফলাফলে উল্লেখযোগ্য ব্যবধান

করোনা ভাইরাসের প্রাদুর্ভাব হ্রাসের লক্ষ্যে সরকার কর্তৃক ঘোষিত লকডাউনের কারণে ২৭ মার্চ থেকে ২৫ এপ্রিল পর্যন্ত উৎপাদন তথা সকল কার্যক্রম বন্ধ থাকা ব্যতিত উল্লেখিত সময়ে কোম্পানীর ত্রৈমাসিক এবং বার্ষিক কার্যক্রমে উল্লেখযোগ্য কোন ব্যবধান নেই।

পরিচালকপর্ষদের ভাতা / সম্মানী

কোম্পানীর ব্যবস্থাপনা পরিচালক ব্যতিত পরিচালক পর্ষদের অন্য কোন সদস্যকে কোন ধরনের মাসিক বেতন, ভাতা এবং অন্যান্য সুবিধাদি কোম্পানী হতে প্রদান করা হয় না। আর্থিক বৎসরে পরিচালকদের মোট প্রদত্ত ভাতাদি নিম্নে উল্লেখ করা হল :

পরিচালকের নাম	টাকা
জনাব খলিলুর রহমান, চেয়ারম্যান	-
জনাব সেলিম রহমান, ব্যবস্থাপনা পরিচালক	২,৪০০,০০০
জনাবা তাহসিনা রহমান, পরিচালক	-
কেডিএস গার্বেন্ট ইন্ডাস্ট্রিজ লি., পরিচালক এর প্রতিনিধি জনাব কামরুল হাসান এফসিএ	-
জনাব মোহাম্মদ জামালউদ্দিন, স্বাধীন পরিচালক	-
সর্বমোট	২,৪০০,০০০

আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি :

কোম্পানীর কার্যক্রম পরিচালনের ব্যাপ্তি অনুসারে নিয়ন্ত্রণের সুবিধার্থে কোম্পানীর আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি নির্ধারণ করা হয়। কোম্পানীর আভ্যন্তরীণ নিরীক্ষা বিভাগের নিরীক্ষা পদ্ধতিতে এগুলো পর্যালোচনা এবং মূল্যায়ন করা হয়। আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতিগুলো পরিচালনায় যথাযথভাবে পরিচালন করা হচ্ছে কিনা তা কোম্পানীর নিরীক্ষা বিভাগ সময়ে সময়ে নিরীক্ষণ, পর্যবেক্ষণ এবং মূল্যায়ন করে থাকে এবং এ সংক্রান্ত প্রতিবেদন কোম্পানীর পরিচালনা পর্ষদের নিকট দাখিল করে থাকেন।

সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ সংরক্ষণ

পরিচালকমন্ডলী কোম্পানীতে সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ যথা-ভোটিং, তথ্য অধিকার এবং তথ্যের প্রাপ্তি, লভ্যাংশ ও কোম্পানীতে মৌলিক কোন পরিবর্তনে তাদের অংশগ্রহণ নিশ্চিতকরত এবং ভবিষ্যতে তাদের যেকোন স্বার্থ সংরক্ষণে সচেষ্ট এবং প্রতিজ্ঞাবদ্ধ থাকবে।

চলমান প্রক্রিয়ার নীতি (Going Concern)

পরিচালনা পর্ষদের বিবেচনায় ভবিষ্যত কার্য পরিচালনার জন্য কোম্পানীর সম্পদের পর্যাপ্ততা রয়েছে এবং সে ভিত্তিতে কোম্পানীর আর্থিক প্রতিবেদন তৈরী করা হয়েছে।

গত বছরের তুলনায় অপারেটিং ফলাফলের উল্লেখযোগ্য পরিবর্তন :

গত বছরের তুলনায় অপারেটিং ফলাফলে কোন ধরনের বিচ্যুতি নাই।

লভ্যাংশ

নিয়মিত লভ্যাংশ (Consistent Dividend) পলিসির আওতায় কোম্পানীর ফলাফলের সাথে সামঞ্জস্যতা রেখে আমরা লভ্যাংশ ঘোষণা করে থাকি।

১৩ অক্টোবর ২০২০ তারিখে অনুষ্ঠিত পরিচালনা পর্ষদের সভায় বিগত বৎসরের জন্য (৩০ জুন ২০২০ তারিখের সমাপ্ত আর্থিক বৎসরের) কোম্পানীর সকল শেয়ারহোল্ডারদের ৭.৫০% নগদ এবং ৭.৫০% ষ্টক লভ্যাংশ বিতরণের সুপারিশ করা হয়েছে যাহা বার্ষিক সভায় অনুমোদন সাপেক্ষে নির্দিষ্ট Record Date- ০৪ নভেম্বর ২০২০ এ শেয়ারধারীদের মধ্যে বিতরণ করা হবে।

পরিচালকমন্ডলী নিশ্চিত করছেন যে, বিগত বছরে কোন প্রকার অর্ন্তবর্তীকালীন Stock Dividend ঘোষণা করেননি।

পরিচালক মন্ডলী :

১. পরিচালনা পর্ষদের গঠন ও আকার :

৩০ জুন ২০২০ তারিখে কোম্পানীর পরিচালনা পর্ষদে মোট ৫ জন সদস্য ছিলেন। এদের মধ্যে একজন পর্ষদের সভাপতি, একজন ব্যবস্থাপনা পরিচালক, ২ জন সাধারণ পরিচালক এবং একজন স্বতন্ত্র পরিচালক মর্যাদায় অধিষ্ঠিত ছিলেন।

২. পরিচালনা পর্ষদের অন্যান্য স্বার্থ সংশ্লিষ্ট প্রতিষ্ঠানের বিবরণ :

পরিচালনা পর্ষদের স্বার্থসংশ্লিষ্ট অন্যান্য প্রতিষ্ঠানের বিবরণ এবং উক্ত প্রতিষ্ঠানে তাদের স্ব-স্ব অবস্থানের একটি প্রতিবেদন Annexure – I, Page:83 এ বর্ণনা করা হয়েছে।

৩. পরিচালকবৃন্দের অবসরগ্রহণ এবং পুনঃ নিয়োগ :

কোম্পানীর পরিমেল নিয়মাবলীর (Article of Association) সংশ্লিষ্ট ধারা অনুযায়ী এক তৃতীয়াংশ পরিচালকের বার্ষিক সাধারণ সভায় অবসরগ্রহণ বাধ্যতামূলক। এই অনুযায়ী কোম্পানীর নিম্নবর্ণিত সম্মানিত দু'জন পরিচালক এ সভায় অবসরগ্রহণ করতঃ পুনঃনিয়োগের যোগ্য বিধায় পুনঃনিয়োগের অগ্রহ প্রকাশ করেছেন।

১. জনাব তাহসিনা রহমান

২. জনাব কামরুল হাসান এফসিএ

(কেডিএস গার্বেন্ট ইন্ডাস্ট্রিজ লিমিটেড এর প্রতিনিধি)

বিগত ১৩ অক্টোবর ২০২০ তারিখে অনুষ্ঠিত কোম্পানীর পরিচালনা পর্ষদের সভায় তাদের পুনঃনিয়োগ প্রস্তাব সর্বসম্মতিক্রমে গৃহীত হয়েছে। উক্ত পরিচালকদ্বয়ের জীবন বৃত্তান্ত Page-39 & 41 এ উল্লেখ করা হয়েছে।

৪. পরিচালনা পর্ষদের সভা ও উপস্থিতি :

উল্লেখিত সময়ে পরিচালনা পর্ষদের মোট ৬টি সভা অনুষ্ঠিত হয়। উক্ত সভায় পর্ষদের সদস্যদের স্ব-স্ব উপস্থিতি নিম্নে উল্লেখ করা হল :-

পরিচালকের নাম	পদবী	অনুষ্ঠিত মোট সভার সংখ্যা	সভায় উপস্থিতি সংখ্যা
জনাব খলিলুর রহমান	চেয়ারম্যান	০৬	০৬
জনাব সেলিম রহমান	ব্যবস্থাপনা পরিচালক	০৬	০৬
জনাবা তাহসিনা রহমান	পরিচালক	০৬	০৬
কেডিএস গার্মেন্ট ইন্ডাস্ট্রিজ লিমিটেড এর প্রতিনিধি জনাব কামরুল হাসান এফসিএ	পরিচালক	০৬	০৬
জনাব মোহাম্মদ জামালউদ্দিন	স্বাধীন পরিচালক	০৬	০৬

স্বাধীন পরিচালক নিয়োগ

বাংলাদেশ সিকিউরিটি এন্ড এক্সচেঞ্জ কমিশন (BSEC) কর্তৃক নির্দেশিত কর্পোরেট গভর্নেন্স নির্দেশিকা যথা ০৩রা জুন ২০১৮ইং তারিখে ইস্যুকৃত নোটিফিকেশন নং (বিএসইসি/সিএমআরআরসি-ডি/২০০৬-১৫৮/২০৭/এডমিন/৮০) অনুযায়ী কোম্পানীর স্বতন্ত্র পরিচালক হিসেবে জনাব মোহাম্মদ জামালউদ্দিনকে ২৭ তম সাধারণ সভায় পরবর্তী ৩ বৎসরের জন্য নিয়োগ দেয়া হয়েছে। জনাব জামাল উদ্দিন এর যোগ্যতা এবং দক্ষতা ডিরেক্টরস প্রোফাইলে Page No: 40 এ বিস্তারিত দেয়া হয়েছে।

শেয়ারহোল্ডিং Patterns

কোম্পানীর শেয়ারহোল্ডিং Patterns Annexure – H, Page :81 এ বর্ণনা করা হয়েছে।

পরিচালকমণ্ডলীর অন্যান্য ব্যবসায়িক কার্যক্রম

পরিচালকমণ্ডলীর অন্যান্য ব্যবসায়িক কার্যক্রম Annexure – I, Page: 83 এ বর্ণনা করা হয়েছে।

ব্যবস্থাপনা সংক্রান্ত আলোচনা ও বিশ্লেষণ

পরিচালনা পর্ষদ সময়ে সময়ে কোম্পানীর বিক্রয় ও বিক্রিত পণ্যের ব্যয়, মোট মুনাফা এবং নীট মুনাফার হ্রাস ও বৃদ্ধির উপর আলোচনা করে থাকেন এবং বাজার পর্যালোচনা করে ব্যবসায়িক প্রবৃদ্ধির জন্য প্রয়োজনীয় পদক্ষেপ গ্রহণ করে থাকেন। এ বিষয়ের উপর তাদের বিস্তারিত কার্যক্রমের / বিশ্লেষণের উপর একটি প্রতিবেদন Annexure – D, Page:75-77 এ উপস্থাপন করা হয়েছে।

সিইও এবং সিএফও কর্তৃক প্রত্যয়ন পত্র

Corporate Governance Code এর ৩ (৩) শর্ত অনুযায়ী কোম্পানীর প্রধান নির্বাহী কর্মকর্তা ও অর্থ কর্মকর্তা কর্তৃক প্রত্যয়ন পত্র সংযুক্তি Annexure – A, Page:67 এ বর্ণিত হলো।

ক্রেডিট রেটিং :

ক্রেডিট রেটিং ইনফরমেশন এন্ড সার্ভিসেস লিমিটেড (CRISL) এর বিশ্লেষণে আপনাদের কোম্পানীর ঋণগণনা নিম্নরূপঃ-

দীর্ঘকালীন	স্বল্পকালীন
AA-	ST-3

উক্ত AA- রেটিং অনুসারে আপনাদের কোম্পানীর ঋণগণনা ভাল মৌলিক ভিত্তি সম্পন্ন এবং আয় অর্জনের সক্ষমতা নির্দেশ করে। ক্রেডিট রেটিং কোম্পানীর মূল্যায়নে আপনাদের কোম্পানীর ভবিষ্যত অবস্থা "Stable" থাকবে।

উপরোক্ত রেটিং কিছু মৌলিক বিষয়ের উপর যেমন- ভাল মুনাফা, শিল্প ও জমি সংক্রান্ত অবকাঠামোগত ব্যবস্থার উপর ভিত্তি করে মূল্যায়ন করা হয়েছে। এ বিষয় শ্রেণীতে অর্ন্তভুক্ত রেটিং বলতে বুঝায় উচ্চমান, উচ্চনিরাপত্তা এবং উচ্চমানের ঋণ।

আর্থিক বৎসর পরবর্তী অবস্থা / ঘটনা :

কোম্পানীর বাৎসরিক হিসাব সমাপ্তির তারিখ হইতে পরিচালনা পর্ষদের প্রতিবেদন দাখিলের সময়ের মধ্যে কোন ধরনের উল্লেখযোগ্য লেনদেন সংগঠিত হয়নি যথা কোম্পানীর সংশ্লিষ্ট / আর্থিক প্রতিবেদন ব্যবহারকারীর সিদ্ধান্ত গ্রহণের মূল্যায়নে প্রভাব ফেলতে পারে।

নিরীক্ষা কমিটি

কোম্পানীর পরিচালনা পর্ষদের সহযোগী হিসেবে নিম্নে উল্লেখিত সদস্যদের নিয়ে একটি নিরীক্ষা কমিটি গঠন করা হয়েছে :

সদস্যদের নাম	পদবী
জনাব মোহাম্মদ জামালউদ্দিন	চেয়ারম্যান এবং স্বাধীন পরিচালক
জনাবা তাহসিনা রহমান	সদস্য
কেডিএস গার্মেন্ট ইন্ডাস্ট্রিজ লিমিটেড এর প্রতিনিধি জনাব কামরুল হাসান এফসিএ	সদস্য
জনাব মন্জুরে খোদা	সদস্য সচিব

আর্থিক বৎসরে উক্ত নিরীক্ষা কমিটির ৪টি সভা অনুষ্ঠিত হয়। উক্ত কমিটির দায়-দায়িত্ব এবং কার্যাবলী Page: 86-87 এ বিস্তারিতভাবে বর্ণনা করা হয়েছে।

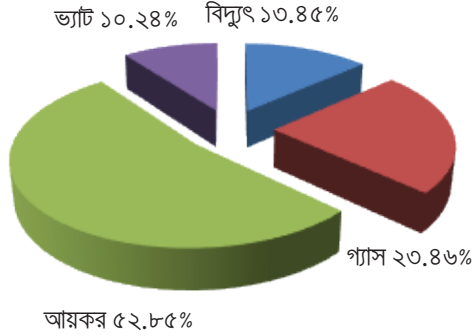
মনোনয়ন এবং বেতন কাঠামো নির্ধারণ কমিটি

কেডিএস এক্সেসরিজ লিমিটেড গত ০৩ ডিসেম্বর ২০১৮ তারিখে পরিচালনা পর্ষদের উপ-কমিটি হিসেবে মনোনয়ন এবং বেতন কাঠামো নির্ধারণ কমিটি (Nomination & Remuneration) নামে একটি কমিটি গঠন করে। এই কমিটি কোম্পানীর পরিচালকমণ্ডলীকে কোম্পানীর নির্বাহীদের যোগ্যতা, অভিজ্ঞতা, সম্মানী ও পরিচালকদের স্বাধীনতা মূল্যায়নের মানদণ্ড ও নীতি নির্ধারণে সহায়তা করবে। এনআরসি স্বাধীন পরিচালকসহ তিন সদস্য নিয়ে গঠিত হয়েছে। এনআরসির বিস্তারিত ভূমিকা ও কার্যাবলী Page: 88-90 এ প্রতিবেদন আকারে বর্ণিত হয়েছে।

রাজস্ব কোষাগারে অবদান :

একটি দায়িত্বশীল ব্যবসায়ী প্রতিষ্ঠান হিসেবে আপনাদের কোম্পানী সরকারের রাজস্ব আহরণে সহযোগিতা করে যাচ্ছে।

উল্লেখিত সময়ে আপনাদের কোম্পানীর ব্যবসায়িক লেনদেনের উপর প্রযোজ্য আরোপিত বিভিন্ন প্রকার কর, শুল্ক, মুসক হিসেবে মোট ৮৭,২১০,৩৬১/= টাকা রাত্নীয় কোষাগারে প্রদান করেছে। যাহা নিম্নে বর্ণিত চিত্রে দেখানো হলো :



ব্যবসায়িক সামাজিক দায়বদ্ধতা

প্রতিষ্ঠান শুরু থেকে আপনাদের কোম্পানী ব্যবসার পাশাপাশি সমাজ এবং এর সংশ্লিষ্ট কমিউনিটির উন্নয়নে সম্ভাব্য সকল ধরনের সহযোগিতা এবং অনুদান অব্যাহত রেখেছে। এ কার্যক্রমের উল্লেখিত কয়েকটি কার্যবলীর মধ্যে বিভিন্ন শিক্ষা প্রতিষ্ঠানে অনুদান, বৃক্ষরোপন অভিযান এবং নিরাপদ পানীয় জলের ব্যবস্থা অন্যতম।

পুরস্কার এবং স্বীকৃতি

শুরু থেকে আপনাদের কোম্পানী বিভিন্ন ধরনের মান মূল্যায়নের সনদের স্বীকৃতি অর্জন করে আসছে। এর মধ্যে উল্লেখ্য অর্জন এবং স্বীকৃতিসমূহ নিম্নরূপ :

- ISO 14001:2015 Certified.
- ISO 9001:2015 Certified.
- BS OHSAS 18001:2007 Certified
- FSC Chain of Custody Certification Standard & FSC CoC Certification of Multiple Sites Standard by Bureau Veritas
- OEKO-TEX Standard 100 Certified for Woven Labels.
- OEKO-TEX Standard 100 Certified for Buttons.
- Achievement Award of Trim Qualification Program by Intertek.
- Gold Certificate of Compliance.
- CAP Closure Verification Visit Results by Alliance.

তথ্য প্রযুক্তি

তথ্য প্রযুক্তির ব্যবহারে আপনাদের কোম্পানী সবসময় একধাপ এগিয়ে, কারণ আমরা বিশ্বাস করি, সঠিক সময়ে সঠিক বাজার বিপণন ব্যবস্থা, বৈশিষ্ট্য বিক্রয়, পদ্ধতিগত ব্যবস্থাপনা, সময়োপযোগী পর্যবেক্ষণ, যথাযথ গ্রাহক সেবা এবং দীর্ঘমেয়াদী ব্যবসায়িক প্রবৃদ্ধি এ সব কিছুর পরিচালনায় তথ্য প্রযুক্তির ব্যবহার ছাড়া এ যুগে প্রায় অসম্ভব।

ইতিমধ্যে আমরা ফিন্যান্সিয়াল রিপোর্টিং, মানবসম্পদ ব্যবস্থাপনা, বিক্রয় ও

বিপণন, উৎপাদন, মজুদ ব্যবস্থাপনা, মজুদ ও যোগান ব্যবস্থাপনা, এবং স্থায়ী সম্পদ ব্যবস্থাপনায় অটোমেশন পদ্ধতি চালু করেছি যাহার মাধ্যমে ব্যবস্থাপনা কর্তৃপক্ষ যেকোন সময়ে যেকোন স্থান হতে এ সংক্রান্ত রিপোর্ট দেখতে এবং সিদ্ধান্ত গ্রহণ করতে পারে।

ওয়েবসাইট (Website)

কোম্পানী www.kdsaccessories.com নামে একটি ডবনংরংব চালু রেখেছে যা Stock Exchange এর Website এর সাথে সংযুক্ত করা হয়েছে এবং এটি সর্বদা চলমান। এতে কোম্পানী সময়ে সময়ে যাবতীয় আর্থিক ও অন্যান্য বিষয়াদি প্রকাশ করে থাকে।

মানব সম্পদ ব্যবস্থাপনা

আমরা ব্যবসায়িক ব্যাপ্তিতে মানব সম্পদকে একটি মৌলিক ভিত্তি হিসেবে বিবেচনা করি। কোম্পানীর কর্মকর্তা এবং কর্মচারীদের দক্ষতার উপর কোম্পানীর প্রতিযোগিতায় টিকে থাকার সক্ষমতা গড়ে উঠে। বিশ্বমানের পরামর্শকারী প্রতিষ্ঠান কর্তৃক আপনাদের কোম্পানীর পরিচালনগত অবকাঠামো এবং গঠনতন্ত্র গ্রহণ করা হয়েছে যাহা প্রতিষ্ঠানে কর্মরত প্রত্যেকের দক্ষতা এবং সক্ষমতা বৃদ্ধিতে অবদান রাখছে। আমরা আমাদের প্রতিষ্ঠানে কর্মরত কর্মকর্তা ও কর্মচারীদের নিয়মিত প্রশিক্ষণের ব্যবস্থা করে থাকি এবং আমরা নিয়োগের ক্ষেত্রে Equal Opportunity এবং ক্ষমতায়ন নিশ্চিত করে থাকি।

সহযোগী কোম্পানীর ফলাফল

আপনাদের কোম্পানী SKYS Securities Ltd. নামে (যাহা Stock Brokerage এর ব্যবসা পরিচালনা করে) একটি কোম্পানীতে ৪৬.৬৯ শতাংশ শেয়ারে বিনিয়োগ রয়েছে। ব্যবসায়িক মন্দার কারণে বিগত বৎসরে সহযোগী কোম্পানীর লোকসানের পরিমাণ ছিল ২৪,৬৮,১৭৩ টাকা।

আচরন বিধি

নৈতিকতা বজায় রেখে ব্যবসা করাই হচ্ছে আমাদের ব্যবসায়ের প্রধান দর্শন। এ বিষয়ে আপনাদের কোম্পানী পরিচালনা পর্ষদের জন্য একটি Code of Conduct গ্রহণ করেছে এবং প্রত্যেক পরিচালক তা মেনে চলার অঙ্গীকারে আবদ্ধ হয়েছেন।

নিরীক্ষক নিয়োগ

ক. বহিঃ নিরীক্ষক নিয়োগ :

কোম্পানীর বর্তমান বহিঃ নিরীক্ষক হুদা ভাসী চৌধুরী এন্ড কোং , চার্টার্ড একাউন্ট্যান্টস (দেলওয়ার ভবন, ৪র্থ তলা, ১০৪, আগ্রাবাদ সি/এ, চট্টগ্রাম) কোম্পানীর ২৯তম বার্ষিক সাধারণ সভায় নিয়মানুযায়ী অবসর গ্রহণ করবেন এবং পুনঃ নিয়োগের যোগ্য হওয়ায় আগামী হিসাব বছরের নিরীক্ষা কার্যক্রম পরিচালনার সম্মতি প্রদান করেছেন।

এই পরিপ্রেক্ষিতে পরিচালনা পর্ষদ ১৩ অক্টোবর ২০২০ তারিখে অনুষ্ঠিত সভায় কোম্পানীর আগামী হিসাব বছরের (২০২০-২০২১) নিরীক্ষা পরিচালনার জন্য হুদা ভাসী চৌধুরী এন্ড কোং , চার্টার্ড একাউন্ট্যান্টসকে বহিঃ নিরীক্ষক হিসেবে নিয়োগের সুপারিশ করেছেন যা আগামী ২৯তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের জন্য উপস্থাপিত হবে।

খ. কর্পোরেট গভর্নেন্স সার্টিফিকেশন এর জন্য Professional নিয়োগ:
বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন দ্বারা ইস্যুকৃত কর্পোরেট গভর্নেন্স সার্টিফিকেশন এর জন্য Professional নিয়োগের পরিপ্রেক্ষিতে পরিচালনা পর্ষদ ১৩ অক্টোবর ২০২০ তারিখে অনুষ্ঠিত সভায় শফিক বসাক এন্ড

কোং, চার্টার্ড একাউন্ট্যান্টস (ন্যাশনাল হাউজ, দ্বিতীয় তলা, ১০৯, আগ্রাবাদ কর্মাশিয়াল এরিয়া, চট্টগ্রাম) কে আগামী হিসাব বছরের জন্য পুণঃনিয়োগের সুপারিশ করেছেন যা আগামী ২৯তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের জন্য উপস্থাপিত হবে।

ব্যবসায়িক সুশাসন এবং প্রতিপালনের প্রতিবেদন

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) কর্তৃক ইস্যুকৃত নোটিফিকেশন নং (বিএসইসি/সিএমআরআরসি-ডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ ০৩ জুন ২০১৮) কর্পোরেট সুশাসন মেনে চলার নির্দেশিকার উপর নিরীক্ষকের সনদ এবং প্রতিবেদন এই রিপোর্টে বিস্তারিত দেয়া হয়েছে। এ সংক্রান্ত প্রতিবেদন **Annexure-B & C, Page-68-74** এ উল্লেখ করা হয়েছে।

পরিচালকদের দায়িত্বের বিবৃতি :

বিএসইসি নোটিফিকেশন নং বিএসইসি/সিএমআরআরসি-ডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ ০৩ জুন ২০১৮ অনুসারে পরিচালনা পর্ষদ এই বিষয়টি নিশ্চিত করেন যে,

১. কেডিএস এক্সেসরিজ লিঃ এর ব্যবস্থাপনা কর্তৃক তৈরীকৃত আর্থিক প্রতিবেদন কোম্পানীর সার্বিক অবস্থা, পরিচালনার ফলাফল সমূহ, নগদ প্রবাহ এবং সম্পদের পরিবর্তন ইত্যাদি যথাযথ ভাবে উপস্থাপন করা হয়েছে।

২. যথাযথ হিসাব বই সংরক্ষণ করা হয়েছে।

৩. আর্থিক প্রতিবেদন তৈরীতে যথাযথ একাউন্টিং পলিসি নিরবিচ্ছিন্নভাবে প্রয়োগ করা হয়েছে এবং হিসাবের প্রাক্কলনগুলো যুক্তিসংগত এবং যথোপযুক্ত বিচার বিশ্লেষণের উপর ভিত্তি করে করা হয়েছে।

৪. আর্থিক প্রতিবেদন তৈরীতে ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ডস (আইএএস)/ বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ডস (বিএএস)/ ইন্টারন্যাশনাল ফিনেন্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আইএফআরএস)/বাংলাদেশ ফিনেন্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস) যেভাবে বাংলাদেশে প্রযোজ্য সেভাবে অনুসরণ করা হয়েছে এবং যে কোন ধরণের পরিবর্তন পর্যাণ্ডভাবে প্রকাশ করা হয়েছে।

৫. আভ্যন্তরীণ নিয়ন্ত্রন ব্যবস্থা যথাযথভাবে গ্রহন এবং প্রয়োগ করা হয়েছে।

৬. একটি চলমান প্রতিষ্ঠান হিসেবে যাত্রা অব্যাহত রাখতে কোম্পানীর সক্ষমতার উপর কোন সন্দেহ নাই এবং একটি চলমান প্রতিষ্ঠান নথির উপর ভিত্তি করে বার্ষিক হিসাব তৈরী করা হয়েছে।

৭. কোম্পানীর পরিচালনা গত ফলাফলে বিগত বৎসর থেকে গুরুত্বপূর্ণ পরিবর্তন প্রতিবেদনে আলোকপাত করা হয়েছে এবং যদি থাকে তার কারণ ব্যাখ্যা করা হয়েছে।

৮. বিগত পাঁচ বৎসরে মূল পরিচালনাগত এবং আর্থিক ফলাফল সমূহ **Annexure – D, Page:76** এ উল্লেখ করা হয়েছে।

৯. কোম্পানীর পরিচালক পর্ষদের সভার সংখ্যা এবং পরিচালকদের উপস্থিতি সংক্রান্ত তথ্য **Page:55** এ উল্লেখ করা হয়েছে।

১০. শেয়ার ধারণের পদ্ধতি **Annexure – H, Page:81** এ উল্লেখ করা হয়েছে।

১১. বিএসইসি এর চাহিদামত এবং কর্পোরেট গভর্নেন্সের নিয়মানুসারে কর্পোরেট গভর্নেন্সের কমপ্লাইয়েন্স স্ট্যাটাস নামে একটি প্রতিবেদন এবং সনদ **Annexure – C, Page:68-74** এ বর্ণনা করা হয়েছে।

১২. পরিচালকদের প্রোফাইল **Page:36-41** এবং অন্যান্য সংস্থায় তাদের অংশিদারিত্ব এবং অবস্থান, ব্যবসায়িক স্বার্থ এই রিপোর্টের **Annexure – I, Page:83** এ বর্ণনা করা হয়েছে।

ধন্যবাদ জ্ঞাপন :

আমরা আমাদের গ্রাহক, সরবরাহকারী, বিনিয়োগকারী, ব্যবসায়িক সহযোগী এবং ব্যাংকারদেরকে তাঁদের সহযোগিতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছি এবং সেই সাথে কোম্পানীর সকল কর্মকর্তা, কর্মচারীদেরকে তাদের অবদানের জন্য ধন্যবাদ জানাচ্ছি।

পরিশেষে আমরা সরকারের সকল ধরনের নিয়ন্ত্রক সংস্থা যথা- বিএসইসি, ডিএসই, সিএসই, সিডিবিএল, আরজেএসসি, এনবিআর এবং সম্মানিত শেয়ারহোল্ডারবৃন্দকে তাদের বিগত দিনের সহযোগিতা এবং ভবিষ্যতে একই ধরনের সহযোগিতার প্রত্যাশায় ধন্যবাদ ও কৃতজ্ঞতা জ্ঞাপন করছি।

আল্লাহ হাফেজ
নিরাপদ ও সুস্থ থাকুন।

পরিচালকমন্ডলীর পক্ষে-



খলিলুর রহমান
চেয়ারম্যান
১৩ অক্টোবর ২০২০



- Believe in Kaizen ...
the continuous improvement policy

By following the Japanese philosophy "Kaizen",
We never stop to improve ourselves for the sake of
those who believe in us.

ANNEXURE - A

[As per condition No. 1(5)(xxvi)]

KDS Accessories Limited

Declaration by CEO & CFO

11 October 2020

The Board of Directors

KDS Accessories Limited

191-192 Baizid Bostami Road

Nasirabad I/A, Chattogram - 4210

Subject: Declaration on Financial Statements for the year ended on 30 June, 2020.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the commission's Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80 Dated 03 June, 2019 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of KDS Accessories Limited for the year ended on 30 June, 2020 have been prepared in compliance with Bangladesh Accounting Standards (BAS) or Bangladesh Financial Reporting Standards (BFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed;
and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 30 June, 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Debasis Daspal

Chief Executive Officer



Biplob Kanti Banik FCA

Chief Financial Officer

ANNEXURE - B

CORPORATE GOVERNANCE CERTIFICATE



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

Partners:

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Md. Enayet Ullah, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

CHATTOGRAM OFFICE:

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shafiq@shafiqbasak.com

Ref. No -SB-CTG-1-28/1262/2020

[Certificate as per condition No. 1(5) (xxvii)]

Report to the Shareholders of KDS Accessories Limited on compliance on the Corporate Governance Code.

We have examined the compliance status to the Corporate Governance Code by **KDS Accessories Limited** for the year ended on 30th June 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is highly satisfactory.

Place: Chattogram
Dated: 27th October, 2020



S. K. Basak
(SHAFIQ BASAK & CO.)
CHARTERED ACCOUNTANTS

S. K. Basak, FCA
Partner.



DHAKA OFFICE -(2): House - 42 (1st Floor), Road - 01, Blook - A, Niketan, Gulshan - 01, Dhaka.
Phone : 88-02-99859602-3, 01819-285196, E-mail:mahmoods.bd@gmail.com

ANNEXURE - C

Corporate Governance Compliance Report

Annexure-C
[As per condition No. 1(5)(xxvii)]

Status of compliance with the condition imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors			
	All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b)	For the purpose of this clause 'Independent directors' means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1(2)(b)(viii)	Who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
1(2)(d)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	√		
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of k. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An industry outlook and possible future developments in the industry	√		
1(5)(ii)	The segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xxiv)(a)	A brief resume of the director	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	√		
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	Governance of Board of Directors of Subsidiary Company.-			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee.-			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	Audit Committee.-			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee.			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
	The Audit Committee shall:-			
5(5)(a)	oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			N/A
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			N/A

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	External or Statutory Auditors.			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

ANNEXURE - D

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW 2019-2020

Let us present before you a short review on the total operational and financial performance of your company from 01 July 2019 to 30 June 2020.

INDUSTRY OUTLOOK

The crisis created by the coronavirus pandemic hit the fashion industry hardest.

Brands are now beginning to reopen their business but will take time to return to what it was. Bangladesh's RMG export goes mostly in the advanced economics where the COVID-19 has disrupted billions of lives and development progress. Now we are living in an unknown world and we don't know what and how will be the second wave of coronavirus.

Though we have returned to our operation after 1/2 months' lockdown and slowdown but future growth absolutely depends on the speed of recovery of the world's economy.

We are hopeful that demand is likely to return to pre-covid level within 2021 as the numbers indicate a positive shift in Bangladesh's apparel exports.

ACCOUNTING POLICIES AND CHANGES

The specific accounting policies selected and

applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier periods.

For a proper understanding, these accounting policies are set out in a detailed statement in **Note No:3 (Page-115)**

FY 2019-2020 Financial Performance and Position

The discussions in this section relate to the consolidated, BDT-denominated financial results pertaining to the year that ended June 30, 2020. The financial statements of KDS Accessories Limited has been prepared in accordance with the International Accounting Standards (referred to as "IAS"), as per the Companies Act, 1994, read with the Companies (International Accounting Standards) Rules as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the financial statements - 3. The following table gives an overview of the financial results of the Company:

Particulars	FY 2019-2020 (Million)	% of Revenue	% Growth	FY 2018-2019 (Million)	% of Revenue
Revenue from Operations	1,922.33	100	(16.50)	2,302.15	100
Earnings before interest, tax, depreciation and amortization (EBITDA) (before other Income)	330.62	17.20	2.81	321.58	13.96
Profit Before Tax (PBT)	172.39	8.97	0.48	171.57	7.45
Profit After Tax (PAT)	144.68	7.53	4.51	138.44	6.01
Earnings Per Share (EPS)-in BDT	2.18		4.31	2.09	
Net Assets Value (NAV)	24.99			24.94	
Net Operating Cash Flow Per Share (NOCFPS)	8.12			2.02	

COST OF GOODS SOLD (COGS)

Cost of Goods Sold (COGS) is the expenses a company incurred in order to manufacture, create or to sell a product. It includes the purchase price of the raw materials as well as the expenses of turning it into a finished product.

GROSS PROFIT MARGIN RATIO

Gross Profit is the difference between sales and the cost of goods sold

Gross Profit = (Sales - Cost of Goods Sold)

The Gross Profit margin is one indicator to diagnose the financial health of a business.

Larger gross profit margins are better for business - the higher the percentage, the more the business retains of each Taka of sales for other expenses and net profit.

Gross Profit Margin % = $(\text{Gross Profit} \div \text{Sales}) \times 100$

During the reporting period of 12 months from

01 July 2019 to 30 June 2020, Gross Profit Margin was 21.99% against 18.16% from 01 July 2018 to 30 June 2019. Gross profit has increased as the price of raw material was lower in this period.

NET PROFIT MARGIN RATIO

Net Profit is calculated by subtracting expenses including Tax and WPP & WF from the gross profit, showing what the business has earned (or lost) in a given period of time.

Net Profit = Gross Profit - Expenses with Tax & WPP & WF

The Net Profit Margin Ratio is 7.53% against 6.01% in the previous twelve months. In this period Company has earned net profit of Tk. 144.68 million. Share of loss of associates of Tk. (2.47) million has been included herewith.

Last 5 Years Financial Results

The summarized operational and financial performances are presented below:

Particulars	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	Amount in BDT.				
Revenue	1,922,326,909	2,302,159,637	2,070,885,808	1,585,937,175	1,609,773,407
Gross Profit	422,675,837	418,004,019	377,208,994	333,360,520	359,206,753
Profit Before WPPF & Taxes	181,463,361	180,605,877	169,628,231	157,074,315	149,977,050
Net Profit After WPPF & Taxes	144,679,379	138,440,217	132,984,828	125,588,351	122,340,224
Earning Per Share (EPS)	2.18	2.09	2.21	2.20	2.14
Share Holder's Equity	1,654,527,148	1,572,910,769	1,494,530,552	1,418,745,724	1,319,157,373
Current Liabilities	1,510,242,105	1,417,325,234	2,012,391,304	1,347,796,367	1,048,769,357
Non-Current Liabilities	146,125,621	287,926,972	224,059,577	278,679,562	184,851,346
Addition to Fixed Assets & CWIP	13,830,563	35,179,286	98,940,650	169,045,295	264,744,459
Net Assets Value (NAV) per share	24.99	24.94	24.88	24.80	25.37
Net Operating Cash Flow Per Share (NOCFPS)	8.12	2.02	3.08	2.81	2.50

COMPARATIVE FINANCIAL PERFORMANCE BETWEEN KDS ACCESSORIES LIMITED & PEER COMPANIES

Particulars	KDS Accessories Limited (Audited till 30 June 2020)	Tosrifra Industries Limited (Un-audited till 31 March 2020)	Khulna Printing & Packaging Limited (Un-audited till 31 March 2020)	Olympic Accessories Limited (Un-audited till 31 March 2020)
	12 Months	9 Months	9 Months	9 Months
Revenue	1,922,326,909	1,470,062,505	945,203,383	353,530,666
Gross Profit (in Taka)	422,675,837	72,118,977	26,750,462	3,434,480
Gross Profit (in %)	21.99	4.91	2.83	0.97
Net Profit/(Loss) before WPPF & taxes (in Taka)	181,463,361	(156,408,039)	(35,297,275)	(63,785,527)
Net Profit/(Loss) before WPPF & taxes (in %)	9.43	(10.64)	(3.73)	(18.04)
Net Profit/(Loss) after WPPF & taxes (in Taka)	144,679,379	(185,845,956)	(38,088,909)	(72,361,367)
Net Profit/(Loss) after WPPF & taxes (in %)	7.53	(12.64)	(4.03)	(20.47)
EPS	2.18	(2.80)	(0.52)	(0.43)
NAV per share	24.99	28.77	11.75	14.16
NOCFPS	8.12	(0.85)	0.03	0.81

*Financial information of peer companies are based on the data available in their website.

RISK AND CONCERNS

Board of Directors reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks while trying to achieve its business objectives. A detailed report on Risk & Concerns are given in **Annexure-J, Page: 84**.

FORWARD-LOOKING STATEMENTS

Board of Directors and management of the company are looking forward to keep its progress in alignment with industry's growth and have made all preparation to this end.

We also undertook diversifying risk by horizontal product line expansion in order to galvanize our product demands. New nomination and market penetration to non-apparel segment also helped us to compensate revenue loss from existing customer bases in the fag-end of the year.



Debasis Daspal
Chief Executive Officer

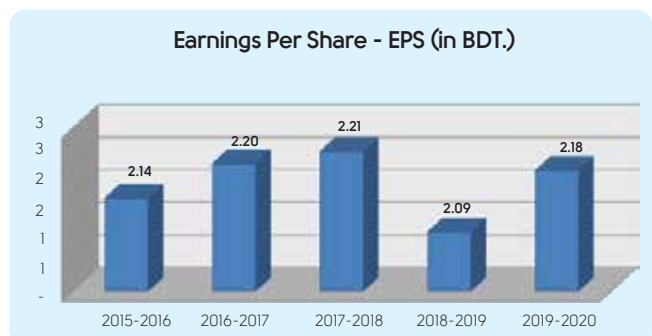
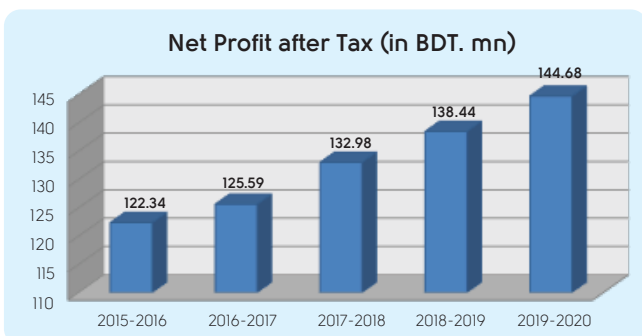
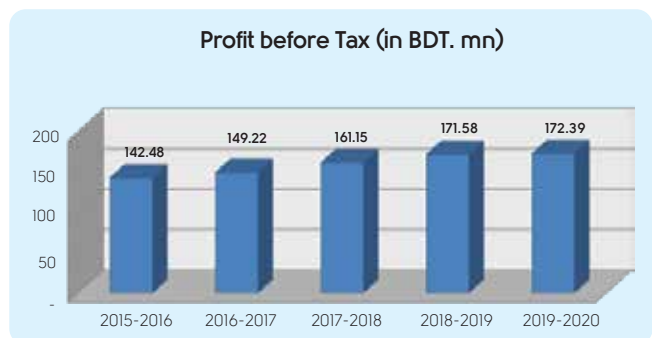
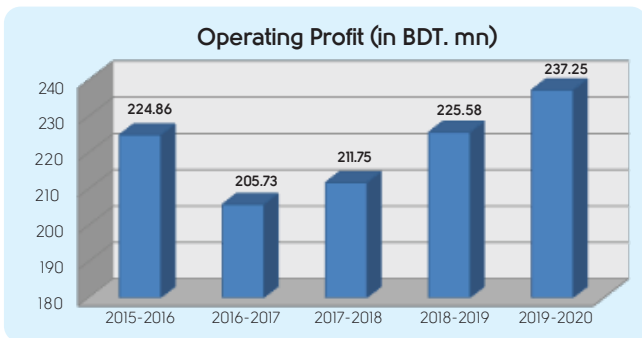
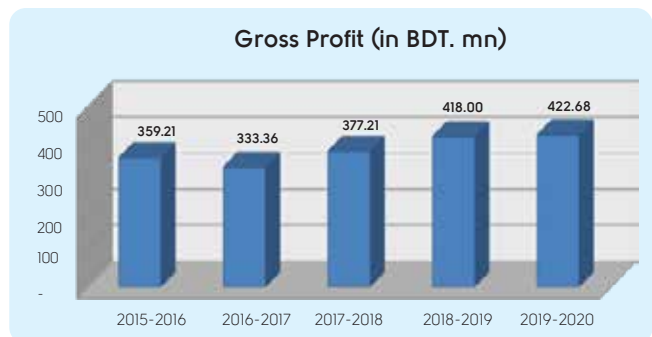
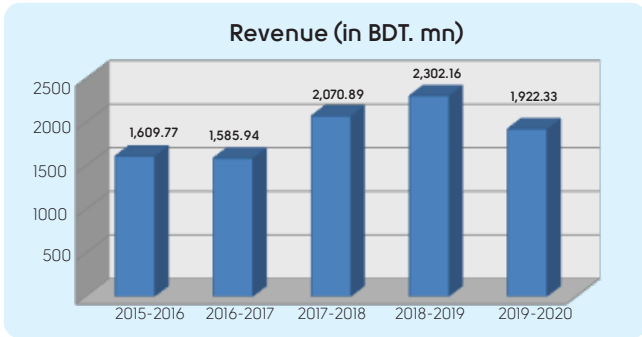
ANNEXURE - E

FINANCIAL HIGHLIGHTS

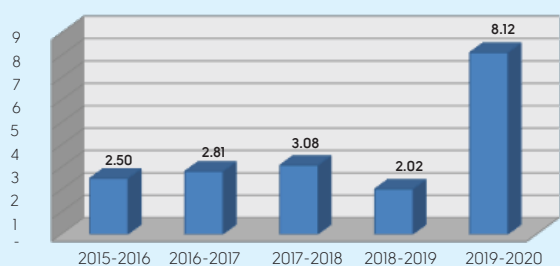
	Amount in BDT. Million				
	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Assets Employed					
Non Current Assets	1,267.65	1,371.33	1,440.80	1,439.53	1,346.66
Net Current Assets	533.00	489.51	277.79	257.89	157.35
Total Assets Employed	1,800.65	1,860.84	1,718.59	1,697.43	1,504.01
Financed by					
Share Capital	662.16	630.63	600.60	572.00	520.00
Share Premium	120.00	120.00	120.00	120.00	120.00
Revaluation Reserve	214.39	214.39	214.39	214.39	214.39
Retained Earnings	657.97	607.89	559.54	512.35	464.77
Shareholders' Equity	1,654.53	1,572.91	1,494.53	1,418.75	1,319.16
Long Term Borrowings	14.61	167.83	113.58	178.54	99.08
Lease Finance	-	-	-	-	1.62
Defined benefit obligations - Gratuity	90.80	76.08	66.48	59.72	49.20
Deferred Tax Liabilities	40.72	44.01	44.00	40.42	34.95
Total Capital Employed	1,800.65	1,860.84	1,718.59	1,697.43	1,504.01
Operational Result					
Revenue	1,922.33	2,302.16	2,070.89	1,585.94	1,609.77
Gross Profit	422.68	418.00	377.21	333.36	359.21
Profit from operations	237.25	225.58	211.75	205.73	224.86
Profit before Interest, Taxes & Depreciation	330.62	321.58	300.57	270.82	286.55
Profit before Income Tax	172.39	171.58	161.15	149.22	142.48
Net Profit after Income Tax	144.68	138.44	132.98	125.59	122.34
Financial Ratios					
Gross Profit Ratio - %	21.99%	18.16%	18.21%	21.02%	22.31%
Net Profit Ratio - %	7.53%	6.01%	6.42%	7.92%	7.60%
EBITDA Margin to Sales - %	17.20%	13.97%	14.51%	17.08%	17.80%
Return on Shareholders Equity - %	8.74%	8.80%	8.90%	8.85%	9.27%
Return on Capital Employed - %	8.03%	7.44%	7.74%	7.40%	8.13%
Current Ratio - Times	1.35	1.35	1.14	1.19	1.15
Quick Ratio - Times	0.98	1.01	0.81	0.85	0.79
Inventory Turnover Ratio - Times	2.89	3.32	3.02	3.03	3.36
Assets Turnover Ratio - Times	0.58	0.66	0.61	0.57	0.63
Debt Equity Ratio-Times	1.00	1.08	1.50	1.15	0.94
Interest Coverage Ratio -Times	3.08	3.42	3.67	2.95	1.82
Price/Earning (P/E) Ratio - Times	17.67	26.28	28.05	34.66	26.46
Earnings Per Share (EPS) - Taka	2.18	2.09	2.21	2.20	2.14
Net Operating Cash Flow Per Share (NOCFPS) - Taka	8.12	2.02	3.08	2.81	2.50
Dividend Per Share (DPS) - Taka	1.50	1.50	1.50	1.50	1.50
Net Assets Value (NAV) Per Share -Taka	24.99	24.94	24.88	24.80	25.37
Market Price Per share on Year Ending Date - Taka	38.60	57.70	62.10	76.10	56.70
Market Capitalization on Year Ending Date - Taka (mn)	2,555.94	3,638.74	3,729.73	4,352.92	2,948.40

ANNEXURE - F

PERFORMANCE INDICATOR



Net Operating Cash Flow Per Share - NOCFPS (in BDT.)



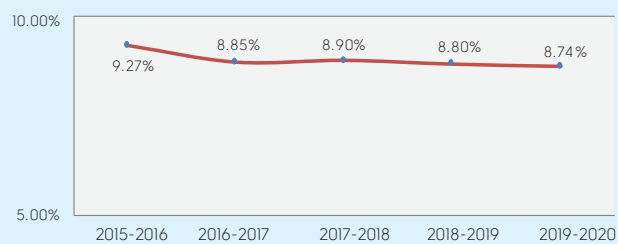
Net Asset Value Per Share-NAV (in BDT.)



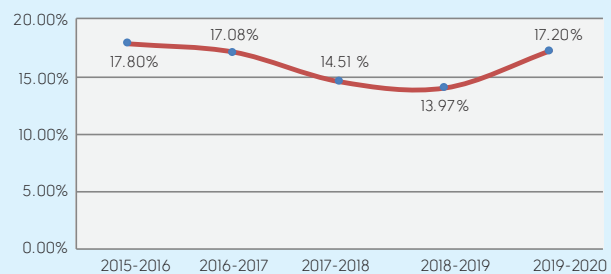
Shareholders' Equity (in BDT. mn)



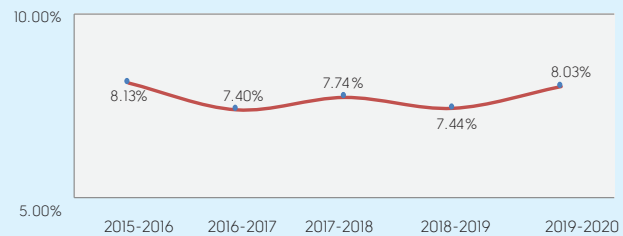
Return on Shareholders Equity (in %)



EBITDA Margin to Sales (in %)



Return on Capital Employed (in %)



ANNEXURE - G

RELATED PARTY TRANSACTIONS

During the period the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. The details disclosure of related party transactions is presented below:

Sl No.	Name of the Related Parties	Relationship	Nature of Transactions	Balance as on 01 July 2019	Transaction during the year (Net)	Balance as on 30 June 2020
1	KDS Apparels Limited	Common Directorship	Receivable Against Sales	2,457,091	530,988	2,988,079
2	KDS Fashion Limited	Common Directorship	Receivable Against Sales	47,900,053	13,167,399	61,067,452
3	KDS Garment Industries Limited	Common Directorship	Receivable Against Sales	3,376,556	7,259,984	10,636,540
4	KDS Logistics Limited	Common Directorship	Receivable Against Sales	1,536,342	(1,536,342)	-
5	KDS IDR Limited	Common Directorship	Receivable Against Sales	61,790,845	(21,627,450)	40,163,395
6	KYCR Coil Ind. Limited	Common Directorship	Receivable Against Sales	318,476	(318,476)	-
7	KDS Poly Industries Limited	Common Directorship	Short Term Loan	245,393,333	(239,673,963)	5,719,370
8	KDS Thread Limited	Common Directorship	Short Term Loan	28,328,766	239,755,534	268,084,300

ANNEXURE - H

SHAREHOLDING PATTERN AS ON 30 JUNE 2020

a) Shareholding Pattern of the Company as on 30 June 2020 was as below:

Name/Particulars of Shareholders	Number of Shares	% of total Shareholding
i) Directors, Sponsors & Placement Shareholder		
Mr. Khalilur Rahman	36,529,667	55.17%
Mr. Salim Rahman	9,330,553	14.09%
Ms. Tahsina Rahman	2,545,559	3.84%
KDS Garment Industries Limited Represented by Mr. Kamrul Hasan FCA	1,332,017	2.01%
Mr. S.M. Shameem Iqbal*	478,472	0.72%
Ms. Hasina Iqbal	683,153	1.03%
Ms. Tahmina Rahman	403	0.00%
Total of Directors, Sponsors & Placement Shareholder	50,899,824	76.87%
ii) General Public	12,550,498	18.96%
iii) Institutions	2,765,828	4.17%
Grand Total (i+ii+iii)	66,216,150	100.00%

*At the time of issuance of prospectus on 14 July 2015 for IPO, Mr. S.M. Shameem Iqbal was director and shareholder. He resigned from the Board of Directors on 28 Sep 2016. As he was not subscriber to the Memorandum, in compliance with Chittagong Stock Exchange (Listing) Regulation, 2015 regulation 2(r) he is not a Sponsor but currently he is a placement shareholder of the company.

b) Parent Subsidiary/Associated Companies and other related parties:

Name	Relation	No. of Shares Hold
KDS Garment Industries Limited	Group Company	1,332,017
Total		1,332,017

c) Directors/Sponsors/CEO/CFO/CS/Head of Internal Audit and their spouses and minor children:

Name	Relation	No. of Shares Hold
Mr. Khalilur Rahman	Chairman	36,529,667
Mr. Salim Rahman	Managing Director	9,330,553
Ms. Tahsina Rahman	Director	2,545,559
KDS Garment Industries Limited Represented by Mr. Kamrul Hasan FCA	Director	1,332,017
Mr. Muhammad Jamaluddin	Independent Director	-
Mr. S.M. Shameem Iqbal	Spouse of Ms. Hasina Iqbal	478,472
Ms. Hasina Iqbal	Sponsor	683,153
Ms. Tahmina Rahman	Sponsor	403
Mr. Debasis Daspal	CEO	317
Mr. Biplob Kanti Banik FCA	CFO	-
Mr. Manjure Khuda	CS	-
Mr. H M Morshed Jahan	Incharge, Internal Audit & Compliance	-

d) Shareholding status of top 5 employees other than CEO, CFO, CS & HIA:

Name	Relation	No. of Shares Hold
Mr. Anwar-Ul-Azam	EVP-HR, Compliance & Operation	-
Mr. Natesan Srinivasan	GM-SLP	-
Mr. Abu Taher	GM-Sales	-
Mr. Abdur Rouf Mollah	DGM-Button	-
Mr. A.K.S Parvez	DGM-Packaging	-

e) Shareholders holding 10% or more voting interest in the company:

Name	Relation	No. of Shares Hold
Mr. Khalilur Rahman	Chairman	36,529,667
Mr. Salim Rahman	Managing Director	9,330,553

ANNEXURE - I

DIRECTORSHIP IN OTHER COMPANIES

Name of Companies	Name of the Directors				
	Mr. Khalilur Rahman	Mr. Salim Rahman	Ms. Tahsina Rahman	KDS Garment Industries Limited (Represented by Mr. Kamrul Hasan FCA)	Mr. Muhammad Jamaluddin
KDS Garment Industries Limited	Chairman	Managing Director	-	-	-
KDS Apparels Limited	Chairman	Managing Director	-	-	-
KDS IDR Limited	Chairman	Managing Director	-	-	-
KDS Fashion Limited	Chairman	Managing Director	-	-	-
KDS Textile Mills Limited	Chairman & Managing Director	Director	-	-	-
KDS Thread Limited	Chairman	Managing Director	-	-	-
KDS Poly Industries Limited	Chairman	Managing Director	-	-	-
KDS Logistics Limited	Chairman	Managing Director	-	-	-
KY Steel Mills Limited	Managing Director	-	Chairman	-	-
KYCR Coil Industries Limited	Managing Director	Chairman	Director	-	-
Steel Accessories Limited	Chairman	Managing Director	-	-	-
SKYS Securities Limited	Chairman	Managing Director	-	-	-
Pragati Life Insurance Limited	Chairman	-	-	-	Independent Director
Pragati Insurance Limited	Director	-	-	-	-
National Bank Limited	Director	-	-	-	-
Al-Arafah Islami Bank Limited	-	Director	-	-	-
AIBL Capital Market Services Limited	Chairman	-	-	-	-
Centre for Mass Education in Science (CMES)	-	-	-	-	Independent Director

ANNEXURE - J

RISK AND CONCERNS

An investment in equity carries risks. Investors should carefully consider all the information in this Annual Report including the risks and uncertainties described below, before making an investment in equity shares of KDS Accessories Limited. Any of the following risks as well as other risks and uncertainties discussed in the Annual Report could have a material adverse effect on business, financial condition and results of operations of KDSAL and could cause the trading price of Equity Shares to decline, which could result in the loss of all or part of one's investment. In addition, the risks set out may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein:

a. Interest Rate Risk

Change in interest rates and banking policies resulting in an increase in financial expenses may have an adverse effect in Company's profitability. The company is dependent on bank (s) for working capital requirements. Therefore any change in the existing banking policies or increase in the interest rates may reduce profit of the company.

Management Perception

The Management of the Company is always aware of the interest rates at which the debts of the company are being financed. Management finances both long-term & short-term funds at competitive rates. The company has been repaying borrowed funds on a continuous basis to reduce such interest risk.

b. Exchange Rate Risk

The company carries foreign exchange rate fluctuation risk as it imports raw materials against payment of foreign currency. Unfavorable volatility or currency fluctuation of foreign currency to BDT exchange rate may have negative impact on the cost structure and profitability of the company.

Management Perception

The risk of foreign exchange cannot be eliminated fully as we would have to import raw materials. However the management is always alert in minimizing the negative impact of currency fluctuation cost by identifying new sources of raw materials and constantly negotiating with suppliers for reducing price. Furthermore as a natural hedge, this 100% export oriented company enjoys the benefits of any further devaluation of BDT in against foreign currency.

c. Industry Risks

Due to lower barriers to entry in this sector, competition may increase with too many new players. If economic growths as well as development activities of the country are not up to the mark, market will be more competitive due to excess capacity in the industry.

Management Perception

KDS Accessories Limited is the largest export oriented carton box producing company in Bangladesh. Since inception, the company has tried and accomplishes to provide the best quality of its products to its valuable clients without any topsy-turvy state of affairs as being a partner of this fraternity. These made the company pioneer in accessories sector. Moreover at the end of the third quarter of 2013 the company has introduced three more products in their product line i.e. Label, Narrow Fabrics, Elastics etc.

d. Market and Technology-Related Risks

Change/up gradation in technology is one of the key factors for the sustainable growth of business operations. Inability to adapt required changes/up gradation in technology may place the competitors at an advantage in terms of costs, efficiency and delivery of products and consequently would have an adverse impact on business operations and financial condition of the company.

Management Perception

KDSAL owns modern technology with R & D infrastructure and able to adapt any new Inventions with moderate investments as it had been doing in the past. As part of this philosophy KDSAL is the first who has comprehensive Heat Transfer, Label printing facility in Bangladesh with the most advanced line of equipment & material meeting global standards & safety compliances.

The Company is aware of technological changes and has adopted new technology according to its needs. Furthermore, routine and proper maintenance of equipment carried out by the company ensures longer service life for the existing equipment and facilities.

e. Labor unrest

Smooth production is dependent on good relationship of the management with the factory workers and their ability to provide high-quality services. In the event of disagreements with the workers, the company may experience adverse impact.

Management Perception

KDSAL maintains good atmosphere at the work place and provides all sort of facilities to the workers as per law of the land as well as Service Rules. Moreover the company has satisfactory compensation and welfare policies for its human resources, which reduces the risk of labor unrest.

f. Operational Risks

Rise in Input Costs may affect profitability

Costs of the products of the company may increase due to various reasons, such as increased cost of raw materials and other variable costs that adversely affect the input costs. In case the company is unable to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

Management Perception

The company constantly endeavors to procure raw materials at competitive prices using its long association with the suppliers and constant development of new sources for the same. Moreover it follows prudent pricing policy to keep the costs under check. Usually the burden of price fluctuation is reduced by increasing the prices of finished products. Profitability will depend upon the company's ability to pass on the burden of rise in the price of raw material to the consumers.

g. Currency Fluctuation Risks

The company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the company.

Management Perception

Being a 100% export oriented company, the company can directly mitigate foreign currency risk exposure by tradeoff between import and export.

REPORT OF THE AUDIT COMMITTEE FOR THE PERIOD FROM JULY 2019 TO JUNE 2020

The Audit Committee of KDS Accessories Limited is pleased to submit the following report on the activities of year 2019-2020:

According to the Notification on Corporate Governance of Bangladesh Securities & Exchange Commission (BSEC) dated June 03, 2018 the board has established Audit Committee as a sub-committee of the Board.

The Committee:

The present committee members, nominated by the Board are as follows:

Sl. No.	Name of the Members	Designation	Position
01	Mr. Muhammad Jamaluddin	Independent Director	Chairman
02	Ms. Tahsina Rahman	Director	Member
03	KDS Garment Industries Limited Represented by- Mr. Kamrul Hasan FCA	Director	Member
04	Mr. Manjure Khuda	Company Secretary	Member Secretary

Terms of References

The terms of reference of the Audit Committee have been determined by the Board as per BSEC notification. The Committee is responsible to the Board of Directors and reports on its activities regularly. The Committee assist the Board in its general oversight of financial reporting, internal controls and functions relating to internal audit as well as ensures compliance with the Corporate Governance Code of BSEC.

Role of Audit Committee

Role of Audit Committee of KDS Accessories Limited are appended below:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.
- Oversee hiring and performance of external auditors.

(e) Hold meeting with the external or statutory auditors for review of the annual Financial Statements before submission to the Board for approval or adoption.

(f) Review along with the management, the quarterly and half yearly & annual Financial Statements before submission to the Board for approval.

(g) Review the adequacy of internal audit function.

(h) Review the Management's Discussion and Analysis before disclosing in the Annual Report.

(i) Review statement of all related party transactions submitted by the management.

(j) Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.

(k) Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.

Activities of the Audit Committee for the year under report

The members of Audit Committee met four times during this reporting period. The Committee carried out the following activities among others:

- Reviewed the quarterly, half yearly and yearly Financial Statements of the company and recommended to the board for adoption and circulation.
- Reviewed the internal audit process and effectiveness of internal audit
- Reviewed the findings of inter audit team and its corrective actions
- Assessed the findings of external auditors and compliance of IAS/ IFRS for preparation of Financial Statements.
- Reviewed the adequate internal control system of the company are in place.
- Reviewed the compliance requirements of BSEC guidelines, notification and other laws.

Re-Appointment of Auditors

The Audit Committee has recommended the Board to re-appoint existing external Auditor of the Company- Hoda Vasi Chowdhury & Co.,

Chartered Accountants, having its office at Delwar Bhaban (4th Floor), 104 Agrabad C/A, Chatto-gram-4100, Bangladesh as Statutory Auditor of the company for the accounting year from 01 July ,2020 to 30 June 2021.

Audit Committee expressed their sincere thanks to all members of Board, team of internal audit, team of accounts & finance and management of the company for their support.

On behalf of the Audit Committee



Muhammad Jamaluddin

Independent Director
& Chairman of the Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE [NRC]

This Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRR D/ 2006-158/ 207/Admin /80, Date: June 03, 2018 on Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC). This policy on nomination and remuneration of Directors and top level executives of the

company has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors. This is a sub-committee of the Board.

The Nomination and Remuneration Committee (NRC) of KDS ACCESSORIES LIMITED is Comprised of the following members:

Name	Designation	Position
Mr. Muhammad Jamaluddin	Independent Director	Chairman
Mr. Khalilur Rahman	Chairman	Member
Mr. Kamrul Hasan FCA (Representative of KDS Garment Industries Ltd.)	Director	Member
Mr. Manjure Khuda	Company Secretary	Secretary

Terms of Reference :

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as policy for formal process of considering remuneration of director, top level executive.

Role of the NRC :

- NRC Shall be independent and responsible or accountable to the Board and to the shareholders;
- To oversee, among others, the following matters and make report with recommendation to the Board:

(i) formulation the criteria for determining qualification, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background.

(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

(iv) formulating the criteria for evaluation of

performance of independent director (s) and the Board

(v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

(vi) developing, recommending and reviewing annually the company's human resources and training policies;

Meeting of NRC :

The Committee formally met for the first time in December, 2018 after constitution of the NRC of KDS Accessories Limited ensured/observed the following activities:

1. Set up a organization structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement.
2. Set up standard pay structure for each job level based on education, experience and competency.
3. A target based on-line performance Management System to evaluate performance of employees. This KPI based PMS leads to Yearly Increment, Promotion of individual.
4. Employee Benefit policy to attract the job seekers and retain internal talents. Succession planning of the company to have our future leaders ready according to the requirements. Ensuring extensive training and development plan for the individual or group of people.
5. A transparent recruitment and selection policy where competent candidates get hired.
6. Practicing a clear career path system for employees which reflect in organization structure

Objective and Policy of the NRC

Objective :

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/top management team required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, top level executives reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Appointment and Removal of Director, Top Level Executives and Senior Management

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, top level executives or at Senior Management level and recommend his/ her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the position.

Term /Tenure of Independent Director

All companies shall have effective representation of independent directors on their Boards. At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors. Qualifications, experience and position of Independent Director shall be as per notification on Corporate Governance Code of Bangladesh Securities & Exchange Commission.

The independent director(s) shall be appointed

by the Board and approved by the shareholders in the Annual General Meeting (AGM). The post of independent director(s) cannot remain vacant for more than 90 (ninety) days and the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years] :

Evaluation

The Committee shall carry out evaluation of performance of Director and top level executives yearly or at such intervals as may be considered necessary.

Removal

The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange(s).

Retirement

The Director or top level executives shall retire as per policy of the Company. The Board will have the discretion to retain the Director of any top level executive even after attaining the retirement age, for the benefit of the Company.

Policy for Remuneration to Directors/Top Level Executives:

- a) The Remuneration to be paid to Managing Director / Other directors as approved by the NRC Committee.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director and other Directors.
- c) The Non-Executive / Independent Director

may receive meeting fees and such other remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- d) The remuneration to top level executives shall be fixed consideration their performances and in accordance with the Company's Policy.

Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate.

Nomination and Remuneration Committee (NRC) expressed their sincere thanks to the members of the Board of Directors, management of the Company for their outstanding support and Co-operation.



Muhammad Jamaluddin

Chairman of Nomination and Remuneration Committee & Independent Director

CORPORATE GOVERNANCE REPORT

Corporate governance refers to the structures and processes for the direction and control of companies. Sound corporate governance is a fundamental part of the culture of the company and ensures long-term success. Corporate governance concerns the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies. The Board of Directors of KDS Accessories Limited is firmly committed to upholding principles of sound corporate governance. The main objective of corporate governance is a creation of lasting value for stakeholders. Transparency in the business transaction and disclosure of information to regulatory bodies as part of its legal obligations constitute sound corporate governance. Good corporate governance also means conformity to sound ethical principles and a code of conduct in business dealings.

Board of Directors

Board of Directors is the representative and trustee of the shareholders of the company. The Board of Directors of KDS Accessories Limited comprises of five members including Chairman, Managing Director, two Directors and one independent director in compliance with the Corporate Governance Guidelines of BSEC. Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders interest.

Audit Committee

KDS Accessories Limited has an Audit Committee

as a sub-committee of the Board of Directors. This committee is assisting the Board of Director in ensuring that the financial statements reflect the true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The committee submit their reports to the Board of Directors. Its duties and responsibilities are clearly outlined in writing. Audit Committee is reconstituted as per the guidelines of BSEC.

Audit Committee holds regular meetings on the following major issues:

- To review the financial statements and reporting process and monitor the choice of accounting policies and principles;
- To review the business risk management;
- To review the internal audit assessment;
- To oversee the good corporate practices;
- To review the adequacy or internal audit function etc.

A separate report of the audit committee is included in this Annual Report in Page : 86-87.'

NOMINATION AND REMUNERATION COMMITTEE (NRC):

KDS Accessories Limited has formed a Nomination and Remuneration Committee (NRC) on 3rd December, 2018 as a sub-committee of the Board of Directors. This committee will assist the Board of Directors in formulation of the nomination criteria or policy to determine qualifications, experiences, remuneration and independence of directors and top level of executives. The NRC has three members including one Independent Director.

A separate report of the NRC committee is included in this Annual Report in Page : 88-90.'

Chairman of the Board, Managing Director & CEO

In KDS Accessories Limited, Chairman and Managing Director are two separate individuals selected from the Board of Directors. Both are performing defined responsibilities and focusing on the strategic value addition of the company. Managing Director is regularly reviewing the operation & guides the Chief Executive Officer (CEO) on strategic issues.

Directors' Report to Shareholders

Board of Directors is reporting the performance annual achievements and status of the company's activities to the shareholders. They are also conveying the plan and outlook of the industry and company in their report.

Chief Financial Officer, Company Secretary and Head of Internal Audit

The company has appointed a qualified Chartered Accountant as Chief Financial Officer and he is the Fellow Member of the Institute of Chartered Accountants of Bangladesh. The Company Secretary is also an experienced accounting professional have completed Chartered Accountancy Course and Post-Graduation. The CFO & Company Secretary regularly advise and assist the Board on financial strategy and compliance issues of the regulatory bodies. Chief Financial Officer and Company Secretary are also attending Board Meetings as per Corporate Governance Notification of the BSEC. Company's internal audit department is also headed by a professional expertise having experiences in the field of internal audit. Board of Directors clearly defined respective roles, responsibilities and duties of the CFO, Company Secretary and in-charge of Internal Audit and Compliance Department.

Internal Audit and Control

KDS Accessories Limited established an Internal

Audit Department consisting of professional and knowledgeable employees. Internal Audit Department directly reports to the Board of Directors.

Internal Audit department regularly conducts their audit based on a yearly Internal Audit Plan and checks, verifies and reviews the compliance of Internal Control Procedure and other regulatory requirements.

External Auditors

External Auditors of KDS Accessories Limited is appointed in every Annual General Meeting (AGM) by the Shareholders of the company as per Companies Act 1994. The company also conforms to the requirement of Bangladesh Securities and Exchange Commission in appointing external auditors. External Auditors are not engaged to perform any of the tasks other than external/statutory audit.

Key Management Committee

There are other sub-committees to the Board of Directors to assist the Board of Directors in making and formulating company's strategic objectives and policies. These committee members regularly sit for discussing and reviewing the activities of the company.

Certification on the Compliance of Corporate Governance Code of BSEC

A certificate regarding compliance of conditions of Corporate Governance Code of the Bangladesh Securities and Exchange Commission issued by Shafiq Basak & Co., Chartered Accountants is included in the Annual Report in **Annexure -B, Page :68**.

CERTIFICATE OF BAPLC





Micro Solution

- Solute per unit explore in wit

With minimalistic idea & exploring options we bring smart solution.

VALUE ADDED STATEMENT

A. Value Added:

Revenue & Other Income

Less: Paid to suppliers for materials & other services

B. Distribution as follows:

Employees Benefits (Wages, salaries, bonus, & others)

Finance Provider

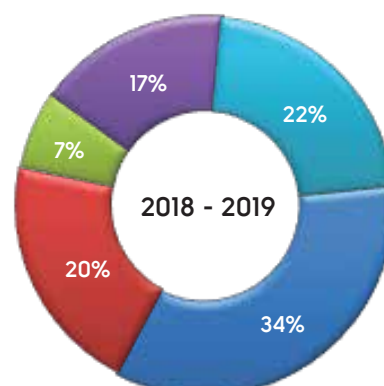
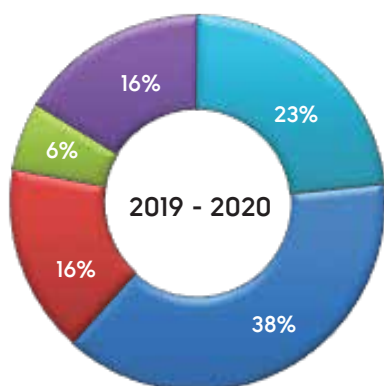
Duty, Taxes & Other related expenses

Retained for Re-Investment & Future Growth

Depreciation

Retained Profit

2019 - 2020		2018 - 2019	
Amount in Tk.	%	Amount in Tk.	%
1,968,170,448		2,387,282,017	
1,343,470,428		1,752,298,639	
624,700,020		634,983,378	
239,159,609	38%	219,250,212	34%
101,634,278	16%	1,130,101,160	20%
36,783,982	6%	42,165,660	7%
377,577,869	60%	391,517,032	61%
102,442,773	16%	105,026,129	17%
144,679,379	23%	138,440,217	22%
247,122,152	40%	243,466,346	38%
624,700,020	100%	634,983,378	100%



- Employee Benefits
- Finance Provider
- Duty, Taxes & Others
- Depreciation
- Retained Earnings

- Employee Benefits
- Finance Provider
- Duty, Taxes & Others
- Depreciation
- Retained Earnings



Brace humanity
save nation

Spreading kindness is
the language of humanity

AWARD & RECOGNITION



KDS ACCESSORIES
(REPRESENTED BY KDS ACCESSORIES LIMITED,
KDS THREAD LIMITED & KDS POLY INDUSTRIES LIMITED)

191-192 BAIZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG-4210, 181 BAIZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG-4210, BANGLADESH

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System standard detailed below.

Standard

BS OHSAS 18001:2007

Scope of certification

1. KDS ACCESSORIES LIMITED - MANUFACTURE OF CORRUGATED CARTON BOXES, OFFSET PRINTING AND SCREEN PRINTING WORKS
2. KDS THREAD LIMITED - DYING OF SEWING THREADS FOR 100% EXPORT
3. KDS POLY INDUSTRIES LIMITED - MANUFACTURE OF POLY BAGS AND PLASTIC HANGERS FOR 100% EXPORT
4. HEAD OFFICE - SALES, SOURCING, CUSTOMER SERVICE OF GARMENTS PACKAGING ITEMS

Original cycle start date: **26 August 2015**
 Expiry date of previous cycle: **25 August 2018**
 Recertification Audit date: **04 August 2018**
 Recertification cycle start date: **23 August 2018**

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **11 March 2021**

Certificate No. **IND18.8814UHS** Version : 1 Revision date: **23 August 2018**



Signed on behalf of BVCH SAS – UK Branch
Ramesh KOREGAVE
 Director, CERTIFICATION
 South Asia Region



0008

Certification body address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom.
 Local office: Bureau Veritas (India) Private Limited (Certification Business)
 72 Business Park, Marol Industrial Area, MIDC Cross Road "C", Andheri (East), Mumbai – 400 093, India.

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization. To check this certificate validity please call +91 22 6274 2000.



KDS ACCESSORIES
(REPRESENTED BY KDS ACCESSORIES LIMITED,
KDS THREAD LIMITED & KDS POLY INDUSTRIES LIMITED)

191-192 BAIZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG-4210, 181 BAIZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG-4210, BANGLADESH

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System standard detailed below.

Standard

ISO 14001:2015

Scope of certification

1. KDS ACCESSORIES LIMITED - MANUFACTURE OF CORRUGATED CARTON BOXES, OFFSET PRINTING AND SCREEN PRINTING WORKS
2. KDS THREAD LIMITED - DYING OF SEWING THREADS FOR 100% EXPORT
3. KDS POLY INDUSTRIES LIMITED - MANUFACTURE OF POLY BAGS AND PLASTIC HANGERS FOR 100% EXPORT
4. HEAD OFFICE - SALES, SOURCING, CUSTOMER SERVICE OF GARMENTS PACKAGING ITEMS

Original cycle start date: **26 August 2015**
 Expiry date of previous cycle: **25 August 2018**
 Recertification Audit date: **04 August 2018**
 Recertification cycle start date: **23 August 2018**

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **25 August 2021**

Certificate No. **IND18.8814U/E** Version : 1 Revision date: **23 August 2018**



Signed on behalf of BVCH SAS – UK Branch
Ramesh KOREGAVE
 Director, CERTIFICATION
 South Asia Region



0008

Certification body address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom.
 Local office: Bureau Veritas (India) Private Limited (Certification Business)
 72 Business Park, Marol Industrial Area, MIDC Cross Road "C", Andheri (East), Mumbai – 400 093, India.

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization. To check this certificate validity please call +91 22 6274 2000.



KDS ACCESSORIES
 (REPRESENTED BY KDS ACCESSORIES LIMITED,
 KDS THREAD LIMITED & KDS POLY INDUSTRIES LIMITED)

191-192 BAIZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG-4210, 181 BAIZID
 BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG-4210, BANGLADESH

*Bureau Veritas Certification Holding SAS – UK Branch certifies that the
 Management System of the above organization has been audited and found to
 be in accordance with the requirements of the Management System standard
 detailed below.*

Standard

ISO 9001:2015

Scope of certification

1. KDS ACCESSORIES LIMITED - MANUFACTURE OF CORRUGATED CARTON BOXES, OFFSET PRINTING AND SCREEN PRINTING WORKS
2. KDS THREAD LIMITED - DYING OF SEWING THREADS FOR 100% EXPORT
3. KDS POLY INDUSTRIES LIMITED - MANUFACTURE OF POLY BAGS AND PLASTIC HANGERS FOR 100% EXPORT
4. HEAD OFFICE - SALES, SOURCING, CUSTOMER SERVICE OF GARMENTS PACKAGING ITEMS

Original cycle start date: **26 August 2015**
 Expiry date of previous cycle: **25 August 2018**
 Recertification Audit date: **04 August 2018**
 Recertification cycle start date: **23 August 2018**

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **25 August 2021**

Certificate No. **IND18.8614U/Q** Version : 1 Revision date: **23 August 2018**

Signed on behalf of BVCH SAS – UK Branch
Ramesh KOREGAVE
 Director, CERTIFICATION
 South Asia Region



0008

Certification body: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom.
 address:
 Local office: Bureau Veritas (India) Private Limited (Certification Business),
 72 Business Park, Meda Industrial Area, MIDC, Cross Road "C",
 Andheri (East), Mumbai – 400 093, India.

Further verifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization.
 To check this certificate validity please call +91 22 6274 2000.



**ACHIEVEMENT
 AWARD**

KDS Accessories Ltd. (Unit- 2)
কেডিএস এক্সেসরিজ লিঃ (ইউনিট-২)

No. 6, West Dagon, Mirzapur, Gaspara Sadar, Gaspara, Dhaka,
 Bangladesh
 ৬ নং, পশ্চিম ডাগরি, মিরজাপুর, গাসপার সদর, গাসপার, ঢাকা, বাংলাদেশ

has been assessed by Intertek as conforming to the requirements of:

**Trim Supplier
 Qualification Program**

Intertek has assessed the practices of the above facility according to the scope of the Trim Supplier Qualification Program (TSQP), which resulted in meeting the performance criteria required for the "Achievement Award".
The evaluation of the facility covered the following areas:

1. Management Environment
2. Risk Management
3. Process Control
4. Product Testing
5. Monitoring

Registration Number
F_IAR_27150_TQP-R3
 Last Full Audit Date: July 11, 2020
 Expiry Date: July 12, 2022



Guillermo Egoz
 General User Foreman,
 Technical Management & Quality,
 Business Assurance, Intertek

Cary Chen
 Certification Administration Centre, Intertek



CERTIFICATE

The company

KDS Accessories Ltd. (Unit 2)
6, West Durgam, Mirzapur, Coimbatore Cantonment
Bangalore - 570 001, KARNATAKA

is granted authorization according to STANDARD 100 by OEKO-TEX® in accordance with the STANDARD 100 by OEKO-TEX®-mark, based on our test report **18.03.0116**



for the following articles:

Softwear made of 100 % polyamide in white and greyed colors: sport jacket, shorts and t-shirt

The results of the inspection made according to STANDARD 100 by OEKO-TEX®, Appendix 6, product class I have shown that the above mentioned goods meet the human-ecological requirements of the STANDARD 100 by OEKO-TEX® currently established in Appendix 6 for these articles.

The lot 18031 articles fully complies with the requirements of Annex 228 of STANDARD 100. In case of any subsequent market release, etc., the American requirement regarding total content of lead in children's articles (CPSC) with the exception of accessories made from glass and of the Chinese standard GB 18401-2010 labeling requirements were not verified.

The holder of the certificate, who has issued a conformity declaration according to ISO 17025-1, is under an obligation to use the STANDARD 100 by OEKO-TEX® mark only in cooperation with products that conform with the sample initially tested. This conformity is verified by audits.

The certificate 13.000.24900 is valid until 31.01.2021

Bengaluru, 02.03.2020

Christine Seifried
Head of Quality Assurance
Head of Laboratory (OEKO-TEX®)



CERTIFICATE

The company

KDS Accessories Ltd. (Unit 2)
6, West Durgam, Mirzapur, Coimbatore Cantonment
Bangalore - 570 001, KARNATAKA

is granted authorization according to STANDARD 100 by OEKO-TEX® in accordance with the STANDARD 100 by OEKO-TEX®-mark, based on our test report **18.03.0116**



for the following articles:

T-shirt tops and short-sleeved tops of 100 % cotton and 100 % polyester, white and grey-blue as well as elastic tape made of polyester/fabric; white and grey-blue; exclusively produced from material verified according to STANDARD 100 by OEKO-TEX®.

The results of the inspection made according to STANDARD 100 by OEKO-TEX®, Appendix 4, product class I have shown that the above mentioned goods meet the human-ecological requirements of the STANDARD 100 by OEKO-TEX® currently established in Appendix 4 for these articles.

The certified articles fully complies with the requirements of Annex 228 of STANDARD 100. In case of any subsequent market release, etc., the American requirement regarding total content of lead in children's articles (CPSC) with the exception of accessories made from glass and of the Chinese standard GB 18401-2010 labeling requirements were not verified.

The holder of the certificate, who has issued a conformity declaration according to ISO 17025-1, is under an obligation to use the STANDARD 100 by OEKO-TEX® mark only in cooperation with products that conform with the sample initially tested. This conformity is verified by audits.

The certificate 14.000.40733 is valid until 31.06.2021

Bengaluru, 12.03.2020

Christine Seifried
Head of Quality Assurance
Head of Laboratory (OEKO-TEX®)



CERTIFICATE

The company

KDS Accessories Ltd. (Unit 2)
 1401/152, Daxid East Road,
 Narnand, VA, Gujarat - 388140, India

It is hereby certified according to STANDARD 100 by OEKO-TEX AG for the STANDARD 100 by OEKO-TEX mark, based on test report: 26.8.17008



For the following articles:

Various labels made of 100% polypropylene, poly-ethyl and poly-ethylene and other synthetic fibers of 100% polyester and 100% cotton (weave and non-woven) - used for various printed labels based on PET released into plastic bottles exclusively produced for selling materials certified according to STANDARD 100 by OEKO-TEX.

The results of the inspection made according to STANDARD 100 by OEKO-TEX, Appendix C, certified items have shown that the above mentioned goods meet the basic analytical requirements of the STANDARD 100 by OEKO-TEX process (certification Appendix 4 for baby articles).

The certified articles fulfil requirements of Annex 20 of STANDARD 100, the use of accessories, is not relevant, also, the American requirement regarding content of lead in children articles (Pb/Cd) with the exception of all articles based on glass and of the Chinese standard GB 18401-2010 (printing requirements, are not relevant).

The holder of the certificate, who has issued a conformity declaration according to EN 17051, is under an obligation to use the STANDARD 100 by OEKO-TEX mark only in connection with products that conform with its current certificate, this conformity is verified by audit.

The certificate 06XAL00014 is valid until 31.03.2021

Stamp: 07.07.2020

Signature
 07.07.2020
 Head of Certification Dept./OEKO-TEX

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KDS ACCESSORIES LIMITED
 1401/152, DAXID EAST ROAD
 NARNAND, VA,
 4218, CHATTISGARH, INDIA

Burburi Veritas Certification hereby certifies that the company has implemented a FSC® product delivery control system according to the FSC® (Stewardship Council)® certification system, in the following locations and steps with the requirements of Standard:

FSC® Code of Conduct Certification stands at: Ref: FSC-COC-14-004v01-04
 FSC CMC Certification of Multiple Sites stands at: Ref: FSC-COC-14-003v01-02

For all activities covering:

Manufacturing and sale of packaging of paper, adhesive labels, advertising materials and other printed materials used as general accessories, certified FSC Mix and FSC Recycled®

All our products are in a closed, controlled and verified, full control chain, we are fully compliant with the requirements of the FSC® (Stewardship Council)®

Type of certification: Mix and Recycled


Original certification date: 20th February 2018
 Last of certification date: 20th February 2021
 Expiry date: 19th February 2021

By: Certification Unit: BU/COC-14-020
 BU Certification Unit: BU/COC-14-020
 Bureau Ref: 211490203

Issue date: 12th February 2021


 Signature and Stamp of Burburi Veritas Certification Bureau



ANNEX n° 14

DESCRIPTION OF THE ARTICLE	ADDRESS	CONTROL GROUP / Product's FSC category	Substrate	Date of registration (2020/2021)
KDS Accessories Limited, Unit 2, 1401/152, Daxid East Road, Narnand, VA, Chattisgarh, India	E. Vinay Kumar, Manager Control Dept. (FSC) Narnand	Manufacture of paper, packaging of paper, advertising materials and other printed materials used as general accessories, certified FSC Mix and FSC Recycled	paper	14

KDS Accessories Ltd. (PKG) FFC ID 9441
191-192 Baizid Bostami Road, Nasirabad 1/A, Chittagong
Chittagong, Bangladesh 4210

27 December 2017

Subject: CAP Closure Verification Visit (CCVV) Results

Dear Mr. Salim Rahman, Managing Director

Congratulations! On behalf of the Alliance for Bangladesh Worker Safety, I am writing regarding the results of the CAP Closure Verification Visit of **KDS Accessories Ltd. (PKG) FFC ID 9441** conducted by Alliance on 31 October 2017. A second onsite visit was conducted on 26 December to verify completion of remediation non-compliances noted during the first inspection. Your CAP Closure Verification Visit Final Training Assessment was completed on 25 September 2017. Based on the findings of that visit, your factory's status has been rated as "Substantial Completion". This means that your factory has substantially completed the initial Corrective Action Plan (CAP) and currently is in good standing with respect to required training. This also represents the starting point for creating a sustainable culture of safety within your factory.

The CAP Closure Verification Visit was conducted to confirm the completion of corrective actions to remediate noncompliance with the Alliance Standard in each of three critical areas: structural integrity, electrical safety and fire safety that were identified during initial inspections; the structural integrity inspection was conducted on 26 March 2014, the fire and electrical safety inspections were conducted on 24 May 2014 by Bureau Veritas. Additionally, during this visit an assessment of implementation and impact of Basic Fire Safety and Helpline training to all workers was performed. This was documented in the Corrective Action Plan (CAP) for your factory approved by the Alliance on 01 March 2015.

Remediation Verification Visits (RVV) to assess your progress addressing items in the CAP were conducted by the Alliance on the following dates:

Visit Type	Date
RVV 1	20 May 2015
RVV 2	24 December 2015
RVV 3	07 August 2016
PCCVV	20 September 2017
CCVV-1	31 October 2017
CCVV-2	26 December 2017

Training:

Total Employees trained on the date of Final Training Assessment (CCVV):

Training Type	Number of Employees received training	Completion Date
Initial	464	28 December 2014
Refresher	320	24 November 2016

Visit Type	Date
Final Training Assessment (CCVV)	25 September 2017

The CAP Closure verification visit results apply to of **KDS Accessories Ltd. (PKG) FFC ID 9441** as it currently exists with the following details:

Building Area (sq. ft.)	<ol style="list-style-type: none"> Building-01 (Office Building): 22,498 sq. ft. Building-02 (Packaging Warehouse Building): 31,360 sq. ft. Building-03 & Building-04 (Packaging Building): 12,716 sq. ft. Building-05 (HR Building): 6,345 sq. ft. Building-06 & Building-07 (Thread & Store Building): 19,500 sq. ft. Shed-01A (Packaging Store): 3,800 sq. ft. Shed-01B (Packaging Store): 3,900 sq. ft. Shed-02A (Boiler Shed): 2,240 sq. ft. Shed-02B (Warehouse Shed): 4,800 sq. ft. Shed-03 (Packaging Shed): 27,710 sq. ft. Shed-04 (Utility Shed): 4,480 sq. ft. Shed-06 (Thread Production Shed): 12,960 sq. ft. Shed-07 (Storage Shed): 2,250 sq. ft.
Building Height (ft.)	<ol style="list-style-type: none"> Building-01 (Office Building): 57'-0" Building-02 (Packaging Warehouse Building): 56'-0" Building-03 & Building-04 (Packaging Building): 51'-10" Building-05 (HR Building): 30'-0" Building-06 & Building-07 (Thread & Store Building): 33'-6" Shed-01A (Packaging Store): 17'-1" Shed-01B (Packaging Store): 15'-6" Shed-02A (Boiler Shed): 16'-6" Shed-02B (Warehouse Shed): 16'-3" Shed-03 (Packaging Shed): 35'-0" Shed-04 (Utility Shed): 16'-0" Shed-06 (Thread Production Shed): 18'-10" Shed-07 (Storage Shed): 25'-5"

Construction Type (Material)	<ol style="list-style-type: none"> Building-01 (Office Building): 5-Storey RCC building Building-02 (Packaging Warehouse Building): 3-Storey RCC building Building-03 & Building-04 (Packaging Building): 4-Storey RCC building Building-05 (HR Building): 2-Storey RCC building Building-06 & Building-07 (Thread & Store Building): 2-Storey RCC building Shed-01A (Packaging Store): Single Storey Shed Shed-01B (Packaging Store): Single Storey Shed Shed-02A (Boiler Shed): Single Storey Shed Shed-02B (Warehouse Shed): Single Storey Shed Shed-03 (Packaging Shed): Single Storey Shed Shed-04 (Utility Shed): Single Storey Shed Shed-06 (Thread Production Shed): Single Storey Shed Shed-07 (Storage Shed): Single Storey Shed
Occupancy Description	Industrial building (G2)

The CAP Closure Verification Visit of **KDS Accessories Ltd. (PKG) FFC ID 9441** revealed that all NC's listed in the CAP have been remediated.

For details of the Alliance Follow-up Spot Check (after CCVV report) refer to Appendix B.

This remediation assessment does not establish the extent to which the factory complies with all relevant provisions of the Ready-made Garment Industry Guidelines and Harmonized Standard, the Bangladesh National Building Code, Fire Service Rules, labor law, or other regulatory mandates. Your factory remains responsible for compliance with all relevant laws and regulations adopted and enforced by the Government of Bangladesh.

The Alliance is focused on systemic and sustainable improvements in fire, structural and electrical safety along with the maintenance of worker training within Bangladesh's garment factories. The Alliance commends you on completing all critical items listed in your approved CAP. This completion required a great deal of effort and you should be proud of your accomplishment.

Your investments have helped create a safer workplace for your employees. These efforts also help build a positive image of the Bangladesh apparel industry that benefits your business.

CAP completion is only the first step in building a sustainable culture of continuous improvement of workplace safety.

The Alliance expects all factories to sustain their commitment to safety through ongoing efforts to maintain the investments already made. Appendix C, ALLIANCE FACTORY MAINTENANCE EXPECTATIONS outline these expectations.

Please note that if your factory undergoes either a vertical or horizontal expansion, all documentation must be updated with accurate information and a new inspection must be conducted. Our team is here to assist you with any questions you may have about the CAP Closure verification visit results or requirements for continued compliance.

- Remediation Coordinator Name: Mehdi Hasan Khan
- Remediation Coordinator E-mail: mhkhan@afbws.org
- Remediation Coordinator Phone Number: 01938886910

Again, thank you for your commitment to the Alliance mission and your efforts to complete remediation.

Sincerely,



Paul Rigby
Deputy Director & CSO
Alliance for Bangladesh Worker Safety



Bring the light to join new fight

Let us join hands to hand
In believe of unity & Trust
That makes us one
Adapt to the new normal
And become the Successive one

**INDEPENDENT
AUDITORS' REPORT
&
FINANCIALS 2019-2020**
KDS ACCESSORIES LIMITED
AS AT 30 JUNE 2020



Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

to the Shareholders of

KDS ACCESSORIES LIMITED

Opinion

We have audited the accompanying financial statements of **KDS ACCESSORIES LIMITED** (the Company), which comprise the Statement of Financial Position as at 30 June 2020, 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, together with the notes numbering 01 to 42 annexed thereto.

In our opinion and to the best of our information and according to explanations given to us, the accompanying Financial Statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2020 and of its financial performance and cash flows for the period from 1 July 2019 to 30 June 2020 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors 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) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

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 for 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.

S L.	Key Audit Matters	How our audit addressed the key audit matter
1.	Revenue Revenue of TK.1,922,326,909 is recognized in the income statement of KDS Accessories Limited for the year ended 30 June 2020. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicator of the company and therefore there is an inherent risk of	In light of the fact that the high degree of complexity we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this area, our audit approach included testing of the controls and the substantive audit procedure, including:-

Hoda

National Office : BTMC Bhaban (6th & 7th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh
Chattogram Office : Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh

	<p>manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>As described in the accounting policy 3.16 to the financial statements, the company recognizes revenue upon transfer of control as per IFRS 15 – Revenue from Contract with Customers.</p>	<ul style="list-style-type: none"> ➤ We evaluated the Company’s accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 – Revenue from Contracts with Customers. ➤ We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customers invoices and receipts of payment on a sample basis. ➤ We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and challans. In addition, we confirmed certain customers’ receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers. ➤ Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct recording periods.
<p>2</p>	<p>Inventories</p> <p>Inventories represent about 17.17%, of the total assets of the Company; inventories are thus a material item to the financial statements. Please refer to note 09 to the financial statements.</p> <p>As described in the accounting policy note 3.07 to the financial statements, inventories are valued at the lower of the cost or net realizable values. As such, management is required to make judgements in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required.</p> <p>Due to the value and volume of inventories being held by the Company at the reporting date and complexities involved in the accounting and presentation thereof, inventories has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> ➤ Tested the operating effectiveness of key controls over inventories; including observing the process of management’s year-end inventory count. ➤ Verified a sample of inventory items to ensure that costs have been appropriately recorded. ➤ Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. ➤ Assessed whether appropriate provision have been recognized for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management’s basis for determining the usability of inventories. ➤ Performed cut-off tests to determine that the purchase and sales of the inventories have been considered in the correct accounting period. ➤ Reviewed the historical accuracy of inventory provision and the level of write downs.

M. Vasi

<p>3</p>	<p>Property Plant and Equipment</p> <ul style="list-style-type: none"> ➤ The company has a large number of Property, Plant and Equipment items. In view of availability of latest machinery due to improve technology, the obsolescence & impairment may be noticed in existing machineries. ➤ Management has concluded that there is no impairment in respect of all assets. This conclusion required significant management judgment. Hence we considered this to be key audit matter. 	<p>Our audit procedure in this area included, among others;</p> <ul style="list-style-type: none"> ➤ Assessing the consistency of methodologies use for depreciating the assets; ➤ Checking on a sample basis, the accuracy and relevance of the accounting of PPE by management; and ➤ For selected samples, performing physical observation to assess management’s determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost. <p>Examine management’s periodic review of Property, Plant and Equipment for determination of impairment and obsolescence.</p>
<p>4</p>	<p>Measurement of Deferred Tax</p> <p>The Company recognizes deferred taxes relating to property, plant and equipment, investment in associates and employee benefits (Gratuity), which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management judgment in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. Hence, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others.</p> <ul style="list-style-type: none"> ➤ Assessed the design, implementation and operating effectiveness of key controls in respect of the company and the process of recognition of deferred taxes. ➤ Using our own tax specialists to evaluate the tax bases and company tax strategy. ➤ Assessed the accuracy and completeness of deferred tax, and ➤ Evaluating the adequacy of the financial statements disclosures, including disclosures of assumptions, judgments and sensitivities. We involved tax specialists to assess key assumptions, control recognition and measurement of deferred tax liabilities(Assets).

Reporting on other information

The financial statements of the company for the year ended 30 June 2019 were audited by **Hussain Farhad & Co.** Chartered Accountants and issued unmodified opinion on 08 September 2019.

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

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance 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:

- (a) 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.
- (b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) 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.

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

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

We communicate with those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We determine those matters, from the matters communicated with those charged with governance, that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 1987, we also report the following:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) 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 these books and;
- iii) the statement of financial position and statement of Profit or Loss and Other comprehensive income dealt with by the report are in agreement with the books of account and returns.
- iv) the expenditure incurred was for the purposes of the Company's business.

Chattogram, 15 OCT 2020

Hoda Vasi Chowdhury & Co

**HODA VASI CHOWDHURY & CO
CHARTERED ACCOUNTANTS**

.....
Signed By:
Showkat Hossain FCA
Senior Partner

Showkat Hossain

KDS ACCESSORIES LIMITED
STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,215,343,500	1,303,884,221
Intangible assets	5	880,906	952,397
Capital work-in-progress	6	-	12,847,598
Investment in associate	7	45,859,477	48,327,650
Other investment	8	5,564,860	5,315,852
		2,043,246,131	1,906,835,257
CURRENT ASSETS			
Inventories	9	568,639,804	469,273,711
Trade receivables	10	934,575,587	1,098,372,683
Other receivables	11	1,391,682	391,548
Advances, deposits and prepayments	12	64,941,150	46,499,788
Due from affiliated companies	13	273,803,670	273,722,099
Short term investment	14	9,895,747	9,327,332
Cash and cash equivalents	15	189,998,491	9,248,096
TOTAL ASSETS		3,310,894,874	3,278,162,975
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	16	662,161,500	630,630,000
Share premium		120,000,000	120,000,000
Revaluation reserve		214,391,703	214,391,703
Retained earnings		657,973,945	607,889,066
NON-CURRENT LIABILITIES			
Long term borrowings	17.01	14,610,040	167,829,216
Defined benefit obligation- gratuity	18	90,799,401	76,083,015
Deferred tax liability	19	40,716,180	44,014,741
CURRENT LIABILITIES			
Trade and other payables	20	791,706,989	558,458,901
Current portion of long term borrowings	17.01	59,382,368	150,891,654
Current tax liability	21	40,479,550	43,446,375
Short term bank loan	22	542,111,982	590,432,585
Provision for WPPF and Welfare Fund	23	76,561,217	74,095,719
TOTAL EQUITY AND LIABILITIES		3,310,894,874	3,278,162,975
Net Assets Value Per Share	32.03	24.99	24.94


These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on **13 October 2020**
and were signed on its behalf by:



Managing Director


Director


Company Secretary

Chattogram, 15 OCT 2020


HODA VASI CHOWDHURY & CO
CHARTERED ACCOUNTANTS

.....
Signed By:
Showkat Hossain FCA
Senior Partner 

KDS ACCESSORIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
Revenue	24	1,922,326,909	2,302,159,637
Cost of goods sold	25	(1,499,651,072)	(1,884,155,618)
Gross Profit		422,675,837	418,004,019
Operating expenses	26	(134,226,944)	(135,820,080)
Selling and distribution expenses	27	(51,194,793)	(56,599,282)
Operating Profit		237,254,100	225,584,657
Finance cost	28	(101,634,278)	(130,101,160)
Finance income	29	45,668,239	79,974,391
Profit before other income		181,288,061	175,457,888
Other income	30	2,643,473	5,086,143
Profit/(loss) from investment in associates	7.02	(2,468,173)	61,846
Profit before income tax and distribution of WPPF and Welfare Fund		181,463,361	180,605,877
Workers' Profit Participation and Welfare Fund	23	(9,073,168)	(9,030,294)
Profit before income tax		172,390,193	171,575,583
Provision for income tax:			
-Current tax	21	(31,009,375)	(33,120,479)
-Deferred tax	19	3,298,561	(14,887)
Profit after Income Tax		144,679,379	138,440,217
Other Comprehensive Income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Other Comprehensive Income - net of tax		-	-
Total Comprehensive Income		144,679,379	138,440,217
Earnings Per Share (Basic)	32.01	2.18	2.09


These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 13 October 2020
and were signed on its behalf by:


Managing Director


Director


Company Secretary

Chattogram, 15 OCT 2020


HODA VASI CHOWDHURY & CO
CHARTERED ACCOUNTANTS

.....
Signed By:
Showkat Hossain FCA
Senior Partner 

KDS ACCESSORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2018	600,600,000	120,000,000	214,391,703	559,538,849	1,494,530,552
Bonus share for the year 2017-2018	30,030,000	-	-	(30,030,000)	-
Cash dividend for the year 2017-2018	-	-	-	(60,060,000)	(60,060,000)
Net Profit after tax for the year	-	-	-	138,440,217	138,440,217
Balance as at 30 June 2019	630,630,000	120,000,000	214,391,703	607,889,066	1,572,910,769
Balance as on 01 July 2019	630,630,000	120,000,000	214,391,703	607,889,066	1,572,910,769
Bonus share for the year 2018-2019	31,531,500	-	-	(31,531,500)	-
Cash dividend for the year 2018-2019	-	-	-	(63,063,000)	(63,063,000)
Net Profit after tax for the year	-	-	-	144,679,379	144,679,379
Balance as at 30 June 2020	662,161,500	120,000,000	214,391,703	657,973,945	1,654,527,148

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 Managing Director


 Director


 Company Secretary

KDS ACCESSORIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
A. Operating activities			
Received from customers		2,095,597,938	2,361,167,442
Received from other sources		1,108,640	3,435,183
Paid to suppliers		(1,320,400,325)	(1,996,571,842)
Paid for operating expenses		(143,065,432)	(126,339,037)
Cash generated by operations	31.00	633,240,821	241,691,746
Interest paid (net)		(58,858,088)	(82,484,931)
Income Tax Paid		(36,596,027)	(31,949,450)
Net cash flows from operating activities		537,786,706	127,257,365
B. Investing activities			
Acquisition of property, plant and equipment		(603,465)	(35,179,286)
Addition to intangible assets		(379,500)	-
Proceed from sale of non-current assets		612,008	1,734,000
Increase in investments		(817,423)	(901,681)
Net cash flows from investing activities		(1,188,380)	(34,346,967)
C. Financing activities			
Dividend Paid		(62,895,304)	(59,907,195)
Receipt / (Repayment) of long term loans		(244,728,462)	114,579,384
Payment of short term borrowings		(48,320,603)	(252,168,221)
Short term loan Receipt/(paid) to affiliated companies		(81,571)	107,471,985
Net cash flows from financing activities		(356,025,940)	(90,024,047)
D. Net changes of cash and cash equivalents (A+B+C)		180,572,386	2,886,351
E. Cash and cash equivalents at the beginning of the year		9,248,096	6,082,955
F. Effect of foreign exchange rate changes on cash and cash equivalents		178,009	278,790
G. Cash and cash equivalents at the end of the year (D+E+F)		189,998,491	9,248,096
Net operating cash flows per share	32.04	8.12	2.02

Shiba


Managing Director


Director


Company Secretary

KDS ACCESSORIES LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2020

1.00 REPORTING ENTITY

1.01 Formation and Legal Status

KDS Accessories Limited (formerly KDS Packaging Industries Ltd.) was incorporated on 21 April 1991 as a private limited company by shares (Registration no- C-H-C-862/154 of 1991) under Companies Act 1913 (since replaced and substituted by the Companies Act 1994) with the Registrar of Joint Stock Companies & Firms. The company was converted from Private Limited Company to Public Limited Company through an Extra-Ordinary General Meeting held on 17 April 2012 and was subsequently approved by RJSC on 26 November 2012. The Company commenced its commercial production on 01 July 1991. Its Head Office is located at 255, Nasirabad I/A, Chattogram and factory is located at 191-192 Baizid Bostami Road, Nasirabad I/A, Chattogram and the Company established its 2nd unit at Mirzapur, Gazipur at Dhaka in the year 2009. The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 15 October 2015.

The name KDS Packaging Industries Ltd. was changed to KDS Accessories Limited pursuant to the Special Resolution in the Extra Ordinary General Meeting held on 22 April 2010. The change of name was certified by the Registrar of Joint Stock Companies and Firms on 11 May 2010 pursuant to the provision of section 11, sub-section (7) of the Companies Act 1994 (Act XVIII of 1994). The company refixed the face value of its shares from Tk. 100 to Tk. 10 each and enhanced its Authorized Share Capital from Tk. 200,000,000 to Tk. 2,000,000,000 with approval of the shareholders through an Extra-Ordinary General Meeting held on 10 August 2010.

1.02 Nature of Business

The principal activities of the Company are producing different types of standard cartons, display cartons, woven labels, smart labels, offset, silk screen, web thermal printing, button, cold peel, hot peel, puff, glitter, hanger, image and sublimation transfers and marketing thereof.

1.03 Description of Associates

(i) Formation and Legal Status of SKYS Securities Limited

SKYS Securities Limited is an associate of the company having 46.69% holding in paid up capital. It was incorporated on 17 June 1997, vide the certificate CH-2675 of 1997 and commenced operation on 01 January 2006. Paid up capital at the reporting date stands at Tk. 50,132,000 (50,132 shares @ Tk. 1,000 each).

(ii) Nature of Business

The principal activities of the company is stock broking as member of Chittagong Stock Exchange Limited (CSE) an allied service under Securities & Exchange Commission's Rules and Regulations.

2.00 BASIS OF FINANCIAL STATEMENT PREPARATION AND PRESENTATION

2.01 Statement of Compliance

The financial statements of the company under reporting have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh.

2.02 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS 1 – "Presentation of Financial Statements". The financial statements comprise of:

- a) A statement of Financial Position as at 30 June 2020;
- b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020;
- c) A statement of Changes in Equity for the year ended 30 June 2020;
- d) A statement of Cash Flows for the year ended 30 June 2020; and
- e) Notes, comprising a summary of significant accounting policies and explanatory information.



2.03 Regulatory Compliances

As required, KDS Accessories Limited complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- a) The Income Tax Ordinance 1984
- b) The Income Tax Rules 1984
- c) The Value Added Tax Act 2012
- d) The Value Added Tax Rules 2016
- e) Securities and Exchange Ordinance 1969
- f) The Customs Act 1969
- g) The Labour Act 2006 (as amended in 2013)

2.04 Authorization for Issue

The financial statements were authorized for issue by the Board of Directors on 13.10.2020.

2.05 Basis of Measurement

The financial statements have been prepared on going concern basis under the historical cost convention except for land and land development of property, plant and equipment which is measured at revalued amount and inventories which are measured at lower of cost and net realisable value.

2.06 Functional and Presentation Currency

The financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

2.07 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from operating activities have been presented under direct method. A reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals as per requirement of Securities and Exchange Rules 1987.

2.08 Going Concern

The company has adequate resources to continue its operation in foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current revenue generations and resources of the company provide sufficient fund to meet the present requirements of its existing business and operation.

2.09 Reporting Period

The financial statements of the company covers one year from 01 July to 30 June and is followed consistently.

2.10 Application of Accounting Standards

The financial statements have been prepared in compliance with requirement of IASs (International Accounting Standards) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IASs and IFRSs are applied to preparation of the financial statements for the year under report:

Accounting Standards

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rate
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-26	Accounting and Reporting by Retirement Benefit Plans
IAS-28	Investments in Associates and Joint Ventures
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contract with Customers
IFRS-16	Leases



2.11 Use of Estimates and Judgements

The preparation of these financial statements is in conformity with IAS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note: 4	Property, plant and equipment
Note: 5	Intangible assets
Note: 9	Inventories
Note: 10	Trade receivables
Note: 18	Defined benefit obligation- gratuity
Note: 19	Deferred tax liability
Note: 21	Current tax liability

2.12 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of KDS Accessories Limited is responsible for the preparation and presentation of financial statements of the Company.

2.13 Comparative Information and reclassification

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified wherever considered necessary to conform to current periods presentation.

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier periods.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the following:

3.01	Consistency
3.02	Property, Plant and Equipment
3.03	Intangible Assets
3.04	Capital Work-in-Progress
3.05	Leasehold Assets
3.06	Investment in Associates
3.07	Inventories
3.08	Financial Instruments
3.09	Impairment
3.10	Share Capital
3.11	Revaluation Reserve
3.12	Employee Benefits
3.13	Taxation
3.14	Loans and Borrowings
3.15	Provisions, Contingent Liabilities and Contingent Assets
3.16	Revenue Recognition
3.17	Operating Income
3.18	Finance Income and Cost
3.19	Foreign Currency Transaction / Translation
3.20	Related Party Transactions
3.21	Earnings Per Share (EPS)
3.22	Measurement of Fair Values
3.23	Events after the Reporting Period



3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2020 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2019.

3.02 Property, Plant and Equipment

i) Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation except land and land development which are carried at revalued amount and subsequent impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of asset. The cost of self constructed asset includes the cost of material and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

ii) Pre-Operating Expenses and Borrowing Costs

Interest and other incurred by the company in respect of borrowing of fund are recognized as expenses in the year in which they incurred unless the activities that are necessary to prepare the qualifying assets for its intended use are in progress. Expenses capitalized also include applicable borrowing cost considering the requirement of IAS-23 "Borrowing Costs".

iii) Subsequent Costs and Maintenance Activities

The company recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when the cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the year in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses if incurred. All upgradation /enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

iv) Revaluation of Property, Plant and Equipment

Financial statement of the company has been prepared on historical cost price basis. However, the prices of land have been increased substantially during the last few years due to high inflationary trend. In this circumstance, management of KDS Accessories Limited had decided to determine fair market value of the land through revaluation. Syful Shamsul Alam & Co, Chartered Accountants had revalued the lands of the company as on 31 December 2012, following "current cost method". Such revaluation resulted in a valuation surplus aggregating Tk. 214,391,703.

v) Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in the statement of profit or loss and other comprehensive income on straight line method over the estimated useful lives of property, plant and equipment.

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 earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. After considering the useful life of assets as per IAS-16 "Property, plant and equipment", the annual depreciation have been applied equal allocation of total cost over useful life of assets which is considered reasonable by the management.

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

vi) Impairment of Assets

The company reviews the recoverable amount of its assets at each reporting date. If there exists any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with IAS-36 "Impairment of Assets".

vii) Retirement and Disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. On disposal of property, plant & equipment, the cost and accumulated depreciation are eliminated. 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 assets and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.



3.03 Intangible Assets

i) Recognition and Measurement

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible asset is recognized when all the conditions for recognition as per IAS 38 Intangible assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

ii) Amortization

Amortization is recognized in the statement of profit or loss and other comprehensive income on straight line method at the rate of 20% to 33.33% per annum. Amortization is charged on an asset when the asset 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. Amortization of an asset ceases at earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised.

iii) Subsequent Cost

Subsequent cost is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss and other comprehensive income as incurred.

3.04 Capital Work-in-Progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of 30 June 2020 and these are stated at cost.

3.05 Leasehold Assets

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The Objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) Provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

During the year the Company (KDS Accessories Limited) has no lease obligation.

3.06 Investment in Associates

The company's investment in associates is accounted for in the financial statements using the Equity Method in accordance with IAS 28: 'Investment in Associates & Joint Ventures'. Investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition which is classified as non-current assets in the statement of financial position. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of company's share of net assets' value of associates over cost of investments has been recognized in the statement of profit or loss and other comprehensive income as share of associate's profit or loss during the year following the provisions of IAS 28.

Unrealized gains and losses arising from transactions with associate are eliminated against the investment to the extent of the company's interest in investee.

3.07 Inventories

i) Nature of Inventories

Inventories comprise of raw materials, work-in-process, finished goods, stores & spares and goods in transit.

ii) Valuation of Inventories

Inventories are measured at lower of cost or net realizable value in accordance with the Para of 21 and 25 of IAS-2 "Inventories" after making due allowance for any obsolete or slow moving item and details of valuation are as follows:

<u>Category</u>	<u>Valuation method</u>
i) Raw materials	Valued at Cost or Net Realisable Value whichever is lower.
ii) Finished goods	Valued at Cost or Net Realisable Value whichever is lower.
iii) Goods-in-transit	Valued at Cost.
iv) Stores and spares	Based on weighted average method.
v) Work-in-process	Valued at Cost or Net Realisable Value whichever is lower.



3.08 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.08.01 Financial Assets

The Company initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Financial assets include Trade Receivables, Others Receivables, Advances, Deposits and Prepayments, Short Term Investments, and Cash and cash equivalents.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost.

Loans and receivables comprise cash and cash equivalents, loans, trade receivables, other receivables and deposits.

a) Trade and Other Receivables

Trade receivable consists of due proceeds against sales through L/C with a tenure of 30 days to 180 days and realizable at the maturity date. Trade receivable is initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to un-collectability of any amount so recognized.

Other receivables is initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

b) Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

c) Cash and Cash Equivalents

According to IAS-7 "Statement of Cash Flows" cash comprises cash in hand and bank deposit and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS-1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognized in other comprehensive income and presented in the fair value reserve in equity. Financial assets which are not traded in the market have been valued at cost unless any indication of impairment in value of such financial assets exist. Cumulative gain/losses recognized in the other comprehensive income are reclassified from equity to profit or loss upon derecognition or reclassification.

3.08.02 Financial Liabilities

The company initially recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.



a) **Trade and Other Payables**

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

b) **Interest-bearing borrowings**

Interest-bearing borrowings comprise loans and operational overdraft.

3.09 Impairment

i) Financial Assets

Financial assets are not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

ii) Non-financial Assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3.10 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders will be rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

3.11 Revaluation Reserve

Revaluation reserve relates to the revaluation of land and land development.

3.12 Employee Benefits

i) Short Term Employee Benefits

Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the Company.

ii) Workers' Profit Participation and Welfare Fund

The Company maintains a Worker's profit participation and welfare fund at 5% of net profit before tax as per the requirement of The Companies Profit (worker's participation) (amendment) ordinance 1985 & Labour Act 2006 (As amended in 2013).

iii) Defined Contribution Plan

The company maintains an unrecognized provident fund for its officers only. Both the employees and company contribute 10% of basic salary to the fund.

iv) Defined Benefit Plan - Gratuity

The company maintains a Gratuity scheme for its officers only. Officers are entitled to gratuity when their length of service reaches five years. Provision has been made in the books on monthly basis based on the rules of the scheme.

3.13 Taxation

i) Current Tax

Income Tax is calculated and provision is made in accordance with IAS 12 'Income taxes'. As per 6th schedule Part A Para 28 of Income Tax Ordinance, 1984 provision for income has been made at the rate of 25% on operational income after deducting 50% of income as export rebate resulting in an effective tax rate of 12.50% on operational income. Besides this, the company charged tax at a rate of 25% on other income of this company.



ii) Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the Statement of Financial Position date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognized in the statement of profit or loss and other comprehensive income as per IAS-12 "Income Taxes".

The deferred tax asset/income or liability/expenses does not create a legal liability/recoverability to and from the income tax authority.

Deferred tax on revaluation surplus of lands has not been recognized in the financial statements on the ground that income tax payable at source on capital gain during registration of sale of land are generally borne by the buyer. Hence, possibility of having any income tax implications on land is very remote.

3.14 Loans and Borrowings

Principal amount of the loans and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the balance sheet date are classified as current liabilities whereas borrowings repayable after twelve months from the balance sheet date are classified as non-current liabilities. Accrued interest and other charges are classified as current liabilities.

3.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in the statement of financial position when the company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", contingent liabilities and commitments are disclosed in the financial statements.

3.16 Revenue Recognition

Revenue is recognized when invoice for products and services are made and the significant risk and reward of ownership are transferred to the customers, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The five step model has been complied in case of revenue recognition.

Specific policies regarding the recognition of revenue are as follows:

Revenue from sales of goods

Revenue from the sale of goods shall be recognized when all the following conditions have been satisfied:

- a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods and customer obtains control of the goods;
- b) it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur;
- 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 entity.

3.17 Operating Income

Operating income includes gain / (loss) on sale of property, plant and equipment and rental income. Operating income is recognized as revenue on accrual basis.

3.18 Finance Income and Cost

3.18.01 Finance Income

Interest income on Fixed Deposit Receipts (FDR), Short Term Deposits (STD), Gain/loss on currency fluctuation and amounts due from affiliated companies is accrued on a time proportion basis by reference to the principal outstanding at the effective rate of interest applicable.

3.18.02 Finance Cost

Interest expenses comprises interest expense on operational overdraft, LATR, term loan and short term borrowings except expenses related to acquisition/construction of assets, incurred during the period are charged to Statement of Profit or Loss and Other Comprehensive Income on accrual basis.

3.19 Foreign Currency Transaction / Translation

Transactions in foreign currencies are translated into Bangladesh Taka at the Exchange rate prevailing on the date of transactions in accordance with IAS - 21 "The Effects of Changes in Foreign Exchange Rate." Monetary assets and liabilities in foreign currencies at the Statement of Financial Position date are translated into Bangladesh Taka at the rate of exchange prevailing at the Statement of Financial Position date. All exchange differences are recognized in the Statement of Profit or Loss and Other Comprehensive Income.



3.20 Related Party Transactions

The objective of IAS-24 "Related Party Disclosure" is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

Interest income/expenses on amount due to/due from affiliated companies has been recognized periodically.

3.21 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with International Accounting Standard IAS-33 "Earnings Per Share" which has been reported on the face of Statement of Profit or Loss and Other Comprehensive Income.

i) Basic Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

ii) Diluted Earnings Per Share:

No diluted earnings per share was required to be calculated for the year under review as there was no scope for dilution of Earnings Per Share for the year.

3.22 Measurement of Fair Values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, Plant and Equipment

The fair value of land of property, plant and equipment has been determined based on the current cost method and net realizable value method as applicable.

3.23 Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.24 Disclosures on COVID-19

Due to lockdown declared by the Government for outbreak of Corona Virus (COVID-19) in Bangladesh, operation of the company remained closed from 27 March 2020 to 25 April 2020 and successfully resumed on 26 April 2020.

3.25 Gross Profit (GP)

Gross Profit margin increased since average Cost of Goods Sold (COGS) was reduced than that of last year due to decrease of average cost of raw material price in the global market.

3.26 Interest Rebate

As per paragraph 3(A) of Banking Regulatory and Policy Department (BRPD) circular no-12 dated 10 June 2020, the company is entitled to get rebate amounting to Tk.9,22,827 on interest expenses against bank borrowings.



4 a) PROPERTY, PLANT & EQUIPMENT -at Revalued Model

Particulars	Cost (Amount in Taka)			Depreciation (Amount in Taka)			Written Down Value as on 30.06.2020 (Taka)
	Opening Balance as on 01.07.2019	Addition During the Year	Disposed During the Year	Opening Balance as on 01.07.2019	Charge During the Year	Adj. During the Year	
Land and Land Development:	431,214,704	-	-	431,214,704	-	-	431,214,704
Building:							
Administrative Building	50,817,030	-	-	50,817,030	1,667,937	-	30,808,888
Factory Building	453,983,126	362,840	-	454,345,966	21,898,475	-	264,441,402
	504,800,156	362,840	-	505,162,996	23,566,412	-	295,250,290
Plant & Machinery:							
Plant & Machinery	880,208,666	10,770,763	-	890,979,429	58,672,098	-	433,202,174
Equipment & Appliances:							
Office Equipment	29,150,624	641,773	-	29,792,397	2,105,705	-	6,028,639
Electric Installation	90,320,195	485,400	-	90,805,595	9,527,926	-	37,269,040
	119,470,819	1,127,173	-	120,597,992	11,633,631	-	43,297,679
Furniture & Fixtures	14,864,362	138,165	-	15,002,527	770,497	-	1,687,070
Computer Equipment	27,904,279	1,052,122	-	28,956,401	1,873,135	-	1,836,894
Motor Vehicles:							
Motor Vehicles	64,292,212	-	854,024	63,438,188	5,476,009	854,022	8,854,689
As on 30 June 2020	2,042,755,198	13,451,063	854,024	2,055,352,237	101,991,782	854,022	1,215,343,500
As at 30 June 2019	2,006,548,556	36,861,592	654,950	2,042,755,198	104,316,866	571,910	1,303,884,221



Allocation Basis	30 June 2020 Taka	30 June 2019 Taka
80%	81,593,426	83,452,817
20%	20,398,356	20,863,204
	101,991,782	104,316,021

i) Depreciation Allocated to:
 Factory Overhead - note 25.2
 Operating Expenses - note 26

4 b) PROPERTY, PLANT & EQUIPMENT -at Revalued Model

Particulars	Cost (Amount in Taka)			Depreciation (Amount in Taka)			Written Down Value as on 30.06.2019 (Taka)
	Opening Balance as on 01.07.2018	Addition During the Year	Disposed During the Year	Opening Balance as on 01.07.2018	Charge During the Year	Adj. During the Year	
Land and Land Development:	419,730,792	11,483,912	-	-	-	-	431,214,704
Building:							
Administrative Building	50,704,530	112,500	-	16,677,893	1,662,312	-	18,340,205
Factory Building	442,848,121	11,135,005	-	146,374,464	21,631,625	-	168,006,089
	493,552,651	11,247,505	-	163,052,357	23,293,937	-	186,346,294
Plant & Machinery:							
Plant & Machinery	871,005,256	9,203,410	-	340,954,913	58,150,244	-	399,105,157
Equipment & Appliance:							
Office Equipment	28,164,171	986,453	-	19,305,003	2,353,050	-	21,658,053
Electric Installation	87,772,091	2,548,104	-	33,574,543	10,434,086	-	44,008,629
	115,936,262	3,534,557	-	52,879,546	12,787,136	-	65,666,682
Furniture & Fixtures	14,522,263	342,099	-	11,411,973	1,132,987	-	12,544,960
Computer Equipment	26,854,170	1,050,109	-	23,258,588	1,987,784	-	25,246,372
Motor Vehicles:							
Motor Vehicles	64,947,162	-	654,950	43,569,489	6,963,933	571,910	49,961,512
As on 30 June 2019	2,006,548,556	36,861,592	654,950	635,126,866	104,316,021	571,910	738,870,977
As at 30 June 2018	1,835,816,387	172,198,554	1,466,385	540,349,432	96,235,282	1,457,848	635,126,866

i) Depreciation Allocated to:
 Factory Overhead - note 25.2
 Operating Expenses - note 26

Allocation Basis	30 June 2019 Taka	30 June 2018 Taka
80%	83,452,817	76,988,226
20%	20,863,204	19,247,056
	104,316,021	96,235,282



4.1 a) PROPERTY, PLANT & EQUIPMENT-at Cost Model

Particulars	Cost (Amount in Taka)			Depreciation (Amount in Taka)			Written Down Value as on 30.06.2020 (Taka)	
	Opening Balance as on 01.07.2019	Addition During the Year	Disposed During the Year	Closing Balance as on 30.06.2020	Opening Balance as on 01.07.2019	Charge During the Year		Adj. During the Year
Land and Land Development:	216,823,001	-	-	216,823,001	-	-	-	216,823,001
Building:								
Administrative Building	50,817,030	-	-	50,817,030	18,340,205	1,667,937	-	20,008,142
Factory Building	453,983,126	362,840	-	454,345,966	168,006,089	21,898,475	-	189,904,564
	504,800,156	362,840	-	505,162,996	186,346,294	23,566,412	-	209,912,706
Plant & Machinery:								
Plant & Machinery	880,208,666	10,770,763	-	890,979,429	399,105,157	58,672,098	-	457,777,255
Equipment & Appliance:								
Office Equipment	29,150,624	641,773	-	29,792,397	21,658,053	2,105,705	-	23,763,758
Electric Installation	90,320,195	485,400	-	90,805,595	44,008,629	9,527,926	-	53,536,555
Furniture & Fixtures	119,470,819	1,127,173	-	120,597,992	65,666,682	11,633,631	-	77,300,313
Computer Equipment	14,864,362	138,165	-	15,002,527	12,544,960	770,497	-	13,315,457
Motor Vehicles:								
Motor Vehicles	27,904,279	1,052,122	-	28,956,401	25,246,372	1,873,135	-	27,119,507
	64,292,212	-	854,024	63,438,188	49,961,512	5,476,009	854,022	54,583,499
As on 30 June 2020	1,828,363,495	13,451,063	854,024	1,840,960,534	738,870,977	101,991,782	854,022	840,008,737
As at 30 June 2019	1,792,156,853	36,861,592	654,950	1,828,363,495	635,126,866	104,316,021	571,910	738,870,977

5 INTANGIBLE ASSETS at Cost Less Accumulated Amortization - note 3.3

Particulars	Cost (Amount in Taka)			Amortization (Amount in Taka)			Written Down Value as on 30.06.2020 (Taka)	
	Opening Balance as on 01.07.2019	Addition During the Year	Disposed During the Year	Closing Balance as on 30.06.2020	Opening Balance as on 01.07.2019	Charge During the Year		Adj. During the Year
Computer Software	6,355,893	379,500	-	6,735,393	5,403,496	450,991	-	5,854,487
As on 30 June 2020	6,355,893	379,500	-	6,735,393	5,403,496	450,991	-	5,854,487
As on 30 June 2019	6,355,893	-	-	6,355,893	4,693,388	710,108	-	5,403,496



4.1 b) PROPERTY, PLANT & EQUIPMENT-at Cost Model

Particulars	Cost (Amount in Taka)			Depreciation (Amount in Taka)			Written Down Value as on 30.06.2019 (Taka)	
	Opening Balance as on 01.07.2018	Addition During the Year	Disposed During the Year	Closing Balance as on 30.06.2019	Opening Balance as on 01.07.2018	Charge During the Year		Adj. During the Year
Land and Land Development:	205,339,089	11,483,912	-	216,823,001	-	-	-	216,823,001
Building:								
Administrative Building	50,704,530	112,500	-	50,817,030	16,677,893	1,662,312	-	18,340,205
Factory Building	442,848,121	11,135,005	-	453,983,126	146,374,464	21,631,625	-	168,006,089
	493,552,651	11,247,505	-	504,800,156	163,052,357	23,293,937	-	186,346,294
Plant & Machinery:								
Plant & Machinery	871,005,256	9,203,410	-	880,208,666	340,954,913	58,150,244	-	399,105,157
Equipment & Appliance:								
Office Equipment	28,164,171	986,453	-	29,150,624	19,305,003	2,353,050	-	21,658,053
Electric Installation	87,772,091	2,548,104	-	90,320,195	33,574,543	10,434,086	-	44,008,629
Furniture & Fixtures	115,936,262	3,534,557	-	119,470,819	52,879,546	12,787,136	-	65,666,682
Computer Equipment	14,522,263	342,099	-	14,864,362	11,411,973	1,132,987	-	12,544,960
Motor Vehicles:								
Motor Vehicles	64,947,162	-	654,950	64,292,212	43,569,489	6,963,933	571,910	49,961,512
As on 30 June 2019	1,792,156,853	36,861,592	654,950	1,828,363,495	635,126,866	104,316,021	571,910	738,870,977
As at 30 June 2018	1,621,424,684	172,198,554	1,466,385	1,792,156,853	540,349,432	96,235,282	1,457,848	635,126,866

5 INTANGIBLE ASSETS at Cost Less Accumulated Amortization - note 3.3

Particulars	Cost (Amount in Taka)			Amortization (Amount in Taka)			Written Down Value as on 30.06.2019 (Taka)	
	Opening Balance as on 01.07.2018	Addition During the Year	Disposed During the Year	Closing Balance as on 30.06.2019	Opening Balance as on 01.07.2018	Charge During the Year		Adj. During the Year
Computer Software	6,355,893	-	-	6,355,893	4,693,388	710,108	-	5,403,496
As on 30 June 2019	6,355,893	-	-	6,355,893	4,693,388	710,108	-	5,403,496
As on 30 June 2018	6,355,893	-	-	6,355,893	3,628,901	1,064,487	-	4,693,388



	Note(s)	30 June 2020 Taka	30 June 2019 Taka
6.00 Capital work-in-progress			
Opening balance		12,847,598	14,529,904
Add: Expenditure incurred during the year	6.01	9,272,804	2,611,857
		22,120,402	17,141,761
Less: Capitalized during the year	6.01	(9,272,804)	(4,294,163)
Less: Reclassified during the year (Transfer to Advance) Note-12.01	6.01	(12,847,598)	-
Closing balance		-	12,847,598

6.01 Details of capital work-in-progress

Particulars	Opening Balance	Additions during the year	Reclassified during the year	Capitalized during the Year	Balance as on 30 June 2020	Balance as on 30 June 2019
Land and land development*	12,847,598	-	(12,847,598)	-	-	12,847,598
Plant & machinery	-	9,272,804	-	(9,272,804)	-	-
	12,847,598	9,272,804	(12,847,598)	(9,272,804)	-	12,847,598

* An amount of Tk.1,28,47,598 has been transferred to advances, deposits and pre-payments account from capital work-in-progress which was paid as advance for land.

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
7.00 Investment in associate			
SKYS Securities Limited	7.01	45,859,477	48,327,650
		45,859,477	48,327,650
7.01 Movement of investment in associates			
Investment in equity share		23,405,000	23,405,000
Share of profit/(loss)			
Opening balance		24,922,650	24,860,804
Share of profit/(loss) for the year	7.02	(2,468,173)	61,846
		22,454,477	24,922,650
		45,859,477	48,327,650
7.02 Share of profit/(loss) of associates (Net of tax)			
Net profit attributable to the shareholders' of associate		(5,286,299)	132,461
Ownership		46.69%	46.69%
Net profit / (Loss) attributable to KIDS Accessories Limited		(2,468,173)	61,846
		(2,468,173)	61,846
7.03 Summary of financial information of equity accounted investee:			
Non-current assets		89,473,846	90,502,547
Current assets		130,640,346	150,240,406
Total assets		220,114,192	240,742,953
Share capital		50,132,000	50,132,000
Revaluation surplus (CSE Membership)		37,873,300	37,873,300
Retained earnings		10,215,898	15,502,197
Shareholders' equity		98,221,198	103,507,497
Current liabilities		121,892,994	137,235,456
Total liabilities		121,892,994	137,235,456
Total equity & liabilities		220,114,192	240,742,953



	30 June 2020 Taka	30 June 2019 Taka
Revenue	2,545,555	10,072,991
Other income	1,894,053	3,403,094
Expenses	(9,725,907)	(13,343,624)
Net profit	(5,286,299)	132,461

8.00 Other investment

Investment in Fixed Deposit Receipts	5,564,860	5,315,852
	5,564,860	5,315,852

Name of Banks	Purpose	Period	Interest rate		
Bank Asia Limited	Bank Guarantee	1 year	6.00%	4,368,122	4,151,700
Exim Bank Limited	Bank Guarantee	1-3 years	6.5%-9.25%	1,196,738	1,164,152
				5,564,860	5,315,852

9.00 Inventories

Raw materials	471,055,054	341,571,661
Work-in-process	24,330,967	26,269,317
Finished goods	9,650,877	11,564,987
Stores & spares	62,266,322	47,798,637
Goods in transit	1,336,584	42,069,109
	568,639,804	469,273,711

9.01 Quantitative movement of raw materials and finished goods

Raw Materials

Product name	Unit	Opening balance	Procurement	Available for consumption	Consumption	Closing balance
Liner Paper	Kg	932,902	10,938,489	11,871,391	(8,154,281)	3,717,110
White Liner Paper	Kg	-	23,787	23,787	(23,787)	-
Medium Paper	Kg	1,147,557	9,056,350	10,203,907	(6,670,539)	3,533,368
Duplex Board	Kg	9,582	115,382	124,964	(70,458)	54,506
Yarn	Kg	73,027	134,617	207,644	(170,050)	37,594
Starch	Kg	-	289,000	289,000	(286,089)	2,911
Adhesive Powder	Kg	31,929	216,930	248,859	(212,669)	36,190
Art Card	Kg	5,775	-	5,775	(5,775)	-
Art Paper	Kg	-	81,996	81,996	(81,996)	-
Chemical	Ltr	470	22,535	23,005	(17,424)	5,581
Resin	Kg	1,227	220,484	221,711	(179,872)	41,839
Rubber Thread	Kg	6,064	28,266	34,330	(23,216)	11,114
Transfer Flim	Kg	162	4,456	4,618	(3,809)	809
Printing Ink	Kg	7,305	19,037	26,342	(19,432)	6,910
Pigment	Kg	101	1,737	1,838	(1,317)	520
Ribbon	Kg	2,149	9,525	11,674	(11,490)	185
Self Adhesive Sticker	Sheet	-	45,000	45,000	(45,000)	-
OPP Gum Tape	Kg	37,102	92,676	129,778	(109,944)	19,834
GPPS/PP/HIPS	Kg	8,512	202,250	210,762	(206,792)	3,970
		2,263,864	21,502,517	23,766,381	(16,293,940)	7,472,442

Finished goods

Product name	Unit	Opening balance	Production	Available for sale	Sales	Closing balance
Carton	Pcs	121,076	21,187,785	21,308,861	(21,211,025)	97,836
Label	Pcs	357,171	59,755,814	60,112,985	(59,832,324)	280,661
Elastics and Narrow Fabrics	Yards	709,335	14,755,712	15,465,047	(14,704,955)	760,092
Offset Printing	Pcs	201,338	71,584,246	71,785,584	(71,741,209)	44,375
Heat Transfer Printing	Pcs	19,975	8,665,093	8,685,068	(8,685,068)	-
Button	GG	5,171	168,160	173,331	(168,160)	5,171
Gum Tape	Rolls	3,016	568,329	571,345	(569,265)	2,080
Hanger	Pcs	87,393	18,776,312	18,863,705	(18,703,921)	159,784
		1,504,474	195,461,451	196,965,926	(195,615,927)	1,349,999



	Note(s)	30 June 2020 Taka	30 June 2019 Taka
10.00 Trade receivables			
Opening balance		1,098,372,683	1,128,378,143
Add: Addition during the year	24.00	1,922,326,909	2,302,159,637
Add: Adjustment for foreign currency translation gain	10.02	9,473,933	29,002,345
		3,030,173,525	3,459,540,125
Less: Realized during the year		(2,095,597,938)	(2,361,167,442)
		934,575,587	1,098,372,683

10.01 Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. These are carried at invoice amount. All receivables are secured by Letter of Credit (L/C) and have been considered as good and realizable. Therefore, no amount was written off as bad debt and no debt was considered as doubtful to provide for.

10.02 Foreign currency translation gain arises due to translation of foreign currency denominated trade receivables at the reporting date.

	30 June 2020 Taka	30 June 2019 Taka
10.03 Trade receivables include affiliated companies		
KDS Apparels Limited	2,988,079	2,457,091
KDS Fashion Limited	61,067,452	47,900,053
KDS Garment Industries Limited	10,636,540	3,376,556
KDS Logistics Limited	-	1,536,342
KDS IDR Limited	40,163,395	61,790,845
KYCR Coil Industries Ltd.	-	318,476
	114,855,466	117,379,363
10.04 Ageing of trade receivables		
Dues within 3 Months	411,213,258	513,996,467
Dues over 3 Months but within 6 months	523,362,329	584,466,216
	934,575,587	1,098,372,683

10.05 Trade receivables - classification by security and related party:		
Receivable considered good and secured	934,575,587	1,098,372,683
Receivable considered good without security	-	-
Receivable considered doubtful or bad	-	-
Receivable due by directors or other officers	-	-
Receivable due from companies under same management	114,855,466	117,379,363
Maximum receivable due by directors or officers at any time	-	-
11.00 Other receivables		
Accrued interest income on FDR	468,855	391,548
Interest Receivable	922,827	-
	1,391,682	391,548



	Note(s)	30 June 2020 Taka	30 June 2019 Taka
12.00 Advances, deposits and prepayments			
Advances	12.01	49,655,031	31,619,647
Security deposits	12.02	11,989,449	11,989,449
Prepayments	12.03	3,296,670	2,890,692
		64,941,150	46,499,788
12.01 Advances			
Against salary and allowances		2,546,484	683,360
Against income tax	12.01.01	27,665,095	25,066,268
Advance Against Land Note-6		12,847,598	
Others		6,574,854	5,870,019
		49,655,031	31,619,647
12.01.01 Advance income tax			
Opening balance		25,066,268	19,650,619
Add: Paid/deducted during the year		27,647,343	25,027,516
Less: Adjusted during the year		(25,027,516)	(19,611,867)
Closing balance		27,686,095	25,066,268
12.02 Security deposits-			
T & T		20,000	20,000
Titas Gas Transmission & Distribution Company Limited		1,555,200	1,555,200
Gazipur Palli Bidyut Samity		9,065,088	9,065,088
Karnaphuli Gas Transmission Limited		549,161	549,161
Central Depository Bangladesh Limited (CDBL)		500,000	500,000
Gulshan Club Limited		300,000	300,000
		11,989,449	11,989,449
12.03 Prepayments			
Insurance premium		3,291,551	1,895,331
Upfront interest		5,119	995,361
		3,296,670	2,890,692
12.04	The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in cash or in kind and for that no provision against them are required at this stage.		
13.00 Due from affiliated companies			
KDS Poly Industries Limited		5,719,370	245,393,335
KDS Thread Limited		268,084,300	28,328,766
		273,803,670	273,722,099
13.01	The amount represent short term loan provided to KDS Poly Industries Limited and KDS Thread Limited as and when required to meet funding requirement. All transactions were done through banking channel and interests were charged on outstanding balances.		
14.00 Short term investment			
Investment in Fixed Deposit Receipts		9,895,747	9,327,332
		9,895,747	9,327,332

Above Fixed Deposits maintained with Bank Asia Limited, Agrabad Branch, Chattogram have been kept as lien. The rate of interest is 7% per annum.

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
15.00 Cash and cash equivalents			
Cash in hand	15.01	1,713,266	1,104,586
Cash at bank	15.02	188,285,225	8,143,510
		189,998,491	9,248,096
15.01 Cash in hand			
Head office		565,919	675,365
Dhaka office		829,761	292,975
Gazipur factory office		317,586	136,246
		1,713,266	1,104,586



15.02 Cash at Bank

Name of Banks	Branch	Account Type	30 June 2020	30 June 2019
			Taka	Taka
Bank Asia Limited	MCB Banani	SND	1,277	1,248
Bank Asia Limited	Agrabad	USD	1,616	1,605
Bank Asia Limited	Agrabad	Retention Quota	215,697	214,283
Bank Asia Limited	MCB Banani	Retention Quota	1,311,017	656,191
Bank Asia Limited	MCB Banani	RAD	735	731
Bank Asia Limited	MCB Banani	RAD	643,030	36,570
Bank Asia Limited	MCB Banani	SND	2,782,190	181,240
Dutch Bangla Bank Limited	Jubilee Road	Current	21,189,181	310,259
HSBC	Agrabad	Current	133,930,416	15,973
Mutual Trust Bank Limited	Motijheel	Escrow	124,591	122,397
Mutual Trust Bank Limited	Motijheel	Escrow-USD	612,038	618,769
Mutual Trust Bank Limited	Motijheel	Escrow-GBP	12,956	13,133
NCC Bank Limited	Baridhara	Current	-	140,945
Standard Chartered Bank	Agrabad	Current	11,713,463	594,231
Standard Chartered Bank	Agrabad	Current	613,297	477,320
Standard Chartered Bank	Agrabad	Current	15,132,570	4,758,615
Trust Bank Limited	Dewan Bazar	Current	1,151	-
			188,285,225	8,143,510

16.00 Share capital
Authorized Capital

200,000,000 Ordinary Shares of Tk. 10 each

2,000,000,000 2,000,000,000

2,000,000,000 2,000,000,000
Issued, subscribed and paid-up Capital

1,000 Ordinary Shares of Tk. 10 each as at 21 April 1991	10,000	10,000
2,100,000 Ordinary Shares of Tk. 10 each as at 17 June 2004	21,000,000	21,000,000
10,505,000 Ordinary Shares of Tk. 10 each as at 30 June 2010	105,050,000	105,050,000
17,522,340 Ordinary Shares of Tk. 10 each as at 6 March 2012	175,223,400	175,223,400
9,871,660 Ordinary Shares of Tk. 10 each as at 8 June 2013	98,716,600	98,716,600
12,000,000 Ordinary Shares of Tk.10 each issued through IPO	120,000,000	120,000,000
5,200,000 Ordinary Shares of Tk. 10 each as at 29 March 2016 (Bonus share)	52,000,000	52,000,000
2,860,000 Ordinary Shares of Tk. 10 each as at 18 September 2017 (Bonus share)	28,600,000	28,600,000
3,003,000 Ordinary Shares of Tk. 10 each as at 04 November 2018 (Bonus share)	30,030,000	30,030,000
3,153,150 Ordinary Shares of Tk. 10 each as at 13 November 2019 (Bonus share)	31,531,500	-
66,216,150 Ordinary Shares of Tk. 10 each	662,161,500	630,630,000

16.01 Shareholding position

Name of the shareholders	30 June 2020		30 June 2019	
	Percentage of holding	Number of shares	Percentage of holding	Number of shares
Mr. Khalilur Rahman	55.17%	36,529,667	55.17%	34,790,160
Mr. Salim Rahman	14.09%	9,330,553	14.09%	8,886,241
Mr. S. M. Sharncem Iqbal	0.72%	478,472	0.72%	455,688
Ms. Hasina Iqbal	1.03%	683,153	1.03%	650,622
Ms. Tahsina Rahman	3.84%	2,545,559	3.84%	2,424,344
Ms. Tahmina Rahman	0.00%	403	0.00%	384
KDS Garments Inds. Limited	2.01%	1,332,017	2.01%	1,268,589
General Public (IPO)	23.13%	15,316,326	23.13%	14,586,971
	100%	66,216,150	100%	63,063,000



16.02 Classification of shares by holding

Slab by number of shares

Less than 500
From 500 to 5,000
From 5,001 to 10,000
From 10,001 to 20,000
From 20,001 to 30,000
From 30,001 to 40,000
From 40,001 to 50,000
From 50,001 to 100,000
From 100,001 to 1,000,000
Above 1,000,000

No. of Shareholders	No. of Shares	Holding (%)
2,837	413,894	0.63%
1,929	3,273,713	4.94%
262	1,798,747	2.72%
143	1,968,339	2.97%
36	898,811	1.36%
19	666,087	1.01%
9	408,008	0.62%
25	1,742,283	2.63%
19	5,923,970	8.95%
5	49,122,298	74.18%
5,284	66,216,150	100%

17.00 Long term borrowings

Opening balance
Add: Received during the year
Add: Interest applied
Add: Bank charges
Less: Deferred Interest payment of April & May
Less: Paid during the year
Closing balance

Note(s)	30 June 2020 Taka	30 June 2019 Taka
	318,720,870	204,141,486
	-	200,000,000
	23,507,716	26,825,738
	101,075	77,650
	342,329,661	431,044,874
	(1,127,425)	-
	(267,209,828)	(112,324,005)
	73,992,408	318,720,870

17.01 Current/non-current classification

Due within one year
Due after one year

59,382,368	150,891,654
14,610,040	167,829,216
73,992,408	318,720,870

17.02 Details of long term borrowings

Bank Asia Limited - Agrabad
Bank Asia Limited - MCB Banani
Trust Bank Limited
NCC Bank Limited
Southeast Bank Limited
IIDFC Limited

17.03	-	8,996,442
17.04	24,037,763	29,877,127
17.05	39,138,604	64,716,446
17.06	2,914,865	3,706,734
17.07	7,901,176	24,473,455
17.08	-	186,950,666
	73,992,408	318,720,870

17.03 Bank Asia Limited, Agrabad, Chattogram.

Total sanctioned amount	Tk. 6.50 Crore
Year	2015
Purpose	Machinery Import
Interest rate	10% to 11% (Revised from time to time)
Tenure	Five years
Payment method	The loan is repayable in equal monthly instalment (EMI).
Securities	i) Hypothecation on movable assets.

17.04 Bank Asia Limited, MCB Banani, Dhaka.

Total sanctioned amount	Tk. 7.30 Crore
Year	2015
Purpose	Construction of factory building, utility building.
Interest rate	9% to 11% (Revised from time to time)
Tenure	Seven years
Payment method	The loan is repayable in equal monthly instalment (EMI).
Securities	i) Personal Guarantee of directors.

17.05 Trust Bank Limited, Dewan Bazar, Chattogram.

Total sanctioned amount	Tk. 30.00 Crore
Year	2017
Purpose	Working Capital
Interest rate	9% to 11% (Revised from time to time)
Tenure	Four years
Payment method	The loan is repayable in Equal Monthly Installment (EMI).
Securities	i) Personal Guarantee of directors. ii) Hypothecation on movable assets.



17.06 NCC Bank Limited, Baridhara, Dhaka

Total sanctioned amount	Tk. 55.75 Lac
Year	2017
Purpose	Motor Vehicle
Interest rate	9% to 13% (Revised from time to time)
Tenure	Five years
Payment method	The loan is repayable in Equal Monthly Installment (EMI).
Securities	i) Personal Guarantee of directors. ii) Registration of the vehicle in the joint name of NCC Bank Limited and KDS Accessories Limited

17.07 Southeast Bank Limited, Agrabad, Chattogram.

Total sanctioned amount	Tk. 6 Crore
Purpose	Retrofitting Works
Year	2017
Interest rate	9% to 12% (Revised from time to time)
Tenure	Three years
Payment method	The loan is repayable in Equal Monthly Installment (EMI).
Securities	i) Personal Guarantee of directors. ii) Hypothecation on movable assets.

17.08 Industrial and Infrastructure Development Finance Company (IIDFC) Limited, Agrabad, Chattogram.

Total sanctioned amount	Tk. 20 Crore
Purpose	Working Capital
Year	2019
Interest rate	13.75% (Revised from time to time)
Tenure	Four years
Payment method	The loan is repayable in Equal Monthly Installment (EMI).
Securities	i) Personal Guarantee of directors.

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
18.00 Defined benefit obligation- gratuity			
Opening balance		76,083,015	66,478,037
Add: Provision made during the year	25.02 & 26	15,209,275	11,478,903
		91,292,290	77,956,940
Less: Paid during the year		(492,889)	(1,873,925)
Closing balance		<u>90,799,401</u>	<u>76,083,015</u>

19.00 Deferred tax liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment and intangible assets as per financial statements and tax written down value and financial position method for gratuity obligation and investment in associates.

	30 June 2020 Taka	30 June 2019 Taka
Opening balance	44,014,741	43,999,854
Provided during the year		
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(965,579)	1,203,140
Provision for Gratuity	(1,839,548)	(1,200,622)
Investments in associates	(493,634)	12,369
	(3,298,561)	14,887
Adjusted during the period		
Closing balance	<u>40,716,180</u>	<u>44,014,741</u>

Reconciliation of deferred tax liabilities / (assets) are as follows :

	Carrying Amount	Tax Base	Tax Rate	Taxable / (Deductible) Temporary Difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant & equipment	785,009,702	397,332,207	12.50%	387,677,495	48,459,687
Gratuity	(90,799,401)	-	12.50%	(90,799,401)	(11,349,925)
Investment in associates	45,859,477	23,405,000	15% - 20%	22,454,477	3,606,418
Net taxable temporary difference				<u>319,332,571</u>	<u>40,716,180</u>



	Note(s)	30 June 2020 Taka	30 June 2019 Taka
20.00 Trade and other payables			
Trade payable	20.01	622,733,368	418,872,754
For revenue expenses	20.02	167,016,826	137,094,202
For other finance	20.03	1,956,795	2,491,945
		791,706,989	558,458,901
20.01 Trade payable			
Liability for imported goods		597,405,538	399,702,319
Liability for local goods & expenses		25,327,830	19,170,435
		622,733,368	418,872,754

Liability for imported goods includes foreign currency translation loss of Tk. 31,90,696 (foreign currency translation loss for the corresponding year 2018-2019 was of Tk. 25,06,638) arising due to translation of trade payables in foreign currency at the reporting date.

	30 June 2020 Taka	30 June 2019 Taka
20.02 For revenue expenses		
Audit fee	297,000	297,000
C & F charges	7,184,208	5,408,753
Commission on sales	4,303,122	3,187,244
Electricity bill	2,149,497	110,865
Employee salaries, director's remuneration and others	28,497,722	26,430,721
Gas charges	4,469,789	1,557,032
Insurance expenses	740,116	5,449,542
Provident fund	97,383,769	79,073,891
Rent expenses	21,408,016	15,312,274
Telephone & mobile bill	583,587	266,880
	167,016,826	137,094,202

	30 June 2020 Taka	30 June 2019 Taka
20.03 For other Finance		
IPO over subscription money payable	574,216	584,168
Staff income tax	392,010	899,105
Supplier income tax	480	291,261
Tax & VAT on rent expenses	84,027	101,851
Tax & VAT on audit fee	82,500	82,500
VAT payable-others	287,882	165,076
Dividend deposited but not yet claimed	535,680	367,984
	1,956,795	2,491,945

	30 June 2020 Taka	30 June 2019 Taka
21.00 Current tax liability		
Opening balance	43,446,375	36,859,697
Add: Provision made during the year	31,009,375	33,120,479
	74,455,750	69,980,176
Less: Paid/adjusted during the year	(33,976,200)	(26,533,801)
	40,479,550	43,446,375

	30 June 2020		30 June 2019	
	Rate	Taka	Rate	Taka
Profit before tax		172,390,193		171,575,583
Total income tax expenses	17.99%	31,009,375	19.30%	33,120,479
Factors affecting the tax charge:				
Tax using the applicable rate	25.00%	43,097,548	25.00%	42,893,896
Difference between accounting and fiscal depreciation	1.12%	1,930,759	-1.40%	(2,406,280)
Inadmissible expenses	1.21%	2,081,647	1.23%	2,112,185
Difference between WPPF & WF provision and payment	-0.85%	(1,465,273)	0.13%	220,240
Difference between gratuity provision and payment	2.13%	3,679,097	1.40%	2,401,245
Rebate on export sales	-10.98%	(18,931,446)	-6.98%	(11,970,345)
Adjustment for reduced rated taxable income	0.00%	-	-0.07%	(115,000)
Unrealised profit/(loss) from investment in associates	0.36%	617,043	-0.01%	(15,462)
	17.99%	31,009,375	19.30%	33,120,479



	Note(s)	30 June 2020 Taka	30 June 2019 Taka
22.00 Short term bank loan			
Bank Overdraft	22.01	83,465,695	14,945,579
Loan Against Trust Receipt (LATR)	22.02	1,269,138	24,850,614
Local Documentary Bill Purchase (LDBP)	22.03	104,850,002	351,688,492
Demand Loan and Time Loan	22.04	352,527,147	198,947,900
		542,111,982	590,432,585
22.01 Bank Overdraft			
Bank Asia Limited		37,059,866	13,461,436
Southeast Bank Limited		46,405,829	1,484,143
		83,465,695	14,945,579
22.02 Loan Against Trust Receipt (LATR)			
Southeast Bank Limited		-	24,127,227
Bank Asia Limited		1,269,138	723,387
		1,269,138	24,850,614
22.03 Local Documentary Bill Purchase (LDBP)			
Bank Asia Limited		86,269,476	203,465,183
Standard Chartered Bank		18,580,526	148,223,309
		104,850,002	351,688,492
22.04 Demand Loan and Time Loan			
Bank Asia Limited		265,450,965	118,947,900
Standard Chartered Bank		80,000,000	80,000,000
Liabilities for interest payment deferral		7,076,182	-
		352,527,147	198,947,900
23.00 Provision for WPPF and Welfare Fund			
Opening balance		74,095,719	64,895,319
Add: Provision made during the year		9,073,168	9,030,294
Add: Interest during the year	26.00	8,326,587	8,319,440
Less: Paid during the year		(14,934,258)	(8,149,334)
		76,561,217	74,095,719

As per provision of Workers' Profit Participation Fund (WPPF) and Welfare Fund (WF) of Labor Act 2006, the company has been maintaining provision of WPP & WF since 2010. Meantime, the company has credited interest on the non-distributed WPP & WF fund till 30 June 2020 with a view to protecting the interest of the workers. However, during the year the Company has paid WPPF and Welfare Fund for the year 2013 and year 2014 to the trust account. The contribution to Workers Welfare Foundation shall be deposited within two months of the next Annual General Meeting of the Company. The Company is maintaining proper accounts of the fund and shall arrange for the audit at an early date.

	Notes	30 June 2020		30 June 2019	
		USD	Taka	USD	Taka
24.00 Revenue					
Export sales	24.01	23,160,565	1,922,326,909	28,376,280	2,302,159,637
		23,160,565	1,922,326,909	28,376,280	2,302,159,637



24.01 Details of export sales during the year are as follows :

Product name	30 June 2020		30 June 2019	
	(%)	Taka	(%)	Taka
Carton	77.25%	1,484,990,358	77.41%	1,782,071,439
Label	2.63%	50,552,893	3.53%	81,177,670
Elastics and Narrow Fabrics	4.83%	92,827,620	5.53%	127,283,883
Offset Printing	3.60%	69,152,318	2.91%	66,910,837
Heat Transfer Printing	0.58%	11,199,192	0.60%	13,867,267
Buton	4.90%	94,262,159	5.04%	116,112,745
Gum Tape	1.33%	25,656,397	0.96%	22,058,018
Hanger	4.87%	93,685,972	4.03%	92,677,778
	100%	1,922,325,909	100%	2,302,159,637

25.00 Cost of goods sold	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
Raw materials consumed	25.01	1,183,364,147	1,570,610,082
Factory overhead	25.02	313,369,615	315,215,863
Cost of Production		1,496,733,762	1,885,825,945
Add: Opening work-in-process		26,269,317	27,448,184
Less: Closing work-in-process	9.00	(24,330,967)	(26,269,317)
Cost of goods manufactured		1,498,672,112	1,887,004,812
Goods used for sample making	27.00	(935,150)	(1,405,275)
		1,497,736,962	1,885,599,537
Opening finished goods		11,564,987	10,121,068
Cost of goods available for sale		1,509,301,949	1,895,720,605
Closing finished goods	9.00	(9,650,877)	(11,564,987)
		1,499,651,072	1,884,155,618

25.01 Raw materials consumed			
Opening inventory		341,571,661	468,878,644
Add: Purchases during the year		1,312,847,540	1,443,303,099
Total materials available		1,654,419,201	1,912,181,743
Less: Closing inventory	9.00	(471,055,054)	(341,571,661)
		1,183,364,147	1,570,610,082

25.02 Factory overhead			
Salaries, wages and others		145,312,327	131,912,641
Ansar/security cost		2,733,325	3,333,218
Depreciation	4.00	81,593,426	83,452,817
Electricity expenses		4,677,376	8,806,712
Fuel expenses		10,627,555	12,972,814
Gas and furnace oil expenses		23,307,637	22,875,827
Generator running expenses		1,408,172	1,850,388
Gratuity	18.00	3,041,855	2,295,781
Insurance premium		2,934,469	2,342,158
Labour charges		2,838,860	3,168,445
Printing and processing charges		3,143,333	4,131,579
Repair and maintenance		4,627,237	5,602,884
Stores and spares consumption	25.03	15,452,633	19,086,508
Telephone expenses		1,565,487	1,654,228
Testing fee		2,847,664	3,352,704
Uniform and liveries		846,054	809,685
Vehicle maintenance expenses		5,966,249	7,035,739
Water and sanitation expenses		445,956	531,735
		313,369,615	315,215,863



	Note(s)	30 June 2020 Taka	30 June 2019 Taka
25.03 Stores and spares consumption			
Opening inventory		47,798,637	52,924,969
Add: Purchases during the year		29,920,318	13,960,176
Total spare parts available		77,718,955	66,885,145
Less: Closing inventory	9.00	(62,266,322)	(47,798,637)
		15,452,633	19,086,508

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
26.00 Operating expenses			
Salaries and allowances		61,674,843	61,140,088
Director's remuneration		2,400,000	2,500,000
Audit fee		379,500	379,500
Amortization	5.00	450,991	710,108
Depreciation	4.00	20,398,356	20,863,204
Electricity expenses		825,419	1,554,126
Entertainment		2,059,002	2,104,048
Fuel expenses		1,875,451	2,289,320
Gratuity	18.00	12,167,420	9,183,122
Group insurance		713,536	619,633
Guest house expenses		469,595	345,600
Insurance expenses		1,579,930	1,839,583
Interest on WPPF	23.00	8,326,587	8,319,440
Internet expenses		1,868,961	1,898,056
Medical expenses		126,810	313,608
Miscellaneous expenses		805,120	1,145,120
Periodicals expenses		24,067	27,305
Office maintenance		229,301	392,040
Postage and parcel expenses		515,124	650,777
Printing and stationeries		1,693,645	2,137,809
Professional fees		80,500	375,203
Rent expenses - Dhaka office		7,379,064	7,027,680
Rent, rates, license, renewal and others fee		2,458,468	2,588,675
Repair and maintenance		574,759	988,744
Security cost - Ansar cost		482,351	588,215
Fooding expenses		1,603,960	2,234,580
Training expenses		50,660	26,629
Telephone		1,565,487	1,654,228
Travelling and conveyance		785,120	1,141,890
Vehicle maintenance expenses		662,917	781,749
		134,226,944	135,820,080

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
27.00 Selling and distribution expenses			
Salaries and allowances		16,963,163	14,718,580
Advertisement expenses		903,427	1,184,273
Carriage outward		22,508,292	27,921,975
Sales promotion and commission expenses		9,884,761	11,369,179
Sample expenses	25.00	935,150	1,405,275
		51,194,793	56,599,282



	30 June 2020 Taka	30 June 2019 Taka
28.00 Finance cost		
Interest on bank loan, intercompany loan and others	88,759,426	117,021,386
Bank charges and commission	12,874,852	13,079,774
	101,634,278	130,101,160
29.00 Finance income		
Interest earned from FDR	1,004,999	1,037,191
Interest earned from STD	62,480	30,744
Interest income from inter-company receivable	41,786,017	46,566,396
Gain/(Loss) on currency fluctuation	2,814,743	32,340,060
	45,668,239	79,974,391
30.00 Other income		
Rental income	1,560,000	1,560,000
Gain on sale of assets	612,006	1,650,960
Wastage Sales	471,467	1,875,183
	2,643,473	5,086,143
31.00 Reconciliation of cash generated by operations		
Profit before income tax	172,390,193	171,575,583
Depreciation charged	101,991,782	104,316,021
Amortization charged	450,991	710,108
(Gain)/loss on sale of property, plant and equipment	(612,006)	(1,650,960)
Profit/(loss) from investment in associates	2,468,173	(1,846)
Finance Income	(45,668,239)	(79,974,391)
Finance Cost	101,634,278	130,101,160
Increase in Inventory	(99,366,093)	197,789,399
Decrease in Trade Receivables (after adjusting foreign currency fluctuation gain)	173,271,029	59,007,805
(Increase)/ Decrease in other receivables	(922,827)	-
(Increase) / Decrease in Advances, Deposits and Pre-payments	(15,821,535)	17,265,258
Increase in Trade and Other payables (after adjusting foreign currency fluctuation loss)	226,243,191	(376,192,369)
Increase in provision of WPPF and WF	2,465,498	9,290,400
Increase in the provision of gratuity	14,716,386	9,604,978
	633,240,821	241,691,746

32.00 Earnings Per Share (EPS)

32.01 Basic Earnings Per Share

The computation of EPS is given below:

Total earnings attributable to the ordinary shareholders	144,679,379	138,440,217
Number of ordinary shares outstanding during the year	66,216,150	63,063,000
Weighted average number of ordinary shares outstanding during the year	66,216,150	63,063,000
Basic Earnings Per Share	2.18	2.20

Restated Earnings Per Share (Basic)*

2.09

*EPS for the year 01 July 2018 to 30 June 2019 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of IAS 33.

32.02 Diluted EPS

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

	30 June 2020 Taka	30 June 2019 Taka
32.03 Net Asset Value Per Share (NAV)		
Total Assets	3,310,894,874	3,278,162,975
Less: Liabilities	1,656,367,726	1,705,252,296
Net Asset Value (NAV)	1,654,527,148	1,572,910,769
Number of ordinary shares outstanding during the year	66,216,150	63,063,000
Net Assets Value (NAV) per share	24.99	24.94

	30 June 2020 Taka	30 June 2019 Taka
32.04 Net operating cash flow per share		
Net operating cash flows (from statement of cash flows)	537,786,706	127,257,365
Number of ordinary shares outstanding during the year	66,216,150	63,063,000
Net operating cash flow per share	8.12	2.02

* Net operating cash flow per share increased significantly since management of the company deferred the suppliers payment to handle uncertain impact of COVID-19 pandemic.



33.00 Contingent liabilities and commitment

Contingent liabilities and commitment at the reporting date are as follows

	30 June 2020 Taka	30 June 2019 Taka
33.01 Bank guarantee		
Bank Asia Limited	8,913,700	6,616,100
EXIM Bank Limited	605,865	605,865
	<u>9,519,565</u>	<u>7,221,965</u>
33.02 L/C liabilities		
Bank Asia Limited	49,857,729	104,357,955
Standard Chartered Bank	8,646,167	86,350,862
	<u>58,503,896</u>	<u>190,708,817</u>

33.03 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June 2020.

34.00 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company.

35.00 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2020 other than trade credit available in the ordinary course of business.

36.00 Related party transactions

In accordance with IAS-24: Related Party Disclosures, key management personnel of the company are those persons having the authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly

36.01 Key Management Personnel Compensation

Short term employee benefits
Post employment benefits
Other benefits

30 June 2020 Taka	30 June 2019 Taka
2,550,000	2,640,000
<u>2,550,000</u>	<u>2,640,000</u>

Key management personnel compensation includes benefits for employees of the rank of Director and above.

Director's remuneration and festival bonus is given to the Managing Director only. Board meeting attendance fees are given to all the Directors. During the year 2019-2020 Managing Director's remuneration was BDT-24,00,000, in the year 2018-2019 it was BDT-24,00,000 and festival bonus was BDT-1,00,000. Attendance fees in connection with Board of Directors Meeting was BDT-1,50,000 during the year 2019-2020, it was 1,40,000 in the year 2018-2019.

36.02 During the year the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS-24: Related Party Disclosures.

SL No.	Name of the Related Parties	Relationship	Nature of Transactions	Balance as on 01 July 2019	Transaction during the year (Net)	Balance as on 30 June 2020
1	KDS Apparels Limited	Common directorship	Receivable against Sales	2,457,091	530,988	2,988,079
2	KDS Fashion Limited	Common directorship	Receivable against Sales	47,900,053	13,167,399	61,067,452
3	KDS Garment Inds. Ltd.	Common directorship	Receivable against Sales	3,376,556	7,259,984	10,636,540
4	KDS Logistics Limited	Common directorship	Receivable against Sales	1,536,342	(1,536,342)	-
5	KDS IDR Limited	Common directorship	Receivable against Sales	61,790,845	(21,627,450)	40,163,395
6	KYCR Coil Ind. Limited	Common directorship	Receivable against Sales	318,476	(318,476)	-
7	KDS Poly Ind. Limited	Common directorship	Short Term Loan	245,393,333	(239,673,963)	5,719,370
8	KDS Thread Limited	Common directorship	Short Term Loan	28,328,766	239,755,534	268,084,300



37.00 Board of Directors (BOD) Meetings and

Name of Directors	Designation	Number of Meetings Held	Attendance
Mr. Khalilur Rahman	Chairman	6	6
Mr. Salim Rahman	Managing Director	6	6
Ms. Tahsina Rahman	Director	6	6
KDS Garment Industries Limited (Represented by Mr. Kamrul Hasan FCA)	Director	6	6
Mr. Muhammad Jamaluddin	Independent Director	6	6

38.00 Events after the reporting period

The Board of Directors in their meeting held on 13 October 2020 recommended 7.5% Cash and 7.5% Stock dividend for the year ended 30 June 2020 which is subject to approval by the shareholders in the Annual General Meeting (AGM).

30 June 2020	30 June 2019
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39.00 Employee position of KDS Accessories Limited

Number of employees whose monthly salary was below Tk. 8,000
Number of employees whose monthly salary was above Tk. 8,000

	1,218	1,297
	<u>1,218</u>	<u>1,297</u>

40.00 Quantitative information of production capacity for the year ended 30 June 2020

Particulars	Unit	30 June 2020			30 June 2019		
		Production Capacity (Pcs/GG)	Actual Production (Pcs/GG)	Capacity Utilization in (%)	Production Capacity (Pcs/GG)	Actual Production (Pcs/GG)	Capacity Utilization in (%)
Carton	Pcs	30,000,000	21,187,785	70.63%	30,000,000	26,210,626	87.37%
Label	Pcs	175,964,208	59,755,814	33.96%	175,964,208	87,492,430	49.72%
Elastics and Narrow Fabrics	Pcs	30,576,000	14,755,712	48.26%	30,576,000	19,076,753	62.39%
Offset Printing	Pcs	150,009,600	71,584,246	47.72%	150,009,600	87,763,426	58.51%
Heat Transfer Printing	Pcs	24,960,000	8,665,093	34.72%	24,960,000	11,768,543	47.15%
Button	GG	360,000	168,160	46.71%	360,000	208,659	57.96%
Gum Tape	Pcs	4,290,000	568,329	13.25%	4,290,000	643,139	14.99%
Hanger	Pcs	45,000,000	18,776,312	41.73%	45,000,000	21,390,858	47.54%

For calculation of capacity utilization, weighted average of actual production capacity of each product has been considered.

41.00 Financial instruments- Financial risk management

International Financial Reporting Standard IFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk



41.01 Credit risk

Credit risk is risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivables and investments.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	30 June 2020 Taka	30 June 2019 Taka
Investments in FDRs (Short term & long term)	15,460,607	14,643,184
Advances, deposits and prepayments	64,941,150	46,499,788
Trade and other receivables	935,967,269	1,098,764,231
Due from affiliated companies	273,803,670	273,722,099
Cash at bank	188,285,225	8,143,510
	<u>1,478,457,921</u>	<u>1,441,772,812</u>

(i) Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate. However, based on the company's operations there is no concentration of credit risk.

Ageing of trade receivables

The ageing of gross value at the reporting date that was not impaired was as follows:

	30 June 2020 Taka	30 June 2019 Taka
Dues within 3 Months	411,213,258	513,906,467
Dues over 3 Months but within 6 months	523,362,329	584,466,216
	<u>934,575,587</u>	<u>1,098,372,683</u>

The management believes that the amounts are collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

(ii) Due from affiliated companies

The carrying amount represents amount paid to one of the inter companies to meet its operational finance from time to time. The outstanding balance is redeemable including 9%-11% (30 June 2019: 10.33%) interest per annum and has no prescribed repayment schedule.

(iii) Cash and cash equivalents

The company held cash at bank of Tk. 18,82,85,225 at 30 June 2020 (2019: Tk. 81,43,510), which represents its maximum credit exposure on these assets. The balance with banks are maintained with both local branch of International banks and domestic scheduled banks.

(b) Credit exposure by credit rating

	30 June 2020		
	Credit rating	Taka	(%)
Trade receivables	NR	934,575,587	78.48%
Other receivables	NR	1,391,682	0.12%
Advances, deposits and prepayments	NR	64,941,150	5.45%
Cash and cash equivalents			
Cash in hand		1,713,266	0.14%
Cash at Banks		188,285,225	15.81%
Bank Asia Limited	AA2	4,955,563	2.63%
Dutch Bangla Bank Limited	AA	21,189,181	11.25%
HSBC	AAA	133,930,416	71.13%
Mutual Trust Bank Limited	AA	749,584	0.40%
National Credit & Commerce Bank	AA	-	0.00%
Standard Chartered Bank	AAA	27,459,330	14.58%
Trust Bank Limited	AA1	1,151	0.00%



The company has translated all of its monetary items in foreign currency at the end of its accounting period by using two different rates since the bank offering two different rates for settling its assets and liabilities in foreign currency.

The following significant exchange rate is applied during the year:

	30 June 2020	30 June 2019
US Dollar		
For denoting asset in foreign currency	83.85	83.30
For denoting liabilities in foreign currency	84.95	84.50
GBP		
For denoting asset in foreign currency	103.24	104.65
For denoting liabilities in foreign currency	-	108.45

Being a 100% export oriented company, the company can directly mitigate foreign currency risk exposure by tradeoff between import and export.

(ii) Sensitivity analysis

A reasonably possible strengthening (weakening) of the GBP and US Dollar against BD Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	30 June 2020		30 June 2019	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	4,915,986	(4,915,986)	7,273,065	(7,273,065)
GBP (2% movement)	259	(259)	(37,046)	37,046

(b) Transaction risk

Transaction risk is the risk that the company will incur exchange losses when the accounting results are translated into the home currency.

(c) Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company.

(d) Interest risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to repay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the company is as follows.

	30 June 2020	30 June 2019
	Taka	Taka
Fixed- rate instruments		
Financial assets	289,264,277	288,365,283
Financial liabilities	(616,104,390)	(909,153,455)
	<u>(326,840,113)</u>	<u>(620,788,172)</u>
Variable- rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	<u>-</u>	<u>-</u>

(e) Other market price risk

The company is exposed to equity price risk, which arises from available for sale equity and debt securities. Management of the company monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.



42.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note ref.	Carrying amount						Total Taka
	Fair value through Profit or loss Taka	Held to Maturity Taka	Loans and Receivables Taka	Available for Sale Taka	Other financial Liabilities Taka		
30 June 2020							
Financial assets not measured at fair value							
10 & 11	-	-	935,967,269	-	-	-	935,967,269
13	-	-	273,803,670	-	-	-	273,803,670
8 & 14	-	-	-	15,460,607	-	-	15,460,607
15.02	-	-	188,285,225	-	-	-	188,285,225
	-	-	1,398,056,164	15,460,607	-	-	1,413,516,771
Financial liabilities not measured at fair value							
17	-	-	-	-	(73,992,408)	-	(73,992,408)
20	-	-	-	-	(791,706,989)	-	(791,706,989)
22	-	-	-	-	(542,111,982)	-	(542,111,982)
	-	-	-	-	(1,407,811,378)	-	(1,407,811,378)
30 June 2019							
Financial assets not measured at fair value							
10 & 11	-	-	1,098,764,231	-	-	-	1,098,764,231
13	-	-	273,722,099	-	-	-	273,722,099
8 & 14	-	-	-	14,643,184	-	-	14,643,184
15.02	-	-	8,143,510	-	-	-	8,143,510
	-	-	1,380,629,840	14,643,184	-	-	1,395,273,024
Financial liabilities not measured at fair value							
17	-	-	-	-	(318,720,870)	-	(318,720,870)
20	-	-	-	-	(558,458,901)	-	(558,458,901)
22	-	-	-	-	(590,432,585)	-	(590,432,585)
	-	-	-	-	(1,467,612,356)	-	(1,467,612,356)





*We revere quality to
deliver world class*

The background is a dark green color with a bokeh effect, featuring numerous out-of-focus circles in various shades of green and yellow. A horizontal white bar is positioned across the upper middle of the page, containing the text "EVENTS & IMAGE".

EVENTS & IMAGE



Entrance of 28th AGM Venue



Shareholders are registering their presence at 28th AGM



Chairman entering at the 28th AGM



Starting 28th AGM Proceedings



Chairman addressing at 28th AGM



Managing Director delivering speech at 28th AGM



Participation of shareholders at 28th AGM



Shareholders delivering their speech at 28th AGM



Our Identity, Our Pride

With Experience comes Responsibility and Responsibility focus on Strength. Our strength is "Unity" that becomes Our "Identity".

PRESS & MEDIA COVERAGE

The Financial Express

KDS Accessories Limited

PRICE SENSITIVE INFORMATION

This is for information of all concerned that the Board of Directors of KDS Accessories Limited, in its 131st meeting held on 13 October 2020 at 4:00 PM, through digital platform pursuant to the Notification No: SEC/SRMIC/94-231/25 dated 8th July 2020 issued by the Bangladesh Securities and Exchange Commission (BSEC), has approved the Audited Financial Statements of the Company for the year ended 30 June 2020 for adoption in the next Annual General Meeting (AGM) and took the following decisions:

A. The Key Financials as per Audited Financial Statements are as under:

A1. Financial Results:

Particulars	For the period from 01 July 2019 to 30 June 2020	For the period from 01 July 2018 to 30 June 2019
Revenue	Tk. 1,922,328,909	2,302,196,837
Net Profit after Tax	Tk. 144,679,319	138,446,217
Earnings Per Share (EPS)	Tk. 2.18	2.09
Net Operating Cash Flow Per Share (NOCFFPS)	Tk. 8.12	2.02

A2. Financial Position:

Particulars	As at 30 June 2020	As at 30 June 2019
Net Asset Value (NAV)	Tk. 1,654,527,148	1,572,910,769
Net Asset Value (NAV) - Per Share	Tk. 24.99	24.94

B. Dividend, Record Date and AGM:

Recommended Dividend for the year ended 30 June 2020: 7.50% Cash Dividend and 7.50% Stock Dividend are recommended out of the distributable profit of the company for the year ended 30 June 2020.

Record Date: 04 November 2020

Date of 29th Annual General Meeting: 19 November 2020 at 11:00 A.M.

Time & Venue of the 29th Annual General Meeting: Meeting to be arranged through digital platform pursuant to the Notification No: SEC/SRMIC/94-231/25 dated 8th July 2020 issued by BSEC.

Disclosures regarding declaration of bonus shares (in compliance with No. BSEC/MR/CD/2003-183/222/d/mv/91 Dated 23 May 2018) issued by BSEC:

- Stock dividend declared will be utilized for automation of existing finishing line of corrugated packaging.
- Stock dividend is declared out of the distributable profit of the company for the year ended 30 June 2020.
- The bonus shares is not declared from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the company or through reducing paid up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

C. Approval for investment of Tk-144.50 million (estimated):

Board has approved to invest BDT 144.50 million (estimated) for producing machineries and civil construction for finishing line automation of corrugated packaging which will increase the ability to maximize total capacity utilization with variety of printing breakdown and product sizes. After automation, the overall capacity utilization can be increased by another 15% from existing i.e. additional 30,00,000 pcs of carton box per year can be finished upon having order. It may generate approximate additional sales revenue of BDT 250 million annually. This project will be financed through combination of bank loan and company's own source.

By order of the Board
Manjura Khuda
Company Secretary

Dated: 13 October 2020
Chattogram

191-192 Beldid Bostani Road, Neairabad I/A, Chattogram - 4210, Bangladesh, Tel: 880 31 681701-3, 685207-9
Corrugated Boxes | Labels & Tags | Blister | Hanger | Gum Tape | Heat Transfers | Consolidation | Trims Solution

The Financial Express

KDS Accessories Limited

PRICE SENSITIVE INFORMATION

This is for kind information of all concerned that the Board of Directors of KDS Accessories Limited in its 129th Board Meeting held on 02 March 2020 at 04:00 pm has decided to inform that as per earlier declaration, the process upgradation and enhancement of production capacity of elastics and labels have been completed and commercial production has been started on 29 February 2020 after having successful trial production.

On upgradation of existing process and enhancement of production capacity, the highest capacity will be 40 million pcs. per year and it may generate approximate additional sales revenue of BDT 3.33 million per month and BDT 40 million annually on utilization of highest capacity.

By order of the Board
Manjura Khuda
Company Secretary

Dated: 02 March 2020
Chattogram

191-192 Beldid Bostani Road, Neairabad I/A, Chattogram - 4210, Bangladesh, Tel: 880 31 681701-3, 685207-9
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বণিক সমবাহী

করোনায় ব্যবসা কমলেও মুনাফা বেড়েছে কেডিএস অ্যাকসেসরিজের

নিজস্ব প্রতিবেদক

নতুন করোনাসংক্রান্ত রূপান্তর বিশ্বজুড়ে অর্থনৈতিক ও ব্যবসায়িক পরিস্থিতি সৃষ্টি করেছে। রফতানিমুখী হস্তশিল্পসম্পন্ন ব্যবসা এ ক্ষেত্রে ক্ষতিগ্রস্ত হয়েছে সবচেয়ে বেশি। দেশের পুঁজিবাজারে হালিগাভুজ প্রকৌশল যন্ত্রের কোম্পানি কেডিএস অ্যাকসেসরিজ লিমিটেড রফতানিমুখী হৈছে দেশের শিল্পের অন্য বিভিন্ন খসের আকসেসরিজ তৈরি করে থাকে। করোনার প্রভাবে এ বছরের এপ্রিল ও মে মাসে কোম্পানিটির বিক্রি হ্রাস পেয়েছিল। তবে ২০১৯-২০ হিসাব বছরে আয়ের বছরের তুলনায় কোম্পানিটির বিক্রি ১৬ শতাংশ কমবে। তবে অর্থনৈতিক বাস্তব পরিস্থিতির দাম কমে যাওয়ার পূর্ণাঙ্গাঙ্গী সূচক বাক্য করে যাওয়ার কারণে এ সময় কর-পরবর্তী নিট মুনাফা রপ্তি হয়েছে কোম্পানিটির মুনাফা আকার ২০১৯-২০ হিসাব বছরের নির্ধারিত অর্থিক ফলাফল অনুসারে, এ সময় কোডিএস অ্যাকসেসরিজের বিক্রি পরিমাণে ১৯২ কোটি টাকা। যেখানে এর আগের ২০১৮-১৯ হিসাব বছরে বিক্রি হয়েছিল ২৩০ কোটি টাকা। ২০১৯-২০ হিসাব বছরে কোম্পানিটির কর-পরবর্তী নিট মুনাফা হয়েছে ১৬ কোটি ৪৭ লাখ টাকা। যেখানে এর আগের বছরে মুনাফা হয়েছিল ১৩ কোটি ৮৪ লাখ টাকা। এক বছরের ব্যবধানে কোম্পানিটির মুনাফা বেড়েছে ৪ শতাংশ ৫৫ শতাংশ। সর্বশেষ সময় হিসাব বছরে কোম্পানিটির শেয়ারপ্রতি আয় হয়েছে ২ টাকা ১৮ পাসা, যা এর আগের হিসাব বছরে ছিল ২ টাকা ৯ পাসা। ৩০ জুন ২০২০ শেষে কোম্পানিটির শেয়ারপ্রতি নিট সম্পদমূল্য (এনএসপিএল) পরিমাণে ২৪ টাকা ৯৯ পাসায়ে। আগের হিসাব বছরে শেয়ারপ্রতি আয়ের জন্য সড়ে ৭ শতাংশ লাভ ও সড়ে ৭ শতাংশ ষ্টক লভ্যালের ক্ষেত্রে কোম্পানিটির লভি। এ বছরের ১৯ বছরের কোম্পানিটির বৃত্তিক সাধারণ শতা (এটিএম) অধিকার হবে। কোড রেট নির্ধারণ করা হয়েছে ৪ মাসের।

ব্যবসা কম সত্ত্বেও মুনাফা বাড়ার কারণ জানতে চাইলে কোডিএস অ্যাকসেসরিজের প্রধান অর্থ কর্মকর্তা (পিএফও) বিক্রি কমে বণিক বণেন, করোনার প্রভাবে এপ্রিল ও মে মাসে আয়ের একেবারেই বাক্য হ্রাস। এতে সর্বশেষ সময় হিসাব বছরে আয়ের বিক্রি কমবে। তবে করোনার কারণে গার্হস্থ্য আকসেসরিজের বিক্রি হ্রাস পেয়েছে। কোম্পানিটি এ বছরের এপ্রিল থেকে আগের সুদূর ৯ শতাংশ লভি পেয়েছে। এতে আয়ের অর্থিক বাও কিছুটা কমবে। তবে লভিবিগের ব্যয় কমার কারণে বাক্য কম সত্ত্বেও মুনাফা কিছুটা বেড়েছে।

এদিকে কোডিএস অ্যাকসেসরিজের ১৪ কোটি ৪০ লাখ টাকার ব্যয়ে শার্যক্রমে লাইন অটোমেটেড করার উদ্দেশ্যে রয়েছে। এক্স ব্যাকরণ ও নিজেদের অর্থ ব্যয়পত্রি আর্থিক ও পূর্ণ কার্যক্রম করে কোম্পানিটি। অটোমেশন সম্পন্ন হওয়ার পর কোম্পানিটির উৎপাদন সক্ষমতা ১০ শতাংশ বাড়বে। এতে বছরে আয়ের অর্থিক ৩০ লাখ পিসি কার্টন বর্গ তৈরি করতে পারবে কোম্পানিটি।

The Daily Star

Market cheers as KDS Accessories boosts production

Star Business Report

KDS Accessories has enhanced its production capacity of elastics and label and garment accessories products by introducing a machine in order to meet higher demand.

The highest capacity will be 4 crore pieces per year and it may generate approximate additional sales revenue of Tk 33.3 lakh per month and Tk 4 crore annually on utilization of highest capacity.

The commercial production started from Saturday. KDS Accessories said in a posting on the Dhaka Stock Exchange website yesterday.

The news sent the company's share price up. KDS Accessories closed at Tk 44.20, 5.71 per cent higher than the previous day.

The company decided to purchase the machine at 30.091 million in mid-October.

"The new machine will be able to produce elastic and label with printing and everything," said Biplob Kanti Basik, chief financial officer of KDS Accessories, adding that the instrument was bought with the company's own funds.

"As the textile sector is expanding, the demand for accessories is also enhancing. To meet the demand the company expanded its production capacity, Basik added.

The company's main contribution to its revenue came from carton. It contributed 77 per cent of Tk 178 crore.

Two-year stock movement of KDS Accessories

Apr 18 Jul 18 Oct 18 Jan 19 Apr 19 Jul 19 Oct 19 Jan 20

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Market cheers as KDS Accessories decides to boost production

FROM PAGE B4

Contribution of label and elastics & narrow fabrics is now 3.53 and 5.53 per cent respectively, which was lower in the previous year. In the 2018-19 financial year the company's overall sales increased 11.17 per cent year-on-year to Tk 230 crore.

At the same time, KDS's earnings per share fell to Tk 2.20 from 2.21. Net operating cash flow per share of the company also declined 34.41 per cent to Tk 2.02.

The company's stocks rose 35.13 per cent to Tk 45 in the span of last one and half months.

SHAREHOLDER INDEX



THE 29TH ANNUAL GENERAL MEETING

Date : 19 November 2020, Time 11:00 AM

Venue : The AGM will be held virtually by using digital platform through the following link : <https://kdsaccessories.bdvirtualagm.com>

Financial Results

Reporting period of 12 months from 01 July 2019 to 30 June 2020. During the period operational result of the company were announced as below:

2019-2020					
Particulars	1st Quarter 12 November 2019	2nd Quarter 28 January 2020	3rd Quarter 27 June 2020	4th Quarter 13 October 2020	Period ended result (2019-2020) 13 October 2020
Reporting Date	July-2019 August-2019 September-2019	October-2019 November-2019 December-2019	January-2020 February-2020 March-2020	April-2020 May-2020 June-2020	July - 2019 to June - 2020
Turnover in BDT (mn)	536.62	589.75	483.43	312.53	1,922.33
Net Profit in BDT (mn)	22.45	60.31	43.04	18.88	144.68
EPS in BDT	0.36	0.91	0.65	0.26	2.18
NAV per share in BDT	25.30	24.05	24.70	24.99	24.99
NOCFPS per share in BDT	3.49	5.27	4.22	8.12	8.12

Record Date

The record date was 04 November 2020.

Dividend

7.50% cash & 7.50% stock Dividend has been recommended on 13 October 2020 in the 131th BOD Meeting and after having approval of the shareholders at the 29th AGM, dividend will be distributed within 30 days from the date of AGM.

Listing

The company's shares are listed at the Stock Exchanges at Dhaka and Chittagong of Bangladesh.

Face Value Per Share: Tk. 10.00

Investor Correspondence

191-192 Baizid Boastami Road, Nasirabad I/A, Chattogram, Bangladesh.

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