



KDS Accessories Ltd.

BANGLADESH | CHINA | HONG KONG | UK

Financial Statements (Un-audited) As at and for the period ended 30 September 2021

CHITTAGONG OFFICE : 191-192 BAIZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG 4210, BANGLADESH
T + 880 31 681701-3 | 685207 - 9 F + 880 31 682137

DHAKA OFFICE : ROAD 4, HOUSE 63, BLOCK C, BANANI, DHAKA 1213, BANGLADESH
T + 880 2 9821665, 9821667 F + 880 2 9821682

E ACCESSORIES@KDSGROUP.NET W KDSACCESSORIES.COM





KDS ACCESSORIES LIMITED
Statement of Financial Position (Un-audited)
As at 30 September 2021

		30 Sep 2021	30 June 2021
	Note(s)	Taka	Taka
ASSETS			
Non-current Assets			
Property, plant and equipment	11	1,112,919,176	1,134,828,380
Intangible assets	12	297,157	381,561
Capital work-in-progress	13	147,143,637	137,973,878
Investment in SKYS Securities Limited	14	30,377,066	30,377,066
Other investment	15	4,614,503	4,614,503
Total Non-current Assets		1,295,351,539	1,308,175,388
Current Assets			
Inventories	16	952,917,622	697,376,716
Trade receivables	17	1,240,620,468	1,057,580,923
Other receivables	18	807,879	412,087
Advances, deposits and prepayments	19	78,081,759	66,483,490
Due from affiliated company	20	393,615,660	394,075,968
Short term investment	21	5,050,918	5,050,918
Cash and cash equivalents	22	425,750,782	232,483,367
Total Current Assets		3,096,845,089	2,453,463,469
Total Assets		4,392,196,628	3,761,638,857
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	23	711,823,610	711,823,610
Share premium		120,000,000	120,000,000
Revaluation reserve		214,391,703	214,391,703
Retained earnings		754,613,261	715,594,868
Total Shareholders' Equity		1,800,828,574	1,761,810,181
Non-current Liabilities			
Long term borrowings	24	45,268,286	46,313,895
Defined benefit obligation- gratuity	25	104,841,506	103,342,964
Deferred tax liability	26	28,294,874	29,610,661
Total Non-current Liabilities		178,404,666	179,267,520
Current Liabilities			
Trade and other payables	27	1,807,456,745	1,260,020,069
Unclaimed Dividend	28	320,751	870,788
Current portion of long term borrowings	24	8,974,716	17,163,975
Current tax liability	29	47,276,738	40,205,635
Due to affiliated company	30	49,417,864	185,241
Short term bank loan	31	438,326,783	444,672,467
Provision for WPPF and Welfare Fund	32	61,189,792	57,442,981
Total Current Liabilities		2,412,963,388	1,820,561,156
Total Equity and Liabilities		4,392,196,628	3,761,638,857
Net Assets Value Per Share	33	25.30	24.75

Roman
Chairman

Sikhar Singh
Director
CEO

Pratik
CFO

Alim
Company Secretary





KDS ACCESSORIES LIMITED

Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

For the period from 01 July 2021 to 30 September 2021

	01 July 2021 to 30 Sept 2021	01 July 2020 to 30 Sept 2020
	Taka	Taka
Revenue	748,025,238	530,580,134
Cost of goods sold	(618,955,369)	(423,605,052)
Gross Profit	129,069,869	106,975,082
Operating expenses		
Administrative expenses	(43,743,605)	(36,909,631)
Selling and distribution expenses	(20,791,603)	(14,159,293)
Operating Profit	64,534,661	55,906,158
Finance cost	(20,042,290)	(25,013,454)
Finance income	1,992,201	1,668,065
Profit before other income	46,484,572	32,560,768
Other income	645,647	508,807
Profit/(loss) from investment in SKYS Securities Limited	-	(321,778)
Profit before income tax and distribution of WPPF and WF	47,130,219	32,747,797
Workers' Profit Participation and Welfare Fund	(2,356,511)	(1,637,390)
Profit before income tax	44,773,708	31,110,407
Provision for income tax:		
-Current tax	(7,071,103)	(5,442,523)
-Deferred tax	1,315,787	845,657
Profit after Income Tax	39,018,392	26,513,541
Total Comprehensive Income	39,018,392	26,513,541
Earnings Per Share (Basic)	0.55	0.37

Note-34


Chairman

 
Director CEO


CFO


Company Secretary



KDS ACCESSORIES LIMITED
Statement of Changes in Equity (Un-audited)
For the period from 01 July 2021 to 30 September 2021

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2020	662,161,500	120,000,000	214,391,703	657,973,945	1,654,527,148
Net Profit after tax for the period	-	-	-	26,513,541	26,513,541
Balance as at 30 September 2020	662,161,500	120,000,000	214,391,703	684,487,486	1,681,040,689
Balance as on 01 July 2021	711,823,610	120,000,000	214,391,703	715,594,869	1,761,810,182
Net Profit after tax for the period	-	-	-	39,018,392	39,018,392
Balance as at 30 September 2021	711,823,610	120,000,000	214,391,703	754,613,261	1,800,828,574


Chairman

 
Director CEO


CFO


Company Secretary





KDS ACCESSORIES LIMITED
Statement of Cash Flows (Un-audited)
For the period from 01 July 2021 to 30 September 2021

	01 July 2021 to 30 Sept 2021 Taka	01 July 2020 to 30 Sept 2020 Taka
A. Operating activities		
Received from customers	580,404,643	407,071,539
Received from other sources	239,650	113,875
Paid to suppliers	(336,842,826)	(262,089,006)
Paid for operating expenses	(61,991,810)	(44,054,376)
Cash generated by operations	181,809,656	101,042,032
Interest paid (net)	(8,429,439)	(15,504,908)
Income Tax Paid	(2,733,890)	(1,844,057)
Net cash flows from operating activities	170,646,327	83,693,067
B. Investing activities		
Acquisition of property, plant and equipment	(11,164,300)	(1,676,332)
Proceed from sale of non-current assets	16,000	28,618
Increase in investments	-	(244,292)
Net cash flows from investing activities	(11,148,300)	(1,892,006)
C. Financing activities		
Dividend Paid	(550,037)	(270)
Receipt / (Repayment) of long term borrowings	(9,234,868)	(17,295,697)
Receipt/(Repayment) of short term borrowings	(6,345,684)	(218,038,923)
Short term loan Receipt/ (Repayment) from/to affiliated companies	49,692,932	4,284,568
Net cash flows from financing activities	33,562,342	(231,050,322)
D. Net changes of cash and cash equivalents (A+B+C)	193,060,369	(149,249,261)
E. Cash and cash equivalents at the beginning of the period	232,483,367	189,998,491
F. Effect of foreign exchange rate changes on cash and cash equivalents	207,047	87,995
G. Cash and cash equivalents at the end of the period (D+E+F)	425,750,782	40,837,225
Net Operating Cash Flows Per Share (NOCFPS)	2.40	1.26

Note-35

 Chairman
 Director
 CEO

 CFO

 Company Secretary



Selected Explanatory Notes to the Interim Financial Statements (Un-audited) As at and for the period ended 30 September 2021

1 Formation and Legal Status

KDS Accessories Limited 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 which was amended in 2020) 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 Registered Office is located at 255, Nasirabad I/A, Chittagong and factory & corporate office is located at 191-192 Baizid Bostami Road, Nasirabad I/A, Chittagong and the Company established its 2nd unit at Mirzapur, Gazipur at Dhaka in the year 2009.

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.

2 Nature of Business

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

3 Reporting

The half yearly financial report has been prepared based on International Accounting Standard (IAS) - 34 "Interim Financial Reporting". This interim financial statements should be read in conjunction with the audited financial statement for the year ended 30 June 2021, as they provide an update to previously reported information.

4 Accounting policies and method of computations

The accounting policies and presentation used are consistent with those used in the Audited Financial Statements for the period ended 30 June 2021.

5 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.

6 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-34	Interim Financial Reporting
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

7 Earnings Per Share

Earnings Per Share (EPS) has been calculated based on number of shares outstanding for the period ended 30 September 2021 and profit for the same period. The number of shares outstanding for the period was 71,182,361. Earnings per share for the same period of preceding year has also been calculated based on same number of shares.

8 Subsequent events

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

9 Impairment of assets

With reference to the paragraph 9 of BAS-36, there was no such indication of impairment observed relating to property plant and equipment till the end of 30 September 2021.

10 General

10.01 Wherever considered necessary, prior period's figures and phrases have been re-arranged to conform to this period's presentation.

10.02 The amounts in these financial statements have been rounded off to the nearest taka.

10.03 Bracket figures denotes negative balance.





	30 Sep 2021	30 June 2021
	Taka	Taka
11.00 Property, plant & equipment (at cost less accumulated depreciation)		
Land and Land Development	431,214,704	431,214,704
Plant and Machinerics	369,704,964	383,995,770
Administrative Building	28,723,967	29,140,951
Factory Building	237,198,185	242,623,060
Office Equipment	4,919,117	5,116,747
Electric Installation	28,359,113	30,140,874
Furniture & Fixture	2,267,846	1,209,214
Computer Equipment	1,402,424	1,252,951
Motor Vehicle	9,128,855	10,134,109
	1,112,919,176	1,134,828,380
12.00 Intangible assets (at cost less accumulated amortization)		
Software	297,157	381,561
	297,157	381,561
13.00 Capital Work in Progress		
Factory building	47,843,232	43,951,229
Plant & machinery	99,038,605	93,760,849
Electric equipment and installations	261,800	261,800
	147,143,637	137,973,878
14.00 Investment in SKYS Securities Limited	30,377,066	30,377,066
<p>KDS Accessories Limited ("KDSAL") currently hold only 15.59% shares in SKYS Securities Limited and "KDSAL" has no representation in the Board of Directors of SKYS Securities Limited ("SKYS"). As per IAS-28, Investments in Associates and Joint Ventures has to be treated as associate, if it has got significant influence over the investee i.e. SKYS Securities Limited. On the other hand, an investor is considered to have significant influence, if it has 20% or more voting power, representation in Board, participation in policy making, material transactions between the investor and investee etc. As criteria for considering an investment as "Investment in Associate" no longer exists, investment in SKYS Securities Limited is no longer required to report as investment in associate under IAS-28. Hence, as stipulated in IAS-28, recognition of investment under equity method is discontinued and the fair value of the investment in "SKYS" is recognized on initial recognition as a financial asset in accordance with IFRS 9.</p>		
15.00 Other investment		
Investment in Fixed Deposit (1 to 3 years)	4,614,503	4,614,503
	4,614,503	4,614,503
16.00 Inventories		
Raw materials	655,207,078	431,858,790
Work-in-process	26,658,919	23,120,967
Finished goods	11,629,311	11,984,400
Stores & spares	66,652,373	68,352,805
Goods in transit	192,769,941	162,059,754
	952,917,622	697,376,716
17.00 Trade receivables	1,240,620,468	1,057,580,923
18.00 Other receivables		
Rent receivable	390,000	-
Accrued interest income on FDR	417,879	302,794
Interest Receivable	-	109,293
	807,879	412,087
19.00 Advances, deposits and prepayments		
Advances	62,877,270	50,101,611
Security deposits	12,863,249	12,863,249
Prepayments	2,341,241	3,518,630
	78,081,759	66,483,490
20.00 Due from affiliated companies		
KDS Thread Limited	393,615,660	394,075,968
	393,615,660	394,075,968
21.00 Short term investment		
Investment in Fixed Deposit (less than 1 year)	5,050,918	5,050,918
	5,050,918	5,050,918
22.00 Cash and cash equivalents		
Cash in hand	415,691	934,104
Cash at bank	425,335,091	231,549,263
	425,750,782	232,483,367





**Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 30 September 2021**

	30 Sep 2021	30 June 2021
	Taka	Taka
23.00 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 10 September 2015	120,000,000	120,000,000
5,200,000 Ordinary Shares of Tk. 10 each as at 01 September 2016 (Bonus share)	52,000,000	52,000,000
2,860,000 Ordinary Shares of Tk. 10 each as at 07 November 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	31,531,500
4,966,211 Ordinary Shares of Tk. 10 each as at 30 November 2020 (Bonus share)	49,662,110	49,662,110
71,182,361 Ordinary Shares of Tk. 10 each	711,823,610	711,823,610
24.00 Long term borrowings		
Due within one year	8,974,716	17,163,975
Due after one year	45,268,286	46,313,895
	54,243,002	63,477,870
25.00 Defined benefit obligation- gratuity	104,841,506	103,342,964

26.00 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 SKYS Securities Limited.

	30 Sep 2021	30 June 2021
	Taka	Taka
Opening balance	29,610,661	40,716,180
Provided during the year		
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(1,147,201)	(8,321,808)
Provision for Gratuity	(168,586)	(276,158)
Investments in SKYS Securities Limited	-	(2,507,553)
	(1,315,787)	(11,105,519)
Closing balance	28,294,874	29,610,661

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 (excluding land)	682,001,629	335,417,825	11.25%	346,583,804	38,990,678
Gratuity	(104,841,506)	-	11.25%	(104,841,506)	(11,794,669)
Investment in associates	30,377,066	23,405,000	15% - 20%	6,972,066	1,098,865
Net taxable temporary difference				248,714,364	28,294,874





KDS Accessories Ltd.

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Selected Explanatory Notes to the Interim Financial Statements (Un-audited) As at and for the period ended 30 September 2021

	30 Sep 2021	30 June 2021
	Taka	Taka
27.00 Trade and other payables		
Trade payable	1,616,811,039	1,073,028,147
For revenue expenses	189,683,132	184,915,413
For other finance	962,574	2,076,509
	1,807,456,745	1,260,020,069
28.00 Unclaimed Dividend		
Opening Balance	870,788	535,680
Add: Cash dividend declared during the year	-	49,662,115
Less: Paid/adjusted during the year	(550,037)	(49,327,007)
	320,751	870,788
29.00 Current tax liability	47,276,738	40,205,635
30.00 Due to affiliated company		
KDS Poly Industries Limited	49,417,864	185,241
	49,417,864	185,241
31.00 Short term bank loan		
Bank Overdraft	-	11,948,284
Local Documentary Bill Purchase (LDBP)	225,966,574	249,638,436
Demand and Time Loan	30,286,526	1,271,399
Stimulus Fund	182,073,682	181,814,348
	438,326,783	444,672,467
32.00 Provision for WPPF and Welfare Fund	61,189,792	57,442,981
33.00 Calculation of Net Asset Value (NAV) per ordinary share of Tk 10 each:		
A. Total equity of the company	1,800,828,574	1,761,810,181
B. Total number of outstanding ordinary shares at the end of the period	71,182,361	71,182,361
C. Net Asset Value (NAV) per ordinary share (A/B) rounded off upto two decimal places	25.30	24.75





**Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 30 September 2021**

	01 July 2021 to 30 Sep 2021	01 July 2020 to 30 Sep 2020
	Taka	Taka
34.00 Calculation of first quarterly Earnings Per Share (EPS) per ordinary share of Tk 10 each:		
A. Net profit after tax	39,018,392	26,513,541
B. Total number of outstanding ordinary shares at the end of the period	71,182,361	71,182,361
C. Basic Earnings Per Share (EPS)	0.55	0.37
	01 July 2021 to 30 Sep 2021	01 July 2020 to 30 Sep 2020
	Taka	Taka
35.00 Calculation of Net Operating Cash Flows Per Share (NOCFPS) per ordinary share of Tk 10 each:		
A. Net cash (used in)/generated from operating activities	170,646,326	83,693,067
B. Total number of outstanding ordinary shares at the end of the period	71,182,361	66,216,150
C. Net Operating Cash Flows Per Share (NOCFPS)	2.40	1.26
36.00 Reconciliation of cash (used in)/generated from operations-Indirect Method		
Profit before income tax	34,798,708	31,110,407
Depreciation charged	23,903,742	24,720,856
Amortization charged	84,404	136,466
(Gain)/loss on sale of property, plant and equipment	(15,997)	(4,932)
(Profit)/loss from investment in SKYS Securities Limited	-	321,778
Finance Income	(1,861,703)	(1,668,065)
Finance Cost	20,042,290	25,013,454
Increase/(Decrease) in Inventory	(255,540,906)	107,887,690
(Increase)/ Decrease in Trade Receivables (after adjusting foreign currency fluctuation gain)	(157,251,094)	(123,508,595)
(Increase)/ Decrease in other receivables	(390,000)	(390,000)
(Increase) / Decrease in Advances, Deposits and Pre-payments	(8,864,380)	372,852
Increase/ (Decrease) in Trade and Other payables (after adjusting foreign currency fluctuation loss)	522,184,238	32,898,389
Increase in provision of WPPF and WF	3,221,811	3,680,723
Increase in provision of gratuity	1,498,542	471,008
Cash (used in)/generated from operations	181,809,656	101,042,032
Interest paid (net)	(8,429,439)	(15,504,908)
Income tax paid (net)	(2,733,890)	(1,844,057)
Reconciled net income	170,646,326	83,693,067
Net cash (used in)/generated from operating activities as per direct method	170,646,326	83,693,067
Difference	-	-





**Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 30 September 2021**

37.00 Reconciliation of effective tax rate

	01 Jul 2021 to 30 Sep 2021		01 Jul 2020 to 30 Sep 2020	
Profit before tax	44,773,708		31,110,407	
Total income tax expense	(7,071,103)		(5,442,523)	
	Rate	Taka	Rate	Taka
Factors affecting the tax charge:				
Tax using the applicable rate	22.50%	10,074,084	25.00%	7,777,602
Difference between accounting and fiscal depreciation	5.12%	2,294,401	4.64%	1,444,848
Inadmissible expenses	0.70%	312,817	1.64%	510,833
Difference between WPPF & WF provision and payment	1.18%	530,215	1.32%	409,348
Difference between gratuity provision and payment	0.75%	337,172	0.38%	117,752
Rebate on income generated from export sales	-14.47%	(6,477,587)	-15.74%	(4,898,305)
Unrealised profit/(loss) from investment in SKYS Securities Limited	0.00%	-	0.26%	80,445
	15.79%	7,071,102	17.49%	5,442,523

38.00 Note on increase of Earnings Per Share (EPS):

1) Total financial cost has also been decreased by 19.87% in amount due to decrease of bank liability and bank interest rate than last year.

39.00 Note on increase of Net Operating Cash Flows Per Share (NOCFPS):

The reasons of increase of Net Operating Cash Flows Per Share (NOCFPS) are as follows:

- 1) Due to increase of collection from customers.
- 2) Due to decrease of financial cost than last year.

40.00 Note on increase of Net Asset Value (NAV):

- 1) Due to increase of net profit .

41.00 Note on increase of revenue:

During the reporting period total revenue was increased as compared to the same period of last year due to overall uptrend of export from Bangladesh to the global market.

