

**Hoda Vasi
Chowdhury & Co**

To
The Shareholders
KDS Accessories Limited
191-192, Baizid Bostami Road
Nasirabad I/A, Chattogram-4210
Bangladesh

**Audited Financial Statements
Of
KDS ACCESSORIES LIMITED
For the Year Ended 30 June 2021**

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 2021, 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 45 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 2021 and of its financial performance and cash flows for the period from 1 July 2020 to 30 June 2021 and comply with the Companies Act 1994 (amendment in 2020), 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.

SL.	Key Audit Matters	How our audit addressed the key audit matter
1.	Revenue (Refer to note 26) Revenue of TK. 2,217,942,652 is recognized in the income statement of KDS Accessories Limited for the year ended 30 June 2021. 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 manipulation of the	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:- ➤ We evaluated the Company's accounting



	<p>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>	<p>policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 – Revenue from Contracts with Customers.</p> <ul style="list-style-type: none"> ➤ 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 customer's 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><u>Inventories</u> (Refer to note 9)</p> <p>Inventories represent about 18.54%, 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 judgments 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 realizable value by comparing costs to recent selling prices and assessing the reasonableness of any, resulting in 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

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		<p>been considered in correct accounting period.</p> <ul style="list-style-type: none"> ➤ Reviewed the historical accuracy of inventory provision and the level of write downs.
3.	<p>Property, Plant and Equipment (Refer to note 4)</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 modern 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 a 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 used 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>
4	<p>Measurement of Deferred Tax (Refer to note 19)</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"> ➤ Assessing 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. ➤ Assessing 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).

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Reporting on other information

Other information consists of the information included in the Company's 30 June 2021 year ended Annual Report other than the financial statements and our audit report thereon. We obtained the Director's Report, Management Discussion and Analysis, Financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

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

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

Based on the work we have performed, we conclude that we have nothing to report in this regard

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 (amendment in 2020), 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 with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

(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

John Doe

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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

John Doe

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.

(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 also provide with those charged with governance 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, which 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.

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Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 (amendment in 2020) 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.

Hoda

Chattogram, 02 NOV 2021

**For and on behalf of
Hoda Vasi Chowdhury & Co
Chartered Accountants**

Showkat Hossain

**Showkat Hossain FCA
Senior Partner
Enrollment No: 0137**

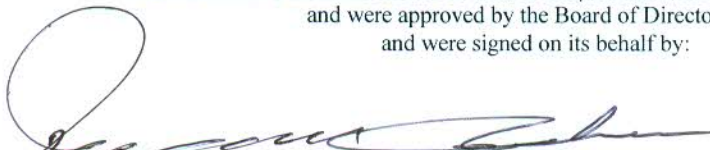
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KDS ACCESSORIES LIMITED
STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
ASSETS			
NON-CURRENT ASSETS			
		1,308,175,388	1,267,648,743
Property, plant and equipment	4	1,134,828,380	1,215,343,500
Intangible assets	5	381,561	880,906
Capital work-in-progress	6	137,973,878	-
Investment in SKYS Securities Limited	7	30,377,066	-
Investment in Associate	7.01	-	45,859,477
Other investment	8	4,614,503	5,564,860
CURRENT ASSETS			
		2,453,463,469	2,043,246,131
Inventories	9	697,376,716	568,639,804
Trade receivables	10	1,057,580,923	934,575,587
Other receivables	11	412,087	1,391,682
Advances, deposits and prepayments	12	66,483,490	64,941,150
Due from affiliated companies	13	394,075,968	273,803,670
Short term investment	14	5,050,918	9,895,747
Cash and cash equivalents	15	232,483,367	189,998,491
TOTAL ASSETS		3,761,638,857	3,310,894,874
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
		1,761,810,181	1,654,527,148
Share capital	16	711,823,610	662,161,500
Share premium	16.03	120,000,000	120,000,000
Revaluation reserve	16.04	214,391,703	214,391,703
Retained earnings	16.05	715,594,868	657,973,945
NON-CURRENT LIABILITIES			
		179,267,520	146,125,621
Long term borrowings	17.01	46,313,895	14,610,040
Defined benefit obligation- gratuity	18	103,342,964	90,799,401
Deferred tax liability	19	29,610,661	40,716,180
CURRENT LIABILITIES			
		1,820,561,156	1,510,242,105
Trade and other payables	20	1,260,020,069	791,171,309
Unclaimed Dividend	21	870,788	535,680
Current portion of long term borrowings	17.01	17,163,975	59,382,368
Current tax liability	22	40,205,635	40,479,550
Due to affiliated company	23	185,241	-
Short term bank loan	24	444,672,467	542,111,982
Provision for WPPF and Welfare Fund	25	57,442,981	76,561,217
TOTAL EQUITY AND LIABILITIES		3,761,638,857	3,310,894,874
Net Assets Value Per Share	34.03	24.75	24.99

These financial statements should be read in conjunction with the annexed notes 1 to 45
and were approved by the Board of Directors on **25.10.2021**
and were signed on its behalf by:


Chairman

Managing Director



Company Secretary



Signed in terms of our separate report of even date annexed

Chattogram, 02 NOV 2021

For and on behalf of
Hoda Vasi Chowdhury & Co
Chartered Accountants


Showkat Hossain FCA
Senior Partner


Enrollment No : 0137

DVC: 2111020137AS356872

KDS ACCESSORIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
Revenue	26	2,217,942,652	1,922,326,909
Cost of goods sold	27	(1,793,318,558)	(1,499,651,072)
Gross Profit		424,624,094	422,675,837
Operating expenses:			
Administrative expenses	28	(149,880,645)	(134,226,944)
Selling and distribution expenses	29	(60,942,673)	(51,194,793)
Operating Profit		213,800,776	237,254,100
Finance cost	30	(65,019,149)	(101,634,278)
Finance income	31	50,038,948	45,668,239
Profit before other income		198,820,575	181,288,061
Other income	32	2,530,350	2,643,473
Profit/(loss) for discontinuation from investment in associate under equity	7.06(ii)	(15,482,411)	-
Profit/(loss) from investment in associate	7.04	-	(2,468,173)
Profit before income tax and distribution of WPPF and Welfare Fund		185,868,514	181,463,361
Workers' Profit Participation and Welfare Fund	25	(9,293,426)	(9,073,168)
Profit before income tax		176,575,088	172,390,193
Provision for income tax:			
-Current tax	22	(30,735,459)	(31,009,375)
-Deferred tax	19	11,105,519	3,298,561
Profit after Income Tax		156,945,148	144,679,379
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		156,945,148	144,679,379
Earnings Per Share (Basic)	34.01	2.20	2.03

These financial statements should be read in conjunction with the annexed notes 1 to 45
and were approved by the Board of Directors on **25.10.2021**
and were signed on its behalf by:


Chairman



Managing Director


Company Secretary

Signed in terms of our separate report of even date annexed

Chattogram, 02 NOV 2021

For and on behalf of
Hoda Vasi Chowdhury & Co
Chartered Accountants


Showkat Hossain FCA
Senior Partner

Enrollment No : 0137

DVC : 2111020137AS356872



KDS ACCESSORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
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
Balance as on 01 July 2020	662,161,500	120,000,000	214,391,703	657,973,945	1,654,527,148
Bonus share for the year 2019-2020	49,662,110	-	-	(49,662,110)	-
Cash dividend for the year 2019-2020	-	-	-	(49,662,115)	(49,662,115)
Net Profit after tax for the year	-	-	-	156,945,148	156,945,148
Balance as at 30 June 2021	711,823,610	120,000,000	214,391,703	715,594,868	1,761,810,181
Note(s)	16	16.03	16.04	16.05	

These financial statements should be read in conjunction with the annexed notes 1 to 45
and were approved by the Board of Directors on **25.10.2021**
and were signed on its behalf by:


Chairman


Managing Director


Company Secretary



KDS ACCESSORIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	45.01	2,100,606,240	2,095,597,938
Received from other sources	45.02	3,332,107	1,108,640
Paid to suppliers	45.03	(1,392,592,999)	(1,320,400,327)
Paid for operating expenses	45.04	(195,261,453)	(143,065,431)
Cash provided by operations	33.00	516,083,895	633,240,821
Interest paid (net)	45.05	(22,005,402)	(58,858,088)
Income tax paid	45.06	(25,447,048)	(36,596,027)
Net cash provided by/(used in) Operating activities		468,631,445	537,786,706
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	45.07	(154,890,122)	(603,464)
Addition to intangible assets	45.08	-	(379,500)
Proceed from sale of non-current assets	45.09	36,618	612,008
Increase in investments	45.10	5,795,186	(817,423)
Net cash provided by/(used in) Investing activities		(149,058,318)	(1,188,380)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	45.11	(49,327,007)	(62,895,304)
Receipt/(repayment) of long term borrowings	45.12	(10,514,538)	(244,728,462)
Receipt/(repayment) of short term borrowings	45.13	(97,439,515)	(48,320,603)
Short term loan receipt/(paid) from/to affiliated companies	45.14	(120,087,057)	(81,571)
Net cash provided by/(used in) Financing activities		(277,368,117)	(356,025,940)
D. Net increase/(decrease) of cash and cash equivalents (A+B+C)		42,205,010	180,572,386
E. Cash and cash equivalents at the beginning of the year		189,998,491	9,248,096
F. Effect of foreign exchange rate changes on cash and cash equivalents	45.15	279,866	178,009
G. Cash and cash equivalents at the end of the year (D+E+F)		232,483,367	189,998,491
Net operating cash flows per share	34.04	6.58	8.12

These financial statements should be read in conjunction with the annexed notes 1 to 45
and were approved by the Board of Directors on **25.10.2021**
and were signed on its behalf by:


Chairman


Managing Director


Company Secretary



KDS ACCESSORIES LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2021

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 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 Extraordinary 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 Extraordinary 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 which was amended in Act XIV of 2020). 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 Extraordinary 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 Investment in Associates

(i) Formation and Legal Status of SKYS Securities Limited

SKYS Securities Limited is a common directorship company having 23,405 no. of shares @ Tk. 1,000 per share ie. 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. 150,132,000 (150,132 shares @ Tk. 1,000 each). From 29 October 2020 KDS Accessories Limited's share holding percentage is reduced to 15.59% (Refer to note 7.05).

(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 (ICAB).

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 2021;
- b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021;
- c) A statement of Changes in Equity for the year ended 30 June 2021;
- d) A statement of Cash Flows for the year ended 30 June 2021; 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 (amended in 2020) 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 25.10.2021.

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 Judgments

The preparation of these financial statements is in conformity with IAS and IFRS requires management to make judgments, 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 judgments 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: 22	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 2021 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2020.



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 derecognized. 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 2021 and these are stated at cost.

3.05 Leasehold Assets

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.

As criteria for considering an investment as "Investment in Associate" is 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.

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 above 90 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 22.50% on operational income after deducting 50% of income as export rebate resulting in an effective tax rate of 11.25% on operational income. Besides this, the company charged tax at a rate of 22.50% 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.



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

Particulars	Cost (Amount in Taka)				Depreciation (Amount in Taka)				Written Down Value as on 30.06.2021 (Taka)
	Opening Balance as on 01.07.2020	Addition During the Year	Disposed During the Year	Closing Balance as on 30.06.2021	Opening Balance as on 01.07.2020	Charge During the Year	Adjustment During the Year	Closing Balance as on 30.06.2021	
Land and Land Development:	431,214,704	-	-	431,214,704	-	-	-	-	431,214,704
Building:									
Administrative Building	50,817,030	-	-	50,817,030	20,008,142	1,667,937	-	21,676,079	29,140,951
Factory Building	454,345,966	-	-	454,345,966	189,904,564	21,818,342	-	211,722,906	242,623,060
	505,162,996	-	-	505,162,996	209,912,706	23,486,279	-	233,398,985	271,764,011
Plant & Machinery:									
Plant & Machinery	890,979,429	9,302,041	-	900,281,470	457,777,255	58,508,445	-	516,285,700	383,995,770
Equipment & Appliance:									
Office Equipment	29,792,397	923,739	162,962	30,553,174	23,763,758	1,822,259	149,590	25,436,427	5,116,747
Electric Installation	90,805,595	1,035,341	-	91,840,936	53,536,555	8,163,507	-	61,700,062	30,140,874
	120,597,992	1,959,080	162,962	122,394,110	77,300,313	9,985,766	149,590	87,136,489	35,257,621
Furniture & Fixtures	15,002,527	72,612	-	15,075,139	13,315,457	550,468	-	13,865,925	1,209,214
Computer Equipment	28,956,401	516,636	215,775	29,257,262	27,119,507	1,089,112	204,308	28,004,311	1,252,951
Motor Vehicles:									
Motor Vehicles	63,438,188	5,065,875	347,975	68,156,088	54,583,499	3,786,453	347,973	58,021,979	10,134,109
As on 30 June 2021	2,055,352,237	16,916,244	726,712	2,071,541,769	840,008,737	97,406,523	701,871	936,713,389	1,134,828,380
As on 30 June 2020	2,042,755,198	13,451,063	854,024	2,055,352,237	738,870,977	101,991,782	854,022	840,008,737	1,215,343,500

i) Depreciation Allocated to:
 Factory Overhead - note 27.02
 Operating Expenses - note 28.00

Allocation Basis	30 June 2021 Taka	30 June 2020 Taka
80%	77,925,219	81,593,426
20%	19,481,304	20,398,356
	97,406,523	101,991,782



4 b) 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	Closing Balance as on 30.06.2020	Opening Balance as on 01.07.2019	Charge During the Year	Adjustment During the Year	Closing Balance as on 30.06.2020	
Land and Land Development:	431,214,704	-	-	431,214,704	-	-	-	-	431,214,704
Building:									
Administrative Building	50,817,030	-	-	50,817,030	18,340,205	1,667,937	-	20,008,142	30,808,888
Factory Building	453,983,126	362,840	-	454,345,966	168,006,089	21,898,475	-	189,904,564	264,441,402
	504,800,156	362,840	-	505,162,996	186,346,294	23,566,412	-	209,912,706	295,250,290
Plant & Machinery:									
Plant & Machinery	880,208,666	10,770,763	-	890,979,429	399,105,157	58,672,098	-	457,777,255	433,202,174
Equipment & Appliance:									
Office Equipment	29,150,624	641,773	-	29,792,397	21,658,053	2,105,705	-	23,763,758	6,028,639
Electric Installation	90,320,195	485,400	-	90,805,595	44,008,629	9,527,926	-	53,536,555	37,269,040
	119,470,819	1,127,173	-	120,597,992	65,666,682	11,633,631	-	77,300,313	43,297,679
Furniture & Fixtures	14,864,362	138,165	-	15,002,527	12,544,960	770,497	-	13,315,457	1,687,070
Computer Equipment	27,904,279	1,052,122	-	28,956,401	25,246,372	1,873,135	-	27,119,507	1,836,894
Motor Vehicles:									
Motor Vehicles	64,292,212	-	854,024	63,438,188	49,961,512	5,476,009	854,022	54,583,499	8,854,689
As on 30 June 2020	2,042,755,198	13,451,063	854,024	2,055,352,237	738,870,977	101,991,782	854,022	840,008,737	1,215,343,500
As on 30 June 2019	2,006,548,556	36,861,592	654,950	2,042,755,198	635,126,866	104,316,021	571,910	738,870,977	1,303,884,221

i) Depreciation Allocated to:
Factory Overhead - note 27.02
Operating Expenses - note 28.00

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



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

Particulars	Cost (Amount in Taka)				Depreciation (Amount in Taka)				Written Down Value as on 30.06.2021 (Taka)
	Opening Balance as on 01.07.2020	Addition During the Year	Disposed During the Year	Closing Balance as on 30.06.2021	Opening Balance as on 01.07.2020	Charge During the Year	Adjustment During the Year	Closing Balance as on 30.06.2021	
Land and Land Development:	216,823,001	-	-	216,823,001	-	-	-	-	216,823,001
Building:									
Administrative Building	50,817,030	-	-	50,817,030	20,008,142	1,667,937	-	21,676,079	29,140,951
Factory Building	454,345,966	-	-	454,345,966	189,904,564	21,818,342	-	211,722,906	242,623,060
	505,162,996	-	-	505,162,996	209,912,706	23,486,279	-	233,398,985	271,764,011
Plant & Machinery:									
Plant & Machinery	890,979,429	9,302,041	-	900,281,470	457,777,255	58,508,445	-	516,285,700	383,995,770
Equipment & Appliance:									
Office Equipment	29,792,397	923,739	162,962	30,553,174	23,763,758	1,822,259	149,590	25,436,427	5,116,747
Electric Installation	90,805,595	1,035,341	-	91,840,936	53,536,555	8,163,507	-	61,700,062	30,140,874
	120,597,992	1,959,080	162,962	122,394,110	77,300,313	9,985,766	149,590	87,136,489	35,257,621
Furniture & Fixtures	15,002,527	72,612	-	15,075,139	13,315,457	550,468	-	13,865,925	1,209,214
Computer Equipment	28,956,401	516,636	215,775	29,257,262	27,119,507	1,089,112	204,308	28,004,311	1,252,951
Motor Vehicles:									
Motor Vehicles	63,438,188	5,065,875	347,975	68,156,088	54,583,499	3,786,453	347,973	58,021,979	10,134,109
As on 30 June 2021	1,840,960,534	16,916,244	726,712	1,857,150,066	840,008,737	97,406,523	701,871	936,713,389	920,436,678
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	1,000,951,797

5 INTANGIBLE ASSETS at Cost Less Accumulated Amortization - note 3.03

Particulars	Cost (Amount in Taka)				Amortization (Amount in Taka)				Written Down Value as on 30.06.2021 (Taka)
	Opening Balance as on 01.07.2020	Addition During the Year	Disposed During the Year	Closing Balance as on 30.06.2021	Opening Balance as on 01.07.2020	Charge During the Year	Adjustment During the Year	Closing Balance as on 30.06.2021	
Computer Software	6,735,393	-	-	6,735,393	5,854,487	499,345	-	6,353,832	381,561
As on 30 June 2021	6,735,393	-	-	6,735,393	5,854,487	499,345	-	6,353,832	381,561
As on 30 June 2020	6,355,893	379,500	-	6,735,393	5,403,496	450,991	-	5,854,487	880,906



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

Particulars	Cost (Amount in Taka)				Depreciation (Amount in Taka)				Written Down Value as on 30.06.2020 (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	Adjustment During the Year	Closing Balance as on 30.06.2020	
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	30,808,888
Factory Building	453,983,126	362,840	-	454,345,966	168,006,089	21,898,475	-	189,904,564	264,441,402
	504,800,156	362,840	-	505,162,996	186,346,294	23,566,412	-	209,912,706	295,250,290
Plant & Machinery:									
Plant & Machinery	880,208,666	10,770,763	-	890,979,429	399,105,157	58,672,098	-	457,777,255	433,202,174
Equipment & Appliance:									
Office Equipment	29,150,624	641,773	-	29,792,397	21,658,053	2,105,705	-	23,763,758	6,028,639
Electric Installation	90,320,195	485,400	-	90,805,595	44,008,629	9,527,926	-	53,536,555	37,269,040
	119,470,819	1,127,173	-	120,597,992	65,666,682	11,633,631	-	77,300,313	43,297,679
Furniture & Fixtures	14,864,362	138,165	-	15,002,527	12,544,960	770,497	-	13,315,457	1,687,070
Computer Equipment	27,904,279	1,052,122	-	28,956,401	25,246,372	1,873,135	-	27,119,507	1,836,894
Motor Vehicles:									
Motor Vehicles	64,292,212	-	854,024	63,438,188	49,961,512	5,476,009	854,022	54,583,499	8,854,689
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	1,000,951,797
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	1,089,492,518

5 INTANGIBLE ASSETS at Cost Less Accumulated Amortization - note 3.03

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	Adjustment During the Year	Closing Balance as on 30.06.2020	
Computer Software	6,355,893	379,500	-	6,735,393	5,403,496	450,991	-	5,854,487	880,906
As on 30 June 2020	6,355,893	379,500	-	6,735,393	5,403,496	450,991	-	5,854,487	880,906
As on 30 June 2019	6,355,893	-	-	6,355,893	4,693,388	710,108	-	5,403,496	952,397



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
6.00 Capital work-in-progress			
Opening balance		-	12,847,598
Add: Expenditure incurred during the year	6.01	139,109,336	9,272,804
		139,109,336	22,120,402
Less: Capitalized during the year	6.01	(1,135,458)	(9,272,804)
Less: Reclassified during the year (Transfer to Advance) Note-12.01	6.01	-	(12,847,598)
Closing balance		137,973,878	-

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 2021	Balance as on 30 June 2020
Factory Building	-	43,951,229	-	-	43,951,229	-
Plant & machinery	-	94,896,307	-	(1,135,458)	93,760,849	-
Electrical Equipment	-	261,800	-	-	261,800	-
		139,109,336		(1,135,458)	137,973,878	

In the year 2019-2020, 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 2021 Taka	30 June 2020 Taka
7.00 Investment in SKYS Securities Limited	7.02 & 7.06	30,377,066	-
7.01 Investment in Associate			
SKYS Securities Limited	7.03	-	45,859,477
7.02 Movement of investment in SKYS Securities Limited			
Investment in equity share (23,405 shares @ Tk. 1,000 out of 150,132 shares ie. 15.59% of total shares)		23,405,000	-
Share of profit/(loss)			
Opening balance	7.03	22,454,477	-
Profit/(loss) for discontinuation from investment in associate under equity method	7.06(ii)	(15,482,411)	-
		6,972,066	
		30,377,066	
7.03 Movement of investment in associates			
Investment in equity share (23,405 shares out of 50,132 shares ie. 46.69% of total shares)		-	23,405,000
Share of profit/(loss)			
Opening balance		-	24,922,650
Share of profit/(loss) for the year	7.04	-	(2,468,173)
		-	22,454,477
		-	45,859,477
7.04 Share of profit/(loss) of associates (Net of tax)			
Net profit/(loss) attributable to the shareholders' of associate		-	(5,286,299)
Ownership			
		-	46.69%
Net profit / (Loss) attributable to KDS Accessories Limited		-	(2,468,173)
		-	(2,468,173)

7.05 Discontinuation from investment in associate under Equity Method

KDS Accessories Limited currently hold only 15.59% shares in SKYS Securities Limited and KDS Accessories Limited has no representation in the Board of Directors of SKYS Securities Limited. 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 ie. 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.

7.06(i) Fair value - investment in SKYS Securities Limited after discontinuation from associate	30,377,066	-
7.06(ii) Profit/(loss) for discontinuation from investment in associate under equity method	(15,482,411)	-

Particulars	Upto 30 June 2020			29 October 2020			Profit/(loss) for discontinuation from investment in associate under equity method	Deferred Tax Derecognition
	Equity of "SKYS"	46.69% Share of KDS Accessories Ltd. in the Equity of "SKYS"	Deferred Tax	Equity of "SKYS"	15.59% Share of KDS Accessories Ltd. in the Equity of "SKYS"	Deferred Tax		
	A	B	C	D	E	F	G	H
Share Capital	50,132,000	23,405,000	-	150,132,000	23,405,000	-	-	-
Revaluation (CSE)	37,873,300	17,683,044	2,652,457	37,873,300	5,904,447	885,667	11,778,596	1,766,790
Retained Earnings	10,215,898	4,769,803	953,961	6,837,640	1,065,988	213,198	3,703,815	740,763
Total	98,221,198	45,859,477	3,606,418	194,842,940	30,377,066	1,098,865	15,482,411	2,507,553

Note 19

- (iii) From the financial statement of SKYS Securities Limited as on 29 October 2020, the net assets value ie. total assets less total liabilities stands at Tk. 194,842,940. Under book value approach, value of 15.59% share of KDS Accessories Ltd is Tk. 30,377,066. Being an unquoted company and in absence of any other comparable company, SKYS Securities Limited's valuation as on 29 October 2020 under book value approach is considered as fair value ie. Tk. 30,377,066. (Note-7)



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
8.00 Other investment			
Investment in Fixed Deposit Receipts		4,614,503	5,564,860
		4,614,503	5,564,860

Name of Banks	Purpose	Period	Interest rate		
Bank Asia Limited	Bank Guarantee	1 year	4.00%	3,371,392	4,368,122
Exim Bank Limited	Bank Guarantee	1-3 years	9.00%-9.25%	1,243,111	1,196,738
				4,614,503	5,564,860

9.00 Inventories			
Raw materials		431,858,790	471,055,054
Work-in-process		23,120,967	24,330,967
Finished goods		11,984,400	9,650,877
Stores & spares		68,352,805	62,266,322
Goods in transit		162,059,754	1,336,584
		697,376,716	568,639,804

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	3,717,110	9,749,163	13,466,273	(11,978,786)	1,487,487
White Liner Paper	Kg	-	270,811	270,811	(242,455)	28,356
Medium Paper	Kg	3,533,368	8,950,071	12,483,439	(9,708,262)	2,775,177
Duplex Board	Kg	54,506	100,199	154,705	(140,104)	14,601
Yarn	Kg	37,594	179,027	216,621	(216,013)	608
Starch	Kg	2,911	299,000	301,911	(275,230)	26,681
Adhesive Powder	Kg	36,190	246,960	283,150	(249,689)	33,461
Art Paper	Kg	-	60,097	60,097	(60,097)	-
Chemical	Ltr	5,581	14,230	19,811	(17,794)	2,017
Resin	Kg	41,839	152,900	194,739	(181,039)	13,700
Rubber Thread	Kg	11,114	67,195	78,309	(72,775)	5,534
Transfer Flim	Kg	809	7,609	8,418	(6,226)	2,192
Printing Ink	Kg	6,910	20,972	27,882	(20,666)	7,216
Pigment	Kg	520	590	1,110	(1,024)	86
Ribbon	Kg	185	9,135	9,320	(9,077)	243
OPP Gum Tape	Kg	19,834	105,422	125,256	(125,256)	-
GPPS/PP/HIPS	Kg	3,970	204,000	207,970	(190,208)	17,762
		7,472,442	20,437,381	27,909,822	(23,494,701)	4,415,121

Finished goods

Product name	Unit	Opening balance	Production	Available for sale	Sales	Closing balance
Carton	Pcs	97,836	19,370,444	19,468,280	(19,327,480)	140,800
Label	Pcs	280,661	51,629,786	51,910,447	(51,897,447)	13,000
Elastics and Narrow Fabrics	Yards	760,092	19,654,644	20,414,736	(19,579,444)	835,292
Offset Printing	Pcs	44,375	48,958,885	49,003,260	(48,974,850)	28,410
Heat Transfer Printing	Pcs	-	2,805,001	2,805,001	(2,805,001)	-
Button	GG	5,171	108,741	113,912	(113,912)	-
Gum Tape	Rolls	2,080	819,877	821,957	(804,525)	17,432
Hanger	Pcs	159,784	20,484,620	20,644,404	(20,115,329)	529,075
		1,349,999	163,831,998	165,181,997	(163,617,988)	1,564,009



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
10.00 Trade receivables			
Opening balance		934,575,587	1,098,372,683
Add: Addition during the year	26.00	2,217,942,652	1,922,326,909
Add: Adjustment for foreign currency translation gain	10.02	5,668,925	9,473,933
		3,158,187,164	3,030,173,524
Less: Realized during the year		(2,100,606,241)	(2,095,597,938)
		1,057,580,923	934,575,587
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 2021 Taka	30 June 2020 Taka
10.03 Trade receivables include affiliated companies			
KDS Apparels Limited		-	2,988,079
KDS Fashion Limited		67,967,599	61,067,452
KDS Garment Industries Limited		41,393,059	10,636,540
KDS IDR Limited		87,389,599	40,163,395
		196,750,257	114,855,466
10.04 Ageing of trade receivables			
Dues within 3 Months		433,608,178	411,213,258
Dues over 3 Months		623,972,744	523,362,329
		1,057,580,923	934,575,587
10.05 Trade receivables - classification by security and related party:			
Receivable considered good and secured		1,057,580,923	934,575,587
Receivable considered good without security		-	-
Receivable considered doubtful or bad		-	-
Receivable due by directors or other officers		-	-
Receivable due from companies under same management		196,750,257	114,855,466
Maximum receivable due by directors or officers at any time		-	-
11.00 Other receivables			
Accrued interest income on FDR		302,794	468,855
Interest Receivable		109,293	922,827
		412,087	1,391,682



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
12.00 Advances, deposits and prepayments			
Advances	12.01	50,101,611	49,655,031
Security deposits	12.02	12,863,249	11,989,449
Prepayments	12.03	3,518,630	3,296,670
		66,483,490	64,941,150
12.01 Advances			
Against salary and allowances		1,145,009	2,546,484
Against income tax	12.01.01	22,123,769	27,686,095
Advance Against Land	Note-6	12,847,598	12,847,598
Others		13,985,235	6,574,854
		50,101,611	49,655,031
12.01.01 Advance income tax			
Opening balance		27,686,095	25,066,268
Add: Paid/deducted during the year		22,104,504	27,647,343
Less: Adjusted during the year		(27,666,830)	(25,027,516)
Closing balance		22,123,769	27,686,095
12.02 Security deposits			
T & T		20,000	20,000
Titas Gas Transmission & Distribution Company Limited		2,429,000	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
		12,863,249	11,989,449
12.03 Prepayments			
Insurance premium		3,518,045	3,291,551
Upfront interest		585	5,119
		3,518,630	3,296,670
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
KDS Thread Limited		394,075,968	268,084,300
		394,075,968	273,803,670
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		5,050,918	9,895,747
		5,050,918	9,895,747

Above Fixed Deposits maintained with Bank Asia Limited, Agrabad Branch, Chattogram have been kept as lien. The rate of interest is 4% per annum.

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
15.00 Cash and cash equivalents			
Cash in hand	15.01	934,104	1,713,266
Cash at bank	15.02	231,549,263	188,285,225
		232,483,367	189,998,491
15.01 Cash in hand			
Head office		391,403	565,919
Dhaka office		334,264	829,761
Gazipur factory office		208,437	317,586
		934,104	1,713,266



15.02 Cash at Bank

Name of Banks	Branch	Account Type	30 June 2021	30 June 2020
			Taka	Taka
Bank Asia Limited	MCB Banani	SND	1,293	1,277
Bank Asia Limited	Agrabad	USD	1,617	1,616
Bank Asia Limited	Agrabad	Retention Quota	215,955	215,697
Bank Asia Limited	MCB Banani	Retention Quota	1,001,919	1,311,017
Bank Asia Limited	MCB Banani	RAD	736	735
Bank Asia Limited	MCB Banani	RAD	5,904,412	643,030
Bank Asia Limited	MCB Banani	SND	4,543,649	2,782,190
Bank Asia Limited	Agrabad	OD	207,094,273	-
Dutch Bangla Bank Limited	Jubilee Road	Current	5,557	21,189,181
HSBC	Agrabad	Current	414,715	133,930,416
Mutual Trust Bank Limited	Motijheel	Escrow	125,353	124,591
Mutual Trust Bank Limited	Motijheel	Escrow-USD	612,767	612,038
Mutual Trust Bank Limited	Motijheel	Escrow-GBP	14,386	12,956
NCC Bank Limited	Baridhara	Current	73,909	-
Standard Chartered Bank	Agrabad	Current	6,724,994	11,713,463
Standard Chartered Bank	Agrabad	Current	685,875	613,297
Standard Chartered Bank	Agrabad	Current	763,166	15,132,570
Trust Bank Limited	Dewan Bazar	Current	3,359,253	1,151
Southeast Bank Limited	Agrabad	Current	5,434	-
			231,549,263	188,285,225

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	31,531,500
4,966,211 Ordinary Shares of Tk. 10 each as at 30 November 2020 (Bonus share)	49,662,110	-
71,182,361 Ordinary Shares of Tk. 10 each	711,823,610	662,161,500

16.01 Shareholding position

Name of the shareholders	30 June 2021		30 June 2020	
	Percentage of holding	Number of shares	Percentage of holding	Number of shares
Mr. Khalilur Rahman	51.89%	36,938,452	55.17%	36,529,667
Mr. Salim Rahman	14.09%	10,030,344	14.09%	9,330,553
Ms. Hasina Iqbal	1.03%	734,389	1.03%	683,153
Ms. Tahsina Rahman	3.84%	2,736,475	3.84%	2,545,559
Ms. Tahmina Rahman	0.00%	433	0.00%	403
KDS Garments Inds. Limited	2.01%	1,431,917	2.01%	1,332,017
General Public (IPO)	27.13%	19,310,351	23.85%	15,794,798
	100%	71,182,361	100%	66,216,150



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 (%)
1,984	308,894	0.43%
1,416	2,418,784	3.40%
197	1,493,954	2.10%
123	1,824,096	2.56%
37	911,033	1.28%
18	642,614	0.90%
20	913,466	1.28%
41	2,907,206	4.08%
28	8,177,213	11.49%
6	51,585,101	72.47%
3,870	71,182,361	100%

17.00 Long term borrowings

Opening balance
Add: Received during the year
Add: Interest applied
Add: Bank charges

Add/(Less): Deferred Interest payment of April & May 2020 (COVID-19 Period)
Less: Paid during the year
Closing balance

Note(s)	30 June 2021 Taka	30 June 2020 Taka
	73,992,408	318,720,870
	35,000,000	-
	5,592,602	23,507,716
	51,575	101,075
	114,636,585	342,329,661
	690,499	(1,127,425)
	(51,849,214)	(267,209,828)
	63,477,870	73,992,408

17.01 Current/non-current classification

Due within one year
Due after one year

	17,163,975	59,382,368
	46,313,895	14,610,040
	63,477,870	73,992,408

17.02 Details of long term borrowings

Bank Asia Limited - Agrabad
Bank Asia Limited - MCB Banan
Trust Bank Limited
NCC Bank Limited
Southeast Bank Limited

17.03	36,319,131	-
17.04	17,163,093	24,037,763
17.05	8,189,259	39,138,604
17.06	1,806,387	2,914,865
17.07	-	7,901,176
	63,477,870	73,992,408

17.03 Bank Asia Limited, Agrabad, Chattogram.

Total sanctioned amount	Tk. 3.50 Crore
Year	2021
Purpose	Construction of two storied shed
Interest rate	9% (Revised from time to time)
Tenure	Seven years
Payment method	The loan is repayable in equal monthly installment (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% (Revised from time to time)
Tenure	Seven years
Payment method	The loan is repayable in equal monthly installment (EMI).
Securities	i) Personal Guarantee of directors.

17.05 Trust Bank Limited, Dewan Bazar, Chattogram.

Total sanctioned amount	Tk. 30 Crore
Year	2017
Purpose	Working Capital
Interest rate	9% (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% (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% (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.

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
18.00 Defined benefit obligation- gratuity			
Opening balance		90,799,401	76,083,015
Add: Provision made during the year	27.02 & 28	15,767,708	15,209,275
		106,567,109	91,292,290
Less: Paid during the year		(3,224,145)	(492,889)
Closing balance		<u>103,342,964</u>	<u>90,799,401</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 2021 Taka	30 June 2020 Taka
Opening balance	40,716,180	44,014,741
Provided during the year		
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(8,321,808)	(965,379)
Provision for Gratuity	(276,158)	(1,839,548)
Investments in associate/"SKYS"	(2,507,553)	(493,634)
	<u>(11,105,519)</u>	<u>(3,298,561)</u>
Closing balance	<u>29,610,661</u>	<u>40,716,180</u>

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

Year - 2020-2021:

	Carrying Amount	Tax Base	Tax Rate	Taxable / (Deductible) Temporary Difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant & equipment (excluding land)	703,995,237	347,214,094	11.25%	356,781,143	40,137,879
Gratuity	(103,342,964)	-	11.25%	(103,342,964)	(11,626,083)
Investments in associate/"SKYS"	30,377,066	23,405,000	15% - 20%	6,972,066	1,098,865
Net taxable temporary difference				<u>260,410,245</u>	<u>29,610,661</u>

Year - 2019-2020:

	Carrying Amount	Tax Base	Tax Rate	Taxable / (Deductible) Temporary Difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant & equipment (excluding land)	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 associate	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 2021 Taka	30 June 2020 Taka
20.00 Trade and other payables			
Trade payable	20.01	1,073,028,147	622,733,368
For revenue expenses	20.02	184,915,413	167,016,826
For other finance	20.03	2,076,509	1,421,115
		1,260,020,069	791,171,309
20.01 Trade payable			
Liability for imported goods		1,051,642,511	597,405,538
Liability for local goods & expenses		21,385,636	25,327,830
		1,073,028,147	622,733,368

Liability for imported goods includes foreign currency translation loss of Tk. 58,30,428 (foreign currency translation loss for the corresponding year 2019-2020 was of Tk. 31,90,696) arising due to translation of trade payables in foreign currency at the reporting date.

	30 June 2021 Taka	30 June 2020 Taka
20.02 For revenue expenses		
Audit fee	326,700	297,000
C & F charges	9,782,253	7,184,208
Commission on sales	6,201,937	4,303,122
Electricity bill	2,389,840	2,149,497
Employee salaries, director's remuneration and others	29,491,394	28,497,722
Gas charges	2,598,879	4,469,789
Insurance expenses	1,703,313	740,116
Provident fund	110,755,753	97,383,769
Rent expenses	21,408,010	21,408,016
Telephone & mobile bill	257,334	583,587
	184,915,413	167,016,826

	30 June 2021 Taka	30 June 2020 Taka
20.03 For other Finance		
IPO over subscription money payable	574,216	574,216
Staff income tax	845,734	392,010
Supplier income tax	524,655	480
Tax & VAT on rent expenses	-	84,027
Tax & VAT on audit fee	90,750	82,500
VAT payable-others	41,154	287,882
	2,076,509	1,421,115

	30 June 2021 Taka	30 June 2020 Taka
21.00 Unclaimed dividend		
Opening Balance	535,680	367,984
Add: Cash dividend declared during the year	49,662,115	63,063,000
Less: Paid/adjusted during the year	(49,327,007)	(62,895,304)
	870,788	535,680

* As per directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of Bangladesh Securities and exchange Commission, unclaimed dividend amount of Tk-535,680 has shown separately and re-arranged the disclosure accordingly.

	30 June 2021 Taka	30 June 2020 Taka
22.00 Current tax liability		
Opening balance	40,479,550	43,446,375
Add: Provision made during the year	30,735,459	31,009,375
	71,215,009	74,455,750
Less: Paid/adjusted during the year	(31,009,374)	(33,976,200)
	40,205,635	40,479,550

	30 June 2021		30 June 2020	
	Rate	Taka	Rate	Taka
Profit before tax		176,575,088		172,390,193
Total income tax expenses	17.41%	30,735,459	17.99%	31,009,375
Factors affecting the tax charge:				
Tax using the applicable rate	22.50%	39,729,395	25.00%	43,097,548
Difference between accounting and fiscal depreciation	3.94%	6,951,680	1.12%	1,930,758
Inadmissible expenses	1.53%	2,696,009	1.21%	2,081,647
Difference between WPPF & WF provision and payment	-3.42%	(6,040,102)	-0.85%	(1,465,273)
Difference between gratuity provision and payment	1.60%	2,822,302	2.13%	3,679,097
Rebate on export sales	-10.71%	(18,907,367)	-10.98%	(18,931,446)
Unrealised profit/(loss) from investment in associates	1.97%	3,483,542	0.36%	617,043
	17.41%	30,735,459	17.99%	31,009,375



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
23.00 Due to affiliated company			
KDS Poly Industries Limited		185,241	-
		<u>185,241</u>	<u>-</u>
23.01			
The amount represent short term loan received from KDS Poly Industries Limited as and when required to meet funding requirement. All transactions were done through banking channel and interests were charged on outstanding balances.			
24.00 Short term bank loan			
Bank Overdraft	24.01	11,948,284	83,465,695
Loan Against Trust Receipt (LATR)	24.02	-	1,269,138
Local Documentary Bill Purchase (LDBP)	24.03	249,638,436	104,850,002
Demand Loan and Time Loan	24.04	1,271,399	352,527,147
Stimulus Fund	24.05	181,814,348	-
		<u>444,672,467</u>	<u>542,111,982</u>
24.01 Bank Overdraft			
Bank Asia Limited		-	37,059,866
Southeast Bank Limited		11,948,284	46,405,829
		<u>11,948,284</u>	<u>83,465,695</u>
24.02 Loan Against Trust Receipt (LATR)			
Bank Asia Limited		-	1,269,138
		<u>-</u>	<u>1,269,138</u>
24.03 Local Documentary Bill Purchase (LDBP)			
Bank Asia Limited		145,645,083	86,269,476
Standard Chartered Bank		103,993,353	18,580,526
		<u>249,638,436</u>	<u>104,850,002</u>
24.04 Demand Loan and Time Loan			
Bank Asia Limited		-	265,450,965
Standard Chartered Bank		-	80,000,000
Liabilities for interest payment deferral		1,271,399	7,076,182
		<u>1,271,399</u>	<u>352,527,147</u>
24.05 Stimulus Fund			
Bank Asia Limited		141,592,376	-
Standard Chartered Bank		20,222,500	-
Southeast Bank Limited		19,999,472	-
		<u>181,814,348</u>	<u>-</u>
25.00 Provision for WPPF and Welfare Fund			
Opening balance		76,561,217	74,095,719
Add: Provision made during the year		9,293,426	9,073,168
Add: Interest during the year	28.00	7,726,661	8,326,587
Less: Paid during the year		(36,138,323)	(14,934,258)
		<u>57,442,981</u>	<u>76,561,217</u>

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 2021 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 2015-2016 to the year 2017-2018 to the trust account.

	Notes	30 June 2021		30 June 2020	
		USD	Taka	USD	Taka
26.00 Revenue					
Export sales	26.01	26,636,722	2,217,942,652	23,160,565	1,922,326,909
		<u>26,636,722</u>	<u>2,217,942,652</u>	<u>23,160,565</u>	<u>1,922,326,909</u>



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

Product name	30 June 2021		30 June 2020	
	(%)	Taka	(%)	Taka
Carton	80.99%	1,796,248,794	77.25%	1,484,990,358
Label	1.58%	35,148,254	2.63%	50,552,893
Elastics and Narrow Fabrics	5.63%	124,863,478	4.83%	92,827,620
Offset Printing	2.27%	50,449,758	3.60%	69,152,318
Heat Transfer Printing	0.10%	2,267,272	0.58%	11,199,192
Button	2.86%	63,324,387	4.90%	94,262,159
Gum Tape	1.63%	36,168,494	1.33%	25,656,397
Hanger	4.94%	109,472,215	4.87%	93,685,972
	100%	2,217,942,652	100%	1,922,326,909

	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
27.00 Cost of goods sold			
Raw materials consumed	27.01	1,444,761,847	1,183,364,147
Factory overhead	27.02	350,567,429	313,369,615
Cost of Production		1,795,329,276	1,496,733,762
Add: Opening work-in-process		24,330,967	26,269,317
Less: Closing work-in-process	9.00	(23,120,967)	(24,330,967)
Cost of goods manufactured		1,796,539,276	1,498,672,112
Goods used for sample making	29.00	(887,195)	(935,150)
		1,795,652,081	1,497,736,962
Opening finished goods		9,650,877	11,564,987
Cost of goods available for sale		1,805,302,958	1,509,301,949
Closing finished goods	9.00	(11,984,400)	(9,650,877)
		1,793,318,558	1,499,651,072
27.01 Raw materials consumed			
Opening inventory		471,055,054	341,571,661
Add: Purchases during the year		1,405,565,583	1,312,847,540
Total materials available		1,876,620,637	1,654,419,201
Less: Closing inventory	9.00	(431,858,790)	(471,055,054)
		1,444,761,847	1,183,364,147
27.02 Factory overhead			
Salaries, wages and others		172,645,716	145,312,327
Ansar/security cost		2,771,167	2,733,325
Depreciation	4.00	77,925,219	81,593,426
Electricity expenses		6,802,237	4,677,376
Fuel expenses		12,370,964	10,627,555
Gas expenses		22,148,080	23,307,637
Generator running expenses		859,775	1,408,172
Gratuity	18.00	3,153,542	3,041,855
Insurance premium		3,948,724	2,934,469
Labour charges		2,796,425	2,838,860
Printing and processing charges		3,994,224	3,143,333
Repair and maintenance		8,917,712	4,627,237
Stores and spares consumption	27.03	19,429,284	15,452,633
Telephone expenses		1,603,842	1,565,487
Testing fee		3,146,878	2,847,664
Uniform and liveries		361,832	846,054
Vehicle maintenance expenses		7,339,500	5,966,249
Water and sanitation expenses		352,308	445,956
		350,567,429	313,369,615



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
27.03 Stores and spares consumption			
Opening inventory		62,266,322	47,798,637
Add: Purchases during the year		25,515,767	29,920,318
Total spare parts available		87,782,089	77,718,955
Less: Closing inventory	9.00	(68,352,805)	(62,266,322)
		19,429,284	15,452,633
28.00 Administrative expenses			
Salaries and allowances		74,885,072	61,674,843
Director's remuneration		2,500,000	2,400,000
Audit fee		417,450	379,500
Amortization	5.00	499,345	450,991
Depreciation	4.00	19,481,304	20,398,356
Electricity expenses		1,200,395	825,419
Entertainment		1,766,623	2,059,002
Fuel expenses		2,183,111	1,875,451
Gratuity	18.00	12,614,166	12,167,420
Group insurance		636,611	713,536
Guest house expenses		502,343	469,595
Insurance expenses		1,863,281	1,579,930
Interest on WPPF	25.00	7,726,661	8,326,587
Internet expenses		1,904,986	1,868,961
Medical expenses		222,624	126,810
Miscellaneous expenses		1,309,042	805,120
Periodicals expenses		27,790	24,067
Office maintenance		382,316	229,301
Postage and parcel expenses		798,241	515,124
Printing and stationeries		1,616,204	1,693,645
Professional fees		105,250	80,500
Rent expenses - Dhaka office		7,730,448	7,379,064
Rent, rates, license, renewal and others fee		2,412,746	2,458,468
Repair and maintenance		1,113,318	574,759
Security cost - Ansar cost		489,030	482,351
Fooding expenses		2,048,242	1,603,960
Training expenses		23,104	50,660
Telephone		1,603,842	1,565,487
Travelling and conveyance		1,001,600	785,120
Vehicle maintenance expenses		815,500	662,917
		149,880,645	134,226,944
29.00 Selling and distribution expenses			
Salaries and allowances		19,842,603	16,963,163
Advertisement expenses		714,267	903,427
Carriage outward		25,997,796	22,508,292
Sales promotion and commission expenses		13,500,812	9,884,761
Sample expenses	27.00	887,195	935,150
		60,942,673	51,194,793



	30 June 2021 Taka	30 June 2020 Taka
30.00 Finance cost		
Interest on bank loan and others	49,996,359	88,759,426
Bank charges and commission	15,022,790	12,874,852
	65,019,149	101,634,278
31.00 Finance income		
Interest earned from FDR	594,340	1,004,999
Interest earned from STD	89,053	62,480
Interest income from inter-company receivable	42,164,294	41,786,017
Gain/(Loss) on currency fluctuation	7,191,261	2,814,743
	50,038,948	45,668,239
32.00 Other income		
Rental income	1,560,000	1,560,000
Gain on sale of assets	11,777	612,006
Wastage Sales	958,573	471,467
	2,530,350	2,643,473
33.00 Reconciliation of cash provided by operations		
Profit before income tax	176,575,088	172,390,193
Depreciation charged	97,406,523	101,991,782
Amortization charged	499,345	450,991
(Gain)/loss on sale of property, plant and equipment	(11,777)	(612,006)
(Profit)/loss from investment in associates [Note - 7.06 (ii)]	15,482,411	2,468,173
Finance Income	(50,038,948)	(45,668,239)
Finance Cost	65,019,149	101,634,278
(Increase)/Decrease in Inventory	(128,736,912)	(99,366,093)
(Increase)/Decrease in Trade Receivables (after adjusting foreign currency fluctuation gain)	(117,336,412)	173,271,029
(Increase)/Decrease in other receivables	813,534	(922,827)
(Increase)/Decrease in Advances, Deposits and Pre-payments	(7,104,666)	(15,821,535)
Increase/(Decrease) in Trade and Other payables (after adjusting foreign currency fluctuation loss)	470,091,231	226,243,191
Increase/(Decrease) in provision of WPPF and WF	(19,118,236)	2,465,498
Increase/(Decrease) in the provision of gratuity	12,543,563	14,716,386
	516,083,895	633,240,821

34.00 Earnings Per Share (EPS)

34.01 Basic Earnings Per Share

The computation of EPS is given below:

Total earnings attributable to the ordinary shareholders	156,945,148	144,679,379
Number of ordinary shares outstanding during the year	71,182,361	66,216,150
Weighted average number of ordinary shares outstanding during the year	71,182,361	66,216,150
Basic Earnings Per Share	2.20	2.18

Restated Earnings Per Share (Basic)*

2.03

*EPS for the year 01 July 2019 to 30 June 2020 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of IAS 33.

34.02 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 2021 Taka	30 June 2020 Taka
34.03 Net Asset Value Per Share (NAV)		
Total Assets	3,761,638,857	3,310,894,874
Less: Liabilities	1,999,828,676	1,656,367,727
Net Asset Value (NAV)	1,761,810,181	1,654,527,148
Number of ordinary shares outstanding during the year	71,182,361	66,216,150
Net Assets Value (NAV) per share	24.75	24.99

	30 June 2021 Taka	30 June 2020 Taka
34.04 Net operating cash flow per share		
Net cash provided by/(used in) Operating activities	468,631,445	537,786,706
Number of ordinary shares outstanding during the year	71,182,361	66,216,150
Net operating cash flow per share	6.58	8.12

34.05 Net operating cash flow per share decreased due to increase of number of shares, operating expenses and supplier payment.



35.00 Contingent liabilities and commitment

Contingent liabilities and commitment at the reporting date are as follows

	30 June 2021 Taka	30 June 2020 Taka
35.01 Bank guarantee		
Bank Asia Limited	9,369,565	8,913,700
EXIM Bank Limited	-	605,865
	<u>9,369,565</u>	<u>9,519,565</u>
35.02 L/C liabilities		
Bank Asia Limited	376,138,511	49,857,729
Standard Chartered Bank	65,882,666	8,646,167
Southeast Bank Limited	105,931,885	-
	<u>547,953,062</u>	<u>58,503,896</u>

35.03 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June 2021.

36.00 Directors' interest in contracts with the company

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

37.00 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2021 other than trade credit available in the ordinary course of business.

38.00 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.

38.01 Key Management Personnel Compensation

Short term employee benefits
Post employment benefits
Other benefits

	30 June 2021 Taka	30 June 2020 Taka
	2,600,000	2,550,000
	-	-
	-	-
	<u>2,600,000</u>	<u>2,550,000</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 2020-2021, Managing Director's remuneration was BDT-24,00,000, and festival bonus was BDT-1,00,000, in the year 2019-2020 it was BDT-24,00,000. Attendance fees in connection with Board of Directors Meeting was BDT-1,00,000 during the year 2020-2021, it was 1,50,000 in the year 2019-2020.

38.02 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 2020	Transaction during the year (Net)	Balance as on 30 June 2021
1	KDS Apparels Limited	Common directorship	Receivable against Sales	2,988,079	(2,988,079)	-
2	KDS Fashion Limited	Common directorship	Receivable against Sales	61,067,452	6,900,147	67,967,599
3	KDS Garment Inds. Limited	Common directorship	Receivable against Sales	10,636,540	30,756,518	41,393,059
4	KDS IDR Limited	Common directorship	Receivable against Sales	40,163,395	47,226,204	87,389,599
5	KDS Poly Ind. Limited	Common directorship	Short Term Loan	5,719,370	(5,904,611)	(185,241)
6	KDS Thread Limited	Common directorship	Short Term Loan	268,084,300	125,991,668	394,075,968



39.00 Board of Directors (BOD) meetings and attendance

Name of Directors	Designation	Number of Meetings Held	Attendance
Mr. Khalilur Rahman	Chairman	4	4
Mr. Salim Rahman	Managing Director	4	4
Ms. Tahsina Rahman	Director	4	4
KDS Garment Industries Limited (Represented by Mr. Kamrul)	Director	4	4
Mr. Muhammad Jamaluddin	Independent Director	4	4

40.00 Events after the reporting period :

40.01 The Board of Directors at the meeting held on 25 October 2021 has recommended 15% cash dividend for the year ended 30 June 2021

40.02 Calculation of minimum amount to be distributed as dividend as per income tax law:

As per Section 16G of ITO-1984, as a listed company, KDS Accessories Limited shall declare and distribute at least 30% of its net profit after tax as dividend (as per section 16F, stock and cash) to its shareholders otherwise 10% tax shall be imposed on the total amount of retained earnings, fund, reserve or surplus.

Distributable Profit	156,945,148
Minimum dividend percentage as per section 16G of the ITO, 1984	30%
Minimum dividend amount to be distributed as per section 16G of the ITO, 1984	<u>47,083,545</u>

30 June 2021	30 June 2020
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41.00 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

-	-
1,171	1,218
<u>1,171</u>	<u>1,218</u>

42.00 Quantitative information of production capacity for the year ended 30 June 2021

Particulars	Unit	30 June 2021			30 June 2020		
		Production Capacity	Actual Production	Capacity Utilization in (%)	Production Capacity	Actual Production	Capacity Utilization in (%)
Carton	Pcs	30,000,000	19,370,444	64.57%	30,000,000	21,187,785	70.63%
Label	Pcs	175,964,208	51,629,786	29.34%	175,964,208	59,755,814	33.96%
Elastics and Narrow Fabrics	Yards	30,576,000	19,654,644	64.28%	30,576,000	14,755,712	48.26%
Offset Printing	Pcs	150,009,600	48,958,885	32.64%	150,009,600	71,584,246	47.72%
Heat Transfer Printing	Pcs	24,960,000	2,805,001	11.24%	24,960,000	8,665,093	34.72%
Button	GG	360,000	108,741	30.21%	360,000	168,160	46.71%
Gum Tape	Pcs	4,290,000	819,877	19.11%	4,290,000	568,329	13.25%
Hanger	Pcs	45,000,000	20,484,620	45.52%	45,000,000	18,776,312	41.73%

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

43.00 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



43.01 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 2021 Taka	30 June 2020 Taka
Investments in FDRs (Short term & long term)	9,665,421	15,460,607
Advances, deposits and prepayments	66,483,490	64,941,150
Trade and other receivables	1,057,993,010	935,967,269
Due from affiliated companies	394,075,968	273,803,670
Cash at bank	231,549,263	188,285,225
	<u>1,759,767,152</u>	<u>1,478,457,921</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 2021 Taka	30 June 2020 Taka
Dues within 3 Months	433,608,178	411,213,258
Dues over 3 Months	623,972,744	523,362,329
	<u>1,057,580,922</u>	<u>934,575,587</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% (30 June 2020: 9%-11%) interest per annum and has no prescribed repayment schedule.

(iii) Cash and cash equivalents

The company held cash at bank of Tk. 231,549,263 at 30 June 2021 (2020: Tk. 188,285,225), 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 2021		
	Credit rating	Taka	(%)
Trade receivables	NR	1,057,580,923	77.94%
Other receivables	NR	412,087	0.03%
Advances, deposits and prepayments	NR	66,483,490	4.90%
Cash and cash equivalents			
Cash in hand		934,104	0.07%
Cash at Banks		231,549,263	17.06%
Bank Asia Limited	AA2	218,763,853	94.48%
Dutch Bangla Bank Limited	AA+	5,557	0.00%
HSBC	AAA	414,715	0.18%
Mutual Trust Bank Limited	AA	752,507	0.32%
National Credit & Commerce Bank	AA	73,909	0.03%
Standard Chartered Bank	AAA	8,174,035	3.53%
Trust Bank Limited	AA2	3,359,253	1.45%
Southeast Bank Limited	AA	5,434	0.00%



43.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity risk

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 Years	More than 5 years	Total
As at 30 June 2021	Taka	Percentage	Taka	Taka	Taka	Taka
Long term borrowings	63,477,870	9.00%	17,163,975	46,313,895	-	63,477,870
Trade and other payable	1,260,020,069	N/A	1,260,020,069	-	-	1,260,020,069
Unclaimed dividend	870,788	N/A	870,788	-	-	870,788
Due to affiliated companies	185,241	9.00%	185,241	-	-	185,241
Short term bank loan	444,672,467	3.20%-9.00%	444,672,467	-	-	444,672,467
Provision for WPPF and Welfare Fund	57,442,981	11.25%	57,442,981	-	-	57,442,981
	1,826,669,416		1,780,355,521	46,313,895	-	1,826,669,416
As at 30 June 2020						
Long term borrowings	73,992,408	9.00%-13.75%	59,382,368	14,610,040	-	73,992,408
Trade and other payable	791,171,309	N/A	791,171,309	-	-	791,171,309
Unclaimed dividend	535,680	N/A	535,680	-	-	535,680
Short term bank loan	542,111,982	3.53%-9.00%	542,111,982	-	-	542,111,982
Provision for WPPF and Welfare Fund	76,561,217	11.25%	76,561,217	-	-	76,561,217
	1,484,372,595		1,469,762,555	14,610,040	-	1,484,372,595

43.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk exposure and its management

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.

As at 30 June 2021, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

(i) Exposure to currency risk

As at 30 June 2021

Foreign currency denominated assets

Cash and cash equivalents

Trade receivables

	GBP	USD	Taka
Cash and cash equivalents	125	92,167	7,751,792
Trade receivables	-	12,597,748	1,057,580,923
	125	12,689,915	1,065,332,715

Foreign currency denominated liabilities

Liability for Local Documentary Bill Purchase (LDBP)

Liability for Accepted Bills for Payment (ABP)

Liability for Local Documentary Bill Purchase (LDBP)	-	2,938,651	249,638,436
Liability for Accepted Bills for Payment (ABP)	-	12,379,547	1,051,642,511
	-	15,318,198	1,301,280,947

Net exposure

	125	(2,628,283)	(235,948,232)
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As at 30 June 2020

Foreign currency denominated assets

Cash and cash equivalents

Trade receivables

	GBP	USD	Taka
Cash and cash equivalents	125	33,204	2,797,089
Trade receivables	-	11,145,803	934,575,587
	125	11,179,007	937,372,676

Foreign currency denominated liabilities

Liability for Local Documentary Bill Purchase (LDBP)

Liability for Accepted Bills for Payment (ABP)

Liability for Local Documentary Bill Purchase (LDBP)	-	1,234,255	104,850,002
Liability for Accepted Bills for Payment (ABP)	-	7,032,437	597,405,538
	-	8,266,692	702,255,540

Net exposure

	125	2,912,315	235,117,136
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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 2021	30 June 2020
US Dollar		
For denoting asset in foreign currency	83.95	83.85
For denoting liabilities in foreign currency	84.95	84.95
GBP		
For denoting asset in foreign currency	114.64	103.24
For denoting liabilities in foreign currency	-	-

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 2021		30 June 2020	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	(4,439,157)	4,439,157	4,915,986	(4,915,986)
GBP (2% movement)	288	(288)	259	(259)

(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 2021	30 June 2020
	Taka	Taka
Fixed- rate instruments		
Financial assets	403,741,389	289,264,277
Financial liabilities	(508,150,337)	(616,104,391)
	<u>(104,408,948)</u>	<u>(326,840,114)</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.



44.00 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
		Fair value through Profit or loss	Held to Maturity	Loans and Receivables	Available for Sale	Other financial Liabilities	
		Taka	Taka	Taka	Taka	Taka	
30 June 2021							
Financial assets not measured at fair value							
Trade and other receivables	10 & 11	-	-	1,057,993,010	-	-	1,057,993,010
Due from affiliated companies	13	-	-	394,075,968	-	-	394,075,968
Investments in FDR	8 & 14	-	-	-	9,665,421	-	9,665,421
Cash at bank	15.02	-	-	231,549,263	-	-	231,549,263
		-	-	1,683,618,241	9,665,421	-	1,693,283,662
Financial liabilities not measured at fair value							
Long term borrowings	17	-	-	-	-	(63,477,870)	(63,477,870)
Trade and other payables	20	-	-	-	-	(1,260,020,069)	(1,260,020,069)
Unclaimed dividend	21	-	-	-	-	(870,788)	(870,788)
Due to affiliated companies	23	-	-	-	-	(185,241)	(185,241)
Short term liabilities	24	-	-	-	-	(444,672,467)	(444,672,467)
		-	-	-	-	(1,769,226,435)	(1,769,226,435)
30 June 2020							
Financial assets not measured at fair value							
Trade and other receivables	10 & 11	-	-	935,967,268	-	-	935,967,268
Due from affiliated companies	13	-	-	273,803,670	-	-	273,803,670
Investments in FDR	8 & 14	-	-	-	15,460,607	-	15,460,607
Cash at bank	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							
Long term borrowings	17	-	-	-	-	(73,992,408)	(73,992,408)
Trade and other payables	20	-	-	-	-	(791,171,309)	(791,171,309)
Unclaimed dividend	21	-	-	-	-	(535,680)	(535,680)
Short term liabilities	24	-	-	-	-	(542,111,982)	(542,111,982)
		-	-	-	-	(1,407,811,378)	(1,407,811,378)



45.00 Related Notes for Statement of Cash Flows

	Note (s)	30 June 2021 Taka	30 June 2020 Taka
45.01 Received from customers			
Revenue	26	2,217,942,652	1,922,326,909
Increase in Trade Receivables	10	(123,005,336)	163,797,096
Foreign currency fluctuation gain/(loss)	10	5,668,924	9,473,933
		<u>2,100,606,240</u>	<u>2,095,597,938</u>
45.02 Received from other sources			
Other income	32	2,518,573	2,031,467
(Increase)/ Decrease in other receivables	11	813,534	(922,827)
		<u>3,332,107</u>	<u>1,108,640</u>
45.03 Paid to suppliers			
Cost of Sales	27	(1,793,318,558)	(1,499,651,072)
Increase in Inventory	9	(128,736,912)	(99,366,093)
Increase in Trade & Other payables (Supplies)	20.01	450,294,779	203,860,614
Gain/(loss) on currency fluctuation	31	1,242,472	(6,837,200)
Depreciation of factory overhead	27.02	77,925,220	81,593,425
		<u>(1,392,592,999)</u>	<u>(1,320,400,327)</u>
45.04 Paid for operating expenses			
Administrative, Selling and Distribution Expenses	28 & 29	(210,823,318)	(185,421,737)
Increase /(Decrease) in Trade and Other payables (For expenses)	20.02	17,898,588	29,922,624
Decrease in Trade and Other payables (For finance)	20.03	655,394	(702,846)
(Increase) / Decrease in Advances, Deposits and Pre-payments	12	(1,542,340)	(18,441,362)
Advance Income Tax	12.01.01	(5,562,326)	2,619,827
Amortization	28	499,345	450,991
Depreciation (Operating expenses)	28	19,481,304	20,398,357
Provision for Gratuity	18	12,543,563	14,716,386
Paid to workers participation and welfare fund	25	(36,138,324)	(14,934,258)
Unpaid Interest of WPPF and WF	25	7,726,661	8,326,587
		<u>(195,261,453)</u>	<u>(143,065,431)</u>
45.05 Interest paid (net)			
Financial Expenses	30	(65,019,149)	(101,634,278)
Interest income from inter-company receivable	31	42,164,294	41,786,017
Interest on STD	31	89,052	62,480
Interest on FDR	31	594,340	1,004,999
Accrued interest income on FDR	11	166,061	(77,307)
		<u>760,401</u>	<u>927,693</u>
		<u>(22,005,402)</u>	<u>(58,858,088)</u>



	Note (s)	30 June 2021 Taka	30 June 2020 Taka
45.06 Income tax paid			
(Increase)/decrease in current tax liability	22	(273,915)	(2,966,825)
Provided during the period	22	(30,735,459)	(31,009,375)
Increase/(decrease) in advance for tax	12	5,562,326	(2,619,827)
		<u>(25,447,048)</u>	<u>(36,596,027)</u>
45.07 Acquisition of property, plant and equipment			
Addition of property, plant and equipment during the period	4	(16,916,244)	(13,451,063)
Capitalized during the year	6	1,135,458	9,272,804
Adjustment during the year	6	-	12,847,598
Addition in capital work-in-progress	6	(139,109,336)	(9,272,804)
		<u>(154,890,122)</u>	<u>(603,464)</u>
45.08 Addition to intangible assets	5	-	<u>(379,500)</u>
45.09 Proceed from sale of non-current assets			
Disposal during the year	4	726,712	854,024
Adjustment for depreciation	4	(701,871)	(854,022)
Gain on sale of assets	32	11,777	612,006
		<u>36,618</u>	<u>612,008</u>
45.10 Increase in investments			
Investment in FDR (Long term)	8	950,357	(249,008)
Investment in FDR (Short term)	14	4,844,829	(568,415)
		<u>5,795,186</u>	<u>(817,423)</u>
45.11 Dividend paid			
Cash dividend declared & disbursed	21	(49,662,115)	(63,063,000)
Increase/(decrease) in unclaimed dividend	21	335,108	167,696
		<u>(49,327,007)</u>	<u>(62,895,304)</u>
45.12 Receipt/(repayment) of long term borrowings	17	(10,514,538)	(244,728,462)
45.13 Receipt/(repayment) of short term borrowings	24	(97,439,515)	(48,320,603)
45.14 Short term loan receipt/(paid) from/to affiliated companies			
Short term loan paid to affiliated companies	13	(120,272,298)	(81,571)
Short term loan receipt from affiliated companies	23	185,241	-
		<u>(120,087,057)</u>	<u>(81,571)</u>
45.15 Effect of foreign exchange rate changes in cash and cash equivalent		279,866	178,010

