

KDS ACCESSORIES LIMITED
INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2024

INDEPENDENT AUDITORS' REPORT
to the Shareholders of
KDS ACCESSORIES LIMITED

Opinion

We have audited the financial statements of **KDS ACCESSORIES LIMITED** (the Company), which comprise the Statement of Financial Position as at 30 June 2024, 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, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations.

Basis of opinion

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

Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2024. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1.	Inventory	How our audit addressed the key audit matter
	<p>The Company has closing inventory BDT 571.56 million. Inventory is carried in the financial statements at the lower of cost and net realisable value.</p>	<ul style="list-style-type: none"> • Verified a sample of inventory items to ensure that costs have been appropriately recorded. • Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.



1. Inventory (Continued)	How our audit addressed the key audit matter
<p>The exercise for the assessment of the net realisable value involves the use of judgement and assumptions that may vary depending on technological and socio-economical conditions and is therefore considered a significant key audit matter. Please refer to note 3.05 and 9 to the financial statements.</p>	<ul style="list-style-type: none"> • Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. • Confirmed physical existence and completeness by performing annual physical inventory on a sample basis. • Confirmed all necessary disclosures have been made and that the information is appropriately presented.
2. Revenue Recognition	How our audit addressed the key audit matter
<p>Appropriateness of revenue recognition and disclosures has significant and wide influence on financial statements. As described in the accounting policy note 3.15 to the financial statements, the Company recognises revenue upon transfer of control as per IFRS 15: Revenue from Contracts with Customers. The Company has reported total revenue of BDT 2,530.68 million. Refer to note 25 to the financial statements.</p> <p>This material item is subject to considerable inherent risk due to the complexity and identifying revenue and the high number of transactions from which revenue is being recognised. In this regard, the proper application of the accounting standards and assumptions made by management are considered to be complex.</p>	<ul style="list-style-type: none"> • Assessed the relevant systems supporting the accounting of revenue. • Performed walkthrough test to understand the adequacy and the design of the revenue cycle. • Assessed the invoicing and measurement systems up to entries in the general ledger. • Examined customer contracts, invoices and receipts of payment on a test basis. • Conducted analytical procedures such as trend analysis, ratio analysis, and variance analysis on a sample basis. • Obtained and reviewed supporting documents for sales transactions recorded. • Tested the timing of revenue recognition as well as cut off checked. • Tested the revenue charging model against the regulatory guidelines and accounting standards, on a sample basis. • Assessed whether the sufficient disclosure has been given.
3. Identification and completeness of disclosure of related party transactions	How our audit addressed the key audit matter
<p>We determined the identification and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter due to high volume of business transactions with related parties during the year ended 30 June 2024.</p> <p>Refer to note 13 and 37 to the financial statements.</p>	<ul style="list-style-type: none"> • Obtained an understanding of the Company's processes and procedures in respect of identifying related parties; approval and recording of related party transactions including how management determines all transactions/balances with related parties are determined at arm's length and entered into in the normal course of business and disclosed in the financial statement. • Tested, on a sample basis, related party transactions with the underlying documents and for authorization and approval for such transactions. • Obtained balance confirmation from the related parties.



3.	IAS-24 Identification and completeness of disclosure of related party transactions (Continued)	How our audit addressed the key audit matter
		<ul style="list-style-type: none"> • Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with transaction with related parties effected during the year. • Evaluated the completeness of the disclosures through reading of statutory information, books and records and other documents

Reporting on other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon. The draft annual report is expected to be made available to us after the date of this auditor’s report but before finalization of the annual report.

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

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

When we read the annual report before finalization, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the annual report.

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

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ responsibilities for the audit of the financial statements

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



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

- (a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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



Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 2020, 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;
- 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; and
- iv) the expenditure incurred was for the purposes of the Company's business.

Firm Name : Hussain Farhad & Co., Chartered Accountants
Registration No. : 4/452/ICAB-84

Signature of the auditor :



Name of the auditor :

Sarwar Uddin FCA, Partner/ICAB Enrollment No: 0779
FRC Enrollment No: CA-001-136

DVC No. :

2410240779AS559561

Place :

Chattogram

Date :

24 OCT 2024

KDS ACCESSORIES LIMITED
Statement of Financial Position
As at 30 June 2024

	Note(s)	30 June 2024 Taka	30 June 2023 Taka
ASSETS			
Non-current Assets			
Property, plant and equipment	4	1,086,803,946	1,170,535,016
Intangible assets	5	283,750	438,520
Capital work-in-progress	6	31,400	1,105,171
Investment in SKYS Securities Limited	7	30,377,066	30,377,066
Other investment	8	5,182,233	5,013,936
Total Non-current Assets		1,122,678,395	1,207,469,709
Current Assets			
Inventories	9	571,558,128	782,223,348
Trade receivables	10	1,381,908,079	1,417,250,223
Other receivables	11	438,324	375,233
Advances, deposits and prepayments	12	76,827,477	87,806,414
Due from affiliated companies	13	818,378,469	862,918,947
Short term investment	14	-	2,374,677
Cash and cash equivalents	15	60,847,460	18,840,442
Total Current Assets		2,909,957,937	3,171,789,284
Total Assets		4,032,636,332	4,379,258,993
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	16	711,823,610	711,823,610
Share premium		120,000,000	120,000,000
Revaluation reserve		214,391,703	214,391,703
Retained earnings		896,484,823	813,907,497
Total Shareholders' Equity		1,942,700,136	1,860,122,810
Non-current Liabilities			
Long term borrowings-non-current portion	17.01	53,773,284	82,556,471
Defined benefit obligation- gratuity	18	145,062,096	137,297,430
Deferred tax liability	19	19,346,450	23,728,391
Total Non-current Liabilities		218,181,830	243,582,292
Current Liabilities			
Trade and other payables	20	1,436,346,441	1,137,795,473
Long term borrowings-current portion	17.01	37,150,404	33,422,964
Unclaimed dividend	21	1,179,379	820,459
Provision for Income Tax	22	61,953,667	54,281,545
Short term bank loan	23	243,441,484	958,350,954
Provision for WPPF and Welfare Fund	24	91,682,991	90,882,496
Total Current Liabilities		1,871,754,366	2,275,553,891
Total Equity and Liabilities		4,032,636,332	4,379,258,993
Net Assets Value Per Share	33.03	27.29	26.13

The annexed notes 1 to 43 form an integral part of these financial statements.


Chairman


Managing Director


Company Secretary

Signed in terms of our annexed report of same date

Place : Chattogram

Dated : 24 OCT 2024

DVC : 2410240779AS559561


Hussain Farhad & Co.
Chartered Accountants

KDS ACCESSORIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note(s)	01 July 2023 to 30 June 2024 Taka	01 July 2022 to 30 June 2023 Taka
Revenue	25	2,530,678,096	2,794,569,748
Cost of goods sold	26	(2,072,449,960)	(2,239,545,514)
Gross Profit		458,228,137	555,024,234
Administrative Expenses	27	(186,677,993)	(182,491,231)
Selling and distribution expenses	28	(59,905,285)	(53,953,463)
Operating Profit		211,644,859	318,579,540
Finance cost	29	(93,145,092)	(177,113,467)
Finance income	30	76,886,283	62,774,832
Profit before other income		195,386,050	204,240,905
Other Income	31	4,100,817	3,372,531
Profit before income tax and distribution of WPPF and Welfare Fund		199,486,867	207,613,436
Workers' Profit Participation and Welfare Fund	24	(9,974,343)	(10,380,672)
Profit before income tax		189,512,524	197,232,764
Provision for income tax:			
-Current tax	22	(40,134,779)	(43,907,869)
-Deferred tax	19	4,381,941	(72,350)
Profit after Income Tax		153,759,686	153,252,545
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		153,759,686	153,252,545
Earnings Per Share (Basic)	33.01	2.16	2.15

The annexed notes 1 to 43 form an integral part of these financial statements.


Chairman


Managing Director


Company Secretary

Signed in terms of our annexed report of same date

Place : Chattogram

Dated : 24 OCT 2024

DVC : 2410240779AS559561


Hussain Farhad & Co.
Chartered Accountants

KDS ACCESSORIES LIMITED
Statement of Changes in Equity
For the year ended 30 June 2024

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2022	711,823,610	120,000,000	214,391,703	774,546,730	1,820,762,043
Cash dividend for the year 2021-2022	-	-	-	(113,891,778)	(113,891,778)
Net Profit after tax for the year	-	-	-	153,252,545	153,252,545
Balance as at 30 June 2023	711,823,610	120,000,000	214,391,703	813,907,497	1,860,122,810
Balance as on 01 July 2023	711,823,610	120,000,000	214,391,703	813,907,497	1,860,122,810
Cash dividend for the year 2022-2023	-	-	-	(71,182,361)	(71,182,361)
Net Profit after tax for the year	-	-	-	153,759,686	153,759,686
Balance as at 30 June 2024	711,823,610	120,000,000	214,391,703	896,484,823	1,942,700,136


Chairman


Managing Director


Company Secretary



KDS ACCESSORIES LIMITED
Statement of Cash Flows
For the year ended 30 June 2024

	Note(s)	01 July 2023	01 July 2022
		to 30 June 2024	to 30 June 2023
		Taka	Taka
A. Operating activities			
Received from customers		2,672,312,445	3,086,559,689
Received from other sources		3,558,829	3,364,532
Paid to suppliers		(1,587,694,298)	(3,514,949,012)
Paid for operating expenses		(244,880,993)	(169,891,361)
Cash provided by/(used in) operations	32.00	843,295,984	(594,916,152)
Interest paid (net)		(8,157,610)	(10,871,908)
Income Tax Paid		(25,111,861)	(32,462,657)
Net cash generated by operating activities		810,026,513	(638,250,717)
B. Investing activities			
Acquisition of property, plant and equipment		(12,282,772)	(15,371,140)
Addition to intangible assets		-	(464,310)
Proceed from sale of non-current assets		550,889	19,115
Increase/(Decrease) in investments		2,206,380	(207,781)
Net cash provided by/(used in) investing activities		(9,525,503)	(16,024,116)
C. Financing activities			
Dividend Paid		(70,823,441)	(113,932,974)
Receipt /(Repayment) of long term loans		(25,055,747)	(19,567,416)
Receipt/(Repayment) of short term borrowings		(714,909,470)	882,252,698
Short term loan receipt/(paid) to affiliated companies		44,540,478	(348,397,974)
Net cash provided by/(used in) financing activities		(766,248,180)	400,354,334
D. Net increase/(decrease) of cash and cash equivalents (A+B+C)		34,252,830	(253,920,499)
E. Cash and cash equivalents at the beginning of the year		18,840,442	270,139,607
F. Effect of foreign exchange rate changes on cash and cash equivalents		7,754,188	2,621,333
G. Cash and cash equivalents at the end of the year (D+E+F)		60,847,460	18,840,442
Net operating cash flows per share	33.04	11.38	(8.97)



Chairman



Managing Director



Company Secretary

KDS ACCESSORIES LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2024

1.00 REPORTING ENTITY

1.01 Formation and Legal Status

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

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

1.02 Nature of Business

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

2.00 BASIS OF FINANCIAL STATEMENT PREPARATION AND PRESENTATION

2.01 Statement of Compliance

The financial statements have been prepared in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 2020.

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 2024
- b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024
- c) A statement of Changes in Equity for the year ended 30 June 2024
- d) A statement of Cash Flows for the year ended 30 June 2024
- e) Notes, comprising a summary of significant accounting policies and explanatory information.



2.03 Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994:

- a) The Income Tax Act, 2023 and applicable Income Tax Rules
- b) The Value Added Tax and Supplementary Duty Act, 2012
- c) The Value Added Tax and Supplementary Duty Rule, 2016
- d) The Securities and Exchange Rules, 2020
- e) The Customs Act, 1969 & The Customs Act, 2023
- f) Bangladesh Labour Law, 2006

2.04 Authorization for Issue

The financial statements were authorized for issue by the Board of Directors on 23 October 2024

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 under 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 Cash Flows Statement

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, 2020.

2.08 Going Concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

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) adopted by the Financial Reporting Council, Bangladesh, the Company Act 1994, the Securities and Exchange Rules 2020, and other applicable laws and regulations 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-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS- 13	Fair Value Measurement
IFRS- 15	Revenue from Contract with Customers
IFRS-16	Leases

2.11 Use of Estimates and Judgements

The preparation of financial statements in conformity with IAS & IFRSs 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. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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: 20	Trade and other payables
Note: 22	Provision for Income Tax

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

The financial statements provide comparative information in respect of the previous year for all amount reported in the current year's financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.14 Consistency of presentation

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the year ended 30 June 2024 are consistent with those policies and methods applied in preparing the financial statements for the year ended 30 June 2023.

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

3.01 Property, Plant and Equipment

i) Recognition and Measurement

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

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

ii) Pre-Operating Expenses and Borrowing Costs

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

iii) Subsequent Costs and Maintenance Activities

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

iv) Revaluation of Property, Plant and Equipment

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

v) Depreciation

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

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. After considering the useful life of assets as per IAS-16 "Property, plant and equipment", the annual depreciation have been applied equal allocation of total cost over useful life of assets which is considered reasonable by the management.

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

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

vi) Impairment of Assets

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

vii) Retirement and Disposals

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

3.02 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.

3.03 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 2024 and these are stated at cost.

3.04 Investment

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%.

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 Securities Limited is recognized on initial recognition as a financial asset in accordance with IFRS 9.

3.05 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 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.

3.06 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 or 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.

3.07 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.

3.07.01 Financial Assets

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

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

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

Loans and Receivables

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

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

a) Trade and Other Receivables

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

3.07.02 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.

3.08 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.

3.09 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 ranked after all other shareholders. Creditors are fully entitled to obtain any proceeds of liquidation before all shareholders.

3.10 Revaluation Reserve

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

3.11 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.

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.

3.12 Taxation

i) Current Tax

Income Tax is calculated and provision is made in accordance with IAS 12 'Income taxes'. As per SRO 44-ACT/IT-25/2024 of dated 4 March 2024, KDS Accessories Limited Pays 12% tax on Business Income for being export oriented company. Besides this, the company charged tax at a rate of 20% 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 entity will continue for foreseeable period and entity has no intention to sale the land. Hence, possibility of having any income tax implications on land is remote.

3.13 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.

3.14 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.

3.15 Revenue Recognition

Revenue is recognized as per IFRS-15: Revenue from Contracts with Customers, when invoice for products are made and the control is 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.

3.16 Other Income

Other income includes gain /(loss) on sale of property, plant and equipment and rental income, wastage sales and forfeiture of Provident fund.

3.17 Finance Income and Cost

3.17.01 Finance Income

Interest income on Fixed Deposit Receipts (FDR), Short Term Deposits (STD) 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.

3.17.02 Finance Cost

Interest expenses comprise interest expense on operational overdraft, term loan, 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.

3.18 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.

3.19 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.

3.20 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.

3.21 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.

3.22 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.

4.00 Property, plant and equipment

	Amount in Taka									
	At revaluation	At cost								Total
	Land and Land development	Plant and Machineries	Administrative Building	Factory Building	Office Equipment	Electric Installation	Furniture & Fixture	Computer Equipment	Motor Vehicle	
At cost/revaluation										
Balance as on 01 July 2022	431,214,704	1,030,555,341	50,817,030	504,562,976	31,363,727	97,504,712	16,554,104	32,888,877	68,156,088	2,263,617,559
Addition during the year	-	26,260,460	-	3,894,848	1,164,700	4,451,430	263,003	848,221	2,530,092	39,412,754
Disposal/Adjustment during the year	-	-	-	-	(39,999)	-	-	(193,350)	-	(233,349)
Balance as at 30 June 2023	431,214,704	1,056,815,801	50,817,030	508,457,824	32,488,428	101,956,142	16,817,107	33,543,748	70,686,180	2,302,796,964
Balance as on 01 July 2023	431,214,704	1,056,815,801	50,817,030	508,457,824	32,488,428	101,956,142	16,817,107	33,543,748	70,686,180	2,302,796,964
Addition during the year	-	6,910,151	212,000	2,553,203	517,695	1,268,276	155,009	1,740,209	-	13,356,543
Disposal/Adjustment during the year	-	-	-	-	(70,000)	(20,084)	(15,420)	(168,705)	(2,147,591)	(2,421,800)
Balance as at 30 June 2024	431,214,704	1,063,725,952	51,029,030	511,011,027	32,936,123	103,204,334	16,956,696	35,115,252	68,538,589	2,313,731,707
Accumulated depreciation										
Balance as on 01 July 2022	-	572,945,706	23,344,016	235,221,510	26,934,375	69,615,241	14,654,382	28,894,219	61,254,570	1,032,864,019
Charged for the year	-	60,555,489	1,667,937	24,031,837	1,605,805	7,380,367	773,299	1,420,276	2,185,152	99,620,162
Adjustment for disposal during the year	-	-	-	-	(28,886)	-	-	(193,347)	-	(222,233)
Balance as at 30 June 2023	-	633,501,195	25,011,953	259,253,347	28,511,294	76,995,608	15,427,681	30,121,148	63,439,722	1,132,261,948
Balance as on 01 July 2023	-	633,501,195	25,011,953	259,253,347	28,511,294	76,995,608	15,427,681	30,121,148	63,439,722	1,132,261,948
Charged for the year	-	57,910,971	1,675,004	24,091,285	1,532,214	7,115,979	729,933	1,751,781	2,271,545	97,078,712
Adjustment for disposal during the year	-	-	-	-	(61,109)	(20,083)	(15,415)	(168,702)	(2,147,590)	(2,412,899)
Balance as at 30 June 2024	-	691,412,166	26,686,957	283,344,632	29,982,399	84,091,504	16,142,199	31,704,227	63,563,677	1,226,927,761
Carrying amount										
As at 30 June 2023	431,214,704	423,314,606	25,805,077	249,204,477	3,977,134	24,960,534	1,389,426	3,422,600	7,246,458	1,170,535,016
As at 30 June 2024	431,214,704	372,313,786	24,342,073	227,666,395	2,953,724	19,112,830	814,497	3,411,025	4,974,912	1,086,803,946

Depreciation allocated to:	Note(s)	Allocation Basis	01 Jul 2023 to	01 Jul 2022 to
			30 Jun 2024	30 Jun 2023
			Taka	Taka
Factory Overhead	26.02	80%	77,662,970	79,696,130
Administrative Expenses	27.00	20%	19,415,742	19,924,032
			<u>97,078,712</u>	<u>99,620,162</u>



4.01 Property, plant and equipment - at cost model

	Amount in Taka									
	Land and Land development	Plant and Machineries	Administrative Building	Factory Building	Office Equipment	Electric Installation	Furniture & Fixture	Computer Equipment	Motor Vehicle	Total
At cost										
Balance as on 01 July 2022	216,823,001	1,030,555,341	50,817,030	504,562,976	31,363,727	97,504,712	16,554,104	32,888,877	68,156,088	2,049,225,856
Addition during the year	-	26,260,460	-	3,894,848	1,164,700	4,451,430	263,003	848,221	2,530,092	39,412,754
Disposal/Adjustment during the year	-	-	-	-	(39,999)	-	-	(193,350)	-	(233,349)
Balance as at 30 June 2023	216,823,001	1,056,815,801	50,817,030	508,457,824	32,488,428	101,956,142	16,817,107	33,543,748	70,686,180	2,088,405,261
Balance as on 01 July 2023	216,823,001	1,056,815,801	50,817,030	508,457,824	32,488,428	101,956,142	16,817,107	33,543,748	70,686,180	2,088,405,261
Addition during the year	-	6,910,151	212,000	2,553,203	517,695	1,268,276	155,009	1,740,209	-	13,356,543
Disposal/Adjustment during the year	-	-	-	-	(70,000)	(20,084)	(15,420)	(168,705)	(2,147,591)	(2,421,800)
Balance as at 30 June 2024	216,823,001	1,063,725,952	51,029,030	511,011,027	32,936,123	103,204,334	16,956,696	35,115,252	68,538,589	2,099,340,004
Accumulated depreciation										
Balance as on 01 July 2022	-	572,945,706	23,344,016	235,221,510	26,934,376	69,615,241	14,654,382	28,894,219	61,254,570	1,032,864,020
Charged for the year	-	60,555,489	1,667,937	24,031,837	1,605,805	7,380,367	773,299	1,420,276	2,185,152	99,620,162
Adjustment for disposal during the year	-	-	-	-	(28,886)	-	-	(193,347)	-	(222,233)
Balance as at 30 June 2023	-	633,501,195	25,011,953	259,253,347	28,511,295	76,995,608	15,427,681	30,121,148	63,439,722	1,132,261,949
Balance as on 01 July 2023	-	633,501,195	25,011,953	259,253,347	28,511,295	76,995,608	15,427,681	30,121,148	63,439,722	1,132,261,949
Charged for the year	-	57,910,971	1,675,004	24,091,285	1,532,214	7,115,979	729,933	1,751,781	2,271,545	97,078,712
Adjustment for disposal during the year	-	-	-	-	(61,109)	(20,083)	(15,415)	(168,702)	(2,147,590)	(2,412,899)
Balance as at 30 June 2024	-	691,412,166	26,686,957	283,344,632	29,982,400	84,091,504	16,142,199	31,704,227	63,563,677	1,226,927,762
Carrying amount										
As at 30 June 2023	216,823,001	423,314,606	25,805,077	249,204,477	3,977,133	24,960,534	1,389,426	3,422,600	7,246,458	956,143,312
As at 30 June 2024	216,823,001	372,313,786	24,342,073	227,666,395	2,953,723	19,112,830	814,497	3,411,025	4,974,912	872,412,242



	Note(s)	30 June 2024 Taka	30 June 2023 Taka		
5.00 Intangible assets					
Software	5.01	283,750	438,520		
		283,750	438,520		
5.01 Intangible assets schedule					
<u>Cost</u>					
Opening balance		7,199,703	6,735,393		
Add: Addition during the year		-	464,310		
Closing balance		7,199,703	7,199,703		
<u>Accumulated amortization</u>					
Opening balance		6,761,183	6,640,513		
Add: Charged during the year		154,770	120,670		
Closing balance		6,915,953	6,761,183		
Carrying amount		283,750	438,520		
6.00 Capital work-in-progress					
Opening balance		1,105,171	25,146,785		
Add: Expenditure incurred during the year	6.01	1,340,119	1,379,225		
		2,445,290	26,526,010		
Less: Capitalized during the year	6.01	(2,413,890)	(25,420,839)		
Closing balance		31,400	1,105,171		
6.01 Details of capital work-in -progress					
Particulars	Opening Balance	Additions during the year	Capitalized during the Year	Balance as on 30 June 2024	Balance as on 30 June 2023
Factory Building	1,105,171	1,096,719	(2,201,890)	-	1,105,171
Administrative building	-	212,000	(212,000)	-	-
Plant & machinery	-	31,400	-	31,400	-
	1,105,171	1,340,119	(2,413,890)	31,400	1,105,171
				30 June 2024	30 June 2023
				Taka	Taka
7.00 Investment in SKYS Securities Limited					
SKYS Securities Limited				30,377,066	30,377,066
				30,377,066	30,377,066
8.00 Other investment					
Investment in Fixed Deposit Receipts				5,182,233	5,013,936
				5,182,233	5,013,936
Name of Banks	Purpose	Period	Interest rate		
Bank Asia Limited	Bank Guarantee	1 year	6.75%	3,740,778	3,578,002
Exim Bank Limited	Bank Guarantee	1-3 years	5.5-6.5%	1,441,455	1,435,934
				5,182,233	5,013,936
9.00 Inventories					
Raw materials				365,350,950	664,794,182
Work-in-process				13,777,608	18,870,386
Finished goods				7,649,654	7,454,366
Stores & spares				89,610,577	84,944,671
Goods in transit				95,169,339	6,159,743
				571,558,128	782,223,348



9.01 Quantitative movement of raw materials and finished goods

A. Raw Materials

Product name	Unit	Opening balance	Procurement	Available for consumption	Consumption	Closing balance
Liner Paper	Kg	2,414,408	8,381,837	10,796,245	(8,716,925)	2,079,320
Medium Paper	Kg	2,327,888	6,899,534	9,227,422	(7,915,749)	1,311,673
Duplex Board	Kg	67,649	98,067	165,716	(125,966)	39,750
Art Card	Kg	-	24,344	24,344	(762)	23,582
Yarn	Kg	127,195	70,000	197,195	(62,196)	134,999
Starch	Kg	655	18,000	18,655	(1,989)	16,666
Styrene Monomer	Kg	-	24,120	24,120	(15,565)	8,555
Corrugel	Kg	-	414,000	414,000	(363,957)	50,043
Chemical	Ltr	4,538	-	4,538	(3,882)	656
Resin	Kg	78,846	229,320	308,166	(281,806)	26,360
Rubber Thread	Kg	84,852	18,500	103,352	(81,287)	22,065
Cobalt PT-121	Kg	-	464	464	(336)	128
Printing Ink	Kg	3,708	12,270	15,978	(11,678)	4,300
Pigment	Kg	446	17,145	17,591	(15,971)	1,620
Ribbon	Kg	4,700	1,608	6,308	(4,929)	1,379
OPP Gum Tape	Kg	45,107	127,921	173,028	(126,645)	46,383
GPSS/PP/HIPS	Kg	69,527	49,500	119,027	(85,573)	33,454
		5,229,519	16,386,630	21,616,149	(17,815,216)	3,800,933

B. Finished goods

Product name	Unit	Opening balance	Production	Available for sale	Sales	Closing balance
Carton	Pcs	53,180	21,184,985	21,238,165	(21,154,291)	83,874
Label	Pcs	152,665	66,336,043	66,488,708	(66,177,691)	311,017
Elastics and Narrow Fabrics	Yards	67,186	18,301,498	18,368,684	(18,368,684)	-
Offset Printing	Pcs	22,450	38,618,859	38,641,309	(38,634,909)	6,400
Heat Transfer Printing	Pcs	-	2,019,136	2,019,136	(2,019,136)	-
Button	GG	-	211,782	211,782	(211,782)	-
Gum Tape	Rolls	-	559,850	559,850	(559,850)	-
Hanger	Pcs	69,094	4,200,711	4,269,805	(4,269,805)	-
		364,575	151,432,864	151,797,439	(151,396,148)	401,291

	Note(s)	30 June 2024	30 June 2023
		Taka	Taka
10.00 Trade receivables			
Opening balance		1,417,250,223	1,614,767,904
Add: Addition during the year	25.00	2,530,678,096	2,794,569,748
Add: Adjustment for foreign currency translation gain	10.02	106,292,204	94,472,260
		4,054,220,524	4,503,809,912
Less: Realized during the year		(2,672,312,445)	(3,086,559,689)
Closing Balance		1,381,908,079	1,417,250,223

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 2024	30 June 2023
	Taka	Taka
10.03 Trade receivables include affiliated companies		
KDS Fashion Limited	87,975,225	95,294,235
KDS Garment Industries Limited	44,890,794	26,954,550
KDS IDR Limited	124,151,859	154,333,665
KDS Apparels Limited	12,784,239	-
	269,802,117	276,582,450



		30 June 2024	30 June 2023
		Taka	Taka
10.04 Ageing of trade receivables			
Dues within 3 Months		586,176,363	594,024,881
Dues over 3 Months		795,731,716	823,225,342
		1,381,908,079	1,417,250,223
10.05 Trade receivables - classification by security and related party:			
Receivable considered good and secured		1,381,908,079	1,417,250,223
Receivable considered good without security		-	-
Receivable considered doubtful or bad debt		-	-
Receivable due by directors or other officers		-	-
Receivable due from companies under same management		269,802,117	276,582,450
Maximum receivable due by directors or officers at any time		-	-
11.00 Other receivables			
Accrued interest income on FDR		438,324	375,233
		438,324	375,233
		30 June 2024	30 June 2023
	Note(s)	Taka	Taka
12.00 Advances, deposits and prepayments			
Advances	12.01	59,533,237	71,281,735
Security deposits	12.02	14,757,554	13,592,262
Prepayments	12.03	2,536,686	2,932,417
		76,827,477	87,806,414
12.01 Advances			
Against salary and allowances		3,038,536	1,610,331
Against income tax	12.01.01	28,324,180	35,674,976
Advance against Land		12,847,598	12,847,598
Others		15,322,923	21,148,830
		59,533,237	71,281,735
12.01.01 Advance income tax			
Opening balance		35,674,976	31,933,050
Add: Paid/deducted during the year		25,111,861	32,462,657
Less: Adjusted during the year		(32,462,657)	(28,720,731)
Closing balance		28,324,180	35,674,976
12.02 Security deposits			
T & T		20,000	20,000
Titas Gas Transmission & Distribution Company Limited		2,429,000	2,429,000
Gazipur Palli Bidyut Samity		9,065,088	9,065,088
Karnaphuli Gas Transmission Limited		1,462,983	549,161
Central Depository Bangladesh Limited (CDBL)		500,000	500,000
Chattogram Port Authority & Shipping Agent		980,483	729,013
Gulshan Club Limited		300,000	300,000
		14,757,554	13,592,262
12.03 Prepayments			
Insurance premium		2,536,686	2,932,417
		2,536,686	2,932,417
12.04	The management 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		46,330,556	68,090,697
KDS Thread Limited		772,047,913	794,828,250
		818,378,469	862,918,947

The above amounts represent transactions with KDS Poly Industries Limited and KDS Thread Limited during the period and all the transactions were made through banking channel.



14.00 Short term investment
 Investment in Fixed Deposit Receipts

Note(s)	30 June 2024	30 June 2023
	Taka	Taka
	-	2,374,677
	-	2,374,677

15.00 Cash and cash equivalents
 Cash in hand
 Cash at bank

Note(s)	30 June 2024	30 June 2023
	Taka	Taka
15.01	986,009	530,396
15.02	59,861,451	18,310,046
	60,847,460	18,840,442

15.01 Cash in hand
 Head office
 Dhaka office
 Gazipur factory office

	291,169	159,499
	331,772	141,321
	363,068	229,576
	986,009	530,396



15.02 Cash at Bank

Name of Banks	Account No	Branch	Account Type	30 June 2024	30 June 2023
				Taka	Taka
Bank Asia Limited	01236050518	MCB Banani	SND	1,361	1,337
Bank Asia Limited	00542000114	Agrabad	Retention Quota	-	30,768
Bank Asia Limited	00547000033	Agrabad	USD	705,649	5,082,237
Bank Asia Limited	00533007874	Agrabad	Current Deposit	19,269	19,959
Bank Asia Limited	01242000049	MCB Banani	Retention Quota	3,849,993	1,080,345
Bank Asia Limited	01247000009	MCB Banani	USD	1,026	943
Bank Asia Limited	00542000136	Agrabad	USD	2,255	2,072
Bank Asia Limited	01247000030	MCB Banani	RAD	44,804,101	4,824,183
Bank Asia Limited	01236050569	MCB Banani	SND	80,946	266,921
Bank Asia Limited	01233054918	MCB Banani	Current Deposit	4,808	140,810
Dutch Bangla Bank Limited	1421100015883	Jubilee Road	Current Deposit	663,504	326,844
Eastern Bank Limited	0011060000176	Agrabad	Current Deposit	43,277	45,325
HSBC	004-046140-011	Agrabad	Current Deposit	22,337	288,259
Mutual Trust Bank Limited	0002-0320003052	Motijheel	Escrow	102,054	102,459
NCC Bank Limited	0107-0210001284	Baridhara	Current Deposit	2,306	2,594
NRB Bank Limited	2012010105606	Agrabad	Current Deposit	64,004	210
Standard Chartered Bank	01 3979660 01	Agrabad	Current Deposit	64,882	1,215,560
Standard Chartered Bank	013979660-02	Agrabad	Current Deposit	1,173,520	824,071
Standard Chartered Bank	01 3979660 03	Agrabad	Current Deposit	95,355	479,911
Standard Chartered Bank	46397966002	Agrabad	USD	4,666,278	2,599,630
Southeast Bank Limited	15400000112	Agrabad	USD	3,491,434	970,452
Southeast Bank Limited	11100026308	Agrabad	Current Deposit	3,015	4,734
Trust Bank Limited	0210002272	Dewan Bazar	Current Deposit	77	422
				59,861,451	18,310,046

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	49,662,110
71,182,361 Ordinary Shares of Tk. 10 each	711,823,610	711,823,610

16.01 Shareholding position

Name of the shareholders	30 June 2024		30 June 2023	
	Percentage of holding	Number of shares	Percentage of holding	Number of shares
Mr. Khalilur Rahman	42.99%	30,599,237	42.99%	30,599,237
Mr. Salim Rahman	14.09%	10,030,344	14.09%	10,030,344
Ms. Hasina Iqbal	1.03%	734,389	1.03%	734,389
Ms. Tahsina Rahman	3.84%	2,736,475	3.84%	2,736,475
Ms. Tahmina Rahman	0.001%	433	0.001%	433
KDS Garments Inds. Limited	2.01%	1,431,917	2.01%	1,431,917
General Public (IPO)	36.03%	25,649,566	36.03%	25,649,566
	100%	71,182,361	100%	71,182,361

16.02 Classification of shares by holding

Slab by number of shares	No. of Shareholders	No. of Shares	Holding (%)
Less than 500	2,861	524,210	0.74%
From 500 to 5,000	1,965	3,671,631	5.16%
From 5,001 to 10,000	269	2,027,867	2.85%
From 10,001 to 20,000	178	2,626,362	3.69%
From 20,001 to 30,000	63	1,551,046	2.18%
From 30,001 to 40,000	33	1,134,975	1.59%
From 40,001 to 50,000	19	869,389	1.22%
From 50,001 to 100,000	29	2,030,330	2.85%
From 100,001 to 1,000,000	39	10,468,416	14.71%
Above 1,000,000	6	46,278,135	65.01%
	5,462	71,182,361	100%

Note(s)	30 June 2024	30 June 2023
	Taka	Taka
17.00 Long term borrowings		
Opening balance	115,979,435	135,546,851
Add: Received during the year	-	-
Add: Interest applied	8,598,141	10,099,295
Add: Bank charges	21,000	48,000
Add: Adjustment for foreign currency translation Loss	1,377,958	9,040,711
	125,976,534	154,734,857
Less: Paid during the year	(35,052,846)	(38,755,422)
Closing balance	90,923,688	115,979,435
17.01 Current/non-current classification		
Due within one year	37,150,404	33,422,964
Due after one year	53,773,284	82,556,471
	90,923,688	115,979,435
17.02 Details of long term borrowings		
Bank Asia Limited - Agrabad	17.03	90,923,688
Bank Asia Limited - MCB Banani	17.04	-
		111,848,535
		4,130,900
		90,923,688
		115,979,435

17.03 A. Bank Asia Limited, Agrabad, Chattogram.

Total sanctioned amount	Tk. 3.50 Crore
Year	2021
Purpose	Construction of two storied shed
Interest rate	9%-13.55% (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.

17.03 B. Bank Asia Limited, Agrabad, Chattogram.

Total sanctioned amount	Tk. 8 Crore
Year	2022
Purpose	Import of Plant & Machinery
Interest rate	6%-10% (Revised from time to time)
Tenure	Five Years Six Months
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 2024 Taka	30 June 2023 Taka
18.00 Defined benefit obligation- gratuity			
Opening balance		137,297,430	119,456,593
Add: Provision made during the year	26.02 & 27	12,755,541	21,267,142
		150,052,971	140,723,735
Less: Paid during the year		(4,990,875)	(3,426,305)
Closing balance		145,062,096	137,297,430

19.00 Deferred tax liability

	30 June 2024 Taka	30 June 2023 Taka
Opening balance	23,728,391	23,656,041
Provided during the year		
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(3,450,181)	4,602,383
Provision for Gratuity	(931,760)	(4,530,033)
Investment	-	-
	(4,381,941)	72,350
Closing balance	19,346,450	23,728,391

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

	Carrying Amount	Tax Base	Tax Rate	Taxable / (Deductible) Temporary Difference	Deferred tax liabilities/ (assets)
As on 30 June 2024	Taka	Taka	Percentage	Taka	Taka
Property, plant & equipment (Excluding Land)	655,872,992	358,747,682	12.00%	297,125,310	35,655,037
Gratuity	(145,062,096)	-	12.00%	(145,062,096)	(17,407,452)
Investment	30,377,066	23,405,000	15% - 20%	6,972,066	1,098,865
Net taxable temporary difference				159,035,280	19,346,450

	Carrying Amount	Tax Base	Tax Rate	Taxable / (Deductible) Temporary Difference	Deferred tax liabilities/ (assets)
As on 30 June 2023	Taka	Taka	Percentage	Taka	Taka
Property, plant & equipment (Excluding Land)	739,758,832	413,882,019	12.00%	325,876,813	39,105,218
Gratuity	(137,297,430)	-	12.00%	(137,297,430)	(16,475,692)
Investment	30,377,066	23,405,000	15% - 20%	6,972,066	1,098,865
Net taxable temporary difference				195,551,449	23,728,391

	Note(s)	30 June 2024	30 June 2023
		Taka	Taka
20.00 Trade and other payables			
Trade payable	20.01	1,237,821,783	919,183,629
For revenue expenses	20.02	197,195,152	218,054,152
For other finance	20.03	1,329,506	557,692
		1,436,346,441	1,137,795,473
	Note(s)	30 June 2024	30 June 2023
		Taka	Taka
20.01 Trade payable			
Liability for imported goods		1,209,477,496	900,647,603
Liability for local goods & Expenses		28,344,287	18,536,026
		1,237,821,783	919,183,629

Liability for imported goods includes foreign currency translation loss of Tk. 95,920,282 (foreign currency translation loss for the corresponding year 2022-2023 was of Tk. 48,045,223) arising due to translation of trade payables in foreign currency at the reporting date.

	Note(s)	30 June 2024	30 June 2023
		Taka	Taka
20.02 For revenue expenses			
Audit fee		625,500	546,500
C & F charges		9,270,427	8,559,029
Commission on sales		2,002,150	4,013,524
Electricity bill		2,675,180	105,172
Employee salaries and director's remuneration		34,238,944	30,674,772
Gas charges		4,344,849	5,666,224
Insurance expenses		3,550,058	3,168,326
Provident fund		138,752,836	130,210,017
Rent expenses		1,443,266	34,818,646
Telephone & mobile bill		291,942	291,942
		197,195,152	218,054,152
20.03 For other Finance			
Staff income tax		351,617	110,451
Supplier income tax		816,027	125,323
VAT on audit fee		93,825	77,250
VAT payable-others		68,037	244,668
		1,329,506	557,692
21.00 Unclaimed Dividend			
Opening Balance		820,459	861,655
Add: Cash dividend declared during the year		71,182,361	113,891,778
Less: Paid/adjusted during the year		(70,823,441)	(113,932,974)
		1,179,379	820,459
21.01 Dividend unclaimed for the years			
<u>For year ended on</u>			
30 June 2023 (Final)		475,694	-
30 June 2022 (Final)		173,872	174,354
30 June 2021 (Final)		529,813	530,265
30 June 2020 (Final)		-	115,840
		1,179,379	820,459

An Amount Tk. 115,840 was transferred to Capital Market Stabilization Fund, on 20 November 2023 through CQ No 2092356, Standard Chartered Bank as per Letter No: KDSA/CTG/F&A/1385/23.

22.00 Provision for Income Tax			
Opening balance		54,281,545	39,094,407
Add: Provision during the year		40,134,779	44,001,469
Add/(Less): Prior Year's Adjustment			(93,600)
		40,134,779	43,907,869
Less: Paid/adjusted during the year		(32,462,657)	(28,720,731)
		61,953,667	54,281,545

22.01 Reconciliation of effective tax rate

	30 June 2024		30 June 2023	
	Rate	Taka	Rate	Taka
Profit before Tax		189,512,524		197,232,764
Total Income Tax Expenses	18.87%	35,752,838	22.30%	43,980,219
Factors affecting the tax charge:				
Tax using the applicable rate	20.00%	37,902,505	20.00%	39,446,553
Difference between accounting & fiscal Depreciation	3.03%	5,750,301	13.23%	26,101,053
Inadmissible Expenses	0.64%	1,207,143	2.65%	5,220,211
Difference Between WPPF & WF Provision & Payment	3.56%	6,738,781	1.83%	3,599,624
Difference Between Gratuity Provision & Payment	1.87%	3,549,283	2.16%	4,253,428
Rebate on export sales	-10.23%	(19,395,175)	-17.56%	(34,640,650)
	18.87%	35,752,838	22.30%	43,980,219

	Note(s)	30 June 2024	30 June 2023
		Taka	Taka
23.00 Short term bank loan			
Bank Overdraft	23.01	67,261,086	115,259,940
Local Documentary Bill Purchase (LDBP)	23.02	-	319,879,580
Demand Loan and Time Loan	23.03	176,180,398	523,211,434
		243,441,484	958,350,954
23.01 Bank Overdraft			
Bank Asia Limited		41,770,770	72,249,385
Southeast Bank Limited		25,490,316	43,010,555
		67,261,086	115,259,940
23.02 Local Documentary Bill Purchase (LDBP)			
Bank Asia Limited		-	121,916,939
Southeast Bank Limited		-	42,326,608
Standard Chartered Bank		-	155,636,033
		-	319,879,580
23.03 Demand Loan and Time Loan			
Bank Asia Limited		89,689,797	384,558,794
Southeast Bank Limited		17,171,181	87,743,750
Standard Chartered Bank		50,313,542	50,908,890
NRB Bank Limited		19,005,878	-
		176,180,398	523,211,434
24.00 Provision for WPPF and Welfare Fund			
Opening balance		90,882,496	72,884,376
Add: Provision made during the year		9,974,343	10,380,672
Add: Interest during the year	27.00	7,272,857	7,617,448
Less: Paid during the year		(16,446,705)	-
		91,682,991	90,882,496

As per provision of Workers' Profit Participation Fund (WPPF) and Welfare Fund (WF) of Labor Act 2006, the company has been maintaining provision of WPPF & WF since 2010. Meantime, the company has credited interest on the non-distributed WPPF & WF fund till 30 June 2024 with a view to protecting the interest of the workers.

	Notes	01 July 2023 to 30 June 2024		01 July 2022 to 30 June 2023	
		USD	Taka	USD	Taka
25.00 Revenue					
Export sales	25.01	23,537,671	2,530,678,096	28,390,351	2,794,569,748
		23,537,671	2,530,678,096	28,390,351	2,794,569,748

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

Product name	01 July 2023 to 30 June 2024		01 July 2022 to 30 June 2023	
	(%)	Taka	(%)	Taka
Carton	80.72%	2,042,641,821	80.89%	2,260,540,588
Label	2.40%	60,854,372	2.85%	79,536,326
Elastics and Narrow Fabrics	5.71%	144,624,139	4.36%	121,752,582
Offset Printing	2.88%	72,885,700	2.53%	70,589,967
Heat Transfer Printing	0.16%	4,082,078	0.38%	10,715,614
Button	6.03%	152,649,678	6.07%	169,576,735
Gum Tape	1.84%	46,642,648	1.44%	40,359,726
Hanger	0.25%	6,297,662	1.48%	41,498,210
	100%	2,530,678,096	100%	2,794,569,748

	Note(s)	01 July 2023 to 30 June 2024	01 July 2022 to 30 June 2023
		Taka	Taka
26.00 Cost of goods sold			
Raw materials consumed	26.01	1,605,458,639	1,807,974,597
Factory overhead	26.02	462,602,973	414,175,821
Cost of Production		2,068,061,612	2,222,150,418
Add: Opening work-in-process		18,870,386	30,519,075
Less: Closing work-in-process	9.00	(13,777,608)	(18,870,386)
Cost of goods manufactured		2,073,154,390	2,233,799,107
Goods used for sample making	28.00	(509,142)	(659,886)
		2,072,645,248	2,233,139,221
Opening finished goods		7,454,366	13,860,659
Cost of goods available for sale		2,080,099,614	2,246,999,880
Closing finished goods	9.00	(7,649,654)	(7,454,366)
		2,072,449,960	2,239,545,514
26.01 Raw materials consumed			
Opening inventory		664,794,182	665,996,119
Add: Purchases during the year		1,306,015,407	1,806,772,660
Total materials available		1,970,809,589	2,472,768,779
Less: Closing inventory	9.00	(365,350,950)	(664,794,182)
		1,605,458,639	1,807,974,597
26.02 Factory overhead			
Salaries, wages and others		232,176,647	208,727,624
Ansar/security cost		3,859,322	3,650,989
Depreciation	4.00	77,662,970	79,696,130
Electricity expenses		15,462,968	7,178,443
Fuel expenses		17,363,509	18,864,959
Gas Expenses		49,733,785	35,459,762
Generator running expenses		1,791,849	2,081,943
Gratuity	18.00	2,551,108	4,253,428
Insurance premium		3,531,411	4,663,362
Labour charges		1,964,513	2,483,406
Printing and processing charges		3,561,822	2,895,850
Repair and maintenance		9,143,747	11,468,993



		01 July 2023 to 30 June 2024	01 July 2022 to 30 June 2023
	Note(s)	Taka	Taka
Stores and spares consumption	26.03	28,877,591	18,382,578
Telephone expenses		1,544,007	1,533,194
Testing fee		6,382,528	4,057,089
Uniform and liveries		687,613	545,741
Vehicle maintenance expenses		5,958,356	7,774,540
Water and sanitation expenses		349,227	457,790
		462,602,973	414,175,821
26.03 Stores and spares consumption			
Opening inventory		84,944,671	82,471,375
Add: Purchases during the year		33,543,497	20,855,874
Total spare parts available		118,488,168	103,327,249
Less: Closing inventory	9.00	(89,610,577)	(84,944,671)
		28,877,591	18,382,578
27.00 Administrative Expenses			
Salaries and Allowances		97,425,330	90,764,489
Director's remuneration		6,100,000	6,100,000
Audit fee		677,850	693,550
AGM Expenses		795,299	927,677
Amortization	5.00	154,770	120,670
Depreciation	4.00	19,415,742	19,924,032
Electricity expenses		2,728,759	1,266,784
Entertainment		1,169,677	981,518
Fuel expenses		2,110,642	2,307,371
Gratuity	18.00	10,204,433	17,013,714
Group insurance		614,407	601,177
Guest house expenses		457,342	663,773
Insurance expenses		1,513,462	1,998,584
Interest on WPPF	24.00	7,272,857	7,617,448
Internet expenses		1,849,195	1,845,293
Medical expenses		203,823	346,435
Miscellaneous expenses		6,072,200	6,121,613
Periodicals expenses		32,347	32,529
Office maintenance		423,142	499,190
Postage and parcel expenses		1,200,343	394,254
Printing and stationeries		2,463,586	2,002,956
Professional fees		67,033	53,750
Rent expenses - Dhaka office		11,307,861	10,496,562
Rent, rates, license, renewal and others fee		2,750,343	1,964,902
Repair and maintenance		1,201,233	1,506,705
Security cost - Ansar cost		681,057	644,292
Fooding expenses		3,427,046	2,060,641
Training expenses		22,796	10,000
Telephone		1,887,119	1,873,903
Travelling and conveyance		1,786,259	793,581
Vehicle maintenance expenses		662,040	863,838
		186,677,993	182,491,231



	Note(s)	01 July 2023	01 July 2022
		to 30 June 2024	to 30 June 2023
		Taka	Taka
28.00 Selling and distribution expenses			
Salaries and allowances		26,460,944	25,752,299
Advertisement expenses		1,044,090	1,095,607
Carriage outward		20,982,603	20,200,174
Sales promotion and commission expenses		10,908,506	6,245,497
Sample expenses	26.00	509,142	659,886
		59,905,285	53,953,463
29.00 Finance cost			
Interest on bank loan and others		73,398,495	61,742,590
Bank charges and commission		11,582,307	11,827,412
Gain/(Loss) on currency fluctuation		8,164,290	103,543,465
		93,145,092	177,113,467
30.00 Finance income			
Interest earned from FDR		326,719	373,516
Interest earned from STD		31,809	46,943
Interest income from inter-company receivable		76,527,755	62,354,373
		76,886,283	62,774,832
31.00 Other Income			
Rental income		1,560,000	1,560,000
Gain/(Loss) on sale of assets		541,988	7,999
Forfeiture of Provident Fund		1,076,455	821,271
Wastage Sales		922,374	983,261
		4,100,817	3,372,531



	01 July 2023 to 30 June 2024	01 July 2022 to 30 June 2023
	Taka	Taka
32.00 Reconciliation of cash generated by operations		
Profit before income tax	189,512,524	197,232,764
Depreciation charged	97,078,712	99,620,162
Amortization charged	154,770	120,670
(Gain)/loss on sale of property, plant and equipment	(541,988)	(7,999)
Finance Income	(76,886,283)	(62,774,832)
Finance Cost	93,145,092	177,113,467
(Increase)/Decrease in Inventory	210,665,220	84,058,016
(Increase)/Decrease in Trade Receivables (after adj. foreign currency fluctuation gain)	141,634,349	291,989,941
(Increase) / Decrease in Advances, Deposits and Pre-payments	3,628,141	4,170,110
Increase/(Decrease) in Trade and Other payables	176,340,286	(1,422,277,408)
Increase in provision of WPPF and WF	800,495	17,998,120
Increase in the provision of gratuity	7,764,666	17,840,837
Cash generated by operations	843,295,984	(594,916,152)
Interest paid (net)	(8,157,610)	(10,871,908)
Income Tax Paid	(25,111,861)	(32,462,657)
Net cash flows from operating activities	810,026,513	(638,250,717)
33.00 Earnings Per Share (EPS)		
33.01 Basic Earnings Per Share		
The computation of EPS is given below:		
Total earnings attributable to the ordinary shareholders	153,759,686	153,252,545
Number of ordinary shares outstanding during the year	71,182,361	71,182,361
Weighted average number of ordinary shares outstanding during the year	71,182,361	71,182,361
Basic Earnings Per Share	2.16	2.15
33.02 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.		
33.03 Net Asset Value Per Share (NAV)	30 June 2024	30 June 2023
	Taka	Taka
Total Assets	4,032,636,332	4,379,258,993
Less: Liabilities	2,089,936,196	2,519,136,183
Net Asset Value (NAV)	1,942,700,136	1,860,122,810
Number of ordinary shares outstanding during the year	71,182,361	71,182,361
Net Assets Value (NAV) per share	27.29	26.13
33.04 Net operating cash flow per share	01 July 2023 to 30 June 2024	01 July 2022 to 30 June 2023
	Taka	Taka
Net operating cash flows (from statement of cash flows)	810,026,513	(638,250,717)
Number of ordinary shares outstanding during the year	71,182,361	71,182,361
Net operating cash flow per share	11.38	(8.97)
34.00 Contingent liabilities and commitment		
Contingent liabilities and commitment at the reporting date are as follows:		
34.01 Bank guarantee	30 June 2024	30 June 2023
	Taka	Taka
Bank Asia Limited	11,197,208	9,369,565
	11,197,208	9,369,565
34.02 L/C liabilities		
Bank Asia Limited	235,563,840	97,555,783
Standard Chartered Bank	110,786,296	1,152,586
Southeast Bank Limited	17,195,600	86,830,730
	363,545,736	185,539,099

34.03 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June 2024.

35.00 Directors' interest in contracts with the company

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

36.00 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2024 other than trade credit available in the ordinary course of business.

37.00 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.

37.01 Key Management Personnel Compensation

Short term employee Benefits

30 June 2024	30 June 2023
Taka	Taka
6,100,000	6,100,000
6,100,000	6,100,000

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 2023-2024, managing director's remuneration is BDT 60,00,000 and festival bonus is BDT 1,00,000. In the year 2022-2023 managing director remuneration was BDT 60,00,000 and festival bonus was BDT 1,00,000. Attendance fees in connection with Board of Directors Meeting is BDT 1,25,000 during the year 2023-2024, it was 100,000 in the year 2022-2023.

37.02 Related party transactions

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 2023	Transaction during the year (Net)	Balance as on 30 June 2024
1	KDS Fashion Limited	Common directorship	Receivable against Sales	Dr. 95,294,235	(7,319,010)	Dr. 87,975,225
2	KDS Garment Inds. Ltd.	Common directorship	Receivable against Sales	Dr. 26,954,550	17,936,244	Dr. 44,890,794
3	KDS IDR Limited	Common directorship	Receivable against Sales	Dr. 154,333,665	(30,181,806)	Dr. 124,151,859
4	KDS Apparels Limited	Common directorship	Receivable against Sales	Dr. -	12,784,239	Dr. 12,784,239
5	KDS Poly Ind. Limited	Common directorship	Short Term Loan	Dr. 68,090,697	(21,760,141)	Dr. 46,330,556
6	KDS Thread Limited	Common directorship	Short Term Loan	Dr. 794,828,250	(22,780,337)	Dr. 772,047,913

38.00 Board of Directors (BOD) meetings & attendance:

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

39.00 Events after the reporting period

39.01 Proposed Dividend:

The Board of Directors of KDS Accessories Limited at its 153rd meeting held on 23 October 2024 recommended a final cash dividend 5% and stock dividend 5% amounting to BDT 71,182,361 being 10% of the paid-up capital (i.e. BDT 1.00 per share) for the year 30 June 2024. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company

39.02 Minimum amount to be distributed as dividend

As per Section 22 of ITA 2023, as a listed company, KDS Accessories Limited shall declare and distribute at least 30% of its net profit after tax as dividend to its shareholders otherwise 10% tax shall be imposed on the amount of retained earnings, fund, reserve or surplus transferred during the period.

	01 July 2023 to 30 June 2024	01 July 2022 to 30 June 2023
	Taka	Taka
Distributable Income	153,759,686	153,252,545
Minimum Dividend Percentage as per Section 22	30%	30%
Amount to be Distributed as Dividend	46,127,906	45,975,764
Net Profit Before Tax	189,512,524	197,232,764
Less: Income Tax	(35,752,838)	(43,980,219)
Distributable Income	153,759,686	153,252,545
	30 June 2024	30 June 2023
Number of employees whose monthly salary was below Tk. 8,000	1,303	1,316
Number of employees whose monthly salary was above Tk. 8,000	1,303	1,316

41.00 Quantitative information of production capacity for the year ended 30 June 2024

Particulars	Unit	01 July 2023 to 30 June 2024			01 July 2022 to 30 June 2023		
		Production Capacity (Pcs/GG)	Actual Production (Pcs/GG)	Capacity Utilization in (%)	Production Capacity (Pcs/GG)	Actual Production (Pcs/GG)	Capacity Utilization in (%)
Carton	Pcs	31,750,000	21,184,985	66.72%	31,750,000	21,594,712	68.01%
Label	Pcs	175,964,208	66,336,043	37.70%	175,964,208	59,660,775	33.91%
Elastics and Narrow Fabrics	Yard	35,376,000	18,301,498	51.73%	35,376,000	21,895,399	61.89%
Offset Printing	Pcs	150,009,600	38,618,859	25.74%	150,009,600	53,135,153	35.42%
Heat Transfer Printing	Pcs	24,960,000	2,019,136	8.09%	24,960,000	4,277,042	17.14%
Button	GG	360,000	211,782	58.83%	360,000	256,496	71.25%
Gum Tape	Pcs	4,290,000	559,850	13.05%	4,290,000	543,888	12.68%
Hanger	Pcs	45,000,000	4,200,711	9.33%	45,000,000	9,520,911	21.16%

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

42.00 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.

- a) Credit risk
- b) Liquidity risk
- c) Market risk



42.01 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:

	<u>30 June 2024</u>	<u>30 June 2023</u>
	Taka	Taka
Investments in FDRs (Short term & long term)	5,182,233	7,388,613
Advances, deposits and prepayments	76,827,477	87,806,414
Trade and other receivables	1,382,346,403	1,417,625,456
Due from affiliated companies	818,378,469	862,918,947
Cash at bank	59,861,451	18,310,046
	<u>2,342,596,033</u>	<u>2,394,049,476</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:

	<u>30 June 2024</u>	<u>30 June 2023</u>
	Taka	Taka
Dues within 3 Months	586,176,363	594,024,881
Dues over 3 Months	795,731,716	823,225,342
	<u>1,381,908,079</u>	<u>1,417,250,223</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 two of the inter companies to meet its operational finance from time to time. The outstanding balance is redeemable including 9-9.5% (30 June 2023: 7.5%) interest per annum and has no prescribed repayment schedule.

(iii) Cash and cash equivalents

The company held cash at bank of Tk. 59,861,451 at 30 June 2024 (2023: Tk. 18,310,046), 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

	As at 30 June 2024	
	Amount in Taka	(%)
Trade receivables	1,381,908,079	90.91%
Other receivables	438,324	0.03%
Advances, deposits and prepayments	76,827,477	5.05%
Cash and cash equivalents		
Cash in hand	986,009	0.06%
Cash at Banks	59,861,451	3.94%
Bank Asia Limited	49,469,408	82.64%
Dutch Bangla Bank Limited	663,504	1.11%
Eastern Bank Limited	43,277	0.07%
HSBC	22,337	0.04%
Mutual Trust Bank Limited	102,054	0.17%
National Credit & Commerce Bank	2,306	0.00%
NRB Bank Limited	64,004	0.11%
Standard Chartered Bank	6,000,035	10.02%
Trust Bank Limited	77	0.00%
Southeast Bank Limited	3,494,449	5.84%

42.02 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			Total
			Within 12 months	1 to 5 years	More than 5 years	
As at 30 June 2024	Taka	Percentage	Taka	Taka	Taka	Taka
Long term borrowings	90,923,688	6.07%-13.55%	37,150,404	53,773,284	-	90,923,688
Trade and other payable	1,436,346,441	N/A	1,436,346,441	-	-	1,436,346,441
Unclaimed Dividend	1,179,379	N/A	1,179,379	-	-	1,179,379
Short term bank loan	243,441,484	9%-10%	243,441,484	-	-	243,441,484
Provision for WPPF and Welfare Fund	91,682,991	7.50%-12%	91,682,991	-	-	91,682,991
	1,863,573,983		1,809,800,699	53,773,284	-	1,863,573,983
As at 30 June 2023						
Long term borrowings	115,979,435	8.50%-9.5%	33,422,964	82,556,471	-	115,979,435
Trade and other payable	1,137,795,473	N/A	1,137,795,473	-	-	1,137,795,473
Unclaimed Dividend	820,459	N/A	820,459	-	-	820,459
Short term bank loan	958,350,954	8-9%	958,350,954	-	-	958,350,954
Provision for WPPF and Welfare Fund	90,882,496	12.00%	90,882,496	-	-	90,882,496
	2,303,828,817		2,221,272,346	82,556,471	-	2,303,828,817

42.03 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 2024, 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 2024

Foreign currency denominated assets

Cash and cash equivalents

Trade receivables

Foreign currency denominated liabilities

Liability for Local Documentary Bill Purchase (LDBP)

Liability for Accepted Bills for Payment (ABP)

Net exposure

As at 30 June 2023

Foreign currency denominated assets

Cash and cash equivalents

Trade receivables

Foreign currency denominated liabilities

Liability for Local Documentary Bill Purchase (LDBP)

Liability for Accepted Bills for Payment (ABP)

Net exposure

	Euro	GBP	USD	Taka
As at 30 June 2024				
Foreign currency denominated assets				
Cash and cash equivalents	-	-	491,630	57,520,736
Trade receivables	-	-	11,811,180	1,381,908,079
	-	-	12,302,810	1,439,428,815
Foreign currency denominated liabilities				
Liability for Local Documentary Bill Purchase (LDBP)	-	-	-	-
Liability for Accepted Bills for Payment (ABP)	-	-	10,249,809	1,209,477,496
	-	-	10,249,809	1,209,477,496
Net exposure	-	-	2,053,001	229,951,319
As at 30 June 2023				
Foreign currency denominated assets				
Cash and cash equivalents	-	-	135,727	14,590,630
Trade receivables	-	-	13,183,723	1,417,250,223
	-	-	13,319,450	1,431,840,853
Foreign currency denominated liabilities				
Liability for Local Documentary Bill Purchase (LDBP)	-	-	2,961,574	319,879,580
Liability for Accepted Bills for Payment (ABP)	227,590	-	8,110,967	900,647,603
	227,590	-	11,072,541	1,220,527,183
Net exposure	(227,590)	-	2,246,909	211,313,670

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 2024	30 June 2023
US Dollar		
For denoting asset in foreign currency	117	107.50
For denoting liabilities in foreign currency	118	108.01
Euro		
For denoting asset in foreign currency	-	-
For denoting liabilities in foreign currency	-	108.01

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, US Dollar and Euro 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 2024		30 June 2023	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	4,824,553	(4,824,553)	4,842,314	(4,842,314)
EURO (2% movement)	-	-	491,641	(491,641)

(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.

	<u>30 June 2024</u>	<u>30 June 2023</u>
	<u>Taka</u>	<u>Taka</u>
Fixed- rate instruments		
Financial assets	823,560,702	870,307,560
Financial liabilities	<u>(334,365,172)</u>	<u>(1,074,330,389)</u>
	<u>489,195,530</u>	<u>(204,022,829)</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.



43.00 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 2024							
Financial assets not measured at fair value							
Trade and other receivables	10 & 11	-	-	1,382,346,403	-	-	1,382,346,403
Due from affiliated companies	13	-	-	818,378,469	-	-	818,378,469
Investments in FDR	8 & 14	-	-	-	5,182,233	-	5,182,233
Cash at bank	15.02	-	-	59,861,451	-	-	59,861,451
		-	-	2,260,586,323	5,182,233	-	2,265,768,556
Financial liabilities not measured at fair value							
Long term borrowings	17	-	-	-	-	(90,923,688)	(90,923,688)
Trade and other payables	20	-	-	-	-	(1,436,346,441)	(1,436,346,441)
Unclaimed Dividend	21	-	-	-	-	(1,179,379)	(1,179,379)
Short term liabilities	23	-	-	-	-	(243,441,484)	(243,441,484)
		-	-	-	-	(1,771,890,992)	(1,771,890,992)
30 June 2023							
Financial assets not measured at fair value							
Trade and other receivables	10 & 11	-	-	1,417,625,456	-	-	1,417,625,456
Due from affiliated companies	13	-	-	862,918,947	-	-	862,918,947
Investments in FDR	8 & 14	-	-	-	7,388,613	-	7,388,613
Cash at bank	15.02	-	-	18,310,046	-	-	18,310,046
		-	-	2,298,854,449	7,388,613	-	2,306,243,062
Financial liabilities not measured at fair value							
Long term borrowings	17	-	-	-	-	(115,979,435)	(115,979,435)
Trade and other payables	20	-	-	-	-	(1,137,795,473)	(1,137,795,473)
Unclaimed Dividend	21	-	-	-	-	(820,459)	(820,459)
Short term liabilities	23	-	-	-	-	(958,350,954)	(958,350,954)
		-	-	-	-	(2,212,946,321)	(2,212,946,321)

