

KDS ACCESSORIES LIMITED
INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

INDEPENDENT AUDITORS' REPORT
to the Shareholders of
KDS ACCESSORIES LIMITED

Opinion

We have audited the accompanying financial statements of **KDS ACCESSORIES LIMITED** (the Company), which comprise the Statement of Financial Position as at 30 June 2023, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2022 to 30 June 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2023 and of its financial performance and cash flows for the period from 1 July 2022 to 30 June 2023 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 Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2023. These matters, and any comments we make on the results of our procedures thereon, 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. IAS-2 Inventory	How our audit addressed the key audit matter
The Company has closing inventory BDT 782.22 million. Inventory is carried in the financial statements at the lower of cost and net realisable value.	<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. IAS-2 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. IFRS-15 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.</p> <p>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 2,794.57 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. Against this background, the proper application of the accounting standards is considered to be complex and assumptions made by management.</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. IAS-24 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 2023.</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.
3. IAS-24 Identification and completeness of disclosure of related party transactions	How our audit addressed the key audit matter
<p>Refer to note 13 and 37 to the financial statements.</p>	<ul style="list-style-type: none"> • We tested, on a sample basis, related party transactions with the underlying documents and for authorization and approval for such transactions. • We have obtained balance confirmation from the related parties.



3.	IAS-24 Identification and completeness of disclosure of related party transactions	How our audit addressed the key audit matter
		<ul style="list-style-type: none"> • We 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. • We have recalculated interest on due balance to confirm during the year's interest income. • Evaluated the completeness of the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.

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.



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

- (a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit 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.

Other Matter:

The financial statements of the Company for the year ended 30 June 2022 were audited by Hoda Vasi Chowdhury & Co Chartered Accountants and issued unqualified opinion on 4 October 2022.



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 and;
- iii) the statement of financial position and statement of Profit or Loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.
- iv) the expenditure incurred was for the purposes of the Company's business.

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

Signature of the auditor :



Name of the auditor : AKM Fazlul Haque FCA, Partner/ICAB Enrollment No: 1090
FRC Enrollment No: CA-001-111

DVC No. : ৳10231090AS716759

Place : Chattogram

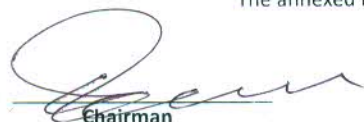
Date : 23 OCT 2023



KDS ACCESSORIES LIMITED
Statement of Financial Position
As at 30 June 2023

	Note(s)	30 June 2023	30 June 2022
		Taka	Taka
ASSETS			
Non-current Assets			
Property, plant and equipment	4	1,170,535,016	1,230,753,540
Intangible assets	5	438,520	94,880
Capital work-in-progress	6	1,105,171	25,146,785
Investment in SKYS Securities Limited	7	30,377,066	30,377,066
Other investment	8	5,013,936	4,880,832
Total Non-current Assets		1,207,469,709	1,291,253,103
Current Assets			
Inventories	9	782,223,348	866,281,364
Trade receivables	10	1,417,250,223	1,614,767,904
Other receivables	11	375,233	298,495
Advances, deposits and prepayments	12	87,806,414	88,234,598
Due from affiliated companies	13	862,918,947	514,520,973
Short term investment	14	2,374,677	2,300,000
Cash and cash equivalents	15	18,840,442	270,139,607
Total Current Assets		3,171,789,284	3,356,542,941
Total Assets		4,379,258,993	4,647,796,044
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		813,907,497	774,546,730
Total Shareholders' Equity		1,860,122,810	1,820,762,043
Non-current Liabilities			
Long term borrowings-non-current portion	17.01	82,556,471	101,676,544
Defined benefit obligation- gratuity	18	137,297,430	119,456,593
Deferred tax liability	19	23,728,391	23,656,041
Total Non-current Liabilities		243,582,292	244,789,178
Current Liabilities			
Trade and other payables	20	1,137,795,473	2,359,435,822
Long term borrowings-current portion	17.01	33,422,964	33,870,307
Unclaimed Dividend	21	820,459	861,655
Provision for Income Tax	22	54,281,545	39,094,407
Short term bank loan	23	958,350,954	76,098,256
Provision for WPPF and Welfare Fund	24	90,882,496	72,884,376
Total Current Liabilities		2,275,553,891	2,582,244,823
Total Equity and Liabilities		4,379,258,993	4,647,796,044
Net Assets Value Per Share	33.03	26.13	25.58

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 : 23 OCT 2023

DVC : 2310231090A5716759


Hussain Farhad & Co.
Chartered Accountants



KDS ACCESSORIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Note(s)	01 July 2022 to 30 June 2023 Taka	01 July 2021 to 30 June 2022 Taka
Revenue	25	2,794,569,748	3,199,681,329
Cost of goods sold	26	(2,239,545,514)	(2,702,977,487)
Gross Profit		555,024,234	496,703,842
Administrative Expenses	27	(182,491,231)	(174,902,707)
Selling and distribution expenses	28	(53,953,463)	(77,917,805)
Operating Profit		318,579,540	243,883,330
Finance cost	29	(177,113,467)	(97,646,035)
Finance income	30	62,774,832	50,141,105
Profit before other income		204,240,905	196,378,400
Other Income	31	3,372,531	2,132,245
Profit before income tax and distribution of WPPF and Welfare Fund		207,613,436	198,510,645
Workers' Profit Participation and Welfare Fund	24	(10,380,672)	(9,925,532)
Profit before income tax		197,232,764	188,585,113
Provision for income tax:			
-Current tax	22	(43,907,869)	(28,814,331)
-Deferred tax	19	(72,350)	5,954,620
Profit after Income Tax		153,252,545	165,725,402
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		153,252,545	165,725,402
Earnings Per Share (Basic)	33.01	2.15	2.33

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 : 23 OCT 2023

DVC : 2310231090AS716759



Hussain Farhad & Co.
 Chartered Accountants



KDS ACCESSORIES LIMITED
Statement of Changes in Equity
For the year ended 30 June 2023

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2021	711,823,610	120,000,000	214,391,703	715,594,868	1,761,810,181
Cash dividend for the year 2020-2021	-	-	-	(106,773,541)	(106,773,541)
Net Profit after tax for the year	-	-	-	165,725,402	165,725,402
Balance as at 30 June 2022	711,823,610	120,000,000	214,391,703	774,546,730	1,820,762,043
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



 Chairman



 Managing Director




 Company Secretary



KDS ACCESSORIES LIMITED
Statement of Cash Flows
For the year ended 30 June 2023

	Note(s)	01 July 2022 to 30 June 2023 Taka	01 July 2021 to 30 June 2022 Taka
A. Operating activities			
Received from customers		3,086,559,689	2,781,700,082
Received from other sources		3,364,532	3,873,713
Paid to suppliers		(3,514,949,012)	(1,896,970,669)
Paid for operating expenses		(169,891,361)	(207,946,416)
Cash provided by/(used in) by operations	32.00	(594,916,152)	680,656,712
Interest paid (net)		(10,871,908)	(2,260,346)
Income Tax Paid		(32,462,657)	(39,734,840)
Net cash provided by/(used in) from operating activities		(638,250,717)	638,661,525
B. Investing activities			
Acquisition of property, plant and equipment		(15,371,140)	(87,113,736)
Addition to intangible assets		(464,310)	-
Proceed from sale of non-current assets		19,115	1,583,165
Increase/(Decrease) in investments		(207,781)	2,484,589
Net cash provided by/(used in) investing activities		(16,024,116)	(83,045,982)
C. Financing activities			
Dividend Paid		(113,932,974)	(106,782,674)
Receipt / (Repayment) of long term loans		(19,567,416)	72,068,981
Receipt/(Repayment) of short term borrowings		882,252,698	(368,574,211)
Short term loan Receipt/(paid) to affiliated companies		(348,397,974)	(120,630,246)
Net cash provided by/(used in) financing activities		400,354,334	(523,918,150)
D. Net increase/(decrease) of cash and cash equivalents (A+B+C)		(253,920,499)	31,697,395
E. Cash and cash equivalents at the beginning of the year		270,139,607	232,483,367
F. Effect of foreign exchange rate changes on cash and cash equivalents		2,621,333	5,958,846
G. Cash and cash equivalents at the end of the year (D+E+F)		18,840,442	270,139,608
Net operating cash flows per share	33.04	(8.97)	8.97



 Chairman



 Managing Director



 Company Secretary



KDS ACCESSORIES LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2023

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 (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh as per requirements under the Financial Reporting Act 2015. 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 2023
- b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023
- c) A statement of Changes in Equity for the year ended 30 June 2023
- d) A statement of Cash Flows for the year ended 30 June 2023
- 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 Ordinance 1984 & Income Tax Act 2023
- b) The Income Tax Rules 1984
- c) The Value Added Tax and Supplementary Duty Act, 2012
- d) The Value Added Tax and Supplementary Duty Rule, 2016
- e) The Securities and Exchange Rules, 2020
- f) The Customs Act 1969
- g) Bangladesh Labour Law 2006

2.04 Authorization for Issue

The financial statements were authorized for issue by the Board of Directors on 23 October 2023.

2.05 Basis of Measurement

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

2.06 Functional and Presentation Currency

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

2.07 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) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IASs and IFRSs are applied to preparation of the financial statements for the year under report:

Accounting Standards

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rate



IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-26	Accounting and Reporting by Retirement Benefit Plans
IAS-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 provides Comparative information in respects of the previous period for all amount reported in the current period's financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statement.

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 2023 are consistent with those policies and methods applied in preparing the financial statements for the year ended 30 June 2022.

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 2023 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 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 the Para of 21 and 25 of IAS-2

"Inventories" after making due allowance for any obsolete or slow moving item and details of valuation are as follows:

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

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

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

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



Loans and Receivables

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

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

a) Trade and Other Receivables

Trade receivable consists of due proceeds against sales through L/C with a tenure of 30 days to 180 days and realizable at the maturity date. Trade receivable is initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to 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 rank after all other shareholders. Creditors are fully entitled to 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 170 of Income tax, 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 income tax payable at source on capital gain during registration of sale of land are generally borne by the buyer. Hence, possibility of having any income tax implications on land is very remote.

3.13 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 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

Operating 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 comprises interest expense on operational overdraft, LATR, 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 - at revalued model

Amount in Taka

	Land and Land development	Plant and Machinerics	Administrative Building	Factory Building	Office Equipment	Electric Installation	Furniture & Fixture	Computer Equipment	Motor Vehicle	Total
At cost										
Balance as on 01 July 2021	431,214,704	900,281,470	50,817,030	454,345,966	30,553,174	91,840,936	15,075,139	29,257,262	68,156,088	2,071,541,769
Addition during the year	-	137,679,871	-	50,217,010	1,027,932	5,663,776	1,478,965	3,873,275	-	199,940,829
Disposal/Adjustment during the year	-	(7,406,000)	-	-	(217,379)	-	-	(241,660)	-	(7,865,039)
Balance as at 30 June 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
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
Accumulated depreciation										
Balance as on 01 July 2021	-	516,285,700	21,676,079	211,722,906	25,436,427	61,700,062	13,865,925	28,004,311	58,021,979	936,713,389
Charged for the year	-	60,859,410	1,667,937	23,498,604	1,706,586	7,915,179	788,457	1,131,565	3,232,591	100,800,328
Adjustment for disposal during the year	-	(4,199,404)	-	-	(208,637)	-	-	(241,657)	-	(4,649,698)
Balance as at 30 June 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
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
Carrying amount										
As at 30 June 2022	431,214,704	457,609,635	27,473,014	269,341,466	4,429,352	27,889,471	1,899,722	3,994,658	6,901,518	1,230,753,540
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

Depreciation allocated to:

Note(s)	Allocation Basis	01 Jul 2022 to 30 Jun 2023 Taka	01 Jul 2021 to 30 Jun 2022 Taka	
Factory Overhead	26.02	80%	79,696,130	80,640,263
Administrative Expenses	27.00	20%	19,924,032	20,160,065
			99,620,162	100,800,328



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 2021	216,823,001	900,281,470	50,817,030	454,345,966	30,553,174	91,840,936	15,075,139	29,257,262	68,156,088	1,857,150,066
Addition during the year	-	137,679,871	-	50,217,010	1,027,932	5,663,776	1,478,965	3,873,275	-	199,940,829
Disposal/Adjustment during the year	-	(7,406,000)	-	-	(217,379)	-	-	(241,660)	-	(7,865,039)
Balance as at 30 June 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
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
Accumulated depreciation										
Balance as on 01 July 2021	-	516,285,700	21,676,079	211,722,906	25,436,427	61,700,062	13,865,925	28,004,311	58,021,979	936,713,389
Charged for the year	-	60,859,410	1,667,937	23,498,604	1,706,586	7,915,179	788,457	1,131,565	3,232,591	100,800,328
Adjustment for disposal during the year	-	(4,199,404)	-	-	(208,637)	-	-	(241,657)	-	(4,649,698)
Balance as at 30 June 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
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
Carrying amount										
As at 30 June 2022	216,823,001	457,609,635	27,473,014	269,341,466	4,429,350	27,889,471	1,899,722	3,994,658	6,901,518	1,016,361,838
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



	Note(s)	30 June 2023	30 June 2022		
		Taka	Taka		
5.00 Intangible assets					
Software	5.01	438,520	94,880		
		438,520	94,880		
5.01 Intangible assets schedule					
Cost					
Opening balance		6,735,393	6,735,393		
Add: Addition during the year		464,310	-		
Closing balance		7,199,703	6,735,393		
Accumulated amortization					
Opening balance		6,640,513	6,353,832		
Add: Charged during the year		120,670	286,680		
Closing balance		6,761,183	6,640,513		
Carrying amount		438,520	94,880		
6.00 Capital work-in-progress					
Opening balance		25,146,785	137,973,878		
Add: Expenditure incurred during the year	6.01	1,379,225	35,618,816		
		26,526,010	173,592,694		
Less: Capitalized during the year	6.01	(25,420,839)	(148,445,909)		
Closing balance		1,105,171	25,146,785		
6.01 Details of capital work-in -progress					
Particulars	Opening Balance	Additions during the year	Capitalized during the Year	Balance as on 30 June 2023	Balance as on 30 June 2022
Factory Building	3,727,898	1,272,121	(3,894,848)	1,105,171	3,727,898
Plant & machinery	18,033,662	107,104	(18,140,766)	-	18,033,662
Electrical Equipment	3,385,225	-	(3,385,225)	-	3,385,225
	25,146,785	1,379,225	(25,420,839)	1,105,171	25,146,785
				30 June 2023	30 June 2022
				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				5,013,936	4,880,832
				5,013,936	4,880,832
Name of Banks	Purpose	Period	Interest rate		
Bank Asia Limited	Bank Guarantee	1 year	4%-6%	3,578,002	3,486,546
Exim Bank Limited	Bank Guarantee	1-3 years	9.00%	1,435,934	1,394,286
				5,013,936	4,880,832
9.00 Inventories					
Raw materials				664,794,182	665,996,119
Work-in-process				18,870,386	30,519,075
Finished goods				7,454,366	13,860,659
Stores & spares				84,944,671	82,471,375
Goods in transit				6,159,743	73,434,136
				782,223,348	866,281,364



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	2,745,695	12,777,475	15,523,170	(13,108,762)	2,414,408
White Liner Paper	Kg	1,837	-	1,837	(1,837)	-
Medium Paper	Kg	2,225,275	4,400,955	6,626,230	(4,298,342)	2,327,888
Duplex Board	Kg	7,392	156,724	164,116	(96,467)	67,649
Yarn	Kg	-	287,507	287,507	(160,312)	127,195
Starch	Kg	1,305	267,500	268,805	(268,150)	655
Adhesive Powder	Kg	24,864	216,000	240,864	(240,864)	-
Art Paper	Kg	-	20,343	20,343	(20,343)	-
Chemical	Ltr	2,502	65,358	67,860	(63,322)	4,538
Resin	Kg	7,938	355,846	363,784	(284,938)	78,846
Rubber Thread	Kg	50,000	61,540	111,540	(26,688)	84,852
Transfer Flim	Kg	757	-	757	(757)	-
Printing Ink	Kg	826	18,364	19,190	(15,482)	3,708
Pigment	Kg	636	3,017	3,653	(3,207)	446
Ribbon	Kg	-	8,355	8,355	(3,655)	4,700
OPP Gum Tape	Kg	100,815	53,505	154,320	(109,213)	45,107
GPSS/PP/HIPS	Kg	65,002	107,500	172,502	(102,975)	69,527
		5,234,844	18,799,989	24,034,833	(18,805,314)	5,229,519

B. Finished goods

Product name	Unit	Opening balance	Production	Available for sale	Sales	Closing balance
Carton	Pcs	160,267	21,594,712	21,754,979	(21,701,799)	53,180
Label	Pcs	152,665	59,660,775	59,813,440	(59,660,775)	152,665
Elastics and Narrow Fabrics	Yards	767,539	21,895,399	22,662,938	(22,595,752)	67,186
Offset Printing	Pcs	486,207	53,135,153	53,621,360	(53,598,910)	22,450
Heat Transfer Printing	Pcs	2,830	4,277,042	4,279,872	(4,279,872)	-
Button	GG	-	256,496	256,496	(256,496)	-
Gum Tape	Rolls	-	543,888	543,888	(543,888)	-
Hanger	Pcs	295,305	9,520,911	9,816,216	(9,747,122)	69,094
		1,864,813	170,884,376	172,749,189	(172,384,614)	364,575

	Note(s)	30 June 2023	30 June 2022
		Taka	Taka
10.00 Trade receivables			
Opening balance		1,614,767,904	1,057,580,923
Add: Addition during the year	25.00	2,794,569,748	3,199,681,329
Add: Adjustment for foreign currency translation gain	10.02	94,472,260	139,205,734
		4,503,809,912	4,396,467,986
Less: Realized during the year		(3,086,559,689)	(2,781,700,082)
Closing Balance		1,417,250,223	1,614,767,904

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 2023	30 June 2022
	Taka	Taka
10.03 Trade receivables include affiliated companies		
KDS Fashion Limited	95,294,235	96,913,638
KDS Garment Industries Limited	26,954,550	54,560,385
KDS IDR Limited	154,333,665	130,842,360
	276,582,450	282,316,383



		30 June 2023	30 June 2022
		Taka	Taka
10.04 Ageing of trade receivables			
Dues within 3 Months		594,024,881	645,907,162
Dues over 3 Months		823,225,342	968,860,742
		1,417,250,223	1,614,767,904
10.05 Trade receivables - classification by security and related party:			
Receivable considered good and secured		1,417,250,223	1,614,767,904
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		276,582,450	282,316,383
Maximum receivable due by directors or officers at any time		-	-
11.00 Other receivables			
Accrued interest income on FDR		375,233	298,495
		375,233	298,495
		30 June 2023	30 June 2022
	Note(s)	Taka	Taka
12.00 Advances, deposits and prepayments			
Advances	12.01	71,281,735	70,786,349
Security deposits	12.02	13,592,262	13,718,249
Prepayments	12.03	2,932,417	3,730,000
		87,806,414	88,234,598
12.01 Advances			
Against salary and allowances		1,610,331	3,934,173
Against income tax	12.01.01	35,674,976	31,933,050
Advance against Land		12,847,598	12,847,598
Others		21,148,830	22,071,528
		71,281,735	70,786,349
12.01.01 Advance income tax			
Opening balance		31,933,050	22,123,769
Add: Paid/deducted during the year		32,462,657	31,913,786
Less: Adjusted during the year		(28,720,731)	(22,104,504)
Closing balance		35,674,976	31,933,050
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		549,161	549,161
Central Depository Bangladesh Limited (CDBL)		500,000	500,000
Chattogram Port Authority & Shipping Agent		729,013	855,000
Gulshan Club Limited		300,000	300,000
		13,592,262	13,718,249
12.03 Prepayments			
Insurance premium		2,932,417	3,730,000
		2,932,417	3,730,000
12.04	The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in cash or in kind and for that no provision against them are required at this stage.		
13.00 Due from affiliated companies			
KDS Poly Industries Limited		68,090,697	58,844,458
KDS Thread Limited		794,828,250	455,676,515
		862,918,947	514,520,973
13.01	The amount represent short term loan provided to KDS Poly Industries Limited and KDS Thread Limited as and when required to meet funding requirement. All transactions were done through banking channel and interests were charged on outstanding balances.		



	Note(s)	30 June 2023	30 June 2022
		Taka	Taka
14.00 Short term investment			
Investment in Fixed Deposit Receipts		2,374,677	2,300,000
		2,374,677	2,300,000

Above Fixed Deposits maintained with Bank Asia Limited, Agrabad Branch, Chattogram have been kept as lien. The rate of interest is 4%-6% per annum.

	Note(s)	30 June 2023	30 June 2022
		Taka	Taka
15.00 Cash and cash equivalents			
Cash in hand	15.01	530,396	727,429
Cash at bank	15.02	18,310,046	269,412,178
		18,840,442	270,139,607
15.01 Cash in hand			
Head office		159,499	299,514
Dhaka office		141,321	137,257
Gazipur factory office		229,576	290,658
		530,396	727,429



15.02 Cash at Bank			30 June 2023	30 June 2022
			Taka	Taka
Name of Banks	Branch	Account Type		
Bank Asia Limited	MCB Banani	SND	1,337	1,313
Bank Asia Limited	MCB Banani	Retention Quota	30,768	237,948
Bank Asia Limited	Agrabad	USD	5,082,237	6,232,485
Bank Asia Limited	Agrabad	Current Deposit	19,959	7,977
Bank Asia Limited	MCB Banani	Retention Quota	1,080,345	1,393,120
Bank Asia Limited	MCB Banani	USD	943	811
Bank Asia Limited	Agrabad	USD	2,072	1,782
Bank Asia Limited	MCB Banani	RAD	4,824,183	8,567,134
Bank Asia Limited	MCB Banani	SND	266,921	50,536,066
Bank Asia Limited	MCB Banani	Current Deposit	140,810	-
Bank Asia Limited	Agrabad	Overdraft	-	54,618,925
Dutch Bangla Bank Limited	Jubilee Road	Current Deposit	326,844	4,945,668
Eastern Bank Limited	Agrabad	Current Deposit	45,325	-
HSBC	Agrabad	Current Deposit	288,259	123,806
Mutual Trust Bank Limited	Motijheel	Escrow	102,459	102,860
NCC Bank Limited	Baridhara	Current Deposit	2,594	3,726
NRB Bank Limited	Agrabad	Current Deposit	210	-
Standard Chartered Bank	Agrabad	Current Deposit	1,215,560	473,787
Standard Chartered Bank	Agrabad	Current Deposit	824,071	925,069
Standard Chartered Bank	Agrabad	Current Deposit	479,911	190,378
Standard Chartered Bank	Agrabad	USD	2,599,630	32,636,071
Southeast Bank Limited	Agrabad	USD	970,452	9,453,039
Southeast Bank Limited	Agrabad	Overdraft	-	98,957,468
Southeast Bank Limited	Agrabad	Current Deposit	4,734	1,633
Trust Bank Limited	Dewan Bazar	Current Deposit	422	1,112
			18,310,046	269,412,178

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 2023		30 June 2022	
	Percentage of holding	Number of shares	Percentage of holding	Number of shares
Mr. Khalilur Rahman	42.99%	30,599,237	49.08%	34,938,452
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	0.00%	433	0.00%	433
KDS Garments Inds. Limited	2.01%	1,431,917	2.01%	1,431,917
General Public (IPO)	36.03%	25,649,566	29.94%	21,310,351
	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	3,021	468,335	0.66%
From 500 to 5,000	2,133	3,688,840	5.18%
From 5,001 to 10,000	278	2,110,361	2.96%
From 10,001 to 20,000	163	2,470,772	3.47%
From 20,001 to 30,000	66	1,666,139	2.34%
From 30,001 to 40,000	34	1,187,962	1.67%
From 40,001 to 50,000	17	777,322	1.09%
From 50,001 to 100,000	25	1,944,331	2.73%
From 100,001 to 1,000,000	38	10,646,362	14.96%
Above 1,000,000	6	46,221,937	64.93%
	5,781	71,182,361	100%

	Note(s)	30 June 2023	30 June 2022
		Taka	Taka
17.00 Long term borrowings			
Opening balance		135,546,851	63,477,870
Add: Received during the year		-	80,088,420
Add: Interest applied		10,099,295	5,809,430
Add: Bank charges		48,000	54,000
Add: Adjustment for foreign currency translation Loss		9,040,711	6,566,738
		154,734,857	155,996,458
Add/(Less): Deferred interest payment of april & May 2020 (COVID-19 Period)		-	325,127
Less: Paid during the year		(38,755,422)	(20,774,733)
Closing balance		115,979,435	135,546,851
17.01 Current/non-current classification			
Due within one year		33,422,964	33,870,307
Due after one year		82,556,471	101,676,544
		115,979,435	135,546,851
17.02 Details of long term borrowings			
Bank Asia Limited - Agrabad	17.03	111,848,535	123,867,497
Bank Asia Limited - MCB Banani	17.04	4,130,900	11,679,354
		115,979,435	135,546,851

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	8.50% (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	5%-8.5% (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.

17.04 Bank Asia Limited, MCB Banani, Dhaka.

Total sanctioned amount	Tk. 7.30 Crore
Year	2015
Purpose	Construction of factory building, utility building.
Interest rate	8.50% (Revised from time to time)
Tenure	Seven years
Payment method	The loan is repayable in equal monthly installment (EMI).
Securities	i) Personal Guarantee of directors.

	Note(s)	30 June 2023 Taka	30 June 2022 Taka
18.00 Defined benefit obligation- gratuity			
Opening balance		119,456,593	103,342,964
Add: Provision made during the year	26.02 & 27	21,267,142	21,575,154
		140,723,735	124,918,118
Less: Paid during the year		(3,426,305)	(5,461,525)
Closing balance		137,297,430	119,456,593

19.00 Deferred tax liability

	30 June 2023 Taka	30 June 2022 Taka
Opening balance	23,656,041	29,610,661
Provided during the year		
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	4,602,383	(5,635,044)
Provision for Gratuity	(4,530,033)	(319,576)
Investment	-	-
	72,350	(5,954,620)
Closing balance	23,728,391	23,656,041

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 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
As on 30 June 2022	Taka	Taka	Percentage	Taka	Taka
Property, plant & equipment (Excluding Land)	799,633,716	454,605,377	10.00%	345,028,338	34,502,835
Gratuity	(119,456,593)	-	10.00%	(119,456,593)	(11,945,659)
Investment	30,377,066	23,405,000	15% - 20%	6,972,066	1,098,865
Net taxable temporary difference				232,543,811	23,656,041



