ANNUAL REPORT

2016-2017

KDS Accessories Limited



STOCK

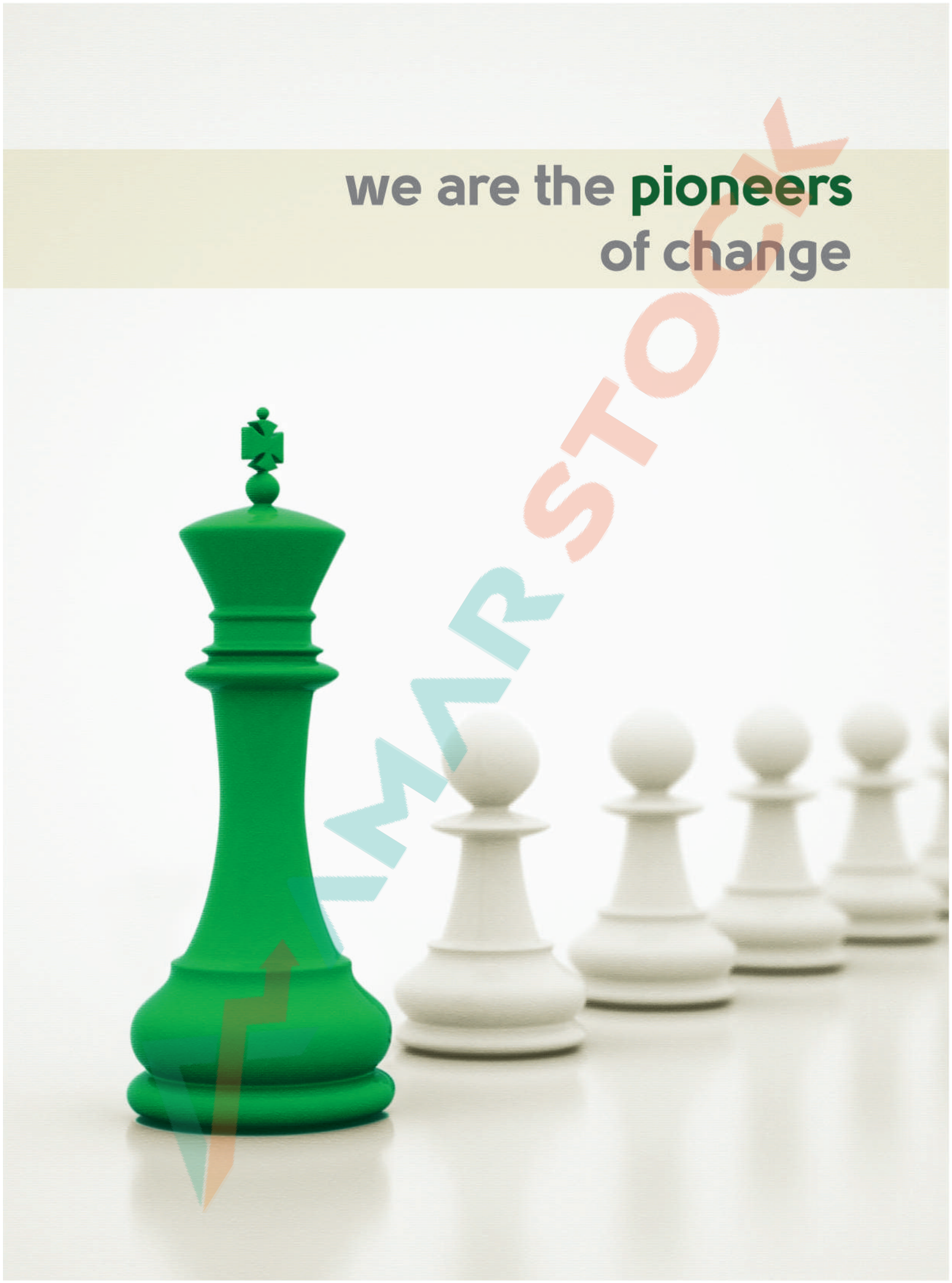
ANNUAL REPORT 2016-2017

KDS Accessories Limited

live green
for a better tomorrow

AMARSTOCK

we are the pioneers of change



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

HAVING SINGLE LARGEST CAPACITY
WE ARE PIONEER OF PACKAGING.

WE BELIEVE IN WORKING CLOSELY WITH
OUR CLIENTS TO UNDERSTAND THEIR
NEEDS TO DESIGN SERVICES
ACCORDINGLY AND ALIGN OURSELVES
AS A STRATEGIC PARTNER, HELPING US
TO REALIZE OUR VISION
'TO BE A GLOBALLY PREFERRED TRIMS
AND PACKAGING SOLUTIONS COMPANY'

AMARSTOCK

Financial Synopsis of 2016-2017

Earnings Per Share (EPS)
2016-2017 is BDT. 2.20
+ 2.80 %
2015-2016 is BDT. 2.14

Net Assests Value (NAV) Per Share
2016-2017 is BDT. 24.80
- 2.25 %
2015-2016 is BDT. 25.37

Revenue
2016-2017 is BDT. 1,585.94 mn
- 1.48%
2015-2016 is BDT. 1,609.77 mn

Gross Profit (GP)
2016-2017 is BDT. 333.36 mn
- 7.20 %
2015-2016 is BDT. 359.21 mn

Net Profit (NP) After Tax
2016-2017 is BDT. 125.59 mn
+ 2.66 %
2015-2016 is BDT. 122.34 mn

Net Operating Cash Flow Per Share (NOCFPS)
2016-2017 is BDT. 2.80
+ 12.00 %
2015-2016 is BDT. 2.50

Earnings Per Share (EPS)	2015 - BDT. 2.86 2014 - BDT. 2.22 2013 - BDT. 2.14 2012 - BDT. 2.78
Revenue	2015 - BDT. 1,690.86 mn 2014 - BDT. 1,742.31 mn 2013 - BDT. 1,647.26 mn 2012 - BDT. 1,510.38 mn
Net Profit (NP) After Tax	2015 - BDT. 124.99 mn 2014 - BDT. 88.64 mn 2013 - BDT. 85.87 mn 2012 - BDT. 111.24 mn

2015 - BDT. 23.82 2014 - BDT. 21.85 2013 - BDT. 19.63 2012 - BDT. 17.48	**Net Assests Value (NAV) Per Share**
2015 - BDT. 357.13 mn 2014 - BDT. 358.35 mn 2013 - BDT. 368.33 mn 2012 - BDT. 369.34 mn	**Gross Profit (GP)**
2015 - BDT. 3.44 2014 - BDT. 4.67 2013 - BDT. 0.41 2012 - BDT. 5.90	**Net Operating Cash Flow Per Share (NOCFPS)**


we create a
lasting footprint

WHO WE ARE

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

OUR STRENGTH

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

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

COMPREHENSIVE PRODUCTS RANGE

We offer one of the most comprehensive ranges of apparel Trims & Packaging products and services. In Bangladesh we manufacture almost all the products in our IMS (ISO-9001 : 2008, ISO- 14001 : 2004, BS OHSAS- 18001 : 2007) certified international standard facilities and our products meet global quality standards.

GLOBAL RECOGNITION

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

SAMPLE STOCK

1 stop trims & packaging solutions

live green for a better tomorrow



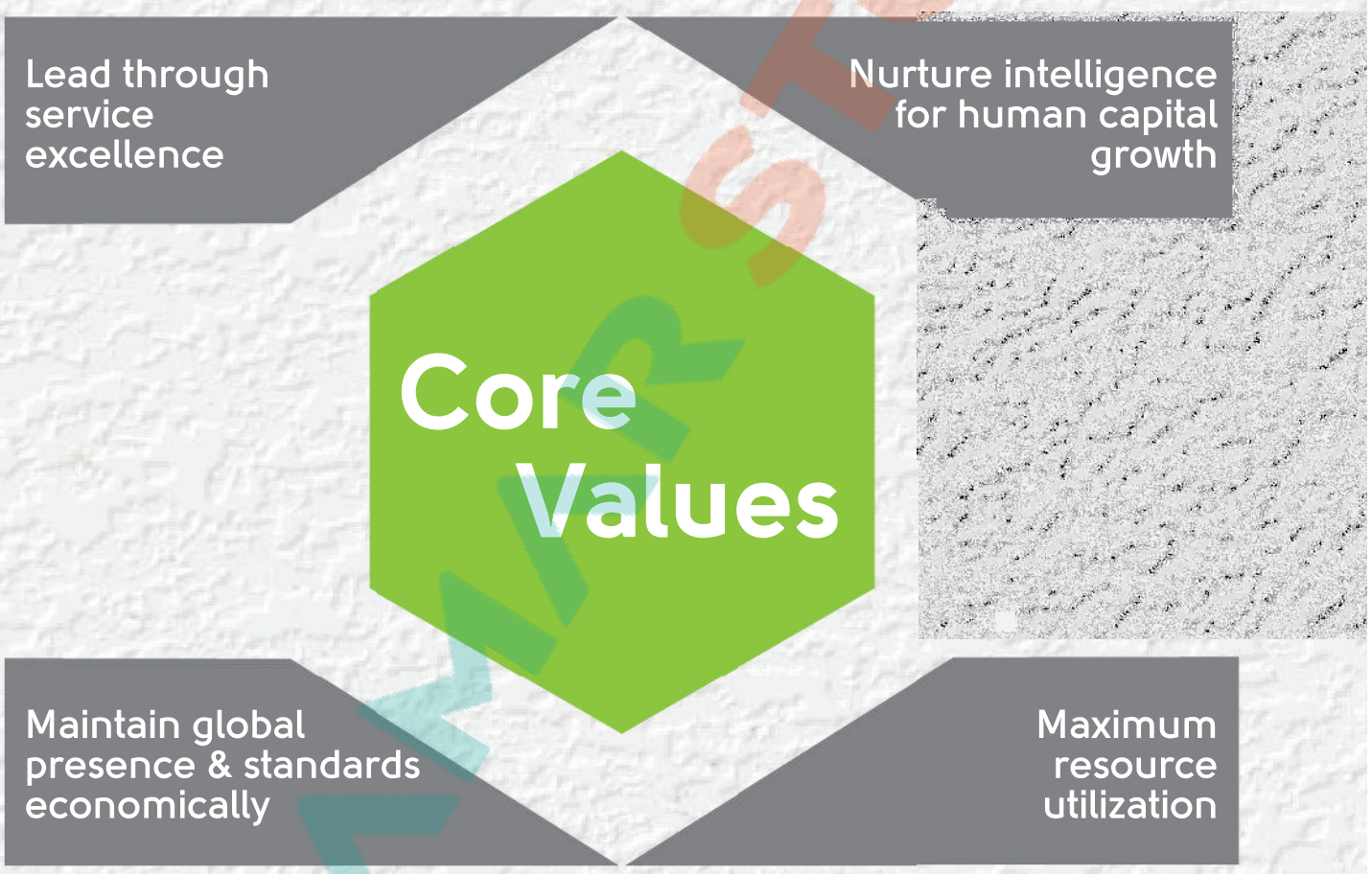
Vision

To be a globally preferred trims & packaging solutions company

AMAR STOCK



AMAR STOCK


Lead through service excellence
Nurture intelligence for human capital growth
Core Values
Maintain global presence & standards economically
Maximum resource utilization

MARKSTOCK



Front view of our Corporate Office, Chittagong



Front view of our Dhaka Office



Partial view of our Gazipur Factory

CORPORATE INFORMATION

Company Name	:	**KDS Accessories Limited**	
Company Registration No	:	C-H-C-862/154 of 1991	
Status of the Company	:	Public Limited Company	
Date of Incorporation	:	21 April 1991	
Offices	:	**Registered Office-** 255, Nasirabad I/A, Chittagong, Bangladesh.	
		Corporate Head Office 191-192, Baizid Bostami Road Nasirabad I/A, Chittagong-4210 Bangladesh.	**Dhaka Office** Road 4, House 63 Block C, Banani Dhaka-1213, Bangladesh
Plant Location	:	**Unit-01** 191-192, Baizid Bostami Road Nasirabad I/A, Chittagong-4210 Bangladesh	**Unit-02** 6, West Dogory, Mirzapur Gazipur Sadar, Dhaka Bangladesh.
Phone No	:	+880 31 681701-3	+880 2 9821665
Fax	:	+880 31 682137	+880 2 9821682
E-mail	:	accessories@kdsgroup.net	
Website	:	www.kdsaccessories.com	
Bankers & NBFIs	:	Bank Asia Limited HSBC Mutual Trust Bank Limited Trust Bank Limited IPDC	Standard Chartered Bank Southeast Bank Limited Dutch Bangla Bank Ltd. NCC Bank Limited
Insurers	:	Pragati Insurance Company Ltd. Northern General Insurance Company Ltd.	
Auditors	:	**External Auditor** Hussain Farhad & Co. Chartered Accountants House # 15, Road # 12, Block # F Niketon, Gulshan-01, Dhaka-1212	**Internal Auditor** Rahman Rahman Huq Chartered Accountants 78 Agrabad C/A, Makkah Madina Trade Centre (13th floor), Sabadar Ali Road, Chittagong 4100.
Credit Rating Agency	:	Credit Rating Information and Services Limited (CRISL)	
Listing with	:	Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.	

AMARSTOCK


live green
for a better tomorrow
| pearls of pride |
KDS Apparels
KDS Textile
KDS Accessories
KDS Logistics
KDS Steel
KDS
Since 1983
• One of the largest business conglomerate in the country
• Operating mostly in export industry & products
• More than 25,000 employess working across the group
• Leading export winner industry with global reach
• Has strong brand value of its products
• Adheres to most international standards
KDS Group
WWW.KDSGROUP.NET

BUSINESS AT A GLANCE

THE GROUP OPERATES THROUGH SEVERAL STRATEGIC BUSINESS SEGMENTS

APPAREL



TEXTILES



GARMENTS ACCESSORIES



LOGISTICS



STEEL



BANKING & INSURANCE



SHARES & SECURITIES




Date of Incorporation 21 April 1991
Commencement of Business 01 July 1991
Conversion from Private Limited to Public Limited 17 April 2012
Consent received from BSEC for IPO 08 July 2015

HIGHLIGHT


IPO Subscription Date
General Public
09 -13, August 2015
NRB Applicant
09 -20, August 2015
IPO Lottery Date
10 September 2015
Listing Date
07 October 2015
Trade Opening Date
15 October 2015

ING EVENTS


we believe in
strong connectivity

LETTER OF TRANSMITTAL

Date : 16 October 2017

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

Subject : Annual Report for the year ended 30 June 2017.

Dear Sir (s),

The undersigned on behalf of the Board of Directors and Management of KDS Accessories Limited is pleased to encolose the notice of the 26th Anuual General Meeting, a copy of the Annual Report together with the Audited Financial Statements, Report of the Board of Directors and Auditors' Report thereon for the year ended 30 June 2017 for your information and record.

Thank You.

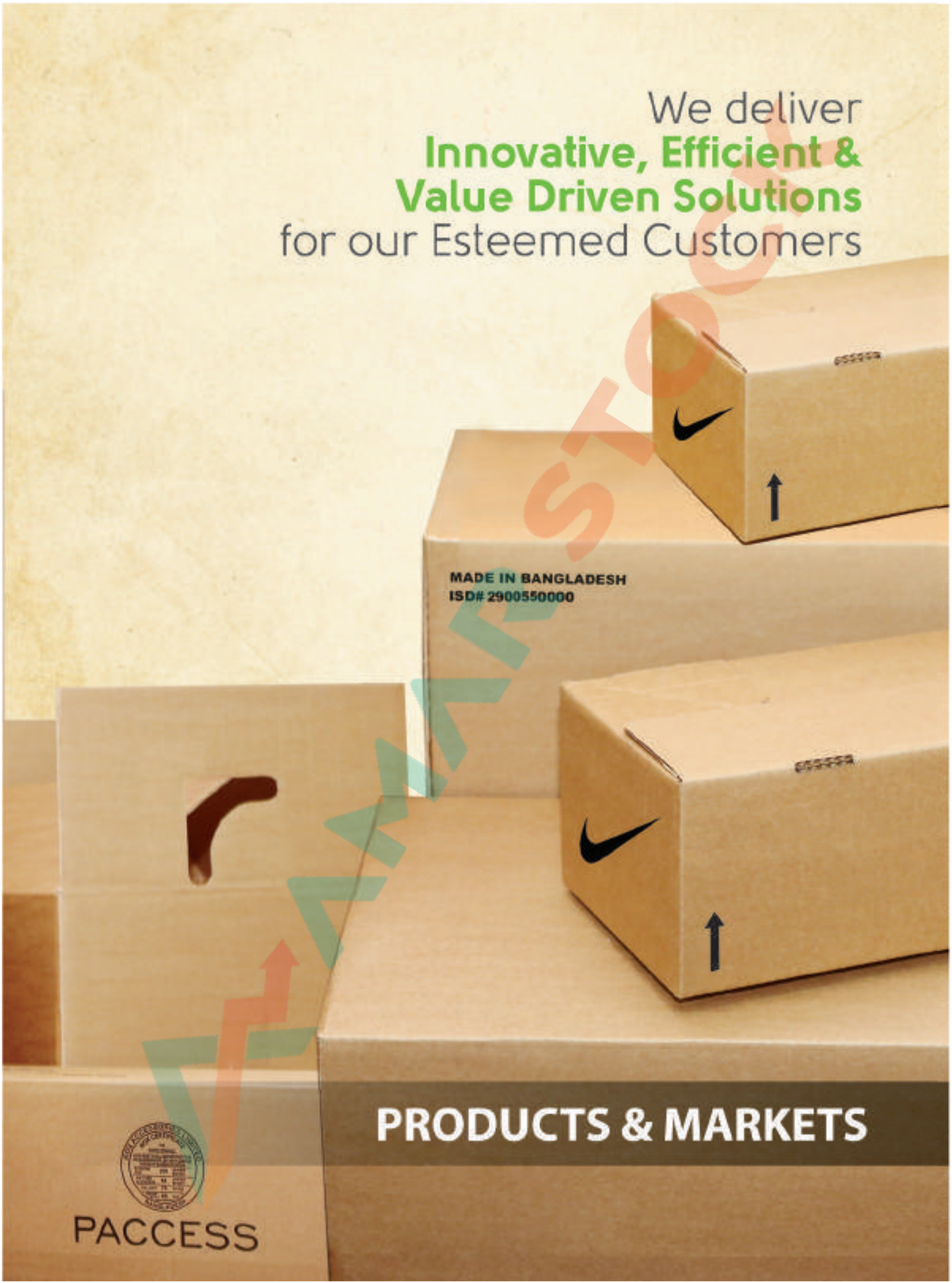
Yours Sincerely,

Manjure Khuda
Company Secretary

AMAR STOCK


BOO!
SEANJOHN
merkjendt
thoughts of denmark
MERONA
BAILEYS PT.
CHEROKEE
WORKWEAR
ORIGINALS
WONDERKIDS
SLIM
a Tradition of Service
MARIO
DONKEY KONG
SLIP STREAM
SUPERCARS

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



PRODUCTS & MARKETS

PACCESS

JAMAR STOCK



CORRUGATED CARTON
BDT. **1,251.43** mn

LABEL
BDT. **50.66** mn





OFFSET PRINTING
BDT. **81.89** mn

GUM TAPE
BDT. **7.73** mn

BUTTON
BDT. **92.21** mn

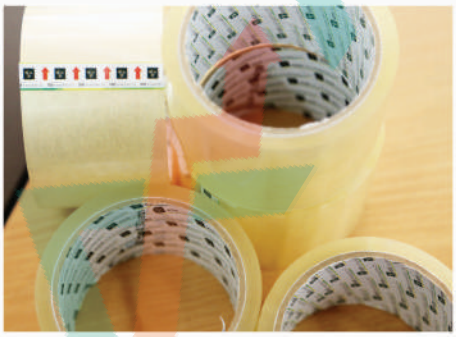




ELASTIC & NARROW FABRICS
BDT. **93.11** mn

HEAT TRANSFER
BDT. **8.90** mn





SMAR STOCK

CORRUGATED CARTON



- 100,000 average size boxes/day.
- Highest single plant capacity.
- High Speed Die Cutting machines to produce complex designs.
- Automatic Printing and Gluing Machines.
- IMS (ISO-9001:2008, ISO-14001:2004, BS OHSAS-18001:2007) certified.
- In house testing Lab.
- over 26 years of plant engineering experience.

Think *Strength & Robustness*

think KDS Carton

MARSTOCK

BUTTON

- Free form any RSL-substances like lead, cadmium, nickel and chromium or any Azo-Compound and Phthalate.
- Using world Branded Machinaries.
- Full Scale testing laboratories.
- Laser with Turning Machines (with Color logo/Side Logo machine).
- All types of Plastic Button, Specially Horn and Sheet Buttons.
- Button size started from 13L to 60L.
- Using imported Raw Materials form Europe.



AMAR STOCK

WOVEN LABEL

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



MARSTOCK

PRINTED FABRIC LABEL

- High Speed Flexo Printing Machines-Reduced Lead Time per booking.
- Printed Cylinder availability to print Any Length 10mm to 340mm.
- Very High Print Accuracy using Different Anilox.
- Full in-house pre-press capabilities.
- In-house Ribbon production facility.
- Additional Ink Curing Facility to assure wash fastness.
- Oeko-Tex® Standard 100 Certified for Human-Ecological Requirements/Baby Articles.



SAMPLE STOCK

ELASTIC & NARROW FABRIC



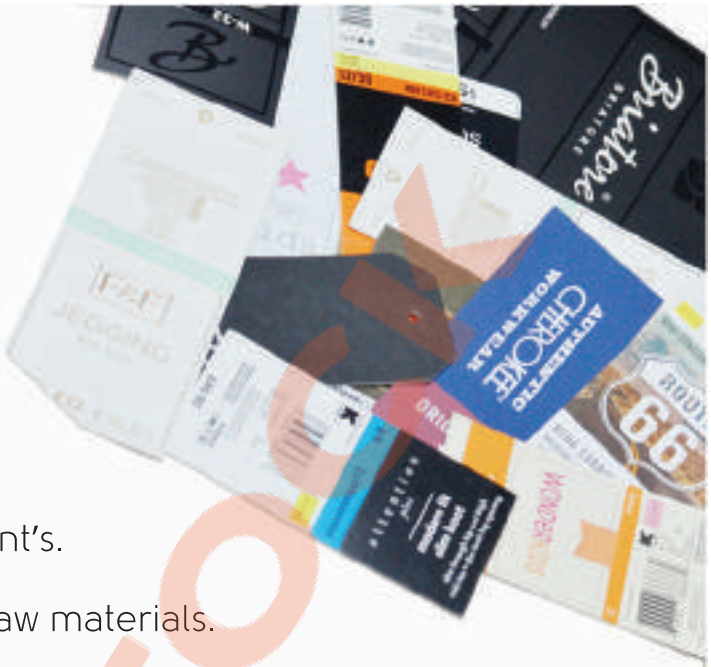
- In-house warping facilities.
- In-house Starching and finishing requirements.
- High Pressure Ribbon calendaring machine.
- Ability to weave Jacquard design Woven Elastics of both Nylon and Polyester.
- Can weave Cotton, Nylon and Polyester ribbons.

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



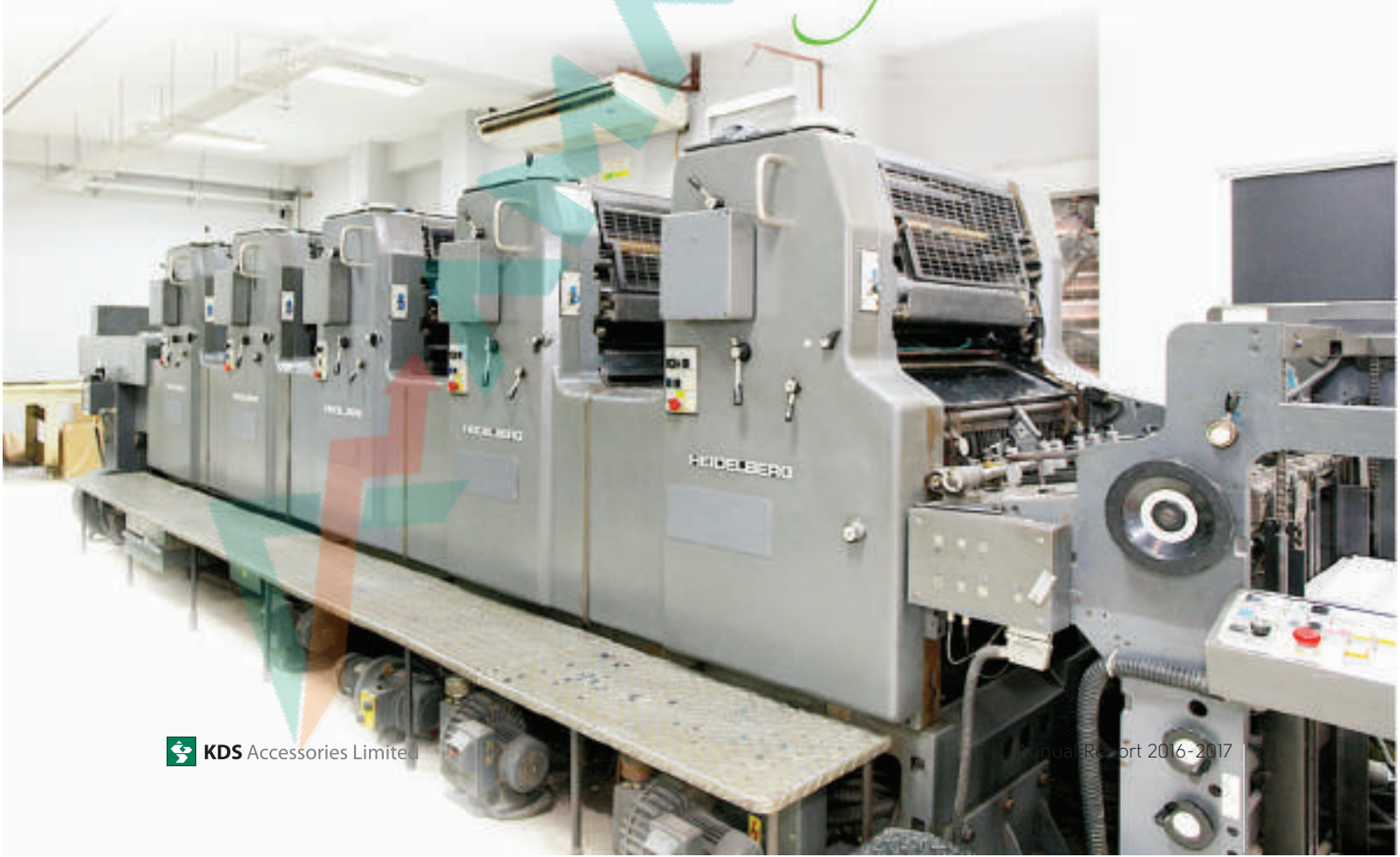
MASTOR

OFFSET PRINTING



- Complete Pre-Press Capabilities.
- Using FSC Certified Paper Source.
- In-house print quality testing Equipment's.
- 100% QC system for all production & raw materials.
- Graphic Design dept. with latest Mac OS & Windows OS.
- Secured Data Transfer System for Graphic Designs/variable data.
- Color Quality management by Spectrophotometer and i-Color software.

Heighten your *brand* with our *Printing* Proficiency



HEAT TRANSFER



- Complete Pre-Press capabilities.
- A range of modern heat transfer systems.
- Eco-friendly, AZO, APEO, PVC, DOP free sticker transfer (carcinogenic items).
- Super quality production with higher production capacity.
- Can produce image transfer, sublimation printing.
- Overall Satisfaction.

Tag free Labeling with Our Heat Transfer Printing Facility







GUM TAPE

- A Complete Barrier to execute dust and dirt.
- Preserves the Hygienic Integrity of the contents.
- Total protection against Vermin such as rodents.
- Tamper evidence, tape bonds to carton.
- Cost effective, shorter lengths are required.
- Easily and securely printed or coded.



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INVITATION
FOR

The 26th Annual General Meeting

of

KDS Accessories Limited

VENUE

CBC Confidence Cement Convention Center

Chittagong Boat Club

Airport Road, Patenga, Chittagong.

DATE & TIME

Tuesday, 31 October 2017

at 11:00 am

AMARSTOCK

NOTICE OF THE 26th ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of KDS Accessories Limited will be held on Tuesday, 31 October 2017 at 11:00 am at CBC Confidence Cement Convention Center, Chittagong Boat Club, Airport Road, Patenga, Chittagong to transact the following businesses:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2017 together with the Auditors' Report and the Directors Report thereon.
2. To approve the dividend as recommended by the Board of Directors.
3. To elect/re-elect the Director(s) of the company.
4. To approve the appointment of Managing Director of the company.
5. Appointment of Auditors of the Company untill the conclusion of next Annual General Meeting and fixation of their remuneration.

By order of the Board

Manjure Khuda
Company Secretary

Dated : 12 October 2017
Chittagong

NOTES:

- Shareholders whose names would appear in the Share Register/Depository Register on the record date on 11 October 2017 will be eligible to attend at the 26th Annual General Meeting and entitled to receive the dividend.
- A Shareholder eligible to attend and vote at the AGM, may appoint a Proxy to attend and vote in his/her behalf. The Proxy Form duly filled, signed and stamped must be deposited at the Corporate Office at 191-192, Baizid Bostami Road, Nasirabad I/A, Chittagong-4210 not later than 72 hours before the AGM.
- Admission to the meeting room will be strtictly checked and verified with the attendance slip sent with the Annual Report as well as verification of signature of Member(s) and/or Proxy-holder(s).
- Members are requested to update their respective BO Account with 12 Digit e-TIN, Bank Account, Mailing Address and Contact Number through their respective Depository Participant (DP). Advance Income Tax (AIT) @ 15% (instead of 10%) will be deducted from eligible cash dividend, if anyone fails to update his/her BO Account with the 12 Digit e-TIN before/on the Record Date.
- The Annual Report for the year 2016-2017 is available at the Company's Webside at www.kdsaccessories.com
- The concerned Brokerage Houses/DPs are requested to provide us the statement (both of hard copy & soft copy on or before 21 October 2017 with details of their margin loan holders entitled to Dividend for the year ended on 30 June 2017. The statement should include Shareholders Name, BOID Number, Client-wise shareholding position, contact person etc. The record date was 11 October 2017.

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BOARD OF DIRECTORS



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

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

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

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

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

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

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

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

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



Mr. Khalilur Rahman
Chairman

TRUE MARKET

entrepreneurs of private banks and insurance business in the country.

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

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

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

He is the founder chairman of Sothern University, founder of Khalilur Rahman Mohila College, Khalil Mir Degree College, Khalilur Rahman Girls' High School, Khalil Mir Girls' High School, Ziri Khalil Mir High School and three Madrashas and one cultural academy in greater Patiya of Chittagong.

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

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

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

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

AMAR STOCK



Mr. Salim Rahman
Managing Director

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

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

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

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

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

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

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

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



Ms. Tahsina Rahman
Director

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

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

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

She is also director of Pragati General Insurance Ltd & KYCR Coil Industries Ltd.

STOCK



Mr. Muhammad Jamaluddin
Independent Director

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

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

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

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

INSTOCK



Mr. Kamrul Hasan FCA
Director

(Representative of KDS Garment Industries Ltd.)

Mr. Kamrul Hasan FCA is a Director at KDS Accessories Limited representing KDS Garment Industries Ltd. He is a fellow Chartered Accountant with more than 17 years of experience in Finance & business operation. Currently he is working as CFO of KDS Garment Division.

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

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



MAP STOCK

MANAGEMENT TEAM

Board of Directors

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

Audit Committee

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

Senior Executives

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

AMARSTOCK

LETTER FROM THE CHAIRMAN



AIR STOCK

Dear Fellow Shareholders,

It gives me great pleasure to present the Annual Report of the company for the year 2016-2017 second time after going into public.

Our story

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

Since 1991, the year of starting journey, KDS Accessories has attainted its recognition as one of the country's leading garments accessories company, with a significant and growing global reach.

Our endeavors continues ---

Around the world, we face stiff competition, but we aim for a more better and sustainable future. We are passing a very challenging time of the business driven by safety compliances of the buyers in the industry for which we had to investment huge money but we hope we will be emerging as the leader of the industry with more efforts and innovation. We don't want to rest on our laurels but we continue to shape our future.

Our people, products and our customer services combined with our relationships and willingness to change, will provide us more opportunity to continue to win with our customers.

In the year of reporting (2016-2017) we took several important steps to reimagine KDS Accessories Limited including investment of BDT. 6.15 Crore for expansion of Button and Hanger project at Gazipur, Dhaka.

Looking forward

We will move even faster going forward and we have the resources. Bangladesh still remains as one of the main sourcing destinations of RMG next to China and country's exports target in RMG has already been set with around 12% growth each of next 5 years and our target is aligned to that goal.

We are also looking to the future, pursuing new ideas and innovation to serve our customers' needs and succeed in the changing, dynamic markets we will face in the future.

Our strategy is focused on driving growth and creating long term shareholder value.

I would like to thank our employees for their commitment to KDS Accessories. It is their hard work and dedication that enables us to deliver on our promises. I also want to thank our shareholders for your continued support, your confidence and above all for your trust. I would like to express my gratitude to bankers, regulatory bodies (BSEC, DSE, CSE, CDBL, NBR, RJSC) and business associates for their cordial support in enabling KDS Accessories to achieve success.

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

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



Khalilur Rahman
Chairman

TRUE STOCK


Illusion
is the
first of all
Pleasures

MESSAGE FROM THE MANAGING DIRECTOR

Dear Valued Shareholders,

On behalf of the Board of Directors, I would like to thank all our Shareholders, Investors, Management Team and other Stakeholders for all of your interest in our venture.

Let me give you a brief summery of the activities of the year 2016-2017.

Results

The year comprising the period from 01 July 2016 to 30 June 2017 was another eventful year, which threw many challenges to the apparel industry as well as opportunities that reshapes our growth to the right track.

For fashion retail, it was overall a challenging year in which various external factors - including global political changes like Brexit, post-election policy changes in US and compliance had a great impact on dampening apparel sales, which impacted our overall sales and margin. Under these global pressure, the market provoked sharpest competition which not only led to drop in sales prices of our accessories, but also bottom line of each of these products. However, we strive to tide over these challenges by focusing on cost-efficiency, value addition and better customer service.

In the last year, we had to face two-fold cost increase - one with the construction & renovation/retrofitting purpose and another for 15% rise in all raw materials specially in the kraft papers. Thus, cost of the doing business has risen significantly. All these have put pressure in our cost structure.

Moreover, last year, revenue generation was less due to reduced capacity utilization in our Chittagong factories due to extensive retrofitting of our most of the structures. Though most of our factories had solid foundation and reasonably sound structure, we respect the decision of concern compliance authority to undertake retrofitting drive.

However, all these retrofitting work have made our factory premises' stronger to withstand future calamities and placed our company on much stronger compliance rating, by which we hope to improve our brand image in front of our esteemed foreign buyers.

Despite the above challenges, company secured consistence performance and net profit was increased by 2.66% and EPS was increased by 2.80%.

Expansion and Developments

Throughout our journey, KDS Accessories has been an innovator in garment accessories. In order to supply to the demands of the garments sector, your company adhere to continuous expansion to align with growth target.

With this view in mind, your company invested BDT 6.15 Crore in the last year, which will lead to much needed drive to our product diversification efforts to retain our market leadership. KDSAL is further working to develop strong backward linkages for RMG to access to quality inputs.

Capital Market Performance

Despite several challenges, we faced in the market, our share price is on the forefront of the top

performers in the capital market, outpacing all companies in the similar industrial segment. The consistent share price is surely the indication of our superior performance which gave us high confidence that we share with our stakeholders.

Future Outlook

Bangladesh has set the target of exporting RMG for US$50 billion by the year 2021. Garments Accessories and Packaging products will indirectly contribute approximately 8% to 12% to RMG export earnings. With this assumption, the export earnings from Garment Accessories and packaging is expected to rise to an encouraging growth curve by 2021.

With our committed focus on expanding our product penetration into country's top apparel buyers' and garment makers' buying decision, we are confident that we can stimulate necessary boost in our sales in the upcoming years.

Finally, I want to thank my Board of Directors, Business Partners, and Colleagues for their tremendous support over the past years. I also appreciate our customers for keeping confidence over all the years. Last but not the least, I would like to thank our shareholders for their continued support to KDS Accessories Limited.

My gratitude & thanks go to officials of Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Central Depository Bangladesh Limited, Registrar of Joint Stock Companies & Firms all Bankers, National Board of Revenue & other Government Bodies for their continued support to our endovers.

Thank you,



Salim Rahman
Managing Director

AMARSTOCK

COMMENTS BY CEO



Dear Valued Shareholders,

I take immense pleasure to present my company's performance in the second annual general meeting after IPO.

Since the last AGM, the company has charted a long yet eventful journey, crossing several challenges and difficulties, yet achieve significant results. We have successfully completed erection of our third corrugated line which has been functioning with satisfaction. The installation of this state of the art technology has given us significant boost in delivering superior products to our customers. Apart from this, we have taken time-to-time upgradation of different machines in Soft Line Printing (SLP), Button to provide better products to our values customers. Finally, we have started a complete new set up of plastic hanger manufacturing in Gazipur, which gives strategic boost to our hanger supply chain by locating it in Dhaka, which has large customer base.

Apart from our regular capacity expansion, we have taken significant steps to upgrade our facility infrastructure as per latest Alliance compliance norms. For this, we have undertaken a vast retrofitting exercises curting across all factories in Chittagong, which leads to significant cost-outlay in addition to affecting productivity. However, we are confident that post-retrofication, all our facilities in Chittagong further achieve global standards and norms comparable to global trims and packaging suppliers.

Our innovative marketing initiatives also has resulted into several nominations including international buyers like Sears, Decathlon, LPP, Pimkei and others. We have also undertaken new product innovation including special coated box, PDQ boxes, latex free ribbon and elastic, Water-soluble threads etc to further augment our vast products offerings to our esteemed customers.

Finally, the last year has seen unprecedented pressure on out margin due to significant increase to all our input cost, including that of raw material, facility upgradation expense and energy expense owing to increase of gas and electricity bill by the government. We are unable to translate this cost increase into price escalation owing to very thin margin with which country's garment industry is operating currently. Hence, our bottom line has been impacted. However, we expect that our short-term impact on bottom line will result in long-term impact on increasing our strategic position in the country's trims and packaging market.

I am expecting all your valued support in coming days to place your company in the result-oriented glorious path.

Thank you

Debasis Daspal
Chief Executive Officer


"EVERY ACCOMPLISHMENTS STARTS
WITH THE DECISION TO TRY"



DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Honorable Shareholders,

On behalf of the Board of Directors of your company I would like to welcome you to the 26th Annual General Meeting of the company and take the opportunity to present the report of the Board of Directors for the year ended on 30 June 2017 before all of you.

OUR BUSINESS

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

OVERVIEW 2016-2017

Let us present before you a short review on the total operational and financial performance of your company from 01 July 2016 to 30 June 2017.

Among others, the major areas affecting our business in last year were:

Meeting Global Compliance by Accord & Alliance

As you are aware that entire garments industry in the country has been undergoing significant turmoil in order to meet the global compliance requirements. We had to struggle for the last few years to continue with the smooth and feasible operation of the company and finally your company was able to meet all compliance requirements – Fire Safety, Structural safety and Environmental Safety and has been rated as one of the global standard manufacturers in the country.

Global Order Flow

Due to some global changes such as US Election, Brexit and other, overall orders of RMG reduced compared to any time of the past and also for ongoing retrofitting and other compliance works, a number of RMG factory had to close the operation and some other curtailed production and as such total RMG production reduced significantly. Nonetheless, your company tried to maintain steady result both in operation and financials areas.

Cost & Price Impact

Price hike of basic raw materials by 15 % in the last one year due to short supply was a major blow to corrugated carton manufacturers. But equivalent price compensation from user industries (RMG) was not possible due to stiff competition and also due to reduction of FoB for RMG by foreign retailers. Rate of utility cost has been increased by 15% than last year.

Operational Challenges

Our industry had experienced sever shortage of gas supply. Consequently total capacity utilization could not be achieved compared to the previous years. There has been a global crunch of raw materials in the paper industry which adversely affect our packaging revenue this year. Our business would have been much better, had we got uninterrupted supply of gas throughout the year. There had been significant gas shortage which significantly impact running time of our Gazipur factory and reduced revenue.

Now let me give you a summary of developments-

To meet growing market demand of the future, your company continued its endeavors to be ready with required infrastructures. Some of our developments, initiatives taken/implemented in the last year are appended below:

Capacity Expansion

We had successfully completed the capacity expansion of Packaging & also undertook some other projects expansion in Button. Company

also decided to set up a separate Hanger manufacturing unit at Gazipur which by this time has gone into production.

New Nomination

Several important nominations have been obtained this year which will boost our sales in next year. Buyers like Decathlon, Tommy Hilfiger, Sears, LPP, Pimkei, Puma have given us nominations on selected trims and packaging items.

New Product Development

As an ongoing effort to develop new value added product mixes in the market, we developed Simple Box, PDQ Box, Special Coated Carton as part of our new value offerings to our buyers and customers.

OUTLOOK

RMG sector is the driver for growth of Bangladesh's economy. It contributes 13% to national GDP.

To achieve the $50 billion export target by 2021 Bangladesh will have to earn $22 billion in the next five years, with a 12% growth as speculated by the industry insiders.

Still Bangladesh remains the world's second largest garment exporter.

As said earlier, we have invested huge to ensure that we are well positioned for continued long-term and profitable growth.

GOING CONCERN

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

Last 6 Years Financial Results:

Particulars	01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016	01 January 2015 to 31 December 2015	01 January 2014 to 31 December 2014	01 January 2013 to 31 December 2013	01 January 2012 to 31 December 2012
	Amount in BDT.					
Revenue	1,585,937,175	1,609,773,407	1,690,863,283	1,742,309,513	1,647,256,363	1,510,377,275
Gross Profit	333,360,520	359,206,753	357,126,456	358,347,035	368,325,511	369,339,520
Profit Before WPPF & Taxes	157,074,315	149,977,050	136,840,299	116,802,262	116,904,826	152,499,233
Net Profit After WPPF & Taxes	125,588,351	122,340,224	124,993,582	88,637,099	85,871,064	111,237,722
Earning Per Share (EPS)	2.20	2.14	2.86	2.22	2.14	2.78
Share Holder's Equity	1,418,745,724	1,319,157,373	1,238,800,999	873,807,417	785,170,317	699,299,253
Current Liabilities	1,347,796,367	1,048,769,357	1,368,690,014	1,283,512,624	1,463,067,029	1,312,710,678
Non-Current Liabilities	278,679,562	184,851,346	225.035,942	252,865,122	129,458,816	132,073,300
Addition to Fixed Assests & CWIP	169,045,295	264,744,459	104,454,683	91,365,813	153,085,631	109,075,217
NAV Per Share	24.80	25.37	23.82	21.85	19.63	17.48
Net Operating Cash Flow Per Share (NOCFPS)	2.80	2.50	3.44	4.67	0.41	5.90

* To comply with the requirement of sub-section 35 of section 2 of the Income Tax Ordinance 1984 for uniform income year, compnay's income/financial year has changed to July to June from January to December effecting from 01 July 2016.

ASSOCIATE COMPANY

SKYS Securities Ltd.

SKYS Securities Ltd. is dealing in stock brokerage for trading of shares in the stock exchanges. Your company holds 46.69% of paid-up capital of SKYS Securities Ltd. and during the reporting period till 30 June 2017, your company earned a profit share of Tk. 190,083 form the business of associate.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors reviews on the increase /decrease of revenue, cost of goods sold, gross and net profit margin. The Board also takes instant actions on the inquiry as required.
A detailed report on discussion in the regard is comprised in **Annexure-C, Page : 72.**

SEGMENT & PRODUCTS' PERFORMANCE

Operational Performance

Particulars	Unit	Installed Capacity	01 July 2016 to 30 June 2017		Installed Capacity	01 July 2015 to 30 June 2016	
			Actual Production	Capacity Utilization in (%)		Actual Production	Capacity Utilization in (%)
Carton	Pcs	30,000,000	29,271,182	97.57%	25,500,000	19,451,619	76.28%
Label	Pcs	175,964,208	71,691,494	40.74%	175,964,208	88,698,751	50.41%
Elastic & Narrow Fabrics	Pcs	30,576,000	22,089,283	72.24%	30,576,000	23,506,568	76.88%
Offset Printing	Pcs	150,009,600	120,989,750	80.65%	150,009,600	137,840,273	91.89%
Heat Transfer Printing	Pcs	24,960,000	8,336,303	33.40%	24,960,000	9,029,061	36.17%
Button	GG	360,000	186,545	51.82%	360,000	170,489	47.36%
Gum Tape	Pcs	4,290,000	234,602	5.47%	4,290,000	89,397	2.08%

* For calculation of capacity utilization, weighted average of actual installed capacity has been considered.

Product wise Revenue

Particulars	01 July 2016 to 30 June 2017		01 July 2015 to 30 June 2016	
	Contribution to Revenue		Contribution to Revenue	
	In Taka	In (%)	In Taka	In (%)
Carton	1,251,430,301	78.91%	1,235,302,874	76.74%
Label	50,681,298	3.19%	69,737,256	4.33%
Elastic & Narrow Fabrics	93,113,538	5.87%	115,038,312	7.15%
Offset Printing	81,887,656	5.16%	85,730,605	5.33%
Heat Transfer Printing	8,900,588	0.56%	9,042,367	0.56%
Button	92,209,901	5.81%	92,377,610	5.74%
Gum Tape	7,733,893	0.49%	2,544,384	0.15%
Total	**1,585,937,175**	**100.00%**	**1,609,773,407**	**100.00%**

RISK FACTORS & MANAGEMENT PERCEPTION

Board of Directors reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks while trying to achieve its business objectives. A detailed report on Risk & Concerns are given in **Annexure-G, Page : 76**.

CREDIT RATING

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

Long Term	Short Term
A+	ST-3

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

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

INTERNAL CONTROL SYSTEM

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

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

RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements in **Note 37** and in **Annexure-D, Page : 73** in accordance with relevant Bangladesh Accounting Standards (BAS).

EXTRA-ORDINARY GAIN / (LOSS)

There is no extra-ordinary gain or loss occured during the reporting period.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND PERIOD ENDED REPORT

There were no significant difference between quarterly performance and overall period ended performance of the Company. Throughout the period, the Company was able to maintain a judicious performance both in operational and financial perspective.

SIGNIFICANT DEVIATION IN OPERATING RESULTS COMPARED TO PREVIOUS PERIOD

There is no such deviation in operating results except launching production of Packaging Line-3 compared to the previous period.

SUBSEQUENT EVENTS

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

BOARD OF DIRECTORS

i) Structure and size of Board

On 30 June 2017, There were 5 members on the Board of the Company, The Board comprises Chairman, Managing Director, Two Directors and One Independent Director.

ii) Status of Companies in which Directors also hold Directorship

An Annexure is attached to this report on the status of Companies in which Directors are also hold Directorship. **Annexure-F, Page : 75.**

iii) Director's Retirement And Re-election

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

i) Mr. Khalilur Rahman
ii) Ms. Tahsina Rahman

Board of Directors' in its meetings held 18 September 2017 proposed their appointment. The brief bio-data of the said Directors are enclosed herewith in the section of Director's Profile in **Page : 36 & 39.**

iv) Board Meeting and Attendance

During the reporting period the Board met 8 times. The attendance record of the Directors is as follows:

Name	Position	No. of Meeting	Attendance
Mr. Khalilur Rahman	Chairman	08	08
Mr. Salim Rahman	Managing Director	08	08
Ms. Tahsina Rahman	Director	08	06
Mr. S.M. Shameem Iqbal*	Director	08	03
Mr. Kamrul Hasan FCA** Representative of KDS Garment Industires Limited	Director	08	05
Mr. Muhammand Jamaluddin	Independent Director	08	06

*Mr. S.M. Shameem Iqbal resigned from the Board of Directors at the 107th BOD Meeting held on 28 September 2016.

** After appointment of Mr. Kamrul Hasan FCA (representative of KDS Garment Industries Limited), five Board Meeting were held.

The member who could not attend the meeting was in granted leave or was outside of the country.

APPOINTMENT OF INDEPENDENT DIRECTOR

As per provision of Corporate Governance Guidelines notification No: SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 by Bangladesh Securities and Exchange Commission (BSEC), Mr. Muhammad Jamaluddin was appointed as Independent Director of the Company for a period of 3 (three) years in last Annual General Meeting. Short bio-data of the said director is enclosed herewith in the section of **Director's Profile** Page : 40.

AUDIT COMMITTEE

The Board has constituted the Audit Committee as follows:

Name	Position
Mr.Muhammand Jamaluddin	Chairman & Independent Director
Mr. Khalilur Rahman	Member
Ms. Tahsina Rahman	Member
Mr. S.M. Shameem Iqbal*	Member
Mr. Kamrul Hasan FCA** Representative of KDS Garment Ind. Limited	Member
Mr. Manjure Khuda	Member Secretary

*Mr. S.M. Shameem Iqbal resigned from the Audit Committee at the 108th BOD Meeting held on 15 October 2016.

** Mr. Kamrul Hasan FCA (representative of KDS Garment Industries Limited) appointed as member of the autdit committee at the 108th BOD Meeting held on 15 October 2016.

During the reporting period under review, the Committee held four meetings. A detailed of the roles and activities of the Audit Committee has been provided in **"The Report of The Audit Committee"**. Page: 85.

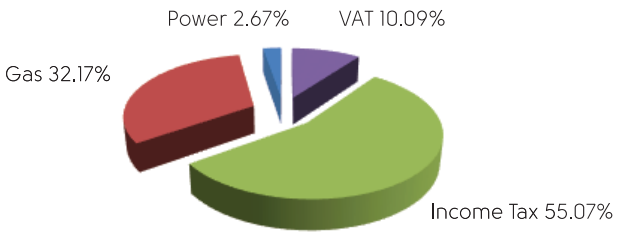
DIVIDEND

Our policy is to offer consistence dividends that closely reflect business performance.

As announced by the Company on 18 Sept. 2017 the Board has recommend dividend for all shareholders 10% Cash and 5% Stock Dividend per share in respect of the year ended 30 June 2017 which will be paid after approval in the Annual General Meeting of the Company as per respective shareholding position on Record Date i.e. 11 October 2017.

CONTRIBUTION TO NATIONAL EXCHEQUER

Being a responsible business entity, KDSAL is paying and facilitating collection of Government's revenue. In the reporting period, we have paid, collected & deposited a significant amount of Tax, VAT and Duties. During the period of 12 months from 01 July 2016 to 30 June 2017, KDSAL contributed to Tk. 61,453,296 to the Government Exchequer along with utility bill which is presented below:



Contribution To National Exchequer

FAIRWAY STOCK

DIRECTORS REMUNERATION

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

Name	Position	Amount In Taka
Mr. Khalilur Rahman	Chairman	-
Mr. Salim Rahman	Managing Director	2,500,000.00
Ms. Tahsina Rahman	Director	-
Mr. S.M. Shameem Iqbal	Director	-
Mr. Kamrul Hasan FCA Representative of KDS Garment Industries Limited	Director	-
Mr. Muhammand Jamaluddin	Independent Director	-
Total		**2,500,000.00**

This amount paid for reporting 12 months period from 01 July 2016 to 30 June 2017.

IPO PROCEEDS UTILIZATION STATUS

The remaining balance of IPO Proceeds of Tk. 5,266,533.00 available with IPO account no. 0002-0320003052 of Mutual Trust Bank Ltd., Principal Branch, 68 Motijheel, Dhaka-1000 and the said amount was utilized to pay off bank liabilities of the company on 08 September 2016 to reduce financial expenses according to the decision taken in the 25th Annual General Meeting of shareholders of the company held on 01 September 2016.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

AWARDS & RECOGNITION

Since starting your Company received the following awards and recognitions:

- BS OHSAS 18001:2007 Certified.
- ISO 9001:2008 Certified.
- ISO 14001:2004 Certified.
- Oeko-Tex Standard 100 Certified.
- Achievement Award of Trim Qualification Program by Intertek.
- Gold Certififcate of Compliance.

INFORMATION TECHNOLOGY

We, at KDS Accessories always strive for the innovation in business by adopting something different, smarter or better for bringing positive impact in terms of value, quality or productivity. We believe that now accurate business planning, effective marketing, global sales, systematic management, real time monitoring, instant customer support and long-term business growth cannot be achieved at the optimum level without IT and we plan ahead of others to enable our operations process through IT.

Some of our IT enabled applications and systems are Accounting Management System (AMS), HRIS, Sales & Distribution Management System (SDMS), Production Management System (PMS),

Inventory Management and Fixed Asset Management Software (FAMS). Through these applications management can view various reports for its review and decision from any location.

HUMAN RESOURCES

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

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

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

We provide on-the-job training and development opportunities to enhance our employees' career progression. Through different training, staff's professional knowledge in corporate operations, occupational and management skills are enhanced. KDS Accessories is an equal opportunity employer does not discriminate on the basis of personal characteristics. Company has employee handbooks outlining terms and conditions of employment, expectations for employees' conduct and behavior, employees' right and benefits. We establish and implement policies that promote a harmony and respectful workplace.

CODE OF CONDUCT

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

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

AUDITORS

Hussain Farhad & Co. Chartered Accountants, having its office at House-15, Road-12, Block-F, Niketon, Gulshan-01, Dhaka-1212 will retire in the 26th Annual General Meeting Being eligible, they expressed their willingness for re-appointment.

On their willingness and being eligible the Board in their meeting held on 18 September 2017, recommended re-appointment of Hussain Farhad & Co. Chartered Accountants as Audiotr of the company for the year 2017-2018 subject to the approval by the shareholders in the 26th Annual General Meeting.

COMPLIANCE OF CORPORATE GOVERNANCE

Pursuant to notification No: SEC/CMRRCD/2006 -158/134/Admin/44 date 07 August 2012 of Bangladesh Securities and Exchange Commission (BSEC), the Corporate Governance Report and the Auditors' Certificate regarding Compliance of Conditions of Corporate Governance are made part of the Annual Report and attached in **Annexure-H, Page : 78 & Page : 89** respectively.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to the BSEC notification No. BSEC/ CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 the Directors confirm that:

i) The financial statements prepared by the management of KDS Accessories Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.

ii) Proper books of Account of the company have been maintained.

iii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

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

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

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

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

viii) The key operating and financial data of last 6 years is disclosed in **Annexure-A, Page : 69 & Annexure-B, Page : 70.**

ix) The number of Board Meetings held during the reporting period and the attendance by each director is disclosed in this report in **Page : 56**

x) The pattern of shareholding is disclosed in **Annexure-E, Page : 73.**

xi) A compliance status report with requirements of Corporate Governance as required by BSEC is disclosed in Corporate Governance Compliance Report and is disclosed in **Annexure-H, Page : 78.**

xii) Directors' profile is attached in page no 36 to 41 and their directorship and business interest in other organizations have been disclosed in Board of Directors segment and in **Annexure-F, Page : 75.**

APPRECIATION

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

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

Allah Hafiz
on behalf of Board



Khalilur Rhaman
Chairman
18 September 2017

বিগত ৬ বৎসরের প্রধান আর্থিক ফলাফল:

বিবরণ	০১ জুলাই ২০১৬ হতে ৩০ জুন ২০১৭	০১ জুলাই ২০১৫ হতে ৩০ জুন ২০১৬	০১ জানুয়ারী ২০১৫ হতে ৩১ ডিসেম্বর ২০১৫	০১ জানুয়ারী ২০১৪ হতে ৩১ ডিসেম্বর ২০১৪	০১ জানুয়ারী ২০১৩ হতে ৩১ ডিসেম্বর ২০১৩	০১ জানুয়ারী ২০১২ হতে ৩১ ডিসেম্বর ২০১২
বিক্রয়	১,৫৮৫,৯৩৭,১৭৫	১,৬০৯,৭৭৩,৪০৭	১,৬৯০,৮৬৩,[illegible]	[illegible]	[illegible]	[illegible]
মোট মুনাফা	৩৩৩,৩৬০,৫২০	৩৫৯,২০৬,৭৫৩	৩৫৭,১২৬,৪৫৬	[illegible]	[illegible]	[illegible]
WPPF এবং Income Tax পূর্ববর্তী মুনাফা	১৫৭,০৭৪,৩১৫	১৪৯,৯৭৭,০৫০	১৩৬,৮৪[illegible]	[illegible]	[illegible]	[illegible]
নীট মুনাফা (Net Profit)	১২৫,৫৮৮,৩৫১	১২২,৩৪০,২২৪	১২৪,৯৯৩,৫৮২	৮৮,৬০৭,০৩৯	৮৫,৮৭১,০৬৪	১১১,২৩৭,৭২২
শেয়ার প্রতি আয় (EPS)	২.২০	২.১৪	[illegible]	[illegible]	[illegible]	[illegible]
শেয়ারহোল্ডারদের সম্পদ	১,৪১৮,৭৪৫,৭২৪	১,৩১৯,১৫৭,৩৭৩	১,২৩৮,৮০০,৯৯৯	৮৭৫,৮০৭,৪১৭	৭৮৫,১৭০,৭১৭	৬৯৯,২৯৯,২৫৩
চলতি দায়	১,৩৪৭,৭৯৬,৩৬৭	১,০৪৮,৭৬৯,৩৫৭	১,৩৬৮,৬৯[illegible]	[illegible]	[illegible]	[illegible]
দীর্ঘমেয়াদী দায়সমূহ	২৭৮,৬৭৯,৫৬২	১৮৪,৮৫১,৩৪৬	২২৫.০৩৫,৯৪২	২৫২,৮৬৫,১২২	১২৯,৪৫৮,৮১৬	১০২,০৭৫,৩০৩
স্থায়ী সম্পদ এবং চলতি কার্যের সংযোজন	১৬৯,০৪৫,২৯৫	২৬৪,৭৪৪,৪৫৯	১০৪,৪৫[illegible]	[illegible]	[illegible]	[illegible]
শেয়ার প্রতি নীট সম্পদ মূল্য (NAV)	২৪.৮০	২৫.৩৭	২৩.৮২	২১.৮৫	১৯.৬০	১৭.৪৮
শেয়ার প্রতি নগদ প্রবাহ	২.৮০	২.৫০	[illegible]	[illegible]	[illegible]	[illegible]

*To comply with the requirement of sub-section 35 of section 2 of the In[illegible] income/financial year has changed to July to June from January to Dec[illegible]

পন্যভিত্তিক ফলাফল

পরিচালন ফলাফল:

বিবরণ	ইউনিট	ধারণক্ষমতা	০১ জুলাই ২০১৬ হতে ৩০ জুন ২০১৭		০১ জুলাই ২০১৫ হতে ৩০ জুন ২০১৬	
			প্রকৃত উৎপাদন	ধারণ ক্ষমতার ব্যবহার (%)	প্রকৃত উৎপাদন	ধারণ ক্ষমতার ব্যবহার (%)
কার্টন	পিচ	৩০,০০০,০০০	২৯,২৭১,১৮২	৯৭.৫৭%	[illegible]	[illegible]
লেবেল	পিচ	১৭৫,৯৬৪,২০৮	৭১,৬৯১,৪৯৪	৪০.৭৪%	[illegible]	[illegible]
ইলাষ্টিক এবং ন্যারু ফ্যাব্রিক্স	পিচ	৩০,৫৭৬,০০০	২২,০৮৯,২৮৩	৭২.২৪%	[illegible]	[illegible]
অফসেট প্রিন্টিং	পিচ	১৫০,০০৯,৬০০	১২০,৯৮৯,৭৫০	৮০.৬৫%	[illegible]	[illegible]
হিট ট্রান্সফার	পিচ	২৪,৯৬০,০০০	৮,৩৩৬,৩০৩	৩৩.৪০%	[illegible]	[illegible]
বাটন	জিজি	৩৬০,০০০	১৮৬,৫৪৫	৫১.৮২%	[illegible]	[illegible]
গামটেপ	পিচ	৪,২৯০,০০০	২৩৪,৬০২	৫.৪৭%	[illegible]	[illegible]

পণ্যভিত্তিক বিক্রয়:

বিবরণ	০১ জুলাই ২০১৬ হতে ৩০ জুন ২০১৭		০১ জুলাই ২০১৫ হতে ৩০ জুন ২০১৬	
	বিক্রয়		বিক্রয়	
	টাকায়	(%)	টাকায়	(%)
কার্টন	১,২৫১,৪৩০,৩০১	[illegible]	[illegible]	[illegible]
লেবেল	৫০,৬৮১,২৯৮	৩.১৯%	[illegible]	[illegible]
ইলাষ্টিক এবং ন্যারু ফ্যাব্রিক্স	৯৩,১১৩,৫৩৮	[illegible]	[illegible]	[illegible]
অফসেট প্রিন্টিং	৮১,৮৮৭,৬৫৬	৫.১৬%	[illegible]	[illegible]
হিট ট্রান্সফার	৮,৯০০,৫৮৮	[illegible]	[illegible]	[illegible]
বাটন	৯২,২০৯,৯০১	৫.৮১%	[illegible]	[illegible]
গামটেপ	৭,৭৩৩,৮৯৩	[illegible]	[illegible]	[illegible]
সর্বমোট	**১,৫৮৫,৯৩৭,১৭৫**	[illegible]	[illegible]	[illegible]

ঝুঁকি ও উদ্বেগ

ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক ঝুঁকি ব্যবস্থাপনা, ঝুঁকির ফলাফল নির্ধারণ, পর্যবেক্ষণ,হ্রাসকরণ এবং প্রতিবেদন কোম্পানীর পরিচালনা পর্ষদ সময়ে সময়ে পর্যালোচনা করে থাকেন। কোম্পানীর পরিচালনায় ব্যবসায়িক ঝুঁকি ব্যবস্থাপনা সংক্রান্ত একটি বিস্তারিত প্রতিবেদন Annexure –G, Page:76 এ উপস্থাপন করা হয়েছে।

[illegible]

ক্রেডিট রেটিং

ক্রেডিট রেটিং ইনফরমেশন এন্ড সার্ভিসেস লিমিটেড (CRISL)

দীর্ঘকালীন	স্বল্পকালীন
A+	ST-3

[illegible]

আর্থিক বৎসর পরবর্তী অবস্থা / ঘটনা

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

পরিচালক মন্ডলী

১. পরিচালনা পরিষদের গঠন ও আকার

৩০ জুন ২০১৭ তারিখে কোম্পানীর পরিচালনা পর্ষদে মোট ৫ জন সদস্য ছিলেন। এদের মধ্যে একজন পর্ষদের সভাপতি, একজন

পরিচালকের নাম	পদবী	অনুষ্ঠিত মোট সভার সংখ্যা	সভায় উপস্থিতি সংখ্যা
জনাব খলিলুর রহমান	চেয়ারম্যান	০৮	০৮
জনাব সেলিম রহমান	ব্যবস্থাপনা পরিচালক	০৮	০৮
জনাবা তাহসিনা রহমান	পরিচালক	০৮	০৬
জনাব এস.এম. শামীম ইকবাল*	পরিচালক	০৮	০৩
জনাব কামরুল হাসান এফসিএ ** প্রতিনিধি - কেডিএস গার্মেন্ট ইন্ডাষ্ট্রিজ লিমিটেড	পরিচালক	০৮	০৫
জনাব মোহাম্মদ জামালউদ্দিন	স্বাধীন পরিচালক	০৮	০৬

০৭তম সভায় পরিচালনা পর্ষদ হতে পদত্যাগ করেন।

জনাব কামরুল হাসান এফসিএ (প্রতিনিধি - কেডিএস গার্মেন্ট ইন্ডাষ্ট্রিজ

টি পরিষদ সভা অনুষ্ঠিত হয়েছে।

র বাইরে অবস্থান করছিলেন।

বিগ

পরি

তাহসিনা রহমান এর পুনঃনিয়োগ প্রস্তাব সর্বসম্মতিক্রমে গৃহীত হয়েছে এবং যা আগামী বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের জন্য উপস্থাপিত হবে। উক্ত পরিচালকদ্বয়ের জীবন বৃত্তান্ত Page-36 and 39 এ উল্লেখ করা হয়েছে।

৪. পরিচালনা পর্ষদের সভা ও উপস্থিতি

উল্লেখিত সময়ে পরিচালনা পর্ষদের মোট ৮ টিসভা অনুষ্ঠিত হয়। উক্ত সভায় পর্ষদের সদস্যদের স্ব-স্ব উপস্থিতি নিম্নে উল্লেখ করা হল ঃ-

পূর্ববর্তী বার্ষিক সাধারণ সভায় পরবর্তী ৩ বৎসরের জন্য নিয়োগ দেয়া হয়েছে। জনাব জামালউদ্দিন এর যোগ্যতা এবং দক্ষতা ডিরেক্টরস প্রোফাইলে Page No: 40 এ বিস্তারিত দেয়া হয়েছে।

নিরীক্ষা কমিটি

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

পরিচালকের নাম	পদবী
জনাব মোহাম্মদ জামালউদ্দিন	চেয়ারম্যান এবং স্বাধীন পরিচালক
জনাব খলিলুর রহমান	সদস্য
জনাবা তাহসিনা রহমান	সদস্য
জনাব এস.এম. শামীম ইকবাল*	সদস্য
জনাব কামরুল হাসান এফসিএ** প্রতিনিধি - কেডিএস গার্মেন্ট ইন্ডাষ্ট্রিজ লিমিটেড	সদস্য
জনাব মনজুরে খোদা	সদস্য সচিব

* জনাব এস.এম. শামীম ইকবাল ১৫ অক্টোবর ২০১৬ এ অনুষ্ঠিত পরিচালনাপর্ষদের ১০৮তম সভায় নিরীক্ষা কমিটির সদস্যপদ হতে পদত্যাগ করেন।

** পরিচালনাপর্ষদ ১৫ অক্টোবর ২০১৬ এ অনুষ্ঠিত পরিচালনাপর্ষদের ১০৮তম সভায় কেডিএস গার্মেন্টেস ইন্ডাষ্ট্রিড লিমিটেড (প্রতিনিধি জনাব কামরুল হাসান এফসিএ) কে নিরীক্ষা কমিটির সদস্য হিসেবে নিয়োগ প্রদান করেন।

আর্থিক বৎসরে উক্ত নিরীক্ষা কমিটির ৪টি সভা অনুষ্ঠিত হয়। উক্ত কমিটির দায়-দায়িত্ব এবং কার্যাবলী Page No: 85 এ বিস্তারিতভাবে বর্ণনা করা হয়েছে।

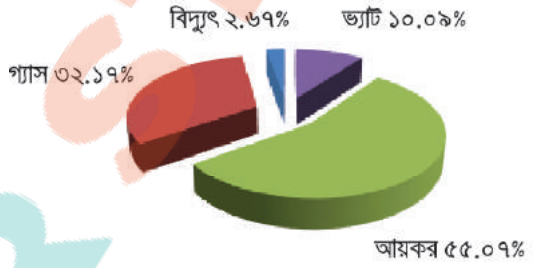
লভ্যাংশ

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

১৮ সেপ্টেম্বর ২০১৭ তারিখে অনুষ্ঠিত পরিচালনা পর্ষদের সভায় ৩০ জুন ২০১৭ তারিখের সমাপ্ত আর্থিক বৎসরের জন্য কোম্পানীর সকল শেয়ারহোল্ডারদের ১০% নগদ এবং ৫% ষ্টক লভ্যাংশ বিতরণের সুপারিশ করা হয়েছে যাহা আগামী বার্ষিক সাধারণ সভায় অনুমোদন সাপেক্ষে Record Date - ১১ অক্টোবর ২০১৭ এ শেয়ারধারীদের মধ্যে বিতরণ করা হবে।

রাজস্ব কোষাগারে অবদান

একটি দায়িত্বশীল ব্যবসায়ী প্রতিষ্ঠান হিসেবে আপনাদের কোম্পানী সরকারের রাজস্ব আহরণে সহযোগিতা করে যাচ্ছে। উল্লেখিত সময়ে আপনাদের কোম্পানীর ব্যবসায়িক লেনদেনের উপর প্রযোজ্য আরোপিত বিভিন্ন প্রকার কর, শুল্ক, মুসক হিসেবে মোট ৬১,৪৫৩,২৯৬/= টাকা রাষ্ট্রীয় কোষাগারে প্রদান করেছে। যাহা নিম্নে বর্ণিত চিত্রে দেখানো হলো:



রাজস্ব কোষাগারে অবদান

পরিচালকপর্ষদের ভাতা / সম্মানী

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

পরিচালকের নাম	পদবী	টাকা
জনাব খলিলুর রহমান	চেয়ারম্যান	--
জনাব সেলিম রহমান	ব্যবস্থাপনা পরিচালক	২,৫০০,০০০.০০
জনাবা তাহসিনা রহমান	পরিচালক	--
জনাব এস.এম. শামীম ইকবাল	পরিচালক	--
জনাব কামরুল হাসান এফসিএ প্রতিনিধি - কেডিএস গার্মেন্ট ইন্ডাষ্ট্রিজ লিমিটেড	পরিচালক	--
জনাব মোহাম্মদ জামাল উদ্দিন	স্বাধীন পরিচালক	--
[illegible]		২,৫০০,০০০.০০

[illegible] করা হয়েছে।

[illegible] জমা ছিল, তাহা গত ২৫তম বার্ষিক সাধারণ সভায়

(আইএফআরএস)/বাংলাদেশ ফিনেন্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস) যেভাবে বাংলাদেশে প্রযোজ্য সেভাবে অনুসরণ করা হয়েছে এবং যে কোন ধরণের পরিবর্তন পর্যাপ্তভাবে প্রকাশ করা হয়েছে।

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

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

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

৮. বিগত ছয় বৎসরে মূল পরিচালনাগত এবং আর্থিক ফলাফল সমূহ Annexure – A, Page:69 & Annexure – B, Page:70 এ উল্লেখ করা হয়েছে।

৯. কোম্পানীর পরিচালক পর্ষদের সভার সংখ্যা এবং পরিচালকদের উপস্থিতি সংক্রান্ত তথ্য Page:63 এ উল্লেখ করা হয়েছে।

১০. শেয়ার ধারণের বিবরণ Annexure – E, Page:73 উল্লেখ করা হয়েছে।

১১. বিএসইসি এর চাহিদামত এবং কর্পোরেট গভর্নেন্সের নিয়মানুসারে কর্পোরেট গভর্নেন্সের কমপ্লাইয়েন্স স্ট্যাটাস নামে একটি প্রতিবেদন এবং সনদ Annexure – H, Page:78 এ বর্ণনা করা হয়েছে।

১২. পরিচালকদের প্রোফাইল Page:36-41 এবং অন্যান্য সংস্থায় তাদের অংশিদারিত্ব এবং অবস্থান, ব্যবসায়িক স্বার্থ এই রির্পোটের Annexure – F, Page:75 এ বর্ণনা করা হয়েছে।

ধন্যবাদ জ্ঞাপন

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

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

আল্লাহ হাফেজ

পরিচালকমন্ডলীর পক্ষে–

খলিলুর রহমান
চেয়ারম্যান
১৮ সেপ্টেম্বর ২০১৭


Think Strength & Robustness
think KDS Carton


Attach your fashion
with our finest
collection of button

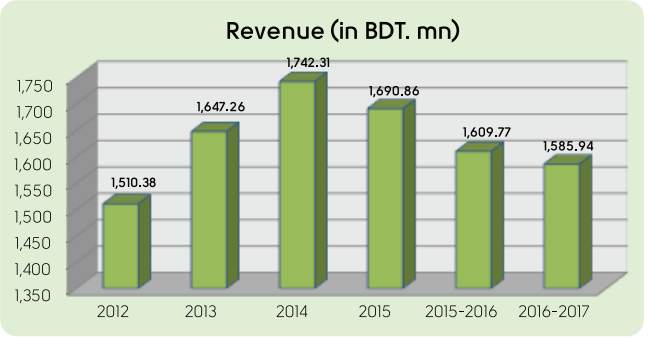
ANNEXURE - A

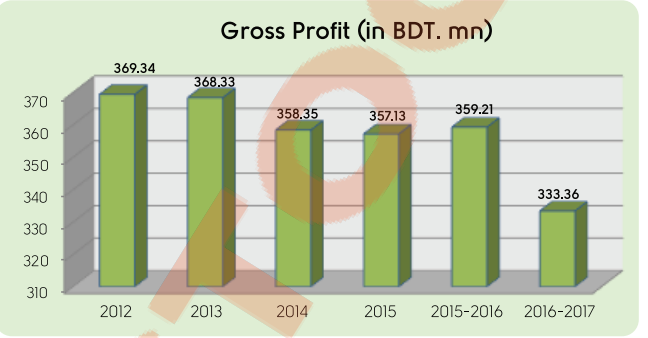
FINANCIAL HIGHLIGHTS

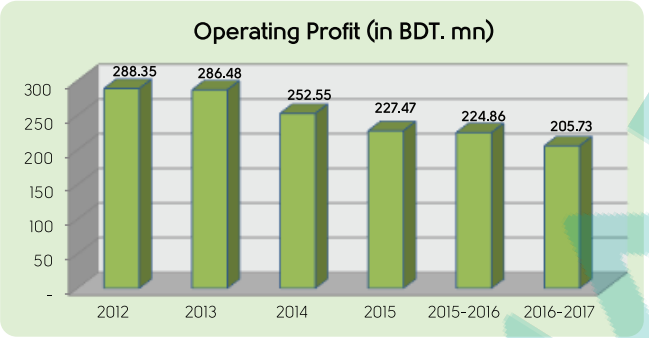
	Amount in BDT. Million					
	2016-2017	2015-2016	2015	2014	2013	2012
Assets Employed						
Non Current Assets	1,439.53	1,346.66	1,132.96	1,092.55	1,059.01	958.74
Net Current Assets	257.89	157.35	330.88	34.13	(153.29)	(134.32)
Total Assets Employed	**1,697.43**	**1,504.01**	**1,463.84**	**1,126.67**	**905.71**	**824.42**
Financed by						
Share Capital	572.00	520.00	520.00	400.00	400.00	301.28
Share Premium	120.00	120.00	120.00	-	-	-
Revaluation Reserve	214.39	214.39	214.39	214.39	214.39	214.39
Retained Earnings	512.35	464.77	384.41	259.42	170.78	183.62
Shareholders' Equity	**1,418.75**	**1,319.16**	**1,238.80**	**873.81**	**785.17**	**699.30**
Long Term Borrowings	178.54	99.08	152.77	184.21	77.28	92.88
Lease Finance	-	1.62	2.69	2.15	2.65	0.73
Defined benefit obligations - Gratuity	59.72	49.20	38.17	22.91	-	-
Deferred Tax Liabilities	40.42	34.95	31.40	43.59	40.61	31.51
Total Capital Employed	**1,697.43**	**1,504.01**	**1,463.84**	**1,126.67**	**905.71**	**824.42**
Operational Result						
Revenue	1,585.94	1,609.77	1,690.86	1,742.31	1,647.26	1,510.38
Gross Profit	333.36	359.21	357.13	358.35	368.33	369.34
Profit form operations	205.73	224.86	227.47	252.55	286.48	288.35
Profit before Interest, Taxes & Depreciation Allowances	270.82	286.55	285.17	300.96	332.38	324.57
Profit before Income Tax	149.22	142.48	130.00	110.96	111.34	145.24
Net Profit after Income Tax	125.59	122.34	124.99	88.64	85.87	111.24
Financial Ratios						
Gross Profit Ratio - %	21.02%	22.31%	21.12%	20.57%	22.36%	24.45%
Net Profit Ratio - %	7.92%	7.60%	7.39%	5.09%	5.21%	7.36%
EBITDA Margin to Sales - %	17.08%	17.80%	16.87%	17.27%	20.18%	21.50%
Return on Shareholders Equity - %	8.85%	9.27%	10.09%	10.14%	10.94%	15.91%
Return on Capital Employed - %	7.40%	8.13%	8.54%	7.87%	9.48%	13.49%
Current Ratio - Times	1.19	1.15	1.24	1.03	0.90	0.90
Quick Ratio - Times	0.85	0.79	0.88	0.66	0.40	0.32
Inventory Turnover Ratio - Times	3.03	3.36	2.77	2.31	1.70	1.57
Assets Turnover Ratio - Times	0.57	0.63	0.65	0.73	0.73	0.77
Debt Equity Ratio-Times	1.15	0.94	1.29	1.76	2.03	2.07
Interest Coverage Raito -Times	2.95	1.82	1.20	0.75	0.69	1.01
Price/Earning (P/E) Ratio - Times	34.66	26.46	29.73	-	-	-
Earnings Per Share (EPS) - Taka	2.20	2.14	2.86	2.22	2.14	2.78
Net Operating Cash Flow Per Share (NOCFPS) - Taka	2.80	2.50	3.44	4.67	0.41	5.90
Dividend Per Share (DPS) - Taka	1.50	1.50	-	-	-	3.28
Net Assets Value (NAV) Per Share -Taka	24.80	25.37	23.82	21.85	19.63	17.48
Market Price Per share on Year Ending Date - Taka	76.10	56.70	85.00	-	-	-
Market Capitalization on Year Ending Date - Taka (mn)	4,352.92	2,948.40	4,420.00	-	-	-

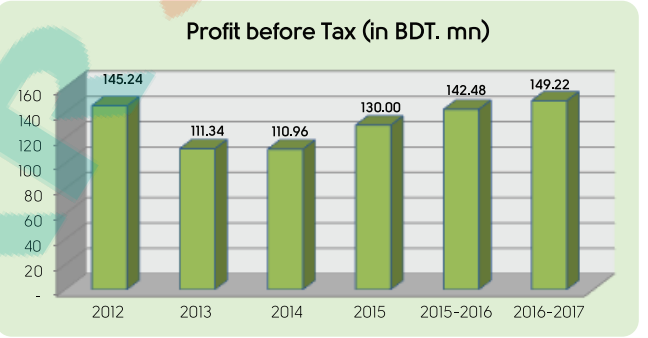
ANNEXURE - B

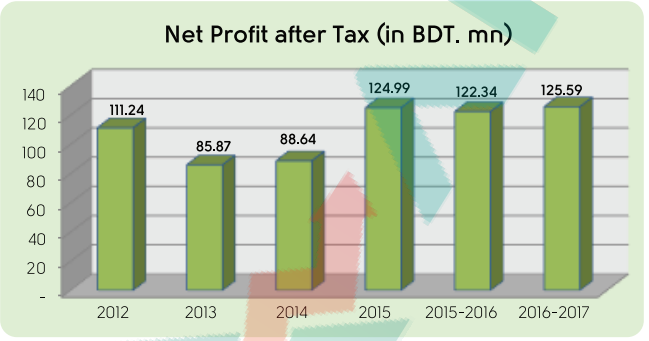
PERFORMANCE INDICATOR

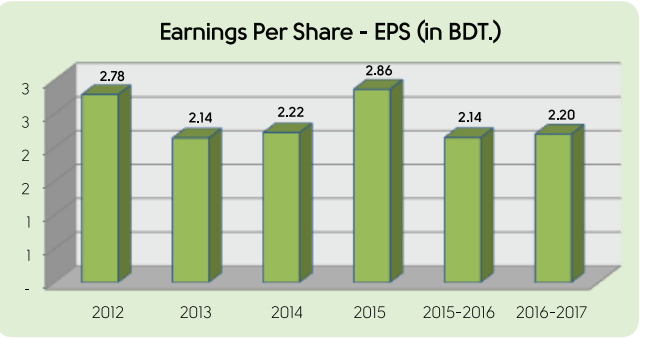




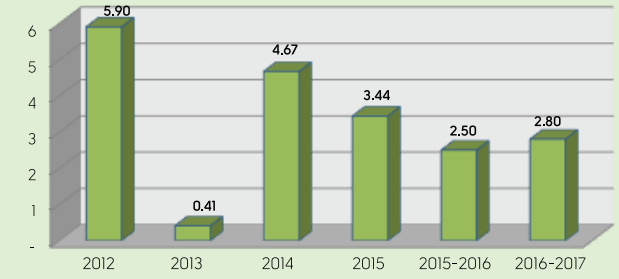




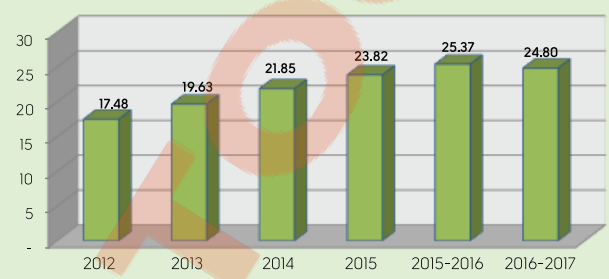




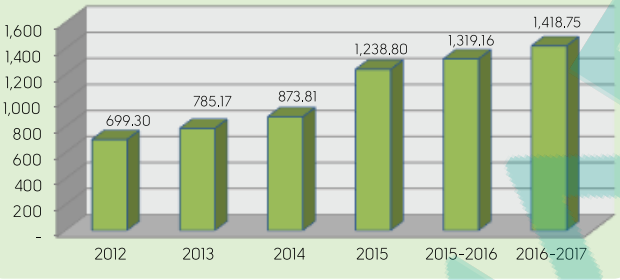
Net Operating Cash Flow Per Share - NOCFPS (in BDT.)



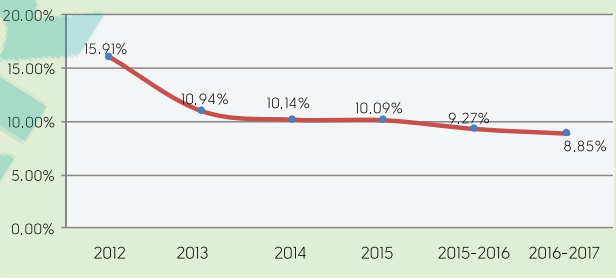
Net Asset Value Per Share-NAV (in BDT.)



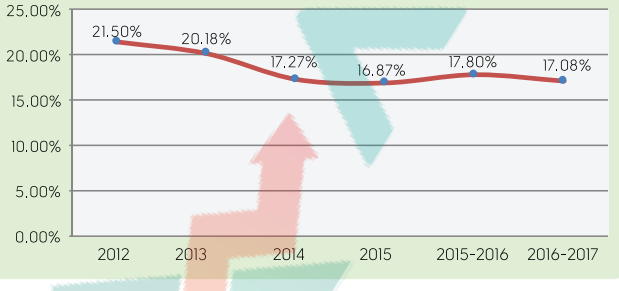
Shareholders' Equity (in BDT. mn)



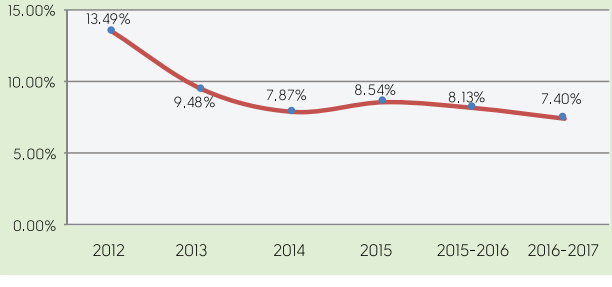
Return on Shareholders Equity (in %)



EBITDA Margin to Sales (in %)



Return on Capital Employed (in %)



ANNEXURE - C

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis are designed to provide readers with an overview of the business and an Cost of Goods Sold, Gross & Net Profit Margin.

FINALCIAL PERFORMANCE

Particulars	01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
	In Taka	In Taka
Cost of Goods Sold (COGS)	1,252,576,655	1,250,566,654
Gross Pofit (GP)	333,360,520	359,206,753
Net Profit (NP)	125,588,351	122,340,224

COST OF GOODS SOLD (COGS)

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

GROSS PROFIT MARGIN RATIO

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

GROSS PROFIT = (SALES-COST OF GOODS SOLD)

The Gross Profit margin is one indicator to diagnose the financial health of a business Larger gross profit margins are better for business the higher the percentage, the more the business retains of each Taka of sales for other expenses and net profit.

GROSS PROFIT MARGIN % = (GROSS PROFIT ÷ SALES) X 100

During the reporting period of 12 months from 01 July 2016 to 30 June 2017, Gross Profit Margin was 21.02% against 22.31% from 01 July 2015 to 30 June 2016. Gross profit has decreased as the price of raw material was higher than that of last year.

NET PROFIT MARGIN RATIO

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

NET PROFIT= GROSS PROFIT-EXPENSES WITH TAX & WPP & WF

The Net profit Margin Ratio is 7.92% against 7.60% in the previous twelve months. In this period Company has earned net profit of Tk. 125.59 million. Share of Profit of Associates of Tk. 0.19 million has been included herewith.

ANNEXURE - D

RELATED PARTY TRANSACTIONS

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

Sl No.	Name of the Related Parties	Relationship	Nature of Transactions	Balance as on 01 July 2016	Transaction during the period (Net)	Balance as on 30 June 2017
1	KDS Apparels Limited	Common Directorship	Receivable Against Sales	4,329,931	(216,287)	4,113,645
2	KDS Fashion Limited	Common Directorship	Receivable Against Sales	13,648,961	7,970,692	21,619,653
3	KDS Garment Inds. Ltd.	Common Directorship	Receivable Against Sales	46,034,019	(1,694,335)	44,339,684
4	KDS Logistics Limited	Common Directorship	Receivable Against Sales	228,404	(89,286)	139,118
5	KDS IDR Limited	Common Directorship	Receivable Against Sales	4,473,125	(1,592,664)	2,880,461
6	KDS Textile Mills Ltd.	Common Directorship	Receivable Against Sales	247,379	385,372	632,750
7	KDS Poly Industries Ltd.	Common Directorship	Short Term Loan	191,197,758	396,568,425	205,370,667
8	KDS Thread Limited	Common Directorship	Short Term Loan	25,299,855	455,962	455,962

ANNEXURE - E

SHAREHOLDING STRUCTURE AS ON 30 JUNE 2017

a) Shareholding Structure of the Company as on 30 June 2017 was as below:

Name/Particulars of Shareholders	Number of Shares	% of total Shareholding
i) Directors & Sponsors		
Mr. Khalilur Rahman	26,839,092	46.921%
Mr. Salim Rahman	9,241,186	16.156%
Ms. Tahsina Rahman	2,198,952	3.844%
KDS Garment Industries Limited Represented by Mr. Kamrul Hasan FCA	1,150,648	2.012%
Mr. S.M. Shameem Iqbal	3,079,929	5.384%
Ms. Hasina Iqbal	2,640,138	4.616%
Ms. Tahmina Rahman	349	0.001%
Total of Directors & Sponsors	**45,150,294**	**78.93%**
ii) General Public	**8,218,823**	**14.37%**
iii) Institutions	**3,830,883**	**6.70%**
Grand Total (i+ii+iii)	**57,200,000**	**100.00%**

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

Name	Relation	No. of Shares Hold
KDS Garment Industries Limited	Group Company	1,150,648
Total		**1,150,648**

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

Name	Relation	No. of Shares Hold
Mr. Khalilur Rahman	Chairman	26,839,092
Mr. Salim Rahman	Managing Director	9,241,186
Ms. Tahsina Rahman	Director	2,198,952
KDS Garment Industries Limited Represented by Mr. Kamrul Hasan FCA	Director	1,150,648
Mr. Muhammad Jamaluddin	Independent Director	-
Mr. S.M. Shameem Iqbal	Sponsor	3,079,929
Ms. Hasina Iqbal	Daughter of Mr. Khalilur Rahman	2,640,138
Ms. Tahmina Rahman	Daughter of Mr. Khalilur Rahman	349
Mr. Debasis Daspal	CEO	275
Mr. Biplob Kanti Banik FCA	CFO	-
Mr. Manjure Khuda	CS	-
Mr. H M Morshed Jahan	Incharge, Internal Audit Dept.	-

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

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

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

Name	Relation	No. of Shares Hold
Mr. Khalilur Rahman	Chairman	26,839,092
Mr. Salim Rahman	Managing Director	9,241,186

ANNEXURE - F

DIRECTORS' BUSINESS INTEREST IN OTHER ORGANIZATIONS

Sl No.	Name of Directors	Position at KDS Accessories Limited	Entitles where they have interests	Position in other Companies
1	Mr. Khalilur Rahman	Chairman	KDS Garment Industries Limited	Chairman
			KDS Apparels Limited	Chairman
			KDS IDR Limited	Chairman
			KDS Fashion Ltd.	Chairman
			KDS Textile Mils Limited	Chairman
			KDS Thread Limited	Chairman
			KDS Poly Industries Limited	Chairman
			KY Steel Mills Limited	Chairman
			KYCR Coil Industries Ltd.	Managing Director
			Steel Accessories Limited	Chairman
			KDS Logistics Ltd.	Chairman
			Vortex Multi Industries Ltd	Chairman
			SKYS Securities Ltd	Chairman
			Pragati Life Insurance Limited	Chairman
			Pragati General Insurance Limited	Director
			National Bank Limited	Director
2	Mr. Salim Rahman	Managing Director	KDS Garment Industries Limited	Managing Director
			KDS Apparels Limited	Managing Director
			KDS IDR Limited	Managing Director
			KDS Fashion Ltd.	Managing Director
			KDS Textile Mills Limited	Director
			KDS Poly Industries Limited	Managing Director
			KDS Thread Limited	Managing Director
			KYCR Coil Industries Ltd.	Chairman
			Steel Accessories Limited	Managing Director
			KDS Logistics Ltd.	Managing Director
			Vortex Multi Industries Ltd.	Director
			Al-Arafah Islami Bank Ltd.	Director
3	Ms. Tahsina Rahman	Director	KYCR Coil Industries Ltd	Director
			Pragati General Insurence Limited	Director
4	KDS Garment Industries Limited Represented by Mr. Kamrul Hasan FCA	Director	-	-
5	Mr. Muhammad Jamaluddin	Independent Director	Center for Mass Education in Science (CMES)	Director
			Pragati Life Insurance Limited	Independent Director

ANNEXURE - G

RISK FACTORS & MANAGEMENT PERCEPTION

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

a. Interest Rate Risk

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

Management Perception

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

b. Exchange Rate Risk

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

Management Perception

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

c. Industry Risks

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

Management Perception

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

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d. Market and Technology-Related Risks

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

Management Perception

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

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

e. Labor unrest

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

Management Perception

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

f. Operational Risks

Rise in Input Costs may affect profitabiliy

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

Management Perception

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

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ANNEXURE - H

REPORT OF THE STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

[illegible]

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (If Any)
		Complied	Not Complied	
1	Board of Directors:			
1.1	Board's Size			
	[illegible]	√		
1.2	Independent Directors:			
1.2(i)	[illegible]	√		
1.2(ii)	For the purpose of this clause "independent director" means a director:			
1.2(ii)(a)	[illegible]	√		
1.2(ii)(b)	[illegible]	√		
1.2(ii)(c)	[illegible]	√		
1.2(ii)(d)	[illegible]	√		
1.2(ii)(e)	[illegible]	√		
1.2(ii)(f)	[illegible]	√		
1.2(ii)(g)	[illegible]	√		
1.2(ii)(h)	[illegible]	√		
1.2(ii)(i)	[illegible]	√		
1.2(iii)	[illegible]	√		
1.2(iv)	[illegible]	√		
1.2(v)	[illegible]	√		
1.2(vi)	[illegible]	√		
1.3	Qualification of Independent Director (ID)			
1.3(i)	[illegible]	√		
1.3(ii)	[illegible]	√		
1.3(iii)	[illegible]			N/A
1.4	Chairman of the Board and Chief Executive Officer (CEO)			
	[illegible]	√		

[illegible]

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (If Any)
		Complied	Not Complied	
[illegible]	[illegible]			
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]			N/A
[illegible]	[illegible]			N/A
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]			N/A
[illegible]	[illegible]	√		
[illegible]	[illegible]			
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]			
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		

Status of compliance with the conditions imposed by the Commission's Notification No [illegible] under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (If Any)
		Complied	Not Complied	
[illegible]	[illegible]			
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	Audit Committee			
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]			
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	Chairman of the Audit Committee			
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]			
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]	√		
[illegible]	[illegible]			N/A

[illegible]

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (If Any)
		Complied	Not Complied	
[illegible]	[illegible]	[illegible]		
[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]		
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[illegible]	[illegible]	[illegible]		
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[illegible]	[illegible]			[illegible]
[illegible]	[illegible]			[illegible]
[illegible]	[illegible]			[illegible]
[illegible]	[illegible]			[illegible]
[illegible]	[illegible]			[illegible]

Condition No.	Title	Compliance Status (Put √ in the appropriate Column)		Remarks (If Any)
		Complied	Not Complied	



FIRST STOCK


Enhance your brand sophistication with our Printed Fabric Label
NURTURE
SUPPLY Co.
Finest Quality Heritage Clothing
STUDENT
FILA
FRUIT OF THE LOOM
F&F

AMARSTOCK

REPORT OF THE AUDIT COMMITTEE

THE AUDIT COMMITTEE

The Board of Directors of KDS Accessories Limited has constituted an Audit Committee in line with the conditions of Bangladesh Securities and Exchange Commission's (BSEC) Guidelines. All Members of the Audit Committee are financially literate and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as Members of the Audit Committee. The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

Audit Committee Comprises as follows:

Name of the Members	Designation	Position
Mr. Muhammad Jamaluddin	Independent Director	Chairman
Mr. Khalilur Rahman	Chairman	Member
Ms. Tahsina Rahman	Director	Member
Mr. S.M. Shameem Iqbal*	Director	Member
Mr. Kamrul Hasan FCA** Representative of KDS Garment Industries Limited	Director	Member
Mr. Manjure Khuda	Company Secretary	Member Secretary

* Mr. S.M. Shameem Iqbal has resigned from the audit committee at the 108th BOD Meeting on 15 October 2016.

** Mr. Kamrul Hasan FCA (representative of KDS Garments Industry Limited) has appointed as membrer of the Audit Committee at the 108th BOD meeting on 15 October 2016.

ACTIVITIES OF AUDIT COMMITTEE

The committee is reporting to the Board of Directors on performing of the clearly set forth responsibilities by the Board of Directors. Main activities of the audit committee are summarized below:

1. Overseeing and monitoring of financial reporting process adoption of reporting standards and control risk management process

Audit Committee is assisting in the oversight of the financial reporting process, including monitoring the adoption of reporting standards and internal control risks management process to ensure that appropriate financial reporting process and standards used and adequate activities/measures control to high risk areas.

2. Review of Periodic Financial Statements

During the period, Audit Committee reviewed all periodical financial statements of the company. This review was made along with the Management and other stakeholders. Their review ensured that the financial statements are prepared in compliance with legal and accounting standards requirements and that the financial statements were disclosed accurate, reliable and timely information of the company.

3. Review of Internal Control Assessment

During the period, the committee revised and reviewed the internal control system and internal audit plan with an emphasis on minimizing of defect, losses and fraud. The committee also reviewed that the internal control was both adequate and effective.

4. Review of internal Audit Report

During the period, the committee reviewed the activities of Internal Audit Department and suggested necessary actions on the basis of internal audit report.

5. Review the Related Party Transactions and Investment Activities of Subsidiary

The Committee also reviewed the related party's transactions submitted by management and investing activities and it appears that all the due procedures and policies have been followed.

Meeting and attendance

During the reporting period under review, the Committee held four meetings. The attendance of the members at these meeting is as under:

Name of the Members	No of meeting held	Attended
Mr. Muhammad Jamaluddin	4	4
Mr. Khalilur Rahman	4	4
Ms. Tahsina Rahman	4	4
Mr. S.M. Shameem Iqbal*	4	1
Mr. Kamrul Hasan FCA** Representative of KDS Garment Industries Limited	4	3
Mr. Manjure Khuda	4	4

* Mr. S.M. Shameem Iqbal resigned from the audit committee at the 108th BOD Meeting on 15 October 2016.

** On resignation of Mr. Shameem Iqbal from the Audit Committee, Mr. Kamrul Hasan FCA (representative of KDS Garments Industry Limited) was appointed new membrer of the Committee which was approved by the Board in it's 108th BOD meeting on 15 October 2016.

Reporting of the Committee

On discharging its responsibilities, the audit committee has ensured the followings:

- Financial statements have been prepared and presented in compliance with all laws, regulations & standards as applicable.

- Adequate risk controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the Company is adequately managed.

Observations, findings and suggestions of the committee were communicated to the Board of Directors and the Board of Directors had taken appropriate measures on the report.

On behalf of the Committee

Muhammad Jamaluddin
Independent Director
& Chairman of the Committee

CORPORATE GOVERNANCE REPORT

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

Board of Directors

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

Audit Committee

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

Audit Committee holds regular meetings on the following major issues:

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

A separate report of the audit committee is included in this Annual Report in Page : 76.

Chairman of the Board, Managing Director & CEO

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

Directors' Report to Shareholders

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

Chief Financial Officer, Company Secretary and Head of Internal Audit

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

Internal Audit and Control

KDS Accessories Limited established an Internal Audit Department consisting of professional and knowledgeable employees. Internal Audit Department directly reports to the Board of Directors.

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

External Auditors

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

Key Management Committee

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

Certification on the Compliance of Corporate Governance Guidelines of BSEC

A certificate regarding compliance of conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission issued by A. Qasem & Co., Chartered Accountants is included in the Annual Report in Page : 80.

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CORPORATE GOVERNANCE CERTIFICATE

A. QASEM & CO.
Chartered Accountants Since 1953

Faruk Mahal (3rd Floor)
Plot # 93, Agrabad Com. Area
Chittagong, Bangladesh.

Phone : +880-31-715656
+880-31-718066
E-mail : qasem@globalctg.net

Certificate on Compliance of Conditions of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission to the Shareholders of KDS Accessories Limited.

We have examined the compliance of conditions of corporate Governance Guidelines of the Bangladesh Securities and Exchanges Commission (BSEC) by **KDS Accessories Limited** (the company) for the period endedJune 30, 2017 as stipulated in clause 7 (i) of the BSEC Notification No: SEC/CMRRCD/2006-158/134/Admin/44, dated 7th August 2012.

The compliance of conditions of Corporate Governance Guidelines is the responsibility of the company's management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of Corporate Governance Guidelines. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned notification.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chittagong
Date:September 20,2017

A. QASEM & CO.
Chartered Accountants

A member firm of Ernst & Young Global Limited
EY refers to the global organization, and/or one or more of the independent member firms of Ernst & Young Global Limited

EY Building a better working world

CORPORATE OF BAPLC



BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2017/001

BAPLC

Date of issue : 8th January 2017

Renewed Certificate

This is to certify that

KDS ACCESSORIES LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2017.

Bangladesh Association of Publicly Listed Companies BAPLC

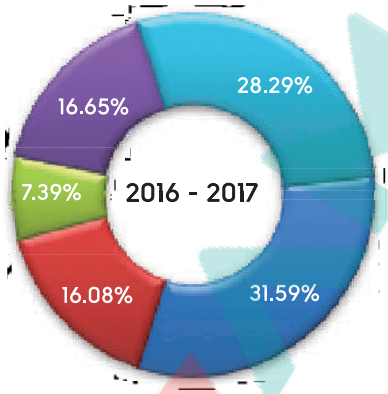
Secretary-General
(Acting)

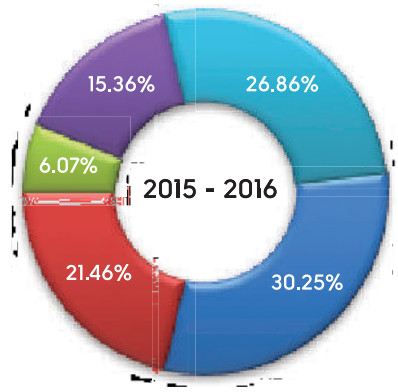

Complementing
the apparel luxury
and comfort through our
Elastic & Narrow Fabric


Heighten your brand with our Printing Proficiency
Briatore
ROUTE 66
RT66 STRAIGHT
32 X 34
AUTHENTIC CHEROKEE WORKWEAR
WONDERKIDS

VALUE ADDED STATEMENT

	2016 - 2017		2015 - 2016	
	Amount in Tk.	%	Amount in Tk.	%
A. Value Added:				
Revenue & Other Income	1,608,689,128		1,632,659,810	
Less: Paid to suppliers for materials & other services	1,164,734,645		1,177,128,945	
	443,954,483	**100.00%**	**455,530,865**	**100.00%**
B. Distribution as follows:				
Employees Benefits (Wages, salaries, bonus, & others)	141,568,624	31.59%	137,785,693	30.25%
Finance Provider	71,406,024	16.08%	97,764,866	21.46%
Duty, Taxes & Other related expenses	31,485,964	7.39%	27,636,826	6.07%
	244,460,612	**55.06%**	**263,187,385**	**57.78%**
Retained for Re-Investment & Future Growth				
Depreciation	73,905,520	16.65%	70,003,256	15.36%
Retained Profit	125,588,351	28.29%	122,340,224	26.86%
	199,493,871	**44.94%**	**192,343,480**	**42.22%**
	443,954,483	**100.00%**	**455,530,865**	**100.00%**





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

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

SHARESTOCK

STATEMENT OF CEO & CFO ON FINANCIAL STATEMENTS

The Board of Directors
KDS Accessories Limited

Dear Sir(s),

Compliance with the condition no. 6 imposed by Bangladesh Securities Exchange Commission's Notification No: SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities Exchange Ordinance - 1969, we do hereby certify to the Baord that:

i) We have reviewed the Financial Statements of the Company for the reporting period of 12 months from 01 July 2016 to 30 June 2017 and that to the best of our knowledge and belief,

   a. these Financial Statements do not contain any materially untrue statement or omit any material fact contain statements that might be misleading.

   b. these Financial Statements togther present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

ii) To the best knowledge and belief, the company did not enter into any transactions which are contrary to the laws of the land or violation of the company's code of conduct.

Sincerely Yous,

Debasis Daspal
Chief Executive Officer

Biplob Kanti Banik FCA
Chief Financial Officer

AMARSTOCK

AWARD & RECOGNITION



BUREAU VERITAS
Certification

KDS ACCESSORIES
(Represented by KDS Accessories Ltd., KDS Cotton Poly Thread Industries Ltd. & KDS Poly Industries Ltd.)

191-192, Baizid Bostami Road, Nasirabad I/A, Chittagong – 4210.
181 Baizid Bostami Road, Nasirabad I/A, Chittagong – 4210, Bangladesh.

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

Standard

ISO 9001:2008

Scope of certification

1. **KDS Accessories Limited - "Manufacture of Corrugated carton boxes, Offset printing and Screen printing works"**
2. **Head Office - "Sales, Sourcing, Customer Service of Garments Packaging Items"**
3. **KDS Cotton Poly Thread Industries Limited - "Dying of sewing threads for 100% Export"**
4. **KDS Poly Industries Limited- "Manufacture of Poly bags and Plastic Hangers for 100% Export"**

Certification cycle start date: **26 August 2015**
Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **25 August 2018**
Original certification date: **26 August 2015**
Certificate No. **IND15.5877U/Q** Version: 1 Revision date: **26 August 2015**

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

UKAS MANAGEMENT SYSTEMS 008

Certification body address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom
Local office: Marwah Centre, 6th Floor, Krishanlal Marwah Marg, Opp. Andheri (East), Mumbai – 400 072, India

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization.
To check this certificate validity please call +91 22 6695 6300.



BUREAU VERITAS
Certification

KDS ACCESSORIES
(Represented by KDS Accessories Ltd., KDS Cotton Poly Thread Industries Ltd. & KDS Poly Industries Ltd.)

191-192, Baizid Bostami Road, Nasirabad I/A, Chittagong – 4210.
181 Baizid Bostami Road, Nasirabad I/A, Chittagong – 4210, Bangladesh.

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

Standard

ISO 14001:2004

Scope of certification

1. **KDS Accessories Limited - "Manufacture of Corrugated carton boxes, Offset printing and Screen printing works"**
2. **Head Office - "Sales, Sourcing, Customer Service of Garments Packaging Items"**
3. **KDS Cotton Poly Thread Industries Limited - "Dying of sewing threads for 100% Export"**
4. **KDS Poly Industries Limited- "Manufacture of Poly bags and Plastic Hangers for 100% Export"**

Certification cycle start date: **26 August 2015**
Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **25 August 2018**
Original certification date: **26 August 2015**
Certificate No. **IND15.5877U/E** Version: 1 Revision date: **26 August 2015**

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

UKAS MANAGEMENT SYSTEMS 008

Certification body address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom
Local office: Marwah Centre, 6th Floor, Krishanlal Marwah Marg, Opp. Andheri (East), Mumbai – 400 072, India

Further clarifications regarding the scope of the certificate and the applicability of the management system requirements may be obtained by consulting the organization.
To check this certificate validity please call +91 22 6695 6300.

AMAR STOCK



BUREAU VERITAS
Certification

KDS ACCESSORIES LTD. (UNIT-02)

Factory: West Dogori, Post Office: Mirzapur,
Thana: Gazipur Sadar, Gazipur, Bangladesh.

Bureau Veritas Certification Holding SAS – UK Branch certify that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

Standards

ISO 9001:2008, ISO 14001:2004 & BS OHSAS 18001:2007

Scope of certification

MANUFACTURE & SUPPLY OF CORRUGATED CARTON BOXES, GUM TAPE, OFFSET PRINTINGS, HEAT SEAL, PRINTED LABELS, WOVEN LABELS, ELASTICS AND BUTTON FOR 100% EXPORT

Certification cycle start date: **27 September 2015**
Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on:
For QMS & EMS: **14 September 2018**
For OHSAS: **26 September 2018**
Original certification date: **27 September 2012**

Certificate No. **IND15.5945U/Q/E/HS** Version : 1 Revision date: **24 September 2015**

Signed on behalf of BVCH SAS UK Branch
Ramesh KOREGAVE
General Manager, CERTIFICATION
South Asia Region

UKAS MANAGEMENT
008

Certification body address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom.

Local office: "Marwah Centre" 6th Floor, Krishanlal Marwah Marg, Opp. Arya Industrial Estate, Off Saki Vihar Road, Andheri (East), Mumbai – 400 072. India.

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization. To check this certificate validity please call +91 22 6695 6300.



BUREAU VERITAS
Certification

KDS ACCESSORIES

(Represented by KDS Accessories Ltd., KDS Cotton Poly Thread Industries Ltd. & KDS Poly Industries Ltd.)

191-192, Baizid Bostami Road, Nasirabad I/A, Chittagong – 4210.
181 Baizid Bostami Road, Nasirabad I/A, Chittagong – 4210, Bangladesh

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

Standard

BS OHSAS 18001:2007

Scope of certification

1. **KDS Accessories Limited - "Manufacture of Corrugated carton boxes, Offset printing and Screen printing works"**
2. **Head Office - "Sales, Sourcing, Customer Service of Garments Packaging Items"**
3. **KDS Cotton Poly Thread Industries Limited - "Dying of sewing threads for 100% Export"**
4. **KDS Poly Industries Limited - "Manufacture of Poly bags and Plastic Hangers for 100% Export"**

Certification cycle start date: **26 August 2015**
Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **25 August 2018**
Original certification date: **26 August 2015**
Certificate No. **IND15.5877U/HS** Version: **1** Revision date: **26 August 2015**

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

UKAS MANAGEMENT
008

Certification body address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom.

Local office: "Marwah Centre" 6th Floor, Krishanlal Marwah Marg, Opp. Arya Industrial Estate, Off Saki Vihar Road, Andheri (East), Mumbai – 400 072. India.

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization. To check this certificate validity please call +91 22 6695 6300

AMAR STOCK



OEKO-TEX®
CONFIDENCE IN TEXTILES

CERTIFICATE

The company

KDS Accessories Ltd. (Unit 2)
6, West Dogori, Gazipur Sadar
Gazipur - 1703, BANGLADESH

is granted authorisation according to STANDARD 100 by OEKO-TEX® to use the OEKO-TEX® mark, based on our test report **16.0.01290**

for the following articles

Buttons made of 100 % polyester in white and pigment mass dyed (pearl, chalk and horn).

The results of the inspection made according to STANDARD 100 by OEKO-TEX®, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the standard presently established for baby articles.

The certified articles fulfil the requirements of Annex XVII of REACH (incl. the use of azo-dyes, nickel, etc.) as well as the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass).

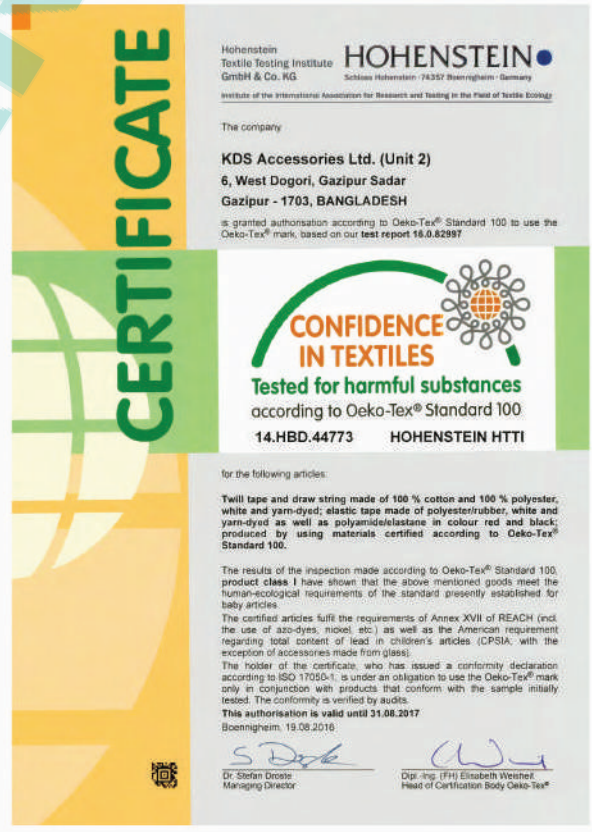
The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the OEKO-TEX® mark only in conjunction with products that conform with the sample initially tested. The conformity is verified by audits.

The certificate 13.HBD.34906 is valid until 31.01.2018

Boennigheim, 16.02.2017

Dipl.-Ing. (FH) Elisabeth Weisheit
Head of Certification Body Oeko-Tex®

OEKO-TEX® Association | Genferstrasse 23 | P.O. Box 2308 | CH-8027 Zurich



CERTIFICATE

Hohenstein
Textile Testing Institute
GmbH & Co. KG

HOHENSTEIN
Schloss Hohenstein · 74357 Boennigheim · Germany

Institute of the International Association for Research and Testing in the Field of Textile Ecology

The company

KDS Accessories Ltd. (Unit 2)
6, West Dogori, Gazipur Sadar
Gazipur - 1703, BANGLADESH

is granted authorisation according to Oeko-Tex® Standard 100 to use the Oeko-Tex® mark, based on our **test report 16.0.82997**

CONFIDENCE IN TEXTILES
Tested for harmful substances
according to Oeko-Tex® Standard 100
14.HBD.44773 **HOHENSTEIN HTTI**

for the following articles:

Twill tape and draw string made of 100 % cotton and 100 % polyester, white and yarn-dyed; elastic tape made of polyester/rubber, white and yarn-dyed as well as polyamide/elastane in colour red and black; produced by using materials certified according to Oeko-Tex® Standard 100.

The results of the inspection made according to Oeko-Tex® Standard 100, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the standard presently established for baby articles.

The certified articles fulfil the requirements of Annex XVII of REACH (incl. the use of azo-dyes, nickel, etc.) as well as the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass).

The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the Oeko-Tex® mark only in conjunction with products that conform with the sample initially tested. The conformity is verified by audits.

This authorisation is valid until 31.08.2017

Boennigheim, 19.08.2016

Dr. Stefan Droste
Managing Director

Dipl.-Ing. (FH) Elisabeth Weisheit
Head of Certification Body Oeko-Tex®

AMAR STOCK



TRIM SUPPLIER QUALIFICATION PROGRAM

ACHIEVEMENT AWARD

Trim Supplier Qualification Program

KDS Accessories Ltd. Unit-2

6 West Dogory, Mirzapur, Gazipur Sadar, Gazipur,
Dhaka, Bangladesh

Trim Supplier Qualification Program Registration Number:
F_IAR_27150_TQP-R1

Intertek has assessed the practices of the above facility according to the scope of the Trim Supplier Qualification Program (TQP), which resulted in meeting the performance criteria required for the "Achievement Award".

The evaluation of the facility covered the following areas:

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

Christophe Liebon, VP Supplier Management — 08 May, 2016 — Last Full Audit Date

Cary Chan, Certification Administration Centre — 07 May, 2018 — Expiration Date

This document confirms that an independent third-party assessment of the named facility was performed using a process driven approach which incorporates a weighted and scored data collection instrument to provide objective results on the facility's level of adherence to program standards. This document should not be relied upon as a demonstration of compliance beyond the expiry date. Periodic evaluations of the facility's ongoing processes should be conducted based on risk, to ensure sustaining adherence to program standards. This Achievement Award does not certify, confirm or imply and/or exempt the client from: a) Their legal obligations in compliance with any government, industry regulations or standards, b) The quality of any specific products and services produced or delivered by the facility. The facility or Supplier remains solely liable for legal compliance to any laws, regulations and non-compliance relating to systems, processes or product defects.

Intertek



GOLD CERTIFICATE OF COMPLIANCE

KDS Accessories Ltd.

WRAP #:	18937
Certification Period:	**July 7, 2017 to July 7, 2018**
Facility Address:	191/192 Bayzid Bostami Road Nasirabad I/A, Bayzid Bostami Chittagong Bangladesh
Production Processes:	Corrugated Carton: Corrugated Board, Rotary, Slotting, Printing (Black / Two Color), Finishing (Gum Pasting & Binding), Delivery. Offset Printing: Design, Printing, Finishing (Die Cutting, Laminating, Punching, Binding), Final Checking & Packing, Delivery. Screen Printing: Design Develop, Film output, Exposing, Screen Setting, Sample Develop, Production, Quality, Packing and Delivery
Sample Size:	20
Average Weekly Hours in Periods Reviewed:	February 2017: 55 March 2017: 56 April 2017: 57

Please refer to the full audit report for details.

Avedis H. Seferian
President & CEO

WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION — WRAP

Charles C. Masten
Chairman

Subject to the terms and conditions of the WRAP Certification Program and full compliance with the WRAP Production Principles

IAR STOCK


we create the
exception of rule



AMAR STOCK

AUDITORS' REPORT
&
FINANCIALS 2016-2017

KDS ACCESSORIES LIMITED
AS AT 30 JUNE 2017

AMARSTOCK

AUDITORS' REPORT

TO THE SHAREHOLDERS OF KDS ACCESSORIES LIMITED

[redacted]

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

[redacted]

AUDITOR'S RESPONSIBILITY

[redacted]

[redacted]

[redacted]

[redacted]

OPINION

[redacted]

OTHER MATTER

[redacted]

[redacted]

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) 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 those books;

(c) the statement of financial position, and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

(d) the expenditure incurred was for the purposes of the Company's business.

Hussain Farhad & Co.
Chartered Accountants

Chittagong, 18 September 2017

AMAR STOCK

KDS ACCESSORIES LIMITED

Statement of Financial Position

As at 30 June 2017

	Notes	30 June 2017 Taka	30 June 2016 Taka
ASSETS			
Non-current Assets			
Property, plant and Equipment	3	1,295,466,955	[illegible]
Intangible Assets	4	2,738,992	[illegible]
Deferred tax assets	5	93,327,777	[illegible]
Investment in subsidiary	6	46,297,694	[illegible]
Other Investment	7	4,713,519	[illegible]
Total Non-current Assets		1,439,582,937	1,446,659,360
Current Assets			
Inventories	8	485,364,873	[illegible]
Trade Receivables	9(a)	848,830,918	[illegible]
Other receivables	9(b)	2,125,996	[illegible]
Advances, deposits and prepayments	10	82,689,393	[illegible]
Due from related companies	11	205,826,629	[illegible]
Investment in FDR	12	5,443,638	[illegible]
Cash and cash equivalents	13	5,809,269	[illegible]
Total Current Assets		1,605,688,716	1,206,116,716
Total Assets		3,045,271,653	2,952,776,076
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	14	574,000,000	[illegible]
Share premium		120,000,000	[illegible]
Revaluation reserve		214,391,703	[illegible]
Retained earnings		510,353,021	[illegible]
Total Shareholders' Equity		1,418,745,724	1,319,132,373
Non-current Liabilities			
Long term loan	15(a)	178,949,034	[illegible]
Lease liabilities	15(b)	-	[illegible]
Deferred tax liability	16	59,715,197	[illegible]
Gratuity payable	17	39,424,331	[illegible]
Total Non-current Liabilities		278,679,562	184,651,346
Current Liabilities			
Trade and other payables	18	332,669,135	[illegible]
Current portion of long term loan	15(a)	103,185,860	[illegible]
Current portion of lease liability	15(b)	646,529	[illegible]
Liabilities for expenses	19	35,093,217	[illegible]
Provision for Tax	20	-	[illegible]
Short term bank loan	21	617,957,369	[illegible]
Workers' profit participation fund	22	61,384,257	[illegible]
Total Current Liabilities		1,347,796,367	1,048,369,357
Total Equity and Liabilities		3,045,271,653	2,952,776,076
Net Assets Value Per Share		24.80	25.37

The annexed notes 1 to 39 form an integral part of these financial statements.

KDS ACCESSORIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

	Note(s)	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016* Taka
Revenue	[illegible]	1,585,937,175	1,609,773,407
Cost of goods sold	[illegible]	(1,252,576,655)	(1,250,566,654)
Gross Profit		**333,360,520**	**359,206,753**
Operating expenses	[illegible]	(95,224,565)	(104,501,302)
Selling and distribution expenses	[illegible]	(32,407,569)	(29,849,938)
Operating Profit		**205,728,386**	**224,855,513**
Finance cost	30	(71,406,024)	(97,764,866)
Finance income	[illegible]	20,850,219	19,682,673
Profit before Other Income		**155,172,581**	**146,773,320**
Other income	[illegible]	1,711,651	1,797,600
[illegible]	[illegible]	190,083	1,406,130
Profit before Income Tax and distribution of WPPF and Welfare Fund		**157,074,315**	**149,977,050**
Workers' Profit Participation and Welfare Fund	[illegible]	(7,853,716)	(7,498,853)
Profit before Income Tax		**149,220,599**	**142,478,197**
Income tax expenses			
Current tax	[illegible]	(18,154,988)	(21,305,438)
Deferred tax	[illegible]	(5,477,260)	1,167,465
Profit after Income Tax		**125,588,351**	**122,340,224**
Other Comprehensive Income			
[illegible]		-	-
[illegible]		-	-
Other Comprehensive Income - net of tax		-	-
Total Comprehensive Income		**125,588,351**	**122,340,224**
Earnings Per Share (Basic)	[illegible]	2.20	2.35
Restated Earnings Per Share (Basic)	[illegible]		2.14

*Restated

The annexed notes [illegible] form an integral part of these financial statements.

Managing Director | Director | Company Secretary

Signed in terms of our separate report of even date annexed.

Chittagong, 18 September 2017

[illegible]
Chartered Accountants

KDS ACCESSORIES LIMITED
Statement of Changes in Equity
for the year ended 30 June 2017

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2015	[illegible]	-	214,391,703	[illegible]	[illegible]
Excess of proportionate net asset value of associate over acquisition cost (Net of tax)	-	-	-	[illegible]	[illegible]
Balance as on 01 July 2015 (Re-stated)	400,000,000	-	214,391,703	342,425,446	956,817,149
Ordinary share issued through Initial Public Offering	120,000,000	-	-	-	[illegible]
Share premium	-	120,000,000	-	-	[illegible]
Net Profit after tax for the year	-	-	-	[illegible]	[illegible]
Balance as at 30 June 2016	**520,000,000**	**120,000,000**	**214,391,703**	[illegible]	[illegible]
Balance as on 01 July 2016	520,000,000	120,000,000	214,391,703	[illegible]	[illegible]
Bonus share for the year 2015	52,000,000	-	-	[illegible]	-
Cash dividend for the year 2015	-	-	-	[illegible]	[illegible]
Net Profit after tax for the year	-	-	-	[illegible]	[illegible]
Balance as at 30 June 2017	**572,000,000**	**120,000,000**	**214,391,703**	512,354,021	1,418,745,724

[illegible] [illegible] [illegible]

KDS ACCESSORIES LIMITED

Statement of Cash Flows

For the year ended 30 June 2017

		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
		Taka	Taka
A. Cash flows from operating activities			
Receipt from customers		1,469,978,953	[illegible]
Receipt from other income		918,300	4,022,795
Paid to suppliers		(1,116,234,047)	[illegible]
Paid for operating expenses		(108,959,922)	[illegible]
Interest paid		(61,989,324)	[illegible]
Income tax paid		(23,340,871)	[illegible]
Net cash inflow/(outflow) from operating activities		160,373,089	190,054,163
B. Cash flow from investing activities			
Acquisition of property, plant and equipment		(165,353,810)	[illegible]
Capital work-in-progress		(1,082,985)	[illegible]
Investment in share of joint venture		10,000	-
Investment		(607,170)	[illegible]
Net cash inflow/(outflow) from investing activities		(167,033,965)	(264,764,695)
C. Cash flow from financing activities			
Share capital		-	[illegible]
Share premium		-	[illegible]
Dividend paid		(25,826,133)	-
Receipt/(Repayment) of long term loan		104,834,478	[illegible]
Receipt/(Repayment) of short term loan		(3,674,765)	[illegible]
Receipt/(Repayment) of inter-company borrowing		294,643,821	[illegible]
Short term loan paid to joint venture company		(371,724,532)	[illegible]
Net cash inflow/(outflow) from financing activities		(1,747,131)	180,231,411
D. Net increase of cash and cash equivalents (A+B+C)		(8,408,007)	[illegible]
E. Cash and cash equivalents at the beginning of the year		14,017,276	[illegible]
F. Cash and cash equivalents at the end of the year (D+E)		5,609,269	14,017,276
Net Operating Cash Flow per Share		2.80	2.50

KDS ACCESSORIES LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2017

1.00 REPORTING ENTITY

1.01 Formation and legal status

KDS Accessories Limited (formerly KDS Packaging Industries Ltd) was incorporated on 11 April 1991 as a private limited company under the Companies Act 1913 and converted into a public limited company on 27 December 2010. The Company is engaged in manufacturing and selling of packaging products. The registered office of the Company is situated at 1/1 Hazi Abdul Gani Road, Chittagong and factory is located at Plot No. 1/1 Hazi Abdul Gani Road, Chittagong. The Company obtained certificate for commencement of business on 29 December 2010 from the Registrar of Joint Stock Companies & Firms, Bangladesh. The Company is listed with Chittagong Stock Exchange Limited (CSE) and Dhaka Stock Exchange Limited (DSE). The Company obtained consent letter from Bangladesh Securities and Exchange Commission (BSEC) vide letter no. BSEC/CI/IPO-1/2016/1/1 dated 29 November 2016 for initial public offering (IPO) of 2,000,000 ordinary shares at par value of Tk. 10 each. Subsequently, the Company completed its IPO in December 2016 and its shares are listed with CSE and DSE.

The name of the subsidiary company is KDS Accessories (HK) Limited which was incorporated in Hong Kong on 19 May 2016 as a limited company. The principal activities of the subsidiary company are trading of packaging products. The subsidiary company has not yet started its commercial operation. The Company has invested Tk. 2,000,000 in 2,000,000 ordinary shares of HKD 1 each through its wholly owned subsidiary company KDS Accessories (HK) Limited.

1.02 Nature of business

The principal activities of the Company are manufacturing and selling of packaging products. There was no significant change in the nature of the principal activities of the Company during the year under review.

1.03 Basis of consolidation

(i) Consolidation of KDS Accessories Limited

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 30 June 2017. The financial statements of the subsidiary company are prepared for the same reporting period as the Company, using consistent accounting policies.

(ii) Basis of consolidation

The financial statements of the subsidiary company are consolidated on a line by line basis and intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.00 BASIS OF ACCOUNTING, PREPARATION AND PRESENTATION

2.01 Statement of compliance

The financial statements of the Company have been prepared and presented in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), the Companies Act 1994, the Securities and Exchange Rules 1987, the Dhaka Stock Exchange (Listing) Regulations 2015 and other applicable laws and regulations.

2.02 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the accounting policies below and are presented in accordance with the requirements of IAS 1 Presentation of Financial Statements.

[illegible]

2.03 [illegible]

2.04 [illegible]

2.05 [illegible]

2.06 [illegible]

2.07 [illegible]

2.08 [illegible]

2.09 [illegible]

2.10 [illegible]

Ref. No.	Accounting Standards	Status
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Applied

Ref No.	Accounting Standards	Status
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
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2.1 Use of Estimates and Judgements

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

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

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

Note	Impairment of financial assets
Note 3	Intangible assets
Note 7	Inventories
Note 10	Trade receivables
Note 17	Deferred tax liabilities
Note 28	Contingent liabilities
Note 32	Financial instruments

2.2 Principles of consolidation and equity accounting

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2017.

2.3 Comparative information

Comparative information has been prepared in accordance with Ind AS. The transition to Ind AS has been carried out from accounting principles generally accepted in India as at March 31, 2016 and the impact of transition has been provided in the opening balance sheet as at April 1, 2016. In preparing the opening balance sheet, certain figures reported previously in financial statements prepared in accordance with previous GAAP have been reclassified/regrouped to conform to Ind AS presentation requirements. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in note 36.

2.4 Summary of significant accounting policies

The accounting policies described below have been used consistently to all periods presented in these financial statements, and have been applied consistently by the Company and its subsidiaries.

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

3.07 Inventories

i) Nature of Inventories

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

ii) Valuation of Inventories

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

Category	Valuation method
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.

3.08 Financial Instruments

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

3.08.01 Financial Assets

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

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

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

Loans and Receivables

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

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

a) Trade and Other Receivables

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

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

b) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

c) Cash and Cash Equivalents

According to BAS-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. BAS-1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of BAS 7 and BAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

Available-for-sale

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

3.08.02 Financial Liabilities

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

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

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

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

a) Trade and Other Payable

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.

3.09 Impairment

i) Financial Assets

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

ii) Non-financial Assets

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

3.10 Share Capital

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

3.11 Revaluation Reserve

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

3.12 Employee Benefits

i) Short Term Employee Benefits

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

ii) Workers' Profit Participation & Welfare Fund

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

iii) Defined Contribution Plan

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

iv) Defined Benefit Plan - Gratuity

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

3.13 Taxation

i) Current Tax

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

ii) Deferred Tax

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

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

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

3.14 Loans and Borrowings

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

3.15 Provisions, Contingent Liabilities and Contingent Assets

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

3.16 Revenue Recognition

In compliance with the requirements of BAS 18 "Revenue", revenue is recognized only when:

i) The products are invoiced and dispatched to the customers (i.e. significant risk and reward associated with ownership are transferred to the customers);

ii) Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest applicable.

3.17 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 BAS- 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.

3.18 Related Party Transactions

The objective of BAS-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.

3.19 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with Bangladesh Accounting Standard BAS-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.

3.20 Measurement of Fair Values

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

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

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

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

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

Property, Plant and Equipment

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

3.21 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 Machineries	Administrative Building	Factory Building	Office Equipment	Electric Installation	Furniture & Fixture	Computer Equipment	Motor Vehicle	Total
At cost										
Balance as on 01 July 2015	416,978,935	591,867,126	41,240,955	276,040,375	24,337,784	36,132,763	12,038,729	21,085,044	58,414,506	1,478,136,217
Addition during the year	2,751,857	70,333,766	849,921	7,144,437	1,035,932	3,212,518	609,939	1,722,575	2,207,591	89,868,536
Disposal/Adjustment during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	**419,730,792**	**662,200,892**	**42,090,876**	**283,184,812**	**25,373,716**	**39,345,281**	**12,648,668**	**22,807,619**	**60,622,097**	**1,568,004,753**
Balance as on 01 July 2016	419,730,792	662,200,892	42,090,876	283,184,812	25,373,716	39,345,281	12,648,668	22,807,619	60,622,097	1,568,004,753
Addition during the year	-	183,529,035	-	73,275,673	898,526	2,047,809	1,129,308	1,536,333	5,804,950	268,221,634
Disposal/Adjustment during the year	-	-	-	-	-	-	(276,500)	-	(133,500)	(410,000)
Balance as at 30 June 2017	**419,730,792**	**845,729,927**	**42,090,876**	**356,460,485**	**26,272,242**	**41,393,090**	**13,501,476**	**24,343,952**	**66,293,547**	**1,835,816,387**
Accumulated depreciation										
Balance as on 01 July 2015	-	204,277,310	12,957,346	109,491,376	11,957,829	15,879,708	6,554,173	12,995,132	24,455,141	398,568,015
Charged for the year	-	34,976,852	1,187,492	9,344,655	2,993,273	4,606,987	2,352,443	6,970,963	6,756,436	69,189,101
Adjustment for disposal during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	**-**	**239,254,162**	**14,144,838**	**118,836,031**	**14,951,102**	**20,486,695**	**8,906,616**	**19,966,095**	**31,211,577**	**467,757,116**
Balance as on 01 July 2016	-	239,254,162	14,144,838	118,836,031	14,951,102	20,486,695	8,906,616	19,966,095	31,211,577	467,757,116
Charged for the year	-	45,983,109	1,231,629	9,603,696	2,183,336	4,475,147	1,442,319	1,469,617	6,557,114	72,945,967
Adjustment for disposal during the year	-	-	-	-	-	-	(231,162)	-	(122,489)	(353,651)
Balance as at 30 June 2017	**-**	**285,237,271**	**15,376,467**	**128,439,727**	**17,134,438**	**24,961,842**	**10,117,773**	**21,435,712**	**37,646,202**	**540,349,432**
Carrying amount										
As at 30 June 2016	**419,730,792**	**422,946,730**	**27,946,038**	**164,348,781**	**10,422,614**	**18,858,586**	**3,742,052**	**2,841,524**	**29,410,520**	**1,100,247,637**
As at 30 June 2017	**419,730,792**	**560,492,656**	**26,714,409**	**228,020,758**	**9,137,804**	**16,431,248**	**3,383,703**	**2,908,240**	**28,647,345**	**1,295,466,955**

Depreciation allocated to:

	Note	Allocation Basis	01 Jul 2016 to 30 Jun 2017 Taka	01 Jul 2015 to 30 Jun 2016 Taka
Factory Overhead	27.02	80%	58,356,774	55,351,281
Operating Expenses	28.00	20%	14,589,193	13,837,820
			72,945,967	**69,189,101**

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 2015	202,587,232	591,867,126	41,240,955	276,040,375	24,337,784	36,132,763	12,038,729	21,085,044	58,414,506	1,263,744,514
Addition during the year	2,751,857	70,333,766	849,921	7,144,437	1,035,932	3,212,518	609,939	1,722,575	2,207,591	89,868,536
Disposal/Adjustment during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	**205,339,089**	**662,200,892**	**42,090,876**	**283,184,812**	**25,373,716**	**39,345,281**	**12,648,668**	**22,807,619**	**60,622,097**	**1,353,613,050**
Balance as on 01 July 2016	205,339,089	662,200,892	42,090,876	283,184,812	25,373,716	39,345,281	12,648,668	22,807,619	60,622,097	1,353,613,050
Addition during the year	-	183,529,035	-	73,275,673	898,526	2,047,809	1,129,308	1,536,333	5,804,950	268,221,634
Disposal/Adjustment during the year	-	-	-	-	-	-	(276,500)	-	(133,500)	(410,000)
Balance as at 30 June 2017	**205,339,089**	**845,729,927**	**42,090,876**	**356,460,485**	**26,272,242**	**41,393,090**	**13,501,476**	**24,343,952**	**66,293,547**	**1,621,424,684**
Accumulated depreciation										
Balance as on 01 July 2015	-	204,277,310	12,957,346	109,491,376	11,957,829	15,879,708	6,554,173	12,995,132	24,455,141	398,568,015
Charged for the year	-	34,976,852	1,187,492	9,344,655	2,993,273	4,606,987	2,352,443	6,970,963	6,756,436	69,189,101
Adjustment for disposal during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	**-**	**239,254,162**	**14,144,838**	**118,836,031**	**14,951,102**	**20,486,695**	**8,906,616**	**19,966,095**	**31,211,577**	**467,757,116**
Balance as on 01 July 2016	-	239,254,162	14,144,838	118,836,031	14,951,102	20,486,695	8,906,616	19,966,095	31,211,577	467,757,116
Charged for the year	-	45,983,109	1,231,629	9,603,696	2,183,336	4,475,147	1,442,319	1,469,617	6,557,114	72,945,967
Adjustment for disposal during the year	-	-	-	-	-	-	(231,162)	-	(122,489)	(353,651)
Balance as at 30 June 2017	**-**	**285,237,271**	**15,376,467**	**128,439,727**	**17,134,438**	**24,961,842**	**10,117,773**	**21,435,712**	**37,646,202**	**540,349,432**
Carrying amount										
As at 30 June 2016	**205,339,089**	**422,946,730**	**27,946,038**	**164,348,781**	**10,422,614**	**18,858,586**	**3,742,052**	**2,841,524**	**29,410,520**	**885,855,935**
As at 30 June 2017	**205,339,089**	**560,492,656**	**26,714,409**	**228,020,758**	**9,137,804**	**16,431,248**	**3,383,703**	**2,908,240**	**28,647,345**	**1,081,075,252**

		Note(s)	30 June 2017 Taka	30 June 2016 Taka
5.00	**Intangible assets**			
	Computer software	5.01	2,726,992	2,603,560
			2,726,992	**2,603,560**
5.01	**Intangible assets schedule**			
	Cost			
	Opening balance		5,272,908	4,220,359
	Add: Addition during the year		1,082,985	1,052,549
	Closing balance		**6,355,893**	**5,272,908**
	Accumulated amortization			
	Opening balance		2,669,348	1,855,194
	Add: Charged during the year		959,553	814,154
	Closing balance		**3,628,901**	**2,669,348**
	Carrying amount		**2,726,992**	**2,603,560**
6.00	**Capital work-in-progress**			
	Opening balance		191,195,601	17,372,227
	Add: Expenditure incurred during the year	6.01	142,722,150	211,679,280
			333,917,751	**229,051,507**
	Less: Adjustment made during the year	6.01	(2,608,500)	-
	Less: Capitalized during the year	6.01	(242,981,474)	(37,855,906)
	Closing balance		**88,327,777**	**191,195,601**

6.01 Details of capital work-in -progress

Particulars	Opening Balance	Additions during the year	Adjusted during the Year	Capitalized during the Year	Balance as on 30 June 2017	Balance as on 30 June 2016
Land and land developmen	15,456,098	-	(2,608,500)	-	12,847,598	15,456,098
Administrative building	-	389,563	-	-	389,563	-
Factory building	49,774,407	47,616,128	4,646,727	(71,469,298)	30,567,964	49,774,407
Plant & machinery	106,164,670	73,606,901	-	(171,499,176)	8,272,395	106,164,670
Electric equipment and installations	19,800,426	21,109,558	(4,646,727)	(13,000)	36,250,257	19,800,426
	191,195,601	**142,722,150**	**(2,608,500)**	**(242,981,474)**	**88,327,777**	**191,195,601**

Land and land development includes Tk. 2,608,500 as binanama against land purchase and subsequently management has transferred the land to KDS Thread Limited. Consideration amount has duly been received.

		Note(s)	30 June 2017 Taka	30 June 2016 Taka
7.00	**Investment in associate**			
	SKYS Securities Limited	7.01	48,297,694	48,107,611
			48,297,694	**48,107,611**
7.01	**Movement of investment in associates**			
	Investment in equity share		23,405,000	23,405,000
	Share of profit/(loss)			
	Opening balance		24,702,611	23,048,341
	Share of profit/(loss) for the year	7.02	190,083	1,654,270
			24,892,694	**24,702,611**
			48,297,694	**48,107,611**
7.02	**Share of profit/(loss) of associates (Net of tax)**			
	Net profit attributable to the shareholders' of associate		**407,118**	**3,543,093**
	Ownership		**46.69%**	**46.69%**
	Net profit / (Loss) attributable to KDS Accessories Limited		190,083	1,654,270
			190,083	**1,654,270**

		30 June 2017 Taka	30 June 2016 Taka
7.03	**Summary of financial information of equity accounted investee**		
	Non-current assets	77,685,175	71,766,625
	Current assets	153,988,208	160,935,270
	Total assets	**231,673,383**	**232,701,895**
	Share capital	50,132,000	50,132,000
	Revaluation surplus (CSE Membership)	37,873,300	37,873,300
	Retained earnings	15,438,038	15,030,920
	Shareholders' equity	**103,443,338**	**103,036,220**
	Current liabilities	128,230,045	129,665,675
	Total liabilities	**128,230,045**	**129,665,675**
	Total equity & liabilities	**231,673,383**	**232,701,895**

		01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
	Revenue	7,047,154	8,855,375
	Other income	821,195	3,562,174
	Expenses	(7,461,231)	(8,874,456)
	Net profit	**407,118**	**3,543,093**
8.00	**Other investment**		
	Investment in Fixed Deposit Receipts	4,713,519	4,504,950
		4,713,519	**4,504,950**

Name of Banks	Purpose	Period	Interest rate		
Bank Asia Limited	Bank Guarantee	1 year	6.50%	3,732,056	3,542,884
Exim Bank Limited	Bank Guarantee	3 years	9.00% - 12.00%	981,463	962,066
				4,713,519	**4,504,950**
9.00	**Inventories**				
	Raw materials			307,994,045	256,709,571
	Work- in - process			18,432,284	23,404,318
	Finished goods			17,054,285	10,845,157
	Stores & spares			43,169,743	36,245,572
	Goods in transit			68,414,516	45,348,160
				455,064,873	**372,552,778**

9.01 Quantitative movement of raw materials and finished goods

Raw Materials

Product name	Unit	Opening balance	Procurement	Available for consumption	Consumption	Closing balance
Liner Paper	Kg	1,814,943	9,917,852	11,732,795	(8,645,758)	3,087,037
White Liner Paper	Kg	9,239	-	9,239	(9,239)	-
Medium Paper	Kg	1,108,996	6,086,954	7,195,950	(5,204,859)	1,991,091
Duplex Board	Kg	39,565	443,249	482,814	(267,038)	215,776
Stitching Wire	Kg	24,796	135,000	159,796	(138,144)	21,652
Yarn	Kg	96,040	200,272	296,311	(208,216)	88,095
Starch	Kg	13,365	369,060	382,425	(318,719)	63,706
Adhesive Powder	Kg	4,626	217,400	222,026	(210,196)	11,830
Art Card	Kg	17,761	35,876	53,637	(49,499)	4,138
Chemical	Ltr	950	14,781	15,731	(14,400)	1,331
Resin	Kg	13,238	194,280	207,518	(188,321)	19,196
PP Strap	Kg	-	1,920	1,920	(1,357)	563
Rubber Thread	Kg	59,405	38,300	97,705	(82,894)	14,811
Transfer Flim	Kg	-	110,000	110,000	(107,591)	2,409
P. Ink	Kg	6,609	24,653	31,262	(18,718)	12,544
Pigment	Kg	330	630	960	(947)	13
Ribbon	Kg	6,138	6,100	12,238	(6,787)	5,451
Self Adhesive Sticker	Kg	-	14,000	14,000	(12,656)	1,344
OPP Gum Tape	Kg	13,801	43,379	57,180	(32,423)	24,757
		3,229,800	**17,853,706**	**21,083,506**	**(15,517,762)**	**5,565,744**

Finished goods

Product name	Unit	Opening balance	Production	Available for sale	Sales	Closing balance
Carton	Pcs	134,411	29,271,182	29,405,593	(29,245,051)	160,542
Label	Pcs	65,100	71,691,494	71,756,594	(71,250,453)	506,141
Elastics and Narrow Fabrics	Yards	713,194	22,089,283	22,802,477	(21,895,250)	907,227
Offset Printing	Pcs	169,815	120,989,750	121,159,565	(120,928,561)	231,004
Heat Transfer Printing	Pcs	1,000	8,336,303	8,337,303	(8,305,021)	32,282
Button	GG	6,646	186,545	193,191	(185,668)	7,523
Gum Tape	Rolls	47,731	234,602	282,333	(277,332)	5,001
		1,137,897	**252,799,159**	**253,937,056**	**(252,087,336)**	**1,849,720**

		Note(s)	30 June 2017 Taka	30 June 2016 Taka
10.00	**Trade receivables**			
	Opening balance		718,558,677	845,376,706
	Add: Addition during the year	26.00	1,585,937,175	1,609,773,407
	Add: Foreign currency fluctuation gain/(loss)	10.02	11,462,019	5,704,545
			2,315,957,871	**2,460,854,658**
	Less: Realized during the year		(1,469,978,953)	(1,742,295,981)
			845,978,918	**718,558,677**

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 fluctuation gain/(loss) arises due to translation of foreign currency denominated trade receivables at the reporting date.

		30 June 2017 Taka	30 June 2016 Taka
10.03	**Trade receivables include affiliated companies**		
	KDS Apparels Limited	7,708,594	4,329,931
	KDS Fashion Limited	27,772,260	13,648,961
	KDS Garment Industries Limited	40,443,299	46,034,019
	KDS Logistics Limited	137,503	228,404
	KDS IDR Limited	9,748,232	4,473,125
	KDS Textile Mills Ltd.	81,863	247,379
	KYCR Coil Industries Ltd.	164,864	-
		86,056,615	**68,961,819**
10.04	**Ageing of trade receivables**		
	Dues within 3 Months	469,095,311	384,788,172
	Dues over 3 Months but within 6 months	376,883,607	333,770,505
		845,978,918	**718,558,677**
10.05	**Trade receivables - classification by security and related party:**		
	Receivable considered good and secured	845,978,918	718,558,677
	Receivable considered good without security	-	-
	Receivable considered doubtful or bad	-	-
	Receivable due by directors or other officers	-	-
	Receivable due from companies under same management	86,056,615	68,961,819
	Maximum receivable due by directors or officers at any time	-	-
11.00	**Other receivables**		
	Rent receivable	1,738,500	898,800
	Accrued interest income on FDR	387,496	415,996
		2,125,996	**1,314,796**

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
12.00 Advances, deposits and prepayments			
Advances	12.01	69,008,587	52,963,643
Security deposits	12.02	11,694,449	11,694,449
Prepayments	12.03	1,936,357	1,672,205
		82,639,393	**66,330,297**
12.01 Advances			
alary and allowances		876,301	710,070
dvertisement		599,999	998,835
Against income tax	12.01.01	18,190,240	21,835,016
For unallocated revenue expenses		4,299,997	735,518
Others		45,042,050	28,684,204
		69,008,587	**52,963,643**
12.01.01 Advance income tax			
Opening balance		21,835,016	9,581,661
Add: Paid/deducted during the year		18,190,240	12,253,355
Less: Adjusted during the year		(21,835,016)	-
Closing balance		**18,190,240**	**21,835,016**
12.02 Security deposits			
T & T		20,000	20,000
Titas Gas Transmission & Distribution Company Limited		1,260,200	1,260,200
Gazipur Palli Bidyut Samity		9,065,088	9,065,088
Karnaphuli Gas Transmission Limited		549,161	549,161
Central Depository Bangladesh Limited (CDBL)		500,000	500,000
Gulshan Club Limited		300,000	300,000
		11,694,449	**11,694,449**
12.03 Prepayments			
Insurance premium		1,753,389	1,558,504
Prepaid interest		182,968	113,701
		1,936,357	**1,672,205**

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 company		
KDS Poly Industries Limited	205,370,667	-
KDS Thread Limited	455,962	25,299,855
	205,826,629	**25,299,855**

13.01 The amount represent short term loan provided to KDS Poly Industries Limited and KDS Thread Limited as and when required to meet funding requirement. All transactions were done through banking channel and interests were charged on outstanding balances.

14.00 Short term investment		
Investment in Fixed Deposit Receipts	8,443,638	8,045,037
	8,443,638	**8,045,037**

Above Fixed Deposits maintained with Bank Asia Limited, Agrabad Branch, Chittagong has been kept as lien. The rate of interest is 5.25% -5.75% per annum.

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
15.00 Cash and cash equivalents			
Cash in hand	15.01	439,432	1,700,331
Cash at bank	15.02	5,169,837	12,316,945
		5,609,269	**14,017,276**
15.01 Cash in hand			
Head office		191,422	1,189,880
Dhaka office		202,944	468,513
Gazipur factory office		45,066	41,938
		439,432	**1,700,331**

15.02 Cash at Bank

Banks	Branch	Account Type	30 June 2017 Taka	30 June 2016 Taka
a Limited	MCB Banani	SND	1,193	1,166
a Limited	Agrabad	USD	3,488	2,228
Bank Asia Limited	Agrabad	Retention Quota	200,649	106,521
Bank Asia Limited	MCB Banani	Retention Quota	6,408	65,357
Bank Asia Limited	MCB Banani	RAD	684	680
Bank Asia Limited	MCB Banani	RAD	3,137,842	1,959,537
Commercial Bank of Ceylon	Motijheel	Current	1,029	984
Dutch Bangla Bank Limited	Jubilee Road	Current	-	437,370
HSBC	Agrabad	Current	146,303	1,443,722
Mutual Tr Limited	Oxygen Mor	SND	775	3,650
Mutual Tr Limited	Motijheel	Escrow	119,104	6,643,956
Mutual Tr Limited	Motijheel	Escrow-USD	1,156,200	1,395,428
Mutual Trust Bank Limited	Motijheel	Escrow-GBP	14,807	89,343
k Limited	Baridhara	Current	115,985	-
st Bank Limited	Agrabad	Current	2,234	3,232
Chartered Bank	Agrabad	Current	-	163,771
Standard Chartered Bank	Agrabad	Current	261,803	-
Trust Bank Limited	Dewan Bazar	Current	1,333	-
			5,169,837	**12,316,945**

16.00 Share capital

		30 June 2017 Taka	30 June 2016 Taka
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			
2,100,000	Ordinary Shares of Tk 10 each for consideration other than cash (Assets Acquisition)	21,000,000	21,000,000
1,000	Ordinary Shares of Tk 10 each as at 18 May 1992 for consideration other than cash (Bonu	10,000	10,000
10,505,000	Ordin s of Tk 10 each as at 30 June 2010	105,050,000	105,050,000
17,522,340	Ordin s of Tk 10 each as at 6 March 2012	175,223,400	175,223,400
9,871,660	Ordin s of Tk 10 each as at 8 June 2013	98,716,600	98,716,600
12,000,000	Ordin s of Tk.10 each issued through IPO	120,000,000	120,000,000
5,200,000	Ordin s of Tk 10 each as at 29 March 2016 (Bonus share)	52,000,000	-
57,200,000	**Ordina s of Tk 10 each**	**572,000,000**	**520,000,000**

16.01 Shareholding position

Name of the sh r eholders	30 June 2017 Percentage of holding	30 June 2017 Number of shares	30 June 2016 Percentage of holding	30 June 2016 Number of shares
Mr. Khalil n	46.92%	26,839,092	46.92%	24,399,175
Mr. Salim	16.16%	9,241,186	16.16%	8,401,079
Mr. S. M. m Iqbal	5.38%	3,079,929	5.38%	2,799,936
Ms. Hasina Iqbal	4.62%	2,640,138	4.62%	2,400,126
Ms. Tahsina Rahman	3.84%	2,198,952	3.84%	1,999,048
Ms. Tahmina Rahman	0.00%	349	0.00%	318
KDS Garment Inds. Limited	2.01%	1,150,648	0.00%	318
General Public (IPO)	21.07%	12,049,706	23.08%	12,000,000
	100%	**57,200,000**	**100%**	**52,000,000**

16.02 Cla sifi ation of shares by holding

S ..., number of shares	No. of Shareholders	No. of Shares	Holding (%)
n 500	2,201	381,736	0.67%
0 to 5,000	1,521	2,464,331	4.31%
From 5,0 0	174	1,284,837	2.25%
From 10,0 00	87	1,241,358	2.17%
From 20, 000	34	863,767	1.51%
From 30,001 to 40,000	18	611,210	1.07%
From 40,001 to 50,000	9	406,386	0.71%
From 50,001 to 100,000	21	1,504,802	2.63%
From 100,001 to 1,000,000	17	4,442,276	7.77%
Above 1,000,000	5	43,999,297	76.92%
	4,087	**57,200,000**	**100%**

		Note(s)	30 June 2017 Taka	30 June 2016 Taka
17.00	**Long term borrowings**			
	Opening balance		176,891,416	282,741,260
	Add: Received during the year		203,375,000	39,700,000
	Add: Interest applied		18,400,066	16,007,400
	Add: Bank charges		54,000	7,500
			398,720,482	**338,456,160**
	Less: Paid during the year		(116,994,588)	(161,564,744)
	Closing balance		**281,725,894**	**176,891,416**
17.01	**Current/non-current classification**			
	Due within one year		103,185,860	77,809,882
	Due after one year		178,540,034	99,081,534
			281,725,894	**176,891,416**
17.02	**Details of y m borrowings**			
	Bank Asia Agrabad	17.03	34,024,883	87,415,511
	Bank Asia ιε MCB Banani	17.04	44,494,327	51,345,034
	Trust Bank Limited	17.05	125,852,618	-
	Industrial Promotion & Development Company (IPDC)	17.06	11,195,340	38,130,871
	NCC Bank Limited	17.07	5,614,490	-
	Southeast Bank Limited	17.08	60,544,236	-
			281,725,894	**176,891,416**

17.03 Bank Asia Limited, Agrabad, Chittagong.

Total sanctioned amount	Tk. 8.49 Crore
Purpose	Machinery Import, Purchase of Vehicle, Working Capital
Interest rate	9% (Revised from time to time)
Tenure	Three to Five years
Payment method	The lo i ble i qual monthly installment.
Securities	i) Mo nt & Machinery, Hypothecation of stocks ii) Pe directors of the company. iii) Pos a q

17.04 Bank Asia Limited, MCB Banani, Dhaka.

Total sanctioned amount	Tk. 4.87 Crore
Purpose	Construction of factory building, utility building.
Interest rate	9% (Revised from time to time)
Tenure	Seven years
Payment method	The loan is repayable in equal monthly installment.
Securities	i) Per l G arantee of directors of the company. ii) Pos eques.

17.05 Trust Bank Limited, Dewan Bazar, Nawa sirait ddowla Road, Chittagong

Total sanctioned amount	Tk. 13.50 Crore
Purpose	Working Capital
Interest rate	9% (Revised from time to time)
Tenure	Four years
Payment method	The lo monthly installment.
Securities	i) Pe cessories Limited. ii) Co mited. iii) Hypothecation on all fixed and floating assets including plant & machinery, RM,WIP,FG and an IGPA. iv) Post dated MICR cheque and one undated cheque.

17.06 Industrial Promotion & Development Company of Bangladesh Limited, Head Office, Gulshan, Dhaka

Total sanctioned amount	Tk. 7.5 Crore
Purpose	Working Capital
Interest rate	9.75% (Revised from time to time)
Tenure	Three years
Payment method	The loan is repayable in 36 (Thirty Six) equal monthly installment.
Securities	i) Corporate guarantee of KDS Garment IndustriesLimited and KYCR Coil Industries Limited. ii) Post dated cheques. iii) Demand promissory note, letter of continuity, undertaking etc.

17.07 NCC Bank Limited, Baridhara, Dhaka

Total sanctioned amount	Tk. 55.75 Lac
Purpose	Motor Vehicle
Interest rate	8.50% (Revised from time to time)
Tenure	Five years
Payment method	The loan is repayable in 60 (Sixty) equal monthly installment.
Securities	i) Personal guarantee of directors of KDS Accessories Limited. ii) Ownership of the vehicle in the name of NCC Bank Ltd. iii) Registration of the vehicle in the name of NCC Bank Ltd.,A/C-KDS Accessories Ltd.

17.08 Southeast Bank Limited, Agrabad Branch,Chittagong

Total sanctioned amount	Tk. 6 Crore
Purpose	Retrofitting Works
Interest rate	8.50% (Revised from time to time)
Tenure	Three years
Payment method	The loan is repayable in 36 (Thirty Six) equal monthly installment.
Securities	i) 36 (Thirty Six) nos undated cheques. ii) Personal guarantee of directors of KDS Accessories Limited. iii) Hypothecation of machinery and equipment, furniture, fixture, stocks of Raw Materials, Work In Process, Finished Goods. iv) Mortgage of 01 (one) acre land along with factory building of KDS Thread Limited shall remain tag against this facility of KDS Accessories Limited.

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
18.00 Lease finance			
Opening balance		4,321,294	5,583,493
Less: Paid during the year		(3,674,765)	(1,262,199)
Closing balance		**646,529**	**4,321,294**
18.01 Current/non-current classification			
Due within one year		646,529	2,698,524
Due after one year		-	1,622,770
		646,529	**4,321,294**
18.02 Details of lease finance			
Industrial Promotion & Development Company (IPDC)	18.03	646,529	1,539,449
Bank Asia Limited	18.04	-	2,781,845
		646,529	**4,321,294**

18.03 Industrial Promotion & Development Company of Bangladesh Limited, Head Office, Gulshan, Dhaka

Total sanctioned amount	Tk. 34.90 Lac
Purpose	Lease for Motor Vehicle
Interest rate	9.75% (Revised from time to time)
Payment method	The loan is repayable in 60 (Sixty) equal monthly installments.
Tenure	Five years

18.04 Bank Asia Limited, Agrabad, Chittagong.

Total sanctioned amount	Tk. 41.60 Lac
Purpose	Lease for Motor Vehicle
Interest rate	9% (Revised from time to time)
Payment method	The loan is repayable in 36 (Thirty six) equal monthly installments.
Tenure	Three years

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
19.00 Defined benefit obligation- gratuity			
Opening balance		49,199,971	30,242,990
Add: Provision made during the year	28 & 27.02	10,688,117	19,611,449
		59,888,088	49,854,439
Less: Paid during the year		(172,891)	(654,468)
Closing balance		**59,715,197**	**49,199,971**

20.00 Deferred tax liability

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

	30 June 2017	30 June 2016
	Taka	Taka
Opening balance	34,947,071	36,114,736
Provided during the year		
Investments in associates	37,691	330,854
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	6,753,972	3,240,726
Provision for Gratuity	(1,314,403)	(4,739,245)
	5,477,260	**(1,167,665)**
Adjusted during the period	-	-
Closing balance	**40,424,331**	**34,947,071**

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

	Carrying Amount	Tax Base	Tax Rate	Taxable / (Deductible) Temporary Difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant & equipment	878,463,155	528,105,793	12.50%	350,357,362	43,794,670
Gratuity	(59,715,197)	-	12.50%	(59,715,197)	(7,464,400)
Investment in associates	48,297,694	23,405,000	15% - 20%	24,892,694	4,094,061
Net taxable temporary difference				**315,534,859**	**40,424,331**

	Note(s)	30 June 2017	30 June 2016
		Taka	Taka
21.00 Trade and other payables			
Trade payable	21.01	457,037,721	296,539,792
For revenue expenses	21.02	71,332,339	62,447,633
For other finance	21.03	4,199,075	4,081,097
		532,569,135	**363,068,522**

21.01 Trade payable

Liability for imported goods	431,822,729	276,434,984
Liability for local goods	25,214,992	20,104,808
	457,037,721	**296,539,792**

Liability for imported goods includes foreign currency translation loss of Tk. 2,503,590 (foreign exchange gain for the corresponding year 2015-2016 was of Tk. 2,207,233) arising due to translation of Trade Payables in foreign currency at the reporting date.

21.02 For revenue expenses

C & F charges	998,000	3,986,796
Audit fee	247,500	225,000
Rent expenses	3,965,217	2,280,000
Electricity bill	342,490	220,502
Gas charges	1,075,637	1,953,191
Telephone & mobile bill	103,756	90,625
Insurance expenses	1,348,339	1,718,913
Provident fund	48,369,624	40,746,583
Employee salaries and director's remuneration	14,881,776	11,226,023
	71,332,339	**62,447,633**

21.03 For other Finance

Supplier income tax	978,333	637,009
Tax & VAT on audit fee	65,000	62,500
Staff income tax	995,785	933,931
Tax & VAT on rent expenses	487,843	244,260
VAT payable-others	330,144	721,531
IPO over subscription money payable	1,168,103	1,481,866
Unclaimed dividend	173,867	-
	4,199,075	**4,081,097**

		30 June 2017	30 June 2016
		Taka	Taka
22.00	**Current tax liability**		
	Opening balance	40,923,876	41,067,175
	Add: Provision made during the year	18,154,988	21,305,638
		59,078,864	62,372,813
	Less: Paid/adjusted during the year	(26,985,647)	(21,448,937)
		32,093,217	**40,923,876**
23.00	**Due to affiliated company**		
	KDS Poly Industries Limited	-	191,197,758
		-	**191,197,758**

23.01 The amount represent short term loan availed from KDS Poly Industries Limited as and when required to meet funding requirement. All transactions were done through banking channel and interest was charged on outstanding balances.

		Note(s)	30 June 2017	30 June 2016
			Taka	Taka
24.00	**Short term bank loan**			
	Bank Overdraft	24.01	72,144,340	26,230,130
	Loan Against Trust Receipt (LATR)	24.02	24,499,402	57,052,125
	Local Documentary Bill Purchase (LDBP)	24.03	256,317,586	227,278,612
	Deman Loan and Time Loan	24.04	264,976,041	12,732,681
			617,937,369	**323,293,548**
24.01	**Bank Overdraft**			
	Bank Asia Limited		18,804,639	1,711,614
	Southeast Bank Limited		49,399,895	24,518,516
	Standard Chartered Bank		3,939,806	-
			72,144,340	**26,230,130**
24.02	**Loan Against Trust Receipt (LATR)**			
	Standard Chartered Bank		24,499,402	38,658,662
	Southeast Bank Limited		-	18,393,463
			24,499,402	**57,052,125**
24.03	**Local Documentary Bill Purchase (LDBP)**			
	Bank Asia Limited		218,060,771	211,445,256
	Standard Chartered Bank		38,256,815	15,833,356
			256,317,586	**227,278,612**
24.04	**Deman Loan and Time Loan**			
	Bank Asia Limited		61,331,022	12,732,681
	NCC Bank Limited		203,645,019	-
			264,976,041	**12,732,681**
25.00	**Provision for WPPF and Welfare Fund**			
	Opening balance		49,777,247	37,995,513
	Add: Provision made during the year		7,853,716	7,498,853
	Add: Interest during the year	28.00	3,733,294	4,282,881
			61,364,257	**49,777,247**

As per provision of Workers' Profit Participation Fund(WPPF) and Welfare Fund (WF) of Labor Act 2006, the company has been maintaining provision of WPP & WF since 2010. Subsequently Workers Participation Committee (WPC) was formed and approval of Office of The Joint Director of Labor, Chittagong Division was also obtained. Meantime the company has credited interest on the non-distributed WPP & WF fund till 30 June 2017 with a view to protecting the interest of the workers. However, the Company expects to distribute the fund shortly.

		Notes	01 July 2016 to 30 June 2017		01 July 2015 to 30 June 2016	
			USD	Taka	USD	Taka
26.00	**Revenue**					
	Export sales	26.01	20,395,427	1,585,937,175	20,862,576	1,609,773,407
			20,395,427	**1,585,937,175**	**20,862,576**	**1,609,773,407**

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

Product name	01 July 2016 to 30 June 2017 (%)	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 (%)	01 July 2015 to 30 June 2016 Taka
Carton	78.91%	1,251,430,301	76.74%	1,235,302,874
Label	3.19%	50,661,298	4.33%	69,737,256
Elastics and Narrow Fabrics	5.87%	93,113,538	7.15%	115,038,312
Offset Printing	5.16%	81,887,656	5.33%	85,730,605
Heat Transfer Printing	0.56%	8,900,588	0.56%	9,042,367
Button	5.81%	92,209,901	5.74%	92,377,610
Gum Tape	0.49%	7,733,893	0.16%	2,544,384
	100%	**1,585,937,175**	**100%**	**1,609,773,407**

	Note(s)	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
27.00 Cost of goods sold			
Raw materials consumed	27.01	1,015,887,523	1,054,930,368
Factory overhead	27.02	243,815,457	209,731,592
Cost of Production		**1,259,702,980**	**1,264,661,960**
Add: Opening work-in-process		23,404,318	16,788,782
Less: Closing work-in-process		(18,432,284)	(23,404,318)
Cost of goods manufactured		**1,264,675,014**	**1,258,046,424**
Goods used for sample making	29.00	(5,889,231)	(5,688,150)
		1,258,785,783	1,252,358,274
Opening finished goods		10,845,157	9,053,537
Cost of goods available for sale		**1,269,630,940**	**1,261,411,811**
Closing finished goods		(17,054,285)	(10,845,157)
		1,252,576,655	**1,250,566,654**
27.01 Raw materials consumed			
Opening inventory		256,709,571	241,340,531
Add: Purchases during the year		1,067,171,997	1,070,299,408
Total materials available		1,323,881,568	1,311,639,939
Less: Closing inventory		(307,994,045)	(256,709,571)
		1,015,887,523	**1,054,930,368**
27.02 Factory overhead			
Salary , wages and others		80,940,554	74,668,166
Stores and spares consumption	27.03	25,125,338	23,808,622
Gratuity	19.00	2,137,623	3,937,485
Depreciation	4.00	58,356,774	55,351,282
Ansar/security cost		3,074,055	2,956,855
Electricity expenses		1,396,020	1,766,127
Fuel expenses		4,718,891	4,204,822
Gas expenses		47,447,929	19,604,148
Generator running expenses		1,465,410	6,250,313
Insurance premium		1,991,060	1,788,207
Labour charges		2,438,606	2,701,884
Printing and processing charges		2,284,474	2,000,305
Repair and maintenance		4,333,337	3,526,977
Telephone		840,150	735,296
Testing fee		1,147,367	647,886
Uniform and liveries		1,041,432	908,481
Vehicle maintenance expenses		4,543,853	4,418,570
Water and sanitation expenses		532,584	456,166
		243,815,457	**209,731,592**

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		Note(s)	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
27.03	**Stores and spares consumption**			
	Opening inventory		36,245,572	28,631,781
	Add: Purchases during the year		32,049,509	31,422,413
	Total spare parts available		68,295,081	60,054,194
	Less: Closing inventory		(43,169,743)	(36,245,572)
			25,125,338	**23,808,622**
28.00	**Operating expenses**			
	Salaries and wages		40,988,462	35,644,639
	Director's remuneration		2,500,000	2,500,000
	Audit fee		312,500	431,250
	Amortization	5.00	959,553	814,154
	Depreciation	4.00	14,589,193	13,837,820
	Consultancy fee		152,695	141,495
	Electricity expenses		246,357	391,321
	Entertainment		801,190	615,030
	Fuel expenses		832,745	674,468
	Gratuity	19.00	8,550,494	15,673,964
	Group insurance		566,368	550,103
	Guest house expenses		342,600	186,331
	Insurance expenses		1,548,707	991,891
	Interest on non-payment of WPP and WF	25.00	3,733,294	4,282,881
	Internet expenses		1,783,092	1,317,314
	Medical expenses		311,520	217,330
	Miscellaneous Expenses		782,505	613,002
	News paper expenses		24,637	26,251
	Office maintenance		2,124,270	1,176,604
	Post IPO expenses		-	12,707,981
	Postage and parcel expenses		238,810	120,140
	Printing and stationeries		2,089,255	582,705
	Professional fees		21,000	264,850
	Rent expenses - Dhaka office		4,800,000	4,800,000
	Rent, rates, license, renewal and others fee		1,951,771	1,460,198
	Repair and maintenance		764,707	638,350
	Security cost - ansar cost		542,480	535,136
	Staff fooding		1,565,430	1,222,210
	Staff training expenses		69,708	120,650
	Telephone		840,150	777,298
	Travelling and conveyance		686,199	599,890
	Vehicle maintenance expenses		504,873	586,046
			95,224,565	**104,501,302**

28.01 Director's remuneration has only been paid to Managing Director and no other benefits have been paid.

29.00	**Selling and distribution expenses**			
	Salary, wages and allowances		8,916,491	7,759,939
	Advertisement expenses		3,124,299	4,771,731
	Employee reward		35,000	101,500
	Carriage outward		12,309,670	10,048,517
	Sales promotion expenses		2,132,878	1,480,101
	Sample expenses	27.00	5,889,231	5,688,150
			32,407,569	**29,849,938**
30.00	**Finance cost**			
	Interest on balance due to inter companies and bank loans		60,965,994	86,478,974
	Bank charges and commission		10,440,030	11,285,892
			71,406,024	**97,764,866**

		01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
31.00	**Finance income**		
	Interest earned from FDR	682,433	1,001,364
	Interest earned from STD	101,609	3,569,596
	Interest income from inter-company receivable	11,225,260	5,397,627
	Gain/(Loss) on currency fluctuation	8,840,917	9,714,086
		20,850,219	**19,682,673**
32.00	**Other income**		
	Rent income	1,758,000	1,797,600
	Profit/(Loss) on Sale of Fixed Assets	(46,349)	-
		1,711,651	**1,797,600**
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	125,588,351	122,340,224
	Number of ordinary shares outstanding during the year	57,200,000	52,000,000
	Weighted average number of ordinary shares outstanding during the year	57,200,000	52,000,000
	Basic Earnings Per Share	**2.20**	**2.35**
	Restated Earnings Per Share (Basic)*		**2.14**

*EPS for the year 01 July 2016 to 30 June 2017 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of BAS 33.

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.

		30 June 2017 Taka	30 June 2016 Taka
33.03	**Net Asset Value Per Share (NAV)**		
	Total Assets	3,045,221,653	2,552,778,076
	Less: Liabilities	1,626,475,929	1,233,620,703
	Net Asset Value (NAV)	1,418,745,724	1,319,157,373
	Number of ordinary shares outstanding during the year	57,200,000	52,000,000
	Net Assets Value (NAV) per share	**24.80**	**25.37**

		01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
33.04	**Net operating cash flow per share**		
	Net Operating cash Flows (from statement of cash flows)	160,373,089	130,054,163
	Number of ordinary shares outstanding during the year	57,200,000	52,000,000
	Net operating cash flow per share	**2.80**	**2.50**

34.00 Contingent liabilities and commitment

Contingent liabilities and commitment at the reporting date are as follows

		30 June 2017 Taka	30 June 2016 Taka
34.01	**Bank guarantee**		
	Bank Asia Limited	6,136,100	5,301,400
	EXIM Bank Limited	605,865	605,865
		6,741,965	**5,907,265**

		30 June 2017	30 June 2016
		Taka	Taka
34.02	**L/C liabilities**		
	Bank Asia Limited	100,394,614	21,766,152
	Standard Chartered Bank	7 5	65,401,036
	Southeast Bank Limited	4	37,608,366
		2 [illegible] 33	124,775,554

34.03 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June 2017.

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 2017 other than trade credit available in the ordinary course of business.

37.00 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 BAS-24: Related Party Disclosures.

SL No.	Name of the Related Parties	Relationship	Nature of Transactions	Balance as on 01 July 2016	Transaction during the year (Net)	Balance as on 30 June 2017
1	KDS Apparels Limited	Common directorship	Receivable against Sales	Dr. 4,329,931	3,378,663	Dr. 7,708,594
2	KDS Fashion Limited	Common directorship	Receivable against Sales	Dr. 13,648,961	14,123,299	Dr. 27,772,260
3	KDS Garment Inds. Ltd.	Common directorship	Receivable against Sales	Dr. 46,034,019	(5,590,720)	Dr. 40,443,299
4	KDS Logistics Limited	Common directorship	Receivable against Sales	Dr. 228,404	(90,901)	Dr. 137,503
5	KDS IDR Limited	Common directorship	Receivable against Sales	Dr. 4,473,125	5,275,107	Dr. 9,748,232
6	KDS Textile Mills Ltd.	Common directorship	Receivable against Sales	Dr. 247,379	(165,516)	Dr. 81,863
7	KYCR Coil Ind. Limited	Common directorship	Receivable against Sales	-	164,864	Dr. 164,864
8	KDS Poly Ind. Limited	Common directorship	Short Term Loan	Cr. 191,197,758	396,568,425	Dr. 205,370,667
9	KDS Thread Limited	Common directorship	Short Term Loan	Dr. 25,299,855	(24,843,893)	Dr. 455,962

38.00 Events after the reporting period

The Board of Directors at the meeting held on 18 September 2017 has recommended 10% cash and 5% Stock dividend for the year ended 30 June 2017.

		30 June 2017	30 June 2016
		Taka	Taka
39.00	**Employee position of KDS Accessories Limited**		
	Number of employees whose monthly salary was below Tk. 5,300	-	-
	Number of employees whose monthly salary was above Tk. 5,300	1,114	1,046
		1,114	1,046

40.00 Quantitative information of production capacity for the year ended 30 June 2017

Particulars	01 July 2016 to 30 June 2017			01 July 2015 to 30 June 2016		
	Installed Capacity (Pcs/GG)	Actual Production (Pcs/GG)	Capacity Utilization in (%)	Installed Capacity (Pcs/GG)	Actual Production (Pcs/GG)	Capacity Utilization in (%)
Carton	30,000,000	29,271,182	97.57%	25,500,000	19,451,649	76.28%
Label	175,964,208	71,691,494	40.74%	175,964,208	88,698,751	50.41%
Elastics and Narrow Fabrics	30,576,000	22,089,283	72.24%	30,576,000	23,506,568	76.88%
Offset Printing	150,009,600	120,989,750	80.65%	150,009,600	137,840,273	91.89%
Heat Transfer Printing	24,960,000	8,336,303	33.40%	24,960,000	9,029,061	36.17%
Button	360,000	186,545	51.82%	360,000	170,489	47.36%
Gum Tape	4,290,000	234,602	5.47%	4,290,000	89,397	2.08%

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

41.00 Financial instruments- Financial risk management

Bangladesh Financial Reporting Standard BFRS 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

41.01 Credit rist

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

(a) Exposure to credit risk

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

	30 June 2017	30 June 2016
	Taka	Taka
Investments in FDRs (Short term & long term)	13,157,157	12,549,987
Advances, deposits and prepayments	82,639,393	66,330,297
Trade and other receivables	848,104,914	719,873,473
Due from affiliated companies	205,826,629	25,299,855
Cash at bank	5,169,837	12,316,945
	1,154,897,930	**836,370,557**

(I) Trade and other receivables

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

Ageing of trade receivables

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

	30 June 2017	30 June 2016
	Taka	Taka
Dues within 3 Months	469,095,311	384,788,172
Dues over 3 Months but within 6 months	376,883,607	333,770,505
	845,978,918	**718,558,677**

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 the inter companies to meet their operational finance from time to time. The outstanding balances are redeemable including 9% interest per annum and have no prescribed repayment schedule.

(iii) Cash and cash equivalents

The company held cash at bank of Tk. 51,69,837 at 30 June 2017 (2016: Tk. 1,23,16,945), 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 2017		
	Credit rating	Amount in Taka	(%)
Trade receivables	NR	845,978,918	90.35%
Other receivables	NR	2,125,996	0.23%
Advances, deposits and prepayments	NR	82,639,393	8.83%
Cash and cash equivalents			
Cash in hand		439,432	0.05%
Cash at Banks		5,169,837	0.55%
Bank Asia Limited	AA2	3,350,264	64.80%
Commercial Bank of Ceylon	AAA	1,029	0.02%
HSBC	AAA	146,303	2.83%
Mutual Trust Bank Limited	AA	1,290,886	24.97%
National Credit & Commerce Bank	AA	115,985	2.24%
Standard Chartered Bank	AA+	261,803	5.06%
Southeast Bank Limited	AA	2,234	0.04%
Trust Bank Limited	AA2	1,333	0.03%

41.02 Liquidity risk

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

Exposure to Liquidity risk

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2017	Taka	Percentage	Taka	Taka	Taka	Taka
Long term borrowings	281,725,894	8.50%-9.75%	103,185,860	178,540,034	-	281,725,894
Lease finance	646,529	9.75%-10.00%	646,529	-	-	646,529
Trade and other payable	532,569,135	N/A	532,569,135	-	-	532,569,135
Short term bank loan	617,937,369	5.25%-9.00%	617,937,369	-	-	617,937,369
Due to affiliated company	-	9.00%	-	-	-	-
Provision for WPPF and Welfare Fund	61,364,257	7.50%	61,364,257	-	-	61,364,257
	1,494,243,184		1,315,703,150	178,540,034	-	1,494,243,184
As at 30 June 2016						
Long term borrowings	176,891,416	10.50%-11%	77,809,882	99,081,534	-	176,891,416
Lease finance	4,321,294	10.50%	2,698,524	1,622,770	-	4,321,294
Trade and other payable	363,068,522	N/A	363,068,522	-	-	363,068,522
Short term bank loan	323,293,548	5.25%-11%	323,293,548	-	-	323,293,548
Due to affiliated company	191,197,758	9.00%	191,197,758	-	-	191,197,758
Provision for WPPF and Welfare Fund	49,777,247	7.50%	49,777,247	-	-	49,777,247
	1,108,549,785		1,007,845,481	100,704,304	-	1,108,549,785

41.03 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. To manage this exposure, the company is adapted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 30 June 2017, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

(i) Exposure to currency risk

	GBP	USD	Taka
As at 30 June 2017			
Foreign currency denominated assets			
Cash and cash equivalents	148	56,977	4,520,078
Trade receivables	-	10,698,935	845,978,918
	148	**10,755,912**	**850,498,996**
Foreign currency denominated liabilities			
Liability for Local Documentary Bill Purchase (LDBP)	-	3,241,600	256,317,586
Liability for Accepted Bills for Payment (ABP)	-	5,461,180	431,822,729
	-	**8,702,780**	**688,140,315**
Net exposure	**148**	**2,053,132**	**162,358,681**

	GBP	USD	Taka
As at 30 June 2016			
Foreign currency denominated assets			
Cash and cash equivalents	838	45,184	3,619,094
Trade receivables	-	9,198,140	718,558,677
	838	**9,243,323**	**722,177,771**
Foreign currency denominated liabilities			
Liability for Local Documentary Bill Purchase (LDBP)	-	2,909,352	227,278,612
Liability for Accepted Bills for Payment (ABP)	-	3,538,594	276,434,984
	-	**6,447,947**	**503,713,596**
Net exposure	**838**	**2,795,377**	**218,464,175**

The following significant exchange rate is applied during the year:

	30 June 2017	30 June 2016
US Dollar	79.07	78.12
GBP	100.00	106.61
EURO	87.00	-

(ii) Sensitivity analysis

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

		30 June 2017		30 June 2016	
		Profit or loss		Profit or loss	
		Strengthening	Weakening	Strengthening	Weakening
		Taka	Taka	Taka	Taka
USD	(2% movement)	3,246,877	(3,246,877)	4,367,497	(4,367,497)
GBP	(2% movement)	296	(296)	1,787	(1,787)
EURO	(2% movement)	-	-	-	-

(b) Transaction risk

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

(c) Economic risk

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

(d) Interest risk

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

Exposure to interest rate risk

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

	30 June 2017	30 June 2016
Fixed- rate instruments	Taka	Taka
Financial assets	218,983,786	37,849,842
Financial liabilities	(900,309,792)	(695,704,016)
	(681,326,006)	**(657,854,174)**
Variable- rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

(e) Other market price risk

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

42.00 Financial Instruments- Accounting classifications and fair values

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

		Carrying amount					
	Note ref.	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total
30 June 2017		Taka	Taka	Taka	Taka	Taka	Taka
F measured at fair value							
vables	10 & 11	-	-	848,104,914	-	-	848,104,914
at mpanies	13	-	-	205,826,629	-	-	205,826,629
	8 & 14	-	-	-	13,157,157	-	13,157,157
Cash at bank	15.02	-	-	5,169,837	-	-	5,169,837
		-	-	**1,059,101,380**	**13,157,157**	-	**1,072,258,537**
Financial liabilities not measured at fair value							
L t b i s	17	-	-	-	-	(281,725 894)	(281,725,894)
	18	-	-	-	-	(6	(646,529)
bles	21	-	-	-	-	(532,	(532,569,135)
at	24	-	-	-	-	(617,	(617,937,369)
		-	-	-	-	**(1,432,878,927)**	**(1,432,878,927)**
30 June 2016							
Financial assets not measured at fair value							
other receivables	10 & 11	-	-	719,873,473	-	-	719,873,473
affiliated companies	13	-	-	25,299,855	-	-	25,299,855
ts in FDR	8 & 14	-	-	-	12,549,987	-	12,549,987
nk	15.02	-	-	12,316,945	-	-	12,316,945
		-	-	**757,490,273**	**12,549,987**	-	**770,040,260**
Financial liabilities not measured at fair value							
Long term borrowings	17	-	-	-	-	(176,891,416)	(176,891,416)
	18	-	-	-	-	(4,	(4,321,294)
bles	21	-	-	-	-	(363,0	(363,068,522)
Je at rr pany	23	-	-	-	-	(191	(191,197,758)
	24	-	-	-	-	(323,2	(323,293,548)
		-	-	-	-	**(1,058,772,538)**	**(1,058,772,538)**

Managing Director | Director | Company Secretary



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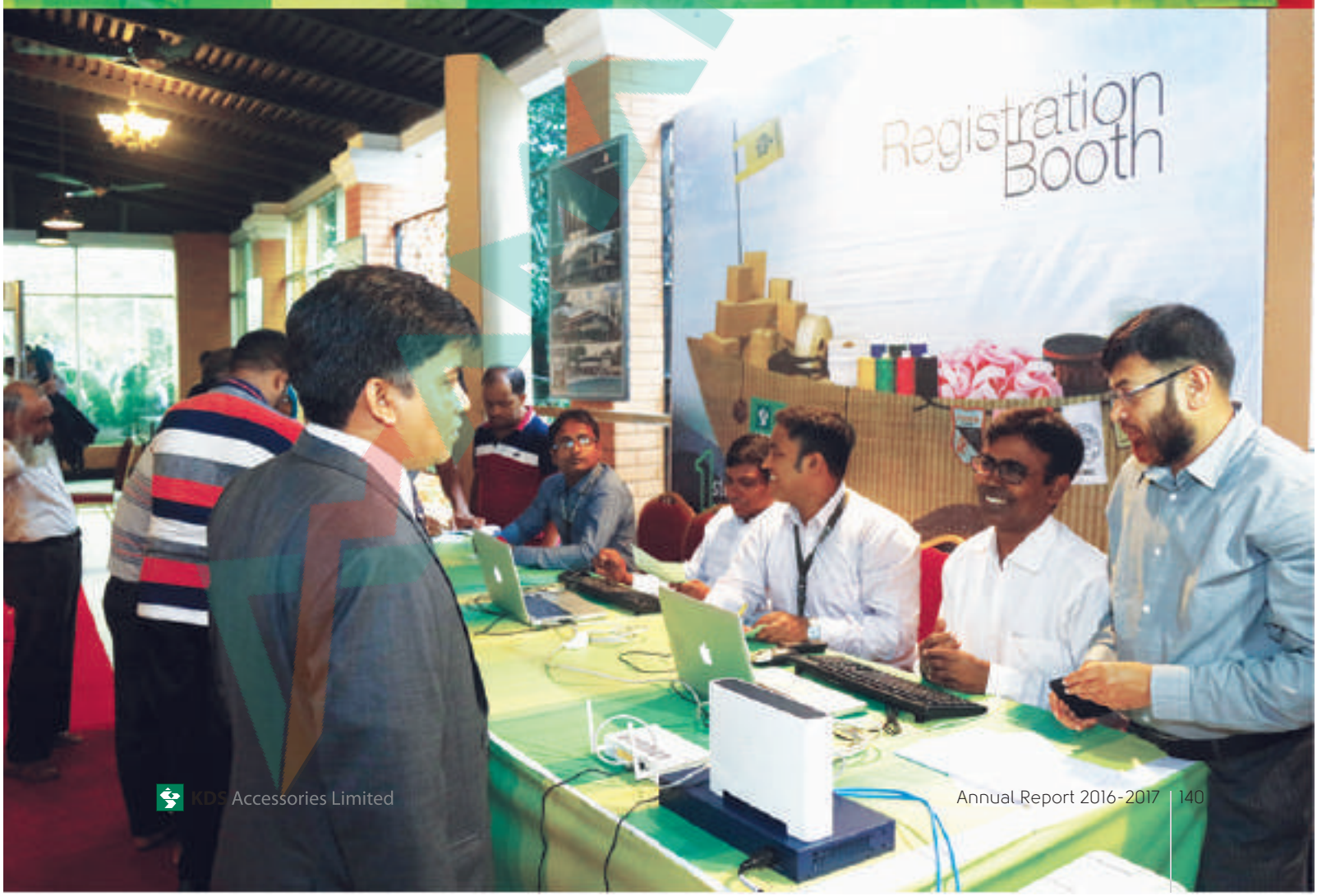
EVENTS & IMAGE





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KDS Accessories Limited
২৫তম বার্ষিক
সাধারণ সভা
25th ANNUAL GENERAL MEETING
KDS Accessories Limited


Registration Booth











25

25



KDS Accessories Limited
২৫তম বার্ষিক
সাধারণ সভা
25th ANNUAL GENERAL MEETING
Thursday, 01 September 2016, 10:00 am
Banquet Hall of Chittagong Club Limited
S.S. Khaled Road, Chittagong, Bangladesh


Thursday, 01 September 2016, 10:
Banquet Hall of Chittagong Club Li
S.S. Khaled Road, Chittagong, Bang





KDS Group Chairman Mr. Khalilur Rahman received CIP (Export/Trade)-2013 from the Honorable Minister of Commerce Mr. Tofail Ahmed MP



Participating in Bangladesh International Trade & Export Fair-2016



Mr. Khalilur Rahman, Chairman of KDS Group with Mr. Mohammad Nojibur Rahman, NBR Chairman at Pre-Budget Discussion 2016-2017



KDS Group Chairman Mr. Khalilur Rahman with Md. Iqbal Bahar BPM, PPM, Police Commissioner, Chittagong Metropolitan Police at Discussion on Development of Traffic, Law & Order situation

PARTICIPATING IN VARIOUS CSR ACTIVITIES










we value our
customers' happiness


we value relationship
above business.

PRESS & MEDIA COVERAGE

The Financial Express

KDS Accessories Limited www.kdsaccessories.com

NOTICE OF THE 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of KDS Accessories Limited will be held on Tuesday, 31 October 2017 at 11:00 am at CBC Confidence Cement Convention Center, Chittagong Boat Club, Airport Road, Patenga, Chittagong to transact the following businesses:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2017 together with the Auditors' Report and the Directors Report thereon.
2. To approve the dividend as recommended by the Board of Directors.
3. To elect/re-elect the Director(s) of the company.
4. To approve the appointment of Managing Director of the company.
5. Appointment of Auditors of the Company until the conclusion of next Annual General Meeting and fixation of their remuneration.

By order of the Board

Dated : 12 October 2017
Chittagong

Manjure Khuda
Company Secretary

NOTES:

- The Annual Report for the year 2016-2017 is available at the Company's website at www.kdsaccessories.com

191-192 Baizid Bostami Road, Nasirabad I/A, Chittagong - 4210, Bangladesh, Tel: 880 31 681701-3, 682207-8

Corrugated Boxes | Labels & Tags | Button | Hanger | Gum Tape | Heat Transfers | Consolidation | Trims Solution

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KDS Accessories Limited

Price Sensitive Information

By order of the Board

Manjure Khuda
Company Secretary

The Financial Express

KDS Accessories Limited

PRICE SENSITIVE INFORMATION



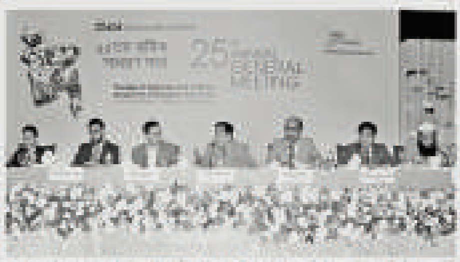
By order of the Board

Dated: 12 August 2017
Chittagong

Manjure Khuda
Company Secretary

191-192 Baizid Bostami Road, Nasirabad I/A, Chittagong - 4210, Bangladesh, Tel: 880 31 681701-3, 682207-8

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৩২ কোটি টাকা বিনিয়োগ করেছে কেডিএস অ্যাকসেসরিজ

কেডিএস অ্যাকসেসরিজের ১৫% লভ্যাংশ সুপারিশ

নিজস্ব প্রতিবেদক ■

৩০ জুন সমাপ্ত ২০১৭ হিসাব বছরের জন্য ১০ শতাংশ নগদ ও ৫ শতাংশ হারে বোনাস লভ্যাংশ ঘোষণার সুপারিশ করেছে কেডিএস অ্যাকসেসরিজ লিমিটেডের পরিচালনা পর্ষদ। মঙ্গল বিকাল প্রেরিত্যাহার সূত্রে জানা গেছে, পর্ষদ সিদ্ধান্ত গ্রহণ করেছে। কোম্পানিটির শেয়ারপ্রতি আয় (ইপিএস) হয়েছে ২ টাকা ২০ পয়সা। অ্যাসেট বিপরীত হয়েছে ২৪ টাকা ৮ টাকা ১৪ পয়সা (যেখানে শেয়ার পুনর্মূল্যায়ন নয়)। এছাড়া কোম্পানিটির শেয়ারপ্রতি নিট অপারেটিং ক্যাশফ্লো (এনওসিএফপিএস) দাঁড়িয়েছে ২৪ টাকা ৮০ পয়সা। বিবিধিক আর্থিক প্রতিবেদন, পর্যালোচনা ও অন্যান্য এজেন্ডা অনুমোদনের জন্য ৩১ অক্টোবর বেলা ১০টায় চট্টগ্রামের পতেঙ্গস্থ আবাহনী ক্লাবে সেট হলে বার্ষিক সাধারণ সভা (এজিএম) আহ্বান করেছে কোম্পানি। রেকর্ড ডেট ১১ অক্টোবর।

২০১৬ সালে শেয়ারধারকদের অনিরীক্ষিত মূল্য কেডিএস অ্যাকসেসরিজ। কোম্পানিটির অনুমোদিত মূলধন ৫০০ কোটি ৩ পরিশোধিত মূলধন ৫৭ কোটি ২০ লাখ টাকা। ডিসেম্বর ৩০ কোটি ১১ লাখ টাকা। কোম্পানির মোট শেয়ারের ৭৮ শতাংশ ৩৪ শতাংশ এর উদ্যোক্তা-পরিচালকদের কাছে, প্রতিষ্ঠানিক বিনিয়োগকারীদের হাতে ৬ শতাংশ ৫২ ও সাধারণ বিনিয়োগকারীর হাতে রয়েছে বাকি ১৪ শতাংশ ৭২ শতাংশ শেয়ার।

ডিএসইতে তালিকা ৭৪ টাকা ১০ পয়সায় কেডিএস অ্যাকসেসরিজের শেয়ার হাতবদল হয়। সেসময়ে এর দাম ৭৯ টাকা ৩০ পয়সা, আগের কার্যদিবসের চেয়ে ৭৯ টাকা ৭১ পয়সা কম। এক বছরে শেয়ারটির সর্বোচ্চ দাম ৯৯ টাকা ৯০ পয়সা ও সর্বনিম্ন দাম টাকা ৮৯ পয়সা।

ঘোষণা দেয়ার পরদিবস থেকে অর্থাৎ ডিভিডেন্ড ঘোষণা ও লভ্যাংশের ভিত্তিতে এ শেয়ারের মূল্য ঘটে। (বিই) ২২ পর্যন্তিত ৮২, হাজারবার্তা ডিভিডেন্ড ঘোষণার ভিত্তিতে ৪৫ ৩৫ পর্যন্তিত ৭৭।

The Financial Express

KDS recommends 15pc div

FE Report

The board of directors of KDS Accessories has recommended 10 per cent cash and 5.0 per cent stock dividend for the year ended on June 30, 2017, said an official disclosure on Tuesday.

The final approval of dividend will come during the annual general meeting (AGM) scheduled to be held on October 31 at 11:00am at Chittagong Boat Club in Chittagong.

The record date for entitlement of dividend is on October 11, 2017.

The company has also reported earnings per share (EPS) of Tk 2.20, net asset value per share (NAV) per share of Tk 24.80 and net operating cash flow per share (NOCFPS) of Tk 2.80 for the year ended on June 30, 2017 as against Tk. 2.14 (restated), Tk. 25.37 and Tk. 2.50 respectively for the year ended on June 30, 2016.

Each share of the company, which was listed on the Dhaka bourse in 2015, closed at Tk 74.30 on the day, losing 4.58 per cent at Dhaka Stock Exchange (DSE).

The company's paid-up capital is Tk 572 million and authorized capital is Tk 2.0 billion while total number of securities is 57.20 million.

The sponsor-directors own 78.93 per cent stake in the company, institutional investors own 6.32 per cent and the general public own 14.73 per cent as on August 31, 2017, the DSE data shows.

In 2016, the company disbursed 5.0 per cent cash dividend and 10 per cent stock dividend.

habul@express@gmail.com

The Financial Express



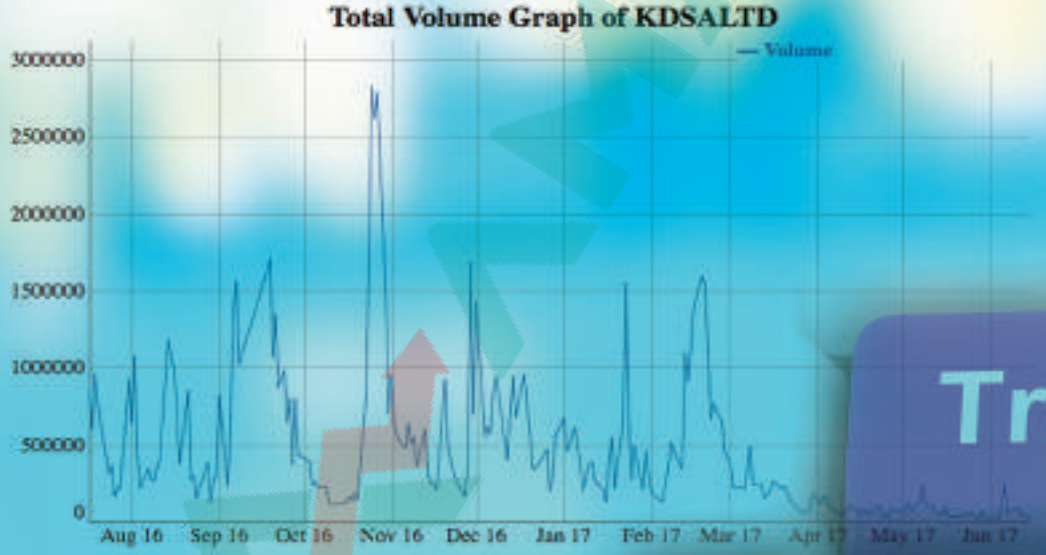
KDS Accessories approves 5.0pc cash, 10pc share dividends

The Financial Express SUNDAY, SEPTEMBER 25, 2016



SHAREHOLDER INDEX







THE 26TH ANNUAL GENERAL MEETING

Date : 31 October 2017, Time: 11.00 am

Venue : CBC Confindence Cement Convention Center, Chittagong Boat Club
Airport Road, Patenga, Chittagong

Financial Results

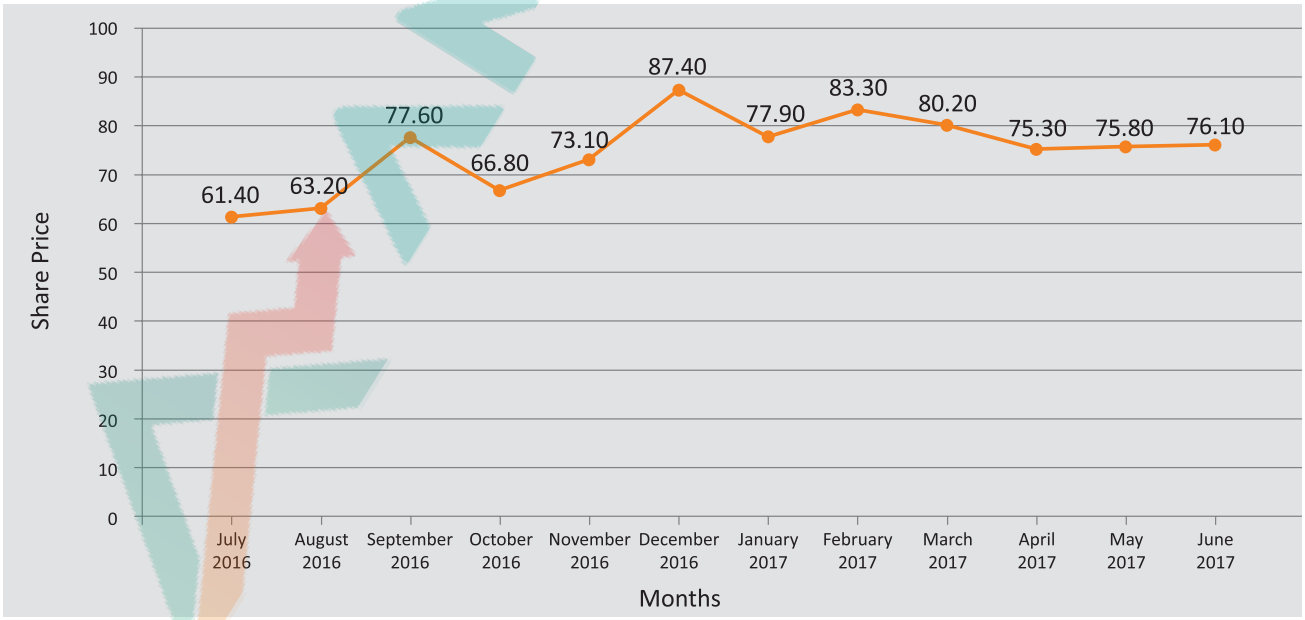
During the reporting period of 12 months from 01 July 2016 to 30 June 2017, operational result of the company were announced as below:

2016-2017

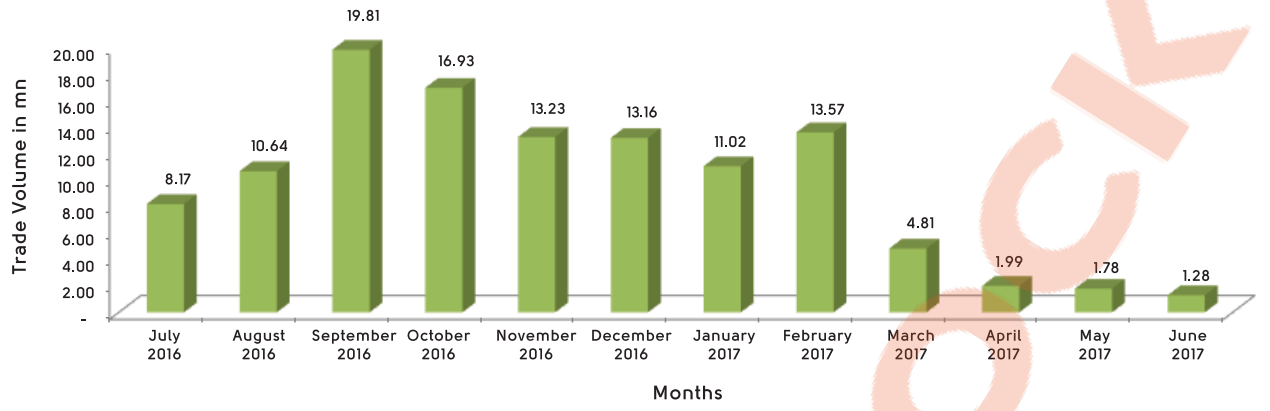
Particulars	1st Quarter 31 October 2016	2nd Quarter 29 January 2017	3rd Quarter 29 April 2017	4th Quarter 18 September 2017	Period ended result (2016-2017) 18 September 2017
Reporting Months	July-2016 August-2016 September-2016	October-2016 November-2016 December-2016	January-2017 February-2017 March-2017	April-2017 May-2017 June-2017	July - 2016 to June - 2017
Turnover in BDT. (mn)	344.14	428.31	388.42	425.07	1,585.94
Net Profit in BDT. (mn)	22.07	51.19	33.93	18.40	125.59
EPS in BDT.	0.39	0.89	0.59	0.33	2.20
NAV (per share) in BDT.	22.65	23.55	24.14	24.80	24.80
NOCFPS (per share) in BDT.	(0.54)	0.42	2.99	2.80	2.80

Share Price in 2016-2017

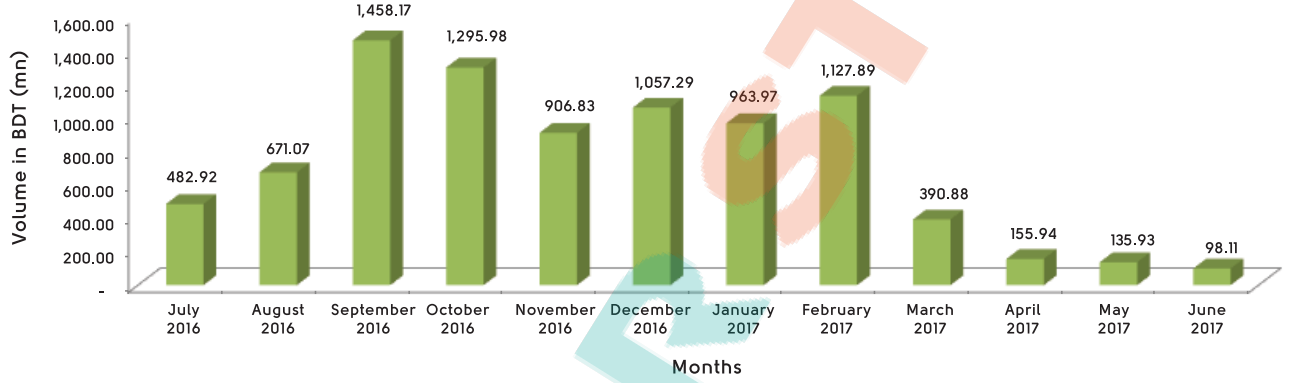
Month end share price in DSE:



Month end Share Trade Volume in mn (DSE & CSE):



Month end Share Trade Volume in BDT mn (DSE & CSE):



Record Date

The record date was 11 October 2017.

Dividend

Dividend @ 10% cash & 05% stock has been recommended on 18 September 2017 in the 115th BOD Meeting and after having approval of the shareholders at the 26th Annual General Meeting, dividend will be distributed within 30 days from the date of the 26th Annual General Meeting.

Listing

The company's shares are listed at the Stock Exchanges at Dhaka and Chittagong of Bangladesh.

Face Value Per Share: Tk. 10.00

Closing Price of Per Share

Closing Price of per share of your company at the end of the year on 30 June 2017 was Tk. 76.10.

Investor Correspondence

191-192 Baizid Boastami Road, Nasirabad I/A, Chittagong, Bangladesh.
T: +880 31 681701-3, 685207-9, Ext: 148
F: +880 31 682137, W: www.kdsaccessories.com

Notes

AMAR STOCK

Notes

AMAR STOCK

Notes

AMAR STOCK

KDS Accessories Limited

Corporate Office : 191-192, Baizid Bostami Road, Nasirabad I/A, Chittagong-4210

PROXY FORM

I/We.....of .....being a shareholder of KDS Accessories Limited, do hereby appoint Mr./Ms./Miss .....
of .....
as my/our proxy to attend and vote in my/our behalf at the 26th Annual General Meeting (AGM) of the Company to be held on 31 October 2017 at 11.00 am at CBC Confindence Cement Convention Center, Chittagong Boat Club, Airport Road, Patenga, Chittagong and at any adjourment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

Affix Revenue Stamp of Tk. 20.00

As witness my/our hand this ..... day of .....2017.

(Signature of Shareholder) .....
(Signature of Proxy)

Shareholders BO ID No:

No. of Shares held: .....
Note :

1. The proxy form, duly filled and stemped must be deposited at the Corporate Office not later than 72 (Seventy Two) hours before the time fixed for the meeting.

2. Signature of the shareholder should agree with the specimen signature registered with the Company of BO Account/CDBL Record.

....
(Authorized Signature) (Signature Verified)
KDS Accessories Limited

KDS Accessories Limited

Corporate Office : 191-192, Baizid Bostami Road, Nasirabad I/A, Chittagong-4210.

SHAREHOLDERS' ATTENDENCE SLIP

I/We do heredy record my/our presence at the 26th Annual General Meeting of KDS Accessories Limited to be held on 31 October 2017 at 11.00 am at CBC Confindence Cement Convention Center, Chittagong Boat Club, Airport Road, Patenga, Chittagong.

Name of the Shareholder/Proxy: .....

Shareholders BO ID No:

....
(Authorized Signature) (Signature of Share holder)
KDS Accessories Limited

Note: Please present this attendance slip at the registration desk on the AGM date.

AMAR STOCK

AMAR STOCK

CORPORATE OFFICE
191-192 Baizid Bostami Road
Nasirabad I/A, Chittagong 4210, Bangladesh
T : 880 31 681701-3 F : 880 31 682137

DHAKA OFFICE
Road 4, House 63, Block C, Banani, Dhaka 1213, Bangladesh
T : 880 2 9821665, 9821667 F : 880 2 9821682

www.kdsaccessories.com accessories@kdsgroup.net