

**Independent Auditor's Report on the Financial Statements of
VIP Industries Bangladesh Private Limited
For the year ended 31 March 2019**

**Submitted By-
Howladar Yunus & Co.
Chartered Accountants**

20 April 2019

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Independent Auditor's Report

To the Shareholders VIP Industries Bangladesh Private Limited

Report on the Audit of the Financial Statements

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Opinion

We have audited the financial statements of VIP Industries Bangladesh Private Limited (the "Company"), which comprise the financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements.

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

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

Report on other Legal and Regulatory Requirements

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

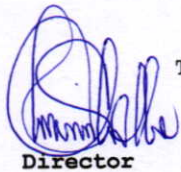
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made do verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.


Chartered Accountants

Dated: Dhaka
20 April 2019

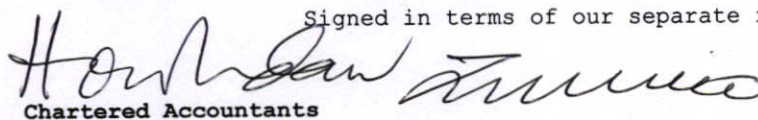
VIP Industries Bangladesh Private Limited
Statement of Financial Position
As at 31 March 2019

	Note	Amount in Taka	
		March 31, 2019	March 31, 2018
ASSETS			
Non current assets			
Property, plant and equipment	4	12,08,83,080	13,41,87,220
Capital Work in Progress		98,850	26,82,033
Intangible assets	5	7,21,942	29,054
Advances and deposits	6	54,67,714	55,16,582
		12,71,71,586	14,24,14,889
Current assets			
Inventories	7	20,75,26,083	14,46,71,798
Trade receivables	8	37,57,98,660	29,40,07,481
Short term - advances and Prepayments	9	1,69,34,024	1,98,47,980
Cash and Bank Balances	10	1,25,24,410	1,40,09,949
Current assets		61,27,83,177	47,25,37,208
Total assets		73,99,54,763	61,49,52,097
<u>EQUITY AND LIABILITIES</u>			
Shareholders' equity			
Share Capital	11	9,07,04,750	9,07,04,750
Reserves & Surplus (Retained Earnings)	12	30,92,49,595	20,98,39,146
Total Shareholders' Equity		39,99,54,345	30,05,43,896
Non Current Liabilities			
Redeemable Cumulative Preference Shares	13	17,03,92,790	17,03,92,790
Current Liabilities			
Trade Payables	14	11,77,31,334	8,87,58,114
Other Payable	15	5,18,76,294	5,52,57,297
Total Liabilities		34,00,00,418	31,44,08,201
Total Equity and Liabilities		73,99,54,763	61,49,52,097


Director

The Annexed notes form an integral part of these financial statements


Director

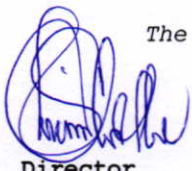
Signed in terms of our separate report of even date

Chartered Accountants

Dated: Dhaka
 April 20, 2019

VIP Industries Bangladesh Private Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2019

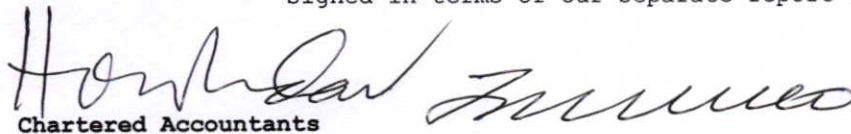
	<u>Note</u>	<u>Amount in Taka</u>	
		<u>March 31, 2019</u>	<u>March 31, 2018</u>
Revenue		79,00,31,581	66,29,47,609
Cost of revenue	16	(59,96,17,969)	(48,18,33,750)
Gross Profit/(Loss)		<u>19,04,13,612</u>	<u>18,11,13,859</u>
Administrative, Expenses	17	2,70,36,296	1,95,04,738
Selling and Distribution Expenses	18	2,77,82,266	2,05,91,171
Finance Cost	19	1,36,31,424	1,36,31,424
		<u>6,84,49,986</u>	<u>5,37,27,333</u>
Profit from operations		<u>12,19,63,626</u>	<u>12,73,86,526</u>
Other Income		(12,66,222)	66,99,184
Net Profit/(Loss) Before Tax		<u>12,06,97,404</u>	<u>13,40,85,709</u>
Tax Expenses			
Current Tax		2,12,86,955	2,30,76,259
Net Profit/(Loss)		<u>9,94,10,449</u>	<u>11,10,09,450</u>
Other Comprehensive Income		-	-
Net Profit/(Loss) and Total Comprehensive Income		<u>9,94,10,449</u>	<u>11,10,09,450</u>

The Annexed notes form an integral part of these financial statements


Director


Director

Signed in terms of our separate report of even date

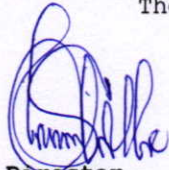

Chartered Accountants

Dated: Dhaka
April 20, 2019

VIP Industries Bangladesh Private Limited
Statement of Cash Flow
As at 31 March 2019

	(Amount in Tk)	
	March 31, 2019	March 31, 2018
A. Cash Flows from Operating Activities		
Cash received from customer	70,82,40,402	48,43,45,719
Cash paid to suppliers & Operating Expenses	(67,38,26,736)	(45,33,68,926)
Finance Cost	(1,36,31,424)	(1,36,31,424)
Other Income	(12,66,222)	66,99,184
Net Cash flows from operating activities	1,95,16,021	2,40,44,553
 B. Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(73,70,136)	(66,57,915)
Net Cash flows from investing activities	(73,70,136)	(66,57,915)
 C. Financing Activities		
Payment of Dividend on Redeemable Cumulative Preference Shares	(1,36,31,424)	(1,36,31,424)
Net Cash flows from financing activities	(1,36,31,424)	(1,36,31,424)
 D. Net Cash Flows from Total Activities	(14,85,539)	37,55,214
 E. Opening Cash and Cash Equivalents	1,40,09,949	1,02,54,736
F. Closing Cash and Cash Equivalents	1,25,24,410	1,40,09,950
 Cash and Cash Equivalents		
Cash at Bank	1,25,23,356	1,40,07,106
Cash in Hand	1,054	2,843
	1,25,24,410	1,40,09,949

The Annexed notes form an integral part of these financial statements


Director


Director

VIP Industries Bangladesh Private Limited
Statement of Changes in Share Capital
As at 31 March 2019

Particulars	Share Capital	Share Application Money	Retained Earnings	Total Taka
Balance as at March 31, 2018	9,07,04,750	-	20,98,39,146	30,05,43,896
Net profit for the year		-	9,94,10,449	9,94,10,449
Balance as on March 31, 2019	9,07,04,750	-	30,92,49,595	39,99,54,345

Statement of Changes in Share Capital
As at 31 March 2018

Particulars	Share Capital	Share Application Money	Retained Earnings	Total Taka
Balance as on April 1, 2017	9,07,04,750	-	9,88,29,696	18,95,34,446
Net profit for the year		-	11,10,09,450	11,10,09,450
Balance as on 31st March, 2018	9,07,04,750	-	20,98,39,146	30,05,43,896



Director



Director

VIP Industries Bangladesh Private Limited
Notes of the Financial Statements for the year ended 31 March, 2019
(Summary of significant accounting policies and other explanatory information)
For the year ended 31 March 2019

1.00 Reporting entity

VIP Industries Bangladesh Private Limited is a Private Company limited by Shares incorporated on 05th day of April, 2012 under the Companies Act 1994 as adopted in Bangladesh.

The factory of the company is located in 74-83, Mongla Export Processing Zone, Mongla, Bagerhat - 9351. The company commenced its commercial production on January 27, 2014.

1.01 Registered Office

The address of the Company's registered office is Plot No 74-83, Mongla Export Processing Zone, Mongla, Bagerhat - 9351.

2.00 Basis of Preparation

2.01 Statement of Compliance :

The Financial Statements of VIP Industries Bangladesh Pvt Limited have been prepared in accordance with the International Financial Reporting Standards (IFRS).

2.02 Basis of Measurement :

The Financial Statements have been prepared on going concern basis under historical cost convention, using the accrual basis of accounting.

2.03 Functional and presentational currency :

These Financial Statements are prepared in Bangladesh Taka (Taka/TK), which is the Company's functional currency. All financial information presented in taka has been rounded off to the nearest integer.

2.04 Going Concern :

The Company has adequate resources to continue its operation for the foreseeable future. For this reason the company continues to adopt going concern basis in preparing the accounts. The current resources of the company provide sufficient fund to meet the present requirements of its existing business.

2.05 Reporting Period:

These financial statements have been prepared for the period from April 01, 2018 to March 31, 2019.

2.06 Date of Authorization

The Board of Directors has Authorized these Financial Statements on April 20, 2019.

3.00 Significant Accounting Policies :

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

3.01 Foreign currency translation

Foreign currencies are translated into Taka on a rate prevailing on the transaction dates. All monetary assets and liabilities are translated into taka at the exchange rate prevailing on the Balance Sheet date. Exchange gains or losses arising out of translation of assets and liabilities at the closing date are recognized in the income statement as other income.

3.02 Property, Plant and Equipment :

i) Recognition and measurement

Items of fixed assets excluding land and building are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS) 16 "Property, Plant and Equipments".

ii). Subsequent Cost

Subsequent costs is capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity. Ongoing repairs and maintenance is expensed as incurred.

iii) Depreciation

During the current Financial year, the Company has provided depreciation under Straight Line method. Accordingly, Depreciation on all property plant & equipment except land is provided on Straight Line method so as to write off the assets over their expected useful life. Depreciation on Property, Plant & Equipment has been charged on acquisition of Property, Plant & Equipment when it is available for use. Asset category wise annual depreciation rates are as follows:

Items	Rates
Building	5.00%
Furniture	10.00%
Plant and Machinery	20.00%
Air Conditioning equipments	20.00%
Computer and Software	30.00%

3.03 Employee Benefits

i) Provident Fund

The Company has introduced a Contributory Provident Fund for its eligible employees with effect from May 2014, obtaining necessary approval from the National Board of Revenue, Government of Bangladesh. Provident Fund is administered by a Board of Trustees. All confirmed employees are contributing 8.33% of their basic salary as subscription of the fund and the Company also contributed at the same rate to the fund. The contributions are invested in compliance with the PF Trust Deed. Members are eligible to withdraw fund as per the BEPZA provident Fund policy 2012.

3.04 Redeemable Cumulative Preference Share

As per Para-18 (a) of International Accounting Standard (IAS) 32, "A preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability".

3.05 Borrowing Cost

As per Para-36 of International Accounting Standard (IAS), "Dividend payments on shares wholly recognized as liabilities are recognized as expenses in the same way as interest on a bond". The dividend on Redeemable Cumulative Preference Shares are recognized in income statement as interest expense.

3.06 Impairment :

The carrying amounts of the assets, other than inventories 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. Impairment losses, if any, are recognized in Profit and Loss account.

3.07 Inventories

Inventories include raw material, work-in-progress and finished goods. Inventories are measured at the lower of cost and net realizable value. Raw Material, Component, Spares and Packing Material inventory cost is determined at Weighted average. Finished Goods includes purchase cost, cost of conversion and other costs in bringing the inventory to the present condition . Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

3.08 Trade Receivable

Trade Receivables at the Balance Sheet date are stated at amounts which are considered realizable.

3.09 Trade Payable

Liabilities are recognized for amounts to be paid in future for goods and services received.

3.10 Provisions

Provisions are made where an obligation exists for future liability in respect of past event and where the amount of the obligation can be reliably estimated.

3.11 Revenue recognition

The Company has initially applied IFRS 15: Revenue from Contracts with Customers from 1 January 2018. Due to the transition methods chosen by the Company in applying this standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. There has been no impact on the financials due to the adoption. The Company generates revenue primarily from the sale of luggage and backpack to the customer.

3.12 Events after balance sheet date

No material events have occurred between the Balance Sheet date to the date of issue of these financial statements, that could affect the values stated in the financial statements.

3.13 Taxation

The Manufacturing factory is based in Mongla Export Processing Zone (MEPZ) under BEPZA. As per the provisions of S.R.O. No. 219/2012 dated June 27, 2012, the income of the Factory is exempted from tax 100% for the first three years, 50% for next three years and 25% in the seventh year from the date of commencement of commercial production i.e. from 27 January, 2014. As per SRO and relevant provisions of Income Tax Ordinance 1984, 50% tax provision has been made on the profit after expiry of 100% exemption period of three years.

3.14 Cash Flow

The cash flow forming a part of Financial Statement has been prepared under Direct method as per IAS 7.

	Amount in Taka	
	31 March, 2019	31 March, 2018
4.00 Property, plant and equipment:		
Building-Factory	10,72,86,500	11,39,03,507
Plant and Machinery	94,46,913	1,76,17,913
Data Process. Machine	9,02,068	2,06,112
Furniture & Fixtures	23,19,373	15,91,982
Office Equipments	9,28,226	8,67,706
	12,08,83,080	13,41,87,220
For details Please refer Annexure-A		
5.00 Intangible Assets	7,21,942	29,054
Computer Software	7,21,942	29,054
For details Please refer Annexure-A		
6.00 Advances and Deposits		
Non-current portion		
Security Deposit for Plot - BEPZA	22,94,856	22,98,692
Deposit for Residential apartment	16,920	16,948
Deposit for Digital Electronic Meter, BEPZA	4,56,324	4,57,087
Security Deposit for Water Meter	1,46,077	1,46,322
Security Deposit for Water Connection (Guest House)	2,262	2,265
Security Deposit for Electric Sanctioned Load (Guest House)	64,495	64,603
Security deposits - BEPZA	24,86,779	24,90,909
Margin Money Trust Bank		39,756
	54,67,714	55,16,582
7.00 Inventories		
Raw Materials	15,72,53,008	11,66,99,621
Work-in-progress	2,13,70,576	2,27,02,908
Finished goods	2,89,02,499	52,69,269
	20,75,26,083	14,46,71,798
8.00 Trade Receivables		
VIP Industries Limited	37,57,98,660	29,40,07,481
Others	-	-
	37,57,98,660	29,40,07,481
9.00 Advances and Prepayments		
9.01 Advances (considered good) to:		
Suppliers	4,35,962	28,15,498
Advance Income tax	1,44,47,128	1,50,78,378
	1,48,83,090	1,78,93,876
9.02 Prepayments		
Prepaid insurance and expenses	20,50,934	19,54,104
	1,69,34,024	1,98,47,980
10.00 Cash and Bank Balances		
Cash in hand	1,054	2,843
Balances with Bank		
Current Account		
Islami Bank Bangladesh Ltd	12,632	13,907
State Bank of India, Dhaka	16,90,184	72,18,863
State Bank of India, Khulna	8,919	1,36,734
Al-Alarafa Bank	63,806	-
Eastern Bank USD	55,47,873	53,65,258
Eastern Bank BDT	48,77,405	52,963
Trust Bank	3,22,538	12,19,381
	1,25,23,356	1,40,07,106
	1,25,24,410	1,40,09,949

11.00 Share Capital

Authorized Capital

12,500,000 Equity Shares of Taka 10/- each	12,50,00,000	12,50,00,000
22,500,000 8% Redeemable Cumulative Preference Shares of Taka 10/-	22,50,00,000	22,50,00,000
	<u>35,00,00,000</u>	<u>35,00,00,000</u>

Issued, subscribed and paid up capital:

9,070,475 Equity Shares of Taka 10/- each	9,07,04,750	9,07,04,750
	-	-
	<u>9,07,04,750</u>	<u>9,07,04,750</u>

The aforesaid capital was subscribed as under:

Subscribers:

Equity Share

	<u>No. of shares</u>	<u>No. of shares</u>
VIP Industries Limited, India	90,70,474	90,70,474
Ms. Radhika Piramal	1	1
	<u>90,70,475</u>	<u>90,70,475</u>

The Company was incorporated with an Authorized Capital of Taka 250,000,000.00 divided into 25,000,000 Ordinary Shares of Taka. 10.00 each. Through a Special Resolution dated July 16, 2013 the said Shares were re-classified from existing 25,000,000 Ordinary Shares of Taka 10.00 each to (a) 12,500,000 Ordinary Shares of Taka 10.00 each and (b) 12,500,000 8% Redeemable Cumulative Preference Shares of Taka 10.00 each.

Through another Special Resolution dated February 3, 2014, the amount of Redeemable Cumulative Preference Shares were increased by addition of Taka 100,000,000.00 divided into 10,000,000 8% Redeemable Cumulative Preference Shares of Taka 10.00 each and accordingly the total amount of Authorized Capital raised to Tk: 350,000,000.00 divided into (a) 12,500,000 Ordinary Shares of Taka 10.00 each and (b) 22,500,000 8% Redeemable Cumulative Preference Shares of Taka 10.00 each.

Amount in Taka

31 March, 2019 31 March, 2018

12.00 Reserves and Surplus (Retained earnings)

Opening Balance	20,98,39,146	9,88,29,696
Add: Net Profit/(loss) after tax transferred from statement of Profit & Loss	9,94,10,449	11,10,09,450
Closing Balance	<u>30,92,49,595</u>	<u>20,98,39,146</u>

13.00 Redeemable Cumulative Preference Shares

17,039,279 8% Redeemable Cumulative Preference Shares of Taka 10 only	17,03,92,790	17,03,92,790
	<u>17,03,92,790</u>	<u>17,03,92,790</u>

The company has issued redeemable cumulative preference share amounting to Taka 1,70,392,790 which will be redeemed after 10 years from the date of allotment as per decision of Board of Directors that meet the criteria of financial liability. For that reason Redeemable Cumulative Preference Shares are considered as borrowing.

14.00 Trade Payables:

Sundry Creditors For Goods	11,77,31,334	8,87,58,114
	<u>11,77,31,334</u>	<u>8,87,58,114</u>

15.00 Other Payables

Sundry Creditors For Expenses	1,47,89,996	1,65,28,742
Dividend on Redeemable Cumulative Preference Shares	1,36,31,424	1,36,31,424
Provision For Tax	2,25,98,169	2,47,63,496
Statutory Liabilities	8,56,705	3,33,635
	<u>5,18,76,294</u>	<u>5,52,57,297</u>

	Amount in Taka	
	31 March, 2019	31 March, 2018
16.00 Cost of Revenue		
Raw Material Consumed (Note 16.01)	48,66,80,266	38,45,35,425
Salary & Wages	8,68,29,070	6,70,15,285
Manufacturing Overheads (Note 16.02)	4,84,09,532	4,01,89,978
	<u>62,19,18,868</u>	<u>49,17,40,688</u>
Add: Opening Work-in-Progress	2,27,02,908	1,33,96,464
	<u>64,46,21,777</u>	<u>50,51,37,152</u>
Less: Closing Work-in-Progress	2,13,70,576	2,27,02,908
Cost of Goods Manufactured	<u>62,32,51,200</u>	<u>48,24,34,244</u>
Add: Opening Stock of Finished Goods	52,69,269	46,68,775
Cost of Goods Available For Sale	<u>62,85,20,468</u>	<u>48,71,03,019</u>
Less: Closing Stock of Finished Goods	2,89,02,499	52,69,269
Cost of Revenue	<u><u>59,96,17,969</u></u>	<u><u>48,18,33,750</u></u>
Salary & Wages (includes Provident Fund BDT 1,634,600 previous year BDT 17,09,502)		
16.01 Raw Material Consumed		
Opening Inventory - Raw Materials & Packing Materials	11,66,99,621	10,60,48,009
Purchases During the Period	52,72,33,652	39,51,87,037
Closing Inventory - Raw Materials & Packing Materials	15,72,53,008	11,66,99,621
	<u><u>48,66,80,266</u></u>	<u><u>38,45,35,425</u></u>
16.02 Manufacturing Overheads		
Rates & Taxes	-	100
Power & Water	55,20,351	42,63,044
Repairs To Plant & Machinery	59,760	14,590
Other Repair & Maintenance	4,70,956	1,37,552
Consumption of Stores and spare parts	1,51,98,057	68,29,857
Insurance	22,96,030	19,65,347
Leased Rent	22,99,807	22,09,800
Depreciation	2,25,64,571	2,47,69,689
	<u><u>4,84,09,532</u></u>	<u><u>4,01,89,978</u></u>
17.00 Administrative Expenses		
Travelling Expenses	52,18,714	37,04,282
Legal & Professional Charges	19,29,955	21,82,819
Administrative Cost	20,16,536	12,49,783
Administrative salaries	1,09,18,796	65,11,726
Other administrative Cost	69,52,295	58,56,128
	<u><u>2,70,36,296</u></u>	<u><u>1,95,04,738</u></u>
Administrative salaries (includes Provident Fund BDT 302,349 previous year		
18.00 Selling and Distribution Expenses		
Selling Expenses	2,77,82,266	2,05,91,171
	<u><u>2,77,82,266</u></u>	<u><u>2,05,91,171</u></u>
19.00 Finance Cost		
Dividend on redeemable preference shares	1,36,31,424	1,36,31,424
	<u><u>1,36,31,424</u></u>	<u><u>1,36,31,424</u></u>
20.00 Income tax expenses		
Profit before tax	12,06,97,404	13,40,85,709
Taxable Income	12,16,39,743	13,18,64,339
Income on proportionate revenue basis		
Tax @ 17.50% calculated on proportionate revenue basis	2,12,86,955	2,30,76,259

21.00 Related parties

Name of the related	Relationship	Nature of transacti	Transaction Amount	Balance (Taka)	
				as at	as at
				31 March 2019	31 March 2018
VIP Industries Ltd	Holding company	Sale of goods	79,00,31,581	37,57,98,660	29,40,07,481
		Equity Share Capital	-	9,07,04,750	9,07,04,750
		Redeemable cumulative preference shares	-	17,03,92,790	17,03,92,790
		Dividend-Redeemable cumulative preference shares	1,36,31,424	1,36,31,424	1,36,31,424

VIP Industries Bangladesh Private Limited is a Subsidiary of VIP Industries Ltd. Major products of VIP Industries Bangladesh Private Limited are exported to VIP Industries Ltd. Product pricing is market driven due to highly competitive luggage industry.

22.00 Contingent liability

There was no contingent liability at the end of the year.

23.00 Number of Employees

The number of employees engaged as on 31 March ,2019, who received a total remuneration of Tk. 3,000 per month or above was 635 Persons.

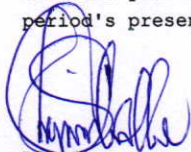
24.00 Exchange Gain/(Loss)

This represents gain/(loss) arising from translation of foreign currency into local currency as other income in statement of comprehensive income.

25.00 General

Figures are rounded off to nearest Taka.

Previous year figures have been rearranged, wherever necessary, to confirm to current period's presentation.



Director



Director

VIP Industries Bangladesh Private Limited
Property, Plant & Equipment Schedule
As at 31 March 2019

Amount in Taka

Particulars	COST			DEPRECIATION/ AMORTISATION			NET BOOK VALUE		
	As at 1st April, 2018	Additions	Deductions / Adjustments	As at 31st March, 2019	As at 1st April, 2018	For the year	Deductions/ Adjustments	As at 31st March, 2019	As at 31st March, 2018
Tangible Assets:									
Land - Leasehold	-	-	-	-	-	-	-	-	-
Building-Factory	14,39,56,995	5,85,576	-	14,45,42,570	3,00,53,488	72,02,582	-	10,72,86,500	11,39,03,507
Plant and Machinery	8,30,85,138	63,21,710	-	8,94,06,848	6,54,67,225	1,44,92,710	-	94,46,913	1,76,17,913
Data Process. Machine	12,94,822	9,24,470	-	22,19,292	10,88,710	2,28,514	-	9,02,068	2,06,112
Furniture & Fixtures	28,37,777	11,38,875	-	39,76,652	12,45,795	4,11,484	-	23,19,373	15,91,982
Office Equipments	12,58,470	1,78,910	-	14,37,380	3,90,764	1,18,390	-	9,28,226	8,67,706
Total Tangible Assets	23,24,33,202	91,49,540	-	24,15,82,742	9,92,45,982	2,24,53,680	-	12,06,99,662	13,41,87,220
Intangible Assets:									
Computer Softwares	57,90,850	8,03,779	-	65,94,629	57,61,796	1,10,891	-	7,21,942	29,054
Total Intangible Assets	57,90,850	8,03,779	-	65,94,629	57,61,796	1,10,891	-	7,21,942	29,054

VIP Industries Bangladesh Private Limited
Schedule of Property, plant and Equipment
As at March 31, 2018

Amount in Taka

Particulars	COST			DEPRECIATION/ AMORTISATION			NET BOOK VALUE		
	As at 1st April, 2017	Additions	Deductions / Adjustments	As at 31st March, 2018	As at 1st April, 2017	For the year	Deductions/ Adjustments	As at 31st March, 2018	As at 31st March, 2017
Tangible Assets:									
Land - Leasehold	-	-	-	-	-	-	-	-	-
Building-Factory	14,39,56,995	-	-	14,39,56,995	2,28,55,638	71,97,850	-	11,39,03,507	12,11,01,357
Plant and Machinery	7,99,07,148	31,77,990	-	8,30,85,138	4,89,57,398	1,65,09,828	-	1,76,17,913	3,09,49,750
Data Process. Machine	11,24,512	1,70,310	-	12,94,822	9,97,552	91,159	-	2,06,112	1,26,960
Furniture & Fixtures	21,59,741	6,78,036	-	28,37,777	8,85,937	3,59,858	-	15,91,982	12,73,804
Office Equipments	12,34,322	24,148	-	12,58,470	2,81,200	1,09,564	-	8,67,706	9,53,122
Total Tangible Assets	22,83,82,718	40,50,484	-	23,24,33,202	7,39,77,724	2,42,68,258	-	13,41,87,220	15,44,04,993
Intangible Assets:									
Computer Softwares	57,90,850	-	-	57,90,850	52,60,365	5,01,431	-	29,054	5,30,485
Total Intangible Assets	57,90,850	-	-	57,90,850	52,60,365	5,01,431	-	29,054	5,30,485