

VIP Accessories BD Private Limited
Statement of Financial Position
As at 31 March 2022

| | Note | Amount in Taka | |
|-------------------------------------|------|--------------------|-------------------|
| | | 31 March 2022 | 31 March 2021 |
| ASSETS | | | |
| Non current assets | | | |
| Property, plant and equipment: | 4 | 22,694,671 | 12,020,664 |
| Capital work in progress | | 2,361,523 | - |
| Right of use asset | 5 | 6,261,419 | 2,879,069 |
| Long term advances and deposits | 6 | 3,062,277 | 2,183,938 |
| Non Current assets | | 34,379,889 | 17,083,671 |
| Current assets | | | |
| Inventories | 7 | 35,031,427 | 15,142,356 |
| Trade receivables | 8 | 87,494,678 | 10,027,580 |
| Short term advances and prepayments | 9 | 511,729 | 10,141,352 |
| Cash and bank balances | 10 | 559,966 | 5,845,259 |
| Current assets | | 123,597,800 | 41,156,548 |
| Total assets | | 157,977,689 | 58,240,219 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' equity | | | |
| Share capital | 11 | 115,850 | 115,850 |
| Retained earnings | 12 | 55,366,392 | 15,029,230 |
| Total shareholders' equity | | 55,482,242 | 15,145,080 |
| Non Current Liabilities | | | |
| Convertible preference shares | 13 | 16,750,000 | 16,750,000 |
| Lease liability | | 5,367,994 | - |
| | | 22,117,994 | 16,750,000 |
| Current liabilities | | | |
| Lease liability | 14 | 468,456 | 2,866,947 |
| Short Term Loan | 15 | 56,374,072 | - |
| Trade payables | 16 | 17,224,814 | 14,067,570 |
| Other payable | 17 | 6,310,111 | 9,410,623 |
| Total current liabilities | | 80,377,454 | 26,345,140 |
| Total liabilities | | 102,495,447 | 43,095,140 |
| Total Equity and Liabilities | | 157,977,689 | 58,240,219 |

The Annexed notes form an integral part of these financial statements



Director



Director

Signed in terms of our separate report of even date



Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521

Howladar Yunus & Co., Chartered Accountants

Firm Registration Number: [N/A]

Dhaka, 27 April 2022

DVC No.: 2204270521AS827212

VIP Accessories BD Private Limited
Statement of Profit Loss and Comprehensive Income
For the year ended 31 March 2022

| | Note | Amount in Taka | |
|--|------|-------------------|------------------|
| | | 31 March 2022 | 31 March 2021 |
| Revenue | | 235,654,026 | 59,799,805 |
| Cost of revenue | 18 | (187,080,818) | (53,767,854) |
| Gross Profit | | 48,573,208 | 6,031,951 |
| Administrative expenses | 19 | 3,444,634 | 1,397,137 |
| Selling and distribution expenses | 20 | 2,839,771 | 784,751 |
| Interest on finance lease | 21 | 132,288 | 209,090 |
| Finance cost | 22 | 2,055,336 | 1,340,000 |
| | | 8,472,030 | 3,730,978 |
| Profit/(Loss)from operations | | 40,101,178 | 2,300,973 |
| Other Income | | 125,984 | 227,166 |
| Net Profit/(Loss) Before Tax | | 40,227,162 | 2,528,139 |
| Tax Expenses : | | | |
| Current Tax | | - | - |
| Net Profit/(Loss) | | 40,227,162 | 2,528,139 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| -Remeasurement benefit of defined benefit plans | | 110,000 | 303,000 |
| -Income tax relating to above items | | | |
| Other comprehensive income for the year, net of tax | | 110,000 | 303,000 |
| Total comprehensive income | | 40,337,162 | 2,831,139 |

The Annexed notes form an integral part of these financial statements



Director



Director

Signed in terms of our separate report of even date



Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521

Howladar Yunus & Co., Chartered Accountants

Firm Registration Number: [N/A]

Dhaka, 27 April 2022

DVC No.: 2204270521AS827212

VIP Accessories BD Private Limited
Statement of Cash Flow
As at 31 March 2022

| | Amount in Taka | |
|--|---------------------|--------------------|
| | 31 March 2022 | 31 March 2021 |
| A. Cash Flows from Operating Activities | | |
| Cash received from customer | 158,537,707 | 65,735,783 |
| Cash paid to suppliers & Operating Expenses | (199,472,491) | (63,242,110) |
| Finance Cost | (2,055,336) | (1,340,000) |
| Other Income | 125,984 | 227,166 |
| Net Cash Flows from Operating Activities | (42,864,137) | 1,380,839 |
| B. Cash Flows from Investing Activities | | |
| Acquisition of Property, Plant and Equipment | (16,271,234) | (5,078,257) |
| Net Cash Flows from Investing Activities | (16,271,234) | (5,078,257) |
| C. Financing Activities | | |
| Increase/(Decrease) in Equity share application money | - | - |
| Increase/(Decrease) in Convertible Preference Shares application money | - | - |
| Payment of Convertible Preference Dividend | (2,055,336) | (1,340,000) |
| Increasae/Decresae In Short term loan | 55,905,414 | |
| Net Cash Flows from Financing Activities | 53,850,077 | (1,340,000) |
| D. Net Cash Flows from Total Activities | (5,285,293) | (5,037,418) |
| E. Opening Cash and Cash Equivalents | 5,845,259 | 10,882,677 |
| F. Closing Cash and Cash Equivalents | 559,966 | 5,845,259 |
| Cash and Cash Equivalents : | | |
| Cash at Bank | 545,334 | 5,840,283 |
| Cash in Hand | 14,632 | 4,976 |
| | 559,966 | 5,845,259 |

The Annexed notes form an integral part of these financial statements


Director


Director

VIP Accessories BD Private Limited
Statement of Changes in Equity
For the year ended March 31, 2022

| Particulars | Share Capital | Share Application Money | Retained Earnings | Total Taka |
|---|----------------|-------------------------|-------------------|-------------------|
| Balance as on April 1, 2021 | 115,850 | - | 15,029,229 | 15,145,079 |
| Net profit for the year | | - | 40,227,162 | 40,227,162 |
| Other comprehensive income for the year | | | 110,000 | 110,000 |
| Balance as on March 31, 2022 | 115,850 | - | 55,366,391 | 55,482,241 |

Statement of Changes in Equity
For the year ended March 31, 2021

| Particulars | Share Capital | Share Application Money | Retained Earnings | Total Taka |
|---|----------------|-------------------------|-------------------|-------------------|
| Balance as on April 1, 2020 | 115,850 | - | 12,198,091 | 12,313,941 |
| Net profit for the year | | - | 2,528,139 | 2,528,139 |
| Other comprehensive income for the year | | | 303,000 | 303,000 |
| Balance as on March 31, 2021 | 115,850 | - | 15,029,229 | 15,145,079 |

Director

Director

VIP Accessories BD Private Limited
Notes of the Financial Statements
For the year ended 31 March 2022

1.00 Reporting entity

VIP Accessories BD Private Limited is a Private Company limited by Shares incorporated on 5 The day of August, 2018 under the Companies Act, 1994 as adopted in Bangladesh.

The factory of the company is located in MS SFB#03, Goround &1st Floor, East Wings , Mongla Export Processing Zone, Mongla, Bagerhat - 9351. The company commenced its commercial production on 16 th January, 2019.

1.01 Registered Office

The address of the Company's registered office is MS SFB#03, Goround &1st Floor, East Wings, Mongla export processing zone, Mongla,Bagerhat-9351, Bangladesh.

1.02 Nature of business

To carry on the business or businesses of manufacture accessories and packing material like cartons, cardboards, wire etc

2.00 Basis of Preparation

2.01 Statement of Compliance :

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994 and other relevant local laws and regulations, and in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

These financial statements are of VIP Accessories BD Private Limited as at and for the period ended 31 March 2021. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standard (IAS), the Companies Act 1994 and other applicable laws in Bangladesh.

The format and title of these financial statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act 1994. However such differences are not material and in the view of management it gives better presentation to the shareholders.

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- a. Statement of Financial Position
- b. Statement of Profit or Loss & Other Comprehensive Income
- c. Statement of Changes in Equity
- d. Statement of Cash Flows
- e. Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements

2.02 Basis of Measurement :

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.03 Functional and presentational currency :

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated. As a result of these rounding off, in some instances the totals may not match the sum of individual balances.

2.04 Going Concern :

When preparing financial statements, management made an assessment of the entity's ability to continue as a going concern. The Company prepared its financial statements on a going concern basis. As per the requirement of Para 25 of IAS 1: Presentation of Financial Statements, the Management of the Company assessed if there were any conditions or events existed that might cause significant doubt on Company's ability to continue as a going concern. Based on these assessments, Management concluded that there were no such significant conditions or events that Management knew existed at the time we made the assessment.

2.05 Materiality and aggregation

The Company presents separately each material class of similar items and items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

2.06 Offsetting

The Company does not offset assets and liabilities or income and expenses, unless required or permitted by an IFRS.

2.07 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected as required by IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

2.08 Reporting Period:

These financial statements have been prepared for the period from April 01, 2021 to March 31, 2022.

2.09 Date of Authorization

The Board of Directors has Authorized these Financial Statements on 27 April 2022

3.00 Significant Accounting Policies :

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. Comparative information has been rearranged wherever considered necessary to conform to the current period's presentation.

3.01 Foreign currency translation

i. Foreign currency

Items included in the financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates, ie. the functional currency. The financial statements of the company are presented in Taka which is the company's functional and presentation currency.

ii. Foreign currencies translation gains and losses

Foreign currencies are translated into Taka at the rates ruling on the transaction dates. Monetary assets and liabilities are translated at the rates prevailing at the date of the statement of financial position. Differences arising on conversion are charged or credited to the statement of comprehensive income.

3.02 Property, Plant and Equipment :

i) Recognition and measurement

Items of fixed assets 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% |

Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.03 Intangible assets

Recognition & measurement:

- i. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.
- ii. Software represents the value of computer application software licensed for the use of the company. Intangible assets are carried at its cost, less accumulated amortization, and impairment loss (if any).
- iii. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditures that are incurred in customizing the software for its intended use.
- iv. Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the

3.04 Employee Benefits

i) Provident Fund

The Company has introduced a Contributory Provident Fund for its eligible employees with effect from November 2019, 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.

3.05 Convertible Preference Share

As per Para-18 (a) of International Accounting Standard (IAS) 32, "A preference share that provides for redemption by the subscriber 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".

3.06 Borrowing Cost

As per Para-36 of International Accounting Standard (IAS) 32, "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.

3.07 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.

3.08 Inventories

Inventories include raw material, work-in-progress and finished goods.

Inventories are valued in accordance with IAS 2: "Inventories" i.e. at cost or estimated net realizable value whichever is lower. The cost of inventories includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of the business less estimated cost of completion of considering the selling. When the inventories are used, the carrying amount of those inventories are recognized in the year in which the related revenue is recognized.

3.09 Trade Receivable

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

3.10 Trade Payable

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

3.11 Accruals, provisions and contingencies

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive 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. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent liabilities and assets are not recognised in the statement of financial position of the company.

3.12 Revenue recognition

i. Sales revenue

In accordance with the provisions of the IFRS 15: "Revenue from Contracts with Customers"; revenue from contracts with customers represents the amount that reflects the considerations to which the entity expects to be entitled in exchange for goods supplied and service provided to customers during the year. Revenue from contracts with customers is recognized in the statement of profit or loss and other comprehensive income when the performance obligation (supply of promised goods and services) is satisfied. The performance obligation is satisfied at a point in time when the customer obtains the control of goods and services. Revenue of freight from the Vessels is recognized at the invoice date.

ii. Other Comprehensive Income

Revenues, expenses, gains and losses appear in other comprehensive income when they have not yet been realized. It is particularly valuable for understanding ongoing changes in the fair value of a company's assets.

3.13 Events after balance sheet date

All material events occurring after the reporting date are considered and where necessary, adjusted for, or disclosed. The final dividend is recognized when it is approved by the shareholders.

Dividend payable to the company's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

3.14 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 16 Th July, 2019. As per SRO and relevant provisions of Income Tax Ordinance 1984, adequate tax provision has to be made on the profit after expiry of 100% exemption period of three years.

Deferred tax

Deferred tax liabilities are the amount of income taxes payable in 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 balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the statement of comprehensive income as per IAS-12: "Income Taxes".

3.15 Cash Flow

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

3.16 Adoption of new standards

IFRS 16 "Leases"

IFRS 16 Leases, defines a lease as "A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration". In order for such a contract to exist the user of the asset needs to have the right to:

- Obtain substantially all of the economic benefits from the use of asset (Identifiable asset)
- The right to direct the use of asset

As per the new standard, from lessee's perspective, almost all leases being recognized on the balance sheet, the distinction between operating and finance leases is removed. Upon lease commencement a lessee recognizes a right-of-use (ROU) asset and a lease liability. The ROU asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

The impact of the new standard on lessees' financial statements are:

- An increase in recognized assets and liabilities
- More lease expenses recognized in early periods of lease, and less in the later periods of a lease
- A shift in lease expense classification from rental expenses to interest expense and depreciation.

The Company has adopted IFRS 16 from 1st April 2019 as proposed by IASB. In Bangladesh Institute of Chartered Accountants of Bangladesh (ICAB) adopted IFRS 16 with same effective date. As there is no other alternative regulation or guidance regarding the same, So the company has adopted IFRS 16 from the same date in preparing financial statements.

3.17 Impact of COVID-19 Pandemic

Since the beginning of 2020, there has been a vast outbreak of the COVID-19 virus worldwide and this soon turned into a pandemic scenario. Countries around the world started to impose lockdown to curb the virus spread. During late March'20, the Government of Bangladesh also enforced a country-wise lockdown to contain the virus infection and the lockdown continued until 30 May 2020. Amid this pandemic situation, almost all economic and business activities came to standstill during the lockdown period. VIP Industries Bangladesh Pvt Ltd was not an exception to this scenario and we conducted very limited business operations complying with lockdown measures from April'20 to May'20. Since June'20, after the gradual lifting of lockdown, Company started to turn its business operations back to normal. Management continuously monitored the situation and took necessary measures to cultivate resilient processes to combat the situation. While preparing these financial statements, management assessed that COVID-19 did not cast any doubt on the company's ability to continue as a going concern.

| | | Amount in Taka | |
|-------------|--|-----------------------|----------------------|
| | | 31 March 2022 | 31 March 2021 |
| 4.00 | Property, plant and equipment: | | |
| | Building-Factory | 11,952,956 | 30,519 |
| | Plant and Machinery | 9,095,310 | 10,150,106 |
| | Vehicle | 830,110 | 1,037,638 |
| | Data Process. Machine | 35,095 | 75,117 |
| | Furniture & Fixtures | 630,371 | 556,144 |
| | Office Equipments | 150,829 | 171,140 |
| | | 22,694,671 | 12,020,664 |
| | For details refer Annexure-A | | |
| 5.00 | Right of Use Asset | | |
| | Right of Use Asset | 6,261,419 | 2,879,069 |
| | | 6,261,419 | 2,879,069 |
| | For details refer Annexure-A | | |
| 6.00 | Long term advances and deposits | | |
| | Non-current portion | | |
| | Security Deposit | 3,062,276 | 2,183,938 |
| | | 3,062,277 | 2,183,938 |
| 7.00 | Inventories | | |
| | Raw Materials | 31,489,533 | 13,916,543 |
| | Work-in-progress | - | 97 |
| | Finished goods | 3,541,894 | 1,225,716 |
| | | 35,031,427 | 15,142,356 |
| 8.00 | Trade receivables | | |
| | VIP Industries Bangladesh Pvt Ltd | 8,849,286 | 2,425,008 |
| | VIP Industries BD Manufacturing Pvt Ltd | 22,235,047 | 5,781,786 |
| | VIP Luggage BD Pvt Ltd | 55,419,946 | 206,396 |
| | Others | 990,399 | 1,614,389 |
| | | 87,494,678 | 10,027,580 |
| 9.00 | Short term advances and prepayments | | |
| 9.01 | Advances (considered good) to: | | |
| | Suppliers | 100,503 | 10,039,276 |
| | | 100,503 | 10,039,276 |
| 9.02 | Prepayments | | |
| | Prepaid insurance and expenses | 411,226 | 102,076 |
| | | 411,226 | 102,076 |
| | | 511,729 | 10,141,352 |

| | Amount in Taka | |
|---|----------------------|----------------------|
| | 31 March 2022 | 31 March 2021 |
| 10.00 Cash and bank balances | | |
| Cash in hand | 14,632 | 4,976 |
| Balances with Bank | | |
| Current Account | | |
| Eastern Bank USD | 290,503 | 110,423 |
| City Bank USD | 44,990 | 5,540,760 |
| City Bank BDT | 70,501 | 109,289 |
| Eastern Bank BDT | 3,629 | 4,319 |
| Trust Bank | 17,032 | 34,876 |
| Al-Alarafa Bank | 118,679 | 40,615 |
| | <u>545,334</u> | <u>5,840,283</u> |
| | <u>559,966</u> | <u>5,845,259</u> |
| 11.00 Share capital | | |
| Authorized Capital: | | |
| 3,000,000 Equity Shares of Taka 10/- each | 30,000,000 | 10,000,000 |
| 19,000,000 8% Convertible Preference Shares of Taka 10/- each | 190,000,000 | 190,000,000 |
| | <u>220,000,000</u> | <u>200,000,000</u> |
| Issued, subscribed and paid up capital: | | |
| 11,585 Equity Shares of Taka 10/- each | 115,850 | 115,850 |
| | <u>115,850</u> | <u>115,850</u> |
| The aforesaid capital was subscribed as under: | | |
| Subscribers: | <u>No. of shares</u> | <u>No. of shares</u> |
| Equity Share | | |
| VIP Industries Limited, India | 11,584 | 11,584 |
| Mr. Dilip G. Piramal | 1 | 1 |
| | <u>11,585</u> | <u>11,585</u> |

The Company was incorporated with an Authorized Capital of BDT 200,000,000 divided into 1,000,000 Ordinary Shares of BDT10/- each. And 19,000,000 8% Convertible Through another Special Resolution dated January 11, 2021, the amount of Ordinary Shares were increased by addition of Taka 2,00,00,000 divided into 20,00,000 8% Convertible Preference Shares of Taka 10.00 each and accordingly the total amount of Authorized Capital raised to Tk: 30,00,000 divided into (a) 30,00,000 Ordinary Shares According to IAS-32 the above Convertible Preference Shares which having redemption right has been shown under Borrowings.

| | Amount in Taka | |
|--|---------------------|-------------------|
| | 31 March 2022 | 31 March 2021 |
| 12.00 Retained earnings | | |
| Opening Balance | 15,029,230 | 12,198,091 |
| Add: Net Profit/(loss) after tax transferred from statement of Profit & Loss | 40,227,162 | 2,528,139 |
| Add: Items of other comprehensive income recognised directly in retained earnings- | | |
| Remeasurements of post-employment benefits obligation | 110,000 | 303,000 |
| Closing Balance | <u>55,366,392</u> | <u>15,029,230</u> |
| 13.00 Convertible preference shares | | |
| 1,675,000 8% Convertible Preference Shares of Taka 10 only | 16,750,000 | 16,750,000 |
| | <u>16,750,000</u> | <u>16,750,000</u> |
| <p>The company has issued Convertible Preference Share amounting to Taka 1,6750,000 which will be redeemed within 10 years from the date of allotment that meet the criteria of financial liability. For that reason Convertible Preference Shares are considered as</p> | | |
| 14.00 Lease liability | | |
| Long Term | 5,367,994 | - |
| | <u>5,367,994</u> | <u>-</u> |
| 14.00 Lease liability | | |
| Short Term Lease | 468,456 | 2,866,947 |
| | <u>468,456</u> | <u>2,866,947</u> |
| 15.00 Short term loan | | |
| Short term loan | 56,374,072 | - |
| | <u>56,374,072</u> | <u>-</u> |
| 16.00 Trade Payables: | | |
| Sundry creditors for goods | 17,224,814 | 14,067,570 |
| | <u>17,224,814</u> | <u>14,067,570</u> |
| 17.00 Other Payables | | |
| Sundry creditors for expenses | 4,891,795 | 6,054,231 |
| Dividend on convertible preference shares | 1,340,000 | 3,337,151 |
| Statutory liabilities | 78,316 | 19,241 |
| | <u>6,310,110.99</u> | <u>9,410,623</u> |

| | | Amount in Taka | |
|--------------|---|---------------------------|--------------------------|
| | | 31 March 2022 | 31 March 2021 |
| 18.00 | Cost of revenue | | |
| | Raw Material Consumed (Note 18.01) | 160,646,079 | 36,158,117 |
| | Salary & Wages | 14,404,676 | 5,532,444 |
| | Manufacturing Overheads (Note 18.02) | 14,696,923 | 9,298,053 |
| | | <u>189,747,678</u> | <u>50,988,614</u> |
| | Add: Opening Work-in-Progress | 97 | 152,068 |
| | | <u>189,747,775</u> | <u>51,140,682</u> |
| | Less: Closing Work-in-Progress | - | 97 |
| | Cost of Goods Manufactured | <u>189,396,997</u> | <u>51,140,585</u> |
| | Add: Opening Stock of Finished Goods | 1,225,716 | 3,852,985 |
| | Cost of Goods Available For Sale | <u>190,622,713</u> | <u>54,993,570</u> |
| | Less: Closing Stock of Finished Goods | 3,541,894 | 1,225,716 |
| | Cost of revenue | <u><u>187,080,818</u></u> | <u><u>53,767,854</u></u> |
| | Salary & Wages (includes Provident Fund BDT 100,294 Previous year BDT 24,978) | | |
| 18.01 | Raw Material Consumed | | |
| | Opening Inventory - Raw Materials & Packing Materials | 13,916,543 | 5,319,079 |
| | Purchases During the Period | 178,219,068 | 44,755,581 |
| | Closing Inventory - Raw Materials & Packing Materials | 31,489,533 | 13,916,543 |
| | | <u>160,646,079</u> | <u>36,158,117</u> |
| 18.02 | Manufacturing Overheads | | |
| | Power & Water | 3,479,879 | 1,122,174 |
| | Other Repair & Maintenance | 207,071 | 38,667 |
| | Consumption of Stores and spare parts | 2,100,975 | 563,384 |
| | Insurance | 389,391 | 402,083 |
| | Leased Rent | 2,456,256 | 128,603 |
| | Depreciation-Lease Assets | 2,827,647 | 5,002,224 |
| | Depreciation | 3,235,705 | 2,040,918 |
| | | <u>14,696,923</u> | <u>9,298,053</u> |
| 19.00 | Administrative Expenses | | |
| | Travelling Expenses | 158,228 | 179,278 |
| | Legal & Professional Charges | 471,498 | 145,191 |
| | Administrative Cost | 98,304 | 4,175 |
| | Administrative salaries | | 62,440 |
| | Other administrative Cost | 2,716,604 | 1,006,053 |
| | | <u>3,444,634</u> | <u>1,397,137</u> |
| | Administrative Salary (includes Provident Fund BDT NIL) | | |
| 20.00 | Selling and distribution expenses | | |
| | Selling Expenses | 2,839,771 | 784,751 |
| | | <u>2,839,771</u> | <u>784,751</u> |
| 21.00 | Interest on Finance Lease | | |
| | Interest on Finance Lease | 132,288 | 209,090 |
| | | <u>132,288</u> | <u>209,090</u> |
| 22.00 | Finance Cost | | |
| | Interest On Loan | 715,336 | - |
| | Dividend on convertible preference shares | 1,340,000 | 1,340,000 |
| | | <u>2,055,336</u> | <u>1,340,000</u> |

23.00 Related parties

| Name of the related | Relationship | Nature of transactions | Transaction Amount | Balance (Taka) | |
|---|-------------------|--|--------------------|----------------|---------------|
| | | | | as at | as at |
| | | | | 31 March 2022 | 31 March 2021 |
| VIP Industries LTD | Parent Company | Equity share capital | | 115,850 | 115,850 |
| | | Convertible preference share | - | 16,750,000 | 16,750,000 |
| | | Dividend on Convertible Preference Share | 1,340,000 | 1,340,000 | 3,337,151 |
| | | Guarantee commission | 927,510 | 927,510 | - |
| VIP Industries Bangladesh Pvt LTD | Associate Company | Sale of goods | 17,239,245 | 8,849,286 | 2,425,008 |
| VIP Industries BD Manufacturing Pvt LTD | Associate Company | Sale of goods | 23,166,519 | 22,235,047 | 5,781,786 |
| VIP Luggage BD Pvt LTD | Associate Company | Sale of goods | 17,243,240 | 55,419,946 | 206,396 |
| VIP Industries Bangladesh Pvt LTD | Associate Company | Purchase Of Assets | - | 2,679,651 | 2,679,651 |

VIP Accessories BD Private Limited is a Subsidiary of VIP Industries Ltd. Major products of VIP Accessories BD Private Limited are exported to VIP Industries Bangladesh Pvt Ltd, VIP Industries BD Manufacturing Pvt Ltd, VIP Luggage BD Pvt Ltd. Product pricing is market driven due to highly competitive. As VIP Accessories BD Private Limited is in the initial years of its operations and has yet to establish its niche, product pricing is being done keeping in mind pricing of available products with similar features/looks.

24.00 Contingent liability

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

25.00 Number of Employees

The number of employees engaged as on 31 March ,2022, who received a total remuneration of Tk. 3,000 per month or above was 75 Persons.

26.00 Exchange Gain/(Loss)

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

27.00 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 Accessories BD Private Limited
Schedule of Property, plant and Equipment
As at March 31, 2022

Amount In Taka

| Particulars | COST | | | | DEPRECIATION/ AMORTISATION | | | | NET BOOK VALUE | |
|---------------------------------|---------------------|-------------------|--------------------------|---------------------|----------------------------|------------------|-------------------------|---------------------|---------------------|---------------------|
| | As at 01 April 2021 | Additions | Deductions / Adjustments | As at 31 March 2022 | As at 01 April 2021 | For the year | Deductions/ Adjustments | As at 31 March 2022 | As at 31 March 2022 | As at 31 March 2022 |
| Tangible Assets: | | | | | | | | | | |
| Building-Factory | 35,905 | 12,000,000 | - | 12,035,905 | 5,386 | 77,563 | - | 82,949 | 11,952,956 | 30,519 |
| Plant and Machinery | 13,002,098 | 1,754,374 | - | 14,756,471 | 2,851,992 | 2,809,170 | - | 5,661,162 | 9,095,310 | 10,150,106 |
| Vehicle | 1,037,638 | - | - | 1,037,638 | - | 207,528 | - | 207,528 | 830,110 | 1,037,638 |
| Data Process. Machine | 133,408 | - | - | 133,408 | 58,290 | 40,022 | - | 98,313 | 35,095 | 75,117 |
| Furniture & Fixtures | 670,107 | 155,338 | - | 825,445 | 113,963 | 81,111 | - | 195,073 | 630,371 | 556,144 |
| Office Equipments | 203,113 | - | - | 203,113 | 31,972 | 20,311 | - | 52,283 | 150,829 | 171,140 |
| Total Tangible Assets | 15,082,268 | 13,909,711 | - | 28,991,979 | 3,061,603 | 3,235,705 | - | 6,297,308 | 22,694,671 | 12,020,664 |
| Right of use Asset | | | | | | | | | | |
| Right of use Asset | 12,665,769 | 6,209,997 | - | 18,875,766 | 9,786,700 | 2,827,647 | - | 12,614,347 | 6,261,419 | 2,879,069 |
| Total right of use asset | 12,665,769 | 6,209,997 | - | 18,875,766 | 9,786,700 | 2,827,647 | - | 12,614,347 | 6,261,419 | 2,879,069 |

VIP Accessories BD Private Limited
Schedule of Property, plant and Equipment
As at March 31, 2021

Amount In Taka

| Particulars | COST | | | | DEPRECIATION/ AMORTISATION | | | | NET BOOK VALUE | |
|---------------------------------|---------------------|------------------|--------------------------|---------------------|----------------------------|------------------|-------------------------|---------------------|---------------------|---------------------|
| | As at 01 April 2020 | Additions | Deductions / Adjustments | As at 31 March 2021 | As at 01 April 2020 | For the year | Deductions/ Adjustments | As at 31 March 2021 | As at 31 March 2021 | As at 31 March 2021 |
| Tangible Assets: | | | | | | | | | | |
| Building-Factory | 35,905 | - | - | 35,905 | 1,795 | 3,591 | - | 5,386 | 30,519 | 34,110 |
| Plant and Machinery | 9,035,996 | 3,966,102 | - | 13,002,098 | 942,009 | 1,909,983 | - | 2,851,992 | 10,150,106 | 8,093,987 |
| Data Process. Machine | - | 1,037,638 | - | 1,037,638 | - | - | - | - | 1,037,638 | - |
| Furniture & Fixtures | 133,408 | - | - | 133,408 | 18,268 | 40,022 | - | 58,290 | 75,117 | 115,139 |
| Office Equipments | 670,107 | - | - | 670,107 | 46,952 | 67,011 | - | 113,963 | 556,144 | 623,155 |
| Total Tangible Assets | 10,078,528 | 5,003,739 | - | 15,082,268 | 1,020,685 | 2,040,918 | - | 3,061,603 | 12,020,664 | 9,057,843 |
| Right of use Asset | | | | | | | | | | |
| Right of use Asset | 7,575,420 | 5,090,348 | - | 12,665,769 | 4,784,476 | 5,002,224 | - | 9,786,700 | 2,879,069 | 2,790,944 |
| Total right of use asset | 7,575,420 | 5,090,348 | - | 12,665,769 | 4,784,476 | 5,002,224 | - | 9,786,700 | 2,879,069 | 2,790,944 |