

Independent Auditor's Report
On the Financial Statements of
VIP Industries BD Manufacturing Private Limited
As at and for the year ended 31 March 2025

Submitted by
Howladar Yunus & Co.
Chartered Accountants

10 May 2025

Table of Contents

- 1 Independent Auditor's Report
- 2 Statement of Financial Position
- 3 Statement of Profit or Loss and Other Comprehensive Income
- 4 Statement of Changes in Equity
- 5 Statement of Cash Flows
- 6 Notes to the Financial Statements



Independent Auditor's Report

To the Shareholders of VIP Industries BD Manufacturing Private Limited
Report on the Audit of the Financial Statements

Howladar Yunus & Co.

House-14 (Level 4 & 5)
Road-16A, Gulshan-1
Dhaka-1212
Bangladesh

T : +880 2 58815247

Opinion

We have audited the financial statements of VIP Industries BD Manufacturing Private Limited (the "Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, and other applicable laws and regulations.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Chartered Accountants

Member firm of Grant Thornton International Ltd

Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered independently by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grantthornton.com.bd

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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 gives a true and fair view.

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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, 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 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; and
- c) the statement of financial position, and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.



Muhammad Farooq FCA

Managing Partner, Enrolment No.: 0521

Howladar Yunus & Co., Chartered Accountants

Firm Registration Number: [N/A]

DVC No.: 2505130521AS162604

Dated: Dhaka

10 May 2025

VIP Industries BD Manufacturing Private Limited
Statement of Financial Position
As at 31 March 2025

		Amount in Taka	
	Notes	31 March, 2025	31 March, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4.00	127,665,861	138,350,586
Right-of-use assets	5.00	7,451,900	33,315,171
Capital work in progress		9,941,319	18,717,059
Intangible assets	6.00	140,942	237,542
Non-current - advances and deposits	7.00	28,365,825	25,018,172
Deferred tax assets	8.00	12,751,608	2,454,324
Total non-current assets		186,317,455	218,092,854
Current assets			
Advance income tax	9.00	99,964,701	87,831,233
Inventories	10.00	744,776,286	812,766,880
Trade receivables	11.00	115,376,581	23,787,709
Short term - advances and prepayments	12.00	60,707,209	56,473,433
Cash and cash equivalents	13.00	25,816,511	52,625,347
Current assets		1,046,641,288	1,033,484,602
Total assets		1,232,958,743	1,251,577,456
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14.00	113,050	113,050
Retained earnings	15.00	494,654,425	486,624,669
Total Shareholders' Equity		494,767,475	486,737,719
Non-current liabilities			
Convertible preference shares	16.00	165,190,000	165,190,000
Lease liability - non current	17.00	8,005,383	1,962,420
Total non-current liabilities		173,195,383	167,152,420
Current liabilities			
Lease liability - current	18.00	129,325	32,794,430
Trade payables	19.00	356,578,761	303,963,171
Current tax liabilities	20.00	72,272,644	56,587,704
Other payables	21.00	136,015,156	204,342,012
Current liabilities		564,995,886	597,687,317
Total liabilities		738,191,268	764,839,737
Total Equity and Liabilities		1,232,958,743	1,251,577,456

These financial statements should be read in conjunction with annexed notes.


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]
DVC No.: 2505130521AS162604

Dated: Dhaka
10 May 2025

VIP Industries BD Manufacturing Private Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2025

	Notes	Amount in Taka	
		31 March, 2025	31 March, 2024
Revenue		1,221,361,048	2,345,394,861
Cost of goods sold	22.00	(1,164,514,094)	(2,244,187,532)
Gross Profit		56,846,954	101,207,329
Administrative expenses	23.00	37,246,892	41,980,921
Selling and distribution expenses	24.00	29,797,747	67,543,152
Finance cost	25.00	14,576,699	17,505,678
		81,621,338	127,029,751
Profit from operations		(24,774,384)	(25,822,421)
Other income	26.00	25,702,797	9,371,196
Profit before tax		928,413	(16,451,225)
Provision for taxation			
Current tax expense		15,684,940	(1,330,511)
Deferred tax expense		(12,694,573)	(1,437,105)
Net profit for the year		(2,061,954)	(13,683,609)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
-Remeasurement benefit of defined benefit plans		12,489,000	9,033,000
-Income tax relating to above items		(2,397,289)	(1,330,511)
Other comprehensive income for the year, net of tax		10,091,711	7,702,489
Total comprehensive income		8,029,757	(5,981,120)

These financial statements should be read in conjunction with annexed notes.


Director


Director

Signed in terms of our separate report of even date



Muhammad Farooq FCA

Managing Partner, Enrolment No.: 0521

These financial statements should be read in conjunction with annexed notes.

Firm Registration Number: [N/A]

DVC No.: 2505130521AS162604

Dated: Dhaka
10 May 2025

VIP Industries BD Manufacturing Private Limited
Statement of Changes in Equity
For the year ended 31 March 2025

Particulars	Share Capital	Share Application Money	Retained Earnings	Total
Balance as on April 1, 2024	113,050	-	486,624,669	486,737,719
Net profit for the year	-	-	(2,061,954)	(2,061,954)
Other comprehensive income for the year	-	-	10,091,711	10,091,711
Dividend Paid	-	-	-	-
Balance as on March 31, 2025	113,050	-	494,654,425	494,767,475

For the year ended 31 March 2024

Particulars	Share Capital	Share Application Money	Retained Earnings	Total
Balance as on April 1, 2023	113,050	-	492,605,789	492,718,839
Net profit for the year	-	-	(13,683,609)	(13,683,609)
Other comprehensive income for the year	-	-	7,702,489	7,702,489
Dividend Paid	-	-	-	-
Balance as on March 31, 2024	113,050	-	486,624,669	486,737,719

These financial statements should be read in conjunction with annexed notes.

✓ 
Director


Director



VIP Industries BD Manufacturing Private Limited
Statement of Cash Flows
For the year ended 31 March 2025

	Amount in Taka	
	31 March, 2025	31 March, 2024
A. Cash flows from operating activities		
Cash received from customer	1,129,772,176	2,437,444,614
Cash paid to suppliers & operating Expenses	(1,151,314,037)	(2,340,995,686)
Finance cost	(14,576,699)	(17,505,678)
Other income	25,702,797	9,371,196
Net cash flows from operating activities	(10,415,764)	88,314,446
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,177,872)	(69,881,730)
Net cash flows from investing activities	(3,177,872)	(69,881,730)
C. Cash flows from financing activities		
Increase/(Decrease) in equity Share Capital	-	-
Increase/(Decrease) in share application money	-	-
Increase/(Decrease) in (Convertible Preference Shares)	-	-
Payment of Equity Share Dividend	-	-
Payment of Convertible Preference Dividend	(13,215,200)	(13,215,200)
Net cash flows from financing activities	(13,215,200)	(13,215,200)
D. Net Cash Flows from Total Activities (A+B+C)	(26,808,835)	5,217,516
E. Opening cash and cash equivalents	52,625,347	47,407,831
F. Closing cash and cash equivalents (D+E)	25,816,511	52,625,347
Cash and cash equivalents :		
Cash at bank	25,813,817	52,625,103
Cash in hand	2,694	244
	25,816,511	52,625,347

These financial statements should be read in conjunction with annexed notes.

✓ 
Director


Director



VIP Industries BD Manufacturing Private Limited
Notes to the Financial Statements
As at and for the year ended 31 March 2025

1.00 Reporting entity

VIP Industries BD Manufacturing Private Limited is a private company limited by shares incorporated on 28th day of September, 2017 under the Companies Act, 1994 as adopted in Bangladesh.

The factory of the company is located in MS# SFB01 (Ground and 1st and 3rd Floor), Mongla Export Processing Zone, Mongla, Bagerhat - 9351 and also Plot No 99-102 Mongla Export Processing Zone, Mongla, Bagerhat - 9351. The company commenced its commercial production on 6th March, 2018.

1.01 Registered Office

The address of the Company's registered office is Plot No 99-102, Mongla export processing zone, Mongla, Bagerhat-9351, Bangladesh.

1.02 Nature of business

The Company is in the business of manufacturer and exporter of luggage, back pack and luggage related goods.

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).

These financial statements are of VIP Industries BD Manufacturing Private Limited as at and for the period ended 31 March 2025. 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.



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, 2024 to March 31, 2025.

2.09 Date of Authorization

The Board of Directors has Authorized these Financial Statements on 10 May 2025.

3.00 Material Accounting Policy

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%
Vehicle	20.00%
Air Conditioning equipments	20.00%
Computer and Software	30.00%

Derecognition:

An item of property, plant and equipment is derecognized 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 recognized in profit or loss.

3.03 Intangible assets

Recognition & measurement:

- 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.
- 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).
- 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.
- 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 original cost of the software.

3.04 Employee Benefits

i) Provident Fund

The company has introduced a contributory provident fund for its eligible employees with effect from January 2018, 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 the reporting period

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 6 March, 2018.

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 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 Tax Liability Shown in Separately

The tax liability was shown last financial year as net figure after adjustment with advance tax and the provision for income tax. In this Financial year the management decided to show the gross tax in this financial statement that is the actual position for the income tax as it is disclosed accordingly. Based on this arrangements, provision for income tax and advance tax have been rearranged.

		Amount in Taka	
Notes		31 March, 2025	31 March, 2024
4.00 Property, plant and equipment			
Building-factory		57,145,446	60,010,405
Plant and machinery		21,042,392	31,187,335
Vehicle		709,448	886,810
Data process machine		1,817,462	2,970,696
Furniture & fixtures		42,731,796	39,651,797
Office equipments		4,219,317	3,643,543
		<u>127,665,861</u>	<u>138,350,586</u>
Details in Annexure-A			
5.00 Right-of-use assets			
Right-of-use assets		7,451,900	-41,616,733
		<u>7,451,900</u>	<u>-41,616,733</u>
Details in Annexure-A			
6.00 Intangible assets			
Computer software		140,942	237,542
		<u>140,942</u>	<u>237,542</u>
Details in Annexure-A			
7.00 Non-current - advances and deposits			
Security Deposit		28,365,825	25,018,172
		<u>28,365,825</u>	<u>25,018,172</u>
8.00 Deferred tax assets			
Deferred tax assets		12,751,608	2,454,324
		<u>12,751,608</u>	<u>2,454,324</u>
9.00 Advance income tax			
Advance income tax		99,964,702	87,831,233
		<u>99,964,702</u>	<u>87,831,233</u>
10.00 Inventories			
Raw materials		601,995,019	654,575,509
Work-in-progress		127,558,397	134,940,492
Finished goods		15,222,870	23,250,879
		<u>744,776,286</u>	<u>812,766,880</u>
11.00 Trade receivables			
VIP Industries Limited		114,864,729	-
Others		511,852	23,787,709
		<u>115,376,581</u>	<u>23,787,709</u>
12.00 Short term - advances and prepayments			
Export benefit receivable		40,614,000	6,599,300
Suppliers		3,545,199	22,374,423
Prepaid insurance and expenses		16,548,011	27,499,710
		<u>60,707,209</u>	<u>56,473,433</u>



		Amount in Taka	
Notes		31 March, 2025	31 March, 2024
13.00	Cash and cash equivalents		
	Cash in hand	2,694	244
	Cash at bank	25,813,817	52,625,103
		<u>25,816,511</u>	<u>52,625,347</u>
13.01	Cash at bank		
	State Bank of India-USD	173,680	239,042
	State Bank of India-BDT	11,743	11,743
	City Bank PLC-USD	23,716,954	935,144
	City Bank PLC-BDT	825,485	5,202,036
	Trust Bank PLC	651,120	329,332
	Al-Arafah Islami Bank PLC	434,835	2,187,806
	Cash / TT in Transit	-	43,720,000
		<u>25,813,817</u>	<u>52,625,103</u>

14.00 Share capital

Authorized Capital:

15000000 Equity Shares of Taka 10/- each	150,000,000	150,000,000
19000000 8% Convertible Preference Shares of Taka 10/- each	190,000,000	190,000,000
	<u>340,000,000</u>	<u>340,000,000</u>

Issued, subscribed and paid up capital:

11305 Equity Shares of Taka 10/- each	113,050	113,050
	<u>113,050</u>	<u>113,050</u>

The aforesaid capital was subscribed as under:

Subscribers:

Equity Share

	No. of shares	No. of shares
VIP Industries Limited, India	11,304	11,304
Mr. Dilip G. Piramal	1	1
	<u>11,305</u>	<u>11,305</u>

The Company was incorporated with an Authorized Capital of BDT 20,00,00,000 divided into 10,00,000 Ordinary Shares of BDT10/- each. And 1,90,00,000 8% Convertible Preference Shares of BDT 10/- each.

Through another Special Resolution dated February 22, 2021, the amount of Ordinary Shares were increased by addition of Taka 140,000,000 divided into 14,000,000 8% Convertible Preference Shares of Taka 10.00 each and accordingly the total amount of Authorized Capital raised to Tk: 350,000,000 divided into (a) 1,50,00,000 Ordinary Shares of Taka 10.00 each and (b) 20,000,000 Convertible Preference Shares of Taka 10.00 each.

According to IAS-32 the above Convertible Preference Shares which having redemption right has been shown under Borrowings.

15.00 Retained earnings

Opening Balance	486,624,669	492,605,789
Add: Net Profit/(loss) after tax transferred from statement of Profit & Loss	(2,061,954)	-13,683,609
Add: Items of other comprehensive income recognised directly in retained earnings-	10,091,711	7,702,489
Remeasurements of post-employment benefits obligation	-	-
Less: Dividend Paid	-	-
	<u>494,654,425</u>	<u>486,624,669</u>

	Notes	Amount in Taka	
		31 March, 2025	31 March, 2024
16.00 Convertible preference shares			
16,519,000 8% Convertible Preference Shares of Taka 10 only		165,190,000	165,190,000
		<u>165,190,000</u>	<u>165,190,000</u>
The company has issued Convertible Preference Share amounting to Taka 16,51,90,000 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 borrowing.			
17.00 Lease liability - non current			
Long term lease portion		8,005,383	1,962,420
		<u>8,005,383</u>	<u>1,962,420</u>
18.00 Lease liability - current			
Short term lease portion		129,325	32,794,430
		<u>129,325</u>	<u>32,794,430</u>
19.00 Trade payables			
Trade payables for goods		356,578,761	303,963,171
		<u>356,578,761</u>	<u>303,963,171</u>
20.00 Current tax liabilities			
Provision for tax		72,272,644	56,587,704
		<u>72,272,644</u>	<u>56,587,704</u>
21.00 Other payables			
Provision for expenses		90,609,436	119,404,545
Service benefit & leave benefit payable		30,084,674	49,845,172
Dividend on convertible preference shares		13,215,200	13,215,200
Advance from customer		208,368	18,953,915
Statutory liabilities		1,897,478	2,923,180
		<u>136,015,156</u>	<u>204,342,012</u>



		Amount in Taka	
	Notes	31 March, 2025	31 March, 2024
22.00 Cost of goods sold			
Raw material consumed	22.01	668,443,942	1,580,305,890
Salary & wages		381,981,067	532,215,756
Manufacturing overheads	22.02	98,678,981	138,399,586
		<u>1,149,103,990</u>	<u>2,250,921,232</u>
Add: Opening work-in-progress		134,940,492	120,427,138
		<u>1,284,044,482</u>	<u>2,371,348,370</u>
Less: Closing work-in-progress		127,558,397	134,940,492
Cost of goods manufactured		1,156,486,085	2,236,407,877
Add: Opening stock of finished goods		23,250,879	31,030,533
Cost of goods available for sale		<u>1,179,736,964</u>	<u>2,267,438,410</u>
Less: Closing stock of finished goods		15,222,870	23,250,879
Cost of goods sold		1,164,514,094	2,244,187,532

Salary & Wages (includes Provident Fund BDT 129,11,658.00, previous year BDT 67,22,468.00)

Due to under allocation of overhead cost to ending inventories, the cost of sales has increased, which has reduced the overall gross margin.

22.01 Raw material consumed			
Opening inventory - raw materials & packing materials		654,575,509	390,572,247
Purchases during the period		615,863,452	1,844,309,151
Closing inventory - raw materials & packing materials		601,995,019	654,575,509
		<u>668,443,942</u>	<u>1,580,305,890</u>
22.02 Manufacturing overheads			
Rates & taxes		-	1,234,033
Power & water		13,745,304	19,472,275
Other repair & maintenance		4,092,072	1,369,231
Consumption of stores and spare parts		4,270,755	39,050,766
Insurance		3,421,493	4,473,001
Leased rent		25,108,712	3,336,136
Depreciation-lease assets		25,305,709	41,616,733
Depreciation		22,734,936	27,847,411
		<u>98,678,981</u>	<u>138,399,586</u>
23.00 Administrative expenses			
Travelling expenses		6,425,108	13,431,547
Legal & professional charges		1,074,707	1,293,640
Administrative cost	Annexure-B	2,348,392	2,771,220
Administrative salaries		6,807,234	6,487,428
Other administrative cost	Annexure-C	20,591,451	17,997,086
		<u>37,246,892</u>	<u>41,980,921</u>

Administrative salaries (includes Provident Fund BDT 208,584 previous year BDT 113,428)



		Amount in Taka	
Notes		31 March, 2025	31 March, 2024
24.00	Selling and distribution expenses		
	Selling expenses	Annexure-D 29,797,747	67,543,152
		<u>29,797,747</u>	<u>67,543,152</u>
25.00	Finance cost		
	Dividend on convertible preference shares	13,215,200	13,215,200
	Interest finance lease	1,361,499	4,290,478
		<u>14,576,699</u>	<u>17,505,678</u>
26.00	Other income		
	Scrap sales	600,000	1,525,800
	Interest received of security deposit	571,849	765,446
	Net loss or gain foreign currency transactions and translation	(16,083,053)	-3,398,150
	Export incentive	40,614,000	10,478,100
		<u>25,702,797</u>	<u>9,371,196</u>



27.00 Related party transactions

Name of the related	Relationship	Nature of transactions	Transaction Amount	Balance (Taka)	
				as at	as at
				31 March 2025	31 March 2024
VIP Industries Limited	Holding Company	Sale of goods	1,220,048,196	114,864,729	(18,938,504)
		Equity share capital	-	113,050	113,050
		Convertible Preference Share	-	165,190,000	165,190,000
		Dividend-Equity Shares	-	-	-
		Dividend On Convertible Preference Share	13,215,200	13,215,200	13,215,200
VIP Luggage BD Private Limited	Associate Company	Interest free Temporary Fund Transfer as per management Approval (For Salary)	-	-	-
VIP Industries Bangladesh Private Limited	Associate Company	Service & Leave Benefit Liability Received	-	-	-
VIP Luggage BD Private Limited	Associate Company	Sale Of Assets	-	-	-
VIP Accessories BD Private Limited	Associate Company	Purchase of Goods	68,591,662	59,055,298	86,505,399

VIP Industries BD Manufacturing Private Limited is a subsidiary of VIP Industries Limited. Major products of VIP Industries BD Manufacturing Private Limited are exported to VIP Industries Limited. Product pricing is market driven due to highly competitive luggage industry. As VIP BD Manufacturing 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.

VIP Industries BD Manufacturing Private Limited is an associate company of VIP Accessories BD Private Limited. VIP Industries BD Manufacturing Private Limited purchase input materials from VIP Accessories BD Private Limited. Product cost is market driven due to high competitive in the local market.

28.00 Contingent liability

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

29.00 Number of Employees

The number of employees engaged as on 31 March, 2025, who received a total remuneration of Tk. 3,000 per month or above was 1456 Persons.

30.00 Exchange Gain/(Loss)

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

31.00 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 BD Manufacturing Private Limited
Schedule of Property, plant and Equipment
as at 31 March, 2025

Amount in Taka

Particulars	COST				DEPRECIATION/ AMORTISATION				NET BOOK VALUE	
	As at 1st April 2024	Additions	Deductions / Adjustments	as at 31 March, 2025	As at 1st April 2024	For the year	Deductions/ Adjustments	as at 31 March, 2025	as at 31 March, 2025	As at 31st March 2024
Tangible Assets:										
			127,665,861							
Building-factory	82,163,787	2,000,871	-	84,164,659	22,153,383	4,865,829	-	27,019,212	57,146,446	60,010,406
Plant and machinery	181,121,278	248,388	-	181,369,666	149,933,943	10,393,332	-	160,327,275	21,042,392	31,187,335
Vehicle	1,784,548	-	-	1,784,548	897,738	177,362	-	1,075,100	709,448	886,810
Data process machine	7,216,736	135,511	-	7,352,248	4,246,040	1,288,745	-	5,534,785	1,817,462	2,970,696
Furniture & fixtures	47,902,443	8,349,169	-	56,251,612	8,250,646	5,269,171	-	13,519,817	42,731,796	39,661,797
Office equipments	5,249,076	1,219,672	-	6,468,748	1,605,533	643,898	-	2,249,431	4,219,317	3,643,543
Total Tangible Assets	325,437,869	11,953,612	-	337,391,481	187,087,283	22,638,336	-	209,725,619	127,665,861	138,350,586
Intangible Assets:										
Computer software	343,000	-	-	343,000	105,458	96,600	-	202,058	140,942	237,542
Total Intangible Assets	343,000	-	-	343,000	105,458	96,600	-	202,058	140,942	237,542
Right-of-use assets										
Right-of-use assets	161,307,202	(567,562)	-	160,749,640	127,992,031	25,305,709	-	153,297,740	7,451,900	33,315,171
	161,307,202	(567,562)	-	160,749,640	127,992,031	25,305,709	-	153,297,740	7,451,900	33,315,171



	Amount in Taka	
	31 March 2025	31 March 2024
Administrative cost (Annexure-B)		
Officer residence	1,647,076	-
Printing & Stationery General	701,316	235,838
Motor Car Fuel	-	-
Total	2,348,392	235,838

Other administrative cost (Annexure-C)		
Courier Expenses	13,668	55,750
Internet Expenses	250,397	232,002
Telep/Officer Mobile Exp	206,708	252,664
Lic, Regis, Stmp & Fee	158,496	173,550
Security Expenses	1,939,706	2,912,943
Member's Subscription	2,261,009	4,420,051
Recruitment Exp	-	779,035
SubCon/Job Work Crgs	186,428	1,253,059
Fire Fighting exps	119,003	457,832
Sample/Dsgns & Patt	261,646	331,103
Donation	52,404	-
Sundry Expenses	-	28,506
Desgn & Develop Exps	211,235	-
Bank Charge	14,930,751	7,073,541
Total	20,591,451	17,970,036

Selling expenses (Annexure-D)		
Transportation on Exports	12,431,589	30,632,739
Detention Export	-	3,200,000
Export Expenses	13,921,278	22,671,849
C & F Charges	-	-
Commission on IB sales	-	-
C & F Charges on Export	3,444,880	10,722,791
Ins Marine-Export	-	90,079
Ocean freight on Exports	-	175,450
Ins Marine	-	-
Total	29,797,747	67,492,908

