

Independent Auditor's Report and Audited Financial Statements of
VIP Industries BD Manufacturing Private Limited
As at and for the year ended 31 March 2024

Submitted By-
Howladar Yunus & Co.
Chartered Accountants

06 May 2024

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**Independent Auditor's Report
To the Shareholders of VIP Industries BD Manufacturing Private Limited
Report on the Audit of the Financial Statements**

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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 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, 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 the 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.

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 achieves fair presentation.

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 accounts as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c] the statements 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.: 2405060521AS986945

Dated: Dhaka

06 May 2024

VIP Industries BD Manufacturing Private Limited
Statement of Financial Position
As at 31 March 2024


	Note	Amount in Taka	
		March 31, 2024	March 31, 2023
ASSETS			
Non current assets			
Property, plant and equipment:	4	138,350,586	115,270,866
Right of use Asset	5	33,315,171	69,177,517
Capital work in progress		18,717,059	-
Intangible assets	6	237,542	1
Non-current-advances and deposits	7	25,018,172	22,493,547
Deferred Tax Assets	8	2,454,324	1,017,219
		218,092,854	207,959,151
Current assets			
Advance Income Tax	9	87,831,233	55,210,049
Inventories	10	812,766,880	858,085,630
Trade receivables	11	23,787,709	115,961,772
Short term -advances and prepayments	12	56,473,434	78,034,815
Cash and bank balances	13	52,625,347	47,407,831
Current assets		1,033,484,602	1,154,700,097
Total assets		1,251,577,456	1,362,659,248
EQUITY AND LIABILITIES			
Shareholders' equity			
Share Capital	14	113,050	113,050
Retained Earnings	15	486,624,669	492,605,789
Total Shareholders' Equity		486,737,719	492,718,839
Non Current Liabilities			
Convertible preference shares	16	165,190,000	165,190,000
Lease liability - Non Current	17	1,962,420	29,233,853
Deferred Tax Liabilities	18	-	-
Non Current liabilities		167,152,420	194,423,853
Current Liabilities			
Lease liability - Current	19	32,794,430	40,346,976
Trade payables	20	303,963,171	425,066,593
Tax Liabilities	21	56,587,704	96,497,138
Other payable	22	204,342,012	113,605,848
Current liabilities		597,687,317	675,516,556
Total Liabilities		764,839,737	869,940,409
Total Equity and Liabilities		1,251,577,456	1,362,659,248

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]
 DVC No.: 2405060521AS986945

Dated: Dhaka
 06 May 2024

VIP Industries BD Manufacturing Private Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2024

	Note	Amount in Taka	
		March 31, 2024	March 31, 2023
Revenue		2,345,394,861	3,086,353,251
Cost of revenue	23	(2,244,187,532)	(2,310,035,941)
Gross Profit		101,207,329	776,317,311
Administrative expenses	24	41,980,921	32,882,626
Selling and distribution expenses	25	67,543,152	98,415,407
Interest on finance lease	26	4,290,478	3,724,018
Finance cost	27	13,215,200	13,215,200
		127,029,751	148,237,251
Profit from operations		(25,822,421)	628,080,060
Other Income	28	9,371,196	39,260,682
Profit before tax		(16,451,225)	667,340,742
Provision for taxation			
Current Tax		(1,330,511)	93,997,517
Deferred tax expense		(1,437,105)	(2,203,547)
Net profit for the year		(13,683,609)	575,546,722
Other comprehensive income			
Items that will not be reclassified to profit or loss			
-Remeasurement benefit of defined benefit plans		9,033,000	8,180,000
-Income tax relating to above items		(1,330,511)	(1,124,750)
Other comprehensive income for the year, net of tax		7,702,489	7,055,250
Total comprehensive income		(5,981,120)	582,602,022

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]

DVC No.: 2405060521AS986945

Dated: Dhaka

06 May 2024

VIP Industries BD Manufacturing Private Limited
Statement of Changes in Equity
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

VIP Industries BD Manufacturing Private Limited
Statement of Changes in Equity
For the year ended 31 March 2023

Particulars	Share Capital	Share Application Money	Retained Earnings	Total
Balance as on April 1, 2022	113,050	-	475,253,767	475,366,817
Net profit for the year	-	-	575,546,772	575,546,772
Other comprehensive income for the year	-	-	7,055,250	7,055,250
Dividend Paid	-	-	(565,250,000)	(565,250,000)
Balance as on March 31, 2023	113,050	-	492,605,789	492,718,839



Director



Director

VIP Industries BD Manufacturing Pvt Ltd.
Statement of Cash Flow
As at 31 March 2024

	Amount in Taka	
	March 31, 2024	March 31, 2023
A. Cash Flows from Operating Activities		
Cash received from customer	2,437,444,614	3,144,961,928
Cash paid to suppliers & Operating Expenses	(2,345,286,164)	(2,569,573,519)
Finance Cost	(13,215,200)	(13,215,200)
Other Income	9,371,196	39,260,682
Net Cash Flows from Operating Activities	88,314,446	601,433,891
B. Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(69,881,730)	(21,033,345)
Net Cash Flows from Investing Activities	(69,881,730)	(21,033,345)
C. 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	-	(565,250,000)
Payment of Convertible Preference Dividend	(13,215,200)	(13,215,200)
Net Cash Flows from Financing Activities	(13,215,200)	(578,465,200)
D. Net Cash Flows from Total Activities	5,217,516	1,935,346
E. Opening Cash and Cash Equivalents	47,407,831	45,472,486
F. Closing Cash and Cash Equivalents	52,625,347	47,407,831
Cash and Cash Equivalents :		
Cash at Bank	52,625,103	47,312,817
Cash in Hand	244	95,014
	52,625,347	47,407,831

The Annexed notes form an integral part of these financial statements


Director


Director

VIP Industries BD Manufacturing Private Limited
Notes to the Financial Statements
as at and for the year ended 31 Mar 2024

1.00 Reporting entity

VIP Industries BD Manufacturing Pvt Limited is a Private Company limited by Shares incorporated on 28 th 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 1 St and 3 Rd 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 6 th 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) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

These financial statements are of VIP Industries BD Manufacturing Private Limited as at and for the period ended 31 March 2024. 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 01,2023 to March 31, 2024.

2.09 Date of Authorization

The Board of Directors has Authorized these Financial Statements **on 06 May 2024**

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%
Vehicle	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 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 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 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	
		March 31, 2024	March 31, 2023
4.00	Property, plant and equipment:		
	Building-Factory	60,010,405	61,929,049
	Plant and Machinery	31,187,335	33,564,745
	Vehicle	886,810	1,113,459
	Data Process. Machine	2,970,696	856,260
	Furniture & Fixtures	39,651,797	14,739,585
	Office Equipments	3,643,543	3,067,768
		138,350,586	115,270,866
	For Details Refer Annexure-A		
5.00	Right of Use Asset		
	Right of Use Asset	33,315,171	69,177,517
		33,315,171	69,177,517
	For Details Refer Annexure-A		
6.00	Intangible Asset		
	Computer Software	237,542	1
		237,542	1
	For Details Refer Annexure-A		
7.00	Non-current-advances and deposits		
	Non-current portion		
	Security Deposit	25,018,172	22,493,547
		25,018,172	22,493,547
8.00	Deferred Tax		
	Differed tax Assets	2,454,324	1,017,219
		2,454,324	1,017,219
9.00	Advance Income Tax		
	Advance Income Tax	87,831,233	55,210,049
		87,831,233	55,210,049
10.00	Inventories		
	Raw Materials	654,575,508.80	706,627,958.76
	Work-in-progress	134,940,492.43	120,427,137.56
	Finished goods	23,250,878.83	31,030,533.26
		812,766,880.06	858,085,629.58
11.00	Trade receivables		
	VIP Industries Limited	-	41,192,703
	Others	23,787,709	74,769,070
		23,787,709	115,961,772
12.00	Short term -advances and prepayments		
	Current assets		
	Export Benefit Receivable	6,599,300	-
		6,599,300	-
12.01	Advances (considered good) to:		
	Suppliers	22,374,423	70,247,870
		22,374,423	70,247,870
12.02	Prepayments		
	Prepaid insurance and expenses	27,499,710	7,786,945
		27,499,710	7,786,945
		56,473,433	78,034,815

	Amount in Taka	
	March 31, 2024	March 31, 2023
13.00 Cash and Bank Balances		
Cash in hand	244	95,014
Balances with Bank		
Current Account		
State Bank of India, USD	239,042	699,437
State Bank of India, BDT	11,743	12,088
Eastern Bank USD		1,246,289
Eastern Bank BDT	-	10,870
City Bank -USD	935,144	36,649,266
City Bank -BDT	5,202,036	5,675,394
Standard Chartered Bank-USD	-	-
Trust Bank	329,332	1,879,354
Al-Alarafa Bank	2,187,806	1,140,119
Cash / TT in Transit	43,720,000	-
	52,625,103	47,312,817
	52,625,347	47,407,831
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
	340,000,000	340,000,000
Issued, subscribed and paid up capital:		
11305 Equity Shares of Taka 10/- each	113,050	113,050
	113,050	113,050
The aforesaid capital was subscribed as under:		
Subscribers:	No. of shares	No. of shares
Equity Share		
VIP Industries Limited, India	11,304	11,304
Mr. Dilip G. Piramal	1	1
	11,305	11,305
<p>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.</p> <p>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.</p> <p>According to IAS-32 the above Convertible Preference Shares which having redemption right has been shown under Borrowings.</p>		
15.00 Retained earnings		
Opening Balance	492,605,789	475,253,767
Add: Net Profit/(loss) after tax transferred from statement of Profit & Loss	(13,683,609)	575,546,772
Add: Items of other comprehensive income recognised directly in retained earnings-	7,702,489	7,055,250
Remeasurements of post-employment benefits obligation		
Less: Dividend Paid	-	565,250,000
	486,624,669	492,605,789

	Amount in Taka	
	March 31, 2024	March 31, 2023
16.00 Convertible preference shares		
16,519,000 8% Convertible Preference Shares of Taka 10 only	165,190,000	165,190,000
	165,190,000	165,190,000
<p>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.</p>		
17.00 Lease liability - Non Current		
Long Term Lease Portion	1,962,420	29,233,853
	1,962,420	29,233,853
18.00 Deferred tax liabilities		
Deferred tax liabilities	-	-
	-	-
19.00 Lease liability - Current		
Short Term Lease Portion	32,794,430	40,346,976
	32,794,430	40,346,976
20.00 Trade payables:		
Trade Payables for goods	303,963,171	425,066,593
	303,963,171	425,066,593
21.00 Current Tax Liabilities		
Provision For Tax	56,587,704	96,497,138
	56,587,704	96,497,138
22.00 Other payables		
Provision for expenses	119,404,545	73,286,500
Service Benefit & Leave Benefit Payable	49,845,172	26,307,634
Dividend on convertible preference shares	13,215,200	13,215,200
Advance From Customer	18,953,915	124,311
Statutory liabilities	2,923,180	672,204
	204,342,012	113,605,848

	Amount in Taka	
	March 31, 2024	March 31, 2023
23.00 Cost of revenue		
Raw Material Consumed (Note 23.01)	1,580,305,890	1,936,952,933
Salary & Wages	532,215,756	290,830,204
Manufacturing Overheads (Note 23.02)	138,399,586	123,692,780
	<u>2,250,921,232</u>	<u>2,351,475,916</u>
Add: Opening Work-in-Progress	120,427,138	78,702,979
	<u>2,371,348,370</u>	<u>2,430,178,895</u>
Less: Closing Work-in-Progress	134,940,492	120,427,138
Cost of Goods Manufactured	2,236,407,877	2,309,751,757
Add: Opening Stock of Finished Goods	31,030,533	31,314,717
Cost of Goods Available For Sale	<u>2,267,438,410</u>	<u>2,341,066,473</u>
Less: Closing Stock of Finished Goods	23,250,879	31,030,533
Cost of revenue	2,244,187,532	2,310,035,941
Salary & Wages (includes Provident Fund BDT 129,11,658.00, previous year BDT 67,22,468.00)		
23.01 Raw Material Consumed		
Opening Inventory - Raw Materials & Packing Materials	706,627,959	390,572,247
Purchases During the Period	1,528,253,440	2,253,008,644
Closing Inventory - Raw Materials & Packing Materials	654,575,509	706,627,959
	<u>1,580,305,890</u>	<u>1,936,952,933</u>
23.02 Manufacturing Overheads		
Rates & Taxes	1,234,033	-
Power & Water	19,472,275	12,809,698
Other Repair & Maintenance	1,369,231	676,204
Consumption of Stores and spare parts	39,050,766	31,917,524
Insurance	4,473,001	3,754,379
Leased Rent	3,336,136	3,143,194
Depreciation-Lease Assets	41,616,733	33,684,999
Depreciation	27,847,411	37,706,781
	<u>138,399,586</u>	<u>123,692,780</u>
24.00 Administrative expenses		
Travelling Expenses	13,431,547	11,796,385
Legal & Professional Charges	1,293,640	1,104,007
Administrative Cost (Annexure-B)	2,771,220	4,011,662
Administrative salaries	6,487,428	4,382,059
Other administrative Cost (Annexure-C)	17,997,086	11,588,513
	<u>41,980,921</u>	<u>32,882,626</u>
Administrative salaries (includes Provident Fund BDT 113,428 previous year BDT 84,356)		
25.00 Selling and Distribution Expenses		
Selling Expenses - (Annexure-D)	67,543,152	98,415,407
	<u>67,543,152</u>	<u>98,415,407</u>
26.00 Interest on finance lease		
Interest Finance Lease	4,290,478	3,724,018
	<u>4,290,478</u>	<u>3,724,018</u>

	<u>Amount in Taka</u>	
	<u>March 31, 2024</u>	<u>March 31, 2023</u>
27.00 Finance Cost		
Dividend on Convertible Preference shares	13,215,200	13,215,200
	<u>13,215,200</u>	<u>13,215,200</u>
28.00 Other Income		
Scrap Sales	1,525,800	-
Interest Received of Security Deposit	765,446	4,316,985
Net loss or gain foreign currency transactions and translatio	-3,398,150	34,943,697
Export Incentive	10,478,100	-
Insurance claim received	-	-
	<u>9,371,196</u>	<u>39,260,682</u>

29.00 Related parties

Name of the related	Relationship	Nature of transactions	Transaction Amount	Balance (Taka)	
				as at	as at
				31 March 2024	31 March 2023
VIP Industries Ltd	Holding Company	Sale of goods	2,176,642,888	(18,938,504)	41,192,703
		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 Industries Bangladesh Pvt. Ltd	Associate Company	Service & Leave Benefit Liability Received	17,798,000	-	-
VIP Luggage BD Pvt Ltd	Associate Company	Sale Of Assets	-	-	2,392,046
VIP Accessories BD Pvt Ltd	Associate Company	Purchase of Goods	153,631,759	86,505,399	51,002,909

VIP Industries BD Manufacturing Private Limited is a Subsidiary of VIP Industries Ltd. Major products of VIP Industries BD Manufacturing Private Limited are exported to VIP Industries Ltd. 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 a Associate Company of VIP Accessories BD Pvt Ltd. VIP Industries BD Manufacturing Pvt Ltd Purchase input materials from VIP Accessories BD Pvt LTD, Product cost is market driven due to high competitive in the local market.

30.00 Contingent liability

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

31.00 Number of Employees

The number of employees engaged as on 31 March, 2024, who received a total remuneration of Tk. 3,000 per month or above was 2129 Persons.

32.00 Exchange Gain/(Loss)

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

33.00 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, 2024

Amount in Taka

Particulars	COST				DEPRECIATION/ AMORTISATION				NET BOOK VALUE	
	As at 1st April 2023	Additions	Deductions / Adjustments	as at 31 March, 2024	As at 1st April 2023	For the year	Deductions/ Adjustments	as at 31 March, 2024	as at 31 March, 2024	As at 31st March 2023
Tangible Assets:										
Building-Factory	79,496,962	2,666,825	-	82,163,787	17,567,913	4,585,470	-	22,153,383	60,010,405	61,929,049
Plant and Machinery	166,030,716	15,090,562	-	181,121,278	132,465,971	17,467,972	-	149,933,943	31,187,335	33,564,745
Vehicle	1,784,548	-	-	1,784,548	671,089	226,649	-	897,738	886,810	1,113,459
Data Process. Machine	4,071,553	3,145,183	-	7,216,736	3,215,293	1,030,747	-	4,246,040	2,970,696	856,260
Furniture & Fixtures	19,182,015	28,720,429	-	47,902,443	4,442,429	3,808,217	-	8,250,646	39,651,797	14,739,585
Office Equipments	4,029,404	1,219,672	-	5,249,076	961,636	643,898	-	1,605,533	3,643,543	3,067,768
Total Tangible Assets	274,595,198	50,842,671	-	325,437,869	159,324,331	27,762,952	-	187,087,283	138,350,586	115,270,866
Intangible Assets:										
Computer Softwares	21,000	322,000	-	343,000	20,999	84,459	-	105,458	237,542	1
Total Intangible Assets	21,000	322,000	-	343,000	20,999	84,459	-	105,458	237,542	1
Right of use Asset.										
Right of use Asset	155,552,815	5,754,387	-	161,307,202	86,375,298	41,616,733	-	127,992,031	33,315,171	69,177,517
	155,552,815	5,754,387	-	161,307,202	86,375,298	41,616,733	-	127,992,031	33,315,171	69,177,517

Annexure A

VIP Industries BD Manufacturing Private Limited
Schedule of Property, plant and Equipment
as at 31 March, 2023

Amount in Taka

Particulars	COST				DEPRECIATION/ AMORTISATION				NET BOOK VALUE	
	As at 1st April 2022	Additions	Deductions / Adjustments	As at 31st March 2023	As at 1st April 2022	For the year	Deductions/ Adjustments	As at 31st March 2023	As at 31st March 2023	As at 31st March 2023
Tangible Assets:										
Building-Factory	77,546,375	1,950,588	-	79,496,962	13,578,327	3,989,586	-	17,567,913	61,929,049	63,968,048
Plant and Machinery	157,523,842	8,506,875	-	166,030,716	101,311,509	31,154,462	-	132,465,971	33,564,745	56,212,332
Vehicle	1,784,548	-	-	1,784,548	383,462	287,628	-	671,089	1,113,459	1,401,086
Data Process. Machine	3,328,929	742,624	-	4,071,553	2,539,156	676,137	-	3,215,293	856,260	789,773
Furniture & Fixtures	9,132,408	10,049,607	-	19,182,015	3,189,800	1,252,629	-	4,442,429	14,739,585	5,942,608
Office Equipments	1,853,706	2,175,698	-	4,029,404	619,548	342,088	-	961,636	3,067,768	1,234,168
Total Tangible Assets	251,169,807	23,425,391	-	274,595,198	121,621,801	37,702,531	-	159,324,331	115,270,866	129,548,006
Intangible Assets:										
Computer Softwares	21,000	-	-	21,000	16,748	4,251	-	20,999	1	4,252
Total Intangible Assets	21,000	-	-	21,000	16,748	4,251	-	20,999	1	4,252
Right of use Asset.										
Right of use Asset	72,548,976	83,003,839	-	155,552,815	52,690,299	33,684,999	-	86,375,298	69,177,517	19,858,677
	72,548,976	83,003,839	-	155,552,815	52,690,299	33,684,999	-	86,375,298	69,177,517	19,858,677

	Amount in Taka	
	31 March 2024	31 March 2023
Administrative Cost (Annexure-B)		
Officer Residence	2,535,382	-
Printing & Stationery General	235,838	163,176
Motor Car Fuel	-	3,848,486
Total	2,771,220	4,011,662
Other administrative Cost (Annexure-C)		
Courier Expenses	55,750	73,867
Internet Expenses	232,002	151,333
Telep Exp - Office	252,664	143,098
Lic, Regis, Stmp & Fee	173,550	59,985
Security Expenses	2,912,943	1,751,529
Hse Keep/Garden Exp	4,420,051	2,625,791
Recruitment Exp	779,035	31,860
SubCon/Job Work Crgs	1,253,059	2,591,060
Fire Fighting exps	457,832	-
Sample/Dsgns & Patt	331,103	68,237
Donation	27,050	-
Sundry Expenses	28,506	4,600
Bank Charge	7,073,541	4,087,152
Total	17,997,086	11,588,513
Selling Expenses (Annexure-D)		
Freight on Exports	30,632,739	33,246,089
Detention Export	3,200,000	-
Export Expenses	22,671,849	26,659,505
C & F Charges	-	7,668,231
Commission on IB sales	50,244	-
Clrg chgs on Exports	10,722,791	11,253,679
Ins Marine-Export	90,079	20,067,304
Ocean freight on Exports	175,450	-
Ins Marine	-	(479,401)
Total	67,543,152	98,415,407