

Independent Auditor's Report and Audited Financial Statements of
VIP Luggage BD 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 Luggage BD Private Limited
Report on the Audit of the Financial Statements**

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Opinion

We have audited the financial statements of VIP Luggage BD 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.: 2405060521AS308072

Dated: Dhaka

06 May 2024

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

	Note	Amount in Taka	
		31 March 2024	31 March 2023
ASSETS			
Non current assets			
Property, plant and equipment:	4	566,065,323	548,350,319
Right of use asset	5	104,709,421	117,303,842
Capital Work in Progress		115,696,117	15,165,680
Intangible assets	6	1	1
Long term-advances and deposits	7	34,406,852	32,754,570
Deferred Tax Assets	8	1,256,544	-
		822,134,258	713,574,412
Current assets			
Advance Income Tax	9	123,775,065	34,503,606
Inventories	10	1,657,496,740	803,549,738
Trade receivables	11	265,871,927	452,400,448
Short term - advances and prepayments	12	118,975,424	196,950,573
Cash and bank balances	13	114,608,717	55,272,791
		2,280,727,873	1,542,677,157
Total assets		3,102,862,131	2,256,251,569
EQUITY AND LIABILITIES			
Shareholders' equity			
Share Capital	14	114,120	114,120
Share Application Money		4	4
Retained Earnings	15	964,544,475	347,050,668
Total Shareholders' Equity		964,658,599	347,164,792
Non Current Liabilities			
Share Application Money		11	11
Preference Shares	16	281,452,450	281,452,450
Lease liability- Non current portion	17	93,626,197	102,073,166
Deferred Tax	18	-	5,337,654
		375,078,657	388,863,281
Current Liabilities			
Lease liability- Current	19	23,077,151	25,560,280
Short Term Loan	20	488,338,283	539,675,902
Trade payables	21	816,245,706	751,601,673
Current tax liabilities (net)	22	137,941,951	57,194,232
Other payable	23	297,521,784	146,191,410
		1,763,124,875	1,520,223,497
Total liabilities		2,138,203,532	1,909,086,778
Total Equity and Liabilities		3,102,862,131	2,256,251,569

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.: 2405060521AS308072

Dated: Dhaka
 06 May 2024

VIP Luggage BD Private Limited
Statement of Profit Loss or Comprehensive Income
For the year ended 31 March 2024

		Amount in Taka	
	Note	31 March 2024	31 March 2023
Revenue		5,349,473,463	3,462,297,976
Cost of revenue	24	(4,344,134,762)	(2,739,123,801)
Gross Profit/(Loss)		1,005,338,702	723,174,174
Administrative expenses	25	86,474,847	45,633,020
Selling and distribution expenses	26	120,367,360	75,598,978
Interest on finance lease	27	9,712,601	10,897,178
Finance cost	28	74,436,018	60,403,545
		290,990,826	192,532,721
Profit/(Loss) from operations		714,347,876	530,641,453
Other Income	29	(914,931)	(87,889,107)
Net Profit/(Loss) before tax		713,432,945	442,752,346
Tax provision			
Current Tax		105,320,937	55,781,007
Deferred tax expense		(6,594,199)	5,528,762
Net Profit/(Loss) for the year		614,706,207	381,442,577
Other comprehensive income			
Items that will not be reclassified to profit or loss			
-Remeasurement benefit of defined benefit plans		3,232,000	10,278,000
-Income tax relating to above items		(444,400)	(1,413,225)
Other comprehensive income for the year, net of tax		2,787,600	8,864,775
Total comprehensive income		617,493,807	390,307,352

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.: 2405060521AS308072

Dated: Dhaka
 06 May 2024

VIP Luggage BD Private Limited
Statement of Changes in Equity
For the year ended March 31, 2024

Particulars	Share Capital	Share Application Money	Retained Earnings	Total Taka
Balance as on April 1, 2023	114,120	4	347,050,668	347,164,792
Net profit for the year	-	-	614,706,207	614,706,207
Other comprehensive income for the year	-	-	2,787,600	2,787,600
Balance as on March 31, 2024	114,120	4	964,544,475	964,658,599

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

Particulars	Share Capital	Share Application Money	Retained Earnings	Total Taka
Balance as on April 1, 2022	114,120	4	(20,432,684)	(20,318,560)
Net profit for the year	-	-	381,442,577	381,442,577
Other comprehensive income for the year	-	-	8,864,775	8,864,775
Dividend Paid	-	-	(22,824,000)	(22,824,000)
Balance as on March 31, 2023	114,120	4	347,050,668	347,164,792

The Annexed notes form an integral part of these financial statements

Director

Director

VIP Luggage BD Private Limited
Statement of Cash Flow
As at 31 March 2024

	Amount in Taka	
	31 March 2024	31 March 2023
A. Cash Flows from Operating Activities		
Cash received from customer	5,534,010,444	3,153,878,914
Cash paid to suppliers & Operating Expenses	(5,110,842,660)	(2,658,398,108)
Finance Cost	(74,436,018)	(60,403,545)
Other Income	(914,931)	(87,889,107)
Net Cash Flows from Operating Activities	347,816,835	347,188,153
B. Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(214,627,095)	(349,181,895)
Net Cash Flows from Investing Activities	(214,627,095)	(349,181,895)
C. Financing Activities		
Increase/(Decrease) in Convertible Preference Shares application money	-	-
Increase/(Decrease) in (Convertible Preference Shares)	-	-
Payment of Dividend on Equity Shares	-	(22,824,000)
Payment of Convertible Preference Dividend	(22,516,197)	(22,516,196)
Increase/Decrease In Short term loan	(51,337,620)	49,229,430
Net Cash Flows from Financing Activities	(73,853,816)	3,889,234
D. Net Cash Flows from Total Activities	59,335,925	1,895,494
E. Opening Cash and Cash Equivalents	55,272,791	53,377,297
F. Closing Cash and Cash Equivalents	114,608,716	55,272,791
Cash and Cash Equivalents :		
Cash at Bank	114,568,592	54,754,235
Cash in Hand	40,125	518,556
	114,608,717	55,272,791

The Annexed notes form an integral part of these financial statements


Director


Director

VIP Luggage BD Private Limited
Notes of the Financial Statements
For the year ended 31 March 2024

1.00 Reporting entity

VIP Luggage BD Pvt Limited is a Private Company limited by Shares incorporated on 21 st day of March, 2018 under the Companies Act, 1994 as adopted in Bangladesh.

The factory of the company is located in Plot No 43-45 & MS SFB#02 , 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 Plot 43-45, 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 Luggage BD Private Limited as at and for the period ended 31 March 2020. 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%
Air Conditioning equipments	20.00%
Motor Vehicle	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 November 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 16 Th January, 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 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.

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	
		31 March 2024	31 March 2023
4.00	Property, plant and equipment:		
	Building-Factory	212,891,662	196,711,264
	Plant and Machinery	224,827,609	276,461,667
	Moulds & Dies	28,733,427	34,850,234
	Data Process. Machine	4,987,282	2,844,931
	Furniture & Fixtures	89,674,358	37,282,499
	Motor Vehicles	2,923,426	-
	Office Equipments	2,027,558	199,725
		566,065,323	548,350,319
	For details refer Annexure-A		
5.00	Right of Use Asset		
	Right of Use Asset	104,709,421	117,303,842
		104,709,421	117,303,842
	For Details Refer Annexure-A		
6.00	Intangible Asset		
	Computer Software	1	1
		1	1
	For Details Refer Annexure-A		
7.00	Long term-advances and deposits		
	Non-current portion		
	Security Deposit	34,406,852	32,754,570
		34,406,852	32,754,570
8.00	Deferred Tax		
	Deffered tax Assets	1,256,544	-
		1,256,544	-
9.00	Advance Income Tax		
	Advance Income Tax	123,775,065	34,503,606
		123,775,065	34,503,606
10.00	Inventories		
	Raw Materials	1,471,591,541	720,442,903
	Work-in-progress	138,961,471	57,374,316
	Finished goods	46,943,728	25,732,519
		1,657,496,740	803,549,738
11.00	Trade receivables		
	VIP Industries Limited	240,055,077	363,533,382
	Others	25,816,849	88,867,066
		265,871,927	452,400,448
12.00	Short term - advances and prepayments		
	Current assets		
	Export Benefit Receivable	5,972,812	-
		5,972,812	-

		Amount in Taka	
		31 March 2024	31 March 2023
12.01 Advances (considered good) to:			
Suppliers		77,026,675	182,265,624
		77,026,675	182,265,624
12.02 Prepayments			
Prepaid insurance and expenses		35,975,937	14,684,950
		35,975,937	14,684,950
		118,975,424	196,950,573
13.00 Cash and Bank Balances			
Cash in hand		40,125	518,556
Balances with Bank			
State Bank of India, USD		6,695,639	4,186,804
State Bank of India, BDT		4,779	1,789
Eastern Bank USD		-	1,927,448
City Bank USD		1,451,421	46,531,048
City Bank BDT		16,162,752	532,729
Eastern Bank BDT		-	2,998
Trust Bank		6,239,397	437,000
Al-Alarafa Bank		28,980,343	1,134,420
HSBC USD		4,202,308	-
Cash / TT in Transit		50,831,952	-
		114,568,592	54,754,235
		114,608,717	55,272,791
14.00 Share Capital			
Authorized Capital:			
15,000,000 Equity Shares of Taka 10/- each		150,000,000	150,000,000
59,000,000 8% Convertible Preference Shares of Taka 10/- each		590,000,000	590,000,000
		740,000,000	740,000,000
Issued, subscribed and paid up capital:			
11,412 Equity Shares of Taka 10/- each		114,120	114,120
		114,120	114,120
The aforesaid capital was subscribed as under:			
Subscribers:		No. of shares	No. of shares
Equity Share			
VIP Industries Limited, India		11,411	11,411
Mr. Dilip G. Piramal		1	1
		11,412	11,412

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 Preference Shares of BDT 10/- each.

Through another Special Resolution dated February 17, 2019, the amount of 8% Convertible Preference Shares were increased by addition of Taka 150,000,000 divided into 15,000,000 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) 1,000,000 Ordinary Shares of Taka 10.00 each and (b) 34,000,000 Convertible Preference Shares of Taka 10.00 each.

Amount in Taka

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: 49,00,00,000 divided into (a) 1,50,00,000 Ordinary Shares of Taka 10.00 each and (b) 34,000,000 Convertible Preference Shares of Taka 10.00 each.

Through another Special Resolution dated May 25, 2022, the amount of Ordinary Shares were increased by addition of Taka 250,000,000 divided into 25,000,000 8% Convertible Preference Shares of Taka 10.00 each and accordingly the total amount of Authorized Capital raised to Tk: 74,00,00,000 divided into (a) 1,50,00,000 Ordinary Shares of Taka 10.00 each and (b) 59,000,000 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	347,050,668	(20,432,684)
Add: Net Profit/(loss) after tax transferred from statement of Profit & Loss	614,706,207	381,442,577
Add: Items of other comprehensive income recognised directly in retained earnings- Remeasurements of post-employment benefits obligation	2,787,600	8,864,775
Dividend Paid	-	(22,824,000)
	<u>964,544,475</u>	<u>347,050,668</u>

16.00 Convertible Preference Shares

2,81,45,245 @8% Convertible Preference Shares of Taka 10 each	281,452,450	281,452,450
Share Application Money	11	11
	<u>281,452,461</u>	<u>281,452,461</u>

The company has issued Convertible Preference Share amounting to Taka 281,452,450 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	93,626,197	102,073,166
	<u>93,626,197</u>	<u>102,073,166</u>

18.00 Deffered tax liabilities

Deffered tax liabilities	-	5,337,654
	<u>-</u>	<u>5,337,654</u>

19.00 Lease liability- Current

Short term Lease portion	23,077,151	25,560,280
	<u>23,077,151</u>	<u>25,560,280</u>

		Amount in Taka	
		31 March 2024	31 March 2023
20.00	Short term loan		
	Short term loan	488,338,283	539,675,902
		488,338,283	539,675,902
21.00	Trade Payables:		
	Sundry creditors for goods	816,245,706	751,601,673
		816,245,706	751,601,673
22.00	Current Tax Liabilities		
	Provision For Tax	137,941,951	57,194,232
		137,941,951	57,194,232
23.00	Other Payables		
	Sundry creditors for expenses	224,702,701	90,814,817
	Service Benefit & Leave Benefit Payable	42,837,340	27,099,530
	Advance from Customer	1,627,437	289,663
	Dividend on convertible preference shares	22,516,197	22,516,197
	Guarantee Commission Payable	2,782,430	2,921,257
	Statutory liabilities	3,055,679	2,549,945
		297,521,784	146,191,410

	Amount in Taka	
	31 March 2024	31 March 2023
24.00 Cost of revenue		
Raw Material Consumed (Note 24.01)	3,530,931,462	2,118,359,587
Salary & Wages	668,533,062	337,326,766
Manufacturing Overheads (Note 24.02)	247,468,601	156,010,608
	<u>4,446,933,125</u>	<u>2,611,696,961</u>
Add: Opening Work-in-Progress	57,374,316	114,780,184
	<u>4,504,307,441</u>	<u>2,726,477,144</u>
Less: Closing Work-in-Progress	138,961,471	57,374,316
Cost of Goods Manufactured	4,365,345,970	2,669,102,829
Add: Opening Stock of Finished Goods	25,732,519	95,753,493
Cost of Goods Available For Sale	<u>4,391,078,489</u>	<u>2,764,856,322</u>
Less: Closing Stock of Finished Goods	46,943,728	25,732,519
Cost of Revenue	4,344,134,762	2,739,123,801
Salary & Wages (includes Provident Fund BDT Mar-24, -114,63,435.00 , previous year Mar-23 BDT 64,11,653.00)		
24.01 Raw material consumed		
Opening Inventory - Raw Materials & Packing Materials	720,442,903	764,867,067
Purchases During the Period	4,282,080,100	2,073,935,423
Closing Inventory - Raw Materials & Packing Materials	1,471,591,541	720,442,903
	<u>3,530,931,462</u>	<u>2,118,359,587</u>
24.02 Manufacturing overheads		
Rates & Taxes	26,373,415	-
Power & Water	39,255,420	22,156,657
Other Repair & Maintenance	2,255,520	1,035,896
Consumption of Stores and spare parts	32,755,491	24,401,486
Insurance	6,153,265	4,889,497
Leased Rent	10,208,604	6,991,130
Depreciation-Lease Assets	15,629,433	17,494,880
Depreciation	114,837,452	79,041,064
	<u>247,468,601</u>	<u>156,010,608</u>
25.00 Administrative expenses		
Travelling Expenses	13,675,502	6,332,887
Legal & Professional Charges	3,236,310	1,209,873
Administrative Cost (Annexure-B)	3,940,321	1,603,960
Administrative salaries	12,531,265	8,835,412
Other administrative Cost (Annexure-C)	53,091,450	27,650,889
	<u>86,474,847</u>	<u>45,633,020</u>
Administrative Salary(includes Provident Fund BDT Mar-24, 4,87,416.00, Mar-23 BDT 3,52,839)		
26.00 Selling and distribution expenses		
Selling Expenses (Annexure-D)	120,367,360	75,598,978
	<u>120,367,360</u>	<u>75,598,978</u>
27.00 Interest on Finance Lease		
Interest Finance Lease	9,712,601	10,897,178
	<u>9,712,601</u>	<u>10,897,178</u>
28.00 Finance cost		
Interest on loan	51,919,822	37,887,349
Dividend on Convertible Preference Shares	22,516,196	22,516,196
	<u>74,436,018</u>	<u>60,403,545</u>

	Amount in Taka	
	31 March 2024	31 March 2023
29.00 Other Income		
Scrap Sales	2,479,046	-
Interest Received of Security Deposit	415,745	1,219,959
Net loss or gain foreign currency transactions and translation	(16,908,459)	(93,148,129)
Export Incentive	12,073,212	-
Insurance claim received	1,025,525	660,518
Ind AS 116 Write back/Off	-	115,364
Profit Sale Fixed Asset	-	3,373,946
Loss Sale Fixed Asset	-	(110,764)
	(914,931)	(87,889,107)

30.00 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	5,158,593,964	240,055,164	363,533,382
		Equity Share Capital	-	114,120	114,120
		Equity Share Application Money	-	4	4
		Preference Share Application Money	-	11	11
		Dividend-Equity Shares	-	-	-
		Convertible Preference Share	-	281,452,450	281,452,450
		Dividend On Convertible Preference Share	22,516,196	22,516,197	22,516,197
		Guarantee Commission	14,079,753	2,782,430	2,921,257
VIP Industries Bangladesh Pvt Ltd	Associate Company	Intra Bond Material Received	85,817,787	-	-
VIP Industries BD Manufacturing Pvt LTD	Associate Company	Purchase of Assets	-	-	2,392,046
VIP Accessories BD Pvt LTD	Associate Company	Purchase of goods	221,055,713	79,334,030	23,592,895

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

VIP Luggage BD Private Limited is a Associate Company of VIP Accessories BD Private Limited, VIP Luggage BD Private Limited Purchase input materials from VIP Accessories BD Private Limited, Product cost is market driven due to high competitive in the local market.

31.00 Contingent liability

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

32.00 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 2218 Persons.

33.00 Exchange Gain/(Loss)

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

34.00 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 Luggage BD Private Limited
Schedule of Property, plant and Equipment
As at March 31, 2024

Amount in Taka

Particulars	COST				DEPRECIATION/ AMORTISATION				NET BOOK VALUE	
	As at 1st April 2023	Additions	Deductions / Adjustments	As at 31st March 2024	As at 1st April 2023	For the year	Deductions/ Adjustments	As at 31st March 2024	As at 31st March 2024	As at 31 March 2022
Tangible Assets:										
Building-Factory	214,228,707	28,963,376	-	243,192,083	17,517,443	12,782,978	-	30,300,421	212,891,662	196,711,264
Plant and Machinery	422,034,591	35,715,644	-	457,750,235	145,572,924	87,349,702	-	232,922,626	224,827,609	276,461,667
Moulds & Dies	37,734,776	-	-	37,734,776	2,884,542	6,116,807	-	9,001,349	28,733,427	34,850,234
Data Process. Machine	6,345,663	3,709,613	-	10,055,276	3,500,732	1,567,263	-	5,067,995	4,987,282	2,844,931
Furniture & Fixtures	43,085,038	58,988,975	-	102,074,013	5,802,539	6,597,115	-	12,399,655	89,674,358	37,282,499
Motor Vehicles	-	3,077,291	-	3,077,291	-	153,865	-	153,865	2,923,426	-
Office Equipments	308,026	2,097,557	-	2,405,583	108,301	269,723	-	378,024	2,027,558	199,725
Total Tangible Assets	723,736,801	132,552,456	-	856,289,257	175,386,482	114,837,452	-	290,223,934	566,065,323	548,350,319
Intangible Assets:										
Computer Softwares	21,000	-	-	21,000	20,999	-	-	20,999	1	1
Total Intangible Assets	21,000	-	-	21,000	20,999	-	-	20,999	1	1
Right of use asset										
Right of use asset	165,166,415	3,035,013	-	168,201,428	47,862,573	15,629,433	-	63,492,006	104,709,421	117,303,842
	165,166,415	3,035,013	-	168,201,428	47,862,573	15,629,433	-	63,492,006	104,709,421	117,303,842

VIP Luggage BD Private Limited
Schedule of Property, plant and Equipment
As at March 31, 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 31 March 2022
Tangible Assets:										
Building-Factory	133,642,484	80,586,223	-	214,228,707	9,058,241	8,459,202	-	17,517,443	196,711,264	124,584,243
Plant and Machinery	215,345,404	206,689,187	-	422,034,591	84,065,005	61,507,920	-	145,572,924	276,461,667	131,280,399
Moulds & Dies	-	37,734,776	-	37,734,776	-	2,884,542	-	2,884,542	34,850,234	-
Data Process. Machine	4,086,251	2,259,412	-	6,345,663	2,315,604	1,185,128	-	3,500,732	2,844,931	1,770,647
Furniture & Fixtures	16,713,584	26,371,454	-	43,085,038	3,428,692	2,373,847	-	5,802,539	37,282,499	13,284,892
Office Equipments	308,026	-	-	308,026	77,499	30,803	-	108,301	199,725	230,527
Total Tangible Assets	370,095,748	353,641,053	-	723,736,801	98,945,040	76,441,442	-	175,386,482	548,350,319	271,150,708
Intangible Assets:										
Computer Softwares	21,000	-	-	21,000	17,334	3,665	-	20,999	1	3,666
Total Intangible Assets	21,000	-	-	21,000	17,334	3,665	-	20,999	1	3,666
Right of use asset										
Right of use asset	179,060,451	(13,894,036)	-	165,166,415	30,367,693	17,494,880	-	47,862,573	117,303,842	133,340,101
	179,060,451	(13,894,036)	-	165,166,415	30,367,693	17,494,880	-	47,862,573	117,303,842	133,340,101

	Amount in Taka	
	31 March 2024	31 March 2023
Administrative Cost (Annexure-B)		
Officer Residence	3,528,078	-
Printing & Stationery General	412,242	189,544
Motor Car Fuel	-	1,414,416
Total	3,940,321	1,603,960

Other administrative Cost (Annexure-C)

Courier Expenses	840,612	235,167
Internet Expenses	221,502	151,333
Telep Exp - Office	300,242	216,085
Lic, Regis, Stmp & Fee	239,976	376,791
Security Expenses	4,434,845	3,172,304
Hse Keep/Garden Exp	5,573,182	2,796,026
Memb & Subscrip	-	-
Recruitment Exp	1,115,191	353,625
SubCon/Job Work Crgs	552,404	7,800
Fire Fighting exps	50,718	-
Sampl/Dsgns & Patt	41,577	181,635
Sales Promotion	128,758	-
Donation	-	200,000
Sundry Expenses	276,300	173,791
Desgn & Develop Exps	196,300	53,201
Bank Charge	22,907,304	5,107,327
Gurantee Commission	16,212,540	14,625,803
Total	53,091,450	27,650,889

Selling Expenses (Annexure-D)

Freight on Exports	60,531,816	27,864,594
Detention Export	5,003,300	1,243,200
Export Expenses	33,120,702	11,250,864
C & F Charges	-	2,052,033
Commission on IB sales	625,657	-
Clrg chgs on Exports	20,552,086	10,849,216
Ins Marine-Export	95,449	21,935,810
Ocean freight on Exports	438,350	-
Ins Marine	-	403,260
Total	120,367,360	75,598,978