

Private & Confidential

NORP KNIT INDUSTRIES LIMITED

Vill:North Khailkur, P.O: National University, Gazipur.

**Audit Report & Audited Financial Statements
For the year ended on 31 March, 2020**



G. BISWAS & CO.

CHARTERED ACCOUNTANTS

Ramna Bhaban (5th Floor), 45, Bangabandhu Avenue, Dhaka-1000, Bangladesh.

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Independent Auditors' Report

We have audited the accompanying Financial Statements of **NORP KNIT INDUSTRIES LIMITED** which comprise of Statement of Financial Position (BALANCE SHEET) as at 31 March, 2020 and Statement of Comprehensive Income, Statement of Changes in Equity and Statement cash flow statement Notes to the financial statements for the year/period ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements:

Management is responsible for the preparation of these financial statements in accordance with Bangladesh Accounting Standards (BAS)/ Bangladesh Financial Reporting Standards (BFRS) 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 31 March, 2020 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Accounting Standards (BAS)/ Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other applicable laws and regulations.

We also report that;

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- the company's statement of financial position (BALANCE SHEET) and statement of comprehensive income dealt with by the report are in agreement with the books of account.
- the expenditure incurred was for the purpose of the Company's business.

Dated, Dhaka.
The




G. Biswas & Co.
Chartered Accountants.

NORP KNIT INDUSTRIES LIMITED
Vill:North Khailkur, P.O: National University, Gazipur.
BALANCE SHEET AS AT 31ST MARCH, 2020

		AMOUNT IN USD As on 31ST March' 2020	AMOUNT IN USD As on 31ST March' 2019
NOTES			
Assets			
Non-Current Assets			
Property, Plant and Equipment:			
At Cost Less Accumulated Depreciation	4	8,153,649	7,035,502
Non Current Assets:			
Deposits		211,889	213,650
Prepaid Rent		956,458	998,167
		1,168,347	1,211,816
Current Assets:		1,327,711	
Goods in Transit		-	33,399
Investment		1,339,343	464,095
Inventories	5	9,328,856	10,533,947
Trade Receivables	6	678,478	789,311
Inter-Company Receivables	7	13,811,262	14,259,020
Advances, deposits and prepayments	8	3,806,161	4,212,316
Cash And Bank Balances	9	3,568,078	4,961,117
		32,532,179	35,253,204
Total Assets		41,854,175	43,500,523
Liabilities & Shareholders' Equity			
Shareholders' Equity			
Share Capital	10	4,816,526	4,816,526
Retained Earnings		13,932,265	12,281,457
		18,748,791	17,097,983
Long Term Liabilities			
Term Loan HSBC	11	1,843,791	1,524,265
Current Liabilities:			
Secured Loans From Bank		5,065,499	3,627,208
Trade And Other Payables	12	13,355,339	18,606,871
Inter-Company Payables	13	2,840,755	2,644,196
		21,261,593	24,878,275
Deferred Tax		-	-
Total Liabilities & Shareholders' Equity		41,854,175	43,500,523

The annexed notes 1 to 21 form an integral part of these financial statements.

Managing Director

Director

Dated: Dhaka
The



G. Biswas & Co
Chartered Accountants

NORP KNIT INDUSTRIES LIMITED
Vill: North Khaikur, P.O: National University, Gazipur.
PROFIT AND LOSS ACCOUNT
For the Period Year Ended on 31st March' 2020

		AMOUNT IN USD Quarter Ended 31st March'2020	AMOUNT IN USD Period Ended 31st March' 2020	AMOUNT IN USD Year Ended 31st March'2019
Turnover		26,142,970	77,119,576	84,227,549
Cost of Goods Sold	14	(23,236,717)	(65,493,096)	(71,372,255)
Gross Profit/(Loss)		2,906,252	11,626,480	12,855,294
Administrative Selling and Distribution Expenses	15	(2,940,384)	(10,467,947)	(10,162,363)
		(34,132)	1,158,533	2,692,931
Other Operating Income:				
Export incentive		612,863	853,288	577,040
Other income	16	14,150	38,676	22,139
Net Profit/(Loss) Before Tax		592,881	2,050,497	3,292,110
Tax Expenses :				
Current Tax		(156,857)	(399,689)	(435,010)
Deferred Tax		(156,857)	(399,689)	(435,010)
Net Profit/(Loss) For The Period		436,024	1,650,808	2,857,100

Managing Director

Director

Dated Dhaka
The



G. Biswas & Co.
Chartered Accountants

NORP KNIT INDUSTRIES LIMITED
Vill. North Khaikur, P.O. National University, Gazipur

STATEMENT FOR CHANGES IN EQUITY
For the Period Year Ended on 31st March' 2020

Particulars	Share Capital	Share Money Deposit	Retained Earnings	AMOUNT IN USD
				Total
Balance as on June 30' 2018	4,816,526	-	11,647,987	16,464,513
Net Profit for the Period Ended 31.03.2019			2,857,100	2,857,100
Balance as on March 31'19	4,816,526	-	12,281,457	17,097,983
Net Profit for the Period Ended 30.06.2019			306,240	306,240
Balance as on June 30' 2019	4,816,526	-	12,587,697	17,404,223
Net Profit for the Period Ended 30.09.2019			441,152	441,152
Balance as on Sep 30' 2019	4,816,526	-	13,028,849	17,845,375
Net Profit for the Period Ended 31.12.2019			467,393	467,393
Balance as on Dec 31' 2019	4,816,526	-	13,496,242	18,312,767
Net Profit for the Period Ended 31.03.2020			436,024	436,024
Balance as on Mar 31' 2020	4,816,526	-	13,932,265	18,748,791



NORP KNIT INDUSTRIES LIMITED

Vill. North Khaikur, P.O. National University, Gazipur

Notes to the financial statements for the Year ended 31st March 2020

1. Legal status and nature of the Company:

1.1 Legal status

Norp Knit Industries Limited is a Private Company Limited by Shares incorporated on 05th day of May 2004 under the Companies Act, 1994 as adopted in Bangladesh. The shares of the Company are held by Pearl Global Industries Ltd, India (99.9994%), Mr. Deepak Kumar Seth (0.0003%) and Mr. Pulkit Seth (0.0003%).

1.2 Nature of business

The Company is mainly engaged in producing ready made Garments for the purpose of exporting the same. The factory of the Company is located in Gazipur. The Company commenced commercial operation from 18th December, 2004.

1.3 Registered office

The address of the company's registered office at Vill. North Khaikur, P.O. National University, Gazipur.

2. Statement of Compliance of the financial statements

2.01 Basis of preparation :

The Financial Statement of Norp Knit Industries Limited have been prepared in accordance with the Bangladesh Financial Reporting Standards (BSRS). BFRS comprise of

- i) Bangladesh Financial Reporting Standards (BFRS)
- ii) Bangladesh Accounting Standards (BAS) and
- iii) Interpretations.

The title and format of the financial statements follow the requirements of BFRS which are to some extent different from the requirement of the Companies Act 1994; however, such differences are not material and in the view of management, BFRS format gives a better presentation to the shareholders.

2.02 Basis of measurement :

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

2.03 Going Concern :

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

2.04 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 (Taka/Tk./BDT) which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest Taka.

2.05 Use of estimates and judgment

The preparation of the financial statements 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. The amount recognized in the Provision for taxation as disclosed in the financial statements is based on the best estimate available to the Management.

2.06 Reporting period

The financial year of The company covers one year from 1st April 2019 to 31st March 2020 and is followed consistently.

2.07 Statement of cash flows

The statement of cash flows have been prepared in accordance with the Bangladesh Accounting Standard (BAS) 7 "Statement of cash flows" under Indirect method.

3. Significant Accounting Policies :

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

3.01 Foreign currency translation

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



3.02 Property, Plant and Equipment :

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure directly attributable to the acquisition and installation of the Property, Plant and Equipment.

3.03 Depreciation :

Depreciation on fixed assets is charged on straight line method using different rates varying from 10% to 33.33% on cost of the assets. Depreciation is charged from the date when Property, Plant and Equipment is put to use.

3.04 Related party transactions

As per Bangladesh Accounting Standard (BAS) 24 Related party transaction parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business at an arm's length basis at commercial rates with related parties.

3.05 Inventories

Inventories include raw material, work-in-progress and finished goods. These are measured at the lower of cost and net realizable value in accordance with IAS 2. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

3.06 Trade Receivable :

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

3.07 Trade Payable :

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

3.08 Provisions :

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

3.09 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.

3.10 Revenue recognition

Revenue from the sale of goods is recognized when:

- * Significant risk and rewards of ownership is transferred to the buyer
- * The Company has no managerial involvement of the ownership of goods
- * The revenue and cost of the transaction can be measured reliably
- * It is probable that the economic benefits of the transaction will flow to the Company

3.11 Events after balance sheet date

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

3.12 Deferred tax

The Company has adopted Deferred Tax Accounting Policy as per Bangladesh Accounting Standard (BAS) 12. Accordingly, Deferred Tax Liability/ Asset is Accounted for all temporary timing differences arising between the Tax base of the assets and liabilities and their carrying values for financial Reporting process. In view of prevalent tax law Deferred Tax accounting is not considered necessary that for assessment under the provision of Section 53BB as no temporary difference will arise between tax base of assets and liabilities and their carrying amounts in the financial statements.

3.13 Employee benefits

The Company has not yet introduced any provident fund, gratuity fund and pension scheme for the employees.



04 Schedule of Property, plant and equipments as on 31st March 2020-Annexure-A

Particulars	COST			DEPRECIATION					W D Value as on 31.03.2020	W D Value as on 31.03.2019
	Cost as on 01.04.2019	Addition for the period	Deletion for the period	Cost as on 31.03.2020	Total depreciation as on 01.04.2019	Addition for the period	Depreciation on Disposal of Assets	Total depreciation as on 31.03.2020		
Unit 1										
Building & Civil Works	322,126	-	-	322,126	291,524	10,753	-	302,277	19,849	30,602
Plant & Machinery	1,945,007	5,034	-	1,950,041	1,332,359	128,513	-	1,460,872	489,168	612,548
Vehicles	92,632	-	-	92,632	75,378	2,812	-	77,990	14,842	17,254
Furniture & Fixtures	275,659	32,297	-	307,956	193,537	24,370	-	217,907	90,049	82,122
Office Equipments & Computers	214,308	28,388	-	242,696	188,820	17,282	-	206,102	58,594	47,488
Factory Equipments	56,352	6,634	-	62,987	11,919	9,556	-	21,475	41,512	44,433
Telephone Installation & Connection	11,613	-	-	11,613	10,166	635	-	10,802	811	1,446
Air Conditioners	14,696	-	-	14,696	14,696	-	-	14,696	(0)	(0)
Fire extinguisher	41,744	4,051	-	45,795	28,387	4,224	-	32,611	13,184	13,357
Unit 2										
Building & Civil Works	822,110	26,183	-	848,293	358,358	79,412	-	437,770	410,523	463,752
Plant & Machinery, utility & Electrical Installations	9,482,323	1,037,449.10	82,479	10,437,292	4,793,901	960,115	52,187	5,701,829	4,735,463	4,688,422
Vehicles	114,867	-	-	114,867	41,249	10,781	-	52,031	62,837	73,618
Furniture & Fixtures	598,577	37,856	-	636,433	351,252	58,813	-	410,066	226,367	247,325
Office Equipments & Computers	548,114	86,426	-	634,540	297,087	79,363	-	376,450	258,091	251,027
Factory Equipments	437,513	46,658	-	484,171	85,360	44,690	-	130,028	354,145	352,154
Telephone Installation & Connection	24,473	-	-	24,473	14,454	2,311	-	16,765	7,707	10,018
Fire extinguisher	59,100	15,715	-	74,815	39,562	6,123	-	45,684	29,130	19,538
Total	15,061,214	1,326,690	82,479	16,305,425	8,106,010	1,439,529	52,187	9,493,352	6,812,073	6,955,205
Capital Work in Progress- Unit 1										
Civil Work	(4)	-	-	(4)	-	-	-	-	(4)	(4)
Plant & Machinery	(11)	36,617	-	36,606	-	-	-	-	36,606	(11)
CWIP - Others	212	27,558	-	27,770	-	-	-	-	27,770	212
Capital Work in Progress- Unit 2										
Plant & Machinery	78,302	38,960	20,300	96,962	-	-	-	-	96,962	78,302
Fire Equipment, Office Equipment & Other	1,798	1,178,444	-	1,180,242	-	-	-	-	1,180,242	1,798
Total	80,298	1,281,578	20,300	1,341,576	-	-	-	-	1,341,576	80,298
Total Fixed Assets	15,141,512	2,608,269	102,780	17,647,001	8,106,010	1,439,529	52,187	9,493,352	8,153,649	7,035,502

G. BISWAS & CO., CHARTERED ACCOUNTANTS

06 Allocation of depreciation

6.01 Cost of goods sold
6.02 Administrative, selling and distribution expenses



01 Apr 2019 to 31-Mar-20	01 Apr 2018 to 31 March 2019
USD	USD
1,284,953	1,113,401
154,576	150,570
1,439,529	1,263,971

As on
31st March' 2020

G. BISWAS & CO.
31st March 2019
CHARTERED ACCOUNTANTS

Property, plant and equipments
[Details shown as at annexure - A]

At Cost

Opening balance	15,141,512	13,693,318
Add: Addition during the year	2,608,269	2,105,720
Less: Deletion	(102,780)	(657,526)
	17,647,001	15,141,512

Less: Accumulated Depreciation

Opening balance	8,106,010	7,080,367
Add: Charged during the year	1,439,529	1,263,971
Less: Disposal	(52,187)	(238,329)
	9,493,352	8,106,010

Property, plant and equipments at cost less accumulated dep:

8,153,649	7,035,502
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Inventories

Raw Materials	6,071,219	6,785,220
Work-in-progress	2,846,199	3,084,593
Finished goods	411,438	664,134
	9,328,856	10,533,947

Trade Receivables

Kappahl Sverige AB	69,903	50,894.91
Sabuz Enterprise	1,148	-
I.C WAIKIKI	-	1,069
JS Traders	-	4,216
ATIS Apparels Ltd	-	-
Target Australia PTY	342,758	733,130
SS Enterprise	-	-
Transform SR LLC	264,669	-
Defacto Retail B.V	-	-
	678,478	789,311

Inter-Company Receivables

Pearl Global Industries Limited-(Sales)	1,345,795	3,512,220
Pearl Global Fareast Ltd	-	13,007
Pearl Global (HK) Ltd(Sales)	12,196,822	10,235,467
DSSP Global Ltd (Sales)	268,645	498,325
	13,811,262	14,259,020

Advances, Deposits and Prepayments

Deposits	211,889	213,650
Prepaid Rent	956,458	998,167

Advances (considered good) to:

- Advance Income Tax	2,142,987	2,867,215
- Suppliers	653,845	864,750
- Employees	46,795	37,960
- Incentive Receivable	465,208	-
- Others	36,866	51,885
	3,345,701	3,821,811

Deposits

- Margin against L/C and B/G	1,537	1,550
- Security deposits	199,019	144,172
	200,556	145,723

Prepayments

- Prepaid insurance	70,543	59,232
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Prepaid Rent

189,361	185,551
3,806,161	4,212,316



	As on 31st March' 2020	As on 31st March' 2019
Cash and Bank Balances		
Cash in hand	37,457	111,945
Balances with Bank		
Fixed deposit with United Commercial Bank	139,780	52,651
Current Account with United Commercial Bank	2,669	8,134
Exchange Retention Quota with United Commercial Bank	1,011	1,032
HSBC-001-112432-012	-	-
HSBC-001-112432-005	8,407	-
HSBC-001-112432-047	59,658	55,836
HSBC-001-112432-091	828,150	839,422
HSBC FDR-01112432101	571,105	550,517
Bank Guarantee	235	66,761
Funds In Transit	562,647	1,449,643
DB-219-200-31537	80	84
DB-219-200-31549	17	18
DB-219-200-3161	3,157	3,143
SCB A/c 11-1183252-01	-	6,255
SCB A/c 46-1183252-01	1,259,706	1,706,051
SCB A/c 42-1183252-01	16,275	39,002
SCB FDR A/C	45,795	46,176
DBBL 2111100017401	31,928	24,449
	3,530,621	4,849,171
	3,568,078	4,961,117
 Share capital		
Authorized capital:		
36,00,000 (2014: 11,00,000) ordinary shares of Tk. 100 each	5,128,159	5,128,159
Issued, subscribed and paid up capital:		
2,415,607 (2010: 493,781) ordinary shares of Tk. 100 each	3,441,005	3,441,005
33,81,231 (2014: 965,624) ordinary shares of Tk. 100 each	1,375,521	1,375,521
	4,816,526	4,816,526
 The aforesaid capital was subscribed as under:		
Subscribers:	No. of shares	No. of shares
Pearl Global Industries Ltd.	3,381,211	3,381,211
Mr. Deepak Seth	10	10
Mr. Pulkit Seth	10	10
	3,381,231	3,381,231
 Loan from HSBC	1,843,791	1,350,521
 Trade and Other Payables		
Trade Payables:		
Basic Thread Industries Ltd.	65,771	108,495
Coats Bangladesh	11,808	47,515
Victory City Company Ltd.	-	433
Others	6,397,221	10,659,271
	6,474,800	10,815,714
 Other Payables		
Provision for Tax	2,180,981	2,880,660
Withholding Tax Payable	55,942	26,897
Export bills discounted	2,288,257	2,340,748
Others	1,336,953	1,155,409
Prov for gratuity	714,523	764,562
Prov for leave	303,884	622,882
	6,880,539	7,791,158
	13,355,339	18,606,871
 Inter-Company Payables		
Pearl Global (HK) Ltd (Expenses)	2,440,118	2,215,193
DSSP Global Ltd (Creditor-Expenses)	201,631	183,358
DSSP Global Ltd (Creditor-Goods)	1,386	10,883
Pearl Global Industries Limited (Creditor-Goods)	26,015	59,641
Pearl Global Industries Limited (Creditors- Expenses)	171,607	175,121
	2,840,755	2,644,196



	01 January 2020 to 31st March' 2020	01 April 2019 to 31st March' 2019	01 April 2018 to 31st March' 2018
G. BISWAS & CO. CHARTERED ACCOUNTANTS			
14. Cost of Goods Sold			
Raw Material Consumed (Note 14.01)	14,981,732	46,901,887	53,089,810
Wages	2,664,144	10,648,211	10,193,468
Manufacturing Overheads (Note 14.02)	1,848,228	7,451,909	7,194,489
	19,494,104	65,002,006	70,477,767
Add: Opening Work-in-Progress	6,169,198	3,084,593	4,044,722
	25,663,301	68,086,599	74,522,489
Less: Closing Work-in-Progress	2,846,199	2,846,199	3,084,593
Cost of Goods Manufactured	22,817,102	65,240,399	71,437,897
Add: Opening Stock of Finished Goods	831,053	664,134	598,492
Cost of Goods Available For Sale	23,648,155	65,904,533	72,036,389
Less: Closing Stock of Finished Goods	411,438	411,438	664,134
Cost of Goods Sold	23,236,717	65,493,096	71,372,255
14.01. Raw Material Consumed			
Opening Inventory	6,562,500	6,785,220	7,537,799
Purchases During The Period	14,490,452	46,187,886	52,337,231
Closing Inventory	6,071,219	6,071,219	6,785,220
	14,981,732	46,901,887	53,089,810
14.02. Manufacturing Overheads			
Stores, Spares & Maintenance	192,075	1,040,995	887,364
Factory Cleaning & Upkeep	52,180	202,607	165,918
Factory Rent	282,846	1,118,466	1,040,050
Security Services	57,114	229,478	203,714
Power & Fuel	327,899	1,165,321	1,203,950
Consumables	74,461	312,387	269,475
Compliance Expenses	81,249	274,175	222,408
Testing Charges	74,839	269,135	391,935
Machinery Hire Charges	27,560	91,520	114,428
Clearing and Forwarding Inward Charges	232,965	994,365	1,047,140
I/C Charges For Inputs	48,217	187,654	265,240
Depreciation (Annexure - A)	323,358	1,284,953	1,113,401
Insurance	73,464	280,851	269,467
	1,848,228	7,451,909	7,194,489
15. Administrative, Selling and Distribution Expen:			
Salaries	1,641,786	6,006,846	5,442,148
Interest	152,661	459,291	370,242
Communication	20,810	79,907	99,303
Conveyance	19,510	64,038	87,497
Entertainment	8,841	33,848	57,896
Office Stationery	3,713	15,593	9,588
Stationery Printing	26,959	76,426	65,603
Clearing & Forwarding Outward	306,311	1,039,513	1,561,776
Bank Charges	140,806	559,778	562,698
Travelling Expenses	73,291	211,218	182,192
Vehicle Fuel & maintenance	128,873	581,334	640,091
Foreign exchange Fluctuaion	14,867	(144,541)	(191,267)
Courier & postage	107,483	399,465	434,517
Audit fee / Internal Audit	8,305	33,386	49,517
Depreciation (annexure - A)	38,923	154,576	150,570
Others	247,245	897,270	639,991
	2,940,384	10,467,947	10,162,363
15.01. Salaries			
This includes the following emoluments to one of ti			
Remuneration	3,532	14,170	14,319
Housing	2,225	8,927	9,021
	5,757	23,097	23,341
16. Other income			
Interest Earned	14,150	38,676	22,139
Others			
	14,150	38,676	22,139



17 Norp Knit Industries Ltd
Related Parties

Name of the Parties	Nature	Transactions	Balance outstanding (USD)				
			Three Months Ended	Period Year Ended	Period Ended	Period Ended	Period Ended
			31st March' 2020	31st March' 2020	2019	2020	31st March' 2019
Pearl Global Industries Ltd	Group Company	Sale of goods	2,707,701	14,183,604	19,481,828	1,345,795	3,512,220
		Purchases	340,101	613,273	281,634	26,015	59,641
		Expenses Payable	-	14,938	35,297	171,607	175,121
		Expenses recoverable	-	5,452	1,124,225	-	-
Pearl Global (HK) Ltd	Group company	Sale of goods	21,566,524	49,051,643	47,686,353	12,196,822	10,235,467
		Expenses Payable	20,971	72,451	69,876	2,440,118	2,215,193
		Expenses recoverable	139	1,348	294	-	-
DSSP Global Ltd	Group company	Sale of goods	268,645	1,048,112	1,607,561	268,645	498,325
		Purchases	-	184,583	1,187,288	1,386	10,883
		Expenses Payable	90	18,273	30,201	201,631	183,358
		Expenses recoverable	-	-	-	-	-
Pearl Global Fareast Ltd	Group company	Expenses Payable	-	-	-	-	-
		Expenses recoverable	-	-	-	-	13,007
							-

Outstanding balances in respect of sale of goods and expenses with these related parties are priced on an arm's length basis.

The company purchased raw materials from the group company. The purchases are on the same terms and conditions as those entered into with other suppliers and payable under normal payment terms.

18. Contingent liability

Contingent liability of the company was USD 6.512 million as on 31.03.2020 (USD 7.086 millions as on 31st Ma' 2019) in respect of letters of credit outstanding and USD 0.247 millions in respect of bank guarantee.

19. Number of employees

The number of employees engaged as on 31.03.2020 , who received a total remuneration of USD 35.424 per month or above was 6551 Persons (6360 persons as on 31.03.2019).

20. Exchange gain/(loss)

This represents gain/(loss) arising from translation of foreign currency into local currency.

21. General

Figures are rounded off to nearest USD.

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

