

### 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, 2022 and statement of Profit and Loss account, Statement of Changes in Equity and Notes to the financial statements for the 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, 2022 and of its financial performance and its cash flows for the Half 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;

- (a) 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;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- (c) the company's statement of financial position (BALANCE SHEET) and statement of Profit and Loss account dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of the Company's business.

Dated, Dhaka.  
The 10 May, 2022



  
**G. Biswas & Co.**  
Chartered Accountants

**NORP KNIT INDUSTRIES LIMITED**  
Vill: North Khaikur, P.O: National University, Gazipur.  
**STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)**  
**AS AT 31st March' 2022**

|                                               |              | AMOUNT IN USD<br>As on<br>31st March 2022 | AMOUNT IN USD<br>As on<br>31st March' 2021 |
|-----------------------------------------------|--------------|-------------------------------------------|--------------------------------------------|
|                                               | <b>NOTES</b> |                                           |                                            |
| <b>Assets</b>                                 |              |                                           |                                            |
| <b>Non-Current Assets</b>                     |              |                                           |                                            |
| <b>Property, Plant and Equipment:</b>         |              |                                           |                                            |
| At Cost Less Accumulated Depreciation         | 4            | 8,318,698                                 | 8,062,942                                  |
| <b>Non Current Assets:</b>                    |              |                                           |                                            |
| Investment                                    |              | 1,298,869                                 | -                                          |
| Deposits                                      |              | 208,817                                   | 212,264                                    |
| Prepaid Rent                                  |              | 674,968                                   | 795,206                                    |
|                                               |              | <b>2,182,654</b>                          | <b>1,007,470</b>                           |
| <b>Current Assets:</b>                        |              |                                           |                                            |
| Goods in Transit                              |              | -                                         | -                                          |
| Investment                                    |              | -                                         | 1,298,869                                  |
| Inventories                                   | 5            | 23,788,574                                | 14,051,643                                 |
| Trade Receivables                             | 6            | 718,042                                   | 496,944                                    |
| Inter-Company Receivables                     | 7            | 23,230,545                                | 17,240,958                                 |
| Advances, deposits and prepayments            | 8            | 6,047,909                                 | 3,810,574                                  |
| Cash And Bank Balances                        | 9            | 2,728,623                                 | 2,519,635                                  |
|                                               |              | <b>56,513,693</b>                         | <b>39,418,624</b>                          |
| <b>Total</b>                                  |              | <b>67,015,045</b>                         | <b>48,489,036</b>                          |
| <b>Liabilities &amp; Shareholders' Equity</b> |              |                                           |                                            |
| <b>Shareholders' Equity</b>                   |              |                                           |                                            |
| Share Capital                                 | 10           | 4,816,526                                 | 4,816,526                                  |
| Retained Earnings                             |              | 16,482,252                                | 13,951,383                                 |
|                                               |              | <b>21,298,777</b>                         | <b>18,767,908</b>                          |
| <b>Long Term Liabilities</b>                  |              |                                           |                                            |
| Term Loan HSBC                                | 11           | 1,400,328                                 | 2,022,132                                  |
| <b>Current Liabilities:</b>                   |              |                                           |                                            |
| Secured Loans From Bank                       | 12           | 9,741,180                                 | 4,545,595                                  |
| Trade And Other Payables                      | 13           | 30,486,852                                | 19,136,577                                 |
| Inter-Company Payables                        |              | 4,087,908                                 | 4,016,822                                  |
|                                               |              | <b>44,315,940</b>                         | <b>27,698,995</b>                          |
| <b>Deferred Tax</b>                           |              |                                           |                                            |
| <b>Total</b>                                  |              | <b>67,015,045</b>                         | <b>48,489,036</b>                          |

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

Managing Director

Director

Dated, Dhaka  
The 10 May, 2022



G. Biswas & Co.  
Chartered Accountants

**NORP KNIT INDUSTRIES LIMITED**

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the Period Year Ended on 31st March' 2022**

|                                                   | AMOUNT IN USD<br>Quarter | AMOUNT IN USD<br>Period ended<br>31st March 2022 | AMOUNT IN USD<br>Year Ended<br>31st March<br>2021 | AMOUNT IN USD<br>Ended<br>31st March<br>2022 |
|---------------------------------------------------|--------------------------|--------------------------------------------------|---------------------------------------------------|----------------------------------------------|
| <b>NOTES</b>                                      | <b>31st March 2022</b>   | <b>31st March 2022</b>                           | <b>2021</b>                                       | <b>2022</b>                                  |
| Turnover                                          | 37,727,654               | 125,990,116                                      | 75,019,202                                        | 50,262,419                                   |
| Cost of Goods Sold                                | (34,390,029)             | (111,628,070)                                    | (65,366,595)                                      | (44,002,306)                                 |
| <b>Gross Profit/(Loss)</b>                        | <b>3,337,625</b>         | <b>14,362,046</b>                                | <b>9,652,607</b>                                  | <b>6,260,113</b>                             |
| Administrative, Selling and Distribution Expenses | (2,862,926)              | (12,709,698)                                     | (10,400,992)                                      | (7,175,373)                                  |
|                                                   | <b>474,699</b>           | <b>1,652,348</b>                                 | <b>(748,385)</b>                                  | <b>(915,260)</b>                             |
| <b>Other Operating Income:</b>                    |                          |                                                  |                                                   |                                              |
| Export incentive                                  | 407,038                  | 1,516,202                                        | 1,172,234                                         | 672,784                                      |
| Other income                                      | 6,233                    | 28,896                                           | 45,140                                            | 36,067                                       |
| <b>Net Profit/(Loss) Before Tax</b>               | <b>887,970</b>           | <b>3,197,447</b>                                 | <b>468,989</b>                                    | <b>(206,409)</b>                             |
| <b>Tax Expenses :</b>                             |                          |                                                  |                                                   |                                              |
| Current Tax                                       | (188,743)                | (666,577)                                        | (449,872)                                         | (301,331)                                    |
| Deferred Tax                                      | (188,743)                | (666,577)                                        | (449,872)                                         | (301,331)                                    |
| <b>Net Profit/(Loss) For The Period</b>           | <b>699,226</b>           | <b>2,530,869</b>                                 | <b>19,117</b>                                     | <b>(507,740)</b>                             |

**Managing Director**

Dated, Dhaka  
The 10 May, 2022

**Director**



**G. Biswas & Co.**  
Chartered Accountants

**NORP KNIT INDUSTRIES LIMITED**  
Vill. North Khailkur, P.O. National University, Gazipur  
**STATEMENT FOR CHANGES IN EQUITY**  
**For the Period Year Ended on 31st March' 2022**

|                                            |               |                     |                   | AMOUNT IN USD |
|--------------------------------------------|---------------|---------------------|-------------------|---------------|
| Particulars                                | Share Capital | Share Money Deposit | Retained Earnings | Total         |
| Balance as on March 31' 2021               | 4,816,526     | -                   | 13,951,383        | 17,404,223    |
| Net Profit for the Period Ended 30.06.2021 |               |                     | 825,590           | 825,590       |
| Balance as on June 30' 2021                | 4,816,526     | -                   | 14,776,972        | 18,229,812    |
| Net Profit for the Period Ended 30.09.2021 |               |                     | 789,940           | 789,940       |
| Balance as on September 30' 2021           | 4,816,526     | -                   | 15,566,912        | 19,019,752    |
| Net Profit for the Period Ended 31.12.2021 |               |                     | 216,114           | 216,114       |
| Balance as on December 31' 2021            | 4,816,526     | -                   | 15,783,025        | 19,235,866    |
| Net Profit for the Period Ended 31.03.2022 |               |                     | 699,226           | 699,226       |
| Balance as on March 31' 2022               | 4,816,526     | -                   | 16,482,252        | 19,935,092    |



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

**Notes to the financial statements for the period ended 31st March 2022**

**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 company follows a reporting period from April to March. This reporting period of this financial statements is from 1st April 2021 to 31st March 2022.

**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 Property, Plant and equipment As on 31.12.21 [Details shown as at annexure - A]

| Particulars                                           | COST                     |                            |                            | DEPRECIATION             |                                        |                            |                                          | W.D. Value as on<br>31.03.2022         | W.D. Value as on<br>31.03.2021 |
|-------------------------------------------------------|--------------------------|----------------------------|----------------------------|--------------------------|----------------------------------------|----------------------------|------------------------------------------|----------------------------------------|--------------------------------|
|                                                       | Cost as on<br>01.04.2021 | Addition for the<br>period | Deletion for the<br>period | Cost as on<br>31.03.2022 | Total depreciation<br>as on 01.04.2021 | Addition for the<br>period | Depreciation<br>on Disposal of<br>Assets | Total depreciation<br>as on 31.03.2022 |                                |
| <b>Unit 1</b>                                         |                          |                            |                            |                          |                                        |                            |                                          |                                        |                                |
| Building & Civil Works                                | 322,126                  | -                          | -                          | 322,126                  | 313,012                                | 3,225                      | -                                        | 316,237                                | 9,114                          |
| Plant & Machinery                                     | 1,995,223                | 24,916                     | -                          | 2,020,139                | 1,581,177                              | 101,286                    | -                                        | 1,682,463                              | 414,045                        |
| Vehicles                                              | 92,632                   | -                          | 2,586                      | 90,045                   | 79,938                                 | 1,933                      | 2,586                                    | 79,285                                 | 12,694                         |
| Furniture & Fixtures                                  | 343,291                  | 17,808                     | -                          | 361,099                  | 253,882                                | 27,938                     | -                                        | 281,819                                | 89,410                         |
| Office Equipments & Computers                         | 254,938                  | 28,134                     | -                          | 283,072                  | 201,797                                | 20,055                     | -                                        | 221,853                                | 53,140                         |
| Factory Equipments                                    | 75,453                   | 2,251                      | -                          | 77,704                   | 31,474                                 | 12,261                     | -                                        | 43,735                                 | 43,979                         |
| Telephone Installation & Connection                   | 11,613                   | -                          | -                          | 11,613                   | 11,436                                 | -                          | -                                        | 177                                    | 177                            |
| Air Conditioners                                      | 14,696                   | -                          | -                          | 14,696                   | 14,696                                 | -                          | -                                        | 14,696                                 | (0)                            |
| Fire extinguisher                                     | 45,795                   | -                          | -                          | 45,795                   | 36,913                                 | 4,271                      | -                                        | 41,184                                 | 8,882                          |
| <b>Unit 2</b>                                         |                          |                            |                            |                          |                                        |                            |                                          |                                        |                                |
| Building & Civil Works.                               | 1,342,735                | 77,756                     | -                          | 1,420,491                | 525,427                                | 104,909                    | -                                        | 630,336                                | 817,308                        |
| Plant & Machinery, utility & Electrical Installations | 10,835,638               | 457,663.28                 | -                          | 11,293,301               | 6,613,309                              | 718,275                    | -                                        | 7,331,583                              | 4,222,329                      |
| Vehicles.                                             | 135,772                  | 19,663                     | -                          | 155,435                  | 62,973                                 | 12,930                     | -                                        | 79,532                                 | 72,799                         |
| Furniture & Fixtures.                                 | 812,900                  | 225,587                    | -                          | 1,038,487                | 462,644                                | 60,848                     | -                                        | 523,492                                | 350,256                        |
| Office Equipments & Computers.                        | 713,876                  | 74,439                     | 1,463                      | 786,851                  | 446,030                                | 77,098                     | 1,136                                    | 521,992                                | 267,846                        |
| Factory Equipments.                                   | 502,422                  | 108,338                    | -                          | 610,760                  | 177,148                                | 56,030                     | -                                        | 233,178                                | 325,274                        |
| Telephone Installation & Connection.                  | 24,473                   | -                          | -                          | 24,473                   | 18,580                                 | 785                        | -                                        | 19,365                                 | 5,893                          |
| Fire extinguisher.                                    | 79,696                   | 4,146                      | -                          | 83,842                   | 52,486                                 | 5,788                      | -                                        | 58,274                                 | 27,210                         |
| Air Conditioners                                      | 135,535                  | 7,270                      | -                          | 142,804                  | 4,493                                  | 14,062                     | -                                        | 124,249                                | 131,042                        |
| Electrical Installation                               | 115,020                  | 27,440                     | -                          | 142,460                  | 3,813                                  | 13,013                     | -                                        | 16,826                                 | 111,207                        |
| <b>Total</b>                                          | <b>17,853,831</b>        | <b>1,075,412</b>           | <b>4,049</b>               | <b>18,925,193</b>        | <b>10,891,228</b>                      | <b>1,234,706</b>           | <b>3,722</b>                             | <b>12,122,212</b>                      | <b>6,962,603</b>               |
| <b>Capital Work in Progress- Unit 1</b>               |                          |                            |                            |                          |                                        |                            |                                          |                                        |                                |
| Civil Work                                            | (4)                      | -                          | -                          | (4)                      | -                                      | -                          | -                                        | -                                      | (4)                            |
| Plant & Machinery.                                    | 637                      | 581                        | -                          | 56                       | -                                      | -                          | -                                        | 56                                     | 637                            |
| CWIP - Others                                         | 27,770                   | 3,137                      | 3,137                      | 27,770                   | -                                      | -                          | -                                        | 27,770                                 | 27,770                         |
| <b>Capital Work in Progress- Unit 2</b>               |                          |                            |                            |                          |                                        |                            |                                          |                                        |                                |
| Plant & Machinery..                                   | 68,439                   | 169,215                    | 179,511                    | 58,143                   | -                                      | -                          | -                                        | 58,143                                 | 68,439                         |
| Fire Equipment , Office Equipment & Other             | 1,003,498                | 531,097                    | 104,843                    | 1,429,752                | -                                      | -                          | -                                        | 1,429,752                              | 1,003,498                      |
| <b>Total</b>                                          | <b>1,100,339</b>         | <b>703,450</b>             | <b>288,072</b>             | <b>1,515,717</b>         | <b>-</b>                               | <b>-</b>                   | <b>-</b>                                 | <b>1,515,717</b>                       | <b>1,100,339</b>               |
| <b>Total Fixed Assets</b>                             | <b>18,954,170</b>        | <b>1,778,861</b>           | <b>292,121</b>             | <b>20,440,910</b>        | <b>10,891,228</b>                      | <b>1,234,706</b>           | <b>3,722</b>                             | <b>12,122,212</b>                      | <b>8,318,698</b>               |
|                                                       |                          |                            |                            |                          |                                        |                            |                                          |                                        | <b>8,062,942</b>               |

|                       |                   |                       |
|-----------------------|-------------------|-----------------------|
| <b>1st April 2021</b> | <b>to</b>         | <b>1st April 2020</b> |
| <b>31st March</b>     | <b>31st March</b> | <b>31st March</b>     |
| <b>2022</b>           | <b>2021</b>       | <b>2021</b>           |
| USD                   | USD               | USD                   |
| 1,050,437             | 1,242,678         | 1,242,678             |
| 184,269               | 155,198           | 155,198               |
| <b>1,234,706</b>      | <b>1,397,876</b>  | <b>1,397,876</b>      |

06 Allocation of depreciation

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



|                                                                                | As on<br>31st March 2022 | As on<br>31st March'<br>2021 | As on<br>31st December' 2020 |
|--------------------------------------------------------------------------------|--------------------------|------------------------------|------------------------------|
| <b>4. Property, plant and equipments</b><br>[Details shown as at annexure - A] |                          |                              |                              |
| <b>At Cost</b>                                                                 |                          |                              |                              |
| Opening balance                                                                | 18,954,170               | 17,647,001                   | 17,647,001                   |
| Add: Addition during the year                                                  | 1,778,861                | 1,665,453                    | 1,304,882                    |
| Less: Deletion                                                                 | (292,121)                | (358,285)                    | (36,550)                     |
|                                                                                | <b>20,440,910</b>        | <b>18,954,170</b>            | <b>18,915,334</b>            |
| <b>Less: Accumulated Depreciation</b>                                          |                          |                              |                              |
| Opening balance                                                                | 10,891,228               | 9,493,352                    | 9,493,352                    |
| Add: Charged during the year                                                   | 1,234,706                | 1,397,876                    | 1,087,564                    |
| Less: Disposal                                                                 | (3,722)                  |                              |                              |
|                                                                                | <b>12,122,212</b>        | <b>10,891,228</b>            | <b>10,580,916</b>            |
| <b>Property, plant and equipments at cost less accumulated dep:</b>            | <b>8,318,698</b>         | <b>8,062,942</b>             | <b>8,334,418</b>             |
| <b>5. Inventories</b>                                                          |                          |                              |                              |
| Raw Materials                                                                  | 15,562,534               | 8,973,621                    | 8,840,100                    |
| Work-in-progress                                                               | 6,516,096                | 4,106,912                    | 5,054,159                    |
| Finished goods                                                                 | 1,709,944                | 971,111                      | 746,933                      |
|                                                                                | <b>23,788,574</b>        | <b>14,051,643</b>            | <b>14,641,193</b>            |
| <b>6. Trade Receivables</b>                                                    |                          |                              |                              |
| Kappahl Sverige AB                                                             | 30,907                   | 45,354                       | 318,933                      |
| Lerros Moden GmbH                                                              | 21,710                   | -                            | -                            |
| H.S Enterprise                                                                 | -                        | 3,338                        | -                            |
| Target Australia PTY                                                           | 580,720                  | 269,592                      | 391,984                      |
| Transform SR LLC                                                               | 84,705                   | 178,659                      | 208,135                      |
|                                                                                | <b>718,042</b>           | <b>496,944</b>               | <b>919,052</b>               |
| <b>7. Inter-Company Receivables</b>                                            |                          |                              |                              |
| Pearl Global Industries Limited-(Sales)                                        | 571,351                  | 8,543,748                    | 4,326,518                    |
| Prudent Fashion Limited (Advance)                                              | 1,098,366                | 324,405                      | -                            |
| Pearl Global (HK) Ltd(Sales)                                                   | 20,492,053               | 8,372,806                    | 7,801,950                    |
| Pearl Grass Creation                                                           | 1,068,775                | -                            | 19,043                       |
| DSSP Global Ltd (Sales)                                                        |                          |                              |                              |
|                                                                                | <b>23,230,545</b>        | <b>17,240,958</b>            | <b>12,147,510</b>            |



|                                                      | As on<br>31st March 2022 | As on<br>31st March' 2021 | As on<br>31st December' 2020 |
|------------------------------------------------------|--------------------------|---------------------------|------------------------------|
| <b>8. Advances, Deposits and Prepayments</b>         |                          |                           |                              |
| <b>Non - Current</b>                                 |                          |                           |                              |
| Deposits                                             | 208,817                  | 212,264                   | 212,264                      |
| Prepaid Rent                                         | 674,968                  | 795,206                   | 834,280                      |
| <b>Current</b>                                       |                          |                           |                              |
| <b>Advances (considered good) to:</b>                |                          |                           |                              |
| - Advance Income Tax                                 | 3,094,612                | 2,535,226                 | 2,373,528                    |
| - Suppliers                                          | 994,022                  | 122,974                   | 321,592                      |
| - Employees                                          | 54,577                   | 67,052                    | 56,002                       |
| - Incentive Receivable                               | 1,479,824                | 633,072                   | 375,970                      |
| - Others                                             | 20,357                   | 25,096                    | 15,988                       |
|                                                      | <b>5,643,392</b>         | <b>3,383,420</b>          | <b>3,143,081</b>             |
| <b>Deposits</b>                                      |                          |                           |                              |
| - Margin against L/C and B/G                         | 1,515                    | 1,540                     | 1,540                        |
| - Security deposits                                  | 192,519                  | 196,105                   | 196,815                      |
|                                                      | <b>194,034</b>           | <b>197,645</b>            | <b>198,355</b>               |
| <b>Prepayments</b>                                   |                          |                           |                              |
| - Prepaid insurance                                  | 64,199                   | 62,991                    | 88,374                       |
| <b>Prepaid Rent</b>                                  |                          |                           |                              |
|                                                      | 146,284                  | 166,518                   | 172,090                      |
|                                                      | <b>6,047,909</b>         | <b>3,810,574</b>          | <b>3,601,901</b>             |
| <b>9. Cash and Bank Balances</b>                     |                          |                           |                              |
| Cash in hand                                         | 44,551                   | 51,787                    | 84,180                       |
| <b>Balances with Bank</b>                            |                          |                           |                              |
| Fixed deposit with United Commercial Bank            | 157,639                  | 152,162                   | 152,162                      |
| UCBL 078-110-100-0000-821                            | 0                        | 13,987                    | 584                          |
| Exchange Retention Quota with United Commercial Bank | 1,020                    | 1,037                     | 1,037                        |
| UCBL0951101000012589                                 | 608                      | 64,441                    | 5,951                        |
| UCBL0951184000000301                                 | 90,744                   | -                         | -                            |
| UCBL0951180000000739                                 | 81,216                   | -                         | -                            |
| HSBC-001-112432-012                                  | -                        | 6,523                     | -                            |
| HSBC-050-003359-005                                  | 18,386                   | 28,517                    | 16,508                       |
| HSBC-001-112432-047                                  | 3,222                    | 12,098                    | 10,144                       |
| HSBC-001-112432-091                                  | 354,384                  | 794,286                   | 868,951                      |
| HSBC FDR-01112432101                                 | 564,284                  | 573,180                   | 573,180                      |
| Bank Guarantee                                       | 1,624                    | 236                       | 236                          |
| Funds In Transit                                     | 1,225,989                | 514,550                   | 1,268,915                    |
| DB-219-200-31537                                     | 69                       | 77                        | 77                           |
| DB-219-200-31549                                     | 6                        | 13                        | 13                           |
| DB-219-200-3161                                      | 3,177                    | 3,196                     | 3,200                        |
| SCB A/c 11-1183252-01                                | -                        | -                         | -                            |
| SCB A/c 46-1183252-01                                | 99,658                   | 229,528                   | 503,380                      |
| SCB A/c 42-1183252-01                                | 25,117                   | 15,040                    | 15,943                       |
| SCB FDR A/C                                          | 45,131                   | 45,876                    | 45,876                       |
| DBBL-2111100017401                                   | 11,799                   | 13,101                    | 4,020                        |
|                                                      | <b>2,684,072</b>         | <b>2,467,848</b>          | <b>3,470,176</b>             |
|                                                      | <b>2,728,623</b>         | <b>2,519,635</b>          | <b>3,554,357</b>             |



**10. Share capital**

Authorized capital:  
36,00,000 (2014: 11,00,000) ordinary shares of Tk. 100 each

Issued, subscribed and paid up capital:  
2,415,607 (2010: 493,781) ordinary shares of Tk. 100 each  
33,81,231 (2014: 965,624) ordinary shares of Tk. 100 each

The aforesaid capital was subscribed as under:

Subscribers:

Pearl Global Industries Ltd.  
Mr. Deepak Seth  
Mr. Pulkit Seth

|               | As on<br>31st March 2022 | As on<br>31st March'<br>2021 | As on<br>31st December' 2020 |
|---------------|--------------------------|------------------------------|------------------------------|
|               | 5,128,159                | 5,128,159                    | 5,128,159                    |
|               | 3,441,005                | 3,441,005                    | 3,441,005                    |
|               | 1,375,521                | 1,375,521                    | 1,375,521                    |
|               | 4,816,526                | 4,816,526                    | 4,816,526                    |
|               |                          |                              |                              |
| No. of shares | No. of shares            | No. of shares                | No. of shares                |
|               | 3,381,211                | 3,381,211                    | 3,381,211                    |
|               | 10                       | 10                           | 10                           |
|               | 10                       | 10                           | 10                           |
|               | 3,381,231                | 3,381,231                    | 3,381,231                    |
|               |                          |                              |                              |
|               | 1,400,328                | 2,022,132                    | 2,237,178                    |

**11. Loan from HSBC**

**12. Trade and Other Payables**

**Trade Payables:**

Basic Thread Industries Ltd.  
Coats Bangladesh  
Others

|                   |                   |                   |
|-------------------|-------------------|-------------------|
| 23,763            | 24,876            | 125,275           |
| 150,868           | 94,370            | 63,331            |
| 22,954,581        | 12,432,902        | 11,619,296        |
| <b>23,129,212</b> | <b>12,552,148</b> | <b>11,807,901</b> |

**Other Payables**

Provision for Tax  
Withholding Tax Payable  
Export bills discounted  
Others  
Prov for gratuity  
Prov for leave

|                   |                   |                   |
|-------------------|-------------------|-------------------|
| 3,252,843         | 2,634,879         | 2,486,319         |
| 30,120            | 24,720            | 38,552            |
| 882,172           | 1,062,778         | 302,420           |
| 1,733,140         | 1,551,105         | 1,384,013         |
| 1,186,996         | 946,004           | 842,986           |
| 272,368           | 364,943           | 222,337           |
| <b>7,357,639</b>  | <b>6,584,429</b>  | <b>5,276,628</b>  |
| <b>30,486,852</b> | <b>19,136,577</b> | <b>17,084,529</b> |

**13. Inter-Company Payables**

Pearl Global (HK) Ltd (Expenses)  
DSSP Global Ltd (Creditor-Expenses)  
DSSP Global Ltd (Creditor-Goods)  
Pearl Global Industries Limited(Creditor-Goods)  
Pearl Global Industries Limited(Creditors- Expenses)

|                  |                  |                  |
|------------------|------------------|------------------|
| 3,182,889        | 3,111,065        | 2,533,023        |
| 614,213          | 594,479          | 594,479          |
| 1,369            | 1,386            | 1,386            |
| 72,905           | 115,156          | 42,337           |
| 216,531          | 194,736          | 226,012          |
| <b>4,087,908</b> | <b>4,016,822</b> | <b>3,397,237</b> |



G. Biswas & Co.  
Chartered Accountants  
01 April 2020  
31st December 2020

|                                                                                | 1st April 2021<br>31st March 2022 | 1st April 2021<br>31st March 2022 | 1st April 2020<br>31st March 2021 | 01 April 2020<br>31st December 2020 |
|--------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|
| <b>14. Cost of Goods Sold</b>                                                  |                                   |                                   |                                   |                                     |
| Raw Material Consumed (Note 14.01)                                             | 26,493,169                        | 92,119,516                        | 49,500,267                        | 33,680,340                          |
| Wages                                                                          | 3,596,887                         | 13,435,605                        | 10,947,279                        | 7,945,962                           |
| Manufacturing Overheads (Note 14.02)                                           | 2,696,629                         | 9,220,967                         | 6,739,434                         | 4,919,460                           |
|                                                                                | <b>32,786,685</b>                 | <b>114,776,088</b>                | <b>67,186,980</b>                 | <b>46,545,762</b>                   |
| Add: Opening Work-in-Progress                                                  | 6,323,811                         | 4,106,912                         | 2,846,199                         | 2,846,199                           |
|                                                                                | 39,110,496                        | 118,882,999                       | 70,033,180                        | 49,391,961                          |
| Less: Closing Work-in-Progress                                                 | 6,516,096                         | 6,516,096                         | 4,106,912                         | 5,054,159                           |
| <b>Cost of Goods Manufactured</b>                                              | <b>32,594,399</b>                 | <b>112,366,903</b>                | <b>65,926,268</b>                 | <b>44,337,802</b>                   |
| Add: Opening Stock of Finished Goods                                           | 3,505,573                         | 971,111                           | 411,438                           | 411,438                             |
| Cost of Goods Available For Sale                                               | 36,099,973                        | 113,338,014                       | 66,337,706                        | 44,749,239                          |
| Less: Closing Stock of Finished Goods                                          | 1,709,944                         | 1,709,944                         | 971,111                           | 746,933                             |
| <b>Cost of Goods Sold</b>                                                      | <b>34,390,029</b>                 | <b>111,628,070</b>                | <b>65,366,595</b>                 | <b>44,002,306</b>                   |
|                                                                                | -                                 | -                                 | -                                 | -                                   |
| <b>14.01. Raw Material Consumed</b>                                            |                                   |                                   |                                   |                                     |
| Opening Inventory                                                              | 17,749,358                        | 8,973,621                         | 6,071,219                         | 6,071,219                           |
| Purchases During The Period                                                    | 24,306,345                        | 98,708,428                        | 52,402,670                        | 36,449,221                          |
| Closing Inventory                                                              | 15,562,534                        | 15,562,534                        | 8,973,621                         | 8,840,100                           |
|                                                                                | <b>26,493,169</b>                 | <b>92,119,516</b>                 | <b>49,500,267</b>                 | <b>33,680,340</b>                   |
| <b>14.02. Manufacturing Overheads</b>                                          |                                   |                                   |                                   |                                     |
| Stores, Spares & Maintenance                                                   | 244,113                           | 849,726                           | 624,790                           | 437,725                             |
| Factory Cleaning & Upkeep                                                      | 63,396                            | 233,446                           | 195,276                           | 142,685                             |
| Factory Rent                                                                   | 528,174                           | 1,372,531                         | 1,127,455                         | 841,943                             |
| Security Services                                                              | 67,984                            | 263,527                           | 221,555                           | 159,992                             |
| Power & Fuel                                                                   | 337,763                           | 1,294,937                         | 964,685                           | 709,930                             |
| Consumables                                                                    | 163,735                           | 555,896                           | 299,248                           | 203,478                             |
| Compliance Expenses                                                            | 47,087                            | 162,969                           | 154,196                           | 104,298                             |
| Testing Charges                                                                | 125,032                           | 339,381                           | 270,851                           | 185,066                             |
| Machinery Hire Charges                                                         | 38,725                            | 116,376                           | 79,683                            | 50,575                              |
| Clearing and Forwarding Inward Charges                                         | 656,166                           | 2,290,463                         | 1,077,203                         | 769,767                             |
| L/C Charges For Inputs                                                         | 58,417                            | 249,967                           | 182,579                           | 128,421                             |
| Depreciation (Annexure - A)                                                    | 254,185                           | 1,050,437                         | 1,242,678                         | 973,530                             |
| Insurance                                                                      | 111,851                           | 441,311                           | 299,234                           | 212,050                             |
|                                                                                | <b>2,696,629</b>                  | <b>9,220,967</b>                  | <b>6,739,434</b>                  | <b>4,919,460</b>                    |
| <b>15. Administrative, Selling and Distribution Expenses</b>                   |                                   |                                   |                                   |                                     |
| Salaries                                                                       | 1,751,211                         | 7,017,452                         | 6,079,603                         | 4,439,109                           |
| Interest                                                                       | 111,270                           | 444,465                           | 512,724                           | 419,737                             |
| Communication                                                                  | 22,436                            | 87,615                            | 82,012                            | 62,990                              |
| Conveyance                                                                     | 33,078                            | 112,105                           | 64,491                            | 43,700                              |
| Entertainment                                                                  | 6,978                             | 25,313                            | 17,503                            | 10,730                              |
| Office Stationery                                                              | -                                 | 18,071                            | 8,491                             | 8,490                               |
| Stationery Printing                                                            | 24,668                            | 70,477                            | 84,896                            | 65,360                              |
| Clearing & Forwarding Outward                                                  | 292,194                           | 1,648,376                         | 1,018,079                         | 696,694                             |
| Bank Charges                                                                   | 100,992                           | 369,704                           | 338,419                           | 261,883                             |
| Travelling Expenses                                                            | 12,005                            | 15,358                            | 2,085                             | 4,297                               |
| Vehicle Fuel & maintenance                                                     | 163,631                           | 595,525                           | 399,579                           | 273,627                             |
| Foreign exchange Fluctuaion                                                    | (137,565)                         | 444,566                           | 38,877                            | (241,251)                           |
| Courier & postage                                                              | 140,853                           | 528,744                           | 302,313                           | 181,652                             |
| Audit fee / Internal Audit                                                     | 12,234                            | 34,720                            | 28,576                            | 19,174                              |
| Depreciation (annexure - A)                                                    | 47,552                            | 184,269                           | 155,198                           | 114,034                             |
| Others                                                                         | 281,389                           | 1,112,938                         | 1,268,146                         | 815,147                             |
|                                                                                | <b>2,862,926</b>                  | <b>12,709,698</b>                 | <b>10,400,992</b>                 | <b>7,175,373</b>                    |
| <b>15.01. Salaries</b>                                                         |                                   |                                   |                                   |                                     |
| This includes the following emoluments to one of the directors of the company: |                                   |                                   |                                   |                                     |
| Remuneration                                                                   | 6,100                             | 24,576                            | 18,566                            | 18,564                              |
| Housing                                                                        | 2,531                             | 10,196                            | 7,702                             | 7,701                               |
|                                                                                | <b>8,631</b>                      | <b>34,772</b>                     | <b>26,268</b>                     | <b>26,265</b>                       |
| <b>16. Other income</b>                                                        |                                   |                                   |                                   |                                     |
| Interest Earned                                                                | 6,233                             | 28,896                            | 45,140                            | 36,067                              |
| Others                                                                         | -                                 | -                                 | -                                 | -                                   |
|                                                                                | <b>6,233</b>                      | <b>28,896</b>                     | <b>45,140</b>                     | <b>36,067</b>                       |



**17 Norp Knit Industries Ltd**  
**Related Parties**

| Name of the Parties         | Nature        | Transactions     | Balance outstanding (Taka) |                |                |                |                |
|-----------------------------|---------------|------------------|----------------------------|----------------|----------------|----------------|----------------|
|                             |               |                  | Three Months Ended         | Year Ended     | Year Ended     | Year Ended     | Year Ended     |
|                             |               |                  | 31st Mar' 2022             | 31st Mar' 2022 | 31st Mar' 2021 | 31st Mar' 2022 | 31st Mar' 2021 |
| Pearl Global Industries Ltd | Group Company | Sale of goods    | -                          | 640,419        | 25,847,643     | 571,351        | 8,543,748      |
|                             |               | Purchases        | -                          | 25,048         | 106,686        | 72,905         | 115,156        |
|                             |               | Expenses Payable | -                          | 33,989         | 260,484        | 216,531        | 194,736        |
|                             |               | Expenses         | -                          | 4,104          | 3,192          | -              | -              |
| Pearl Global (HK) Ltd       | Group company | Sale of goods    | 33,336,942                 | 112,795,775    | 39,787,838     | 20,492,053     | 8,372,806      |
|                             |               | Expenses Payable | 14,450                     | 70,208         | 93,692         | 3,182,889      | 3,111,065      |
|                             |               | Expenses         | -                          | -              | 3,750          | -              | -              |
| Pearl Grass Creation        | Group company | Sale of goods    | 3,269,197                  | 4,426,353      | -              | 1,068,775      | -              |
|                             |               |                  |                            |                |                |                |                |
| DSSP Global Ltd             | Group company | Sale of goods    | -                          | -              | 397,178        | -              | -              |
|                             |               | Purchases        | -                          | -              | -              | 1,369          | 1,386          |
|                             |               | Expenses Payable | -                          | -              | 878            | 614,213        | 594,479        |
|                             |               | Expenses         | -                          | -              | -              | -              | -              |
| Prudent Fashions Ltd        | Group company | Advance          | -                          | 931,437        | -              | 1,098,366      | -              |
|                             |               | Purchases        | 1,602,033                  | 5,141,807      | -              | -              | -              |

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.

In addition, the company disbursed loan, received advance against sale, received equity money to/from group companies as per normal business norm.

**18. Contingent liability**

Contingent liability of the company was USD 11.056 million as on 31.03.2022 ( USD 11.604 millions as on 31st March 2021) in respect of letters of credit outstanding and USD 0.234 millions in respect of bank guarantee.

**19. Number of employees**

The number of employees engaged as on 31.03.2022 , who received a total remuneration of USD 94.304 per month or above was 7535 Persons ( 6458 persons as on 31.03.2021).

**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.

