NORP KNIT INDUSTRIES LIMITED

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

Report and Financial Statements
For the year/period ended on 31 March, 2017

জি. বিশ্বাস এন্ড কোং
G. BISWAS & CO.
CHARTERED ACCOUNTANTS
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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 as at March 31, 2017 and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year 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 March 31, 2017 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;

(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 and statement of comprehensive income 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 21ST May of 2017

G. BISWAS & CO.
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NORP KNIT INDUSTRIES LIMITED

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

BALANCE SHEET
(Statement of Financial Position)
AS AT 31ST MARCH, 2017

	NOTES	AMOUNT IN TAKA As on 31ST March' 2017	AMOUNT IN TAKA As on 31st March' 2016
Sources of Funds			
Shareholders' Equity			
Share Capital	4	338,123,100	338,123,100
Retained Earnings		612,806,074	455,993,436
		950,929,174	**794,116,536**
Long Term Liabilities			
Term Loan HSBC	5	220,269,314	82,021,135
		1,171,198,488	**876,137,671**
Application of Funds			
Non-Current Assets			
Property, Plant and Equipment			
At Cost Less Accumulated Depreciation	6	**550,546,483**	**406,960,040**
Current Assets			
Goods in Transit		6,902,303	880,418
Inventories	7	805,450,657	739,287,163
Trade Receivables	8	144,996,818	375,627,522
Inter-Company Receivebles	9	483,600,731	461,149,948
Advances, Deposits and Prepayments	10	343,849,157	271,512,403
Cash And Bank Balances	11	410,233,562	480,461,442
		2,195,033,228	**2,328,918,896**
Current Liabilities			
Secured Loans From Bank		295,992,303	382,226,176
Trade And Other Payables	12	1,076,645,024	1,397,448,307
Inter-Company Payables	13	201,743,897	80,066,782
		1,574,381,224	**1,859,741,265**
Net Current Assets		620,652,004	469,177,631
Deferred Tax		-	-
		1,171,198,488	**876,137,671**

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

Managing Director **Director**

Signed as per our annexed report of even date.

Dated, Dhaka
The 21ST May of 2017

G. Biswas & Co.
Chartered Accountants

NORP KNIT INDUSTRIES LIMITED

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

PROFIT AND LOSS ACCOUNT

(Statement of Profit or Loss and Other Comprehensive Income)

For the Year Ended on 31st March 2017

	NOTES	AMOUNT IN TAKA Year Ended 31ST March' 2017	AMOUNT IN TAKA Year Ended 31st March'2016
Turnover		5,805,346,348	6,021,775,755
Cost of Goods Sold	14	(4,929,949,399)	(5,110,267,000)
Gross Profit/(Loss)		**875,396,950**	**911,508,755**
Administrative, Selling and Distribution Expenses	15	(679,835,706)	(741,810,151)
		195,561,243	**169,698,604**
Other Operating Income:			
Other Income	16	404,634	316,305
Net Profit/(Loss) Before Tax		**195,965,877**	**170,014,909**
Tax Expenses :			
Current Tax		(39,153,240)	(31,659,894)
		(39,153,240)	(31,659,894)
Net Profit/(Loss) For The Year		**156,812,638**	**138,355,015**

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

Managing Director | **Director**

Signed as per our annexed report of even date.

Dated, Dhaka
The 21ST May of 2017

G. Biswas & Co.
Chartered Accountants

G. BISWAS & CO.
CHARTERED ACCOUNTANTS

NORP KNIT INDUSTRIES LIMITED

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

CASH FLOW STATEMENT

For the Year Ended on 31st March' 2017	Year Ended 31st March 2017	Year Ended 31st March 2016
Cash flow from operating activities		
Net Profit for the Period	156,812,638	138,355,015
Add: Adjustment of items not involving movement of cash		
Depreciation	78,387,372	66,290,261
Interest	33,949,971	50,412,009
Loss on Sale of Assets	8,547,874	-
	120,885,217	116,702,270
Operating Profit before changes in working capital	277,697,855	255,057,285
Adjustment for changes in working capital		
Decrease / (Increase) in Inventories	(66,163,494)	(32,681,996)
Decrease / (Increase) in Goods in Transit	(6,021,885)	4,950,817
Decrease / (Increase) in Trade receivables	230,630,704	23,190,001
Decrease / (Increase) in Inter-company receivables	(22,450,783)	(192,618,440)
Decrease/(Increase) in advances, deposits and prepayments	(72,336,754)	(10,104,127)
Increase / (Decrease) in Trade and Other Payables	(320,803,283)	68,868,228
Increase / (Decrease) in Inter-company payables	121,677,115	(56,640,253)
	(135,468,380)	**(195,035,770)**
Net cash flow from Operating Activities	142,229,475	60,021,515
Cash flow from investing activities:		
Purchase of fixed Assets	(230,886,689)	(54,841,419)
Sale of Assets	365,000	
Net cash used in investing activities	(230,521,689)	(54,841,419)
Cash flow from financing activities:		
Long Term Loan	138,248,179	10,663,581
Short Term Loan	(86,233,873)	(2,770,155)
Interest	(33,949,971)	(50,412,009)
Net cash flow from financing activities	18,064,335	(42,518,582)
Increase / (Decrease) in cash and cash equivalents	(70,227,880)	(37,338,485)
Cash and Cash Equivalent at opening	480,461,442	517,799,927
Cash and Cash Equivalent at closing (Note 11)	**410,233,562**	**480,461,442**

Dated, Dhaka
The 21ST May of 2017

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NORP KNIT INDUSTRIES LIMITED

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

STATEMENT OF CHANGES IN EQUITY

For the Year Ended on 31st March 2017

AMOUNT IN TAKA

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on March 31, 2015	**338,123,100**	-	**317,638,421**	**655,761,521**
Net Profit for the Year Ended March 31, 2016			138,355,015	138,355,015
Balance as on March 31, 2016	**338,123,100**	-	**455,993,436**	**794,116,536**
Net Profit for the Year Ended March 31, 2017			156,812,638	156,812,638
Balance as on March 31, 2017	**338,123,100**	-	**612,806,074**	**950,929,174**

Dated, Dhaka
The 21ST May of 2017

G. BISWAS & CO. CHARTERED ACCOUNTANTS

G. Biswas & Co.
Chartered Accountants

NORP KNIT INDUSTRIES LIMITED

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

Notes to the Accounts for the Year Ended March, 2017

1. Legal status and nature of the Company:

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 Ltd., India (99.9994%), Mr. Deepak Kumar Seth (0.0003%) and Mr. Pulkit Seth (0.0003%). 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.

2. Statement of Compliance :

2.01 Basis of Preparation :

The Financial Statement of Norp Knit Industries Limited have been prepared in accordance with the Bangladesh Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh. Companies Act, 1994 and other applicable laws.

2.02 Basis of Measurement :

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

2.03 Functional and presentational currency :

These Financial Statements are prepared in Bangladesh Taka (Taka/TK), which is the Company's functional currency. All financial information presented in taka has been rounded off to the nearest integer.

2.04 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.

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 coverted 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 recognised 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 20% on cost of the assets. Depreciation is charged from the month following the month of acquisition/installation of the Property,Plant and Equipment.

G. BISWAS & CO. CHARTERED ACCOUNTANTS

3.04 Inventories

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

3.05 Trade Receivable :

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

3.06 Trade Payable :

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

3.07 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.

3.08 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 recognised in profit and loss account.

3.09 Revenue recognition

Revenue from the sale of goods is recognised 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.

3.10 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.

3.11 Deferred tax

The Company has adopted Deferred Tax Accounting Policy as per Bangladesh Accounting Standard. Accordingly, Deffered 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 prevelant tax law Deferred Tax accounting is not considered necessary in view of the fact that for assessment under the provision of Section 53BB no temporary difference will arise between tax base of assets and liabilities and their carrying amounts in the financial statements.

3.12 Employee benefits

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

G. BISWAS & CO. * CHARTERED ACCOUNTANTS *

4. Share capital

	As on 31st March 2017	As on 31st March 2016
Authorized capital:		
36,00,000 (2014: 11,00,000) ordinary shares of Tk. 100 each	360,000,000	360,000,000
Issued, subscribed and paid up capital:		
2,415,607 (2010: 493,781) ordinary shares of Tk. 100 each	241,560,700	241,560,700
33,81,231 (2014: 965,624) ordinary shares of Tk. 100 each	96,562,400	96,562,400
	338,123,100	338,123,100

The aforesaid capital was subsribed 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

5. Loan from HSBC

This represents the amount received from the Hongkong and Shanghai Banking Corporation Limited for operations

G. BISWAS & CO. CHARTERED ACCOUNTANTS

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

06 Property, Plant and equipment As on March 31, 2017

Particulars	COST				DEPRECIATION					
	Cost as on 01.04.2016	Addition for the period	Deletion for the period	Cost as on 31.03.2017	Total depreciation as on 01.04.2016	Addition for the period	Depreciation on Disposal of Assets	Total depreciation as on 31.03.2017	W.D. Value as on 31.03.2017	W.D. Value as on 31.03.2016
Unit 1										
Building & Civil Works	20,585,434	3,850,225		24,435,659	20,361,583	721,733		21,083,317	3,352,342	223,851
Plant & Machinery	103,886,294	34,870,142		138,756,436	96,220,389	5,651,167		101,871,555	36,884,881	7,665,906
Vehicles	5,673,607			5,673,607	4,898,317	297,169		5,195,485	478,122	775,290
Furniture & Fixtures	11,637,862	5,223,573		16,861,435	10,230,903	1,537,576		11,768,479	5,092,956	1,406,959
Office Equipments & Computers	13,822,227	1,008,023		14,830,250	8,931,348	1,464,098		10,395,447	4,434,804	4,890,879
Factory Equipments	668,830			668,830	19,608	33,442		53,050	615,780	649,222
Telephone Installation & Connection	641,052	269,080		910,132	635,630	59,238		694,868	215,264	5,422
Air Conditioners	1,587,100			1,587,100	1,587,100	-		1,587,100	-	-
Fire extinguisher	1,847,684			1,847,684	1,015,638	269,157		1,284,795	562,889	832,046
Unit 2										
Building & Civil Works	32,125,096	14,489,832		46,614,928	14,503,469	4,210,807		18,714,277	27,900,651	17,621,627
Plant & Machinery, Utility & Electrical Installations	508,111,585	74,384,858	15,537,760	566,958,683	207,489,812	54,265,049	6,624,886	255,129,976	311,828,707	300,621,773
Vehicles	5,828,155			5,828,155	916,762	582,468		1,499,230	4,328,925	4,911,393
Furniture & Fixtures	32,427,038	10,542,229		42,969,267	15,086,725	4,087,921		19,174,646	23,794,620	17,340,313
Office Equipments & Computers	25,051,024	7,763,069		32,814,093	7,785,231	3,858,963		11,644,194	21,169,899	17,265,793
Factory Equipments	5,058,120	5,960,313		11,018,433	1,455,144	749,022		2,204,166	8,814,267	3,602,976
Telephone Installation & Connection	1,362,018			1,362,018	696,657	136,220		832,876	529,142	665,361
Fire Extinguisher	4,633,425			4,633,425	1,758,288	463,343		2,221,631	2,411,794	2,875,137
						-				
Total	774,946,551	158,361,343	15,537,760	917,770,134	393,592,605	78,387,372	6,624,886	465,355,091	452,415,043	381,353,947
Capital Work in Progress- Unit 1										
Civil Work	281,983	-	281,983	-	-	-		-	-	281,983
Plant & Machinery	779,437	1,520.00	779,437	1,520	-	-		-	1,520	779,437
CWIP - Others	-	421,890.00		421,890				-	421,890	-
Capital Work in Progress- Unit 2										
Plant & Machinery	13,436,783	93,808,221	13,436,783	93,808,221					93,808,221	13,436,783
Fire Equipment , Office Equipment & Other	11,107,891	3,899,808.56	11,107,891	3,899,809					3,899,809	11,107,891
				-					-	-
				-					-	-
Total	25,606,094	98,131,439	25,606,094	98,131,440	-	-	-	-	98,131,440	25,606,094
Total Fixed Assets	800,552,645	256,492,782	41,143,854	1,015,901,574	393,592,605	78,387,372	6,624,886	465,355,091	550,546,483	406,960,041

06 Allocation of depreciation

	01 Apr 2016 to 31 Mar 2017 Taka	01 Apr 2015 to 31 March 2016 Taka
6.01 Cost of goods sold	69,176,468	58,760,239
6.02 Administrative, selling and distribution expenses	9,210,904	7,530,022
	78,387,372	66,290,261

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CHARTERED ACCOUNTANTS

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	As on 31st March' 2017	As on 31st March' 2016

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CHARTERED ACCOUNTANTS

7. Inventories

Raw Materials	520,397,748	447,558,834
Work-In-Progress	202,712,806	213,578,667
Finished Goods	82,340,103	78,149,661
	805,450,657	**739,287,163**

8. Trade Receivables

Kappahl Sverige AB	13,242,014	31,021,706
Celio International	-	21,606,159
H.S Enterprise	871,191	-
LI & FUNG (India) Pvt Ltd	-	10,810,689
Target Australia PTY	18,231,276	33,614,212
Redcats Asia Ltd	19,469,362	18,563,908
Decathlon(OXYLANE)	-	53,388,176
Carter's Global Sourcing	-	4,218,454
Afjal & Brothres	-	969,228
Sabuz Enterprise	-	128,495
ITX Trading	93,182,975	201,306,495
	144,996,818	**375,627,522**

9. Inter-Company Receivables

Pearl Global Industries Limited-(Sales)	376,454,366	260,429,076
Pearl Global Fareast Ltd	1,001,563	1,001,563
DSSP Global Ltd (Creditor-Expenses)	-	527,401
Pearl Global (HK) Ltd(Sales)	106,144,802	191,977,464
Pearl Global (HK) Ltd(ExP)	-	7,214,444
	483,600,731	**461,149,948**

10. Advances, Deposits and Prepayments

Advances (considered good) to:		
- Landlord Against Rent	-	3,865,348
- Suppliers	30,498,574	12,626,308
- Employees	1,350,015	2,430,210
- Incentive Receivable	28,819,194	30,652,162
- Others	168,972,508	127,022,890
	229,640,291	**176,596,918**
Deposits		
- Margin against L/C and B/G	130,600	130,600
- Security deposits	109,045,787	89,226,799
	109,176,387	**89,357,399**
Prepayments		
- Prepaid insurance	5,032,478	5,558,086
	5,032,478	5,558,086
	343,849,157	**271,512,403**

11. Cash and Bank Balances

Cash in hand	4,063,640	3,673,792
Balances with Bank		
Fixed deposit with United Commercial Bank	4,065,001	3,807,585
Current Account with United Commercial Bank	784,037	785,687
Exchange Retention Quota with United Commercial Bank	82,728	80,634
HSBC-001-112432-012	635,161	718,122
HSBC-001-112432-067	2,635,055	15,734,240
HSBC-001-112432-047	717,647	4,458,239
HSBC-001-112432-091	53,761,687	348,941,836
HSBC FDR-01112432101	30,000,000	-

G. BISWAS & CO. CHARTERED ACCOUNTANTS

	As on 31st March' 2017	As on 31st March' 2016
Bank Guarantee	1,800,501	1,734,300
Funds In Transit	90,319,058	50,306,164
DB-219-200-31537	7,755	7,961
DB-219-200-31549	1,766	1,766
DB-219-200-3161	254,621	248,866
SCB A/c 46-1183252-01	219,654,969	48,206,716
SCB A/c 42-1183252-01	1,449,937	1,755,534
	406,169,922	476,787,650
	410,233,562	**480,461,442**

12. Trade and Other Payables

Trade Payables:		
Basic Thread Industries Ltd.	9,919,092	9,334,733
Coats Bangladesh	383,132	1,379,815
Victory City Company Ltd.	3,351,793	5,091,424
Others	586,316,318	962,303,559
	599,970,335	**978,109,531**
Other Payables		
Liability for Tax	164,322,618	125,169,378
Withholding Tax Payable	3,056,196	5,998,183
Export bills discounted	130,477,968	132,286,423
Others	178,817,906	155,884,792
	476,674,688	**419,338,776**
	1,076,645,024	**1,397,448,307**

13. Inter-Company Payables

Pearl Global (HK) Ltd (Advance)	-	48,161,445
Pearl Global (HK) Ltd (Expenses)	94,677,733	-
DSSP Global Ltd (Creditor-Expenses)	22,657,259	-
DSSP Global Ltd (Creditor-Goods)	4,416,541	-
Pearl Global Industries Limited-Chennai(Expenses)	-	1,798,404
Pearl Global Industries Limited(Creditor-Goods)	10,253,849	14,268,439
Pearl Global Industries Limited(Creditors- Expenses)	69,738,515	15,838,494
	201,743,897	**80,066,782**

G. BISWAS & CO. * CHARTERED ACCOUNTANTS *

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		01 April 2016 to 31st Mar' 2017	01 April 2015 to 31st Mar' 2016
14.	**Cost of Goods Sold**		
	Raw Material Consumed (Note 14.01)	3,749,635,683	3,997,179,914
	Wages	702,056,516	689,097,608
	Manufacturing Overheads (Note 14.02)	471,581,781	391,014,236
		4,923,273,980	**5,077,291,758**
	Add: Opening Work-in-Progress	213,578,667	238,231,468
		5,136,852,647	5,315,523,226
	Less: Closing Work-in-Progress	202,712,806	213,578,667
	Cost of Goods Manufactured	**4,934,139,841**	**5,101,944,559**
	Add: Opening Stock of Finished Goods	78,149,661	86,472,102
	Cost of Goods Available For Sale	5,012,289,502	5,188,416,661
	Less: Closing Stock of Finished Goods	82,340,103	78,149,661
	Cost of Goods Sold	**4,929,949,399**	**5,110,267,000**
14.01.	**Raw Material Consumed**		
	Opening Inventory	447,558,834	381,901,597
	Purchases During The Period	3,822,474,596	4,062,837,152
	Closing Inventory	520,397,748	447,558,834
		3,749,635,683	**3,997,179,914**
14.02.	**Manufacturing Overheads**		
	Stores, Spares & Maintenance	76,352,031	41,264,816
	Factory Cleaning & Upkeep	10,742,213	10,318,700
	Factory Rent	69,888,489	59,410,526
	Security Services	12,242,748	11,287,290
	Power & Fuel	70,105,409	54,674,039
	Consumables	24,240,913	15,715,310
	Compliance Expenses	13,444,529	8,582,655
	Testing Charges	27,800,320	38,415,234
	Machinery Hire Charges	6,888,395	11,941,206
	Clearing and Forwarding Inward Charges	46,736,280	34,957,621
	L/C Charges For Inputs	20,434,647	24,772,584
	Depreciation (Note 6.01)	69,176,468	58,760,239
	Insurance	23,529,339	20,914,015
		471,581,781	**391,014,236**
15.	**Administrative, Selling and Distribution Expenses**		
	Salaries	320,982,563	305,245,731
	Marketing Expenses	52,199,532	130,256,687
	Interest	33,949,971	50,412,009
	Communication	6,955,683	7,603,198
	Conveyance	4,560,145	5,069,728
	Entertainment	3,322,127	3,442,792
	Office Stationery	215,116	682,548
	Stationery Printing	4,449,146	6,770,660
	Clearing & Forwarding Outward	85,960,653	69,264,179
	Bank Charges	27,157,730	24,721,470
	Travelling Expenses	13,846,100	14,062,122
	Vehicle Fuel & maintenance	35,426,053	34,016,057
	Courier & postage	33,452,296	47,002,419
	Audit fee / Internal Audit	1,645,657	368,000
	Depreciation (Note 6.01)	9,210,904	7,530,022
	Others	46,502,031	35,362,528
		679,835,706	**741,810,151**

15.01. Salaries

This includes the following emoluments to one of the directors of the company:

Remuneration	1,200,000	1,200,000
Housing	756,000	756,000
	1,956,000	**1,956,000**

16.	**Other income**		
	Interest Earned	404,634	316,305
	Others	-	-
		404,634	**316,305**

G. BISWAS & CO. CHARTERED ACCOUNTANTS

17 Norp Knit Industries Ltd
Related Parties

Name of the Parties	Nature	Transactions	Three Months Ended 31st March' 2017	Year Ended 31st March' 2017	Year Ended 31st March' 2016	Balance outstanding (Taka) Year Ended 31st March' 2017	Balance outstanding (Taka) Year Ended 31st March' 2016
Norwest Industries Ltd.	Group company	Sales of goods	-	-	-	-	
		Expenses payable		-	150,850	-	
		Expenses recoverable		-	12,915,594	-	
Pearl Global Industries ltd	Group Company	Sale of goods	555,545,614	1,367,967,980	1,626,970,411	376,454,366	260,429,076
		Purchases	5,869,265	18,684,712	67,785,112	10,253,849	14,268,439
		Expenses Payable	31,666,631	56,290,220	3,929,473	69,738,515	15,838,494
		Expenses recoverable	571,415	4,186,416	26,840,756	-	-
Pearl Global Ltd -Chennai	Group company	Expenses Payable	-	-	-	-	1,798,404
		Expenses Recoverable		11,942		-	
Pearl Global (HK) Ltd	Group company	Sale of goods	819,378,793	2,513,274,145	1,692,623,434	106,144,802	191,977,464
		Adv from Affiliatie	-	-	-	-	48,161,445
		Expenses Payable	45,346,070	50,166,911	6,970,674	94,677,733	-
		Expenses recoverable	80,499	38,655,970	107,479,947	-	7,214,444
DSSP Global Ltd	Group company	Purchases	25,500,339	53,498,675	21,492,072	4,416,541	
		Expenses Payable	36,623,250	45,668,664		22,657,259	527,401
		Expenses recoverable					
Pearl Global Fareast Ltd	Group company	Expenses Payable		-	4,120,821.90	-	
		Expenses recoverable	-	-		1,001,563	1,001,563

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 Tk. 531.547 million as on March 31, 2017 (Tk 491,328 millions as on March 31, 2016) in respect of letters of credit outstanding and Tk 3.619 millions in respect of bank guarantee.

19. Number of employees
The number of employees engaged as on March 31, 2017 who received a total remuneration of Tk. 3,000 per month or above was 5960 Persons (5549 persons as on March 31, 2016).

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

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Additional Information disclosed as requirement of Schedule VI

S.N.	Particluars	Financial Year 31st Mar'2017	Financial Year 31st Mar'2016
1	**Long Term Borrowings:**		
	Payable Within One Year	53,101,765	24,221,819
	Payable After One Year	167,167,549	57,399,316
		220,269,314	81,621,135
2	**Trade Payable:**		
	Payable Within One Year	801,714,232	1,058,176,313
	Payable After One Year	-	-
		801,714,232	1,058,176,313
3	**Other Liabilities:**		
	Payable Within One Year	476,674,688	419,338,776
	Payable After One Year	-	-
		476,674,688	419,338,776
4	**Long Term Provisions:**		
	Payable After One Year - Employee Benefits-Gratuity	78,743,762	67,400,060
	Payable After One Year - Others	-	-
		78,743,762	67,400,060
5	**Fixed Assets:**		
	Capital Advances Given for following heads	-	-
6	**Loans & Advances:**		
	Receivable Within One Year		
	Suppliers	30,498,574	12,626,308
	Employees	1,350,015	2,430,210
	Incentives	28,819,194	30,652,162
	Insurance	5,032,478	5,558,086
		65,700,262	51,266,766
	Receivable After One Year		
	Advance Rent	-	3,865,348
	Margin Against LC and Bank Gaurantee	130,600	130,600
	Security Deposits	109,045,787	89,226,799
	Other Misc Deposits	168,972,508	127,022,890
		278,148,895	**220,245,637**
	Total	**343,849,157**	**271,512,403**

S.N.	Particluars	31st Mar'2017 Receivable Within One Year	31st Mar'2017 Receivable After One Year	31st Mar'2016 Receivable Within One Year	31st Mar'2016 Receivable After One Year
7	**Debtors:**				
	Due Over Six Months	-	-	-	-
	Less: Provisions for Bad Debts	-	-	-	-
	Net Debtors Due Over 6 Months	-	-	-	-
	Others	628,597,549	-	836,777,470	-
	Less: Provisions for Bad Debts	-	-	-	-
	Net Debtors Others	**628,597,549**	-	**836,777,470**	-
	Bank Deposit and Margin Money				
	Receivable Within one Year				
	HSBC Margin L/C	-		-	
	HSBC Short term Deposit	2,635,055		-	
		2,635,055		-	
	Receivable After One Year				
	Fixed deposit with United Commercial Bank	4,065,001		3,807,585	
	Fixed deposit with HSBC Bank	30,000,000		-	
		34,065,001		**3,807,585**	
	Total	**36,700,056**		**3,807,585**	

G. BISWAS & CO. * CHARTERED ACCOUNTANTS *