

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

**Report and Financial Statements**  
**For the year ended on 31 March, 2016**

**AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
NORP KNIT INDUSTRIES LTD.**

We have audited the accompanying Balance Sheet of **Norp Knit Industries Limited**, as of 31 March, 2016 and the related Profit & Loss Account for the year ended on 31 March, 2016 and Cash Flow Statement and Statement of Changes in Equity for the year then ended. The preparation of these statements is the responsibility of the Company's Management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of the Company's affairs as of 31 March, 2016 and its Cash Flow for the year ended on 31 March, 2016 and comply with 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 purposes 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 Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account and returns.

G. Biswas & Co.  
Chartered Accountants

Dated: Dhaka;  
The 22 May 2016





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

**BALANCE SHEET AS AT 31ST MARCH, 2016**

	NOTES	AMOUNT IN TAKA As on 31st March' 2016	AMOUNT IN TAKA As on 31st March' 2015
<b>Sources of Funds</b>			
<b>Shareholders' Equity</b>			
Share Capital	4	338,123,100	338,123,100
Retained Earnings		455,993,436	317,638,421
		<b>794,116,536</b>	<b>655,761,521</b>
<b>Long Term Liabilities</b>			
Term Loan HSBC	5	82,021,135	71,357,553
		<b>876,137,671</b>	<b>727,119,074</b>
<b>Application of Funds</b>			
<b>Property, Plant and Equipment:</b>			
At Cost Less Accumulated Depreciation	6	406,960,040	418,408,883
<b>Current Assets:</b>			
Goods in Transit		880,418	5,831,235
Inventories	7	739,287,163	706,605,167
Trade Receivables	8	375,627,522	398,817,523
Inter-Company Receivables	9	461,149,948	268,531,508
Advances, Deposits and Prepayments	10	271,512,403	261,408,276
Cash And Bank Balances	11	480,461,442	517,799,927
		<b>2,328,918,896</b>	<b>2,158,993,636</b>
<b>Current Liabilities:</b>			
Secured Loans From Bank		382,226,176	384,996,331
Trade And Other Payables	12	1,397,448,307	1,328,580,079
Inter-Company Payables	13	80,066,782	136,707,035
		<b>1,859,741,265</b>	<b>1,850,283,445</b>
<b>Net Current Assets</b>		469,177,631	308,710,191
<b>Deferred Tax</b>		<b>876,137,671</b>	<b>727,119,074</b>

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

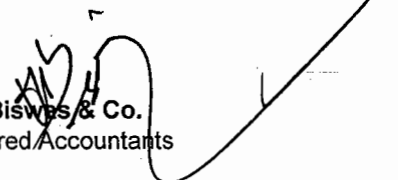
  
Managing Director

  
Director

Subject to our separate report of even date annexed.

Dated, Dhaka  
The 22 May 2016



  
G. Biswas & Co.  
Chartered Accountants

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

**PROFIT AND LOSS ACCOUNT**  
**For the Year Ended on 31st March 2016**

	<u>NOTES</u>	AMOUNT IN TAKA Year Ended 31st March'2016	AMOUNT IN TAKA Year Ended 31st March'2015
Turnover		6,021,775,755	4,768,359,819
Cost of Goods Sold	14	(5,110,267,000)	(4,017,552,688)
<b>Gross Profit</b>		<b>911,508,755</b>	<b>750,807,131</b>
Administrative, Selling and Distribution Expenses	15	(741,810,151)	(629,124,849)
		<b>169,698,604</b>	<b>121,682,282</b>
<b>Other Operating Income:</b>			
Cash Incentive		-	33,110,000
Other Income	16	316,305	475,619
<b>Net Profit Before Tax</b>		<b>170,014,909</b>	<b>155,267,901</b>
<b>Tax Expenses :</b>			
Current Tax		(31,659,894)	(14,305,079)
Deferred Tax		(31,659,894)	(14,305,079)
<b>Net Profit For The Year</b>		<b>138,355,015</b>	<b>140,962,822</b>

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

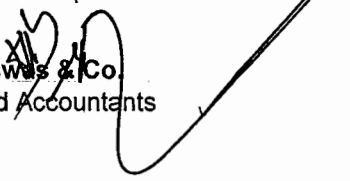
  
Managing Director

  
Director

Subject to our separate report of even date annexed

Dated, Dhaka  
The 22 May 2016



  
G. Biswas & Co.  
Chartered Accountants

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

**CASH FLOW STATEMENT**

**For the Year Ended on 31st March 2016**

	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>Cash flow from operating activities</b>		
Net Profit for the Period	138,355,015	140,962,822
<b>Add: Adjustment of items not involving movement of cash</b>		
Pre-operating expenses		
Depreciation	66,290,261	61,022,512
Interest	50,412,009	52,914,590
	<u>116,702,270</u>	<u>113,937,102</u>
Operating Profit before changes in working capital	<u>255,057,285</u>	<u>254,899,924</u>
<b>Adjustment for changes in working capital</b>		
Decrease / (Increase) in Inventories	(32,681,996)	(80,540,741)
Decrease / (Increase) in Goods in Transit	4,950,817	(1,009,781)
Decrease / (Increase) in Trade receivables	23,190,001	(226,701,830)
Decrease / (Increase) in Inter-company receivables	(192,618,440)	38,710,077
Decrease/(Increase) in advances, deposits and prepayments	(10,104,127)	(38,207,234)
Increase / (Decrease) in Trade and Other Payables	68,868,228	271,375,804
Increase / (Decrease) in Inter-company payables	(56,640,253)	(60,662,345)
	<u>(195,035,770)</u>	<u>(97,036,050)</u>
<b>Net cash flow from Operating Activities</b>	<u>60,021,515</u>	<u>157,863,874</u>
<b>Cash flow from investing activities:</b>		
Purchase of fixed Assets	(54,841,419)	(56,249,125)
Sale of Assets	-	-
<b>Net cash used in investing activities</b>	<u>(54,841,418.60)</u>	<u>(56,249,125)</u>
<b>Cash flow from financing activities:</b>		
Proceeds from issue of shares	-	96,562,400
Share Money Deposit Received	-	(96,562,400)
Long Term Loan	10,663,581	10,912,155
Short Term Loan	(2,770,155)	62,081,854
Interest	(50,412,009)	(52,914,590)
<b>Net cash flow from financing activities</b>	<u>(42,518,583)</u>	<u>20,079,419</u>
<b>Increase / ( Decrease) in cash and cash equivalents</b>	<u>(37,338,486)</u>	<u>121,694,168</u>
<b>Cash and Cash Equivalent at Opening</b>	<u>517,799,927</u>	<u>396,105,760</u>
<b>Cash and Cash Equivalent at Closing (Note 11)</b>	<u>480,461,442</u>	<u>517,799,927</u>

Dated, Dhaka  
The 22 May 2016



G. Biswas & Co.  
Chartered Accountants

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

**STATEMENT FOR CHANGES IN EQUITY**  
**For the Year Ended on 31st March 2016**

**AMOUNT IN TAKA**

<b>Particulars</b>	<b>Share Capital</b>	<b>Share Money Deposit</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as on 31 March 2014	241,560,700	96,562,400	176,675,599	514,798,699
Issue of Share Capital	96,562,400	(96,562,400)	-	-
Net Profit for the Year Ended on 31.03.2015	-	-	140,962,822	140,962,822
Balance as on 31 March 2015	338,123,100	-	317,638,421	655,761,521
Net Profit for the Year Ended on 31.03.2016			138,355,015	138,355,015
Balance as on 31 March 2016	338,123,100	-	455,993,436	794,116,536



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

**Notes to the Accounts for the Year Ended 31 March, 2016**

**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 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 Statements 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 accrual 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 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 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.



### 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, 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 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.





#### 4. Share Capital

Authorized capital:  
36,00,000 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

<u>As on</u> <u>31st March 2016</u>	<u>As on</u> <u>31st March 2015</u>
<u>360,000,000</u>	<u>360,000,000</u>
<u>241,560,700</u>	<u>241,560,700</u>
<u>96,562,400</u>	<u>96,562,400</u>
<u>338,123,100</u>	<u>338,123,100</u>

The aforesaid capital was subscribed as under:

#### Subscribers:

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

<u>No. of shares</u>	<u>No. of shares</u>
3,381,211	3,381,211
10	10
10	10
<u>3,381,231</u>	<u>3,381,231</u>

#### 5. Loan from HSBC

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



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

06 Property, Plant and Equipment As on 31 March 2016.

Particulars	COST				DEPRECIATION				W.D. Value as on 31.03.2016	W.D. Value as on 31.03.2015
	Cost as on 01.04.2015	Addition for the period	Deletion for the period	Cost as on 31.03.2016	Total Depreciation as on 01.04.2015	Addition for the period	Depreciation on Disposal of Assets	Total Depreciation as on 31.03.2016		
<b>Unit 1</b>										
Building & Civil Works	20,585,434			20,585,434	20,274,637	86,947		20,361,583	223,851	310,797
Plant & Machinery	103,684,294	202,000		103,886,294	93,906,125	2,314,264		96,220,389	7,665,906	9,778,170
Vehicles	5,673,607			5,673,607	4,175,240	723,077		4,898,317	775,290	1,498,367
Furniture & Fixtures	11,575,136	62,726		11,637,862	9,280,438	950,465		10,230,903	1,406,959	2,294,698
Office Equipments & Computers	13,288,527	533,700		13,822,227	7,534,303	1,397,045		8,931,348	4,890,879	5,754,224
Factory Equipments	-	668,830		668,830	-	19,608		19,608	649,222	-
Telephone Installation & Connection	641,052			641,052	624,454	11,176		635,630	5,422	16,598
Air Conditioners	1,587,100			1,587,100	1,587,100	-		1,587,100	-	-
Fire extinguisher	1,847,684			1,847,684	728,645	286,993		1,015,638	832,046	1,119,039
<b>Unit 2</b>										
Building & Civil Works	31,397,457	727,639		32,125,096	11,303,830	3,199,639		14,503,469	17,621,627	20,093,627
Plant & Machinery, utility & Electrical Installations	484,779,286	23,332,299		508,111,585	157,699,122	49,790,690		207,489,812	300,621,773	327,080,164
Vehicles	5,828,155			5,828,155	335,097	581,665		916,762	4,911,393	5,493,058
Furniture & Fixtures	31,896,531	530,507		32,427,038	11,841,186	3,245,539		15,086,725	17,340,313	20,055,345
Office Equipments & Computers	21,443,488	3,607,536		25,051,024	5,202,256	2,582,975		7,785,231	17,265,793	16,241,232
Factory Equipments	5,058,120			5,058,120	948,569	506,575		1,455,144	3,602,976	4,109,551
Telephone Installation & Connection	1,362,018			1,362,018	560,575	136,082		696,657	665,361	801,443
Fire extinguisher	4,569,370	64,055		4,633,425	1,300,767	457,521		1,758,288	2,875,137	3,268,603
<b>Total</b>	<b>745,217,259</b>	<b>29,729,292</b>	<b>-</b>	<b>774,946,551</b>	<b>327,302,344</b>	<b>66,290,261</b>	<b>-</b>	<b>393,592,605</b>	<b>381,353,946</b>	<b>417,914,916</b>
<b>Capital Work in Progress- Unit 1</b>										
Civil Work	-	281,983		281,983	-	-		-	281,983	-
Plant & Machinery	-	779,437		779,437	-	-		-	779,437	-
<b>Capital Work in Progress- Unit 2</b>										
Plant & Machinery	493,967	13,436,783	493,967	13,436,783					13,436,783	493,967
Fire Equipment, Office Equipment & Other	-	11,107,891		11,107,891					11,107,891	-
<b>Total</b>	<b>493,967</b>	<b>25,606,094</b>	<b>493,967</b>	<b>25,606,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,606,094</b>	<b>493,967</b>
<b>Total Fixed Assets</b>	<b>745,711,226</b>	<b>55,335,386</b>	<b>493,967</b>	<b>800,552,645</b>	<b>327,302,344</b>	<b>66,290,261</b>	<b>-</b>	<b>393,592,605</b>	<b>406,960,040</b>	<b>418,408,883</b>

6.01 Allocation of Depreciation

Cost of Goods Sold  
Administrative, Selling and Distribution Expenses

01 Apr 2015 to 31 Mar 2016	01 Apr 2014 to 31 March 2015
<u>Taka</u>	<u>Taka</u>
58,760,239	54,283,933
7,530,022	6,738,579
<u>66,290,261</u>	<u>61,022,512</u>



	As on 31 March' 2016	As on 31 March' 2015
<b>7. Inventories</b>		
Raw Materials	447,558,834	381,901,597
Work-in-progress	213,578,667	238,231,468
Finished goods	78,149,661	86,472,102
	<u>739,287,163</u>	<u>706,605,167</u>
<b>8. Trade Receivables</b>		
Al Libas International Fashions LLC	-	41,752,938
Briara Trading Company	-	859,197
Kappahl Sverige AB	31,021,706	502,425
Celio International	21,606,159	80,319,468
Friends International	-	519,575
LI & FUNG ( India) Pvt Ltd	10,810,689	9,504,004
K-Mart	-	619,851
Target Australia PTY	33,614,212	80,899,933
Redcats Asia Ltd	18,563,908	7,508,035
Decathlon(OXYLANE)	53,388,176	-
Carter's Global Sourcing	4,218,454	-
Afjal & brothres	969,228	-
Sabuz Enterprise	128,495	-
ITX Trading	201,306,495	176,314,247
Masum Enterprises	-	17,850
	<u>375,627,522</u>	<u>398,817,523</u>
<b>9. Inter-Company Receivables</b>		
Pearl Global Industries Limited-(Sales)	260,429,076	159,027,283
Pearl Global Fareast Ltd	1,001,563	2,196,386
Norwest Industries Ltd(Sales)	-	27,845
Norwest Industries Ltd(Expenses)	-	672,652
DSSP Global Ltd	527,401	-
Pearl Global (HK) Ltd(Sales)	191,977,464	92,837,821
Pearl Global (HK) Ltd(Exp)	7,214,444	13,769,521
	<u>461,149,948</u>	<u>268,531,508</u>
<b>10. Advances, Deposits and Prepayments</b>		
<b>Advances (considered good) to:</b>		
- Landlord Against Rent	3,865,348	88,871,827
- Suppliers	12,626,308	4,493,302
- Employees	2,430,210	2,652,205
- Incentive Receivable	30,652,162	40,554,630
- Others	127,022,890	5,192,091
	<u>176,596,918</u>	<u>141,764,055</u>
<b>Deposits</b>		
- Margin against L/C and B/G	130,600	130,600
- Security deposits	89,226,799	115,038,821
	<u>89,357,399</u>	<u>115,169,421</u>
<b>Prepayments</b>		
- Prepaid insurance	5,558,086	4,474,800
	5,558,086	4,474,800
	<u>271,512,403</u>	<u>261,408,276</u>



As on  
31 March' 2016

As on  
31 March' 2015

**11. Cash and Bank Balances**

Cash in hand	3,673,792	2,523,200
<b>Balances with Bank</b>		
Fixed deposit with United Commercial Bank	3,807,585	3,496,505
Current Account with United Commercial Bank	785,687	1,291,420
Exchange Retention Quota with United Commercial Bank	80,634	80,634
HSBC-001-112432-012	718,122	1,422,770
HSBC-001-112432-067	15,734,240	34,621
HSBC-001-112432-047	4,458,239	3,170,078
HSBC-001-112432-092	-	7,771,063
HSBC-001-112432-091	348,941,836	399,941,696
Bank Guarantee	1,734,300	-
Funds In Transit	50,306,164	16,078,584
DB-219-200-31537	7,961	8,000
DB-219-200-31549	1,766	2,000
DB-219-200-3161	248,866	241,058
SCB A/c01-1183252-01	-	-
SCB A/c 46-1183252-01	48,206,716	76,581,435
SCB A/c 42-1183252-01	1,755,534	5,156,866
	<u>476,787,650</u>	<u>515,276,727</u>
	<u>480,461,442</u>	<u>517,799,927</u>

**12. Trade and Other Payables**

**Trade Payables:**

Basic Thread Industries Ltd.	9,334,733	5,276,714
Coats Bangladesh	1,379,815	-
Victory City Company Ltd.	5,091,424	23,758,119
Others	982,303,559	995,933,769
	<u>978,109,531</u>	<u>1,024,968,602</u>

**Other Payables**

Liability for Tax	125,169,378	2,978,298
Withholding Tax Payable	5,998,183	4,162,141
Export Bills Discounted	132,286,423	71,998,968
Others	155,884,792	224,472,070
	<u>419,338,776</u>	<u>303,611,477</u>
	<u>1,397,448,307</u>	<u>1,328,580,079</u>

**13. Inter-Company Payables**

Pearl Global (HK) Ltd (Advance)	48,161,445	54,367,294
Pearl Global (HK) Ltd (Expenses)	-	-
Pearl Global Fareast Ltd	-	-
Pearl Global Industries Limited-Chennai(Expenses)	1,798,404	1,798,404
Pearl Global Industries Limited(Creditor-Goods)	14,268,439	41,791,260
Pearl Global Industries Limited(Creditors- Expenses)	15,838,494	38,750,077
	<u>80,066,782</u>	<u>136,707,035</u>



01 April 2015  
to  
31 March' 2016

01 April 2014  
to  
31 March' 2015

**G. BISWAS & CO.**  
CHARTERED ACCOUNTANTS

<b>14. Cost of Goods Sold</b>		
Raw Material Consumed (Note 14.01)	3,997,179,914	3,100,788,651
Wages	689,097,608	592,844,367
Manufacturing Overheads (Note 14.02)	391,014,236	330,087,854
	<b>5,077,291,758</b>	<b>4,023,720,872</b>
Add: Opening Work-in-Progress	238,231,468	258,930,828
	5,315,523,226	4,282,651,700
Less: Closing Work-in-Progress	213,578,667	238,231,468
<b>Cost of Goods Manufactured</b>	<b>5,101,944,559</b>	<b>4,044,420,232</b>
Add: Opening Stock of Finished Goods	86,472,102	59,604,558
Cost of Goods Available For Sale	5,188,416,661	4,104,024,790
Less: Closing Stock of Finished Goods	78,149,661	86,472,102
<b>Cost of Goods Sold</b>	<b>5,110,267,000</b>	<b>4,017,552,688</b>
<b>14.01. Raw Material Consumed</b>		
Opening Inventory	381,901,597	307,529,040
Add: Purchases During The Period	4,062,837,152	3,175,161,208
Less: Closing Inventory	447,558,834	381,901,597
	<b>3,997,179,914</b>	<b>3,100,788,651</b>
<b>14.02. Manufacturing Overheads</b>		
Stores, Spares & Maintenance	41,264,816	31,430,719
Factory Cleaning & Upkeep	10,318,700	9,236,930
Factory Rent	59,410,526	49,389,280
Security Services	11,287,290	11,514,386
Power & Fuel	54,674,039	41,655,808
Consumables	15,715,310	13,248,072
Compliance Expenses	8,582,655	4,346,152
Testing Charges	38,415,234	42,245,879
Machinery Hire Charges	11,941,206	9,731,035
Clearing and Forwarding Inward Charges	34,957,621	25,029,953
L/C Charges For Inputs	24,772,584	21,277,969
Depreciation (Note 6.01)	58,760,239	54,283,933
Insurance	20,914,015	16,697,739
	<b>391,014,236</b>	<b>330,087,854</b>
<b>15. Administrative, Selling and Distribution Expenses</b>		
Salaries	305,245,731	252,102,701
Marketing Expenses	130,256,687	118,043,821
Interest	50,412,009	52,914,590
Communication	7,603,198	7,525,317
Conveyance	5,069,728	4,021,550
Entertainment	3,442,792	2,620,477
Office Stationery	682,548	479,349
Stationery Printing	6,770,660	6,726,532
Clearing & Forwarding Outward	69,264,179	53,553,319
Bank Charges	24,721,470	26,991,979
Travelling Expenses	14,062,122	9,148,588
Vehicle Fuel & Maintenance	34,016,057	29,378,940
Courier & Postage	47,002,419	25,759,829
Audit fee / Internal Audit	368,000	930,823
Depreciation (Note 6.01)	7,530,022	6,738,579
Others	35,362,528	32,188,456
	<b>741,810,151</b>	<b>629,124,849</b>
<b>15.01. Salaries</b>		
This includes the following emoluments to one of the Directors of the Company:		
Remuneration	1,200,000	1,200,000
Housing	756,000	702,000
	<b>1,956,000</b>	<b>1,902,000</b>
<b>16. Other income</b>		
Interest Earned	316,305	475,619
Others	-	-
	<b>316,305</b>	<b>475,619</b>



**17 Norp Knit Industries Ltd  
Related Parties**

Name of the Parties	Nature	Transactions	Balance outstanding (Taka)				
			Quarter Ended	Twelve Month Ended	Twelve Month Ended	At	
			31st Mar 2016	31st Mar 2016	31st Mar 2015	31st Mar 2016	31st Mar 2015
Norwest Industries Ltd.	Group Company	Sales of goods	-	-	163,066,775	-	27,845
		Expenses payable	-	150,850	232,155	-	-
		Expenses recoverable	-	12,915,594	1,452,425	-	672,652
Pearl Global Industries Ltd	Group Company	Sale of goods	535,703,724	1,626,970,411	1,455,041,541	260,429,076	159,027,283
		Purchases	10,256,999	67,785,112	86,089,685	14,268,439	41,791,280
		Expenses Payable	3,006,820	3,929,473	10,933,085	15,838,494	38,750,077
		Expenses recoverable	25,063,520	26,840,756	47,915,214	-	-
Pearl Global Ltd -Chennai	Group Company	Expenses Payable	-	-	-	1,798,404	1,798,404
Pearl Global (HK) Ltd	Group Company	Sale of goods	606,556,851	1,692,623,434	1,248,705,208	191,977,464	92,837,821
		Adv from Affiliate	-	-	-	48,161,445	54,367,294
		Expenses Payable	4,328,025	6,970,674	46,580,376	-	-
		Expenses recoverable	4,032,148	107,479,947	52,644,457	7,214,444	13,789,521
DSSP Global Ltd	Group Company	Expenses Payable	7,674,513	21,492,072	-	527,401	-
		Expenses recoverable	-	-	-	-	-
Pearl Global Fareast Ltd	Group Company	Expenses Payable	1,412,262	4,120,822	3,380,439	1,001,563	2,196,386
		Expenses recoverable	-	-	-	-	-
Simple Approach Ltd	Group Company	Sale of goods	-	-	-	-	-
		Expenses payable	-	-	-	-	-
		Expenses recoverable	-	-	11,585,992	-	-

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. 491.328 million as on 31.03.2016 ( Tk 322.317 millions as on 31st March 2015) 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 31.03.2016, who received a total remuneration of Tk. 3,000 per month or above was 5549 Persons ( 5127 persons as on 31.03.2015).

**20. Exchange gain/(loss)**

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



