ANNUAL REPORT 2021



NEW LINE CLOTHINGS LTD.

www.newline.com.bd

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LETTER OF TRANSMITTAL

To
The Valued Shareholders of New Line Clothings Limited,
Bangladesh Securities and Exchange Commission (BSEC)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)
Registrar of Joint Stock Companies & Firms (RJSC)

Subject: Annual Report for the year ended 30th June, 2021.

Dear Sir(s),

We have the pleasure in submitting the Annual Report containing Directors Report, Auditors Report together with the Audited Financial Statements for the year ended 30th June, 2021 along with notes thereon of New Line Clothings Limited as required by and prepared in compliance with the provision of the Companies Act -1994, Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987, Notification of Bangladesh Securities & Exchange Commission and Dhaka & Chittagong Stock Exchange(Listing) Regulations, 2015.

Thanking you.

Yours Sincerely

Sd/-
Md. Mozammel Hossain
Company Secretary

Thursday, January 13, 2022
Place: Dhaka



NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Notice is hereby given to all shareholders of **New Line Clothings Limited** that the **21st Annual General Meeting (AGM)** of the company will be held on Thursday, January 27, 2022 at 11.00 A.M by using Digital Platform through the link http://newlineagm2021.digitalagmbd.net pursuant to the BSEC order SEC/SRMIC/94-231/91 dated March 31, 2021 to transact the following businesses:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June 2021, together with the report of the Directors' and Auditors' thereon.
2. To approve Dividend for the year ended 30th June 2021 as recommended by the Board of Directors.
3. To elect/re-elect Directors in accordance with the provision of the Articles of Association of the Company.
4. To appoint Statutory Auditor of the Company for the year 2021-22 and fix their remuneration.
5. To appoint Compliance Auditor of the Company for the year 2021-22 and fix their remuneration.

Special Business

6. To authorize the Board of Directors to borrow local and foreign loan or advances and providing securities or corporate guarantee as required for further expansion of business.

By order of the Board

Sd/-
Md. Mozammel Hossain
Company Secretary

Date: Dhaka
January 06, 2022

Notes:

1. Shareholders whose name will appear on the Register of Members /CDS record on the record date i.e., November 30, 2021 will be eligible to attend the 21st Annual General Meeting (AGM) and entitled for dividend.

2. A member entitled to attend and vote at the 21st Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The Proxy form, duly filled, signed and stamped with revenue stamp of Tk. 20.00 must be submitted at the Registered office of the company at Plot No # 1945, Kauchuakuri, Kamrangachala, Mouchak, Kaliakair, Gazipur or through e-mail info@newline.com.bd not later than 48 hours before the appointed time of the meeting.

3. The shareholders will be able to submit their questions/comments and vote electrically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the shareholders need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link http://newlineagm2021.digitalagmbd.net

4. Pursuant to the BSEC Notification No. BSEC/CMMRRCD/2006-158/208/Admin/81 dated 20th June 2018, the soft copy of the Annual Report-2021 is to be sent to the email addresses of the shareholders available in the BO accounts maintained with the Depository. Soft copy of the Annual Report, Proxy Form and Attendance Slip are also available in the website at www.newline.com.bd.

5. Depository participants/Stock Brokers are requested to send the list of margin account holders based on record date i. e. November 30, 2021 to the company through hard copy or email info@newline.com.bd, otherwise, the dividend will be paid to the shareholders whose names appeared in the Member/Depository register on the "Record Date".

CORPORATE INFORMATION

Company Name	:	**New Line Clothings Limited (NLCL)**
Company Logo	:	
Status of the Company	:	Public Limited Company
Date of Incorporation	:	May 23, 2000
Commencement of its Commercial Operations	:	March 01, 2007
Business	:	100% export oriented woven garments industry
Present Production Capacity	:	7.105 million per year
Legal Position	:	New Line Clothings Limited (here in after referred to as NLCL) was incorporated in Bangladesh as a Private Limited Company under the Companies Act, 1994. Vide Registration No. C-40328 (2296)/ 2000 dated May 23, 2000 and converted into the Public Limited Company as on September 30, 2013.
Authorized Capital	:	Tk. 1,000,000,000 divided into 100,000,000 Ordinary Shares of Tk. 10.00 each
Paid up Capital	:	Tk. 785,326,500 divided into 78,532,650 Ordinary Shares of Tk. 10.00 each
Date of Approval for IPO	:	November 27, 2018
Date of Listing with DSE	:	April 08, 2019
Date of Listing with CSE	:	April 04, 2019
Registered Address	:	Plot No # 1945, Kauchuakuri, Kamrangachala, Mouchak, Kaliakair, Gazipur,Tel: +8802 9297403, 9297415, 9297417 Fax: +8802 9297405.
Factory Address	:	Plot No # 1945, Kauchuakuri, Kamrangachala, Mouchak, Kaliakair, Gazipur, Tel: +8802 9297403, 9297415, 9297417 Fax: +8802 9297405.
Website	:	www.newline.com.bd
E-mail	:	info@newline.com.bd
Board of Directors	:	8(Eight) Directors.
Statutory Auditor	:	Shiraz Khan Basak & Co., Chartered Accountants R. K. Tower (Level-10) 86, Bir Uttam C.R. Datta Road, Dhaka-1205
Corporate Governance Compliance Auditor	:	Podder & Associates, Cost & Management Accountants 6/A/1 (Gorund Floor), Segun Bagicha. Dhaka-1000.
Legal Advisor	:	Md. Aminul Islam & Associates, Room No. E-32, Parjoar Centre 22 Court House Street, Kotwali, Dhaka-1100.
Associates Member	:	Bangladesh Garments Manufactures and Exporters Association (BGMEA) & Bangladesh Association of Publicly Listed Companies (BAPLC)
Insurance Company	:	Bangladesh National Insurance Company Limited (BNICL)
Banker of the Company	:	Southeast Bank Limited, IFIC Bank Limited, Agrani Bank Limited and Dhaka Bank Limited
Compliance Officer	:	Md. Mozammel Hossain, Company Secretary

A BRIEF ABOUT THE COMPANY

New Line Clothings Limited (NLCL) hereinafter referred to as "the Company" has been incorporated with the Registrar of Joint Stock Companies and Firms (RJSC & F) vide registration no. 40328(2296)/2000 dated May 23, 2000 as a Private Limited Company in Bangladesh under the Companies Act, 1994. The Company started its commercial operation on March 01, 2007. On September 30, 2013 the Company was converted itself as a Public Limited Company under the Companies Act,1994.

The Company is listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) at 08 April, 2019 and 04 April, 2019 respectively and trading of the share of the Company has been started from 27 May, 2019.

The registered & factory office of the company is located at its own premises at Plot No. 1945, Kauchuakuri, Kamrangachala, Mouchak, Kaliakair, Gazipur which is an industrial zone and very near to Dhaka.

The principal activities of the company are to manufacture various kinds of woven Garments for both ladies and gents including trousers, shirts, children wear, gents wear, female wear, jackets, Sportswear, denim garments etc. and marketing thereof. Our product destination of Germany, UK, Netherland, Slovenia, Canada, Spain, Australia, Denmark, Check Republic, France, Korea Republic & Japan.

NLCL has modern machineries and technology that ensures quality products. Quality is main concern while formulating our strategy. We try to produce goods with cheap cost so that we can get competitive advantages over our competitors. We are also capable of huge production with very short lead time to meet customers' delivery deadlines. We are committed with quality control, accurate time delivery and large production capacity.



OUR VISION & MISSION

OUR VISION

To manufacture products to be globally competitive through better quality, environmental friendly and continuous innovation.

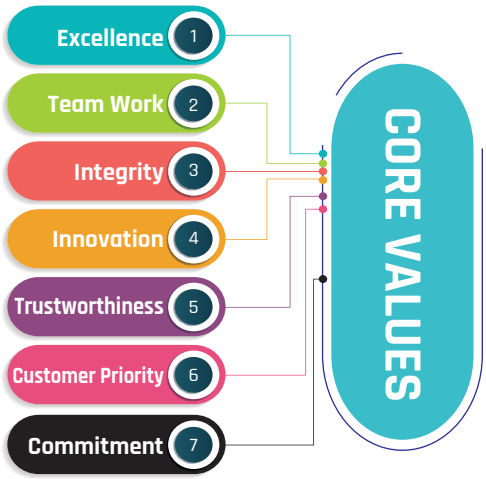
OUR MISSION

- To maintain the long-term sustainability of the quality & timely manufacturing quality garments to suffice the optimum needs of the Buyers and Importers worldwide.
- To encourage people's ownership, empowerment and working under team structure.
- To maintain highest level of ethical standard in terms of workers benefits.
- To maintain highest level of environmental standards in terms of waste water management.

CORE VALUES

These are our core values:

- Excellence
- Team Work
- Integrity
- Innovation
- Trustworthiness
- Customer Priority
- Commitment



OUR STRENGTH

- **Brand loyalty:** The Company's produce (various kinds of woven Garments for both ladies and gents) to its customers have enabled the company to capture significant market share in the sector. We have a very strong customer base and healthy business relationship and doing business for a long time. Our customer includes Aldi, Best Seller, Cross Line, Synergy, Centro, Amstel, LPP SA, Marubeni Corp, Jiangu Guotai, Fortunex, BYS New York, Target, etc.
- **Modern Machineries:** We have been using modern machineries that increase our productivity.
- **Market Share:** We have good market share of Woven garments.
- **Raw Material Supply:** Trouble free supply of input materials for processing with a wide range of dedicated manufactures and Suppliers.
- **Strong distribution channels:** We have very strong distribution channels through which we can smoothly supply our products.
- **Experience and Professional Management:** We have professional management and they have experience in this sector.

OUR OPPORTUNITY

- Meet the increase in demand;
- Increase the production facilities;
- Explore new markets;
- Create new designs;

BOARD COMPOSITION AND BOARD COMMITTEES

BOARD OF DIRECTORS

Name	Position in the Board
Mr. Osman Khadem	Chairman
Mr. Mashiul Haq Chowdhury	Vice Chairman & Director
Mr. M. Zakir Chowdhury	Managing Director & CEO
Mr. Md. Asif Rahman	Director
Mr. Maruful Haque Chowdhury	Director
Sigma Technologies Ltd. (Nominated by Mr. Ali Mostafa)	Director
Mr. A.S.M Shamsuddin Mazumder	Independent Director
Mr. Md. Shafiqul Islam	Independent Director

AUDIT COMMITTEE

Name	Position in the Audit Committee	Position in the Board
Mr. A.S.M Shamsuddin Mazumder	Chairman	Independent Director
Mr. Osman Khadem	Member	Non-Executive Director
Mr. Md. Shafiqul Islam	Member	Non-Executive Director
Mr. Md. Mozammel Hossain	Member Secretary	N/A

NOMINATION & REMUNERATION COMMITTEE (NRC)

Name	Position in the NRC	Position in the Board
Mr. Md. Shafiqul Islam	Chairman	Independent Director
Mr. A.S.M Shamsuddin Mazumder	Member	Independent Director
Mr. Md. Asif Rahman	Member	Director
Mr. Md. Mozammel Hossain	Member Secretary	N/A

KEY AND SENIOR MANAGEMENT

Name	Position
Mr. Masunul Haque Chowdhury	: Deputy Managing Director
Mr. Suman Ghose	: Director
Mr. Md. Abdul Kayum(Polto)	: General Manager(Production)
Mr. Md. Mozammel Hossain	: Company Secretary
Mr. Sharif Ahmed	: Chief Financial Officer
Mr. Mohammad Atikul Islam	: DGM & Head of Commercial
Mr. Anwar Hossain	: AGM (HR & Compliance)
Mr. Mahaboob Hossain	: Head of Materials
Mr. Rubel Roy	: Head of Internal Audit & Compliance
Mr. G.M. Osman Goni	: Senior Manager(Merchandising)
Mr. Md. Hasan Ali	: Senior Manager(Maintenance)
Mr. Miron Ali	: Senior Manager(Electrical & Maintenance)

SHORT DESCRIPTION OF BOARD OF DIRECTORS



Osman Khadem
Chairman, New Line Clothings Limited

Mr. Osman Khadem, Honorable Chairman of New Line Clothings Limited completed his Bachelor Degree from National University. Mr. Khadem having long experience in the different business ventures and built a strong reputation in the textile sector of the country.

Being a passionate entrepreneur, he looks after the total financial management of the company and looks for different avenues for development as per trend of the global textile and clothing sector for continuous growth of the company.

Mashiul Haq Chowdhury
Vice Chairman, New Line Clothings Limited

Mr. Mashiul Haq Chowdhury, Vice Chairman of the Company completed his postgraduate from National University. In the year 1996, he started his business career. His passion for excellence and cultivating innovations has roped in professionals from different fields to join in the organizations running under his control and explore their hidden talents.





M. Zakir Chowdhury
Managing Director & CEO, New Line Clothings Limited

Mr. M. Zakir Chowdhury, Managing Director & CEO of the Company has 27 years' experience in business arena. He completed his business degrees from top management school (MBA in Finance & M. Sc in Economics) of the country have made Mr. Zakir well equipped for handling the top global clothing Brands.

With the experience of numerous varieties of woven and knitted products with different needs and demands of buyers from different corners the world, he has become trend-efficient of the styles and fashion and is capable of meeting multifarious demands of the customers. Being the MD & CEO, presently he looks after the marketing, handling product inquires operations and overall management of the company.



Md. Asif Rahman
Director, New Line Clothings Limited

Md. Asif Rahman is a dynamic business entrepreneur and well-reputed business leader of the country. He has been serving in garments sector for a quite significant time in various arena of the sector. Mr. Rahman graduated from American International University of Bangladesh (AIUB) in Business administration.

Maruful Haque Chowdhury
Director, New Line Clothings Limited



Mr. Maruful Haque Chowdhury is a director of the company. He has been awarded bachelor degree from UK and course from IBA. He is a responsible for Sourcing & Procurement, Commercial & Banking matters of the company and therefore plays a vital role in negotiations with the buyers, suppliers and other related subject. Mr. Maruf, visited number of countries and acquired practical knowledge and experience about RMG industry and others related to it especially international business & marketing. He is also involved in other diversified businesses and social organizations.



Ali Mostafa (Nominated by Sigma Technologies Ltd.)
Nominated Director, New Line Clothings Limited

Mr. Ali Mostafa is nominated director of Sigma Technologies Ltd. He completed his bachelor degree from National University of Bangladesh. He has 17 years working experience in different area of garments & trading sector.

He shares his full expertise wherever needed as well as taking care for his nominated company interest.



A.S.M Shamsuddin Mazumder
Independent Director, New Line Clothings Limited

Mr. ASM Samsuddin Mazumder has obtained BBA (Major in Marketing) from American International University of Bangladesh (AIUB). He is dynamic business leader and attached with various organization since last 15 years like Apparels, Trading, Steel Rolling, Gas and manufacturing etc. He also established renown brand **"ASBRM"** and lead the Majumder Group as Managing Director.

He has vast extensive experience in management, leadership, development of standard operating procedures, sales, manufacturing & sourcing. He served as International Director from 2014 to 2017 of Bangladesh Steel Manufactures Association. Mr. Mazumder visited many countries i.e., India, Thailand, Nepal, Malaysia, Australia for business purpose.

Md. Shafiqul Islam
Independent Director, New Line Clothings Limited



Mr. Md. Shafiqul Islam completed his B.S.S(Hon's) and M.S.S in Economics from National University. He has 15 years of experience in country largest reputed companies specially in senior position of Sales & Marketing. From the joining the company, he is contributing the board from his professional knowledge and ensuring the interest of stakeholders by promoting good corporate governance.

Mr. Islam attended various professional courses inland & abroad to enrich his knowledge. He also visited several countries i.e., India, Nepal, Thailand, Malaysia for business purpose.

MESSAGE FROM THE CHAIRMAN



Dear Valued Shareholders

Assalamu Alaikum,

It is indeed a great pleasure and honor for me to welcome you all on behalf of the Board of Directors to the **21st Annual General Meeting of New Line Clothings Limited** through the Digital Platform. I express my heartfelt thanks and profound gratitude to you all for your support, trust and loyalty during this unprecedented time that encouraged the company to make growth its export earnings in 2020-2021 and keep our journey of excellence up and steady.

You may please note that, despite the adverse effect of Covid-19 pandemic during the year 2020-2021, company have had struggled to increase its turnover. The Board of Directors of New Line Clothings Limited in its meeting held on 28 October 2021 recommended 12.25% Cash Dividend to the general shareholders other than Sponsor/Directors for the year ended 30th June 2021.

Undoubtedly, the year 2021-22, was most challenging year for all of us. We believe that by the grace of Almighty, our endeavors and teamwork have enabled the Company still running where many other companies got closed their operation.

I would like to take this opportunity to thank our honorable Board Members for their contribution to the company. I also like convey our sincere thanks and gratitude to all the employees for their relentless efforts, to the valued buyer for their confidence in our products, to the suppliers for their quality goods and to the esteemed shareholders for their continuous support and interest for the welfare of the company.

On behalf of the Board of Directors, my humble gratitude to our financial partners, Southeast Bank Limited and all other regulatory bodies like BSEC, DSE, CSE, CDBL, NBR, RJSC & F, BGMEA and business associates for their cordial support in enabling New Line Clothings Limited to achieve optimum success.

I look forward to seeing you all very soon Insha Allah.

Kind Regards with Warm wishes,

Sd/-
Osman Khadem
Chairman

MESSAGE FROM THE MANAGING DIRECTOR & CEO



Bismillahir Rahmanir Rahim

Dear valued shareholders,

It is indeed a great pleasure, honor and immense privilege to welcome you all to the **21st Annual General Meeting of New Line Clothings Limited** through digital platform. By the grace of almighty Allah Subhana Twala and your trust on us, we have been successfully maintaining a constant and sustainable growth during the year 2020-21, despite of Covid-19 outbreaks all around the world is still continuing and limiting our operational activities.

We are continuing the tradition of maximizing shareholders value through ethical business practices, implementing effective cost management systems, introducing sustainable and environment friendly production process units, using latest highly productive technologies and effective goal setting methods, we are aiming for a future of strong financial stability with all of us going hand in hand.

You are aware that, Ready-made garments sector is now facing various challenges of enhanced compliance standards from customers. There are new regulations as regards to safety of work-place, payment of minimum wages, introduction of social dialogue and corporate social responsibilities. To overcome these difficulties and to meet the augmented costs, the management is striving to make operations more efficient. We are extremely happy and glad to inform to all of our stakeholders that NLCL is completely set to face these challenges and will succeed after getting all of you with us as our respectable shareholders.

Recently we installed very exclusive and automated machinery to increase our production capacity by implementing the capital investment from IPO proceeds in the existing line of business. We also procured another automated machinery that will increase our production capacity in one hand and on the other, would minimize cost significantly and at the end will ensure customers satisfaction. We expect that, this capital investment will be boost to our revenue and profit in coming years.

I will conclude by expressing my personal gratitude and appreciation to our Honorable Board of Directors, the management and all our employees of the company for their continued support and dedication during the year especially in Covid-19 pandemic time. I also acknowledge with gratitude the relentlessness backing and cooperation from all supportive regulators and earnestly thank them for their continued trust and confidence on us.

We join together, We make in happen. Inn Shaa Allah.

Thanking You.

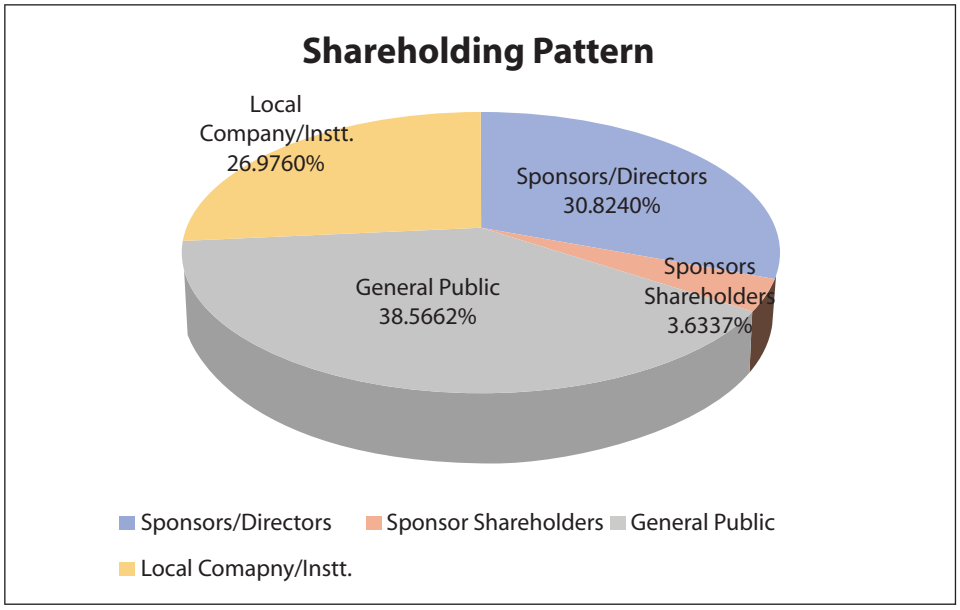
Sd/-
M. Zakir Chowdhury
Managing Director & CEO

PATTERN OF SHAREHOLDING BY CATEGORY (AS ON JUNE 30, 2021)

Authorized Capital: **Tk. 1,000,000,000**
(100,000,000 Shares of Tk 10.00 each)
Issued, Subscribed and Paid-up Capital: Tk. 785,326,500
(78,532,650 Shares of Tk 10.00 each)

Sl. No.	Shares Held by	Status	No. of Ordinary Shares Held	%
	Sponsors/Directors:			
1	Mr. Osman Khadem	Chairman	5,379,318	6.8498%
2	Mr. Mashiul Haq Chowdhury	Vice Chairman	1,793,106	2.2833%
3	Mr. M. Zakir Chowdhury	MD & CEO	2,689,659	3.4249%
4	Mr. Md. Asif Rahman	Director	2,689,659	3.4249%
5	Mr. Maruful Haque Chowdhury	Director	2,689,659	3.4249%
6	Sigma Technologies Ltd (Nominated by Mr. Ali Mostafa)	Director	8,965,530	11.4163%
	Shareholders:			
7	Ms. Afsana Jabin	Sponsor Shareholder	2,853,624	3.6337%
8	Local Company/Institution	Shareholder	21,184,995	26.9760%
9	General Public	Shareholder	30,287,100	38.5662%
	Total		**78,532,650**	**100.0000%**

Pattern of Shareholding by category in graph as on June 30, 2021



Range of Shareholding Position

Range of Shareholding position as on June 30, 2021 is as follows:

Range of Share	No. of Share Holders	Holding Shares	Percentage (%)
1-100	701	18,828	0.02
101-500	281	82,528	0.11
501-1000	1,350	790,080	1.01
1001-10000	341	1,379,986	1.76
10001-20000	61	933,724	1.19
20001-50000	42	1,401,779	1.78
50001-100000	27	1,978,942	2.52
100001-1000000	39	12,972,075	16.52
1000001-5000000	15	34,115,350	43.44
5000001-10000000	4	24,859,358	31.65
Total	**2861**	**78,532,650**	**100.00**

STATEMENT ON CORPORATE GOVERNANCE

Corporate governance clearly defines the rights and responsibilities of the Board of Directors, Management, Shareholders and other Stakeholders. Corporate Governance refers to the structures and processes for the direction and control of companies. Sound corporate governance is a fundamental part of the culture of the company and ensures long term success. The Board of Directors and Management Team of New Line Clothings Limited always conscious about the corporate governance which ultimately helps to catch stakeholder's faith.

New Line Clothings Limited considers that its corporate governance practices comply with all the aspects of the BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2008. In addition, to establish high standards of corporate governance, the Company also considers best governance practices in its activities.

Date of this Corporate Governance Statement

This Corporate Governance Statement reflects the corporate governance and other related policies and practices in place for the New Line Clothings Limited as at 30th June 2021.

Board of Directors:
Board size and Composition

The Board of New Line Clothings Limited consists of 08(Eight) directors including Two Independent Directors headed by the Chairman of the Company. The Managing Director leads the management of the Company. He is also a member of the Board of Directors. He works as the bridge between the Board and the management of the Company. The positions of Chairman and Managing Director are held by separate persons. The Chairman is responsible for functions of the Board and its effectiveness while the Managing Director serves as the Chief Executive of the Company.

Role and Responsibilities of the Board

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the company through appropriate delegation and accountability processes via the lines of command. However, the Board of Directors hold the ultimate responsibility and accountability with due diligence for conducting the activities of the company as per provisions of law in the interest of the shareholders, the stakeholders, the state and the society. All the Board of Directors of the Company have sound knowledge in the area of business, managerial expertise and sound academic and professional knowledge.

Retirement and Re-election of the Board Members

As per the provisions of the Companies Act,1994 and Article of Association of the company, the Directors of the Board re-elect every year by the shareholders in the Annual General Meeting with one-third of the members retiring by rotation.

Appointment of Independent Director

In compliance with the notification of BSEC (No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, the Board of Directors of New Line Clothings Limited appointed Mr. A.S.M Shamsuddin Mazumder and Mr. Md. Shafiqul Islam as the non-shareholding Independent Directors of the company in its Board Meeting held on 28 July 2020 which was confirmed and approved by the Shareholders in the 20th Annual General Meeting held on 24 December 2020 with an expectation that their expertise would help contribute to the further disclosure and protect the interest of the stakeholders, investors in general and smaller investors in particular.

Mr. ASM Samsuddin Mazumder has obtained BBA (Major in Marketing) from American International University of Bangladesh (AIUB). He is dynamic business leader and attached with various organization since last 15 years like Apparels, Trading, Steel Rolling, Gas and manufacturing etc. He also established renown brand **"ASBRM"** and lead the Majumder Group as Managing Director.

He has vast extensive experience in management, leadership, development of standard operating procedures, sales, manufacturing & sourcing. He served as International Director from 2014 to 2017 of Bangladesh Steel Manufactures Association. Mr. Mazumder visited many countries i.e., India, Thailand, Nepal, Malaysia, Australia for business purpose.

Mr. Md. Shafiqul Islam completed his B.S.S(Hon's) and M.S.S in Economics from National University. He has 15 years of experience in country largest reputed companies specially in senior position of Sales & Marketing. From the joining the company, he is contributing the board from his professional knowledge and ensuring the interest of stakeholders by promoting good corporate governance.

Mr. Islam attended various professional courses inland & abroad to enrich his knowledge. He also visited several countries i.e., India, Nepal, Thailand, Malaysia for business purpose.

Mr. A.S.M Shamsuddin Mazumder and Mr. Md. Shafiqul Islam do not have any other relationship with Company and other directors of the company. It will be mentioning here that, they do not have any other connection with other parties as prohibited in the BSEC notifications.

Board Meetings:

The Board meets regularly to discharge its duties effectively. During the year 07(Seven) Board meetings were held of the Company. Dates for Board Meetings are decided in advance and notice of each Board meeting is served in writing well ahead of them meeting. Board ensures strict compliance on the regulatory requirements by timely submission of audited/un-audited Financial Statements, Price Sensitive Information and any other related information for protecting shareholders interest so that the shareholders will able to assess the overall performance of the company.

Board Sub-Committee:

Audit Committee:

In compliance with the Notification of the Bangladesh Securities and Exchange Commission dated August 07, 2012, the Board of Directors of the company has formed an Audit Committee as the sub-committee of the Board of Directors.

The present Audit Committee of the Company is comprised of 04(Four) members. The Chairman of the Audit Committee is an Independent Director. The members of the Audit Committee attended in 04(Four) meetings held during the last 12(Twelve) months from 1st July 2020 to 30th June 2021. A separate report of the Audit Committee is disclosed in this Annual Report in Page 35-36.

Nomination and Remuneration Committee

Nomination and Remuneration Committee is a sub-committee of the Board, formed with the Terms of Reference as set forth in the condition no. 6(5) (b) of BSEC Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

The Nomination and Remuneration Committee is comprised of 04(Four) members to assist the board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the company and determining their remuneration packages and to review and oversee the company's overall human resources strategy. The Nomination and Remuneration Committee of the Board had held 01(one) meeting during the reporting year.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee. A separate report of the Nomination and Remuneration Committee is disclosed in this Annual Report in Page 37-38.

Operational Management Team

The management team is the executive committee of the company who are managing the company. The team is headed by the Managing Director & CEO of the company. Management team endeavors to achieve the goal of the company set by the Board of Directors with periodic performance reporting for guidance.

NLCL believe in integrity, reliability and transparency to the nation by following good, effective and sound corporate governance within the organization. The company also believes that, corporate governance can play a vital role in making bridges among the management, the shareholders and the statutory bodies.

The operational management team meets in regular intervals or as and when required to review the business performance of the Company and take decisions which they think appropriate in favour of the Company.

Company Secretary (CS)

Mr. Md. Mozammel Hossain has been appointed as the Company Secretary of the Company. He provides legal matters to the Board. Among other functions, the Company Secretary:

- Bridges between the Board of Directors and Shareholders on strategic and statutory decision.
- Acts as a quality assurance agent in all information towards the Shareholders and the board
- Is responsible for ensuring that the appropriate Board procedures are followed:
- Acts as the "Disclosure Officer" of the Company and monitors the compliance of the Acts, rules, regulations, notifications, guide lines, orders/directives etc. issued by the Bangladesh Securities and Exchange Commission, Stock Exchange(s) applicable to the conduct of the business activities of the Company.

Chief Financial Officer (CFO)

Mr. Sharif Ahmed has been appointed as the Chief Financial Officer of the Company. He looks after the overall financial affairs of the company. Among other functions, the Chief Financial Officer:

- Prepare quarterly and annual financial statements of the Company.
- Financial reporting procedures in line with the requirement of Bangladesh Accounting Standards.
- Reports financial position of the Company in its Board meeting.

Head of Internal Audit & Compliance (HIAC)

Mr. Rubel Roy act as Head of Internal Audit & Compliance. He is resource personnel in his assigned arena. He is responsible for internal control and internal audit of the company among other tasks. The Board of Directors clearly defined respective roles, responsibilities and duties of the Head of Internal Audit.

Financial Reporting and Transparency

Financial Statements have been prepared in line with the International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other legislations as applicable in Bangladesh. These financials statements, once prepared, are reviewed initially by CFO and CEO and then by the Audit Committee on a regular basis. After all internal scrutiny, the financial reports are placed before the Board for final review and approval. The Company always very much conscious to disclosure issues so that the financial statements reflect true and fair views and establish transparence in all aspects within the company which is also the ultimate motto of the Company.

Compliance with Applicable Rules and Regulations

The Company's business activities are guided and supervised by local laws and regulations:

- The Companies Act 1994;
- The Bangladesh Securities and Exchange Commission;
- Listing Rules of Dhaka and Chittagong Stock Exchange Limited;
- Bangladesh Accounting Standards;

Appointment of Statutory Auditors

The members of the Company appointed M/s Shiraz Khan Basak & Co, Chartered Accountants as statutory auditors for auditing the financial statements of the company for the year ended June 30, 2021 until the conclusion of the 21st Annual General Meeting (AGM).

In recommendation of the Audit Committee, the Board of Directors in their meeting held on 28, October 2021 proposed to appoint Ashraf Uddin & Co., Chartered Accountants as statutory auditors of the company until the conclusion of the next Annual General Meeting with professional fee for auditing the financial statements for the year ending June 30, 2022.

Moreover, statutory auditor did not engage with the Company to perform any services which are laid down on condition No. 7 of Corporate Governance Code issued on dated June 03, 2018.

Appointment of Compliance Auditors

In recommendation of Audit Committee, the Board of Directors of the Company has appointed M/s Podder & Associates, Cost & Management Accountants as Compliance Auditor for certifying compliance of conditions of Corporate Governance Code of the Company for the year ended June 30, 2021.

Furthermore, the Board of Directors also in recommendation of Audit Committee proposed to appoint M. Mohashin & Co.(Practicing Chartered Secretaries) as Compliance Auditor until the conclusion of the next AGM with professional fee as approved by the Honorable shareholders of the Company.

Internal Auditor

Internal Audit support the Company to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management and control. Internal Audit activity govern by the Internal Team, which is approved by the Board.

Internal Control

Internal control is a process designed to provide reasonable assurance regarding the achievement of objectives relating to effectiveness and efficiency of operations, reliability of both external and internal financial and non- financial reporting and compliance with applicable laws and regulations at New Line Clothings Ltd to reduce the risk of error and fraud. The Companies internal controls highlighted are as follows:

i. Effectiveness and efficiency of operations.
ii. Reliability of financial reporting.
iii. Compliance with laws and regulations.

Code of Conduct

New Line Clothings Ltd has adopted Codes of Conduct for securing good business ethics and conduct in all aspects of the companies' activities. The Code of Conduct is properly communicated to and with all employees and other activities and is strictly required to abide by it. The Company Secretary shall act as the Compliance Officer of this Code and shall monitor all regulatory compliances.

Website

The Company has developed a corporate and official website which is linked with Stock exchanges. This website updated on regular basis. The members, stakeholders, potential investors and others may get company's financial, operational, compliance related and other information through visiting the website. Website address of New Line Clothings Limited is www.newline.com.bd.

Investors Relation Department

The company has formed an Investors Relation Department as per direction by the regulators. Any one can directly communicate with the officials of this department with the below contact details.

E-mail: info@newline.com.bd
Cell: 88-01844-652019
Fax: 8802-9297405

Restriction on dealing in the Company's shares by insiders

The Company has established policy relating to trading shares by Directors, Employees and other insiders. The securities laws also impose restrictions on similar sort of transaction.

Going Concern

The Company has adequate resources to continue operational existence for the future. For this reason, the Company continues to adopt the going concern basis in preparing the financial statements.

Communications with Shareholders

The company encourages communication with shareholders throughout the year and welcomes their participation at shareholders meeting. The Company is transparent with the stakeholders including the owners of the Company. Four times each year,

New Line Clothings Limited reports to its shareholders regarding its business, financial position and earnings. These include:

- Quarterly and annual financial statements
- Annual General Meeting
- Price sensitive disclosure and other disclosure to the BSEC and stock exchanges

In additional information, the Company is under a legal and regulatory requirement to publish via the newspaper. NLCL believes in transparency and accountability to the society as a whole through establishment of an efficient and effective Corporate Governance procedure.

Sound Corporate Governance is a fundamental part of the culture of the company and ensures long term success. Corporate governance concerns the relationships among the management, Board of Directors, shareholders and other stakeholders. It contributes to sustainable economic development by enhancing the performance of companies. The board of New Line Clothings Limited is firmly committed to uphold principles of good corporate governance.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Bismillahir Rahmanir Rahim

Dear Valued Shareholders

Assalamu Alaikum
On behalf of the Board of Directors of New Line Clothings Limited, I have the pleasure of welcoming you all to 21st Annual General Meeting. In terms of the provisions of section 184 of the Companies Act 1994 and the Rule 12(and the schedule there under) of the Bangladesh Securities and Exchange Commission (BSEC) and International Accounting Standards (IASs) I'm, on behalf of the Board of Directors of New Line Clothings Limited have the pleasure to present Annual Report along with Audited Financial Statements and Auditors Report for the year ended June 30, 2021 for your kind consideration and approval.

Background

New Line Clothings Limited was incorporated on May 23, 2000 vide registration no. C-40328(2296)/2000 as a private limited company in Bangladesh under the Companies Act, 1994. It has started its commercial production on March 01, 2007. On September 30, 2013 the Company converted itself as a Public Limited Company under the Companies Act, 1994.

The company raised Tk. 300,000,000 divided into 30,000,000 ordinary shares of Tk. 10 each through IPO on November 27, 2018. The shares of the company were listed with both Dhaka Stock Exchange on April 08, 2019 and Chittagong Stock Exchange on April 04, 2019. The trading of shares of the company was started from 27 May, 2019 in both Stock Exchange. The Authorized capital of the company is Tk 1,000.00 million and paid-up capital of Tk 785.33 million.

Overview of Business

New Line Clothings Limited (here in after referred to as NLCL) is a 100% export oriented woven garments industry. The principal activities of the company is to manufacture various kinds of woven garments for both ladies and gents including trousers, shirts, children wear, gents wear, female wear, jackets, Sportswear, denim garments etc. and exported it to outside of Bangladesh.

NLCL has modern machineries and technology that ensures quality products. Quality is main concern while formulating our strategy. We try to produce goods with cheap cost so that we can get competitive advantages over our competitors. We also believe in providing customizing products to our customer as per need basis so that we can get maximum market share of our products. It is apparent that the factory is not producing a homogenous product all through the month rather it produces the products as per the orders from the foreign buyers on different time intervals.

The managements are always careful about to sustain up the shareholders wright. In the global market, now fashions and technology are changing very fast, synchronizing with the fastest technology-based products it is very important to install high tech machineries as well as hire technology know how, experienced and efficient manpower. At the same time products diversification is also very important to sustain in the competitive business world. The management of the company plans to acquisition of automated machinery through utilization of IPO proceeds very smartly for expanded capacity to enhance turnover and profitability for coming years 2021-2022.

Board of Directors

The following persons are the Members of the Board of Directors of the company.

Name of the Directors	Position
Mr. Osman Khadem	Chairman
Mr. Mashiul Haq Chowdhury	Vice Chairman
Mr. M. Zakir Chowdhury	MD & CEO
Mr. Md. Asif Rahman	Director
Mr. Maruful Haque Chowdhury	Director
Sigma Technologies Ltd (Nominated by Mr. Ali Mostafa)	Director
Mr. A.S.M Shamsuddin Mazumder	Independent Director
Mr. Md. Shafiqul Islam	Independent Director

Revenue

As you are aware that the company is 100% export oriented and the principal activities of the company is to manufacture various kinds of woven Garments for both ladies and gents including trousers, shirts, children wear, gents wear, female wear, jackets, Sportswear, denim garments etc. as per various specifications, compositions, color and qualities. Despite of many disruptions in supply chain and also resurgence of COVID-19 with more infections, Turnover of New Line Clothings Limited stood at Tk. 2,370,130,409 during the last financial year, compared to Tk 2,258,049,210 in the previous year.

The operating financial results of the Company for the year 2020-2021 as compared to previous year are summarized hereunder:

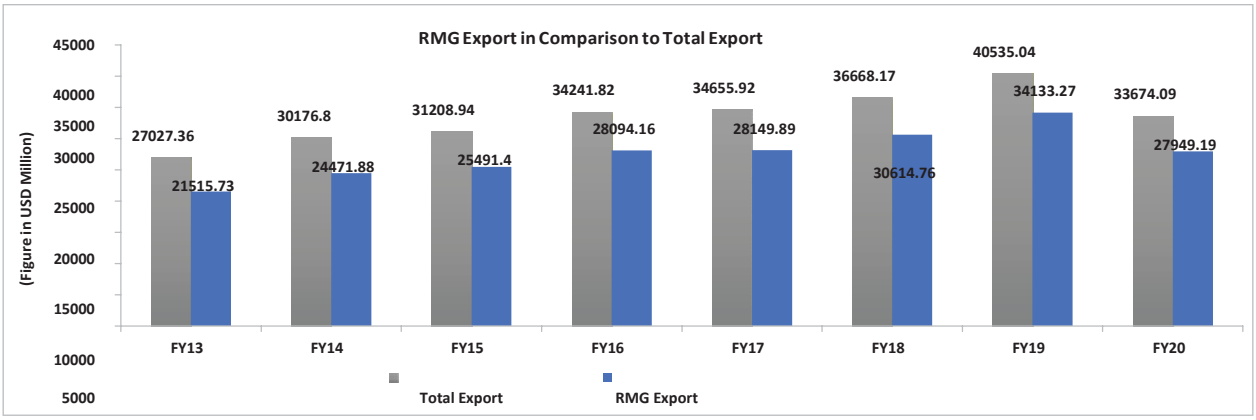
Figure in million

Particulars	June 30, 2021	June 30, 2020
Turnover	2,370.13	2,258.05
Gross Profit	360.75	361.37
Operating Profit	231.70	230.05
Net Profit (Before Tax)	145.95	101.23
Provision for Taxation	80.60	67.09
Net Profit (After Tax)	127.95	84.98
Shareholders' Equity	1,886.65	1,782.31
Earnings Per Share (EPS) (in Taka)	1.63	1.08
Net Asset Value (NAV) Per Share after Revaluation	24.02	23.83
Net Operating Cash Flows Per Share (NOCFPS)	3.22	1.44

Overview of Industry

RMG industry plays an integral part in the economy of Bangladesh. Bangladesh is majorly dependent on the ready-made garments industry for manufacturing employment, foreign reserve, and women empowerment. The contribution of the industry to the country's gross domestic product is around 11.2%. There are more than 4,600 RMG factories comprising largest industrial sector in the country and contribute to 36% of manufacturing employment engaging 4.1 million workers where 61% are women worker who are industrious, disciplined and low-cost women workers.

Bangladesh's market share in global RMG trading is 6.5%, and the country consistently remained the second largest exporter after the People's Republic of China. Bangladesh primarily exports to the European Union (62%) and the United States of America and Canada (21%). Over the last three decades, the RMG exports have registered a cumulative average growth of 14.8% per annum reaching USD34.2 billion in FY2019 which is 84.2% of the country's total exports. Figure 1 shows the growth of the RMG industry since 2013 defying all regional and international crises.



Source: EPB

However, the industry is now at the crossroads due to COVID-19 fallouts. There had been fluctuations in the export receipt due to the impact of the pandemic. The changes in the export receipt from different segregation of RMG i.e., woven and knit, over the last eight years had been displayed to show the performance of Bangladesh RMG sector annually.

Readymade garments sector is of immense importance for Bangladesh and one of the primary growth engines over the last few decades. Bangladesh's RMG sector contributes more than 84% of overall export of the country. After continued growth for many years, in 2019-2020 fiscal year, Bangladesh garments export is experiencing a declining trend, achieving USD21.84 billion in the first ten months compared to USD23.12 billion for the corresponding period in the last fiscal year.

The RMG sector is on the verge of a unique humanitarian and business catastrophe. To flatten the coronavirus spread curve, the government declared nation-wide holidays up to 25 April 2020 and business and industrial activities have come to a crunching break except emergency services. Many international buyers had been cancelling or postponing confirmed procurement orders as their retail outlets were substantially closed in Europe, North America, Asia and elsewhere. According to Bangladesh Garment Manufacturers and Exporters Association (BGMEA), international buyers have either cancelled or suspended USD 3.16 billion worth of shipments involving 1,142 factories affecting 2.26 million workers as of 18 April 2020. Millions of workers stare at joblessness as new orders dried up given the collapse in global demand for apparels. Reportedly, 1 million workers have already been fired or furloughed. According to a survey conducted by a reputed local University, 47% RMG workers reported not receiving their wages and felt uncertain about their current job status with their respective employers.

During the spread of the pandemic in the major exporting countries, the return from this sector took a nose dive due to the cancellation of orders and switching the attention of countries towards the stopping of spread of the deadly disease. However, the sector earned positive revenue growth since May 2020 when countries were moving towards normalization amidst this pandemic worldwide. The sector had positive growth for three months till July then again started falling for the next three months although it showed a positive growth in November 2020.

In order to fight COVID-19's effects, the government announced a stimulus package of BDT956 billion (USD11.2 billion) to recover the economy by strengthening the social safety net, export sectors, SMEs and other priority sectors. The package allocates BDT50 billion for RMG and other export-oriented industries for paying salaries-allowances to workers & employees and the size of the Export Development Fund has been USD5.0 billion facilitating short-term obligations for importing raw materials for export-oriented industries. Out of this package, the central bank will institute a USD600 million Pre-Shipment Credit Refinance Scheme for RMG and other export-oriented industries. However, it will only meet a fraction of the massive requirements of the sector, which needs at least USD470 million to pay wages every month. BGMEA has targeted to export of RMG USD 50 billion by 2021. To achieve this target, this sector requires exporting USD 12 billion proportionately, if the sector gets policy support and cooperation from the Government.

Risks and Concerns

01. Exchange Rate Risk

Exchange rate risk occurs due to changes in foreign currency exchange rates. As the company imports raw materials or equipment from abroad also earns revenue in foreign currency. Unfavorable volatility or currency fluctuation of foreign currency to BDT exchange rate may affect the profitability of the company. If exchange rate is increased against local currency, opportunity will be created for generating more profit.

Management Perception

The exchange rate of US Dollar against BDT in the country has traditionally witnessed upward trends which makes ample opportunity for increasing revenue from exports. On the other hand, appreciation of local currency against US Dollar will reduce the import cost of the company. Therefore, changes in exchange rates might also affect the pricing and thereby the profitability of the company.

02. Political Risk

The year under review was relatively stable without any major political or industrial unrest which had dogged the industry over the past two years.

Management Perception

This is a risk that is beyond the control of the entrepreneurs and we hope for this stable environment to continue for conducting and growing our business.

03. Industry Risks

The Company is operating in an industry where there is a gap between demand and supply. Also, presently worldwide Covid-19 pandemic disruption, RMG industry has faced lot of challenge & threat from different area. However, the industry has fought back

with on time crucial support from government. Although garments business has a huge demanding in the international market, chances are there that excessive competition may hamper the company's business. Increasing competition may force New Line Clothings Limited to reduce prices of their products which may cause dropping of their revenue and margin, and/or decrease its market share, either of which could have an adverse effect on their business, financial condition and results of operation.

Management Perception

New Line Clothings Limited is engaged to produce different types of garments products. The business has a huge demand. Moreover, worldwide present Covid-19 pandemic disruption, NLCL is still concerned about the situation as well as market competition and its highly competent research team always working for the development of products. In addition, there are only few recognized competitors of similar size in the country, which allows the benefit of economics of scale when competing with new entrants.

04. Market and Technology related Risks

Market risks refer to the risk of the adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company to increase their customer base.

Management Perception

New Line Clothings Limited has set its focus on the export market. The management of the company always sell through direct contacts with the existing customers in selected regions by understanding their needs. The company always concern relationship with potential buyers across the world and expects to find market for its capacity despite competition prevailing in the sector. However, the company successfully sourced new potential buyer in the world market.

05. Potential or Existing Government Regulations

The company operates under the Companies Act 1994, Customs Act 1969, and Labour Law 2006, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991, Value Added Tax (VAT) Rules 1991 and other related regulations. Any abrupt change of the policies made by the regulatory authorities may adversely affect the business of the company.

Management Perception

RMG export is a vital sector for the growth of the economy of Bangladesh. Government incentives and subsidies are crucial to maintain the sustainability and growth of this sector. Unless any adverse policies are made, which may significantly affect the industry as a whole; the business of the company will not be affected.

06. Interest rate risks

Interest rate risk is the risk that company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception

The Management of NLCL always emphasizes on the management of its finance to an optimum capital structure of the company, so that the cost of capital remains minimum. The management prefers to procure long-term loan with minimum interest rate and the short-term fund with reasonable competitive rate. Moreover, the company has been repaying borrowed funds on a continuous basis. Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing, suggesting the management perception for interest rate risk to have a minimal impact on the company's profitability and viability.

07. Changes in Global or National Policies

The performance of the Company may be affected due to unavoidable situation arising from political or environment changes worldwide. These may also bring changes to world economy as a whole.

Management Perception

To reduce the risk, the company has customers from various countries of the world. The management of the company is always concerned about the prevailing and upcoming changes in the global and national policy and shall take corrective actions as required in the coming days.

Discussion on cost of goods sold, gross profit margin and net profit margin is as follows:

(Figure in BDT)

Particulars	June 30,2021		June 30,2020	
	Amount	%	Amount	%
Sales/Turnover	2,370,130,409	100.00	2,258,049,210	100.00
Cost of Goods Sold	2,009,384,415	84.78	1,896,679,182	84.00
Gross Profit	360,745,995	15.22	361,370,028	16.00
Net Profit (after Tax) for the year	127,946,612	5.40	84,982,984	3.76

The company is a manufacturer and exporter of woven garments. In the two-year period in review here, the company experienced incremental growth in its revenue flow from comparative year. The revenue which is generated from solely export sales has reached to BDT 2,370.13 million in FY2021 with 4.96% increment from the preceding year. The company continued its operation during the lockdown of 2021 following the government guidelines and also did not lose its work orders. The pandemic influenced the prices of raw materials which along with other pandemic difficulties has raised the cost of goods sold for the company in FY2021 as the company had closing stock and work in process from previous year due to lower selling volume in 2020 than expected. Growth of direct costs as a result has overcome the growth of revenue resulting in decrease of the gross profit margin in 2021. However, NLCL monitored its operating expenses on a strict manner and lowered commercial, general office and miscellaneous other expenses to reduce the operating cost by 1.73% in FY2021. Adding to that, large increase of cash incentive in 2021 from the previous year has boosted the other income for the company. In 2020, Bangladesh Bank has provided relaxation over loan repayment and downwards classification of loan status which allowed NLCL to lower its financial expenses in FY2021. Lowering these operating and financial expenses as well as earning higher other income has eventually led to 44.18% higher net profit before tax in the latest year. The tax expenditure moved slightly upwards despite which that was a 50.56% improvement to the net profit after tax in 2021 earning the company a net profit margin of 5.40% from 3.76% in the previous year. The higher profitability showed improved asset utilization percentage for revenue generation as depicted by the return on assets and return on equity ratios in the latest year.

Discussion on continuity of extra-ordinary gain or loss

Extraordinary gain or loss refers to infrequent and unusual gain or loss and which is not part of the Company's ordinary/day to day operations. There is no such gain or loss incurred during the year under reporting.

Appropriation Proposed

1	Net Profit After Tax for the year 2020-2021		Tk 127,946,612
2	**Appropriation Proposed:** (i) Cash Divided @ 12.25% (Tk 10/-per share)	Tk. 66,549,006	
	Total appropriation for the year		Tk. 66,549,006
	Transferred to retained earnings		Tk. 61,397,606

Related Party Transactions

The Company has Related Party transactions which have been disclosed in related party transaction (IAS 24) in note no. 28.07 of the notes to the financial statements.

Utilization of proceed from Public Issue

The company raised Tk. 30.00 crore by issuing 30,000,000 Ordinary shares of Tk 10.00 each from the capital market in order to meet up the fund requirements for the purpose of Acquisition of Plant & Machinery, Extension of Factory Building, Repayment of partial long-term loan with Southeast Bank Limited, Banani branch and IPO Expenses. For proper utilization of IPO proceed and more economic benefit of the shareholders, the Board of Directors of the company revised the IPO utilization plan in its meeting held on December 10, 2019 and subsequently approved by the honourable shareholders in its 19th Annual General Meeting held on 30th December 2019. After that, company get approval regarding revised IPO utilization plan from Bangladesh Securities and Exchange Commission (BSEC) dated July 05, 2020 vide letter ref-BSEC/CFD/95/2020/64. But due to protect spread of Covid-19 pandemic, government declared country wide strict lock down from 27th March 2020 to May 2020 and further declared strict shutdown from Month of April year 2021, company couldn't utilize IPO proceed on time. However, the company has taken necessary

initiative and opened Letter of Credit for importing Capital machinery after using rest of the IPO proceeds on December 01,2021. By June 30, 2021 the company had utilized Tk. 68,455,113 as Acquisition of Plant & Machinery and Automation Program, Tk. 34,335,534 as Renovation & Compliance development of factory, Tk 90,000,000 as Partial Long Term Loan repayment and Tk. 15,881,900 as IPO Expenses.

As per consent letter no. BSEC/CI/IPO/272/2017/49 dated January 22, 2019, we have reported to BSEC, DSE, and CSE on monthly basis till February 28, 2021.

Significant variance of financial statements

No significant variations have occurred between quarterly and financial results of the company during the year under report.

Taxation

The tax expense for the period comprises current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to a business combination or items recognized directly in equity.

Deferred Tax

The provision for deferred tax has been made based on the difference between accounting depreciation and tax depreciation of property, plant and equipment calculated by the tax authority in the assessment year 2015-16. The rate of deferred tax has been applied as per Income Tax Ordinance, 1984.

Remuneration to Directors Excluding Independent Directors

The company has no remuneration paid to Independent Director excluding other Directors and Managing Director. Remuneration paid during the year is shown in Financial Statements under note no. 28.07. During the year under reporting 07 No.'s Board of Directors meeting held and the directors of the Company were not paid any fee for attending board meeting.

Audit Committee

As required by the BSEC, the Board of New Line Clothings Limited constituted its Audit Committee. The committee was formed with 4(Four) members and headed by Mr. A.S.M Shamsuddin Mazumder, Independent Director of the company. A separate report on the Audit committee is given in the page 35-36.

Nomination and Remuneration Committee (NRC)

In terms of provision of 6 of Bangladesh Securities and Exchange Commission notification dated 3rd June 2018, the board of New Line Clothings Limited Formed Nomination and Remuneration Committee headed by Mr. Md. Shafiqul Islam, Independent Director of the company. A separate report on the Nomination and Remuneration committee is given in the page 37-38.

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with International Accounting Standard (IAS), International Financial Reporting Standard (IFRS), Companies Act 1994, and Securities and Exchange Rules 1987. These statements present fairly the company's state of affairs, the results of its operations, cash flow and changes in equity.

In compliance with the requirement of the Bangladesh Securities and Exchange Commission's Corporate Governance Code 2018, the Chief Executive Officer/Managing Director and the Chief Financial Officer have given their declarations about the fairness of the financial statements which disclosed in Page 32.

Directors Responsibilities for Financial Statements

The financial statements prepared by the management of New Line Clothings Limited fairly represent its state of affairs, the result of its operations, cash flow and changes in equity. The financial statements together with notes thereon have been drawn up in conformity with the Companies Act 1994, Securities and Exchange Rules 1987.

a. Proper books of accounts of the company have been maintained.

b. Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgement.

c. The International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed.

d. The systems of internal control are sound and have been implemented and monitored effectively.
e. There are no significant doubts upon the company's ability to continue as a going concern.

Human Resource Development

New Line Clothings Limited is committed to employing a highly professional and competent staff, seeking only those who have the education, dedication and character to represent a company of our stature. As a result, it is important for us to focus on a strong human resources department that is dedicated to fostering a competitive work environment for the hard –working employees. Our company believes that it is important to provide our employees with a learning experience while they are working for us in order to boost their professional development and enhance their capabilities. We offer regular training programs to our officers and workers by organizing workshops, seminars and demonstrations. The training programs of the company are chalked out with idea to educate and develop selected personnel so that they acquire required knowledge skill and experience needed to manage future positions. Thus the workers/staffs get the opportunity to sharpen their existing skills or develop specialized skills which in turn, will help them to take up new roles.

Internal Control

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Board of Directors has formed an audit committee which is headed by an Independent Director in order to meet the requirements of the Bangladesh Securities and Exchange Commission (BSEC).

The Audit Committee monitors the effectiveness of the "Internal Control" function on regular basis. The committee then makes recommendations based on the policies and procedures adopted by the Board for the Audit Committee. During the year, the Internal Audit Committee made recommendations on several issues to the board & Management and those recommendations have been implemented effectively.

Minority Shareholders Protection

The Board is and shall be committed to respect the rights of the minority shareholders to voting, right to information, dividends and appraisal of any alteration in Memorandum and Articles.

Going Concern

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future and has therefore continued to adopt the going concern basis in preparing the financial statements.

Significant deviation of Operating Result from the last year

There is no significant deviation in operating results compared to the previous year.

Key operating and financial data preceding five years

The key operating and financial data preceding 5(Five) years disclosed in Annual Report Page no. 31.

Appointment of Statutory Auditors

M/s Shiraz Khan Basak & Co, Chartered Accountant has carried out the Audit of accounts of the company for the year June 30, 2021 and completed consecutive three years of audit. They are not eligible for re-appointment in accordance with the provision of notification of BSEC under reference BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June 2018 and Regulation number 15(3) of Stock Exchange (Listing) Regulations 2015. Among the proposals received from Chartered Accountants firms, the Audit committee reviewed the proposal for appointment and recommended to the Board for appointment of M/s Ashraf Uddin & Co., Chartered Accountants with professional fee of Tk. 250,000/- only including TDS but excluding VAT as Statutory Auditors of the company for the year 2021-2022 until conclusion of the next Annual General Meeting.

The appointment of Statutory auditor to be placed before 21st Annual General Meeting for approval of honourable shareholders.

Appointment of Professional firm for the Certificate on Compliance with the CGC of BSEC

As per notification of BSEC under reference BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 the Board of Directors of New Line Clothings Limited has appointed M. Mohashin & Co.(Practicing Chartered Secretaries) as professional for Report on Compliance of Corporate Governance Code for the year 2021-2022 and fix their professional fee of Tk. 30,000/- only including TDS but excluding VAT subject to approval of the shareholders of the company in its 21st Annual General Meeting.

Appointment of Independent Scrutinizer

Pursuant the directive (ref- BSEC/CMRRCD/2009-193/08) of BSEC under condition 9 dated 10th March 2021 and subsequent recommendation of Audit Committee the Board of Directors of New Line Clothings Limited has appointed Mr. Md. Sharif Hasan, LLB, FCS, Managing Partner & Lead Consultant, ManConBD as an Independent Scrutinizer for observing the due diligence and AGM process, election process and detailed information of voting results of the 21st Annual General Meeting scheduled to be held on 27th January 2022 at the Digital platform.

Maintaining a website

In compliance with the notification of BSEC (ref- BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 under condition 08, the company has been maintaining an official website namely **www.newline.com.bd** which is linked with the website of the stock exchange and it is functional from the date of listing and all disclosures and financial statements are available in the website.

Subsidiary Company

The company has no subsidiary company.

Status of Compliance on Corporate Governance Code

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented on Page No. 40-51.

Dividend

The Board of Directors of New Line Clothings Limited has recommended 12.25% Cash Dividend (only for General Shareholders) for the year ended on June 30, 2021. Shareholders whose name appear in the Share Register of the Company and /or Depository Register of CDBL as on record date November 30, 2021 will entitled for dividend.

Particulars	2020-2021	2019-2020
Cash Dividend	12.25% (Only for General Shareholders)	05% (Only for General Shareholders)
Stock Dividend	-	05% (For all Shareholders including Sponsor/Director)

Interim Dividend

No stock dividend has been declared as interim dividend for the year June 30,2021.

Unclaimed or undistributed or unsettled Dividend

Bangladesh Securities and Exchange Commission issued a directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 to transfer unclaimed or undistributed dividend to the capital market stabilization fund. In compliance with the directive, New Line Clothings Limited not eligible to transfer unclaimed or undistributed dividend to the capital market stabilization fund. However, in respect of said directive and rules, we will comply it after end of time line.

You may please note that, we keep unclaimed dividend amount in our separate bank account and unpaid & unclaimed stock dividend in suspense BO Account directly.

Board Meeting and Attendance

During the year total 07(Seven) board meeting were held. Details of the board meetings are shown in the note 28.06 of the notes to the financial statements. The Managing Director who is an Ex Officio, CFO and Company Secretary were present in all board meetings.

Pattern of Shareholding and name wise details

Sl. No.	Name of the shareholders	Position	No. of Shares Held
a.	**Parent/Subsidiary/Associated Companies and other related parties**	-	-
b.	**Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouse and minor children:**		
	(i) Mr. Osman Khadem	Chairman	5,379,318
	(ii) Mr. Mashiul Haq Chowdhury	Vice Chairman & Director	1,793,106
	(iii) Mr. M. Zakir Chowdhury	Managing Director & CEO	2,689,659
	(iv) Mr. Md. Asif Rahman	Director	2,689,659
	(v) Mr. Maruful Haque Chowdhury	Director	2,689,659
	(vi) Sigma technologies Ltd (Nominated by Mr. Ali Mostafa)	Director	8,965,530
	(vii) Mr. A.S.M Shamsuddin Mazumder	Independent Director	-
	(viii) Mr. Md. Shafiqul Islam	Independent Director	-
	(ix) Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouse and minor children	-	-
c.	**Executives; and**	-	-
d.	**Shareholders holding 10% or more voting interest in the company:**	-	-

Directors' Appointment and Re-Appointment

In accordance with Article No. 129 and 130 of the Articles of Association of New Line Clothings Ltd, Mr. M. Zakir Chowdhury (Director) and Mr. Maruful Haque Chowdhury (Director) retired by rotation from the Board in the 21st Annual General Meeting. Being eligible, they offered themselves for re-appointment. The brief resume of the Director, nature of his expertise in specific functional areas and membership of committee of the Board is given below:

Mr. M. Zakir Chowdhury, Director

Mr. M. Zakir Chowdhury, is one of Director of the Company. He is also act as Managing Director & CEO of the company. He has 27 years' experience in business arena. He completed his business degrees from top management school (MBA in Finance & M. Sc in Economics) of the country have made Mr. Zakir well equipped for handling the top global clothing Brands.

With the experience of numerous varieties of woven and knitted products with different needs and demands of buyers from different corners the world, he has become trend-efficient of the styles and fashion and is capable of meeting multifarious demands of the customers. Being the MD & CEO, presently he looks after the marketing, handling product inquires operations and overall management of the company.

Mr. Maruful Haque Chowdhury, Director

Mr. Maruful Haque Chowdhury, is one of Director of the Company. He has been awarded bachelor degree from UK and course from IBA. He is a responsible for Sourcing & Procurement, Commercial & Banking matters of the company and therefore plays a vital role in negotiations with the buyers, suppliers and other related subject.

Mr. Maruf, visited number of countries and acquired practical knowledge and experience about RMG industry and others related to it especially international business & marketing. He is also involved in other diversified businesses and social organizations.

Investor Relation

Information about New Line Clothings Limited is provided on our corporate website at www.newline.com.bd. We have dedicated Investors Relation Department. Our investor relation team places high degree of importance to any queries and complains. Every possible step for timely resolution of issues and grievances are taken to ensure investor satisfaction. The mechanism of redresser of investor complains is explained below:

Investors are encouraged to address their queries via e-mail: info@newline.com.bd. Investors can also register their complains and queries through an application to the company secretary. Investor's relation team acknowledges the complaint and contacts the investors to confirm the identity:

- **Shareholder BO ID**
- **Shareholder Name**
- **Other related information based on query**

Investor's relation team, after confirming the shareholders identity, addresses their queries and provides required information/guidance.

Insurance Coverage

The company has comprehensive insurance covering all risks including fire, business interruption, natural disaster etc. through Bangladesh National Insurance Co. Limited (reinsured with Sadharan Bima Corporation).

Contribution to the National Exchequer

During the year 2020-21, the company contribution to the National Exchequer was BDT 324,741,569.00; The breakdown of Contribution which is as follows:

Particulars	**Amount in BDT**
VAT-Revenue	109,309,039
SD-Revenue	99,598,535
TDS & Income Tax	13,510,812
VAT & ATV-Import	41,304,840
AIT-Import	23,368,310
Import Duty	33,609,876
Surcharge & Others	4,040,157
Total	**324,741,569**

Awards and Recognition

New Line Clothings Limited has been awarded ISO 14001:2015 Certificate (Environmental Management System) and achieved prestigious award "Best Top Management Commitment" from ALDI Factory Advancement Project (AFA Project) in December 2015 and received certificate from ALDI Factory Advancement Project (AFA Project). We hope and will make every effort to continue upholding this standard in the future.

Information Technology

We, at New Line Clothings Limited always strive for the innovation in business by adopting something different, smarter or better for bringing positive impact in terms of value, quality or productivity. We believe that now accurate business planning, effective Marketing, global sales, systematic Management, real time monitoring, instant customer support and long-term business growth cannot be achieved at the optimum level without IT and we plan ahead of others to enable our operations process through IT. It is our pleasure to inform you that all our production unit and material department under surveillance through use of CCTV.

Credit Rating

New Line Clothings Limited has been rated as BBB-(Pronounced as Triple B minus) rating in the long term and ST-4 rating in the short term by Emerging Credit Rating Limited (ECRL) based on audited financial statements year 2018-2021 in addition to other relevant qualitative information valid up to rating date. The date of rating was on December 28, 2021. The outlook of the ratings is Stable. Grade BBB- indicates the Company's current position of revenue, selling capacity, management experience, capacity to repay banks principal and interest. Grade ST-4 indicates good certainty of timely payment, liquidity factors and company fundamental are sound and risk factors are small.

Statement of Directors on Financial Reports

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018, the Directors are pleased to confirm the followings:

a) The financial statements together with notes thereon have been drawn up in conformity with the Companies Act, 1994 and Bangladesh Securities and Exchange Commission Rules- 1987, the rules and regulations issued by the Bangladesh Bank from time to time and other applicable laws and regulations. These statements present fairly the company's state of affairs, the result of its operations, statement of cash flows and changes in equity.

b) Proper books of accounts of the company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

d) The International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) as applicable in Bangladesh have been followed in preparation of the financial statements.

The directors of the company further confirm that-

e) No fund raised through public issues, right issues and/or any other instruments during the year.

f) The company didn't give any offer for IPO, RPO, Right Share Offer, Direct Listing etc. during the year under reporting.

Management Appreciation

We would like to record our sincere thanks and gratitude to the respected shareholders, valued clients, Banks and well-wishers' home and aboard for their wholehearted co-operation and active support, the unwavering trust in our company for a sustainable better future.

We the Directors of New Line Clothings Limited humbly express our gratitude and acknowledge with keen interest the co-operation and unflinching support we have received from various regulators including Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd (DSE), Chittagong Stock Exchange Ltd (CSE), Central Depository Bangladesh Limited, Registrar of Joint Stock Companies & Firms (RJSCF), Government and private sector Organization and many others for extending their cooperation to our company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers and employees of the company specially in Covid-19 pandemic time.

Thanks, are also due to all directors, all executives, officers, staff and workers of the company for their excellent, sincere, dedicated efforts in achieving company's target during the year under review. To ensure financial security, we always welcome your suggestions and opinion to improve present and future services of the company.

We look forward for your continuous support and best wishes for meeting the future challenges awaiting us in the competitive market and satisfying ever increasing expectation of our customer's partners and well-wishers.

Thanking you.

On behalf of the Board of Directors

Sd/-
Osman Khadem
Chairman
October 28, 2021

KEY OPERATING & FINANCIAL HIGHLIGHTS

Key operating and financial data of New Line Clothings Limited for the last 05(Five) years have been presented in summarized form below:

Operational Result	Amount in Taka				
	30-June-2021	30-June-2020	30-June-2019	30-June-2018	30-June-2017
Turnover	2,370,130,409	2,258,049,210	2,243,380,473	2,132,252,575	2,081,794,798
Year to Year Changes in revenue (%)	4.73	0.65	4.95	2.37	22.78
Cost of Goods Sold (COGS)	2,009,384,415	1,896,679,182	1,903,001,894	1,790,330,972	1,812,004,060
COGS to revenue (%)	84.78	84.00	84.83	83.96	87.04
Gross Profit	360,745,995	361,370,028	340,378,579	341,921,603	269,790,737
GP to revenue (%)	15.22	16.00	15.17	16.04	12.96
Operating Expenses	129,046,271	131,319,438	130,085,980	119,118,287	118,275,793
Operating Expenses to revenue (%)	5.44	5.82	5.80	5.59	5.68
Operating Profit	231,699,724	230,050,590	210,292,599	222,803,316	151,514,944
Net profit before tax	145,949,288	101,228,405	92,087,254	92,466,036	85,611,795
Net Profit after tax	127,946,612	84,982,984	78,509,135	75,758,018	76,903,280
Net Profit after tax to revenue (%)	5.40	3.76	3.50	3.55	3.69
Share Capital	785,326,500	747,930,000	699,000,000	399,000,000	399,000,000
Earnings Per Share (EPS)-Basic	1.63	1.08	1.12	1.90	1.85
Net Operating Cash Flow Per Share (NOCFPS)	3.22	1.44	4.77	2.00	2.33

Financial Position	30-June-2021	30-June-2020	30-June-2019	30-June-2018	30-June-2017
Non-Current Assets	1,235,171,595	1,130,698,313	1,124,868,810	1,052,473,579	1,063,708,332
Current Assets	2,170,912,903	2,202,192,427	2,106,252,432	1,877,467,074	1,665,016,350
Shareholder's Equity	1,886,646,868	1,782,305,989	1,715,901,223	1,334,864,440	1,261,843,854
Non-Current Liabilities	793,010,340	868,521,069	885,880,299	284,151,902	314,769,460

KEY RATIO ANALYSIS

Key ratios of New Line Clothings Limited for the last 05(five) years have been presented below:

Key Financial Ratio	30-June-2021	30-June-2020	30-June-2019	30-June-2018	30-June-2017
Current Ratio	2.99	3.23	3.35	1.43	1.45
Quick Ratio	1.87	2.11	2.16	0.82	0.77
Debt to Equity Ratio	0.64	0.87	0.72	1.01	0.98
Net Profit Ratio	5.40	3.76	3.50	3.55	3.55
Return on Equity Ratio	6.78	4.77	4.58	5.68	5.86
EPS (Basic)	1.63	1.08	1.12	1.90	1.85

Annexure-A
[As per Condition No. 1(5)(XXVI)] of CGC

NEW LINE CLOTHINGS LIMITED
DECLARATION BY CEO AND CFO TO THE BOARD OF DIRECTORS

October 28, 2021

The Board of Directors
New Line Clothings Limited
Plot # 1945, Kauchuakuri, Kamrangachala,
Mouchak, Kaliakair, Gazipur, Bangladesh.

Subject: Declaration on Financial Statements for the year ended on June 30, 2021.

Dear Sir's

Pursuant to the condition no.1 (5) (XXVI) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 under section 2CC of the Securities & Exchange Ordinance 1969, we do hereby declare that:

1. The financial statements of New Line Clothings Limited for the year ended on June 30, 2021 have been prepared in compliance with International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exist no material uncertainly related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

1. We have reviewed the financial statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;

2. There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
M. Zakir Chowdhury
Chief Executive Officer (CEO)

Sd/-
Sharif Ahmed
Chief Financial Officer (CFO)

MANAGEMENT'S DISCUSSION & ANALYSIS

The management of New Line Clothings Limited, continue the effort to run the business with high level of integrity, accountability & honesty. Quality of work, skilled human resources is the main assets of the company. We have maintained the friendly work environment, good governance and comply all rules and regulations.

The management also comply the all-applicable rules and regulations for its financial information also preparing the financial statements. In addition to that the management states that-

a. Appropriate accounting policies and estimation made for preparation of financial statements.

b. There is no significant change in accounting policies and estimations that may impact on financial position and financial performance.

c. Comparative analysis

The comparative analysis of key components of financial statements given below.

Operational Result	Amount in Taka				
	30-June-2021	30-June-2020	30-June-2019	30-June-2018	30-June-2017
Turnover	2,370,130,409	2,258,049,210	2,243,380,473	2,132,252,575	2,081,794,798
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Earnings Per Share (EPS)-Basic	1.63	1.08	1.12	1.90	1.85
Net Operating Cash Flow Per Share (NOCFPS)	3.22	1.44	4.77	2.00	2.33

d. Comparison of financial performance, financial position and cash flows with peer industries:

New Line Clothings Limited is the 100% export oriented woven garments industry in Bangladesh to produce various kinds of woven garments for both ladies and gents including trousers, shirts, children wear, gents wear, female wear, jackets, Sportswear, denim garments etc. and exported it to outside of Bangladesh. Management analyzes the financial performance and growth of the company with other related manufacturing company also analyze the domestic and international market scenario.

e. Financial and Economic scenario briefly explained in Managing Directors message.

f. Risks and concerns issues related to the financial statements given in the Directors report.

The Company has taken all sorts of feasible plans, strategy and vision to continue the operations of the Company for foreseeable future. Board of Directors and management of the company are looking forward to keep its progress in alignment with industry's growth and have made all preparation to this end.

For and on behalf of the Company

Sd/-
M. Zakir Chowdhury
Managing Director & CEO

DIRECTOR'S DECLARATION

The Directors are responsible for preparing the annual report and financial statements in accordance with the companies Act 1994, Securities and Exchange Commission Rules 1987, International Financial Reporting Standards (IFRS) and other applicable laws and regulations. In addition, to the Directors report, the Directors are declaring following additional statements to the best of their knowledge as complied and maintained for the current financial year under review:

- The financial statements prepared by the management of the Company present a true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity;
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates are reasonable and prudent.
- The financial statements were prepared and presented in accordance with IAS & IFRS.
- The internal control system is sound in design and effectively implemented and monitored.
- There is no significant doubt about the company's ability to continue as a going concern.
- Key operating and financial data of last five years have been presented in summarized form in page no. 31.
- All the judgments and decisions taken by management are rational and prudent.

Sd/- **Osman Khadem** Chairman	Sd/- **Mashiul Haq Chowdhury** Vice Chairman & Director
Sd/- **M. Zakir Chowdhury** Managing Director & CEO	Sd/- **Md. Asif Rahman** Director
Sd/- **Maruful Haque Chowdhury** Director	Sd/- **Sigma Technologies Ltd (Nominated by Mr. Ali Mostafa)** Director
Sd/- **A.S.M Shamsuddin Mazumder** Independent Director	Sd/- **Md. Shafiqul Islam** Independent Director

REPORT OF THE AUDIT COMMITTEE

For the Year 2020-2021

New Line Clothings Ltd having an Audit Committee as a subcommittee of the Board of Directors in order to assist the Board in ensuring and fulfilling its oversight responsibilities.

As per notification of BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the Audit Committee of New Line Clothings Limited was constituted as follows:

Name	Position in the Audit Committee	Position in the Board
Mr. A.S.M Shamsuddin Mazumder	Chairman	Independent Director
Mr. Osman Khadem	Member	Non-Executive Director
Mr. Md. Shafiqul Islam	Member	Non-Executive Director
Mr. Md. Mozammel Hossain	Member Secretary	N/A

Meeting and Attendance

The members of the Audit Committee attended in 04(Four) meetings held during the last 12(Twelve) months from 1st July 2020 to 30th June 2021.

The scope of Audit Committee was defined as under:

i. Review and recommended to the Board to approve the quarterly and annual financial statements prepared for statutory purpose.

ii. Monitor and oversee choice of accounting policies and principles, internal control, risk management process, auditing matter, hiring and performance of external auditors.

iii. Review the implementation of significant issues as recommended to the Board.

iv. Carry on a supervision role to safeguard the system of governance and independence of statutory auditors.

v. Review and consider the internal report and statutory auditors' observations on internal control.

vi. Recommending to the Board for appointment, reappointment or removal of external auditors.

vii. Review and monitor the Companies ethical standards and procedures to ensure compliance with the regulatory and financial reporting requirements.

viii. Review utilization of fund raised through IPO by the company.

ix. To act on any other matters as may be directed by the Board for the sake of safe guard of investors' interest.

Function/Activities carried out by Audit Committee during the year 2020-21:

In accordance with Audit Committee Charter, governed by the BSEC notifications on Corporate Governance Code, the committee carried out its duties to work on the areas that were raised for consideration and discussed to evaluate issues related to key events of financial reporting cycles. During the current financial period under report, activities of the committee include, among others:

- Reviewed audited & un-audited quarter financial statements of the company and recommended to the Board for adoption, consideration and circulation as per the requirement of Bangladesh Securities & Exchange Commission (BSEC).
- Reviewed the audited financial statements of the Company for the year ended June 30, 2021 this review incorporated the accounting policies and key judgments and estimates underpinning financial statements as disclosed in Notes to the Accounts.
- Recommending Ashraf Uddin & Co., Chartered Accountants, to the Board for appointment as the statutory auditor of the company for the next financial year ending on 30th June 2022 as M/s Shiraz Khan Basak & Co., Chartered Accountants, the retiring auditor have completed 03(three) consecutive years of service as statutory auditor of the company and hence are not eligible for re-appointment in terms of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 20th June 2018.
- Recommending M. Mohashin & Co.(Practicing Chartered Secretaries), to the Board for appointment as Compliance auditor of the company for the next financial year ending on 30th June 2022.

- Reviewing of the effectiveness of internal financial control system and the internal audit procedures.
- Appraising of the recurrent related party transactions during the year under report to ensure that transactions were carried out on arm's length basis, not prejudicial to the interest of the company or its minority shareholders and were in compliance with applicable prevailing laws and regulations for the purpose.
- Oversee the proceeds raised through Initial Public Offering (IPO) have been utilized as per the purpose stated in Prospectus approved by the Bangladesh Securities and Exchange Commission(BSEC). Management disclosed to the Audit Committee about the utilization of IPO Proceeds till during the reporting period and submitted statement of the proceed utilized for the purposes other than those stated in the prospectus for publication in the Annual Report along with the comments of the Audit Committee.

- The committee reviewed the compliance with existing laws and regulation.
- Approved the internal audit plan.
- Reviewed the effectiveness and independence of the Statuary auditors and recommended re-appointment of external auditors.

Conclusion
The Audit Committee recommended to the Board of Directors that financial statements have been prepared and presented in compliance with all laws, regulations and standards as applicable. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

The Audit Committee expressed their sincere thanks to the Board of Directors and Management of the company for their support in carrying out its duties and responsibilities effectively.

On behalf of the Audit Committee

Sd/-
A.S.M Shamsuddin Mazumder
Chairman
Audit Committee

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE (NRC)

For the year 2020-2021

Nomination and Remuneration Committee is a sub-committee of the Board, formed with the Terms of Reference as set forth in the condition no. 6(5) (b) of BSEC Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 to ensure maximum effectiveness in its operation and shall recommend any changes necessary to the Board for approval.

The Nomination and Remuneration Committee consists of the following members:

Name	Position in the NRC	Position in the Board
Mr. Md. Shafiqul Islam	Chairman	Independent Director
Mr. A.S.M Shamsuddin Mazumder	Member	Independent Director
Mr. Md. Asif Rahman	Member	Director
Mr. Md. Mozammel Hossain	Member Secretary	N/A

Meeting of NRC

The NRC met 01(one) time during the year and the attendance thereof is given in below mentioned table.

Name	No. of Meeting held	No. of Meeting Attended
Mr. Md. Shafiqul Islam	01	01
Mr. A.S.M Shamsuddin Mazumder	01	01
Mr. Md. Asif Rahman	01	01
Mr. Md. Mozammel Hossain	01	01

The committee has undertaken and discussed the following matters:

1. Reviews the status of the Board composition along with their qualifications, experience, attributes, independence of the Board members made recommendation thereof.
2. Set up an organization structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement.
3. Set up standard pay structure for Top level executives based on education, experience and competency.
4. A target-based performance Management of employees to evaluate performance that will lead to yearly Increment and promotion of employees.
5. Employee Benefit policy to attract the job seekers and retain internal talents. Succession planning of the company to have our future leaders ready according to the requirements.
6. Ensuring extensive training and development plan for the individual or group of people.
7. A transparent recruitment and selection policy where competent personnel get hired.
8. Reviews the Company's Human Resources Policy and recommended on it.
9. Overseas other issues as laid down in the Terms of Reference (ToR).

Role of the NRC

The major roles and responsibilities of the committee, among others, include:

a. To be independent and responsible or accountable to the Board and to the shareholders.

b. To assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executives, as well as a policy for formal process of considering remuneration of directors and top-level executives.

c. To recommend to the Board regarding the level and composition of remuneration whether these are reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.

d. To recommend to the Board regarding the relationship of remuneration to performance that is clear and meets appropriate performance benchmarks.

e. To recommend to the Board regarding remuneration to directors, top level executives that involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals.

f. To recommend a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational and nationality;

g. To identify persons who are qualified to become directors and top-level executives and recommended their appointment and removal to the Board;

h. To formulate the criteria for evaluation of performance of independent directors and the Board;

i. Identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;

j. To recommend and review annually the Company's human resources and training policies.

k. To recommend the Code of Conduct for the Chairperson of the Board, other Board members and Chief Executive (CEO)/MD of the company.

Major Activities carried out during the year

The NRC carried out the following activates in line with Committee's Terms of Reference during the reporting period were as follows:

i. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors of the Company;

ii. Determined & proposed the name of Director for retirement & reappointment;

iii. Reviewed Annual Appraisal of Top- Level Executives of the Company;

iv. Reviewed Directors Remuneration & fees;

v. Monitor the level and structure of remuneration for senior management;

vi. Developing, recommending and reviewed the Company's existing Human Resource and Training policies;

vii. Oversee any major changes in employee benefits structures throughout the Company;

Reporting by the NRC to the Board

The NRC committee regularly reports on its work to the Board and report includes a summary of the matters addressed in the meeting. The NRC expressing its opinion to the Board that the nomination, retirement, re-election & remuneration of directors & top-level executives are adequate for presetting true and fair view of the Administration & HR department and also expressed that the internal control of the company is quite well.

On behalf of the Nomination and Remuneration Committee of
New Line Clothings Limited

Sd/-
Md. Shafiqul Islam
Chairman
Nomination and Remuneration Committee

Report to the Shareholders of New Line Clothings Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by New Line Clothings Ltd. for the year ended on June 30, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that, we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The governance of the company is satisfactory.

For Podder & Associates

Place: Dhaka, Bangladesh
Dated: December 30, 2021

Sd/-
Jayanta Kumer Podder
Cost & Management Accountants

Annexure-C

[As per condition No. 1(5)(XXVII)]

Status of Compliance with the Corporate Governance Code (CGC)

For the year ended June 30,2021

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission`s Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report Under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1	**Board of Directors**			
1.1	Size of the Board of Directors			
	The total number of the Board members of a company's shall not be less than 5 (five) and more than 20 (twenty).	✓	-	The NLCL Board is Comprised of 08 Directors including Managing Director
1.2	**Independent Directors**			
1.2(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors;	✓	-	There are 02 Independent Directors in the NLCL Board
1.2(b)	For the purpose of this clause "independent director" means a director-			
1.2(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓	-	
1.2(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓	-	
1.2(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓	-	
1.2(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓	-	
1.2(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓	-	
1.2(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓	-	
1.2(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓	-	
1.2(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓	-	
1.2(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓	-	
1.2(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1.2(c)	The independent director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM);	✓	-	
1.2(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	-	-	No such issue arose
1.2(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓	-	
1.3	**Qualification of Independent Director (ID)**			
1.3(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to the business;	✓	-	
1.3(b)	**Independent director shall have following qualifications:**			
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓	-	
1.3(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓	-	
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	-	-	N/A
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-	-	N/A
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	N/A
1.3(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓	-	
1.3(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	No such issue arose
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer**			
1.4(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓	-	
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓	-	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1.4(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓	-	
1.4(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	No such issue arose
1.5	**The Directors' Report to Shareholders**			
1.5(i)	An industry outlook and possible future developments in the industry;	✓	-	
1.5(ii)	The segment-wise or product-wise performance;	✓	-	
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	-	
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓	-	
1.5(v)	A discussion on continuity of any Extra-ordinary activities and their implications (gain or loss);	✓	-	
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓	-	
1.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓	-	
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;	-	-	No such issue arose
1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓	-	
1.5(x)	A statement of remuneration paid to the Directors including Independent directors;	✓	-	No Remuneration paid to Independent Director
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓	-	
1.5(xii)	Proper books of account of the issuer company have been maintained;	✓	-	
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓	-	
1.5(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓	-	
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1.5(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	-	
1.5(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓	-	
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	-	
1.5(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓	-	
1.5(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	Company has declared 12.25% Cash dividend (only for General Shareholders) for the year 2020-2021
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-	-	No interim dividend declared
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓	-	
1.5(xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by-**			
1.5(xxiii)(a)	Parent / Subsidiary / Associated Companies and other related parties (name-wise details);	-	-	NLCL does not have any Parent/Subsidiary or Associated company
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓	-	
1.5(xxiii)(c)	Executives;	✓	-	
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓	-	
1.5(xxiv)	**In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:**			
1.5(xxiv)(a)	A brief resume of the director;	✓	-	
1.5(xxiv)(b)	Nature of his or her expertise in specific functional areas;	✓	-	
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓	-	
1.5(xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			
1.5(xxiv)(a)	Accounting policies and estimation for preparation of financial statements;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance and financial position as well as cash flows in absolute figure for such changes;	✓	-	N/A
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓	-	
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓	-	
1.5(xxv)(e)	The financial and economic scenario of the country and the globe;	✓	-	
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓	-	
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓	-	
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A;**	✓	-	
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C.**	✓	-	
1.6	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓	-	
1.7	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓	-	
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the company.	✓	-	
2	**Governance of Board of Directors of Subsidiary Company**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	-	-	N/A

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).**			
3.1	**Appointment**			
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓	-	
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓	-	
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓	-	
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓	-	
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓	-	No such issue arose
3.2	**Requirement to attend Board of Directors' Meetings**			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board provided that the CS, CFO and / or the HIAC shall not attend such part of a meetting of the Board of Directors which involves considetation of an agenda item relaating of thir personal matters.	✓	-	
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓	-	
3.3(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓	-	
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓	-	
4	**Board of Directors' Committee**			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓	-	
4(ii)	Nomination and Remuneration Committee;	✓	-	
5	**Audit Committee**			
5.1	**Responsibility to the Board of Directors**			
5.1(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓	-	
5.1(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓	-	
5.1(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓	-	
5.2	**Constitution of the Audit Committee**			
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	-	
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓	-	
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓	-	
5.2(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee memberto fill up the vacancyimmediately or not later than 1 (one) month from the date of vacancyin the Committee to ensure continuity of the performance of work of the Audit Committee;	✓	-	
5.2(e)	The company secretary shall act as the secretary of the Committee;	✓	-	
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓	-	
5.3	**Chairperson of the Audit Committee**			
5.3(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be **Chairperson** of the Audit Committee, who shall be an independent director;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	No such incidence arose
5.3(c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	✓	-	
5.4	**Meeting of the Audit Committee**			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓	-	
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓	-	
5.5	**Role of Audit Committee**			
5.5(a)	Oversee the financial reporting process;	✓	-	
5.5(b)	Monitor choice of accounting policies and principles;	✓	-	
5.5(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓	-	
5.5(d)	Oversee hiring and performance of external auditors;	✓	-	
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓	-	
5.5(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓	-	
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓	-	
5.5(h)	Review the adequacy of internal audit function;	✓	-	
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	✓	-	
5.5(j)	Review statement of all related party transactions submitted by the management;	✓	-	
5.5(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓	-	
5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓	-	
5.5(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓	-	The application/uses of IPO fund of the company have been disclosed to the Audit Committee on quarterly basis before adoption of Accounts by the Board of Directors and the same have been submitted to BSEC, DSE & CSE

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
5.6	**Reporting of the Audit Committee**			
5.6(a)	**Reporting to the Board of Directors**			
5.6(a)(i)	The Audit Committee shall report on its activities to the Board.	✓	-	
5.6(a)(ii)	**The Audit committee shall immediately report to the Board on the following findings, if any;**			
5.6(a)(ii)(a)	Report on conflicts of interests;	-	-	No such reportable incidence arose
5.6(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	No such reportable incidence arose
5.6(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No such reportable incidence arose
5.6(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such reportable incidence arose
5.6(b)	**Reporting to the Authorities**			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incidence arose
5.7	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓	-	
6	**Nomination and Remuneration Committee (NRC).**			
6.1	**Responsibility to the Board of Directors**			
6.1(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓	-	
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓	-	
6.1(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓	-	
6.2	**Constitution of the NRC**			
6.2(a)	The Committee shall comprise of at least three members including an independent director;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
6.2(b)	All members of the Committee shall be non-executive directors;	✓	-	
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	✓	-	
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee	✓	-	
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	No such incidence arose
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	No such incidence arose
6.2(g)	The company secretary shall act as the secretary of the Committee;	✓	-	
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓	-	
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓	-	
6.3	**Chairperson of the NRC**			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓	-	
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	No such incidence arose
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	✓	-	Will attend in upcoming AGM
6.4	**Meeting of the NRC**			
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	✓	-	
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	No such incidence arose
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓	-	
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓	-	
6.5	**Role of the NRC**			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
6.5(b)	**NRC shall oversee, among others, the following matters and make report with recommendation to the Board:**			
6.5(b)(i)	**Formulating the criteria for determining qualifications, positive attributes andindependence of a director and recommend a policy to the Board relating to the remuneration of the directors, top level executive, considering the following:**			
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓	-	
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓	-	
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓	-	
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓	-	
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓	-	
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓	-	
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓	-	
6.5(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓	-	
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓	-	
7	**External/Statutory Auditors.**			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1(i)	Appraisal or valuation services or fairness opinions;	✓	-	
7.1(ii)	Financial information systems design and implementation	✓	-	
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓	-	
7.1(iv)	Broker-dealer services;	✓	-	
7.1(v)	Actuarial services;	✓	-	
7.1(vi)	Internal audit services or special audit services;	✓	-	
7.1(vii)	any service that the Audit Committee determines;	✓	-	
7.1(viii)	Audit or certification services on compliance of corporate governance as required under clause (i) of condition No. 9 (1);	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
7.1(ix)	Any other service that creates conflict of interest;	-	-	No such incidence arose
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	✓	-	
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓	-	
8	**Maintaining a website by the Company**			
8.1	The company shall have an official website linked with the website of the stock exchange;	✓	-	
8.2	The company shall keep the website functional from the date of listing;	✓	-	
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓	-	
9	**Reporting and Compliance of Corporate Governance**			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓	-	
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	✓	-	A separate agenda to be provided in the ensuring 21st AGM
9.3	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	✓	-	

FINANCIAL STATEMENTS



Independent Auditor's Report

To the Shareholders of
New Line Clothings Limited
Report on the Audit of the Financial Statements.

Opinion

We have audited the Financial Statements of **New Line Clothings Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2021, and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements give true and fair view, in all material respects, of the Financial Position of the company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue Recognition	
At year-end the reported total revenue of Tk. 2,370,130,409 The company generates revenue from the sale of goods to export customers. The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations. There is also a risk that revenue may be overstated /understated due to the timing differences Between L/C opening and goods exported. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.	We have tested the design and operating effectiveness of key controls focusing on the following: ➢ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period. ➢ Segregation of duties in invoice creation and modification and timing of revenue recognition. ➢ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➢ Obtain supporting documentation for sale transaction recorded either side of year-end to determine whether revenue was recognized in the current period. ➢ Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.

	➢ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Please see note no. 21 to the statement of profit or loss & other comprehensive income.	
Valuation of Inventory	
As at 30 June 2021, The reported amount of inventory is Tk. 815,650,873 held in plants, warehouses. On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the companies apply judgment in determining the appropriate values of inventory in accordance with International Accounting Standards. Considering the risk as stated above the valuation of Inventory is a key audit matter to the Financial Statements.	We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by: ➢ Evaluating the design and implementation of key inventory controls operating across the factory, warehouse. ➢ Attending inventory counts and reconciling the count results to the inventory listing to test the accuracy of data. ➢ Along with inventory count we checked whether the inventories were maintained in good condition and maintaining all compliances. ➢ We have considered the risk of inventory being expired/damaged and checked whether any provision was required for any such expiry/ obsolesce. ➢ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year ➢ Obtaining a detailed review with the subsequent sales to compare with the net realizable value.
Please see note no. 5.00 to the financial statements	
Valuation of Property, Plant and Equipment	
The carrying value of the PPE is Tk. 1,235,171,595 as at 30 June, 2021. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the Financial Statements. The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.	Our audit included the following procedures: ➢ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ➢ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year. ➢ We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified. ➢ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses. ➢ We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly.
Please see note no. 4.00 to the financial statements	

Risk	Our response to the risk
Long Term Loan, Short Term Bank Credit & Bank Overdraft	
As at 30 June 2021, the reported amount of total long-term loan, short-term bank credit & bank overdrafts Tk. 870,663,374 (Current & Non-current portion), Tk. 218,283,610 & Tk. 106,632,721 respectively. The company borrowed fund from Southeast Bank Ltd. for the purpose of working capital as well. The company may face difficulties due to unfavorable movement in interest rate, monetary policy and adverse variance between import & export that may result in short-term cash flow crisis.	We have tested the design and operating effectiveness of key controls focusing on the following: ➢ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan. ➢ We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately. We also submit the balance confirmation to the respective banks and financial institutions ➢ We also checked the financial expenses and classification of loan and repayment schedule as well. ➢ We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.
Please see note no. 12, 16 & 17 to the financial statements	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

In preparing the Financial Statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosers are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and event in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and The Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, 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 accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;

c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and

d) The expenditure incurred was for the purpose of the Company's business.

Sd/-
Chaity Basak, FCA (Enrol # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111131772AS958877

Place: Dhaka
Date: 13 November, 2021

NEW LINE CLOTHINGS LIMITED
Statement of Financial Position
As at 30th June, 2021

Particulars	Notes	Amount in BDT	
		30.06.2021	30.06.2020
ASSETS			
NON- CURRENT ASSETS:		**1,235,171,595**	**1,130,698,313**
Property, Plant & Equipment	4.00	1,235,171,595	1,130,698,313
CURRENT ASSETS		**2,170,912,903**	**2,202,192,427**
Inventories	5.00	815,650,873	764,186,597
Accounts Receivables	6.00	839,386,327	775,407,320
Advance, Deposits & Pre- Payments	7.00	355,584,683	365,291,939
Cash & Cash Equivalents	8.00	160,291,020	297,306,571
TOTAL ASSETS		**3,406,084,498**	**3,332,890,740**
EQUITY AND LIABILITIES			
EQUITY:		**1,886,646,868**	**1,782,305,989**
Share Capital	9.00	785,326,500	747,930,000
Revaluation Surplus	10.00	365,551,656	382,151,805
Retained Earnings	11.00	735,768,712	652,224,184
LIABILITIES:			
NON- CURRENT LIABILITIES:		**793,010,340**	**868,521,069**
Long Term Loan	12.00	699,123,374	776,862,311
Deferred Tax Liabilities	13.00	93,886,966	91,658,759
CURRENT LIABILITIES & PROVISIONS		**726,427,290**	**682,063,681**
Accounts & Other Payables	14.00	905,827	825,499
Accrued Expenses	15.00	16,535,499	12,639,974
Bank Overdraft	16.00	218,283,610	196,240,908
Current portion of Long Term Loan	12.00	171,540,000	185,350,949
Short Term Bank Credits	17.00	106,632,721	112,801,547
Deferred L/C Liabilities	18.00	20,532,609	5,718,590
Provision for Financial Expenses	19.00	111,398,813	101,398,813
Provision for Income Tax	20.00	80,598,212	67,087,400
TOTAL LIABILITIES		**1,519,437,630**	**1,550,584,750**
TOTAL EQUITY AND LIABILITIES		**3,406,084,498**	**3,332,890,740**
Net Asset Value	**26.03**	**24.02**	**23.83**

The annexed notes from 1 to 30 an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Vice Chairman	**Managing Director & CEO**	**Director**	**Company Secretary**

Signed in terms of our separate report of even date annexed.

Sd/-
Chaity Basak, FCA (Enrol # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111131772AS958877

Place : Dhaka
Dated : November 13, 2021

NEW LINE CLOTHINGS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2021

Particulars	Notes	Amount in BDT	
		30.06.2021	30.06.2020
Sales Revenue	21.00	2,370,130,409	2,258,049,210
Total Revenue		**2,370,130,409**	**2,258,049,210**
Less: Cost of Goods Sold	22.00	2,009,384,415	1,896,679,182
Gross Profit		**360,745,995**	**361,370,028**
Less: Administrative & Selling Expenses	23.00	129,046,271	131,319,438
Operating Profit		**231,699,724**	**230,050,590**
Add: Other Income	24.00	20,656,049	6,286,483
Less: Financial Expenses	25.00	106,406,485	135,108,668
Net Profit Before Tax & WPPF		**145,949,288**	**101,228,405**
Less: Workers' Profit Participation Fund		-	-
Net Profit Before Tax		**145,949,288**	**101,228,405**
Income Tax Expenses			
For Current year	20.00	13,510,812	13,112,437
For Prior year		-	-
Deferred Tax Expense	13.00	4,491,864	3,132,984
Net Profit After Tax		**127,946,612**	**84,982,984**
Other Comprehensive Income			
Deferred Tax on Revaluation Surplus portion		2,263,657	2,391,782
Total Comprehensive Income		**130,210,268**	**87,374,766**
Earning Per Share (Basic)	**26.01**	**1.63**	**1.08**

The annexed notes from 1 to 30 an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Vice Chairman	**Managing Director & CEO**	**Director**	**Company Secretary**

Signed in terms of our separate report of even date annexed.

Sd/-
Chaity Basak, FCA (Enrol # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111131772AS958877

Place : Dhaka
Dated : November 13, 2021

NEW LINE CLOTHINGS LIMITED
Statement of Changes in Equity
For the year ended June 30, 2021

Amount in BDT

Particulars	Share Capital	Retained Earnings	Revaluation Surplus	Total
For 2020				
Balance at July 01, 2019	699,000,000	617,209,685	399,691,538	1,721,310,433
Net Profit for the year	-	84,982,984	-	84,982,984
Stock Dividend for 2018-19	48,930,000	(48,930,000)	-	-
Cash Dividend for 2018-19	-	(20,970,000)	-	(20,970,000)
Deferred Tax Adjustment on Revaluation Surplus	-	2,391,782	-	2,391,782
Less: Adjustment for revaluation surplus	-	-	-	-
Depreciation on Revaluation Surplus	-	17,539,733	(17,539,733)	-
Balance at June 30, 2020	**747,930,000**	**652,224,184**	**382,151,805**	**1,787,715,200**
For 2021				
Balance at July 01, 2020	747,930,000	652,224,184	382,151,805	1,787,715,200
Net Profit for the year	-	127,946,612	-	127,946,612
Stock Dividend for 2019-20	37,396,500	(37,396,500)	-	-
Cash Dividend for 2019-20	-	(25,869,390)	-	(25,869,390)
Deferred Tax Adjustment on Revaluation Surplus	-	2,263,657	-	2,263,657
Less: Adjustment for revaluation surplus	-	-	-	-
Depreciation on Revaluation Surplus	-	16,600,149	(16,600,149)	-
Balance at June 30, 2021	**785,326,500**	**735,768,712**	**365,551,656**	**1,892,056,079**

The annexed notes from 1 to 30 an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Vice Chairman	**Managing Director & CEO**	**Director**	**Company Secretary**

Signed in terms of our separate report of even date annexed.

Sd/-
Chaity Basak, FCA (Enrol # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111131772AS958877

Place : Dhaka
Dated : November 13, 2021

NEW LINE CLOTHINGS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Notes	Amount in BDT	
		30.06.2021	30.06.2020
Cash flows from operating activities			
Cash received from customers		2,306,151,403	2,146,656,345
Cash received from other income		20,651,833	6,286,079
Cash paid to suppliers		(1,953,269,363)	(1,874,048,982)
Cash paid for operating expenses		(107,356,585)	(154,179,299)
Income Tax Paid		(13,510,812)	(11,989,500)
Net cash inflow/(outflow) from operating activities (A)		**252,666,477**	**112,724,643**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(191,730,142)	(79,681,726)
Net cash inflow/(outflow) from investing activities (B)		**(191,730,142)**	**(79,681,726)**
Cash flows from financing activities			
Long term loan		(91,549,886)	46,130,517
Bank Overdraft		22,042,702	17,802,383
Dividend Paid for the year 2019-20		(25,869,390)	(20,970,000)
Cash payment for financial expenses		(96,406,485)	(125,108,668)
Short term loan received		(6,168,827)	(26,656,218)
Net cash inflow/(outflow) from financing activities (C)		**(197,951,886)**	**(108,801,986)**
Net increase of cash and cash equivalents for the year (A+B+C)		**(137,015,551)**	**(75,759,068)**
Adjustment for Unrealized Foreign Exchange Gain/Loss		-	-
Cash and cash equivalents at the beginning of the year		297,306,571	373,065,639
Cash and cash equivalents at the end of the year		**160,291,020**	**297,306,571**
Net Operating Cash Flows per Share(NOCFPS)	**26.04**	**3.22**	**1.44**

The annexed notes from 1 to 30 an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Vice Chairman	**Managing Director & CEO**	**Director**	**Company Secretary**

Signed in terms of our separate report of even date annexed.

Sd/-
Chaity Basak, FCA (Enrol # 1772)
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
DVC: 2111131772AS958877

Place : Dhaka
Dated : November 13, 2021

NEW LINE CLOTHINGS LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
For the year ended June 30, 2021

1.00 Background and Introduction

1.01 Formation and Legal Status
New Line Clothings Ltd (hereinafter referred to as "the Company") was incorporated on 23rd May 2000, vide Reg. No -C-40328(2296)/2000 as a private limited company in Bangladesh under the Companies Act, 1994. The Company started its commercial operation on 01 March 2007. On September 30, 2013 the Company was converted itself as a Public Limited Company under the Companies Act, 1994.

The Company is listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) at 08 April, 2019 and 04 April, 2019 respectively and trading of the share of the Company has been started from 27 May, 2019.

1.02 Address of the Registered & factory Office
The registered & factory office of the company is located at its own premises at Plot No. 1945, Kauchuakuri, Kamrangachala, Mouchak, Kaliakair, Gazipur.

1.03 Nature of Business Activities
The principal activities of the company is to manufacture various kinds of woven Garments for both ladies and gents including trousers, shirts, children wear, gents wear, female wear, jackets, Sportswear, denim garments etc and marketing thereof.

1.04 Date of Authorization
The financial statements of New Line Clothings Ltd for the year ended 30th June 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 28th October, 2021.

2.00 Basis of Preparation

2.01 Presentation of the Financial Statements
The presentation of these financial statements is in accordance with Para 8 and Para 20 of IAS 34 and in compliance with Bangladesh Securities and Exchange Commission Rules. The complete set of Financial Statements includes the following components:

(a) Statement of Financial Position as at June 30, 2021;

(b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2021;

(c) Statement of Changes in Equity for the year ended June 30, 2021;

(d) Statement of Cash Flows for the year ended June 30, 2021; and

(e) Notes, comprising a summary of significant accounting policy and other explanatory information for the year ended June 30, 2021.

2.02 Regulatory Compliances
The financial statements of the company under reporting have been prepared and disclosures of information made in accordance with The Companies Act 1994, The Securities and Exchange Rules 1987, The Listing Regulations of Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), International Financial Reporting Standards (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws and regulations.

2.03 Fundamental Accounting Concepts/ Assumption
The Financial Statements have been prepared based on Going Concern assumption, Consistency and Accrual Concepts and such other convention as required by IAS-1 for Fair Presentation of Financial Statements.

2.04 Going Concern
The Company has adequate resources to continue its operation for the forseeable future. For this reason, the Directors continue to adopt going concern basis in preparing the Financial Statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.05 Compliance with IAS & IFRS

The following IAS is applicable to the Financial Statements for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flow
IAS 8	Accounting policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting period
IAS 12	Income Taxes
IAS 16	Property, Plant & Equipments
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets

The following IFRS is applicable to the Financial Statements for the year under review:

IFRS-1	First Time Adoption of International Financial Reporting Standards
IFRS-9	Financial Instruments
IFRS-15	Revenue from Contracts with Customers

2.06 Use of Estimates and Judgments

The preparation of these 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 estimates and associated asumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.07 Reporting Period

The period of the Financial Statements covers from 1st July, 2020 to 30th June, 2021.

2.08 Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), through the major Sales and Purchase activities were carried out in US Dollar which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

2.09 Foreign Currency Transactions

The transactions which are incured in foreign currencies are converted into equivalent Bangladeshi Taka (BDT) applying the ruling rate at the date of such transactions as per IAS-21 "The Effect of Changes in Foreign Exchange Rates". The major activities of the company were carried out in USD but recorded and reported in Bangladesh Taka as this is the reporting currency.

The import activities were not subject to any exchange fluctuation. Only the unencumbered portions of export bills were subject to exchange fluctuation ehich was dealt through Statement of Comprehensive Income of the entity. Foreign currency transaction is recorded at the applicable rates of exchange ruling at the transaction date.

2.10 Comparative information and General

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the financial statement.

3.00 Significant Accounting Policies

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the Framework of IAS-1 "Presentation of Financial Statements" in preparation and presentation of the financial statements. Financial Statements have been prepared and presented in compliance with applicable IAS and IFRS.

3.01 Property, Plant and Equipment

Property, plant and equipment are stated at their cost/revalued value less accumulated depreciation in accordance with IAS 16: "Property, Plant and Equipment". Cost represents cost of acquisition or contruction and includes purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and other directly attributable cost of bringing the asset to working conditions for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

3.02 Revaluation Reserve

A number of fixed assets were revalued by the company as on June 20, 2011 which was conducted by professional valuer Mohammad Ata Karim & Co. in order to reflect the fair picture of the company in the present market condition on the basis of market availability and physical condition of those fixed assets and the gain arises due to the revaluation were transfered to the revaluation reserve account as per IAS 16 "Property, Plant and Equipment".

3.03 Depreciation of Tangible Fixed Assets

No depreciation is charged on Land & Land development. Depreciation on all other fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life.

Depreciation has been charged on additions for the whole year when it is available for use and no depreciation is charged on retirement, irrespective of date of retirement.

After considering the useful life of assets as per IAS-16, the annual deprection rates have been applied as under which are considered reasonable by the management.

Category of Assets	Rate of Depreciation
Land & Land Development	Nil
Building	5%
Plant & Machinery	10%
Vehicles	20%
Electric Equipments	10%
Furniture & Fixture	10%
Office Equipments	10%
Generator	15%
Fire Equipments	5%
Computer & Accessories	5%
Spares & Accessories	15%
Sundry Assets	10%

3.04 Retirement and Disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the Statement of Profit or Loss and Other Comprehensive Income.

3.05 Impairment of Assets

All Fixed assets have been reviewed according to IAS-36 and it was confirmed that no such fixed assets have been impaired during the year and for this reason, no provision has been made for impairment of assets.

3.06 Revenue Recognition

In compliance with the requirements of IFRS-15: "Revenue from contracts with customers" a performance obligation is satisfied by transferring the premised good or service to the customer. The good or service is transferred when the customer obtains control of the promised good or service. An indicator of this is when the customer has the risk and reward of ownership.

Revenue from sales is exclusive of VAT.

3.07 Term loan

Term loans are non-current liabilities arising from loans taken from different banks which are repayable within more than one year.

3.08 Short term loan and bank overdraft

Short term loans are current liabilities arising from loans taken from different banks which are repayable within one year. Bank overdrafts are repayable on demand which were taken to meet up the working capital requirement.

3.09 Accounts Payable and Accruals

Liabilities are recognised for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

3.10 Accounts Receivable

Accounts receivable represent the amounts due from different customers for supplying Readymade Garments Products and includes billed portion of such services at the date of statement of financial position. Accounts receivables are stated net of provision for doubtful debts, if any.

3.11 Advances, Deposits and Pre-payments

Advances, deposits and pre-payments comprise advances given to and deposits made to different organization for security or other purposes and pre-payments made to receive products or services from suppliers.

3.12 Inventories

Inventories comprises of raw materials, Work-in-process, Finished goods and Materials in Transit have been valued at cost. Work-in-process have been valued at prime cost basis as required by IAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at the lower of cost and net realizable value basis. Cost is determined by weighted average method.

3.13 Cash and Cash Equivalents

Cash and Cash equivalents include cash in hand, cash at banks which are available for use by the Company without any restrictions. There is an insignificant risk of change in value of the same.

3.14 Borrowings Costs

Financial Expenses (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with IAS-23 "Borrowings Costs".

3.15 Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

Current Tax

Necessary provision for tax has been made as per Income Tax Ordinance 1984. In accordance with the section 53BB of the ITO 1984, Taxes were deducted from export proceeds at the realization stage by the Company's bankers during the year at the rate of 0.50%. Provision for current income tax expense has been made at the rate of 12% as prescribed in the finance act on the accounting profit made by the company as per ITO 1984 in compliance with IAS-12 "Income Taxes".

Deferred Tax

Deferred Tax arises due to temporary difference deductible or taxable for the events or transaction which is recognized in the Statement of Profit or Loss and Other Comprehensive Income. A temporary difference is the difference between the tax bases of an asset or liability and its carrying amount/reported amount in the Statement of Financial Position. Deferred tax assets or liability is the amount of income tax recoverable or payable in future periods recognized in the current period. Therefore, deferred tax policy has been adopted by the management during the period.

3.16 VAT

The Company's traded income is 100% export oriented, so its income is not yet subject to VAT.

3.17 Statement of Changes in Equity

Statement of changes in equity is prepared in accordance with IAS-1 “Presentation of Financial Statements". This statement reflects information about the increase or decrease in net assets or wealth.

3.18 Events after the reporting period

In compliance with the requirements of IAS 10: Events after the reporting period, post Balance Sheet events that provide additional information about the company's position at the reporting Date are reflected in the financial statements and events after the Balance Sheet date that are not adjusting events are disclosed in the notes when material.

Management of the company has taken close look whether any events after the reporting period exist that need to take into account during the preparation of Financial Reports. No event after the reporting period exists and management of the company has prepared the financial reports in accordance.

3.19 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The information as required by IAS 24: "Related Party Disclosures" has been disclosed in a separate note to the Accounts.

3.20 Earnings per Share

This has been calculated in compliance with the requirments of IAS 33: Earnings Per share by dividing the basic earings by the weighted average number of ordinary shares outstandings during the year. The computation of EPS is stated in related notes.

Basic Earning (Numerator)

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of ordinary Shares oustanding during the year (Denominator).

This represents the number of ordinary shares outstanding at the begining of the period plus the number of ordinary shares issued during the period multiplied by a time-weighting factor which is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

3.21 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with IAS-7 "Statement Cash Flows". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 19 of IAS-7.

3.22 Financial Risk Management Policies

The Company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

Credit Risk
Liquidity Risk
Market Risk

Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and aries principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at Bank and other external receivables are nominal.

Liquidity Risk

The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company operations and to mitigate the effects of fluctuations in cash flows.

Market Risk

Market risk is the risk that any change in market prices such as foreign exchnage rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

a. Currency risk- The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and EURO and relate to procurement of raw materials, machineries and equipment from abroad.

b. Interest Rate risk- Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There is no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has no entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

NEW LINE CLOTHINGS LIMITED
Notes to the Financial Statements
For the year ended June 30, 2021

			Amount in BDT	
			30.06.2021	**30.06.2020**
4.00	**PROPERTY, PLANT AND EQUIPMENT**			
	A. Cost			
	Opening Balance		1,720,845,817	1,641,164,091
	Addition during the year		191,730,142	79,681,726
	Retirement of Revaluation Surplus		-	-
	Total Cost		**1,912,575,959**	**1,720,845,817**
	B. Accumulated Depreciation			
	Opening Balance		590,147,501	516,295,278
	Depreciation during the year		87,256,858	73,852,223
	Adjustment for Revaluation Surplus		-	-
	Total Accumulated Depreciation		**677,404,359**	**590,147,501**
	Written Down Value (WDV) (A-B)		**1,235,171,595**	**1,130,698,313**
5.00	**Inventories**			
	Raw Materials	**(Note-5.01)**	492,107,690	415,249,136
	Work-in-Progress	**(Note-22.00)**	219,520,648	244,208,382
	Finished Goods	**(Note-22.00)**	104,022,535	104,729,079
	Total		**815,650,873**	**764,186,597**
5.01	**Raw Materials**	**(Note-22.00)**		
	Fabrics		317,652,629	269,285,744
	Accessories		174,455,061	145,963,392
	Total		**492,107,690**	**415,249,136**
6.00	**Accounts Receivables**			
	Opening Balance		775,407,320	664,014,456
	Add: Addition during the year		2,370,130,409	2,258,049,210
	Less: Received during the year		2,306,151,403	2,146,656,345
	Closing Balance		**839,386,327**	**775,407,320**

i) Accounts receivables has been stated at their nominal value. Trade receivables are accrued in the ordinary course of business.

ii) Account receivable are considered as good and realizable.

iii) There is no such account receivables due by or to directors or other officers of the company.

iv) Management considered the account receivables are collectable and thus no provision has been made.

v) Ageing of Accounts Receivable.

Buyer	Up to 1 Month	1-3 Months	3-6 Months	Above 6 Months	Total (In BDT)
G. Gueldenpfenning Gmbh	254,304,453	74,327,091	24,671,892	14,561,662	367,865,098
Mastertec International Ltd	132,376,590	31,784,562	75,705,468	-	239,866,620
Centro International Sourcing Ltd	53,089,762	220,456	-	-	53,310,218
Synergies Sourcing BD Ltd	72,376,540	23,190,744	-	23,451	95,590,735
Cross Line	56,732,409	2,345,612	-	-	59,078,021
Amstel Fashion BD Limited	18,625,635	5,050,000	-	-	23,675,635
Total	**587,505,389**	**136,918,465**	**100,377,360**	**14,585,113**	**839,386,327**

		Amount in BDT	
		30.06.2021	30.06.2020
7.00	**Advances, Deposit and Prepayments**		
	Advances (Note: 7.01)	319,692,281	329,544,151
	Deposits (Note: 7.02)	1,909,885	1,909,885
	Prepayments (Note: 7.03)	1,362,774	1,116,792
	Deposit for BBL/C (Note 7.04)	32,619,743	32,721,111
	Total	**355,584,683**	**365,291,939**

i) All the advances & deposit amount are considered good and recoverable.

ii) There is no amount due from directors or officers of the company other than advance against salary.

7.01	**Advances**		
	Advance against Salary	90,000	61,000
	Advance against purchase [Note-7.01(a)]	248,198,113	271,589,794
	Advance Income Tax [Note-7.01(b)]	71,404,168	57,893,356
	Total	**319,692,281**	**329,544,151**

7.01	**(a) Advance against purchase**		
	A.R. Trade International	288,993	764,667
	A-Tex Label(BD) Ltd	246,999	-
	Aleya Embriodery	372,035	-
	Alpha Plastic & Packaging Ltd	14,720,994	-
	Allplast Bangladesh Ltd	11,426,339	-
	Active Poly Industries Ltd	94,880	1,012,190
	A.T.M Knit Wear	-	277,660
	Active Zipper Ltd	1,239,930	126,000
	Aaron Denim Ltd	-	1,058,200
	Ad Sum Trade Syndicate	72,005	367,826
	Agami Washing Limited	9,840,457	15,215,123
	Anika Textile Mills	1,493,777	-
	Article Label & Accessories Ltd	1,865,050	-
	Aust-Bangla Accessories	3,224,645	-
	Banga Plastic Int'l Ltd	-	3,948,981
	Babylon Trims Ltd	-	152,856
	Bengal Pacific(Pvt.) Ltd	-	13,038,228
	B.J Bangladesh Accessories Ltd	2,048,427	-
	Blitz Asia Limited	396,948	-
	Banani Lace Industries	2,062,094	-
	Borak Dry Process	422,966	129,926
	Changzhou Haochi Textiles Co. Ltd	-	3,415,748
	Changzhou One Touch Business	2,877,691	-
	Changzhou Kailan Textile Co. Ltd	-	4,736,907
	Deen Paper Converting & Access. Ltd	-	311,225
	Dhaka Garments & Washing Ltd	2,026,401	-
	Dhaka Textile Mills	823,180	-
	Explore Packaging Industries Ltd	2,000,000	1,569,737
	Epyllion Limited	867,247	1,375,426
	Eshita Enterprise	9,008,064	33,127,425
	Elegant Fashion & Embroidery	-	136,119
	Etafil Accessories Ltd	1,362,865	4,332,790
	Euro Trade Accessories	-	270,015
	Faiza Button and Zipper Ltd	1,942,592	729,520
	Foshan Indeed Blue Textile Co. Ltd	-	2,434,233
	Foshan Nanhai Deyao Textile	1,203,960	1,334,732
	Foshan Season Textile Co.	-	5,125,517
	Guangzhou Haimi Textile Co. Ltd	698,433	235,281
	Growbiz Industries Ltd	-	3,862,443
	Global Accessories	-	1,701,412
	Glorious Export BD Ltd	4,097,525	-

	Amount in BDT	
	30.06.2021	30.06.2020
Gausia Fabrics	-	957,352
Ha-Meem Denim Ltd	5,545,925	16,319,106
High Hope(H.K) Co. Ltd	-	15,554,817
Hope Packaging Ltd	487,734	112,375
Hoorain HTF Ltd	855,048	-
H.M Zipper	2,341,520	349,458
Huzhou Xinding Import & Export Co. Ltd	-	1,891,570
Inter Labels Robust Bangladesh Pvt. Ltd	61,405	138,000
Jiangsu CMZ Zipper Sci. & Tech Co. Ltd	-	1,220,367
J & J Enterprise	248,012	520,216
Jiamain International	8,053,717	1,350,879
Jannat Accessories	-	1,288,499
M/s Al- Noor Printing & Accessories	2,505,645	2,504,798
M/s R.S Fabrics	-	160,272
Mastertec International	-	37,005,323
Mark Printing	-	1,578,514
Mahim Fashion Ltd	-	1,274,333
Maxim Label & Packaging Industries	-	150,281
Mostakim Fabrics	-	565,379
Mas Trading	-	310,015
Manami Fashion Ltd	3,473,270	-
Mysha Accessories & Packaging	3,192,480	-
Montrims Ltd	6,576,421	2,815,626
Moontex Textile Mills	4,160,041	-
Momtex Expo Limited	2,200,135	-
M.L Thread & Accessories	6,481,097	-
N & I Washing	784,137	6,375,723
NZ Fabrics Ltd	-	1,045,329
Netrokona Accessories Ltd	4,170,245	7,731,230
New Poppy Textile Mills	2,189,615	-
Nice Denim Mills Ltd	32,874,849	-
Nova Thread & Packaging Ind. Ltd	4,603,384	-
Ocean Accessories	607,375	942,243
Osman Interlining Ltd	-	640,280
Poly Bag Manufacturing Co.	-	127,394
Paramount Textile Ltd	-	213,605
Perfect Sourcing BD. Ltd	3,007,268	7,210,204
PNR Industries Ltd	-	229,528
PAK Denim Ltd	-	13,112,437
P.S Accessories Industries Ltd	-	134,342
R.K Garments Accessories	129,365	337,718
R.K Label & Accessories	5,557,377	-
R.N. Enterprise	1,482,696	122,810
R.H Accessories Ltd	3,110,734	2,822,765
R.S.S Accessories Sourcing	426,974	-
SNS Bright Sandblasting	1,024,158	606,306
Shanghai East Dragon Zipper Mfg Co. Ltd	-	1,800,173
Shanghai Hua Shen Import & Export Co. Ltd	9,352,077	21,221,740
Shaanxi Huaye Textile Co. Ltd	-	2,094,214
Shandong Tianhong Yihua Trading Co. Ltd	4,167,182	-
Shaoxing Good Full Textile Technology	-	673,432
Shenzhen Metal Industries Ltd	-	150,000
Sanjana Fabrics Ltd	3,341,025	1,238,064
Selina Accessories Ltd	3,134,854	4,043,323
Soaad Fabrics	-	206,460
Sim Fabrics Ltd	969,542	-
Suzhou Laisheng Imp. & Exp. Co. Ltd	-	225,192
The Padma Plastic Industries	7,046,614	-

	Amount in BDT	
	30.06.2021	**30.06.2020**
Tahsin Knit Fabrics	2,010,695	166,347
Trims View	-	301,600
Trims Collection	699,642	-
Textmart Enterprise	2,031,457	164,477
Tex Trading	2,265,879	-
Tianjin Xinyu Textile Co. Ltd	1,202,339	-
Tai Yuan Trading Co. Ltd	3,095,021	-
Union Label & Accessories Ltd	246,650	-
Waiz Accessories Ltd	4,148,330	-
Wujiang Wanlin Knitting Co. Ltd	2,347,690	112,737
Yester Accessories(BD) Ltd	7,175,309	3,017,247
YKK Bangladesh Pte Ltd	3,560,302	1,443,229
Youngone Synthetic Fibre	-	2,265,495
Young Label & Accessories	139,082	50,430
Zaber & Zubair Fabrics Ltd	11,266,990	1,028,662
Total	**248,198,113**	**271,589,794**

		Amount in BDT	
7.01	**(b) Advance Income Tax**	**30.06.2021**	**30.06.2020**
	Opening Balance	57,893,356	45,903,857
	Add: Addition during the year	13,510,812	11,989,500
		71,404,168	**57,893,356**
	Less: Adjusted during the year	-	-
	Total	**71,404,168**	**57,893,356**
7.02	**Deposits**		
	Security Deposit with T & T	18,400	18,400
	Security Deposit with REB	779,000	779,000
	Security Deposit with Titas Gas	612,485	612,485
	Security Deposit with CDBL	500,000	500,000
	Total	**1,909,885**	**1,909,885**
7.03	**Prepayments**		
	Factory Fire Insurance Premium	1,362,774	1,116,792
	Total	**1,362,774**	**1,116,792**
7.04	**Deposit for BBL/C**		
	Margin Against Acceptance	**32,619,743**	**32,721,111**
	(A/C- 1550000084, SEBL, Banani Br)		
	(USD 385,670.07 @ BDT 84.5794)		
8.00	**Cash and Cash Equivalents**		
	Cash in Hand (Note- 8.01)	69,255,659	79,128,460
	Cash at Bank (Note- 8.02)	91,035,361	218,178,111
	Total	**160,291,020**	**297,306,571**
8.01	**Cash in Hand**		
	Balance in Factory Cash	69,255,659	79,128,460
	Total	**69,255,659**	**79,128,460**

8.02 Cash at Bank

Bank Name	**Account No.**	**Branch**		
IFIC Bank Limited	1121788456001	Konabari	1,716	129,961
Agrani Bank Limited	0200013342825	BB Avenue Corp.	-	118
Dhaka Bank Limited	119100000471	Sonargaon		
		Janapath	15,618	21,424
Southeast Bank Limited		Banani		
CD Account	11100002613		105,743	56,225
CD Account	11100007555		77,879	222,505
CD Account	11100007817		3,881	4,571
SND Account	13100001356		65,177,674	190,506,703
SND Account	13100001472		457,066	3,096,091

SND Account	13100001487	1,026,616	-
DAD Account	15400000072	147,847	146,400
DAD Account-EURO	17100000028	35,091	30,369
FC Account- USD	15100000701	23,698,602	23,764,207
FC Account- GBP	16200000001	201,356	170,861
ERQ Account	15200000010	86,271	28,677
Total		**91,035,361**	**218,178,111**

The above balances are reconciled with Bank Statements and Ledger Balances.

9.00	**Share Capital**	**30-Jun-2021**	**30-Jun-2020**
9.01	Authorised Capital		
	10,00,00,000 Shares of Tk.10.00 each	1,000,000,000	1,000,000,000

9.02	**Issued, Subscribed & Paidup Capital**	**Amount In BDT**	
		30.06.2021	**30.06.2020**
	78,532,650 Shares of Tk.10.00 each	**785,326,500**	**747,930,000**

The Shareholding position of the company are as under:

Name of Shareholder	Position	No. of Shares	%	Amount (BDT)	Amount (BDT)
Mr. Osman Khadem	Chairman	5,379,318	6.85%	53,793,180	51,231,600
Mr. Mashiul Haq Chowdhury	Vice Chairman	1,793,106	2.28%	17,931,060	17,077,200
Mr. M. Zakir Chowdhury	MD & CEO	2,689,659	3.42%	26,896,590	25,615,800
Mr. Md. Asif Rahman	Director	2,689,659	3.42%	26,896,590	25,615,800
Mr. Maruful Haque Chowdhury	Director	2,689,659	3.42%	26,896,590	25,615,800
Sigma Technologies Ltd. (Nominated by Mr. Ali Mostafa)	Director	8,965,530	11.42%	89,655,300	85,386,000
Mr. Mostafa Zamanul Bahar	Shareholder	-	0.00%	-	38,900,000
Mr. Md. Lutfar Rahman	Shareholder	-	0.00%	-	23,940,000
Ms. Tartila Akhter Chowdhury	Shareholder	-	0.00%	-	27,400,000
Ms. Mithy Islam Khan	Shareholder	-	0.00%	-	38,900,000
Ms. Afsana Jabin	Shareholder	2,853,624	3.63%	28,536,240	27,400,000
Ms. Fatema Mahbub	Shareholder	-	0.00%	-	27,000,000
Foreign Company	Shareholder	-	0.00%	-	321,520
Local Company/Institution	Shareholder	21,184,995	26.98%	211,849,950	64,796,080
General Public	Shareholder	30,287,100	38.57%	302,871,000	268,730,200
Total		**78,532,650**	**100.00%**	**785,326,500**	**747,930,000**

The Company has raised its paid up capital BDT 37,396,500 through declared @ 5% Stock bonus i.e. 3,739,650 ordinary shares at taka 10/- each, which approved by the Honorable Share holders in its 20th Annual General Meeting (AGM) dated December 24, 2020.

10.00	**Revaluation Surplus**		
	Balance at July 01, 2020	382,151,805	399,691,538
	Less: Adjustment for Vehicle & Generator	-	-
	Less: Adj. for Deferred Tax	-	-
	Less: Adj. for Depreciation on Revaluation Surplus	16,600,149	17,539,733
	Closing Balance	**365,551,656**	**382,151,805**

11.00	**Retained Earnings**		
	Opening Balance	652,224,184	617,209,685
	Add: Current year profit	127,946,612	84,982,984
	Less: Stock Dividend (Bonus Share) for the year 2019-20	37,396,500	48,930,000
	Less: Cash Dividend (Except Directors) for the year 2019-20	25,869,390	20,970,000
	Add: Adj. for Depreciation on Revaluation Surplus	16,600,149	17,539,733
	Add: Adjustment for Deferred Tax on Revaluation Surplus	2,263,657	2,391,782
	Closing Balance	**735,768,712**	**652,224,184**

12.00 Long Term Loans

Bank Name	Branch	Account No.	30-Jun-2021	30-Jun-2020
Southeast Bank Limited	Banani	002471300000622	466,612,501	590,393,487
Southeast Bank Limited	Banani	002471300000623	76,629,802	74,438,843
Southeast Bank Limited	Banani	002471300000625	244,210,964	256,245,964
Southeast Bank Limited	Banani	002477500000008	36,549,690	41,134,966
Southeast Bank Limited	Banani	002477500000015	23,083,561	-
Southeast Bank Limited	Banani	002477500000022	23,576,856	-
Total			**870,663,374**	**962,213,260**

Current/Non-Current Classification		
Due within one year	171,540,000	185,350,949
Due after one year	699,123,374	776,862,311
Total	**870,663,374**	**962,213,260**

Nature of Security of Loans:

Particulars	Details
Name of Bank	Southeast Bank Limited
Amount	BDT 870,663,374
Type of Facility	Term Loan
Repayment	Monthly
Interest Rate	9%

Securities	i) Registerd Mortgage with registered IGPA of 112 decimal project land with 5 storied factory building located at Kamrangachala, Mouchak,Kaliakair, Gazipur; ii) First charge on fixed and floating assets including book debts & receivables of the company both existing and future with RJSC in favor of Southeast Bank Ltd, Banani Branch; iii) Undated heque of entire facility amount; iv) Personal Guarantee of all the directors of the company;
Purpose	To facilitate smooth adjustment, Construction and local purchase/import of Machinery, Compliance Equipment & Up gradation of Compliance of the factory;

13.00 Deferred Tax Liabilities

Deferred Tax Liabilities Beginning	91,658,759	90,917,556
Charged During the Period	4,491,864	3,132,984
Deferred Tax for Revalued Asset	-	-
Less: Adjustments for Depreciation of Revalued Portion	(2,263,657)	(2,391,782)
Deferred Tax Liabilities Closing Balance	**93,886,966**	**91,658,759**

As on 30 June 2021

Particulars	WDV As per Accounts	WDV As per Tax Base	Temporary Difference
Property Plant & Equipment (Except Land)	799,663,207	572,634,182	227,029,025
Applicable Tax Rate			12%
Deferred Tax Liabilities			**27,243,483**

Closing Deferred Tax Liabilities	27,243,483
Opening Deferred Tax Liabilities	22,751,619
Deferred Tax Expense	**4,491,864**

As on 30 June 2020

Particulars	WDV As per Accounts	WDV As per Tax Base	Temporary Difference
Property Plant & Equipment (Except Land)	676,326,119	486,729,294	189,596,824
Applicable Tax Rate			12%
Deferred Tax Liabilities			**22,751,619**

Closing Deferred Tax Liabilities	22,751,619
Opening Deferred Tax Liabilities	19,618,634
Deferred Tax Expense	**3,132,984**

14.00 Accounts & Others Payables:

Opening Balance	825,499	1,075,356
Add: Addition during the year	44,690,240	74,563,110
Less: Payment during the year	44,609,912	74,812,967
Closing Balance	**905,827**	**825,499**

i) All accounts & other payable were incurred as usual in business operation & paid regularly.

ii) Ageing of the above Accounts & Others Payables are given below:

Suppliers	Up to 1 Month	1-3 Months	3-6 Months	Above 6 Months	Total(In BDT)
A.H Engineering	13,245	-	-	-	13,245
Adhunic Glass House	50,000	-	-	-	50,000
Dhaka Bakery	-	35,320	-	-	35,320
Era Filling Station	104,000	-	-	-	104,000
J.K Computers & Printing Press	24,000	-	-	-	24,000
Konabari Ibne Sina Hospital	12,045	-	-	-	12,045
M/s J.R Paribahan Sangstha	250,000	-	-	-	250,000
New Tex Fire Fighting	-	23,110	-	-	23,110
Parcel Force Worldwide	77,308	-	-	-	77,308
Race Online Ltd	25,500	-	-	-	5,500
Shamim Enterprise	-	41,299	-	-	41,299
Sharif Engineering	25,340	-	-	-	25,340
Shova Sewing	54,120	-	-	-	54,120
Square Syndicate	135,210	-	-	-	135,210
Sufia Rent A Car	29,978	-	-	-	29,978
TNT Express	-	-	-	5,352	5,352
Grand Total	**800,746**	**99,729**	**-**	**5,352**	**905,827**

15.00 Accrued Expenses:

Audit Fee	200,000	200,000
Gas Bill	371,630	84,340
Electricity Bill	1,659,154	1,058,348
Staff Salary & Allowances	6,426,254	5,116,569
Incentive/Allowance	153,390	85,853
Listing fee	983,322	-
Wages	3,594,881	3,422,776
Overtime	2,932,709	2,452,586
Internet Bill	31,650	31,650
Maternity Benefit	182,509	187,852
Total	**16,535,499**	**12,639,974**

i) These are unsecured, falling due within one year.

16.00 Bank Overdraft

Bank Name	Branch	Account No.	30-Jun-2021	30-Jun-2020
Southeast Bank Limited	Banani	002473300000210	218,283,610	196,240,908
Total			**218,283,610**	**196,240,908**

Nature of Security of Loans:

Particulars	Details
Name of Bank	Southeast Bank Limited
Amount	BDT 218,283,610
Type of Facility	Bank Overdraft
Repayment	Monthly
Interest Rate	9%
Securities	i) Registerd Mortgage with registered IGPA of 112 decimal project land with 5 storied factory building located at Kamrangachala, Mouchak,Kaliakair, Gazipur; ii) First charge on fixed and floating assets including book debts & receivables of the company both existing and future with RJSC in favor of Southeast Bank Ltd, Banani Branch; iii) Undated cheque of entire facility amount; iv) Personal Guarantee of all the directors of the company;
Purpose	working capital requirement;

		Amount in BDT	
17.00	**Short Term Bank Credits**	**30.06.2021**	**30.06.2020**

Particulars of the Short Term Bank Credits (Southeast Bank Ltd., Banani Branch) are given below:

Time Loan (Note -17.01)	74,739,640	66,710,061
Packing Credit (Note -17.02)	10,709,919	21,184,884
Bill Purchase (Note -17.03)	3,351,226	2,314,305
Other Loan (Note -17.04)	17,831,937	22,592,298
Total:	**106,632,721**	**112,801,547**

17.01 Time Loan:

Bank Name	Branch	Account No.	30-Jun-2021	30-Jun-2020
Southeast Bank Limited	Banani	002471200003414	5,635,236	5,032,506
Southeast Bank Limited	Banani	002471200003449	28,621,614	25,574,696
Southeast Bank Limited	Banani	002471200003450	40,404,080	36,102,858
Southeast Bank Limited	Banani	002471200003542	78,709	-
Total:			**74,739,640**	**66,710,061**

Nature of Security of Loans:

Particulars	Details
Name of Bank	Southeast Bank Limited
Amount	BDT 74,739,640
Type of Facility	Time Loan
Repayment	Monthly
Interest Rate	9%
Securities	i) Registerd Mortgage with registered IGPA of 112 decimal project land with 5 storied factory building located at Kamrangachala, Mouchak,Kaliakair, Gazipur; ii) First charge on fixed and floating assets including book debts & receivables of the company both existing and future with RJSC in favor of Southeast Bank Ltd, Banani Branch; iii) Undated cheque of entire facility amount; iv) Personal Guarantee of all the directors of the company;
Purpose	Working Capital Requirement;

17.02 Packing Credit:

Bank Name	Branch	Account No.	30-Jun-2021	30-Jun-2020
Southeast Bank Limited	Banani	002471700007285	-	2,128,682
Southeast Bank Limited	Banani	002471700007286	-	340,597
Southeast Bank Limited	Banani	002471700007287	-	2,469,279
Southeast Bank Limited	Banani	002471700007305	-	5,065,960
Southeast Bank Limited	Banani	002471700007306	-	11,180,366
Southeast Bank Limited	Banani	002471700007374	4,576,037	-

Southeast Bank Limited	Banani	002471700007375	5,374,644	-
Southeast Bank Limited	Banani	002471700007399	759,238	-
Total:			**10,709,919**	**21,184,884**

Nature of Security of Loans:

Particulars	**Details**
Name of Bank	Southeast Bank Limited
Amount	BDT 10,709,919
Type of Facility	Revolving Packing Credit(PC)
Repayment	From export proceed and cash from own sources
Interest Rate	7.00%
Securities	Lien on Master / Export L/C
Purpose	Payment of Manufacturing Expenses

17.03 Bill Purchase:

Bank Name	**Branch**	**Account No.**	**30-Jun-2021**	**30-Jun-2020**
Southeast Bank Limited	Banani	002478500008289	-	1,557,443
Southeast Bank Limited	Banani	002478500008290	-	756,862
Southeast Bank Limited	Banani	002478500009534	911,713	-
Southeast Bank Limited	Banani	002478500009630	351,351	-
Southeast Bank Limited	Banani	002478500009733	2,088,162	-
Total:			**3,351,226**	**2,314,305**

Nature of Security of Loans:

Particulars	**Details**
Name of Bank	Southeast Bank Limited
Amount	BDT 3,351,226
Type of Facility	Bill Purchase
Repayment	From realization of bills or cash generate from own sources;
Interest Rate	9% p.a. on quarterly rest for overdue period counting after 21 days from the date of negotiation;
Securities	Lien on Master / Export L/C;
Purpose	To negotiate export bills drawn under documentary export letter of credit kept as lien.

17.04 Other Loan:

Bank Name	**Branch**	**Account No.**	**30-Jun-2021**	**30-Jun-2020**
Southeast Bank Limited	Banani	002470800003385	-	169,263
Southeast Bank Limited	Banani	002470800003395	-	4,242,465
Southeast Bank Limited	Banani	002470800003396	-	12,326,404
Southeast Bank Limited	Banani	002470800003397	-	793,187
Southeast Bank Limited	Banani	002470800003398	-	764,741
Southeast Bank Limited	Banani	002470800003399	-	1,486,953
Southeast Bank Limited	Banani	002470800003400	-	2,809,285
Southeast Bank Limited	Banani	002470800004003	2,464,492	-
Southeast Bank Limited	Banani	002470800004004	1,380,714	-
Southeast Bank Limited	Banani	002470800004005	90,972	-
Southeast Bank Limited	Banani	002470800004006	430,827	-
Southeast Bank Limited	Banani	002470800004007	1,761,417	-
Southeast Bank Limited	Banani	002470800004008	202,203	-
Southeast Bank Limited	Banani	002470800004009	429,189	-
Southeast Bank Limited	Banani	002470800004010	202,909	-
Southeast Bank Limited	Banani	002470800004011	1,030,081	-

Southeast Bank Limited	Banani	002470800004012	163,588	-
Southeast Bank Limited	Banani	002470800004013	288,681	-
Southeast Bank Limited	Banani	002470800004014	160,293	-
Southeast Bank Limited	Banani	002470800004015	513,330	-
Southeast Bank Limited	Banani	002470800004016	380,398	-
Southeast Bank Limited	Banani	002470800004017	637,670	-
Southeast Bank Limited	Banani	002470800004018	801,941	-
Southeast Bank Limited	Banani	002470800004019	1,703,626	-
Southeast Bank Limited	Banani	002470800004020	254,726	-
Southeast Bank Limited	Banani	002470800004021	960,322	-
Southeast Bank Limited	Banani	002470800004023	222,492	-
Southeast Bank Limited	Banani	002470800004024	2,652,325	-
Southeast Bank Limited	Banani	002470800004025	381,806	-
Southeast Bank Limited	Banani	002470800004026	717,935	-
Total Other Loan			**17,831,937**	**22,592,298**

Nature of Security of Loans:

Particulars	**Details**
Name of Banks	Southeast Bank Limited
Amount	BDT 17,831,937
Type of Facility	Forced Loan
Repayment	From export proceed and cash from own sources
Inerest Rate	9%
Securities	i) Registered Mortgage with registered IGPA of 112 decimal project land with 5 storied factory building located at Kamrangachala, Mouchak,Kaliakair, Gazipur; ii) First charge on fixed and floating assets including book debts & receivables of the company both existing and future with RJSC in favor of Southeast Bank Ltd, Banani Branch; iii) Undated cheque of entire facility amount; iv) Personal Guarantee of all the directors of the company;
Purpose	For payment to suppliers due to expire maturity date;

Total Short Term Loan	**106,632,721**	**112,801,547**

18.00 Deferred L/C Liabilities

Margin Against Acceptance (USD 2,41,702.28@ BDT 84.95)	**20,532,609**	**5,718,590**

19.00 Provision for Financial Expenses

Balance as on 01.07.2020	101,398,813	91,398,813
Add: Provision for the year	10,000,000	10,000,000
Total	**111,398,813**	**101,398,813**

As per sanction letter no. SEBL/BAN/CR/2012/2205 dated October 21, 2012 and SEBL/BAN/CR/161/2014 dated January 28, 2014 and subsequent letter no. SEBL/BAN/CR/2017/568 dated 05 October 2017, Southeast Bank Ltd will not charge further interest until the full amount of the particular loans are adjusted.

However, as per conservative approach, partial amount against the blocked interest has been kept by the management as provision for blocked interest on particular loan.

20.00 Provision for Income Tax

Balance as on 01.07.2020	67,087,400	53,974,963
Add: Provision for the year	13,510,812	13,112,437
	80,598,212	**67,087,400**
Less: Adjusted during the year	-	-
Total	**80,598,212**	**67,087,400**

			Amount in BDT	
21.00	**Sales Revenue**		**30.06.2021**	**30.06.2020**
	Export Sales Revenue		**2,370,130,409**	**2,258,049,210**

Total Export Value for the year ended June 30, 2021 USD 27,913,442.58 @ 84.9100 (Average) equivalent to BDT 2,370,130,409.00 and for the year ended June 30, 2020 USD 26,634,220.45 @ 84.7800 (Average) equivalent to BDT 2,258,049,210.00;

22.00	**Cost of Goods Sold**			
	Opening Stock of Raw Materials	**Annexure- B**	415,249,136	566,553,135
	Add: Purchase	**22.01**	1,628,379,281	1,498,327,769
	Less:Closing Stock of Raw Materials	**5.01**	492,107,690	415,249,136
	Materials Consumed		**1,551,520,727**	**1,649,631,768**
	Add: Direct Labour		279,662,770	278,194,651
	Prime Cost		**1,831,183,497**	**1,927,826,419**
	Add: Factory Overhead	**22.02**	152,806,640	134,774,880
	Cost of Manufacturing		**1,983,990,137**	**2,062,601,299**
	Add: Opening Work-in-Process		244,208,382	111,405,392
	Less: Closing Work-in-Process		219,520,648	244,208,382
	Cost of Goods Manufactured		**2,008,677,871**	**1,929,798,309**
	Add: Opening Stock of Finished Goods		104,729,079	71,609,952
	Less: Closing Stock of Finished Goods		104,022,535	104,729,079
	Cost of Goods Sold		**2,009,384,415**	**1,896,679,182**

22.01	**Purchase of Raw Materials**		
	Fabric	1,152,599,533	1,038,989,580
	Accessories	475,779,748	459,338,189
	Total	**1,628,379,281**	**1,498,327,769**

22.02	**Factory Overhead**		
	Carriage Inward	1,682,167	2,237,037
	Cutting & Sewing Charge	126,000	297,064
	Shipment Expenses	169,450	397,432
	C & F Charges	3,214,733	2,808,874
	Machine Rent	1,038,473	889,010
	Repair & Maintenance at Factory	1,517,840	1,082,714
	Marine Insurance Premium	5,812,435	6,402,334
	Factory Fire Insurance Premium	1,489,348	876,979
	Electricity Bill	8,932,447	8,478,308
	Gas Bill	1,096,403	933,587
	Cleaning Charges	76,500	69,000
	Diesel Expenses	2,779,500	2,093,000
	Electric Goods	627,340	401,323
	Factory General Expenses	513,602	625,119
	Festival Bonus (Worker)	14,788,605	14,433,948
	Earn Leave Benefit (Worker)	3,564,216	4,216,978
	Finishing Charges	174,586	278,600
	Garments Testing Expenses	186,400	238,623
	Training Expenses	84,228	-
	Maternity Benefit	827,467	600,660
	Medical Expenses	47,258	78,554
	Mould & Folder	344,990	360,720
	Overtime	9,609,640	9,355,480
	Miscellaneous Expenses	-	-
	Freight Charges	8,603,314	5,636,900
	Entertainment	1,493,747	1,648,058
	Depreciation **{Annexure-A}**	84,005,951	70,334,578
	Total	**152,806,640**	**134,774,880**

			Amount in BDT	
23.00	**Administrative & Selling Expenses**			
	Director's Remuneration & Benefits		4,944,000	8,124,000
	Salary & Allowances		84,623,508	77,976,707
	Entertainment		1,987,041	1,870,172
	Commercial Expenses		1,640,374	2,655,262
	Conveyance & Travel		739,467	677,871
	Contribution to Central Fund		691,845	643,997
	Carriage Outward		2,173,933	2,117,608
	C & F Charges		4,208,337	4,129,992
	Printing & Stationery		557,365	822,006
	Phone, Fax & Mobile Bill		301,483	289,482
	Annual General Meeting Expenses		166,800	238,500
	Audit Fee		230,000	200,000
	Audit fee for IPO Proceed Utilization report		180,000	240,000
	Fuel, Gas & Lubricants		1,527,111	1,475,429
	Foreign Travel Expenses		445,390	1,170,260
	Car Rent & Other Expenses		2,328,983	1,454,200
	Licence Renewal & Registration Fee		417,998	735,035
	Listing fee		983,322	989,362
	Postage, Stamp & Courier		1,502,727	1,912,555
	Newspaper & Magazine		5,990	19,170
	Miscellaneous Expenses		1,170,890	2,065,580
	Advertisement & Publicity		198,750	237,819
	Donation, Subscription & Gift		689,500	661,500
	Earn Leave Benefit (Staff)		604,324	1,556,459
	Festival Benefit		6,779,162	8,667,333
	Incentive/Allowance		1,220,944	1,224,351
	Internet Bill		379,800	341,285
	Income Tax Expenses		2,522,100	41,459
	IPO Expenses		-	2,159,200
	Labour Charges		128,400	201,040
	Loading & Un-Loading Charge		22,500	-
	Land Tax		4,000	3,360
	VAT Expenses		-	10,228
	Office General Expenses		1,555,834	2,188,687
	Accomodation Expenses for S.G		-	77,800
	Business Development Expenses		293,945	-
	Service Charges		51,000	10,000
	Uniform, Liverage & Welfare		-	57,520
	Transport Bill		266,920	156,900
	Vehicle/Car Maintenance		251,620	399,664
	Depreciation	**{Annexure-A}**	3,250,908	3,517,645
	Total		**129,046,271**	**131,319,438**
24.00	**Other Income**			
	Foreign Currency Gain/(Loss)	{Realized Portion}	5,504	2,309
	Foreign Currency Gain/(Loss)	{Un-realized Portion}	4,216	1,707
	Interest on SND		2,420,051	-
	Cash Incentive		15,400,440	2,565,880
	Other Income		2,825,838	3,716,588
			20,656,049	**6,286,483**
25.00	**Financial Expenses**			
	Bank Interest, Charges		96,406,485	125,108,668
	Add: Provision for Blocked Interest on Long Term Loan		10,000,000	10,000,000
	Total		**106,406,485**	**135,108,668**

NEW LINE CLOTHINGS LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
For the year ended June 30, 2021

		Amount in BDT	
		30.06.2021	**30.06.2020**
26.00	**INFORMATION BASED ON PER SHARE**		
26.01	**Earning per share (EPS)**		
	Basic EPS		
	Earnings attributable to the ordinary shareholders (Net Profit After Tax)	127,946,612	84,982,984
	Weighted average number of ordinary shares outstanding at the end of the period	78,532,650	78,532,650
	Earnings Per Share	**1.63**	**1.08**

Diluted EPS
No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

Earnings per share has been calculated in accordance with BAS -33 "Earnings Per Share (EPS)".

26.02	**NET ASSET VALUE PER SHARE (NAV) WITHOUT REVALUATION**		
	Net Assets Value Per Share		
	Shareholders' Equity with Revaluation Reserve	**1,886,646,868**	**1,782,305,989**
	Less: Revaluation Surplus	365,551,656	382,151,805
	Net Asset Value without Revaluation	**1,521,095,212**	**1,400,154,184**
	Number of ordinary shares outstanding during the year	78,532,650	74,793,000
	Net Assets Value Per Share Before Revaluation	**19.37**	**18.72**
26.03	**NET ASSET VALUE PER SHARE (NAV) WITH REVALUATION**		
	Shareholders' Equity with Revaluation Reserve	1,886,646,868	1,782,305,989
	Number of ordinary shares outstanding during the year	78,532,650	74,793,000
	Net Assets Value Per Share After Revaluation	**24.02**	**23.83**
26.04	**NET OPERATING CASH FLOW PER SHARE (NOCFPS) WITH REVALUATION**		
	Net Operating Cash Flow	252,666,477	112,724,643
	Number of ordinary shares outstanding during the year	78,532,650	78,532,650
	Net Assets Value Per Share After Revaluation	**3.22**	**1.44**

26.05 Disclosure regarding Deviation on NOCFPS
Net cash generated by operating activities of the company for the year ended on 30th June 2021 is Tk 252,666,477 which has increased by Tk 139,941,833 from the corresponding year ended 30th June 2020. So, the Net Operating Cash In Flow Per Share(NOCFPS) has been increased Tk 1.78 due to increase in revenue by Tk 112,081,200 which has generated more cash inflow to the Company.

27.00 Disclosure regarding Provision for Workers Profit Participation Fund (WPPF)

Until 30th June 2017, Provision for Workers Profit Participation Fund were made @ 5% of net profit after charging the contribution and such contribution provided as per provision of The Bangladesh Labour Act 2006. The company did not make any such provision during this year because the company contribute to Central Fund for welfare of employees as per notification no. 40.00.0000.015.28.002.16.484 dated December 21, 2016 by Ministry of Labor and Employment.

28.00 OTHER COMMITMENTS, CONTINGENCIES AND RELEVANT INFORMATION

28.01 Contingencies

The company has contingent liabilities against Tax amounting to Tk. 8,551,212, Tk. 31,131,970, Tk 4,701,696, Tk. 5,297,541, Tk. 2,173,031, TK. 5,684,667 & TK. 3,277,326 for the assessment years 2014-15, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020 & 2020-2021, respectively which is pending by Appellate Tribunal, Dhaka & Commissioner of Taxes(Appeal), Appeal Zone-04, Dhaka.

28.02 Capital expenditure commitment

There was no capital expenditure commitment or contract at June 30, 2021. There was no material capital expenditure authorized by the Board but not contracted as at June 30, 2021.

28.03 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

28.04 Segment Reporting

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary.

28.05 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed as on June 30, 2021 other than trade credit available in the ordinary course of business.

28.06 Attendance Status of Board Meeting of Directors

During the year ended June 30, 2021, there were seven Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting held	Attendance
Mr. Osman Khadem	Chairman	7	7
Mr. Mashiul Haq Chowdhury	Vice Chairman	7	7
Mr. M. Zakir Chowdhury	MD & CEO	7	7
Mr. Md. Asif Rahman	Director	7	7
Mr. Maruful Haque Chowdhury	Director	7	7
Sigma Technologies Ltd (Nominated by Mr. Ali Mostafa)	Director	7	7
Mr. Md. Shafiqul Islam	Independent Director	7	7
Mr. A.S.M Shamsuddin Mazumder	Independent Director	7	6

The directors of the company were not paid any fee for attending board meeting during the year.

28.07 Related Party disclosure as per IAS-24 Para -17 regarding Key management personnel compensation:

Related parties transactions during the period given below.

Sl. No.	Name of the related Parties	Relationship	Nature of Transaction	Balance as at 30.06.2021	Balance as at 30.06.2020
1	Mr. Osman Khadem	Chairman & Director (Compliance & Ethical Standard)	Remuneration	-	1,440,000
			Benefits	-	1,740,000
2	Mr. Mashiul Haq Chowdhury	VC & Director(IT)	Remuneration	600,000	600,000
			Benefits	180,000	180,000
3	Mr. M. Zakir Chowdhury	MD & CEO	Remuneration	1,440,000	1,440,000
			Benefits	1,164,000	1,164,000
4	Mr. Md. Asif Rahman	Director (Finance)	Remuneration	600,000	600,000
			Benefits	180,000	180,000
5	Mr. Maruful Haque Chowdhury	Director (Commercial)	Remuneration	600,000	600,000
			Benefits	180,000	180,000
	Total			4,944,000	8,124,000

28.08 Disclosures under Para-3 of Schedule XI Para II of the Companies Act. 1994 regarding Employee's Position as on 30.06.2021

Monthly Salary Range	Employee's Position		Total Employee 2021	Total Employee 2020
	Factory	Head Office		
Below 3000	Nil	Nil	Nil	Nil
Above 3000	2972	10	2982	2958
Total	**2972**	**10**	**2982**	**2958**

28.09 Capacity Utilization (Yearly)

Particulars	Capacity	Actual Production	Percentage
Garments (Woven)	84.00 lac/Pcs	71.05 lac/Pcs	84.58%

28.10 Clause No. 5(2) (c) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated 20th June 2018
Reconciliation of Net operating cash flow under Indirect Method

Particulars	30-Jun-2021	30-Jun-2020
Net Profit after Tax	**127,946,612**	**84,982,984**
Adjustment for non-cash items:		
Depreciation	87,256,858	73,852,223
Deferred Tax Adjustment	4,491,864	3,132,984
	91,748,723	**76,985,207**
Non-operating items:		
Interest Expenses	156,189,618	138,850,538
Un-Realized Foreign Exchange Gain/Loss	4,216	1,707
	156,193,834	**138,852,244**
Changes in Working Capital:		
(Increase)/Decrease in Inventories	51,464,276	14,618,118
(Increase)/Decrease in Accounts Receivable	63,979,007	111,392,865
(Increase)/Decrease in Advance, Deposit and Prepayments	(9,707,256)	45,688,081
Increase/(Decrease) in Accounts Payable	80,328	(249,857)
(Increase)/Decrease in Provision for Tax	13,510,812	13,112,437
(Increase)/Decrease in Accrued Expenses	3,895,525	3,534,148
	123,222,691	**188,095,792**
Net cash flow from operating activities	**252,666,477**	**112,724,643**

28.11 Disclosure regarding calculation of Current Tax

Particulars	Amount in BDT	
	30.06.2021	30.06.2020
Profit before other Income and Tax	125,293,239	94,941,922
Less: WPPF Expenses	-	-
Add: Accounting Depreciation	87,256,858	73,852,223
Less: Tax Depreciation	(160,206,803)	(77,859,413)
Total Taxable Income	**52,343,294**	**90,934,732**
Rate	12%	12%
A. Tax on Total Taxable Income	**6,281,195**	**10,912,168**
Other Income	20,656,049	6,286,483
Rate	35%	35%
B. Tax from other Income	**7,229,617**	**2,200,269**
Total Tax Expenses(A+B)	**13,510,812**	**13,112,437**

28.12 Disclosure regarding Related Party Transactions

During the period the Company carried out a number of transaction with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS-24: Related Party Disclosures.

Sl. No.	Name of the Party	Relation	Nature of Transactions	30-Jun-2021	30-Jun-2020
1	J.R Paribahan Sangstha & Trading	Business	A/c's Payable	250,000	122,735
2	Square(C & F) Syndicate	Business	A/c's Payable	135,210	50,138
3	G. Guldenpfenning Gmbh	Business	A/c's Receivable	367,865,098	550,214,629
4	Mr. M. Zakir Chowdhury	MD & CEO	Remuneration	120,000	120,000
			Benefits	97,000	97,000
5	Mr. Masunul H. Chowdhury	DMD	Remuneration	90,000	90,000
6	Mr. Suman Ghose	Director	Remuneration	75,000	75,000
	Total			**368,632,308**	**550,769,502**

28.13 Key management personnel including Board of Directors compensation

		30-Jun-2021	30-Jun-2020
Short Term employee Benefits	Monthly Salary	16,008,000	17,520,000
	Two Eid Festival Bonus	1,131,300	964,560
	Medical Assistance for own		
	Earn Leave encashment as per Labor Law-2006, amended 2016		
Post Employment Benefits	Long Term service benefit		
Other Long Term Benefits	Compensation/Insurance Benefit with BGMEA		
Termination Benefit	As per Labour Law-2006, Amended 2016		
Share-based Payment	Nil		

29.00 General

All the figures in the financial statements represent Bangladeshi taka currency (BDT) rounded off to the nearest figure.

The comparative information has been disclosed of 2019-2020 for all numerical information in the financial statements and also the narrative and descriptive information as found relevant for understanding of the current years financial statements.

To facilitate comparison, certain relevance balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.

30.00 Events after the reporting period

No material events had occurred from the Financial Position date to the date of issue of this Financial Position, which could materially affect the values stated in the Financial Position.

NEW LINE CLOTHINGS LTD.

Schedule of Property, Plant and Equipment

As at June 30, 2021

Annexure -A

A. At Cost Model:

Particulars	Balance as on 01.07.2020	Addition during the year	Balance as on 30.06.2021	Rate of Dep.(%)	Depreciation			Written down value as on 30.06.2021
					Balance as on 01.07.2020	Charged during the year	Balance as on 30.06.2021	
Land & Land Development	3,313,250	-	3,313,250	0%	-	-	-	3,313,250
Building & Civil Works	467,700,378	20,806,449	488,506,827	5%	118,666,784	18,492,002	137,158,786	351,348,041
Plant & Machinery	281,104,160	119,137,768	400,241,928	10%	136,705,674	26,353,625	163,059,300	237,182,628
Vehicles	3,525,700	-	3,525,700	20%	3,106,112	83,918	3,190,030	335,670
Electric Equipments	104,130,674	30,075,800	134,206,474	10%	41,973,355	9,223,312	51,196,667	83,009,807
Furniture & Fixture	32,570,471	379,350	32,949,821	10%	13,515,287	1,943,453	15,458,741	17,491,080
Office Equipments	18,557,888	276,235	18,834,123	10%	7,933,348	1,090,077	9,023,426	9,810,697
Generator	14,475,360	-	14,475,360	15%	10,159,353	647,401	10,806,754	3,668,606
Fire Equipments	64,788,101	140,575	64,928,676	5%	11,617,487	2,665,559	14,283,046	50,645,630
Computer & Accessories	2,404,995	425,307	2,830,302	5%	839,916	99,519	939,435	1,890,867
Spares & Accessories	49,893,234	20,442,908	70,336,142	15%	18,601,176	7,760,245	26,361,421	43,974,721
Sundry Assets	762,986	45,750	808,736	10%	469,335	33,940	503,276	305,460
Total as on 30.06.2021	**1,043,227,197**	**191,730,142**	**1,234,957,339**		**363,587,828**	**68,393,052**	**431,980,882**	**802,976,457**
Total as on 30.06.2020	**963,545,471**	**79,681,726**	**1,043,227,197**		**309,667,119**	**53,920,708**	**363,587,828**	**679,639,369**

B. At revalued Model:

Particulars	Balance as on 01.07.2020	Addition during the year	Balance as on 30.06.2021	Rate of Dep.(%)	Depreciation			Written down value as on 30.06.2021
					Balance as on 01.07.2020	Charged during the year	Balance as on 30.06.2021	
Land & Land Development	86,586,750	-	86,586,750	0%	-	-	-	86,586,750
Building	557,982,704	-	557,982,704	5%	206,314,434	17,583,413	223,897,848	334,084,856
Plant & Machinery	33,049,166	-	33,049,166	10%	20,245,242	1,280,392	21,525,634	11,523,532
Total	**677,618,620**	-	**677,618,620**		**226,559,676**	**18,863,806**	**245,423,482**	**432,195,138**
Total as on 30.06.2021(A+B)	**1,720,845,817**	**191,730,142**	**1,912,575,959**		**590,147,504**	**87,256,858**	**677,404,364**	**1,235,171,595**
Total as on 30.06.2020	**1,641,164,091**	**79,681,726**	**1,720,845,817**		**516,295,281**	**73,852,223**	**590,147,504**	**1,130,698,313**

Particulars	Amount in BDT	
Depreciation allocated to:	**30.06.2021**	**30.06.2020**
Factory Overhead	84,005,951	70,334,578
Administrative Overhead	3,250,908	3,517,645
	87,256,858	**73,852,223**
Depreciation charges during the year	68,393,052	53,920,708
Depreciation charge on Revaluation of Assets	18,863,806	19,931,515
	87,256,858	**73,852,223**
Head of Accounts:		
Factory Overhead	65,142,145	50,403,064
Administrative Overhead	3,250,908	3,517,645
	68,393,052	**53,920,708**
Depreciation on Revaluation of Assets:		
Factory Overhead	18,863,806	19,931,515
Administrative Overhead	-	-
	18,863,806	**19,931,515**

NEW LINE CLOTHINGS LIMITED

Quantity wise schedule of Inventory - Para 3 of Schedule XI, Part II

a) Movement of Raw Materials

Annexure-B

Opening Raw Materials

Sl. No.	Name of Items	Unit	Opening		Purchase		Material Available		Closing Stock		Consumption	
			01.07.2020						30.06.2021			
			Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka
Fabrics												
01	100% Cotton fabric	mtr	92,105	9,968,524	1,564,321	172,309,958	1,656,426	182,278,482	185,323	20,057,508	1,471,103	162,220,974
02	Dtm Tc pocketing fabric	mtr	236,437	16,512,760	1,810,922	127,199,184	2,047,359	143,711,944	216,450	15,116,883	1,830,909	128,595,061
03	Knitted denim fabric	mtr	540,629	112,250,819	1,034,120	216,503,363	1,574,749	328,754,183	442,620	91,901,191	1,132,129	236,852,992
04	Cordroy fabric	mtr	220,675	46,101,214	1,024,801	215,433,666	1,245,476	261,534,880	243,439	50,856,841	1,002,037	210,678,039
05	PFD Twill fabric	mtr	210,167	37,611,486	446,750	79,753,810	656,917	117,365,296	292,260	52,302,850	364,657	65,062,447
06	Popline fabric	mtr	23,146	4,892,540	318,634	48,161,529	341,780	53,054,069	227,104	34,231,381	114,676	18,822,688
07	Polyester fabric	mtr	92,377	20,179,756	443,778	97,697,727	536,155	117,877,482	84,867	18,539,216	451,288	99,338,267
08	Polyester tricot fabric	kg	40,985	14,436,556	335,232	118,175,985	376,217	132,612,541	75,238	26,501,833	300,979	106,110,708
09	Single jersey fabric	kg	22,154	7,332,088	230,766	77,364,311	252,920	84,696,399	24,610	8,144,926	228,310	76,551,473
	Total:		**1,478,675**	**269,285,744**	**7,209,324**	**1,152,599,533**	**8,687,999**	**1,421,885,277**	**1,791,911**	**317,652,629**	**6,896,088**	**1,104,232,648**
Accessories												
01	Sewing thread	Cone	321,560	15,322,334	2,963,160	143,891,050	3,284,720	159,213,384	624,207	29,743,444	2,660,513	129,469,940
02	Zipper	Pc	766,348	8,123,289	7,741,156	90,339,291	8,507,504	98,462,579	732,211	7,761,437	7,775,293	90,701,143
03	Metal Button & Revit	Grs	421,890	11,618,851	1,470,514	40,689,122	1,892,404	52,307,973	424,105	11,679,852	1,468,299	40,628,121
04	Others Accessories	Yds/Kg/ Grs	2,267,872	110,898,919	4,107,572	200,860,286	6,375,444	311,759,205	2,561,765	125,270,328	3,813,678	186,488,876
	Total:		**3,777,670**	**145,963,392**	**16,282,402**	**475,779,748**	**20,060,072**	**621,743,140**	**4,342,288**	**174,455,061**	**15,717,784**	**447,288,080**
				415,249,136		**1,628,379,281**		**2,043,628,417**		**492,107,690**		**1,551,520,727**

b) Work-in-Process

	Opening		Closing WIP	
	01.07.2020		30.06.2021	
work-in-process	**Quantity**	**Taka**	**Quantity**	**Taka**

Sl. No.	Name of Items	Unit	01.07.2020		30.06.2021	
			Quantity	Taka	Quantity	Taka
01	Fabrics	mtr/kg	787,844	159,341,456	792,563	160,295,867
02	Accessories	yds/kg/grs	742,948	84,866,926	518,470	59,224,781
	Total:		**1,530,792**	**244,208,382**	**1,311,033**	**219,520,648**

c) Movement of Finished Goods

	Opening		Closing Finished Goods	
Finished Goods				

Sl. No.	Name of Items	Unit	01.07.2020		30.06.2021	
			Quantity	Taka	Quantity	Taka
01	Finished Goods(RMG)	Pcs	330,219	104,729,079	328,002	104,022,535
	Total:		**330,219**	**104,729,079**	**328,002**	**104,022,535**

CERTIFICATIONS AND MEMBERSHIP OF THE COMPANY

AWARDS AND RECOGNITION

New Line Clothings Limited has been awarded and achieved prestigious awards several times and recognition from different organizations. These are as follows:

Awarded ISO 14001:2015 Certificate (Environmental Management System)	2015 – Certified to ISO 14001:2015 Validity 26.01.2024
Awarded Oeko-Tex Garments Product Class 1 Certificate	Renewal Under Process
Awarded Global Organic Textile Standard (GOTS)	Renewal Under Process
Awarded Organic Content Standard (OCS)	Renewal Under Process
Awarded Fire and Building Safety Structural by Accord	Year-August 25, 2019
Advanced Aldi Factory Advancemnet Project Completion Certification by AFA Project	Year-September 2013 - December 2015
Awarded Best Top Management Commitment by Aldi Factory Advancement project (AFA project)	Year-December 01, 2015
Awarded Amfori BSCI	Validity 20.10.2023
Listed with Dhaka Stock Exchange Limited	April 08, 2019
Awarded Gold Certificate of Compliance (WRAP)	Validity 02.07.2022
Listed with Chittagong Stock Exchange Limited	April 04, 2019
Trading of Shares at Dhaka & Chittagong Stock Exchanges	May 27, 2019
Credit Rating by Emerging Credit Rating Ltd (ECRL)	Long Term Loan: BBB- Short Term Loan: ST 4 Outlook: Stable Validity: October 31, 2022



REGISTRATION CERTIFICATE

this is to certify that the management system of

New Line Clothings Ltd.

have been assessed by AJA EUROPE and registered against the requirements of

ISO 14001:2015

AJAEU/21/16582	*27th January 2021*
Certificate Number	Date of Original Registration
26th January 2024	*N/A*
Expiry Date	Date of Re-Registration

Alfonso Pagliuca, President & Founder, AJA Europe Ltd

UKAS MANAGEMENT SYSTEMS 0273

MEMBER OF MULTILATERAL RECOGNITION ARRANGEMENT IAF

AJA EUROPE™

This certificate is issued in respect of the location & scope of registration detailed in the Associated Registration Schedule
This certificate is the property of AJA Europe Ltd Unit 3 Middle Bridge Business Park Bristol Road Portishead Bristol BS20 6PN UK and must be returned on request.

AITEX
INSTITUTO TECNOLÓGICO TEXTIL
PLAZA EMILIO SALA, 1
03801 ALCOY (ALICANTE) ESPAÑA, SPAIN

OEKO-TEX®
INSPIRING CONFIDENCE

CERTIFICATE

The company

New Line Clothings Ltd.
Plot # 1945, Kouchuakuri, Mouchak, Kaliakoir
1751 Gazipur, BANGLADESH

is granted authorisation according to STANDARD 100 by OEKO-TEX® to use the STANDARD 100 by OEKO-TEX® mark, based on our test report
20210K0589

OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100
2014OK0906 AITEX
Tested for harmful substances
www.oeko-tex.com/standard100

for the following articles:

Readymade garments (kid's, Men's and ladies) made of woven denim fabrics 100% cotton, cotton/polyester, cotton/elastane, cotton/polyester/spandex in color navy blue and black. Woven fabrics of 100% cotton, cotton/spandex optical white, yarn dyed, dyed and reactive & pigment allover print, cotton/polyester reactive dyed and printed and 100% viscose, cotton/viscose, cotton/polyester white and dyed woven fabrics and 100% polyester disperse dyed mess fabrics. Including accessories like sewing thread, woven and printed label, zipper, shank button, snap button, rivets, eyelets, hook & eye, elastic, drawstring , twill tape, interlining and pocketing fabrics made of 100% cotton, polyester/cotton woven fabric.

The results of the inspection made according to STANDARD 100 by OEKO-TEX®, Appendix 6, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the STANDARD 100 by OEKO-TEX® presently established in Appendix 6 for baby articles.

The certified articles fulfil requirements of Annex XVII of REACH (incl. the use of azo colourants, nickel release, etc.), the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass) and of the Chinese standard GB 18401:2010 (labelling requirements were not verified).

The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the STANDARD 100 by OEKO-TEX® mark only in conjunction with products that conform with the sample initially tested. The conformity is verified by audits.

The certificate 2014OK0906 is valid until 31.12.2021

Alcoy (Alicante) España, 24.04.2021

Silvia Devesa Valencia
Innovation Assistant Manager

Isabel Soriano Sarrió
Chief of Innovation Area

ACCORD
on Fire and Building Safety in Bangladesh

Date: 25/08/2019

Subject: Accord Structural Safety Assessment for New Line (9659).

For the attention of Factory Owner/Manager, Lead Brand, Active Brands & Union Colleagues, We are writing to inform you of the Accord active and responsible brands at below factory.

Factory Name: New Line (Accord Id: 9659)

Address: Plot No.1945, Kouchaukuri, Kamrangachaia, Mouchak, Kallokoir, Gazipur

The Alliance conducted an initial structural assessment at this facility on ***28/04/2014****. The Accord also conducted Follow-up structural inspections, with the final inspection being carried out on* ***24/06/2019****.*

This is to inform you that the factory has completed remediation on all structural issues identified in the Alliance initial structural inspection report and The Accord is satisfied that general compliance with our structural safety standard is achieved.

Please note that this clearance certificate is given based on the inspections conducted by the Accord and does not cover any modifications, extensions etc. which have taken place after the initial inspection unless specifically verified by the Accord. The factory must ensure the ongoing compliance with loading plans and maintenance to ensure the integrity of the building. The Accord reserves the right to add further structural findings in the future.

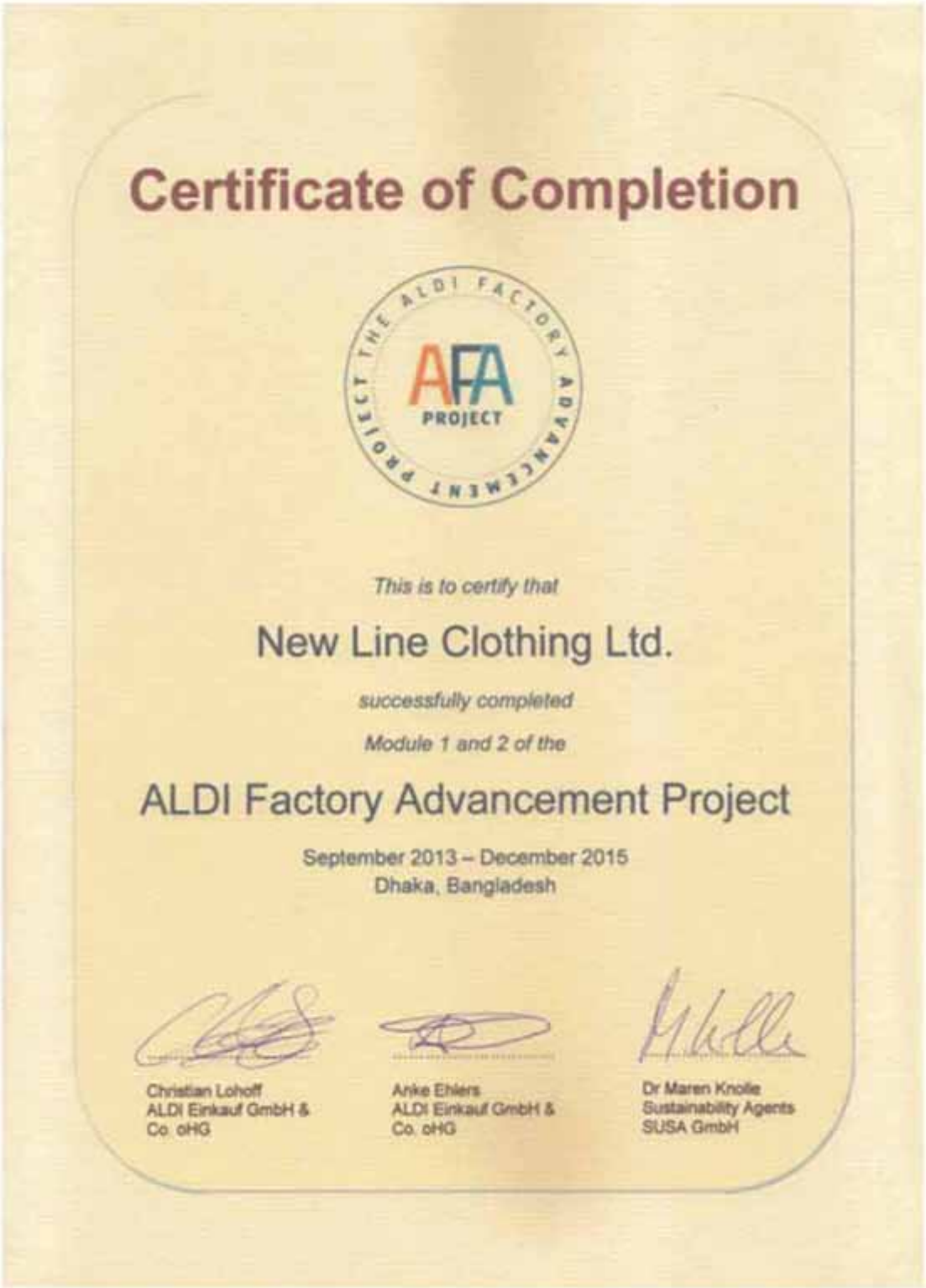
This clearance certificate is a reference to structural findings only. It does not reference fire and electrical findings.

Sincerely,

Rob Wayss Executive Director

Stichting Bangladesh Accord Foundation


AFA
PROJECT
"Best Top Management Commitment" Award
New Line Clothing Ltd.
ALDI Factory Advancement Project
September 2013 – December 2015
December 1, 2015



Certificate of Completion

THE ALDI FACTORY ADVANCEMENT PROJECT

AFA PROJECT

This is to certify that

New Line Clothing Ltd.

successfully completed

Module 1 and 2 of the

ALDI Factory Advancement Project

September 2013 – December 2015
Dhaka, Bangladesh

Christian Lohoff
ALDI Einkauf GmbH & Co. oHG

Anke Ehlers
ALDI Einkauf GmbH & Co. oHG

Dr Maren Knolle
Sustainability Agents
SUSA GmbH

AFA ALUMNI SUCCESSFULLY COMPLETION CERTIFICATE

Monitoring result for New Line Clothings Ltd. on site New Line Clothings Limited

Monitoring

Monitored Party	: New Line Clothings Ltd.	amfori ID	: 050-000127-000
Site	: New Line Clothings Limited	Site amfori ID	: 050-000127-002
Address	: Plot: 1945, Kauchuakuri, Kamrangachala, Mouchak, Kaliakoir, : 1751, Gazipur-1751 : Dhaka : Bangladesh	Monitoring Activity	: amfori Social Audit - Manufacturing
		Monitoring Type	: Full Monitoring
		Submission Date	: 20/10/2021
		Expiration Date	: 20/10/2023

This is an extract of the online monitoring result, generated on 21/10/2021, and is only valid as an acknowledgement of the result. To see all the details, review the full monitoring result, which is available **here** - The English version is the legally binding one.

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Overall rating

A	B	C	D	E	None

Section rating

PA1: Social Management System	C
PA 2: Workers Involvement and Protection	C
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	C
PA 5: Fair Remuneration	B
PA 6: Decent Working Hours	A
PA 7: Occupational Health and Safety	A
PA 8: No Child Labour	A
PA 9: Special Protection for Young Workers	A
PA 10: No Precarious Employment	A
PA 11: No Bonded Labour	A
PA 12: Protection of the Environment	B
PA 13: Ethical Business Behaviour	A

CREDIT RATING REPORT

New Line Clothings Limited has been rated as BBB-(Pronounced as Triple B minus) rating in the long term and ST-4 rating in the short term by Emerging Credit Rating Limited (ECRL) based on audited financial statements year 2018-2021 in addition to other relevant qualitative information valid up to rating date. The date of rating was on December 28, 2021. The outlook of the ratings is Stable.

Long Term Rating	Short Term Rating	Outlook	Date of Validity
BBB-	ST-4	Stable	October 31, 2022

Grade BBB- indicates the Company's current position of revenue, selling capacity, management experience, capacity to repay banks principal and interest. Grade ST-4 indicates good certainty of timely payment, liquidity factors and company fundamental are sound and risk factors are small.

SNAP SHORT OF FACTORY





Bonded Ware House



Store



Fusing Machine/Bansew Cutter



Cutting



Cutting



Product Development/Sample Room Section



Sewing



Sewing



Finishing



Finishing



Pressing



Pressing



Packing Section

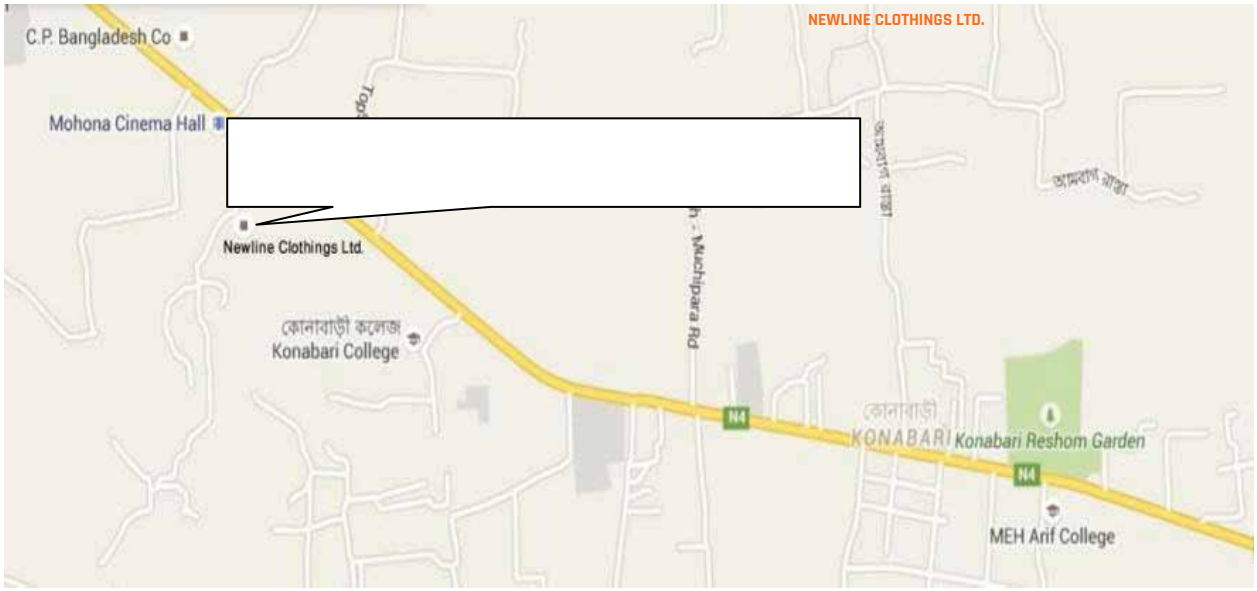


Packing Section





https://www.google.com.bd/maps/place/New+Line+Clothings+Ltd./@24.0152029,90.3019684,18z/data=!4m12!1m6!3m5!1s0x3755dd88e6182ecf:0x1220bf190480efbd!2sNew+Line+Clothings+Ltd.!8m2!3d24.0150976!4d90.302875!3m4!1s0x3755dd88e6182ecf:0x1220bf190480efbd!8m2!3d24.0150976!4d90.302875?hl=en



PRODUCT GALLERY

Ladies & Mens Trousers



Jackets And Outer Wear


INFANT SOFTSHELL


LADIES DENIM


LADIES PADDED VEST


LADIES VISCOS


LADIES JACKET


KIDS PADDED JACKET


LADIES PADDED JACKET


MENS FLEECE


MENS FLEECE JACKET


MENS PADDED JACKET


WIND BREAKER



Ladies Vest



Kids long Pant



Girls Skirt



Boys Bermuda



Kids Denim Pant



Girls Capri

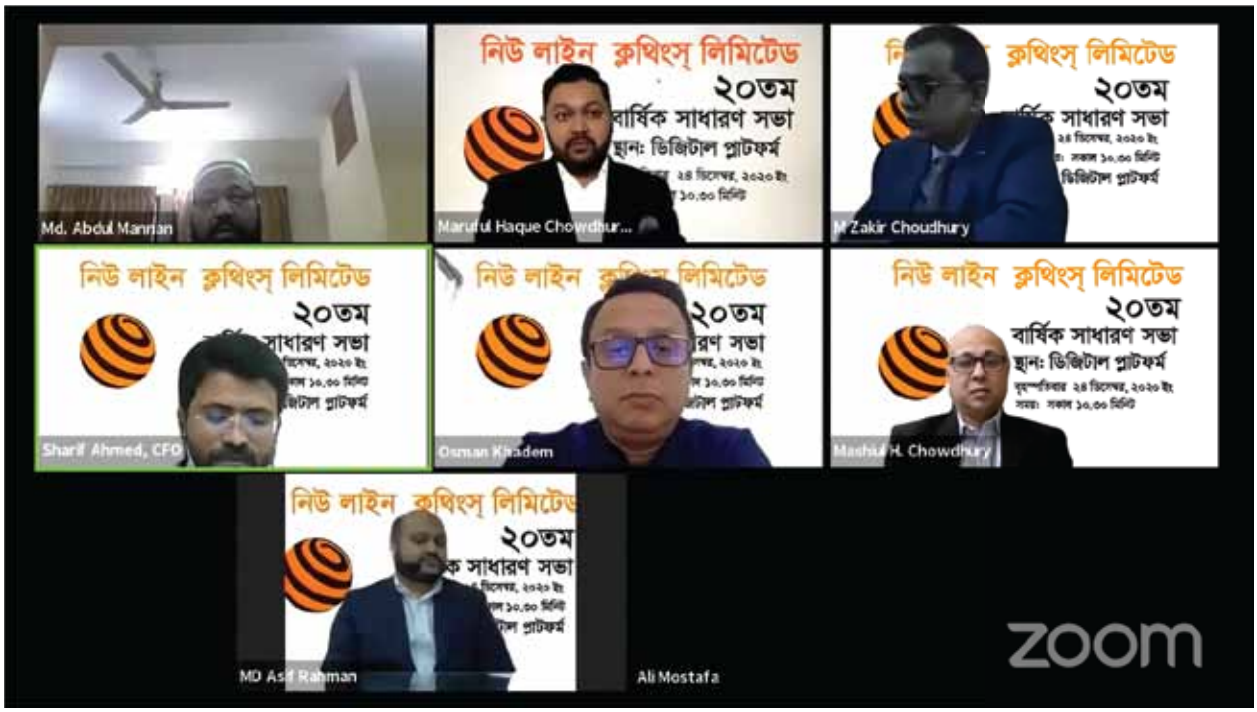


Mens Long Pant



Men's Trekking Long

PHOTO GALLERY





20th Annual General Meeting year 2020 held on 24th December 2020 throu' Digital Platform

VIRTUAL AGM ATTENDANCE PROCEDURE

Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/91 dated March 31, 2021 and avoiding mass gathering to ensure health safety of all the shareholders/ members, Staff and others who plan to attend the AGM of New Line Clothings Limited. Forgather its 21st Annual General Meeting (AGM) using the Digital Platform on Thursday, 27 January 2022 at 11.00 a.m.

The Digital Platform is expected to make sure honorable shareholders attendance & take part/giving vote from any places around the world.

LOGIN PROCEDURE:

Step-1: Please check whether you are a shareholder/member of New Line Clothings Limited as on the record date i.e., 30th November 2021.

Step-2: Please visit **http://newlineagm2021.digitalagmbd.net** from your laptop, desktop, tab and smartphone.

Step-3: Please Put your 16-digit BO-ID number and other credential as a proof of your identity to login the system.

SEGMENT OF THE AGM WEBSITE:	
Live Streaming	This section will show the webcast of the AGM by using digital platform.
Register your questions or Comments	This section will record your questions or comments before commencement of the AGM.
Download	This section will allow you to download "Annual Report- 2021" and related Notice & Forms in PDF format.
Attendance with Shareholding	This section will show the total attendance of present members and shareholdings at their possession.
Agenda	The section will show agenda for the meeting and options for preceding, seconding agreeing or disagreeing with the same.

NEW LINE CLOTHINGS LIMITED

Plot No # 1945, Kauchuakuri, Kamrangachala, Mouchak, Kaliakair, Gazipur

Option for receiving Dividend

I/We.....

of.....

being a shareholder of New Line Clothings Limited, do hereby exercise my/our opinion to receive dividend in the following manner [please tick (✓) in the applicable box]:

- ☐ a) In the form of Dividend Warrant
- ☐ b) Through online transfer to my/our bank account recorded with the Company

Information of the Shareholder(s):

BO ID NO.																

Mobile number:.....

Signature Verified by

Signature of the Shareholder (s)

Authorized Signatory of the Company

Notes:

1. The form duly completed must be deposited at the Registered Office of the Company on or before 19th January 2022.
2. Signature of the Shareholder(s) must be in accordance with the specimen signature recorded with the company.
3. Number of shares, Bank Account detail and address shall be considered final as provided by CDBL on Record Date i.e., November 30, 2021.
4. Applicable service charge, if any, shall be borne by the Shareholder(s) in case of payment of dividend through online transfer to the Shareholder(s) Bank Account as per BSEC notification.

NEW LINE CLOTHINGS LIMITED

Plot No # 1945, Kauchuakuri, Kamrangachala, Mouchak, Kaliakair, Gazipur

PROXY FORM

I/We.....being a shareholder (s) of New Line Clothings Limited do hereby appoint Mr./Mrs..... of as my/our proxy to attend and vote on behalf of me/us at the 21st Annual General Meeting of the Company to be held on Thursday, 27th January, 2022 at 11.00 AM at Digital Platform or at any adjournment thereof or at any ballot to be taken in consequence hereof.

As witness my/our hand this.....day of .....2022.

Revenue Stamp Tk. 20.00

(Signature of the Shareholder) (Signature of Proxy)

BO ID NO. | | | | | | | | | | | | | | | | |

No. of Shares held..... Dated.....

Note:

i) This form of proxy, duly completed and signed must be deposited at least 48 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.

ii) Signature of the Shareholder must be in accordance with Specimen Signature recorded with the Company.

NEW LINE CLOTHINGS LIMITED

Plot No # 1945, Kauchuakuri, Kamrangachala, Mouchak, Kaliakair, Gazipur

ATTENDENCE SLIP

I do hereby record my attendance at 21st Annual General Meeting of New Line Clothings Limited being held on Thursday 27th January, 2022 at 11.00 AM at Digital Platform.

Full Name of the Shareholder:

BO ID NO. | | | | | | | | | | | | | | | | |

No. of Shares held ..... Dated.....

(Signature of Proxy) (Signature of the Shareholder)

N.B. : Shareholders attending the meeting in person or by Proxy under Digital platform are requested to complete the Attendance Slip and deposit the same at the Registered Office of the Company before the meeting.



NEW LINE CLOTHINGS LTD.

Registered Office & Factory : Plot # 1945, Kauchuakuri,
Kamrangachala, Mouchak, Kaliakair, Gazipur, Bangladesh
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E-mail: info@newline.com.bd, Web: www.newline.com.bd

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