

Directors' Report

Honourable Shareholders

The Board of Directors' of Stylecraft Limited, also referred to as the "Company" in the report hereafter, are pleased to submit the Directors' Report of the company for the fiscal year ending June 30, 2025 according to section 184 of the Companies Act, 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules, 1987, BSEC Order No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 and International accounting Standards (IAS-1) as adopted by the Institute of Chartered Accountants of Bangladesh in the following paragraphs:

Industry outlook & possible future developments

We have been facing after effects of geo political turmoil due to various reasons which during the said year, slowing the economic growth around the world and causing new threat to all business sectors especially RMG. This turmoil caused considerable fall in the sales of ready-made garments all over the world

Segment wise or product-wise performance

The Company manufactures menswear and womenswear for some of the leading global fashion brands with diverse shade, quality, recipe, colour, weight, fashion etc. which is only product of the business. Thus, the core revenue of the company is coming from direct export against back-to-back LC. Cash incentive received from the government is also a part of revenue.

Revenue	2024-25	2023-24	Growth (Amount)	
			Amount	In (%)
Direct export	-	11,74,16,191	-11,74,16,191	-
Sub-Contract	13,84,83,103	1,62,73,252	12,22,09,851	11.75
Total	13,84,83,103	13,36,89,443	-47,93,660	-89.81

Investment in CDBL

The company is a sponsor shareholder of Central depository Bangladesh Limited. The company purchased 2 shares with the face value of BDT 10 Lac per share in the year 2000. At present, the company is holding 11,42,361 shares with the face value of BDT 10 per share.

Auditors Qualified Opinion & Its Explanation

Refer to note -6.00 Existence of Export Bills receivable the financial statements disclose an amount of tk. 511,551,495/- of which tk. 479,493,495 relates to Export Bills receivable is not supported by sufficient evidence and relevant documents as at 30 June 2025.

Explanation: Existence of Export Bills receivable for the amount tk. 479,493,495/- is not provided supported by sufficient evidence and relevant documents because conflict for business export term & condition with some buyers. The conflict is still unresolved with buyers. But the management is trying hard to manage solved business conflict with buyers.

Risks and Concerns

Currently the global geo political turmoil has become complex day by day that causes economic uncertainty which we mentioned previously, Stylecraft Limited also may face number of other internal & external risks associated with global demand and supply chain, fiscal and monetary policies of govt. international trade barriers, and increasing production cost due to huge fluctuation of dollar rate. Besides, readymade garments sector is facing challenges in adjusting their additional production costs due to gas and electricity price hikes within the country. Moreover, the company is also exposed to interest rate risk as it is availing working capital loan with various interest rates from different bank.

The management is trying hard to manage equity-based financing to minimize the interest rate risk and dependency on borrowed fund.

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Cost of Goods Sold	101.88	162.53	1,182.50	462.57	1157.88
Gross Profit	36.60	-28.84	95.44	37.97	92.39
Net Profit after tax	-15.00	-87.74	-67.56	-70.99	-12.90

Discussion on continuity of any Extra-Ordinary gain or loss

No event of extra ordinary gain or loss occurred during the reporting period which would require to adjustment or disclosure in the financial statements.

Related Party Transaction

The company did not involve in any related party transactions so far. Significant Variance between Quarterly and annual Financial Statements

Particulars	Q1	Q2	Q3	Q4	Total
Revenue (Million BDT)	1.77	2.65	4.85	4.57	13.84
Growth/decrease Q to Q (in %)	-	33.20%	45.36%	-6.12%	72.44%
Net Profit After Tax	.034	.055	.041	-1.50	-87.74

Remuneration of Directors

Directors who engaged in the company's day to day operation are not receiving any remuneration and other benefits. whereas non-executive and independent directors did not receive any remuneration other than board meeting attendance fees.

Fairness of Financial Statements

The financial statements together with the notes thereon of the Company present true and fair view of the Company's state of affairs results of its operation, cash flows and changes in equity.

Books of Accounts

Proper books of accounts as required by the prevailing law have been maintained. Accounting Policies
Appropriate accounting policies have been consistently followed in formulating the financial statements and accounting estimates are reasonable and prudent.

Application of IAS/BAS & IFRS/BFRS

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 preparation of the financial statements and any departure there from has been adequately disclosed.

Minority Interest

In compliance with code I(5) (XVI) of Corporate Governance Code, the board hereby confirms that the interests of the minority shareholders have been duly protected in the company.

Going Concern

There are no doubts upon the company's ability to continue as a going concern.

Significant Deviation in operations result compared to the last year.

The political and economic turmoil over the world are the reasons for decreasing current year sales, net profit after tax, EPS and NOCFPS.

Internal Control

The board of directors of the company has designed an internal control system to manage the company's risks within an acceptable risk profile. The board has also established an organizational structure which clearly defined lines of account-ability and delegated authority. The internal control team aims for the efficiency of operations, reliability of financial reporting, risk management, compliance with rules, regulations by the regulators and company's policies. The Audit Com- mittee of the company regularly gives suggestion and recommendation for an effective internal control system.

Key operating and financial data

Key operating and financial data of last five years have been presented in summarized form in page no. 12 of this report.

Dividend

Due to net loss of the company, the Board of Directors has recommended no dividend to be declared to general shareholders including sponsors and directors for purpose of general shareholders' satisfaction in its meeting on October 28, 2025 for the year ended June 30, 2025 (subject to the approval in the fourth coming AGM) to those shareholders whose names will appear in depository Register of CDBL as on Record date i.e. November 20, 2025. However, hopefully the company will recover and come back with more dividend to the shareholders in future.

Interim Dividend

No bonus or stock dividend was declared as interim dividend during the period.

Number of board meetings held during the year and attendance

The number of Board meetings held during the year and attendance of directors thereof has been disclosed in Annexure-VI of this Annual Report.

Pattern of shareholding

The patterns of shareholding of the Directors and others as on June 30, 2025 are shown in Annexure-VII of this report.

Director's Retirement & Re-appointment:

As per article 126 of the articles of association of the company, the following one (1) director will retire from the office of directorship of the company in the ensuing 42nd Annual General Meeting of the company:

I. Mr. Sharif Alams Rahman

Being they are eligible for re-election as per clause No: 128 of the Articles of Association of the Company, they applied for re-election.

Brief resume of the appointee director is stated in Page No. 9 in compliance with the provision 1.5 (xxiv) of Corporate Governance Code.

Independent Director

The Board of Directors appointed Mr. Md. Jakir Hossain, FCA as the new Independent Director and shareholders approved in 41st AGM.

Statutory Auditor

In the 41st AGM, members of the company appointed Pinaki & Co., Chartered Accountants as Statutory auditor for the year ended on June 30, 2025 until the conclusion of the 42nd Annual General Meeting at a remuneration of Tk. 3,00,000/- (Three lac only) excluding vat.

Being eligible, Islam Quazi Shafique & Co. have expressed their willingness to be appointed as statutory auditor of the company for the next financial year. Moreover, statutory auditor did not engage with the company for performing any activities which are laid in condition no.7 of corporate governance code.

Compliance Auditor

In the 41st AGM, members of the company appointed Ahsan Kamal Sadek & Co., Chartered Accountants as compliance auditor for the year ended on June 30, 2025 at a remuneration of Tk. 60,000/- (Taka sixty thousand only).

Being eligible, they have expressed their willingness to be appointed as compliance auditor of the company for the next financial year with reasonable increase of their audit fees and in recommendation of the audit committee, the Board of Directors in their meeting held on October 28, 2025 proposed to re-appoint Ahsan kamal Sadek & Co., Chartered Accountants as compliance auditor of the Company for the year ended on June 30, 2026 at a remuneration of Tk. 60,000/- (Taka sixty thousand only) upon getting final approval from the Shareholders of the company.

Management Discussion and Analysis

A detailed management discussion and analysis is given in page no. 19 as per condition no. 1.5 (xxv) of Corporate Governance Code.

Declaration by the Managing Director & CFO

Declaration by the Managing Director & CFO is shown on page no. 21

Report and compliance with Corporate Governance Code

A report on compliance with conditions of Corporate Governance Code is given on page no. this annual report. Further, Corporate Governance Compliance is shown on page no 17 of this report.

Board Committees

At present, Stylecraft Limited has two (2) sub-committees of the board. One is Audit committee and the other is Nomination and Remuneration Committee (NRC). These committees have their own Terms of Reference (TOR) in accordance with the corporate governance code. These committees consist of three (4) Board members including one (1) independent director, who is also the Chairman of the committee.

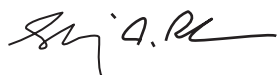
Sub-committees of the board organize meeting regularly and advise board of directors on different important Issues

Acknowledgement

We take this opportunity to express our deep appreciation and gratitude to all our foreign buyers, government agencies, banks, financial institutions, The Bangladesh Securities and Exchange Commission, the Dhaka Stock Exchange Limited, suppliers, service providers and valued shareholders for their active support and cooperation.

The progress that has been made by your company would not have been possible without the hard work and dedication of our employees. We offer our sincerest thanks to each and every employee for his or her whole-hearted commitment.

Thanking you
On behalf of the Board of Directors



Sharif Almas Rahman
Chairman