

38th ANNUAL REPORT

2021



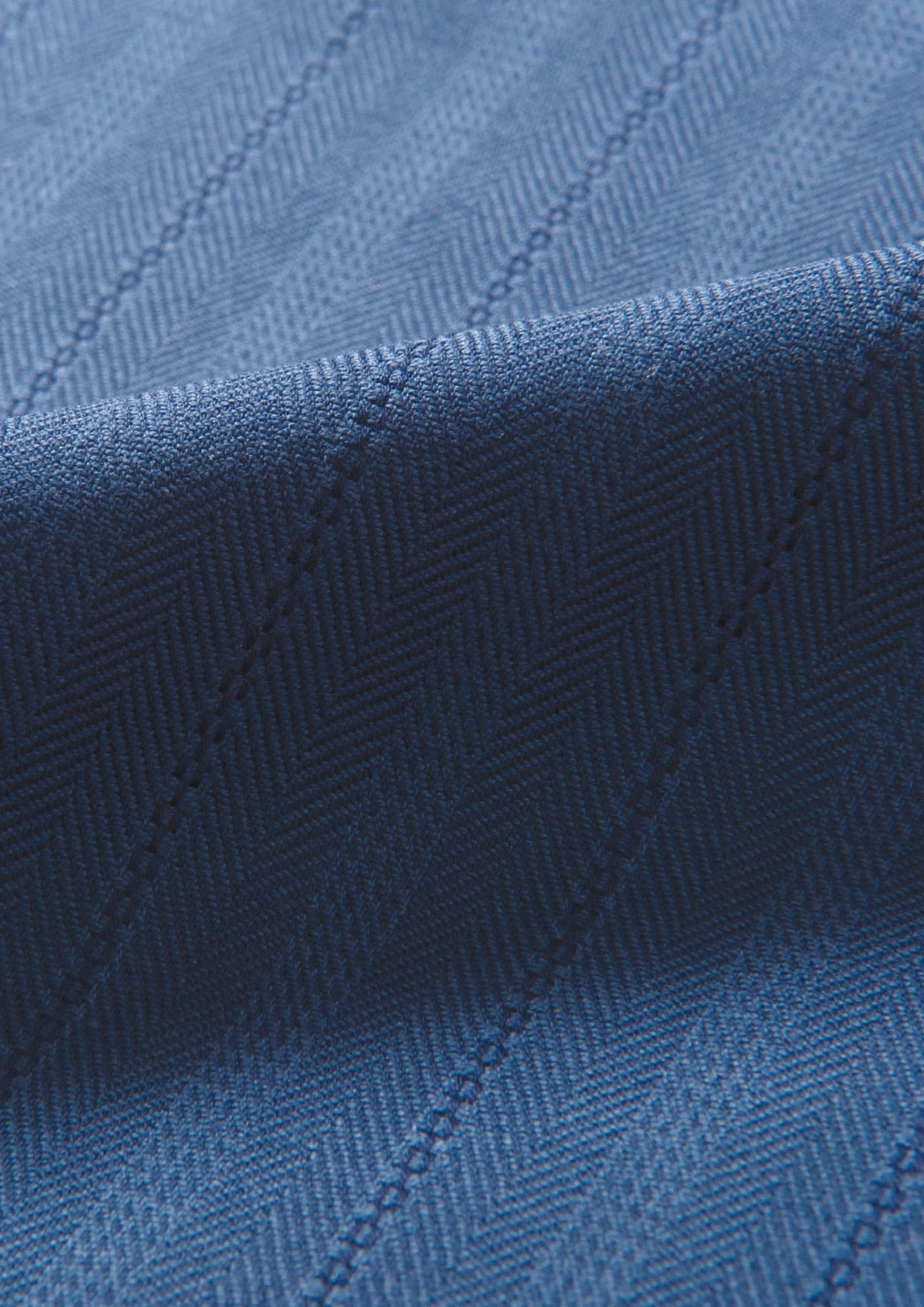


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Transmittal Letter

To
All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited.

Subject: Annual Report For The year ended on June 30, 2021.

Dear Sir (s),

We are pleased to enclose herewith a copy of Annual Report together with Audited Financial Statements comprising Statement of Financial Position, Statement of Comprehensive Income, and Statement of Cash Flows & Statement of Changes in Equity for the year ended on June 30, 2021 along with notes thereon of Stylecraft Limited for your kind information and records.

Thank you,

Very truly yours,



Edmund Guda
Company Secretary

N.B: The Annual Report 2020-2021 is also available in the Company's website at: **www.stylecraftltd.com**

Notice of The 38th Annual General Meeting

Notice is hereby given that the 38th Annual General Meeting of the shareholders of Stylecraft Limited will be held on Tuesday, the 21st December, 2021 at 12.00 p.m. virtually by using digital platform as per BSEC Order SEC/SRMRC/04/231/91 dated March 31, 2021 through the link <http://stylecraft.virtualagmbd.com> to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended June 30, 2021 together with Reports of the Directors' and the Auditors' thereon.
2. To declare no dividend for the year ended June 30, 2021.
3. To elect Directors in place of those who shall retire in terms of relevant provision of articles of association.
4. To reappoint the Managing Director/CEO.
5. To Confirm appointment of new Independent Director.
6. To appoint Statutory Auditor and to fix up their remuneration FY 2021-2022.
7. To appoint compliance Auditor and to fix up their remuneration FY 2021-2022.

By order of the Board



Edmund Guda
Company Secretary

Dated: October 27, 2021

Notes:

1. The shareholders whose name are recorded on the record date i.e. November 24, 2021 will be entitled to attend the virtual Annual General Meeting,
2. The Annual Report and Proxy form will be available in the Company's website,
3. The shareholders should register to join the virtual AGM through the above link will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and also during AGM,
4. The proxy form duly affixed revenue stamp for Tk.20/= must be submitted at the registered office not less than 48 hours before the time fixed for the AGM,
5. No gift or benefit in cash or kind shall be paid / offered to the Shareholders as per Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 of BSEC for attending the AGM.

About Stylecraft Limited

After the independence in 1971, rebuilding the war-ravaged country with limited resources appeared to be the biggest challenge. That time, some of the visionary entrepreneurs like Mr. M. Shamsur Rahman came forward and established ready-made garments industry. This not only gave new jobs and bright perspectives to the people of Bangladesh, but also contributed substantially to the development of the country. Stylecraft Limited is one of the pioneer Ready Made Garment Manufacturers in Bangladesh who established “Made in Bangladesh” tag as a prestigious brand across the globe. The company is doing business with reputation over 38 years.

We manufacture affordable and fashionable multi-product menswear and women’s wear for some of the leading global fashion brands looking for high-volume, quality and sustainable clothing at great value.

Mr. M. Shamsur Rahman, Founder chairman and Managing Director of the company also one of the founding members of Bangladesh Garments Manufacturers & Exporters Association (BGMEA) along with some other visionary, prudent and hardworking entrepreneur’s established Stylecraft Limited on 1983 as a Public Limited Company under the Companies Act 1913 and listed with Dhaka Stock Exchange Limited in the same year. Since then, Stylecraft Limited has produced and exported billions of articles to the global market. The capacity of production has grown rapidly ever since with the help of latest machineries & equipment’s, efficient workforce and long experience.

Our state of the art factory in Gazipur is equipped with the latest machinery and technology and meets all health and safety guidelines in relation to fire and safety regulations, lighting and emergency procedures and it has a 3,00,000 square feet utilized work area.

Our commitment towards our employees, the environment and the community is witnessed by the several certifications. We have been granted by top ethical compliance bodies such as Accord, Alliance, GOTS, Oeko-Tex Standard 100, BSCI, SEDEX, WRAPS.

A professional studio portrait of an elderly man with dark hair, wearing a light beige suit, a light blue shirt, and a dark tie. He is seated, with his hands clasped in his lap. A dark pocket square is visible in his suit jacket. He is wearing a ring with a blue stone on his left ring finger. The background is a solid dark grey.

**Founder Chairman
& Managing Director**
M. Shamsur Rahman
(1936-2016)

Excellence defies
limitation, reach
beyond excellence



Work every moment
forward to reach the day
when Stylecraft will be seen
as the name of honor and of
pride

Ethics

We know we play an important role in the development of our country and in the sustainable growth of the industry. That's why we treat our people with respect and integrity, we strive to make garments without harming the environment and we support the development of the local communities.



Care

We are well-known for our meticulousness. That's how we ensure our garments to respect the strictest quality standards and customers' requirements. But that's not enough: we love to go even further, offering excellent support to our buyers, addressing every issue accurately and timely when needed.

LEGAL STATUS

A Public Limited Company incorporated in Bangladesh on January 25, 1983 under the companies act 1913 and listed with Dhaka Stock Exchange in the same year.

REGISTERED OFFICE

Red Crescent Concord Tower,
14th Floor, 17, Mohakhali C/A,
Dhaka-1212, Bangladesh

FACTORY:

I/I, East Chandon, Joydevpur,
Gazipur, Bangladesh.

INSTALLED CAPACITY:

Articles per year
2,49,469 dozen

AUTHORIZED CAPITAL

BDT 500 million.

PAID UP CAPITAL:

BDT 138.85 million.

Corporate Directory

Company Registration Number	: C-10472
Tax Identification Number	: 319862289911
BIN	: 000158385-0103
Nature of Business	: Manufacturers of Ready-made Garments
Statutory Auditors	: SK Barua & Co. Chartered Accountants
GC	: Auditors: Ahsan Kamal Sadek & Co.
Lead Bankers	: Pubali Bank Limited Mercantile Bank Limited Sonali Bank Limited
Tax Consultant	: SK Sikder & Associates
Credit Rating Agency	: Credit Rating Agency of Bangladesh Limited (CRAB)
Number of employee	: 2,762 persons
Insurers	: Green Delta Insurance Company Ltd. Meghna Insurance Company Ltd. Nitol Insurance Company Ltd. Express Insurance Ltd
Company Website	: www.stylecraftltd.com

MANAGEMENT APPARATUS

BOARD OF DIRECTORS

Mr. Omar Golam Rabbany	: Chairman
Mr. Shams Almas Rahman	: Managing Director & CEO
Mrs. Dr. Almas Begum	: Director
Mr. M Fazlur Rahman	: Director
Mr. Sharif Almas Rahman	: Director
Mr. Khandaker Habibuzzaman	: Independent Director (Proposed)

BOARD OF AUDIT COMMITTEE

Mr. Khandaker Habibuzzaman	: Chairman
Mrs. Dr. Almas Begum	: Member
Mr. Sharif Almas Rahman	: Member
Mr. Edmund Guda	: Member Secretary

BOARD OF NOMINATION & REMUNERATION COMMITTEE:

Mr. Khandaker Habibuzzaman	: Chairman
Mr. Sharif Almas Rahman	: Member
Mr. M. Fazlur Rahman	: Member
Mr. Edmund Guda	: Member Secretary

CFO, COMPANY SECRETARY & HIAC:

Mr. ABM Lutfor Rahman
Mr. Edmund Guda
Mr. Musa Tarique

OPERATIONAL TEAM:

Mr. Feroz Kabir Khan	: Head of People & Culture
Mr. Mustaque Hossain	: AGM- Export & Import
Mr. Amir Hossain	: AGM (Production)
Mr. Ranjit Kumar Sarkar	: AGM (Production)

Board of Directors'



Mr. Omar Golam Rabbany
Chairman

Mr. Omar Golam Rabbany has been the Chairman of the company since February, 2016. He is also one of the sponsor directors of the company. Mr. Rabbany graduated in Mechanical Engineering from Bangladesh University of Engineering & Technology (BUET) in 1966. Later, he went for higher study to the University of Alberta, Edmonton, Canada and Imperial College, London, U.K. In 2012, he became the CEO of the Company and continued till 2016.

Mr. Rabbany is a versatile business personality and has more than 39 years of experience in the ready-made garments sector. Formerly, Mr. Rabbany was the Utilization Engineer in Titas Gas T & D Co. Limited, Director-in-Charge of Continental Apparels and Director, Electro Mechanical Engineering of Consociates Limited. Presently, he is holding the position of chairman in the board of Panorama Apparels Limited.

Apart from this, Mr. O.G. has engaged himself with various social activities specially with the Bangladesh Thalassaemia Samity and Hospital, a non-profit organization.

Mr. Shams Almas Rahman is the Managing Director and CEO of the Company since February, 2016. He joined in Stylecraft Limited as Factory (In-charge) in 2002. Mr. Rahman worked in various roles before appointed to the Board of Directors in the year 2010. After graduating in Commerce from the Dhaka City College, Mr. Rahman was engaged in international trade, representing companies like LM Ericsson (Sweden), Fuba (Germany), Stewing (USA), EchoStar (USA) etc. Later, he joined in the RMG sector and continuing for more than twenty years.

Mr. Shams Almas Rahman has a versatile business personality & has more than 20 years of experience in ready-made garments industry. Apart from this, he is one of the distinguished member of Dhaka Club.



Mr. Shams Almas Rahman
Managing Director and CEO



Dr. Almas Begum
Director

Dr. Almas Begum is one of the sponsor directors of the Company. She obtained MBBS degree from Dhaka University and served various government and non-government reputed organizations as medical and research officer. She has more than 39 years of experience in the field of ready-made garments industry. Dr. Almas Begum has also engaged herself with various social activities.

Mr. M. Fazlur Rahman is one of the sponsor Directors of Stylecraft Limited and the first Chief Operating Officer (COO) of the Company. He obtained his Master's in Business Administration (MBA) with a major in marketing from the Institute of Business Administration (IBA), University of Dhaka. He started his career in the late 70's in international trading in food grains, cotton and in electronics. He also entered the ready-made garments sector (RMG) as a Director of Youngones (Bangladesh).

He represented Bangladesh several times, as a member of the trade delegation to various international meetings in USA, Canada, UK, Russia, Australia, France, Germany, Italy, Belgium, Netherlands, Sweden, Denmark and Norway.



Mr. M. Fazlur Rahman
Director



Mr. Sharif Almas Rahman
Director

Mr. Sharif Almas Rahman completed his Post Graduation in Commerce (Business Management) from the University of Dhaka in 1986. He started his career with TREXIMP Limited in 1987 and after efficiently serving in different positions, became the Director (Finance) of TREXIMP Limited. In 1998, he formed Australian Education Centre as a Licensee of IDP Education (Australia) and looking after the Bangladesh Operations as Country Director and served this Company till 2013. Mr. Rahman became a member of the Dhaka Stock Exchange Limited in 1997 and continued till 2006. In February 2016, Mr. Sharif Almas Rahman became the Director of Stylecraft limited to fill in the vacant Directorship of Late Mr. M. Shamsur Rahman, founder Chairman and Managing Director of the Company who passed away on January 31, 2016.

Mr. Sharif A. Rahman is also holding the position of Directorship in Youngones (Bangladesh) Limited, TREXIMP Limited and VIEC (Bangladesh).

Mr. Khandaker Habibuzzaman FCS, joined with the Company in the vacant position as the Independent Director on January 01, 2021 and since then he has been serving the Company as per Regulations of BSEC and DSE.

Mr. Habibuzzaman obtained his Bachelor degree in commerce from the University of Rajshahi and gradually completed his MBA from the Islamic University of Chittagong. He is also a fellow member of the Institute of Chartered Secretaries of Bangladesh.

Mr. K. Habibuzzaman, by profession is the GM (Corporate Affairs) and the Company Secretary of Square Group since 1995 till now. At present, he is engaged with the statutory roles as the Chairman of both Audit and NRC committee of Stylecraft Limited as Independent Director.



Mr. Khandaker Habibuzzaman
Independent Director

Company Secretary



Mr. Edmund Guda

Mr. Edmund Guda is the company Secretary of Stylecraft Limited. He completed his Post Graduation from B. M. University College, Barisal in 1986 under Dhaka University. Before joining Stylecraft Limited in December 01, 1986, he assisted late Professor Dr. Abu Mahmud of Dhaka University, a veteran economist, to compile his publications for six months.

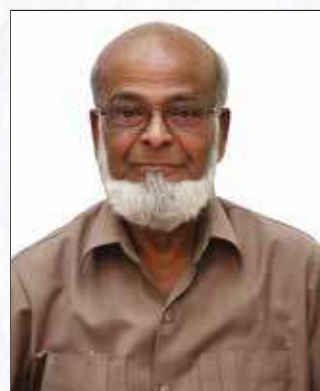
Mr. Edmund joined Stylecraft Limited initially as a Commercial Executive who was responsible to deal with several banks, EPB, BGMEA and other regulatory authorities. By recognising his sincerity and efficiency, the management vested upon the duties and responsibilities of Finance and Accounts to him in 1992, which he continued till 2008. Apart from these responsibilities, he assisted the then Director (Operations) Mr. Omar Golam Rabbany, currently the honourable Chairman of the Company, as merchandiser for eight months to deal with different buyers' orders.

In the year of 2000, Mr. Edmund Guda was appointed as the Company Secretary by the Board of Directors of the Company, which he has been continuing till present.

Chief Financial officer

Mr. ABM Lutfor Rahman is the Chief Financial Officer of the company. He is a partly qualified Chartered Accountant from the Institute of Chartered Accountants of Bangladesh (ICAB). He has participated in different national and international trainings and programs.

Mr. Rahman is a distinguished person for his diversified career. He started his first path of career in 1975 & till date he has engaged himself with various renowned national & private Companies. Finally in January, 2013, he has appointed as Chief Financial Officer in Stylecraft Limited & till date he has been proving his professional endeavour for the betterment of the company.



Mr. ABM Lutfor Rahman

Head of Internal Audit



Mr. Md. Musa Tarique

Mr. Md. Musa Tarique is the Head of Internal Audit & Compliance (HIAC) of the company. He completed his graduation (Bachelor of Science) from the University of Dhaka in 1981. Before joining to Stylecraft Limited, Mr. Musa Tarique worked in various positions in different organizations from 1980 to 1986.

Mr. Md. Musa Tarique joined as Sr. Executive (Store in-charge) in Stylecraft Limited on January 01, 1987. Since then, he worked in different departments of the company including commercial, Finance and Accounts department.

In the year 2011, Mr. Musa Tarique promoted to Assistant General Manager (AGM) of Stylecraft Limited.

Financial Highlights

Comparative analysis of Financial Performance with immediate preceding 5 (five) years:

Operational Result	2021	2020	2019	2018	2017
Sales	1250.27	2,053.94	3,519.78	3,254.26	3,090.34
Net Profit Before Tax	-1.04	27.07	62.42	44.33	36.93
Profit Before Tax in Percentage (%)	-0.08	1.32	1.77	1.36	1.20
Net Profit/ (loss) After Tax	-12.90	6.69	39.10	35.80	28.86
Net Profit/ (loss) After Tax in Percentage (%)	-1.03	0.33	1.11	1.10	0.93
Earnings Per Share (EPS) in Taka	-0.93	0.53	3.10	3.08	29.15
Dividend Per Share in Taka	-	-	-	-	1.00
Stock Dividend (Bonus Share) in Percentage (%)	-	10.00	150.00	410.00	80.00
Market Price Per Share in Taka	144.60	146.03	660.50	2,516.50	1,308.90
Price Earnings Ratio (Times)	-155.48	275.53	213.06	69.59	24.95
Current Ratio (Times)	0.86	0.81	0.86	0.76	0.71
Return on Equity in Percentage (%)	-4.19	1.97	11.72	5.28	10.33
Stock Turnover Ratio (Times)	2.67	5.34	10.71	16.44	19.56
Gross Profit in Percentage (%)	7.38	7.00	6.34	5.93	5.46
Net Operating Cash Flows Per Share (NOCFPS)	-11.71	-8.42	5.91	16.39	89.44
NAV Per Share	22.18	26.96	26.43	58.33	508.04
Assets					
Tangible Fixed Assets	607.75	638.33	671.22	699.28	610.60
Stock at Stores	434.06	360.82	354.65	260.93	111.79
Advances, Deposits & Prepayments	14.08	8.59	7.95	46.71	155.53
Other Assets	423.67	282.15	346.08	298.27	278.66
Total Assets	1479.57	1,289.89	1,379.90	1,305.19	1,156.58
Shareholder's Equity & Liabilities					
Share Capital	138.85	126.23	50.49	9.90	5.50
Tax Holiday Reserve	-	-	-	-	-
Retained Earnings	169.17	214.05	283.10	284.59	273.92
Loang Term Loans-Secured	143.83	132.34	231.66	198.82	116.85
Current Liabilities	1005.62	800.27	814.65	811.88	760.30
Total Sahreholders' Equity & Liabilities	1479.57	1,289.89	1,379.90	1,305.19	1,156.57
Others Information					
Total Production (quantity/million)	2.99	4.96	7.20	7.42	6.49
Number of Employees at the year end	2,762	3,327	5,252	5,608	5,092
Number of Shareholders at the year end	9,568	12,164	9,439	1,702	505

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, 2021 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-I) as adopted by the Institute of Chartered Accountants of Bangladesh in the following paragraphs:

Industry outlook & possible future developments

The outbreak of the covid-19 pandemic created highly uncertain circumstances for RMG businesses. There has been a considerable fall in the sales of ready-made garments all over the world. The RMG industry of the country had somehow managed to cope with the first wave and second wave of global pandemic covid-19 with the direct intervention of the honourable Prime Minister where BDT 10,500 crore stimulus loan support given by the government. During the lockdown, the company did not make any profit but had to pay the wages of thousands workers.

However, there are still some glimmers of hope in continuing apparel exports. The destination countries have already availed covid-19 vaccines and successfully controlled the situation.

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	2020-21	2019-20	Growth (Amount)	
			Amount	In (%)
Direct export	1,25,02,70,534	2,008,710,637	-75,84,40,103	-0.38
Export cash subsidy	-	45,225,495	-4,52,25,495	-1.00
Total	1,25,02,70,534	205,39,36,132	-80,36,65,598	

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.

Risks and Concerns

RMG sector of the country is facing the biggest risk of reduced price and volume of work order from buyers due to pandemic covid-19. Stylecraft Limited has a number of other internal risks and external risks associated with global demand and supply chain, fiscal and monetary policies of govt., international trade barriers, increasing production cost etc. Moreover, the company is also exposed to interest rate risk as it is availing working capital loan with various interest rates.

To minimize the interest rate risk and dependency on borrowed fund, the company is emphasising on equity based financing.

Risk and concerns related to financial statement has been disclosed in note number 2.30 of the financial statements.

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Cost of Goods Sold	1157.88	1910.22	3,296.66	3,063.36	2,921.50
Gross Profit	92.39	143.71	223.12	193.07	168.84
Net Profit after tax	-12.90	6.69	39.10	35.79	28.86

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)	258.24	172.06	556.43	263.54	1250.27
Growth/decrease Q to Q (in %)	-	257.57	168.83	555.96	-
Net Profit After Tax	-2.5	12.4	7.2	-30	-12.90
Growth/decrease Q to Q (in %)	-	2.46	11.82	11.37	-

Remuneration of Directors

Directors who engaged in the company's day to day operation are receiving remuneration and other benefits whereas Non-executive and Independent directors did not receive any remuneration other than board meeting attendance fees. Board Meeting attendance fees for attending each meeting is BDT 5,000. Remuneration of directors has been shown in notes no: 22 of the financial statement.

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 result 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.

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 accountability 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 policy's. The Audit Committee of the company regularly gives suggestion and recommendation for an effective internal control system.

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 pandemic-induced shutdown, decrease in sales and overall impact of covid-19 are the reasons for decreasing current year sales, net profit after tax, EPS and NOCFPS.

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

The Board of Directors has recommended no dividend in its meeting on October 27, 2021 for the year June 30, 2021 (subject to the approval in the forth coming AGM) to those shareholders whose names will appear in depository Register of CDBL as on Record date i.e. November 24, 2021.

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 share holding of the Directors and others as on June 30, 2021 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 two (2) directors will retire from the office of directorship of the company in the ensuing 38th Annual General Meeting of the company:

1. Mr. M. Fazlur Rahman
2. Mr. Shams Almas 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 directors is stated in Page No. 10 in compliance with the provision 1.5 (xxiv) of Corporate Governance Code.

Independent Director

The Board of Directors of the company decided to appoint Mr. Khandaker Habibuzzamanas as the new Independent Director of the company.

Statutory Auditor

In the 37th AGM, members of the company appointed S.K. Barua & Co., Chartered Accountants as Statutory auditor for the year ended on June 30, 2021 until the conclusion of the 37th Annual General Meeting at a remuneration of Tk. 2,00,000/- (Taka Two lac only).

Being S.K. Barua & Co., Chartered Accountants have completed 3 years as statutory auditor; they are not eligible to conduct statutory audit.

In recommendation of the audit committee, the Board of Directors in their meeting held on October 27, 2021

proposed to appoint Shiraz Khan Basak & Co., Chartered Accountants as statutory auditor of the Company until the conclusion of the next AGM for auditing the Financial statements of the company for the year ended June 30, 2022 at a remuneration of Tk. 2,00,000 (two lac only) upon getting final approval from the Shareholders of the company. 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 37th AGM, members of the company appointed Ahsan kamal Sadek & Co., Chartered Accountants as compliance auditor for the year ended on June 30, 2021 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 27, 2021 proposed to re-appoint Ahsan kamal Sadek & Co., Chartered Accountants as compliance auditor of the Company for the year ended on June 30, 2021 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 (3) 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 co-operation.

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 wholehearted commitment.

Thanking you
On behalf of the Board of Directors


Omar Golam Rabbany
Chairman

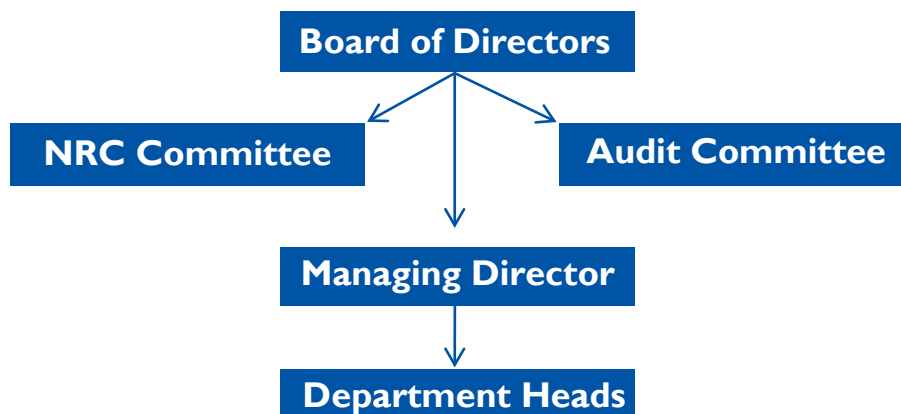
Corporate Governance at Stylecraft Limited

The board of directors of the company is collectively responsible to the shareholders for its performance and organization's governance framework. Board of Directors considers itself as a trustee for the cause of good governance & transparency. The company is maintaining a culture of transparency and good governance practices since its incorporation.

The company has already complied with all the requirements of Corporate Governance Code, 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC).

Governance Structure of the organization.

The Board of Directors of the company is the highest governing body of the organization. The Board comprises six (6) members, a good blend of executives, non-executives and independent Directors having diverse and professional skills and experiences. They contribute to the Company's strategy and policy formulation in addition to maintaining its performance. The profiles of all members of the Board of Directors are given on page 11 to 12. The company has two (2) sub-committees of the board. One is Audit committee and the other is Nomination and Remuneration Committee (NRC).



Governance structure of Stylecraft Limited

Chairman of the Board

The Chairman is a non-executive board member and responsible to lead the Board. The Chairman ensures his leadership through facilitating productive & constructive contribution to the Board. The board has defined the role and responsibilities of the chairman of the board.

Managing Director

The Managing Director has the overall responsibility for the performance of the Company's business. He is also the Chief Executive Officer of the company. He is responsible for establishing and executing the Company's operating plan that is necessary to achieve the Company's objectives; as a coach. The Board of Directors has been clearly defined the roles & responsibilities of the Managing Director.

Separate Role of the Chairman and the Managing Director

The position of the Chairman and the Managing Director has filled by different person. The respective roles and responsibilities of the Chairman and the Managing Director are clearly defined by the Board of Directors of the company and the Managing Director serves as Chief Executive Officer of the company.

Independent Director

As on June 30, 2021, the Company had six (6) Directors on its Board, one of whom are Independent Directors. The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to composition of the Board. Mr. Khandaker Habibuzzaman was appointed as the Independent Director of the Company. He has no relationship with the Company which can materially interfere with or affect the exercise of their independent judgment. The Board believes that his experience and knowledge enable to provide both effective and constructive contribution to the Board.

Audit Committee & its role and functions

The company has formed an Audit Committee as a sub-committee of the Board, has been constituted by one of the Independent Director as Chairman and two other non-executive members of the Board for ensuring good governance practices within the Company. Mr. Khandaker Habibuzzaman is the Chairman of the Committee who has a versatile career in different national & multinational Companies. The Company Secretary is the Member Secretary of the committee. The Committee assists the Board to ensure that the financial statements reflect true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors for its role and functions that are clearly set forth by the Company and time to time issued notifications by the regulators.

During the year 4 (four) Audit Committee Meetings were held. The Attendance record of the members in the meetings was given in Annexure-VI.

Nomination & Remuneration committee (NRC) & its role and functions

The company has formed a NRC committee as a sub-committee of the Board, has been constituted by one of the Independent Director as Chairman and two other members of the Board in line with the newly issued Corporate Governance Code. Mr. Khandaker Habibuzzaman is the Chairman of the Committee. The Company Secretary is the Secretary of the Committee. The Company Secretary is the Member Secretary of this Committee. The NRC 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. NRC Committee is responsible to the Board of Directors for its role and responsibilities that are clearly set forth by the Company and time to time issued notifications by the regulators.

During the year 1 (one) NRC Committee Meeting were held. The Attendance record of the members in the meetings was given in Annexure-VI.

Reporting by the Committees to the Board

The Committee regularly reports on its work to the Board. The report includes a summary of the matters addressed in the meeting by the members present and the measures undertaken by the committee.

Chief Financial Officer, Company Secretary & Head of Internal Audit & Compliance

Brief Cv of Chief Financial Officer, Company Secretary & Head of Internal Audit & Compliance has been given in page no 11 of this report.

Financial Reporting and Transparency:

The Company has prepared and presented its financial report according to International Accounting Standards (IAS), Bangladesh Accounting Standards (BAS), International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), notification on financial reporting and disclosure etc. The Company always very much conscious to disclosure issues so that the financial statements reflects true and fair views and establishes transparency in all aspects within the Company which is also the ultimate motto of the Company.

Internal Controls

Details of internal control system have been given in Directors report of the company.

Evaluation of the Board

The board of directors of the company has developed criteria's for evaluation of the board as per the recommendation of the NRC committee of the company.

Communication with Stakeholders:

The Company encourages communications with shareholders throughout the year and welcomes their participation at shareholders' meeting. Four times each year, Stylecraft Limited presented financial reports to its stakeholders regarding its business, financial position and earnings etc. The Company holds its Annual General Meeting within the stipulated time frame according to regulatory requirements in each year. Among other things, the members present decided in the Annual General Meeting regarding adoption of financial statements, declaration of dividend and election of the Board members and the appointment of the statutory and compliance auditors.

Management Discussion & Analysis

A Management's Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements are given below as per condition No 1.5 (XXV) of Corporate Governance Code dated on June 03, 2018:

Accounting Policies and estimation for preparation of financial statements

The financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies act 1994, the securities and exchange rules 1987 and other applicable rules and regulations applicable in Bangladesh.

The financial statements of the company have been prepared on accrual basis under historical cost convention and in accordance with generally accepted accounting principles.

The following IASs and IFRS's are applicable for the financial statements for the period under review:

IAS-1 Presentation of financial statements

IAS-2 Inventories

IAS-7 Statement of Cash Flows

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 and Equipment

IAS- 19 Employee Benefits

IAS-21 The Effect of Changes in Foreign Exchange rates

IAS-23 Borrowing costs

IAS-24 Related Party Disclosures

IAS-33 Earnings per Share

IAS-36 Impairment of Assets

IAS-37 Provisions, Contingent Liabilities and Contingent Assets

IFRS-7 Financial Instruments: Disclosures

IFRS-9 Financial Instruments

IFRS-15 Revenue from contracts with customer

Changes in Accounting Policies and Estimation

There were no changes in accounting policies and estimations in Financial Statements for the year ended 2021-22.

Financial Performance with immediate proceeding 5 (five) years: in million

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Turnover	1250.27	2053.94	3,519.78	3,256.76	3,090.34
Gross profit	92.39	143.71	223.12	193.07	168.84
Net profit	-12.90	6.69	39.10	35.79	28.86
EPS (without restated)	-0.93	0.53	7.74	36.16	52.47
NAV _(without restated)	22.18	26.96	66.07	31.79	50.80
NOCFPS (without restated)	-11.71	(8.42)	3.48	36.30	89.44

Comparison of Financial Performance with peer industry

Since, Stylecraft Limited is a publicly listed woven garments manufacturing company; it is not possible comparing financial performance with peer industry.

Financial & economic scenario of the country and the globe

Covid-19 pandemic have increased uncertainty about the future of the global trading system more generally, taking a toll on business, confidence, investment decisions and global trade.

When the RMG industry of Bangladesh has been fighting with increasing labour costs, lower prices from buyer, BDT appreciation against EURO, inadequate road, port and air infrastructure, insufficient backward linkages etc., pandemic covid-19 have made RMG business more difficult with order cancellations, delayed shipments, long lockdown and consequent financial disruptions.

However, the RMG industry of the country had somehow managed to cope up with the first and second wave of global pandemic covid-19 with the direct intervention of the prime minister where BDT 10,500 crore stimulus loan support given by the Government and deferral of loan instalments.

Timely initiative of Government is needed for the sustainability of this sector in Bangladesh.

Risks and concerns issues and mitigation plan

The details of risks and concerns as well as mitigation plan of the company have been explained in Director's Report under the heading "Risks and Concerns".

Future plan or projection or forecast

Stylecraft Limited wishes to continue with the same zeal that it had started 38 years ago. The company is committed to improve its export earnings and contribution to national exchequer as well as socio-economic development of the country in the coming year. From this year, the company is reporting on its sustainability for fulfilling increasing demand of its buyer and others.



Declaration of CEO & CFO to the Board of Directors'

The Board of Directors,
Stylecraft Limited
RCC Tower (Level-14)
17 Mohakhali C/A, Dhaka-1212.

Subject: Declaration of CEO & CFO's to the Board of Directors for the year ended on 30th June, 2021.

Dear Sir,

Pursuant to the condition no. I(5) (xxvi) imposed vide the commission's Notification No. BSEC/CMR-RD/2006-158/207/Admin/80, Dated: June 03, 2018 under section 2cc of the securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Stylecraft Limited. for the year ended on 30th June, 2021. have been prepared in compliance with International Accounting Standard (IAS) or International Financial Reporting Standard (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent reasonable basis;
- (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;
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty 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:

- (i) We have reviewed the financial statements for the year ended on 30th June, 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.
- (ii) There are, to the best of my 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 of Directors or its members.

Sincerely yours,



Shams Almas Rahman
Managing Director & CEO



ABM Lutfor Rahman
Chief Financial Officer

Annexure – “B”
[Certificate as per condition No. 1(5) (xxvii)]

**Report to the Shareholders of Stylecraft Limited on Compliance on the
Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Stylecraft Limited** for the year ended on 30 June 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.

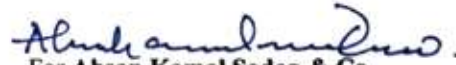
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a 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.

Place: Dhaka, Bangladesh.
Dated: **29 November 2021**


For **Ahsan Kamal Sadeq & Co.**
Chartered Accountants
Md. Fokrul Islam, FCA
Partner



Status of Compliance with the Conditions imposed by the BSEC

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

(Report under Condition no. 9.00)
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Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
1	Board of Directors			
1.1	Size of the Board of Directors			
1(1)	The total number of members of a company's Board of Directors (here in after referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
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; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);		✓	Under Processing
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 should 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 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;	✓		

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
1(2)(b) (viii)	who is not be an independent director in more than 05 (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- Banking Financial Institution (NBFI); and	✓		
1(2)(b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2) (c)	The independent director(s) shall be appointed by the Board 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	✓		
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) term only.	✓		
1.3	Qualification of Independent Director			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3) (b)	Independent directors 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 million or any listed company or a member of any national or international chamber of commerce or business association; or			Not Applicable
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 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			Not Applicable
1(3)(b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable
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;			Not Applicable
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.			Not Applicable

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive officer			
1(4) (a)	The positions of the Chairman of the Board and the Managing Director 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;	✓		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or the 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 minutes.	✓		
1.5	The Director's Report to the Shareholders			
1(5) (i)	Industry outlook and possible future developments in the industry;	✓		
1(5) (ii)	Segment-wise or product-wise performance;	✓		
1(5) (iii)	Risk 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, where applicable;	✓		
1(5) (v)	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 Offerings (RPO), Rights Share Offer, Direct Listing, etc.;	✓		
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 directors including independent directors;	✓		
1(5) (xi)	A statement that 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;	✓		

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
1(5) (xii)	A statement of proper books of account of the issuer company have been maintained;	✓		
1(5) (xiii)	A statement that 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)	A statement that 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)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5) (xvi)	A statement that 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;			Not applicable.
1(5) (xvii)	A statement that there are no significant doubts 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 should 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 should be explained;	✓		
1(5) (xix)	A statement where 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;			No such situation arise
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 such situation arise
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 or Subsidiary or Associate Companies and other related parties (name wise details);	✓		
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; and	✓		
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; and	✓		
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:			

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
1(5)(xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
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 reason 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)	briefly explain 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; and	✓		
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 CFO to the Board as required under condition no. 3(3) shall be disclosed as per Annexure - A; and	✓		
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	Meeting of the Board of Directors			
1(6)	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.	✓		The company conducts its Board meetings and record the minutes of the meeting as well as kept required Books and records as per provisions of Bangladesh Secretarial Standards (BSS) as adopted by ICSB.
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 including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
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;			Not applicable.
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;			Not applicable
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;			Not applicable
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;			Not applicable
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not applicable
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 Head of Internal Audit and Compliance (HIAC);	✓		
3(1) (b)	The positions of the Managing Director 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, 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 issues arrived.
3.2	Requirement to attend the board meetings			
3(2)	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 meeting of the Board of Directors which involves consideration of an agenda item relating to their 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; and	✓		
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;	✓		
3(3) (b)	The MD or CEO and CFO shall 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 violation of the company's 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.	✓		

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
4	Board of Directors' Committee			
4.1	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit committee; and	✓		
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; 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 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 any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of services, 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 member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such issues arrived.
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 shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director;	✓		
5(3) (b)	In absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for the 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 issues arrived.

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
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 04 (Four) meetings in a financial year: provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
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 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 Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5) (j)	Review statement of all related party transaction 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 developed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Right Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission; provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Provided further that on the annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			No such requirements arises.
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 of Directors on the following findings, if any:			
5(6)(a)(ii) (a)	report on conflicts of interests;			No such issues arrived.

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
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 issues arrived.
5(6)(a)(ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such issues arrived.
5(6)(a)(ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			No such issues arrived.
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 situation arrived.
5.7	Reporting to the Shareholders and General Investors			
	Report on the 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 an 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 executives as well as 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 compromise of at least three members including an independent director;	✓		
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 issues arrived.
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 issues arrived.

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
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.			Members of NRC are not involved in any such activities.
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 issues arrived.
6(3) (c)	The chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the 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 requirement arrived.
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 a 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 NRC			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
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 and independence 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; and	✓		
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;	✓		

Condition no.	Title	Compliance status		Remarks
		Put (tick mark) in the appropriate column)		
		Complied	Not complied	
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 recommended 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; and	✓		
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 or 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 condition no. 9(1); and	✓		
7(1) (ix)	any other service that creates conflict of interest.	✓		
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; provided that spouse, son daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
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.	✓		Will be complied in Annual General Meeting.
9 (3)	The directors of the company shall state, in accordance with Annexure - C attached, in the directors' Report whether the company has complied with these conditions or not.	✓		

Report of the Audit Committee

The audit committee of Stylecraft Limited is one of the prime sub-committee of the board of directors' which is established and maintained in accordance with condition no.5 of the Bangladesh Securities and Exchange Commission Corporate Governance code, 2018. The primary purpose of the audit committee is to provide oversight of the financial reporting process, the audit process, the company's system of internal controls, management of financial risks and compliance with the prevailing laws and regulations of the country.

The audit committee of Stylecraft Limited is comprised of three non-executive members of the Board of Directors including one independent director. Mr. Khandaker Habibuzzaman is the Chairman of the committee who is an independent director. The Company Secretary is the Member Secretary of this Committee. Four (4) meetings of the audit committee held during the year.

As required, all members of the audit committee are "financially literate" and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the audit committee.

Responsibilities of the audit committee

The purpose, authority, composition, duties and responsibilities of the Audit Committee are delineated in its accordance with the corporate governance code, 2018.

Activities carried out during the year

1. Reviewed the quarterly and half-yearly financial statements with the management before submission to the board for approval;
2. Discussed with management and external auditors and reviewed the audited financial statements before finalization;
3. Reviewed statements of significant related party transactions submitted by the management;
4. Reviewed depreciation rates of some assets of the company;
5. Reviewed the appointment of statutory and compliance auditors and determination of audit fees and others;
6. Reviewed Management's Discussion and Analysis report before disclosing in the annual report
7. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports and made suggestions for improvement.



Khandaker Habibuzzaman
Chairman, Audit Committee

Report of the Nomination and Remuneration Committee

Stylecraft Limited has duly constituted a Nomination and Remuneration Committee (NRC) as a Sub-committee of the Board of Directors in accordance with the notification of Bangladesh Securities and Exchange Commission Corporate Governance Code, dated on June 03, 2018.

The NRC committee assists the Board of Directors in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives. The NRC also assists the board to formulate a policy for formal process of considering remuneration of directors and top level executives.

During the year, three non-executive members in the NRC Committee including one Independent Director were appointed by the board. The Independent Director is the Chairman of the Committee. The Company Secretary is the Member Secretary of this Committee. One (1) meeting of the NRC committee held during the year.

This report is prepared in accordance with the corporate governance code, 2018 issued by the BSEC. This report covers NRC policies, evaluation criteria and activities of NRC.

Evaluation of the Board

The NRC is responsible for ensuring the effectiveness of the Board. The Board shall carry out an evaluation once a year of its work, functions, performance. The evaluation process is led by the Chair of the Board and assisted by the Company Secretary. Each Director is required to complete a confidential pre-set questionnaire. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports, and information produced for consideration, and relationship with management.

Top level executive selection and Remuneration policy

The performance of the Company mostly depends upon the quality of its Directors and Top Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and top level Executives. The recruitment process for Top Level Executives shall be transparent, non-discriminatory, diversified and in alignment with the Code of Conduct of the company. The objective of remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders.

Activities of NRC during the year

1. Considered the terms of reference of NRC as approved by the board;
2. Formulated a policy relating to the remuneration of the directors, top level executives and all employees of the company;
3. Formulated a criteria for determining qualifications, positive attributes and independence of directors;
4. Formulated a criteria for evaluation of performance of board members including independent directors;
5. Adopted a code of conduct for the Chairman, Directors and top level executives of the company.



Khandaker Habibuzzaman

Chairman of the NRC Committee

ANNEXURE-VI

- ❖ The composition of the Board of Directors and their attendance in the meetings for the year ended June 30, 2021 are shown below:

Name of Directors	Position	Board Meeting		
		Meeting Held	Attended	Percentage (%)
Mr. Omar Golam Rabbany	Chairman	05	05	100.00
Mr. Shams Almas Rahman	Managing Director	05	05	100.00
Mrs. Dr. Almas Begum	Director	05	05	100.00
Mr. Sharif Almas Rahman	Director	05	05	100.00
Mr. M. Fazlur Rahman	Director	05	05	100.00
Mr. Mosleuddin Ahmed	Independent Director	05	02	40.00
Mr. Khandaker Habibuzzaman	Independent Director	05	02	40.00

N.B: The Director who could not attend in any meeting was granted leave of absence.

- ❖ The composition of the Audit Committee and the attendance of its members in the meetings for the year ended June 30, 2021 are shown below:

Name of Directors	Position	Audit Committee Meeting		
		Meeting Held	Attended	Percentage (%)
Mr. Mosleuddin Ahmed	Chairman	4	2	50
Mr. Khandaker Habibuzzaman	Chairman	4	2	50
Mrs. Dr. Almas Begum	Member	4	4	100
Mr. Sharif Almas Rahman	Member	4	4	100

- ❖ The composition of the Nomination & Remuneration Committee and the attendance of its members in the meetings for the year ended June 30, 2021 are shown below:

Name of Directors	Position	Nomination & Remuneration Committee		
		Meeting Held	Attended	Percentage (%)
Mr. Khandaker Habibuzzaman	Chairman	1	1	100
Mr. Omar Golam Rabbany	Member	1	1	100
Mr. Sharif Almas Rahman	Member	1	1	100

ANNEXURE-VII

- ❖ The pattern of shareholding as required by clause 1.5 (xxiii) of the BSEC notification dated on June 03, 2018 for the year ended June 30, 2021 state as below:

SL NO	Name of Shareholders	Status	Share Holding	Percentage (%)
i)	Parent/ Subsidiary/ Associated Companies and other related parties		-	-
ii)	Directors & their Spouses and Minor Children:			
	Mr. Omar Golam Rabbany	Chairman	2,96,378	2.13%
	Mr. Shams Almas Rahman	Managing Director	18,09,364	13.03%
	Mrs. Dr. Almas Begum	Director	3,95,399	2.84%
	Mr. Sharif Almas Rahman	Director	9,53,742	6.86%
	Mr. Naveed Hashmet	Sponsor	9,42,128	6.78%
	Mr. M. Fazlur Rahman	Director	9,92,128	7.15%
	Mr. Khandaker Habibuzzaman	Independent Director	Nil	-
	The minor children of all the Directors and spouses mentioned in the above list		Nil	-
iii)	Company Secretary, CFO and Head of Internal Audit & their Spouses and Minor:			
	Mr. Edmund Guda	Company Secretary	Nil	-
	Mr. ABM Lutfor Rahman	CFO	Nil	-
	Mr. Md. Musa Tarique	Head of Internal Audit & Compliance	Nil	-
	Their Spouses & Minors		Nil	-
iv)	Executives (Top 5 Salaried Employees):			
	Mr. Mustaque Hossain	AGM, Export & Import	Nil	-
	Mr. Feroz Kabir Khan	Head of People & Culture	Nil	-
	Mr. Ranjit Kumar Sarker	AGM, Production	Nil	-
	Mr. Md. Amir Hossain	AGM, Production	Nil	-
v)	Shareholders holding 10% (Ten percent) or more voting interest in the Company:			
	Mr. Shams Almas Rahman	Managing Director	18,09,364	13.03%

INDEPENDENT AUDITOR'S REPORT

To
The Shareholders of Stylecraft Limited.

Report on the Audit of the Financial Statements

Qualified Opinion:

We have audited the financial statements of Stylecraft Limited, Which comprise the statement of financial position as at June 30, 2021 and the statement of 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at June 30, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion:

- a) Due to the following matters, there is a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern.
 - i) The company's current liabilities exceeded its current assets by BDT 138,942,259
 - ii) The factory is closed since 19 July 2021 and less possibility to run smoothly if the company failed to pay arrear salary and wages to its staff and workers.
 - iii) Revenue decreased significantly (39.13 %) than the prior year.
 - iv) Negative net operating cash flows per share since the previous year.
 - v) The increased amount of bank loan and failed to pay the overdue amounts.
- b) The company has not performed an impairment test of its property, plant & equipment at the end of the year as required by IAS 36-Impairment of Assets. An entity is required to assess whether there is any indication that an asset may be impaired at the end of each reporting period to ensure that an entity's assets are not carried at more than their recoverable amount.
- c) During the course of our audit we could not verify property, plant & equipment physically due to closedown of the factory.
- d) In note no. 2.16 of notes to the financial statements, It is stated that inventories are measured at cost price which is non-compliance with IAS-2 Inventories. As per para 9 of IAS 2, inventories shall be measured at the lower of cost and net realizable value.
- e) As per the notification of BSEC ref no. BSEC/SRMIC/2021-198/254 dated 19th October 2021, The company does not show detailed information with regard to unpaid dividends such as shareholder name, BO account, folio no. etc in financial statements.
- f) The organization did not transfer unpaid dividends to the Capital Marker Stabilization Fund as required by the BSEC (Capital Marker Stabilization Fund) Rules 2021. Stylecraft Limited has applied to BSEC with regard to time extension as mentioned in note no. 2.33 of the notes to the financial statements.

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), 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 qualified 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 in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matters provided in that context.

Risk	Our response to the risk
Revenue Recognition	
Revenue is the most financially significant item in the statement of profit and loss and other comprehensive income. The company has revenue of Taka 1,250,270,534 for the year ended 30 June 2021. Application of IFRS 15 including section of transaction method involves significant judgment in determining when control of the goods or services underlying the performance obligation is transferred to the customer and the transition method to be applied. As the revenue recognition, due to the significance of the balance to the financial statement as a whole, we consider this as a key audit matter. Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring promised good or service.	Our procedures included obtaining and understanding of management's revenue recognition process. We tested a sample of the transaction to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in Note-2.23 and 20 of the financial statement. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards. For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions. With regard to the implementation of IFRS 15, We verified management's conclusion we assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition we verified the accuracy of IFRS 15 related disclosures. Our audit approach was a combination of test of internal controls and substantive procedures which included the following: We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoice, bank reconciliation report, bank statements and also, we confirmed selected customers receivable balances at the financial position date, selected on sample basis by considering the amount outstanding with those customers. We specifically put emphasis on those transactions occurring close before or after the financial position date to obtain sufficient evidence over the accuracy of cut-off. Finally assessed the appropriateness and presentation of disclosure against relevant accounting standards.

See note no. 2.23 and 20 to the financial statements.	Our response to the risk
Long term & Short-term loan	
At the end of financial year, the position of loans remained amounting to Tk. 828,485,562 for the company. In other words, approximately 70.72% of total external liabilities for the company. Evidently, the company is using loans to operate the business and also, to acquire non-current assets. Therefore, it has been considered as key audit area.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the loans. Our audit procedures included, among others, the followings: * Understanding and reviewing the nature and types of loans; * Reviewing the board minutes for arrangements of the loans; * Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans; * Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the loans; * Recalculating the interest related to loans; * Checking the adjustments or repayments of loans through bank statements as per repayment schedule; * Checking whether there are any overdue payments and penal interests; and * Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. Our procedures above did not identify any issues with regard to the loans.
Carrying value (CV) of Property, plant and equipment (PPE) and its impairment	
PPE includes the company's long term assets, which flow economic benefits to the entities for more than one year. PPE is measured at cost less accumulated depreciation. The carrying value of PPE represents a significant portion of total assets, which is amounting to Tk. 607,753,773 for the company at the reporting date. The carrying value of PPE is the function of depreciation charges on cost/ revaluated amount that involved estimation. Therefore, it has been considered as a significant area of auditor's judgment and requires special attention. It is a matter of consideration that the carrying value of PPE may be higher than the recoverable amount and the impairment charges thereon may not have been recognized.	We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets. Followings are our audit procedures on the carrying value and impairment risk of PPE: * Reviewing basis of recognition, measurement and valuation of assets; * Observing procedures of assets acquisition, depreciation and disposal; * Checking ownership of the major assets; * Checking estimated rates of depreciation being used and assessing its fairness; * Discussing with the management about the fair value of the assets and assessing independently whether the carrying value approximates the fair value at the reporting date; Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. Our testing identified issues with regard to impairment and physical existence of PPE which have been reported in the basis for qualified opinion section in our report.

Valuation of inventory Inventories should be measured at the lower of cost and net realizable value. The amount of BDT 434,069,183 has been reported as stock at stores as on 30 June 2021 in the financial statements. Inventories are maintained by manual interfaces and inputs, there is a risk that inappropriate management override and/ or error may occur. See note no. 2.16 and 5.00 to the financial statements.	We challenged the appropriateness of managements assumptions applied in calculating the value of the inventory provisions by: * Evaluating the design and Implementation of key inventory controls operating across the company; * Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data; * Verified cost price of a sample of inventories and compared with the associated provision to assess whether inventory provisions are complete; * Reviewing the historical accuracy of inventory provisioning and the level of inventory write-off during the year. Our testing identified that inventories are not measured at lower of cost and net realizable value which have been reported in the basis for qualified opinion section in our report.
Import Bills Payable At the end of the reporting period, the position of import bills payables remained amounting to BDT 215,899,933 for the Company. The amount arises from back to back LC and approximately 18.43% of total external liabilities are represented by import bills payables during the year. Therefore, it has been considered as key audit area.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the payables. Our audit procedures included, among others, the followings: * Understanding and reviewing the nature and types of payables; * Checking the adjustments or repayments of amount through bank statements; * Finally, assessing the appropriateness and presentation of disclosures with relevant accounting standards. Our procedures above did not identify any issues with regard to the import bills payables.

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 auditors' 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 appeared 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 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.
- 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 of 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 disclosures 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 events 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 group audit. We remain 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 to 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 auditors' 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 other rules and regulations, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated; Dhaka
October 27, 2021


Mohammad Anwarul Hoque FCA
Engagement Partner
Enrollment No.1458
S.K. Barua & Co.
Chartered Accountants
DVC 2111091458AS487500

STYLECRAFT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Notes	Amount in BDT	
		June 30, 2021	June 30, 2020
ASSETS			
Non-Current Assets:		612,892,663	643,471,519
Property, Plant and Equipments-Net	3.00	607,753,773	638,332,629
Investment in Shares - Long Term	4.00	5,138,890	5,138,890
Current Assets:		866,683,783	646,427,203
Stock at Stores	5.00	434,069,183	360,821,609
Export Bills Receivable	6.00	353,902,715	177,963,927
Advances, Deposits & Pre-Payments	7.00	14,083,336	8,591,359
Advance Income Tax	8.00	49,454,241	66,205,888
Cash and Cash Equivalents	9.00	15,174,308	32,844,420
Total Assets		1,479,576,446	1,289,898,722
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		308,022,469	340,283,712
Share Capital	10.00	138,847,500	126,225,000
Retained Earnings	11.00	169,174,969	214,058,712
Non-Current Liabilities:		165,927,935	149,341,522
Long Term Loan - Secured	12.00	143,834,331	132,337,198
Deferred Tax Liability	13.00	22,093,604	17,004,324
Current Liabilities:		1,005,626,042	800,273,488
Import Bills Payable	14.00	215,899,933	196,834,351
Accounts Payable	15.00	4,982,786	8,082,171
Liabilities for Expenses	16.00	64,823,034	68,676,808
Unpaid Dividend	16.01	63,554	24,699
Liabilities for Tax	17.00	35,205,504	33,096,342
Long Term Loan - Current Portion	18.00	328,700,000	220,415,670
Short Term Loan	19.00	355,951,231	273,143,447
Total Shareholders' Equity and Liabilities		1,479,576,446	1,289,898,722
Net Assets Value (NAV) Per Share Restated		22.18	24.51

The annexed notes 1 to 36 form an integral part of these financial statement.

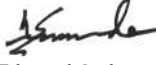

Shams Almas Rahman
Managing Director & CEO


Sharif Almas Rahman
Director


M. Fazlur Rahman
Director

As per our report of same date.

Place: Dhaka
October 27, 2021


Edmund Guda
Company Secretary


ABM Lutfor Rahman
Chief Financial Officer


Mohammad Anwarul Hoque FCA
Engagement Partner
Enrollment No.1458
S.K. Barua & Co.
Chartered Accountants
DVC 2111091458AS487500

STYLECRAFT LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Notes	Amount in BDT	
		June 30, 2021	June 30, 2020
Turnover	20.00	1,250,270,534	2,053,936,132
Cost of Goods Sold	21.00	(1,157,876,921)	(1,910,222,109)
Gross Profit		92,393,613	143,714,023
Operating and Financial Expenses		(96,080,918)	(119,283,649)
Administrative	22.00	(31,107,947)	(49,858,442)
Selling Expenses	23.00	(6,833,774)	(13,025,888)
Financial Expenses	24.00	(58,139,197)	(56,399,319)
Operating Profit		(3,687,305)	24,430,374
Other Income	25.00	2,645,832	3,988,557
Profit before contribution to WPPF		(1,041,473)	28,418,931
Contribution to WPPF	26.00	-	(1,353,282)
Profit before tax		(1,041,473)	27,065,649
Taxation		(11,858,889)	(20,374,538)
Current Tax	27.00	(6,769,609)	(13,466,052)
Deferred Tax	28.00	(5,089,280)	(6,908,486)
Net Profit After Tax for the Period		(12,900,362)	6,691,111
Basic Earning Per Share (Comparative restated)	29.00	(0.93)	0.48


Shams Almas Rahman
Managing Director & CEO


Sharif Almas Rahman
Director


M. Fazlur Rahman
Director

As per our report of same date.

Place: Dhaka
October 27, 2021


Edmund Guda
Company Secretary


ABM Lutfor Rahman
Chief Financial Officer


Mohammad Anwarul Hoque FCA
Engagement Partner
Enrollment No.1458
S.K. Barua & Co.
Chartered Accountants
DVC 2111091458AS487500

STYLECRAFT LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Opening Balance as on 01 July 2020	126,225,000	214,058,712	340,283,712
Net Profit/(Loss) During the Period	-	(12,900,362)	(12,900,362)
Issue of Stock Dividend (2019-2020)	12,622,500	(12,622,500)	-
Adjustment in respect of Previous Year Tax Assessment 2017-18	-	(19,360,881)	(19,360,881)
Balance as on June 30, 2021	138,847,500	169,174,969	308,022,469

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Amount in Taka		
	Share Capital	Retained	Total
Opening Balance as on 01 July 2019	50,490,000	283,102,601	333,592,601
Net Profit/(Loss) During the Period	-	6,691,111	6,691,111
Issue of Stock Dividend (2018-2019)	75,735,000	(75,735,000)	-
Balance as on June 30, 2020	126,225,000	214,058,712	340,283,712

The annexed notes 1 to 36 form an integral part of these financial statement.


Shams Almas Rahman
Managing Director & CEO


Sharif Almas Rahman
Director


M. Fazlur Rahman
Director

As per our report of same date.

Place: Dhaka
October 27, 2021


Edmund Guda
Company Secretary


ABM Lutfur Rahman
Chief Financial Officer


Mohammad Anwarul Hoque FCA
Engagement Partner
Enrollment No.1458
S.K. Barua & Co.
Chartered Accountants
DVC 2111091458AS487500

STYLECRAFT LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Notes	Amount in BDT June 30, 2021	Amount in BDT June 30, 2020
A. Cash Flows From Operating Activities			
Cash Received from Turnover and Other Income	31.01	1,076,045,287	2,097,360,231
Cash Payments for Costs & Expenses	31.02	(1,238,598,167)	(2,203,682,749)
Net Cash Provided by/(Used in) Operating Activities		(162,552,880)	(106,322,518)
B. Cash Flows From Investing Activities			
Acquisition of Tangible Fixed Assets		(499,573)	(1,153,203)
Net Cash Provided by/(Used in) Investing Activities		(499,573)	(1,153,203)
C. Cash Flows From Financing Activities			
Received/(Payment) of Long Term Loan		11,497,133	(89,228,492)
Received/(Payment) of Long Term Loan Current Portion		108,284,330	102,432,843
Received/(Payment) of Short Term Loan		82,807,784	112,603,882
Payment of Bank Interest		(58,139,197)	(56,399,319)
Net Cash Provided by/(Used in) Financing Activities		144,450,050	69,408,914
D. Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(18,602,403)	(38,066,807)
E. Cash and Cash Equivalents at the Opening		32,844,420	69,778,573
F. Effects of Exchange rate changes in foreign currency		932,291	1,132,654
Cash and Cash Equivalents at the Closing		15,174,308	32,844,420
Net Operating Cash Flow Per Share (Restated)		(11.71)	(7.66)

The annexed notes 1 to 36 form an integral part of these financial statement.


Shams Almas Rahman
Managing Director & CEO


Sharif Almas Rahman
Director


M. Fazlur Rahman
Director

As per our report of same date.

Place: Dhaka
October 27, 2021


Edmund Guda
Company Secretary


ABM Lutfur Rahman
Chief Financial Officer


Mohammad Anwarul Hoque FCA
Engagement Partner
Enrollment No.1458
S.K. Barua & Co.
Chartered Accountants
DVC 2111091458AS487500

STYLECRAFT LIMITED

Notes to the Financial Statements For the Year Ended 30 June, 2021

1. COMPANY AND OVERVIEW OF ITS OPERATIONAL ACTIVITIES:

1.01 Legal Status and Corporate Address :

Stylecraft Limited (the Company) was incorporated as a Public Limited Company on January 25, 1983 and commenced its commercial production in 1984. The shares of the Company are publicly traded on the Dhaka Stock Exchange Ltd.

The Company has its registered office at Red Crescent Concord Tower (14th Floor), 17 Mohakhali C/A, Dhaka-1212. The factory is located at Chandana, Joydebpur and Gazipur.

1.02 Summary of Operational Activities :

The main objective of the Company is to carry on the business of manufacturing all kinds of readymade garments. Now, the Company is engaged in manufacturing and export of readymade garments to EU, USA, Japan and many other countries.

2. Basis of Preparation and Presentation of Financial Statements and significant accounting policies:

Basis of preparation and presentation of Financial Statements:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission and other applicable laws and regulations in Bangladesh. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

These financial statements, except statement of cash flows have been prepared on accrual basis under historical cost convention.

The accounting standards that underpin the policies adopted by the company can be found in the following:

IAS 1 Presentation of Financial Statements

IAS 2 Inventories

IAS 7 Statement of Cash Flows

IAS 8 Accounting Policies, Changes in Accounting estimates & Errors

IAS 10 Events after the Reporting Period

IAS 12 Income Taxes

IAS 16 Property, Plant and Equipment 16

IAS 19 Employee Benefits

IAS 21 The effects of changes in Foreign Exchange Rates

IAS 23 Borrowing Costs

IAS 24 Related Party Disclosure 24

IAS 33 Earnings per share

IAS 36 Impairment of Assets

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

IFRS 7 Financial Instruments: Disclosures

IFRS 9 Financial Instruments

IFRS 15 Revenue from contracts with customers

2.01 Other Regulatory compliance :

As required, the Company also complies with the following major regulatory provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance, 1984
 The Income Tax Rules, 1984
 The Value Added Tax Act, 1991
 The Value Added Tax rules, 1991
 The Customs Act, 1969;
 Bangladesh Labour Law, 2006;
 The Securities and Exchange Commission Ordinance, 1969
 The Securities and Exchange Rules, 1987; and
 The Securities and Exchange Commission Act, 1993

2.02 Functional and Presentational Currency :

These financial statements have been presented in Bangladeshi Taka (Taka/Tk/BDT), which is both functional and presentation currency of the Company. All financial information presented in BDT has been rounded off to the nearest Taka.

2.03 Date of Authorization :

The Board of Directors of the Company have approved this financial Statement on October 27, 2021.

2.04 Reporting Period:

The financial period of the Company covers the activities from July 01, 2020 to June 30, 2021.

2.05 Use of Estimates and Judgment :

The preparation of these financial statements, in conformity with IASs/IFRSs, required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts may differ from these estimates. 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.

2.05.01 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Revenue recognition

2.05.02 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2019 is included in the following notes:

- Property, plant and equipment
- Inventories /Stock of Goods
- Deferred tax liabilities
- Provision for tax

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company, on regular basis, reviews the inputs and valuation judgments used in measurement of fair value and recognize transfers between level of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

The significant accounting policies followed in the preparation and presentation of these financial statements are summarized below.

2.06 Presentation of Financial Statements :

The presentation of the financial statements is in accordance with the International Accounting Standards (IAS)-1 "Presentation of Financial Statements". According to the International Accounting Standards (IAS)-1 the complete set of financial statements includes the following components;

1. Statement of Financial Position as at 30 June, 2021.
2. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June, 2021.
3. Statement of Changes in Equity for the year ended 30 June, 2021.
4. Statement of Cash Flows for the year ended 30 June, 2021.
5. Notes to the Financial Statements comprising summary of significant accounting policies, explanatory information & disclosures.

2.07 Current versus non-current classification:

The company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- i) expected to be realised or intended to be sold or consumed in normal operating cycle, or
- ii) expected to be realised within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i) expected to be settled in normal operating cycle, or
- ii) due to be settled within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.08 Offsetting:

The Company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

2.09 Comparative Information :

Comparative Information have been disclosed in respect of previous year for all numerical information in the Financial Statement and also the narrative and descriptive information where it is relevant for understanding current period's Financial Statements.

2.09.01 Re-arrangement :

Comparative figures have been rearranged where ever 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 Statements.

2.09.02 Re-statement :

In finalizing the Financial Statements for the year ended 30 June, 2021, figures of previous period were restated wherever considered necessary to ensure comparability with the current year.

2.09.03 Reclassification:

During the period, figures wherever considered necessary, have been reclassified, for the purpose of comparison with current year's presentation without any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.10 Foreign Currency Transactions :

Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit or loss as per IAS 21 The Effects of Changes in Foreign Exchange Rates.

2.11 Going Concern

At each year end management of the Company makes assessment of going concern as required by IAS-1.

Our factory is closed from 19th July on the occasion of Eid- Ul- Azha. But unfortunately due to some unavoidable situation our factory is closed till now.

We already received sanction letter from Agrani Bank, Ramna Corporate Branch, Dhaka dated 25/08/2021. Agrani bank sanctioned the loans stated below:

- a) 25 Crore CC (Hypo) Loan
- b) 10 Crore Back to Back (Sight/ Usance) Letter of Credit (Rotating).

Here is the schedule contains details of our status:

Month	Jun'21		July'21		Aug'21		Sept'21		Oct'21		Nov'21		Dec'21	
	Order qty	FOB	Order qty	FOB	Order qty	FOB	Order qty	FOB	Order qty	FOB	Order qty	FOB	Order qty	FOB
David Howard	65602	\$360,811.00	70208	\$386,144.00	83945	\$461,697.50	30000	\$165,000.00	0	\$0.00	0	\$0.00	0	\$0.00
H&M	190147	\$808,124.75	153787	\$625,913.09	135578	\$51802.46	100000	\$407,000.00	15000	\$61,050.00	0	\$0.00	0	\$0.00
TAMURAKOMA	5000	\$9,000.00	50000	\$100,000.00	44000	\$83,600.00								
Wester Prime									0	\$0.00				
Hebi Wanfa														
Wing Fat Intl	114,756	\$344,268.00							80782	\$282,737.00	0	\$0.00	0	\$0.00
Red Tape											100400	\$597,380.00	156000	\$928,200.00
IIST GROUP (OTCF)	4000	\$26,000.00	1980	\$14,850.00										
Centro (New Yorkar)														
Texstar Sweden	6000	\$33,000.00							34460	\$323,924.00	0	\$0.00	3500	\$29,750.00
CARACCILO	52,784	\$290,312.00	52,784	\$290,312.00			55403	\$304,716.50	0	\$0.00	0	\$0.00	0	\$0.00
TJ MAX														
Vest Focus Intl														
Vero Style	16824	\$92,532.00												
CRAZZY LINE														
Marville					11498	\$89,914.36								
WOORIM TRADING														
Skyros Trading	48000	\$216,000.00			100000	\$350,000.00	130000	\$455,000.00	0	\$0.00	0	\$0.00	0	\$0.00
OMEGA					0	\$0.00	25000	\$62,500.00	25000	\$62,500.00	0	\$0.00	0	\$0.00
Clover Design	9338	\$43,608.46			13650	23887.5								
Subcontract	14980													
Subcontract														
Grand total =	527,431	\$2,223,656.21	328,759	\$1,417,219.09	388,671	\$1,560,901.82	340,403	\$1,394,216.50	155,242	\$730,211.00	100,400	\$597,380.00	159,500	\$957,950.00

Therefore, the management continues to adopt going concern assumption while preparing the financial statements.

2.12 Materiality And Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial

2.13 Sources of Information:

During our course of preparation and presentation of the financial statements, relevant financial documents and collected information throughout the accounting period ended 2019-2020 has been considered.

2.14 Statement of Cash Flows :

Statement of cash flows is prepared in accordance with "IAS 7: Cash Flow Statement" and the cash flows from operating activities have been presented under Direct Method.

2.15 Property, plant and equipment:

2.15.01 Recognition and measurement :

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

2.15.02 Subsequent costs :

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

2.15.03 Depreciation of fixed assets :

No depreciation has been charged on the Land and land development. Depreciation is charged on all other assets on Reducing balance method. Depreciation of assets begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of asset ceases at the earlier of the date that the assets is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the assets are derecognized. Depreciation methods, useful lives are reviewed at each reporting date and adjusted if appropriate.

Particulars	2021	2020
Land & Land Developments	0%	0%
Machineries	10%	10%
Building & Civil Construction	2.5%	2.5%
De Humidifier Machine Inst.	10%	10%
Electrical Installation	10%	10%
Tools & Equipment	10%	10%
Vehicles	20%	20%
Factory Furniture	10%	10%
Office Furniture	10%	10%
Crockery's & Utensils	25%	25%
Telephone & Intercom Installation	10%	10%
Iron & Boiler	10%	10%
Transformer Installation	10%	10%
Embroidery Machine	20%	20%
Computer Installation & Software Developments	10%	10%
Fire Door	10%	10%
Fire Hydrant & Detection System	10%	10%
Generator	10%	10%
Gas Generator	10%	10%
Gas Line Installation	10%	10%
CC Camera Installation	10%	10%

2.15.04 Derecognition:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.15.05 Property Plant & Equipment pledged as security for liabilities:

The company pledged/mortgaged its land and building to the bank as a security for term loan.

2.15.06 Capitalization of borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset as per International Accounting Standard (IAS) - 23, Borrowing cost. The capitalisation of such borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.15.07 Impairment of Assets :

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. On June 30, 2021 due to countrywide lockdown for COVID-19 the company was unable to do impairment test. But subsequently impairment test has been occurred after June 30, 2021. And no such conditions that might be suggestive of a heightened risk of impairment of assets existed.

2.16 Inventories/Stock of goods:

Inventories comprise fabrics and accessories. Inventories/Stock of goods is measured at lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring these inventories and bringing them to their existing location and condition. But On June 30, 2021 due to countrywide lockdown for COVID-19 the company could not able to do inventory counting. But subsequently inventory counting has been occurred after June 30, 2021. After that back calculation has been done by the company. And Inventory is valued at cost.

2.17 Inventory Written off as an expenses:

There are no such incident occurred during the course of business period. So the company didn't write off any inventories/stocks of goods during the year.

2.18 Inventory pledged as security for liabilities:

No inventory has pledged as security against any liabilities.

2.19 Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.19.01 Recognition and initial measurement:

Export Bills Receivable are initially recognized at the transaction price when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

2.19.02 Classification and subsequent measurement

Financial assets- Policy applicable from 1 July 2018

On initial recognition, a financial asset is classified as:

- amortised cost;
- Fair Value Through Other Comprehensive Income (FVOCI) – debt investment;
- Fair Value Through Other Comprehensive Income (FVOCI) – equity investment;
- Fair Value Through Profit or Loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets-Subsequent measurement and gains and losses; Policy applicable from 1 July 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).

(a) Export Bills Receivable:

These are carried at original invoice amount converted by the exchange rate prevailing on the last day of the financial year. These are against valid export L/Cs and are considered good. None of them has been considered to be doubtful as per "expected credit loss" (ECL) model and as such no provision for bad and doubtful debts has been made in the financial statements.

(b) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash in hand and cash at bank, which were held and available for use by the company without any restriction and are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

(c) Investment in Shares:

Investment is the purchase of share from Central Depository (BD) Ltd. The investment is shown at cost since the above shares are not traded in the active market. At the time of beginning of investment the number of shares was 11,42,361.

2.19.03 Financial Liability:

All financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

(a) Import Bills Payable:

These represent Bills accepted but not paid as on the last day of the financial year and converted into functional currency by the exchange rate prevailing on the last day of the financial year. Bank L/C limit is secured by first charge on the fixed asset & book debts of the Company and also by personal guarantees of the Directors.

(b) Accounts payable and liabilities for Expenses:

Liabilities are recognized for amounts to be paid in future for goods and services, whether or not billed by the suppliers.

(c) Long Term Loan - Secured:

Secured long term loan is from Pubali Bank Ltd. A part of the loan facility is used during the Year.

2.20 Advances, Deposits and Prepayments:

Advances, Deposits & Pre-payments are unsecured but considered good.

Advances:

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or changes to other accounts heads.

Deposits:

Deposits are measured at payment value.

Prepayments:

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charge to the Statement of profit or loss and other comprehensive income.

2.21 Provisions:

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

And the nature of the obligation and the expected time of any resulting outflows of economic benefit of the company in case of wages, salary and other obligations against expenses will be paid within the next twelve months.

2.22 Contingencies:

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. We recognize any amount as an asset only if recovery of that amount is virtually certain.

Contingent liabilities and assets are not recognized in the statement of financial position of the company. These are disclosed in the notes to the financial statements.

There are no such contingent events during the period as per IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

2.23 Revenue Recognition:

Revenue during the year represents revenue arising from sales of readymade garment items. Revenue is recognized when performance obligations are satisfied and also after satisfying all the conditions for revenue recognition as provided in IFRS 15 "Revenue from Contracts with Customers".

2.24 Other income:

All other income is recognized when the Company's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

2.25 Taxation:

2.25.01 Income Tax:

Income Tax has been for the FY 2020 - 2021 @0.50% of export of finished goods at sources as per Income Tax Ordinance-1984 (Ordinance No. XXXVI of 1984) under Section-53BB, which is treated as final discharge of tax liability regarding export during the year.

2.25.02 Deferred Tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

2.26 Earnings per Share:

The company calculates Earning per Share (EPS) in accordance with IAS 33 "Earnings per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in Note –No. 29 of the financial statements.

2.26.01 Basic Earnings per Share:

Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

2.26.02 Diluted Earnings Per Share:

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no dilutive potential ordinary shares during the relevant periods

2.27 Dividend Income on Share:

Dividend income on shares is recognized during the period in which it is declared and ascertained. During the Year the company received dividend from investment in shares of CDBL.

2.28 Contribution to workers Profit Participation/ welfare Fund:

According to Bangladesh Labour Law 2006 u/s 232:

Application of the 15th Chapter:

(1) This Chapter shall apply to a company or establishment which fulfils any one of the following conditions, namely:

(a) the amount of its paid-up capital on the last day of an accounting year is not less than taka 1 (one) crore;

(b) the value of its permanent assets on the last day of an accounting year is not less than taka 2 (two) crore.

(2) The Government may, by notification in the official Gazette, also apply this Chapter to any other company or establishment specified therein.

(3) Notwithstanding anything contained in sub-sections (1) and (2), the Government shall, in the cases of hundred percent export oriented industrial sectors or hundred percent foreign exchange investing sectors, make, by rules, the provisions for constitution of a fund, constitution of the fund management board, determination of the amount of grant and manner of its collection and utilization of the fund and the necessary provisions for other ancillary matters, centrally in each such sector, consisting of the buyers and employers, for the beneficiaries working in the respective sectors: Provided that such board may, subject to the prior approval of the Government, make regulations for carrying out the proposes of this section.

According to Bangladesh Labour Rules 2015 u/s 212:

Formation of central fund integrating the buyer and owner in hundred percent export oriented industrial sector.-

(1) within 6 (six) months from the date of Act comes into force, the Government, for fulfilling the purposes of sub-section (3) of Section 232, will create a separate fund namely central fund for the hundred percent export oriented industry to sector wise fund management.

(2) For the management of the funds described in sub-section (1) the government will form Board of Directors by coordinating the representative of owner and worker of concerned export industries by notification in the official gazette.

(3) Provisions of Rule 212 of to Rule 226 will be applicable for hundred percent export oriented industrial sector.

According to Bangladesh Labour Rules 2015 u/s 214:

Sources of the fund.-

(1) after the commencement of these rules fund will be recoverable by the following rate and way, namely: -

(A) 0.03% of the total amount against each work order fully export oriented industries;

(B) Voluntary donations from buyer or work order provider organizations;

(C) Voluntary made by the Government;

(D) Voluntary donations from foreign individuals or organizations; And

(E) Profit from the investment of fund.

(2) The owner of the hundred percent export-oriented industry will inform buyers or work order providers about the donation at the time of receiving order.

(3) Lien bank of each organization will deposit the money with separate statement in the fund by collecting as government payment from money export orders stated in clause (a) of sub-rule (1).

(4) For fulfilling the purposes of this rule, instruction issued by the Bangladesh Bank from time to time should be followed.

(5) Voluntary donations described in clause (b), (c) and (d) of sub-rule (1) may be deposited in the fund directly.

Bank has already deducted 0.03% against each sales order of SCL. Management of SCL is not in a position to understand that what they will implement for the Company as Bank has already deducted 0.03%. In this case management is not sure whether they will implement all the laws of Chapter 15 or not.

However management has made a WPPF provision of 5% but not yet disbursed according to the laws as management is unsure what the exact solution is in the above case. In addition management wants to take an help from the regulatory authority.

2.29 Events after Reporting Period :

Amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

2.30 Financial risk management & others risk management :

The company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse these risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adhere to limits. 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 risk:

- a. Credit risk
- b. Interest Rate Risk
- c. Market Risk
- d. Liquidity risk
- e. Internal Control and Compliance Risk
- f. Information and Communication Technology Security Risk

2.30.01 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 arises 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 are nominal.

2.30.02 Interest Rate Risk :

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are however, not significantly affected by fluctuations in interest rates.

2.30.03 Market Risk :

Market risk is the risk that any change in market prices such as foreign exchange 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.

2.30.04 Liquidity risk :

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/-fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short-term financing.

2.30.05 Internal Control and Compliance Risk :

Internal controls ensure systematic and orderly flow of various operational activities within the company. To protect and safeguard the company from any means of fraud, error as well as loss, the Company has introduced the Internal control and Compliance guideline and also established a separate department called "Internal Control and Compliance Department (ICCD)" at Head Office staffed with some experienced senior officers rest with the power and duties to train the employees of the company, give direction, monitor, audit and establish control on day to day operational procedures and statutory and non-statutory compliances. ICCD collects different periodical reports, check list of departmental control function etc. for documentation and also undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of statutory requirements and the Audit Committee reviews the reports.

The Board of Directors has constituted an Audit Committee consisting of three (03) members. The Audit Committee is headed by the Alhaji Abdul Karim Pathan, Independent Director who is the chairman of the audit committee.

2.30.06 Information and Communication Technology Security Risk :

ICT policies have been newly introduced at the Company. The prime objective of such policies is to protect data properties of the company from any means of loss, unauthorized use, forgery and destruction as well as documentation of all ICT related tasks to reduce man dependency and increase process dependency. According to this guideline an ICT department responses, monitors, trains and co-ordinates the total IT matter with other departments so that man and machine could effectively co-opt on timely fashion. The ICT department ensures necessary guidelines / instructions to other Departments and monitors status of implementation strictly.

2.31 Employee Benefit:

2.31.01 Short Term Employee Benefits:

This relates to leave encashment and is measured on an undisclosed basis and expensed as the related service is provided. Provision is made for the annual leave encashment based on the latest basic salary. This benefit is applicable for employees as per services rule.

2.31.02 Festival Bonus:

Each employee is entitled to get festival bonus as per terms of service rules.

2.32 Changes in Significant accounting policies:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. It replaces IAS 18: Revenue, IAS 11: Construction Contracts and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgment. However, adoption of IFRS 15 does not have any significant impact in recognition of revenue for the company.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. However, adoption of IFRS 9 does not have any significant impact on the financial statements of the company.

2.32 Changes in accounting estimates :

During this year management has estimated that the useful life of building & civil construction and machineries are increased which is not matched with the Company's current depreciation rates. Therefore management has made a decision through the approval of the board that the estimated useful life for these respective assets is revised. In both current and future periods the revised depreciation rates will be followed for the respective assets.

Besides future periods effect for this change can't be exactly point out as there may be addition or disposal of assets in the future periods.

2.33 Disclosure regarding unclaimed dividend:

The Company already submitted a time extension letter to the authority for the disclosure regarding unclaimed dividend. However, it has been shown in in the Statement of Financial Position (Note: 16.01). In addition unclaimed dividend is not yet transferred till now. The Company has submitted a time extension application for transferring the unclaimed dividend on 31st August, 2021.

2.34 Related Party:

There is no transaction with related parties in the normal course of business operation during the financial period of the company.

2.35 Key Management Personnel Compensation Package:

Key management personnel compensation package has been disclosed in the preparation of financial statement as per IAS-24, Para-17.

Key Management Personnel							
For The Year Ended on 30th June, 2021							
Name	Designation	Short term benefits		Post Employment benefit	Other long term benefit	Termination benefit	Share based benefit
		Remuneration/salary (taka)	Bonus				
Mr. Shams Almas Rahman	Managing Director		N/A	N/A	N/A	N/A	N/A
Mr. Edmund Guda	Company Secretary		N/A	N/A	N/A	N/A	N/A
Mr. Feroz Kabir Khan	Head of People & Culture		N/A	N/A	N/A	N/A	N/A
Mr. MD. Amir Hossain	Assistant General Manager, Production		N/A	N/A	N/A	N/A	N/A
Mr. Ranjit Kumar Sarker	Assistant General Manager, Production		N/A	N/A	N/A	N/A	N/A
Mr. Md. Musa Tarique	Head of Internal Audit & Compliance		N/A	N/A	N/A	N/A	N/A
Mr. Lutfor Rahman	Chief Financial Officer		N/A	N/A	N/A	N/A	N/A

2.30 Others :

(a)

SL. No.	Particulars	Figures in BDT
		June 30,2021
I	Debts exceeding 6 months	
II	Debts less than 6 months	35,39,02,715
	Total	35,39,02,715

SL. No.	Particulars	Figures in BDT
		June 30,2021
I	Receivables considered good in respect of which the company is fully secured	35,39,02,715
II	Receivables considered good in respect of which the company hold no security other than debtor personal security	
III	Receivables considered doubtful or bad	
IV	Receivable due by common management	
V	The maximum amount of receivable due by any director or other officer of the company	

		Amount in BDT	
		June 30, 2021	June 30, 2020
3.00	<u>Property, Plant and Equipments Tk. 607,753,773</u>		
	A. Cost		
	Opening Balance at	1,196,890,986	1,195,737,783
	Add: Addition during	499,573	1,153,203
		1,197,390,559	1,196,890,986
	Less: Disposal during	-	-
	Closing Balance at Cost	1,197,390,559	1,196,890,986
	B. Depreciation		
	Opening Balance	558,558,357	524,520,922
	Add: Charge during the	31,078,429	34,037,435
		589,636,786	558,558,357
	Less: Adjustment during the year	-	-
	Accumulated	589,636,786	558,558,357
	Carrying Value (A-B)	607,753,773	638,332,629
	(Schedule - A, may kindly be seen for details)		
4.00	<u>Investment in Shares - Long Term Tk. 5,138,890</u>		
	11,42,361 Ordinary Shares of Tk.10/each including Bonus Share in CDBL	5,138,890	5,138,890
		5,138,890	5,138,890
5.00	<u>Stock at Stores Tk. 434,069,183</u>		
	Raw Materials	241,165,452	246,727,181
	Work-in-Process	33,545,236	19,247,861
	Finished Goods	159,358,495	94,846,567
		434,069,183	360,821,609
6.00	<u>Export Bills Receivable Tk. 353,902,715</u>		
	Bill Receivable (Note-	353,902,715	177,963,927
	Cash Incentive	-	-
		353,902,715	177,963,927
6.01	<u>Details of Export Bills Receivable Tk. 353,902,715</u>		
	Not more than 3 months	353,902,715	177,963,927
	More than 3 months but not more than 6 months	-	-
	More than 6 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		353,902,715	177,963,927
7.00	<u>Advances, Deposits and Pre-Payments Tk. 14,083,336</u>		
	Security Deposit (Titas Gas)	4,485,343	4,485,343
	Cash Security (DESA)	163,590	163,590
	Workers Profit Participation Fund (WPPF)	3,952,001	3,572,926
	Security Deposit for Car Fuel (Southern)	100,000	100,000
	Advance Rent	269,500	269,500
	Advance to Build- up	5,112,902	-
		14,083,336	8,591,359
8.00	<u>Advance Income Tax Tk. 49,454,241</u>		
	Opening Balance	66,205,888	52,635,754
	Less: Adjustment with Previous Year Tax Liability (Assesment Year-2017-18)	23,769,381	-
		42,436,507	52,635,754
	Add: Tax Deduction at Source During the Year (Note- 8.01)	7,017,734	13,570,134
		49,454,241	66,205,888

		Amount in BDT	
		June 30, 2021	June 30, 2020
8.01	Tax Deduction at Source During the Year Tk. 7,017,734		
	Tax Deduction at Source on Motor Vehicle	360,000	240,000
	Tax Deduction at Source on Dividend Income of CDBL	342,708	571,181
	Tax Deduction at Source on Cash Incentive	-	2,374,970
	Tax Deduction at Source on Export Sales	6,315,026	10,383,983
		7,017,734	13,570,134
9.00	Cash and Cash Equivalents Tk. 15,174,308		
	Cash in Hand	7,515,098	12,252,368
	Cash at Bank (Note -	7,659,210	20,592,052
		15,174,308	32,844,420
9.01	Cash at Bank Tk. 7,659,210		
	Sonali Bank Ltd. - A/C No. 3543	204,054	201,860
	Pubali Bank Ltd. - A/C NO. 34255	111,449	521,253
	Pubali Bank Ltd. - A/C NO. 910-901-37091	29,804	973,262
	Pubali Bank Ltd. - F.C. Account-11497	1,315,404	4,393,018
	Pubali Bank Ltd. Cash Incentive A/C No. 290590147546	791	10,251
	NCC Bank Limited A/C No. 26133	10,000	-
	Pubali Bank Limited A/C No. 914	44,923	-
	Agrani Bank Limited A/C No. 806	24,237	-
	Pubali Bank Ltd. (Foreign Margin)	5,024,324	8,931,259
	Pubali Bank Ltd. (Local Margin)	70,536	3,356,448
	Pubali Bank Ltd. (EDF Margin)	253	178,786
	City Bank Ltd - A/C NO. 1101600201001	47,928	48,618
	Mercantile Bank Ltd. - A/C No. 161774	375,639	1,576,589
	Standard Chartered Bank- A/C NO.01 1146111 01	399,868	400,708
		7,659,210	20,592,052
10.00	Share Capital Tk.		
	Authorized Share		
	(50,000,000 Ordinary Shares @ Tk. 10 each)	500,000,000	500,000,000
	Issued, Subscribed and Paid-up Capital		
	(1,38,84,750 Ordinary Shares @ Tk. 10 each)	138,847,500	126,225,000

Details of shareholdings position are as

(a) Composition of Shareholdings:

Group	No. of Shares		Percentage	
	2021	2020	2021	2020
Sponsors and their	5,389,139	5,344,408	38.81%	42.34%
Institutions	7,367,516	515,729	53.06%	4.09%
General Public	1,128,095	6,762,363	8.12%	53.57%
Total	13,884,750	12,622,500	100%	100%

(b) Classification of shareholders by holding (Regulation 37 of the Listing Regulation of DSE Ltd.):

Shareholding Range	No. of Shareholders		Percentage	
	2021	2020	2021	2020
Less than 500 shares	6935	9410	72.48%	77.36%
500 to 5000 shares	2390	2562	24.98%	21.06%
5001 to 10000 shares	144	130	1.51%	1.07%
10001 to 20000 shares	51	38	0.53%	0.31%
20001 to 30000 shares	23	9	0.24%	0.07%
30001 to 40000 shares	4	4	0.04%	0.03%
40001 to 100000	8	2	0.08%	0.02%
over 100000 shares	13	9	0.14%	0.07%
Total	9,568	12,164	100%	100%

Share Price Tk. 144.60 as on 30.06.2021

		Amount in BDT	
		June 30, 2021	June 30, 2020
11.00	<u>Retained Earnings Tk. 169,174,969</u>		
	Opening balance	214,058,712	283,102,601
	Less: Issue of Stock	12,622,500	75,735,000
		201,436,212	207,367,601
	Less: Adjustment in respect of Previous Year Tax Assessment 2017-18	19,360,881	-
		182,075,331	207,367,601
	Add: Net Profit/(Loss) During the Year	(12,900,362)	6,691,111
		169,174,969	214,058,712
12.00	<u>Long Term Loan - Secured Tk. 143,834,331</u>		
	Pubali Bank Ltd.	143,834,331	132,337,198
		143,834,331	132,337,198
13.00	<u>Deferred Tax Liability Tk. 22,093,604</u>		
	Opening Balance	17,004,324	10,095,838
	Add: Deferred Tax Provision During the Year	5,089,280	6,908,486
		22,093,604	17,004,324
	Less: Adjusted for During the Year	-	-
		22,093,604	17,004,324
14.00	<u>Import Bills Payable Tk. 215,899,933</u>		
	Bills Payable (Note-14.01)	215,899,933	196,834,351
		215,899,933	196,834,351
14.01	<u>Details of Import Bills Payable Tk. 215,899,933</u>		
	Not more than 3 months	215,899,933	196,834,351
	More than 3 months but not more than 6 months	-	-
	More than 6 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		215,899,933	196,834,351
15.00	<u>Accounts Payable Tk. 4,982,786</u>		
	Star Cargo	2,545,906	5,744,294
	TKS	181,244	353,291
	Paragoan Shipping	2,255,636	1,984,586
		4,982,786	8,082,171
16.00	<u>Liabilities for Expenses Tk. 64,823,034</u>		
	Liability for Salary (H.O)	9,495,908	3,351,436
	Liability for Salary	10,298,821	6,183,042
	Liability for Wages	35,425,211	43,987,745
	Liability for Overtime	3,159,673	6,047,926
	Liability for Postages & Telephone	87,285	19,111
	Liability for Gas	914,324	545,834
	Liability for Oil, Fuel	102,352	79,466
	Liability for Internet Bill	14,661	72,800
	Liability for Insurance	399,992	3,086,773
	Liability for WPPF (Note-16.02)	4,287,157	4,287,157
	Liability for Electricity	309,900	774,018
	Liability for Audit Fee	327,750	241,500
		64,823,034	68,676,808
16.01	<u>Unpaid Dividend TK 63,554</u>		
	Liability for Dividend	63,554	24,699

		Amount in BDT	
		June 30, 2021	June 30, 2020
16.02	<u>Liability for WPPF Tk. 4,287,157</u>		
	Opening Balance	4,287,157	2,933,875
	Add: Provision for Tax Made During the Year	-	1,353,282
		4,287,157	4,287,157
	Less: Distribution During the Year	-	-
		4,287,157	4,287,157
17.00	<u>Liabilities for Tax Tk. 35,205,504</u>		
	Opening Balance	33,096,342	19,630,290
	Add: Adjustment in respect of previous year tax (Assessment Year-2017-18)	19,360,881	-
		52,457,223	19,630,290
	Less: Adjustment with Previous Year Advance Income Tax	23,769,381	-
		28,687,842	19,630,290
	Less: Paid Through Pay Order	251,947	-
		28,435,895	19,630,290
	Add: Provision for Tax Made During the Year	6,769,609	13,466,052
		35,205,504	33,096,342
18.00	<u>Long Term Loan - Current Portion Tk. 328,700,000</u>		
	This represents current portion of long term loans from financial institutions which are repayable within next 12 months and consists of as follows:		
	Pubali Bank Limited	328,700,000	220,415,670
		328,700,000	220,415,670
19.00	<u>Short Term Loan - Secured Tk. 355,951,231</u>		
	Pubali Bank Ltd.	354,551,231	245,143,447
	Loan from BGMEA	1,400,000	28,000,000
		355,951,231	273,143,447
20.00	<u>Turnover (Export of Finished Goods) Tk. 1,250,270,534</u>		
	Sales in Taka	1,250,270,534	2,008,710,637
	Cash Incentive	-	45,225,495
		1,250,270,534	2,053,936,132
21.00	<u>Cost of Goods Sold Tk. 1,157,876,921</u>		
	Opening Stock of Raw	246,727,181	198,991,264
	Add: Raw Materials Purchased (Note-21.01)	814,452,736	1,327,978,968
	Raw Materials Available for Consumsion	1,061,179,917	1,526,970,232
	Less: Closing Stock of Raw Materials	241,165,452	246,727,181
	Raw Materials Consumed	820,014,465	1,280,243,051
	Add: Manufacturing Overhead (Note-21.02)	416,671,759	588,415,001
	Cost of Goods Manufactured During the	1,236,686,224	1,868,658,052
	Add: Opening Work-in-Process	19,247,861	28,547,859
	Manufacturing Cost	1,255,934,085	1,897,205,911
	Less: Closing Work-in-Process	33,545,236	19,247,861
	Cost of Goods Manufactured	1,222,388,849	1,877,958,050
	Add: Opening Stock of Finished Goods	94,846,567	127,110,626
	Cost of Goods Available for Sales	1,317,235,416	2,005,068,676
	Less: Closing Stock of Finished Goods	159,358,495	94,846,567
	Total Cost of Goods	1,157,876,921	1,910,222,109

		Amount in BDT	
		June 30, 2021	June 30, 2020
21.01	<u>Raw Materials Purchased During the Year Tk. 814,452,736</u>		
	Purchase Against B/B,	643,280,132	1,111,227,168
	Purchase Against B/B, L/C-Accessories	145,023,083	167,280,359
	Insurance Premium	3,252,836	7,788,581
	C & F Expenses	9,546,819	20,725,489
	Bank Charge	4,881,528	8,188,379
	Transportation Expenses- Import	3,015,850	3,933,923
	L/C Commission &	5,452,488	8,835,069
		814,452,736	1,327,978,968
21.02	<u>Manufacturing Overhead Tk. 416,671,759</u>		
	Salary and Wages	350,424,730	485,453,493
	Overtime	-	17,063,990
	Bonus	15,089,131	24,354,826
	Maternity Benefit	4,033,772	8,109,708
	Consumable Stores	311,771	313,002
	Maintenance-Car	277,371	296,790
	Gas Charges	9,284,131	9,715,208
	Electricity Charges	5,304,949	6,836,401
	Electrical Expenses	314,491	489,110
	Labour Wages	30,470	399,392
	Washing Charges	-	174,220
	Generators Oil & Mobil	581,219	580,500
	Tiffin Expenses	28,623	154,085
	Stationary	89,384	207,815
	Local Conveyance	211,122	261,530
	Lab Test Bill	3,073,060	3,757,905
	Depreciation	27,617,535	30,247,026
		416,671,759	588,415,001
22.00	<u>Administrative Expenses Tk. 31,107,947</u>		
	Salary & Allowances	19,091,064	30,193,504
	Senior Management Salary & Allowance	-	2,000,000
	Bonus	959,310	1,693,455
	Board Meeting Fees	125,000	180,000
	Stationery	91,907	236,605
	Courier Charges-	487,714	578,013
	Books, Forms &	8,750	10,079
	Staff Welfare Expenses	277,818	580,086
	Bank Charges	3,499,743	5,745,177
	Maintenance-Car	160,267	209,554
	Local Conveyance	316,503	392,220
	Fuel and Lubricants	317,927	493,564
	AGM Expenses	90,000	284,630
	Credit Rating	163,206	-
	Charity & Donation-	76,680	527,388
	Stamp Charges	279,351	492,171
	BGMEA Expenses	364,064	476,437
	Audit Fees	327,750	241,500

		Amount in BDT	
		June 30, 2021	June 30, 2020
	Legal Fees	35,300	20,000
	EPB Expenses	314,120	564,580
	Internet Expenses	323,400	352,800
	Telephone Bill	80,931	112,202
	Tiffin Expenses-Office	113,669	254,530
	CDBL Charge	79,429	262,408
	Mobile Bill	63,150	167,130
	Depreciation	3,460,894	3,790,409
		31,107,947	49,858,442
23.00	<u>Selling Expenses Tk. 6,833,774</u>		
	Terminal Handling Charges/BL Charges	753,142	2,453,071
	Freight Charges-Air	306,000	927,068
	Advertisement	47,500	76,332
	Forwarding Charges	5,727,132	9,569,417
		6,833,774	13,025,888
24.00	<u>Financial Expenses Tk. 58,139,197</u>		
	Interest on Bank Loan	58,139,197	56,399,319
		58,139,197	56,399,319
25.00	<u>Other Income Tk. 2,645,832</u>		
	Exchange Gain/(Loss)	932,291	1,132,654
	Dividend Income	1,713,541	2,855,903
		2,645,832	3,988,557
26.00	<u>Contribution to WPPF Tk. Nil</u>		
	Expense for WPPF	-	1,353,282
		-	1,353,282
27.00	<u>Current Taxation Tk. 6,769,609</u>		
	(i) Tax on Export Business	6,315,026	12,758,953
	(ii) Tax on Dividend	342,708	571,181
	(iii) Tax on Exchange Gain	111,875	135,918
		6,769,609	13,466,052
28.00	<u>Deferred Tax Provision Tk. 5,089,280</u>		
	Depreciation Charged as Per 3rd Schedule of Income Tax Ordinance-1984	73,489,098	91,608,150
	Depreciation Charged as Per Financial Statement	31,078,429	34,037,435
	Difference	42,410,669	57,570,715
	Current Tax Rate	12%	12%
	Deferred Tax Provision Made During the Year	5,089,280	6,908,486
29.00	<u>Basic Earning Per Share Tk. (0.93)</u>		
	The computation of EPS is given below		
	a. Profits Attributable to the Ordinary	(12,900,362)	6,691,111
	b. Number of Ordinary Shares during the year	13,884,750	12,622,500
	c. Earning Per Share (EPS)	(0.93)	0.53
	d. Basic Earning Per Share (Comparative restated)	(0.93)	0.48

N.B: The company's earnings per share is decreased in this period comparatively last year's period due to decrease of sales. Details are shown in Note-No. 20 of the financial statement.

		Amount in BDT	
		June 30, 2021	June 30, 2020
30.00	<u>Net Assets Value (NAV) Per Share Tk. 22.18</u>		
	Total Assets	1,479,576,446	1,289,898,722
	Total Liabilities	1,171,553,977	949,615,010
	Net Assets Value (NAV)	308,022,469	340,283,712
	Number of Ordinary Shares during the year	13,884,750	12,622,500
	Net Assets Value (NAV) Per Share	22.18	26.96
	Net Assets Value (NAV) Per Share Restated	22.18	24.51
31.00	<u>Net Operating Cash Flow (NOCFPS) Per Share Tk. (11.71)</u>		
	Cash Received from Turnover and Other Income (Note-31.01)	1,076,045,287	2,097,360,231
	Cash Payments for Costs & Expenses (Note-31.02)	1,238,598,167	2,203,682,749
	Net Operating Cash Flow (NOCFPS)	(162,552,880)	(106,322,518)
	Number of Ordinary Shares during the Year	13,884,750	12,622,500
	Net Operating Cash Flow (NOCFPS) Per Share	(11.71)	(8.42)
	Net Operating Cash Flow (NOCFPS) Per Share Restated	(11.71)	(7.66)
N.B: NOCFPS is negative because of excess payment compare to collection and such excess fund raises through bank loan.			
31.01	<u>Cash Received from Turnover and Other Income</u>		
	Sales During the Year	1,250,270,534	2,053,936,132
	Add: Opening Export Bills Receivable	177,963,927	218,532,123
	Less: Closing Export Bills Receivable	353,902,715	177,963,927
		1,074,331,746	2,094,504,328
	Add: Other Income	1,713,541	2,855,903
		1,076,045,287	2,097,360,231
31.02	<u>Cash Payments for Costs & Expenses</u>		
	Cost of Goods sold	1,157,876,921	1,910,222,109
	Add: Administrative expenses	31,107,947	49,858,442
	Add: Provision for Tax	11,858,889	20,374,538
	Add: Selling Expenses	6,833,774	13,025,888
	Add: Contribution to WPPF	-	1,353,282
		1,207,677,531	1,994,834,259
	Less: Depreciation Charge	31,078,429	34,037,435
		1,176,599,102	1,960,796,824
	Add: Opening Current Liabilities	306,714,371	536,127,737
		1,483,313,473	2,496,924,561
	Less: Closing Current Liabilities	320,974,811	306,714,371
		1,162,338,662	2,190,210,190
	Add: Opening Deferred Tax Liability	17,004,324	10,095,838
		1,179,342,986	2,200,306,028
	Less: Closing Deferred Tax Liability	22,093,604	17,004,324
		1,157,249,382	2,183,301,704
	Less: Opening current Assets	435,618,856	415,237,811
		721,630,526	1,768,063,893
	Add: Closing Current Assets	497,606,760	435,618,856
		1,219,237,286	2,203,682,749
	Add: Adjustment in respect of Previous Year Tax Assessment 2017-18	19,360,881	-
		1,238,598,167	2,203,682,749

		Amount in BDT	
		June 30, 2021	June 30, 2020
31.01	<u>Net Operating Cash Flow (Indirect Method)</u>		
	Net Income	(13,832,653)	5,558,457
	Depreciation Expenses	31,078,429	34,037,435
	(Increase)/Decrease in Stock at Stores	(73,247,574)	(6,171,860)
	(Increase)/Decrease in Export Bills Receivable	(175,938,788)	40,568,196
	(Increase)/Decrease in Advance Income Tax	16,751,647	(13,570,134)
	(Increase)/Decrease in Financial Expense	58,139,197	56,399,319
	(Increase)/Decrease in Advances, Deposits and Pre-payments	(5,491,977)	(639,051)
	Increase/(Decrease) in Accounts Payable	(3,099,385)	(1,408,140)
	Increase/(Decrease) in Import Bill Payable	19,065,582	(239,673,516)
	Increase/(Decrease) in Liabilities for Expenses	(3,853,774)	(1,773,063)
	Increase/(Decrease) in Liabilities for Dividend	38,855	(24,699)
	Increase/(Decrease) in Liability for Tax	2,109,162	13,466,052
	Adjustment in respect of Previous Year Tax Assessment 2017-18	(19,360,881)	-
	Increase/(Decrease) in Deferred Tax Liability	5,089,280	6,908,486
		(162,552,880)	(106,322,518)
32.00	<u>Production and Stock Position during the Period:</u>		
	Details of Stock Position in Dozen		
	a) Production during the Year	249,469 Dozen	413,716 Dozen
	b) Opening Stock	41,013 Dozen	22,438 Dozen
	c) Closing Stock	15,934 Dozen	41,013 Dozen
33.00	<u>Amount of Foreign Exchange Earned during the Period on Account of Export on F.O.B. Basis:</u>		
	Details of Export in US Dollar		
	Export on F.O.B.	US\$ 14,919,695	US\$ 23,989,174
34.00	<u>Number of Employees During the Period:</u>		
	Employee Group as per Salary Wise		
	a) Salary below Tk. 3,000.00 per month	-	-
	b) Salary above Tk. 3,000.00 per month	2,762	3,327
	Total Number of Employees	2,762	3,327

35.00 Production Capacity and Utilization:

Capacity of a garment industry varies and the same depends on various factors like style, design of fabric, making requirements, etc. It is difficult to quantify the actual production capacity and to compare the same with utilized capacity. However, considering the above factors we may estimate our optimum production capacity to be 728,000 dozen per year. But during the current year Stylecraft produced 249,469 dozen of readymade garments in different styles and designs, as against 413,716 dozen during the FY 2019-2020.

36.00 Other Disclosures

a) Staff Welfare Expenses

Staff Welfare Expenses comprise mainly of Tiffin expenses for providing Tiffin to employees (working beyond 7.00 p.m.), health care expenses, annual picnic expenses and child care expenses, etc.

b) Royalty, Technical Experts & Professional Advisory Fees

Expenses such as royalty, technical experts & professional advisory fee were not incurred in foreign exchange during the year.

c) Audit Fees

The auditors of our company were not paid any other amount except the audit fee of Tk. 327,750.00 including corporate governance audit fees & vat approved at the A.G.M and as shown in the accounts.

d) Brokerage or Discount

No brokerage or discount against sales has been paid during the period.

e) Non-Resident Shareholder

There was no non-resident shareholder at the year end June 30, 2021.

f) Capital Expenditure Commitment

There is no ongoing capital expenditure which has remained undisclosed.

g) Reconciliation

All Bank Balances shown in the accounts are as per Bank Statements and the amount is matched with the Bank Statements and amounts are reconciled where necessary.

h) Director's Interest in Contracts with the Company / Transaction with Related Parties

There is no amount due to the Company by the Directors, officers and associates of the Company.

i) General

- i) All shares have been fully called up and paid up
- ii) Bank Balances shown in the accounts are duly reconciled



Shams Almas Rahman
Managing Director & CEO



Sharif Alams Rahman
Chairman/ Current charge



M. Fazlur Rahman
Director

STYLECRAFT LIMITED
Schedule of Property, Plant and Equipments
FOR THE YEAR ENDED JUNE 30, 2021

Schedule - A

Name of Assets	Cost			Rate of Dep.	Depreciation			Written Down Value As At 30.06.2021
	Balance as on 01.07.20	Addition During the Year	Disposal during the Period		Balance as on 01.07.20	Charged during the Period	Balance as on 30.06.21	
Land & Land Development	116,573,345	-	-	0.0%	-	-	-	116,573,345
Building & Civil Construction	414,842,528	-	-	2.5%	123,512,493	7,283,251	130,795,744	284,046,784
Machineries	374,954,804	-	-	10.0%	262,303,533	11,265,127	273,568,660	101,386,144
De Humidifier Machine Inst.	2,149,075	-	-	10.0%	863,352	128,572	991,924	1,157,151
Electrical Installation	85,388,425	-	-	10.0%	40,543,959	4,484,447	45,028,406	40,360,019
Tools & Equipment	15,023,302	23,150	-	10.0%	8,369,366	666,205	9,035,571	6,010,881
Motor Vehicles	45,571,375	-	-	20.0%	38,475,206	1,419,234	39,894,440	5,676,935
Factory Furniture	27,317,236	-	-	10.0%	16,433,514	1,088,372	17,521,886	9,795,350
Office Furniture	15,489,337	4,500	-	10.0%	11,486,719	400,685	11,887,404	3,606,433
Crockeries & Utensils	340,447	-	-	25.0%	326,199	3,562	329,761	10,686
Telephone & Intercom	2,424,485	-	-	10.0%	1,603,180	82,131	1,685,311	739,174
Iron & Boiler	3,334,475	-	-	10.0%	2,704,964	62,951	2,767,915	566,560
Transformer Installation	2,390,579	-	-	10.0%	1,726,354	66,423	1,792,777	597,802
Embroidery Machine	2,874,993	-	-	20.0%	2,871,939	611	2,872,550	2,443
Computer Installation	22,091,656	4,400	-	10.0%	12,459,093	963,403	13,422,496	8,673,560
Software Installation	4,026,258	-	-	10.0%	1,321,274	270,498	1,591,772	2,434,486
Fire Door	2,238,185	467,523	-	10.0%	769,713	185,658	955,371	1,750,337
Fire Hydrant & Detection	19,734,345	-	-	10.0%	6,590,728	1,314,362	7,905,090	11,829,255
CC Camera Installation	3,981,810	-	-	10.0%	1,369,345	261,247	1,630,592	2,351,218
Gas Line Installation	4,161,000	-	-	10.0%	1,430,968	273,003	1,703,971	2,457,029
Generator	7,651,567	-	-	10.0%	5,538,650	211,292	5,749,942	1,901,625
Gas Generator	24,331,759	-	-	10.0%	17,857,808	647,395	18,505,203	5,826,556
Total for 30 June, 2021:	1,196,890,986	499,573	-		558,558,357	31,078,429	589,636,786	607,753,773
Total for 30 June, 2020	1,195,737,783	1,153,203	-		524,520,922	34,037,435	558,558,357	638,332,629

Allocation of Depreciation for the period:

(1) Depreciation (Production)

(2) Depreciation (Administration)

Total

27,617,535
3,460,894
31,078,429

STYLECRAFT LIMITED

Schedule of Property, Plant and Equipments
FOR THE YEAR ENDED JUNE 30, 2020

Schedule - A

Name of Assets	Cost			Rate of Dep.	Depreciation			Written Down Value As At 30.06.2020
	Balance as on 01.07.2019	Addition During the Year	Disposal during the Period		Balance as on 01.07.2019	Charged during the Period	Disposal during the Period	
Land & Land Development	116,573,345	-	-	0.0%	-	-	-	116,573,345
Building & Civil Construction	414,842,528	-	-	2.5%	116,042,492	7,470,001	-	291,330,035
Machineries	374,954,804	-	-	10.0%	249,786,725	12,516,808	-	112,651,271
De Humidifier Machine Inst.	2,149,075	-	-	10.0%	720,494	142,858	-	1,285,723
Electrical Installation	85,323,022	65,403	-	10.0%	35,563,042	4,980,917	-	44,844,466
Tools & Equipment	15,023,302	-	-	10.0%	7,630,040	739,326	-	6,653,936
Motor Vehicles	45,571,375	-	-	20.0%	36,701,164	1,774,042	-	7,096,169
Factory Furniture	27,317,236	-	-	10.0%	15,224,211	1,209,303	-	10,883,722
Office Furniture	15,489,337	-	-	10.0%	11,041,984	444,735	-	4,002,618
Crockeries & Utensils	340,447	-	-	25.0%	321,450	4,749	-	14,248
Telephone & Intercom Installation	2,415,145	9,340	-	10.0%	1,511,972	91,208	-	821,305
Iron & Boiler	3,334,475	-	-	10.0%	2,635,018	69,946	-	629,511
Transformer Installation	2,390,579	-	-	10.0%	1,652,551	73,803	-	664,225
Embroidery Machine	2,874,993	-	-	20.0%	2,871,175	764	-	3,054
Computer Installation	21,513,196	578,460	-	10.0%	11,406,162	1,052,931	-	9,632,563
Software Installation	4,026,258	-	-	10.0%	1,020,720	300,554	-	2,704,984
Fire Door	2,238,185	-	-	10.0%	606,549	163,164	-	1,468,472
Fire Hydrant & Detection System	19,234,345	500,000	-	10.0%	5,136,110	1,454,618	-	13,143,617
CC Camera Installation	3,981,810	-	-	10.0%	1,079,071	290,274	-	2,612,465
Gas Line Installation	4,161,000	-	-	10.0%	1,127,631	303,337	-	2,730,032
Generator	7,651,567	-	-	10.0%	5,303,881	234,769	-	2,112,917
Gas Generator	24,331,759	-	-	10.0%	17,138,480	719,328	-	6,473,951
Total for 30 June, 2020:	1,195,737,783	1,153,203	-		524,520,922	34,037,435	-	638,332,629

Total for 30 June, 2019:	1,187,131,826	8,605,957			487,855,384	36,665,538		524,520,922	671,216,861
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Allocation of Depreciation for the period:

- (1) Depreciation (Production)
(2) Depreciation (Administration)

Total

30,247,026
3,790,409
34,037,435

STYLECRAFT LIMITED
Statement of Deferred Tax Calculation
FOR THE PERIOD ENDED June 30, 2021

Year	Carrying amount of fixed assets as per Accounts	Carrying amount of fixed assets as per Tax Base	T.T.D	Tax rate 12% up to year ending	Deferred tax (asset)/ liability during the year
Year 2021	(607753773-116573345)=491180428	(423640410-116573345)=30,70,67,065	184,113,363	22,093,604	22,093,605

Deferred Tax Liability

Opening Balance
Deferred Tax Provision Made During the Year
Closing Balance

17,004,324
5,089,281
22,093,605

Deferred Tax

Depreciation Charged as Per 3rd Schedule of Income Tax Ordinance-1984
Depreciation Charged as Per Financial Statement
T.T.D
Deferred Tax Provision Made During the Year

73,489,098
31,078,429
42,410,669
5,089,280

Calculation of Tax Base Carrying Value June 30, 2021

Particulars	Opening Balance	Addition	Total	Rate of Depreciation	Depreciation	Carrying Value 30.06.2021
Land & Land Development	116,573,345	-	116,573,345	0%	-	116,573,345
Building & Civil Construction	222,487,702	-	222,487,702	20%	44,497,540	177,990,162
Machineries	77,238,730	-	77,238,730	20%	15,447,746	61,790,984
De Humidifier Machine Inst.	880,261	-	880,261	20%	176,052	704,209
Electrical Installation	25,545,890	-	25,545,890	20%	5,109,178	20,436,712
Tools & Equipment	3,599,378	23,150	3,622,528	20%	720,292	2,902,236
Motor Vehicles	7,096,169	-	7,096,169	20%	1,419,234	5,676,935
Factory Furniture	10,863,351	-	10,863,351	10%	1,086,335	9,777,016
Office Furniture	4,002,619	4,500	4,007,119	10%	400,685	3,606,434
Groceries & Utensils	19,829	-	19,829	20%	3,966	15,863
Telephone & Intercom Installation	1,185,240	-	1,185,240	20%	237,048	948,192
Iron & Boiler	340,376	-	340,376	20%	68,075	272,301
Transformer Installation	359,146	-	359,146	20%	71,829	287,317
Embroidery Machine	3,054	-	3,054	20%	611	2,443
Computer Installation	2,793,614	4,400	2,798,014	30%	838,525	1,959,489
Software Installation	1,056,133	-	1,056,133	30%	316,840	739,293
Fire Door	1,468,472	467,523	1,935,995	10%	185,658	1,750,337
Fire Hydrant & Detection System	13,138,411	-	13,138,411	10%	1,313,841	11,824,570
CC Camera Installation	1,630,949	-	1,630,949	20%	326,190	1,304,759
Gas Line Installation	1,704,346	-	1,704,346	20%	340,869	1,363,477
Generator	1,142,454	-	1,142,454	20%	228,491	913,963
Gas Generator	3,500,466	-	3,500,466	20%	700,093	2,800,373
	496,629,935	499,573	497,129,508		73,489,098	423,640,410



Red Crecent Concord Tower, (14th Floor), 17, Mohakhali C/A, Dhaka-1212

PROXY FORM

I/Weof
.....o being a member of Stylecraft Limited do hereby appoint
Mr./Mrs/Miss of
.....

as my/our proxy, to attend on my/our behalf at the 38th Annual General Meeting of the Company to be hold on Tuesday the December 21, 2021 at 12:00 p.m. Virtually through Digital Platform and at any adjournment thereof.

As witness my hand this day of December, 2021

Affix
Revenue
Stamp
Tk. 20.00

.....
(Signature of the Proxy)

Dated

.....
(Signature of the Member)

Register Folio/BO ID No.....

Dated

Note: A member entitled to attend an vot at the Annual General Meeting may appoint a proxy to attend and vot in his/her stead. The proxy form should reach the secretariat of the Company not less than 84 hours before the time fixed for the meeting.

Signature Verified

.....
Authorized Signature
STYLECRAFT LIMITED



as my/our proxy, to attend on my/our behalf at the 38th Annual General Meeting of the Company to be hold on Tuesday the December 21, 2021 at 12:00 p.m. Virtually through Digital Platform and at any adjournment thereof.

ATTENDANCE SLIP

Name of Member(s).....

Register Folio/BO ID No.Holding ofordinary Shares of
Stylecraft Ltd.

Signature(s) of Shareholder(s)

Note: 1. Please note that AGM can only be attended by the honourable shareholder or by a properly constiuted proxy. therefore, any friend or children accompanying with an honourable shareholder or proxy cannot be allwed into the meeting.
2. Please present this slip at the reception desk.





stylecraft limited

RED CRESCENT CONCORD TOWER (14TH FLOOR)
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