Islam Quazi Shafique & Co.
Chartered Accountants

Private & Confidential

Auditors Report and Financial Statements

Of

Stylecraft Limited
For the Year ended June 30, 2026

Member firm of

BKS INTERNATIONAL

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Auditors Report and Financial Statements

Of

Stylecraft Limited
For the Year ended June 30, 2026

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** (the Company), which comprise the Statement of Financial Position as at 30 June 2026, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matters described in the basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) Accounting Standard as issued by the International Accounting Standard board (IASB) and adopted by the Financial Reporting Council (FRC) of Bangladesh and other applicable financial reporting requirements.

Basis for Qualified Opinion

1. As referred to in Note No. 5.00 to the financial statements, the Company reported stock and stores amounting to Tk. 500,175,638, which is carried forward from previous years and outstanding for a prolonged period. However, management did not provide a formal provisioning policy or adequate supporting evidence regarding the valuation and recoverability of such inventory. Furthermore, as disclosed in Note No. 2.16, the Company measures its inventory at cost, whereas IAS 2 - Inventories requires inventory to be measured at the lower of cost and net realisable value (NRV). Management failed to provide adequate evidence that the NRV of inventory had been assessed and compared with its cost. Consequently, we were unable to determine whether any provision for obsolete or slow-moving inventory or write-down to NRV was necessary and the consequential financial impact on the reported inventory balance and profit.

2.As disclosed in the Note No. 6.00 to the financial statements, the Company reported export bills receivable amounting to Tk. 479,493,495 which is carried forward for several years. We sent balance confirmation requests to the email addresses provided by management; however, the emails could not be delivered due to incorrect email addresses. Furthermore, management failed to provide an adequate basis for the receivable ageing. Consequently, we were unable to verify the existence, accuracy and recoverability of the reported receivables.

3. As disclosed in Note No. 20.00 to the financial statements, the Company reported sales revenue amounting to Tk. 125,047,713. However, the Company submitted NIL VAT returns despite recording substantial sales revenue in its financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as adopted by the Financial Reporting Council (FRC) as applicable to audits of financial statements of public interest entity, together with the ethical requirements relevant to our audit in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the audit of the financial statements for the year ended 30 June 2026. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the auditors' opinion thereon and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
Property, Plant and Equipment	
The Company reported Property, plant and equipment (PPE) at carrying value of Tk. 507,958,748 as at 30 June 2026. This is one of the items in the statement of financial position which made up a significant portion of the Company's non-current assets base, it also involves management judgment to determine estimated useful lives to charge depreciation. Besides, PPE is also subject to impairment when any possible indicators exist warranting their impairment review. See note # 2.15 & Note-3.00 to the financial statements	As part of our audit testing in response to the assessed risk of material misstatements related to PPE, we carried out the following audit tests: • Obtaining and documenting understanding regarding procurement process of PPE and identified relevant control points and their implementation. • Reviewing recognition, measurement and valuation basis of PPE in compliance with requirement of IAS 16: Property, plant and equipment. • Performing test of details against sampled population with supporting evidence as maintained by the company to test the accuracy, valuation of capitalized amount and ownership of the assets.

	• Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 16 and other relevant IFRSs.
Sales Revenue	
Revenue is a significantly material item in the statement of profit and loss and other comprehensive income. The Company has reported revenue of Tk. 125,047,713 for the year ended 30 June 2026. 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". See Note- 2.22 and Note-20 to the financial statements.	Our procedures consisted of obtaining and documenting understanding from the management of the Company about its recognition and measurement processes adopted and applied. We performed test of details from our sampled population to verify whether sales revenue was accounted for in accordance with the revenue accounting policy as disclosed in Note #2.22 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards. For revenue recognition during 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. Our audit procedures on implementation of IFRS 15 - Revenue from contracts with Customers, we verified management's conclusion from 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. These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We made enquiries with management to understand their risk assessments and examined meeting minutes to identify relevant changes in their assessments and estimates. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

	• Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company. • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Tested of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales order, delivery challan, VAT invoice issued, Cash book and bank statement for subsequent receipts of revenue from goods delivered to customers and also, we confirmed selected customers' receivable balances at the statement of financial position date, selected on a sample basis by considering the amount outstanding with those customers. • Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition. • Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard. • We specifically put emphasis on those transactions occurring close before or after the statement of financial position date to obtain sufficient evidence over the accuracy of cut-off. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Long Term & Short-term loan	
The Company reported long term loan 926,611,995 and short-term loan amount of Tk. 561,189,500 as at 30 June 2026 in the statement of financial position. Loans were considered as key audit matter due to their significance to the financial position of the Company at the reporting date. Since such form of credit facilities availed by the Company	Our substantive audit procedures adopted during the audit includes the following tests: • Inspecting relevant board minutes in support of bank loans sanctioned and reported during the year in the financial statements.

require fulfillment of several terms and conditions as mentioned in sanction letters issued by lending bank and institutions. Hence, there is potential risk that not all such terms and conditions are adequately disclosed in the financial statements. See note # 12.00 and 19.00 to the financial statements.	• Testing the existence of outstanding balances with confirmation letter issued against the said loans by the company. • Recalculating and testing accuracy and completeness of finance costs recognized during the year with loan statements provided by banks. • Assessing the adequacy and appropriateness of disclosures made by the company for the loans availed in accordance with relevant IFRS.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report, other than the financial statements and our auditor's report thereon.

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 consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the Financial Reporting Council (FRC) of Bangladesh, 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated 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 Financial Reporting Act 2015, 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, except for the effects/matters described in the Basis for Qualified Opinion section;

b) in our opinion, except for the matters described in the Basis for Qualified Opinion section of our report, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and

d)the financial statements have been prepared in accordance with standards, framework, compliance and guidelines adopted and promulgated by Financial Reporting Council, except for the effects of the matter described in the Basis for Qualified Opinion section.

Place: Dhaka, Bangladesh
Date: October 31, 2026

Abu Nasser, FCA
Enrollment Number: 1546
Partner,
Islam Quazi Shafique & Co.
Chartered Accountants
Firm FRC Enlist. No.: CAF-001-017
DVC No.: 2611051546AS383591

Stylecraft Limited

Statement of financial position

As at June 30, 2026

Particulars	Notes	Amount in taka	
		June 30,2026	June 30,2025
Assets			
Non-current assets:		**513,097,638**	**529,376,660**
Property, plant and equipments	3.00	507,958,748	524,237,770
Investment in shares - long term	4.00	5,138,890	5,138,890
Current assets:		**1,136,795,761**	**1,117,522,535**
Stock at stores	5.00	500,175,638	500,175,638
Bill Receivable	6.00	529,826,939	511,551,495
Advances, deposits & pre-payments	7.00	14,777,398	14,777,398
Advance income tax	8.00	70,660,214	73,324,882
Cash and cash equivalents	9.00	21,355,572	17,693,122
Total assets		**1,649,893,399**	**1,646,899,195**
Equity and liabilities:			
Equity:		**59,430,515**	**64,168,947**
Share capital	10.00	138,847,500	138,847,500
Retained earnings	11.00	(79,416,985)	(74,678,553)
Non-current liabilities:		**960,699,766**	**789,894,345**
Long term loan - secured	12.00	926,611,995	756,817,449
Deferred tax liability	13.00	34,087,771	33,076,896
Current liabilities:		**629,763,118**	**792,835,903**
Accounts payable	14.00	299,697	699,697
Liabilities for expenses	15.00	9,028,542	8,703,622
Unpaid dividend	16.00	230,827	230,827
Liabilities for tax	17.00	59,014,552	60,439,881
Long term loan - current portion	18.00	-	156,000,000
Short term loan-secured	19.00	561,189,500	566,761,876
Total shareholders' equity and liabilities		**1,649,893,399**	**1,646,899,195**
Net assets value (NAV) per share	30.00	**4.28**	**4.62**

The annexed notes 1 to 35 form an integral part of these financial statement.

Shams Almas Rahman
Managing Director & CEO

Sharif Almas Rahman
Director

M. Fazlur Rahman
Director

Ezmuda Guda
Company Secretary

ABM Lutfor Rahman
Chief Financial Officer

Abu Nasser FCA
Enrollment No. 1546
Partner
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka
Date: October 31, 2026

DVC: 261105154 6AS383591

Islam Quazi Shafique & Co. Chartered Accountants Dhaka

Stylecraft Limited

Statement of profit or loss and other comprehensive income

For the year ended June 30, 2026

Particulars	Notes	Amount in taka	
		June 30, 2026	June 30, 2025
Turnover	20.00	125,047,713	138,483,103
Less: Cost of goods sold	21.00	(95,184,589)	(101,882,443)
Gross profit		**29,863,124**	**36,600,660**
Less: Operating and financial expenses			
Administrative expenses	22.00	(12,628,923)	(12,139,493)
Selling expenses	23.00	(71,850)	(60,750)
Financial expenses	24.00	(24,565,370)	(60,116,733)
Operating profit		**(7,403,019)**	**(35,716,316)**
Other Income	25.00	5,879,189	26,661,963
Profit before contribution to WPPF		**(1,523,830)**	**(9,054,353)**
Contribution to WPPF	26.00	-	-
Profit before tax		**(1,523,830)**	**(9,054,353)**
Taxation		**(3,214,602)**	**(5,949,630)**
Current tax	27.00	(2,203,727)	(4,343,473)
Deferred tax	28.00	(1,010,875)	(1,606,157)
Net profit after tax for the period		**(4,738,432)**	**(15,003,983)**
Basic earning per share	29.00	**(0.34)**	**(1.08)**

The annexed notes 1 to 35 form an integral part of these financial statements.

Shams Almas Rahman
Managing Director & CEO

Sharif Almas Rahman
Director

M. Fazlur Rahman
Director

Edmuda Guda
Company Secretary

ABM Lutfor Rahman
Chief Financial Officer

Abu Nasser FCA
Enrollment No. 1546
Partner
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka
Date: October 31, 2026

DVC: 261105154 6AS383591

Islam Quazi Shafique & Co. ★ Chartered Accountants ★ Dhaka

Stylecraft Limited
Statement of changes in equity
For the year ended June 30, 2026

Particulars	Share capital	Retained earnings	Total
Opening balance	138,847,500	(74,678,553)	**64,168,947**
Net profit/(loss) during the period	-	(4,738,432)	**(4,738,432)**
Balance as on June 30, 2026	**138,847,500**	**(79,416,985)**	**59,430,515**

Stylecraft Limited
Statement of changes in equity
For the year ended June 30, 2025

Particulars	Share capital	Retained earnings	Total
Opening balance	138,847,500	(59,674,570)	**79,172,930**
Net profit/(loss) during the period	-	(15,003,983)	**(15,003,983)**
Balance as on June 30, 2025	**138,847,500**	**(74,678,553)**	**64,168,947**

The annexed notes 1 to 35 form an integral part of these financial statement.

Shams Almas Rahman
Managing Director & CEO

Sharif Almas Rahman
Director

M. Fazlur Rahman
Director

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Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka
Date: October 31, 2026

DVC: 261105154 6AS383591

Islam Quazi Shafique & Co. Chartered Accountants Dhaka

Stylecraft Limited

Statement of cash flows

For the year ended June 30, 2026

Particulars	Amount in taka	
	June 30, 2026	June 30, 2025
A. Cash flows from operating activities		
Cash received from turnover and other income	112,651,458	133,087,066
Cash payments for costs & expenses	(92,645,808)	(107,850,252)
Net cash provided by/(used in) operating activities	**20,005,650**	**25,236,814**
B. Cash flows from investing activities		
Acquisition of tangible fixed assets	-	-
Net cash provided by/(used in) investing activities	-	-
C. Cash flows from financing activities		
Received/(payment) of long term loan	169,794,546	13,390,588
Rreceived/(payment) of long term loan current portion	(156,000,000)	-
Received/(payment) of short term loan	(5,572,376)	24,027,016
Payment of bank interest	(24,565,370)	(60,116,733)
Net cash provided by/(used in) financing activities	**(16,343,200)**	**(22,699,129)**
D. Increase/(decrease) in cash and cash equivalents (a+b+c)	**3,662,450**	**2,537,685**
E. Cash and cash equivalents at the opening	17,693,122	15,155,437
F. Effects of exchange rate changes in foreign currency	-	-
Cash and cash equivalents at the closing	**21,355,572**	**17,693,122**
Net operating cash flow per share	**1.44**	**1.82**

The annexed notes 1 to 35 form an integral part of these financial statement.

Shams Almas Rahman
Managing Director & CEO

Sharif Almas Rahman
Director

M. Fazlur Rahman
Director

Edmuda Guda
Company Secretary

ABM Lutfor Rahman
Chief Financial Officer

Abu Nasser FCA
Enrollment No. 1546
Partner
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka
Date: October 31, 2026

DVC: 261105154 6AS383591

Islam Quazi Shafique & Co. * Dhaka * Chartered Accountants

Stylecraft Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2026

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 2020, 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 37 Provisions, Contingent Liabilities and Contingent Assets
IFRS 7 Financial Instruments: Disclosures
IFRS 9 Financial Instruments
IFRS 15 Revenue from contracts with customers

Islam Quazi Shafique & Co. Dhaka Chartered Accountants

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 Act, 2023
The Income Tax Rules, 2023
The Value Added Tax Act, 2012
The Value Added Tax rules, 2016
The Customs Act, 1969;
Bangladesh Labour Law, 2006;
The Securities and Exchange Commission Ordinance, 1969
The Securities and Exchange Rules, 2020; 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 31, 2026.

2.04 Reporting Period:

The financial period of the Company covers the activities from July 01, 2025 to June 30, 2026.

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 2025 is included in the following notes:

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

Islam Quazi Shafique & Co. * Chartered Accountants * Dhaka

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, 2026.
2. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June, 2026.
3. Statement of Changes in Equity for the year ended 30 June, 2026.
4. Statement of Cash Flows for the year ended 30 June, 2026.
5. Notes to the Financial Statements comprising summery 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 realized or intended to be sold or consumed in normal operating cycle, or
ii) expected to be realized 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.

Islam Quazi Shafique & Co. Chartered Accountants Dhaka

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 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. The company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. 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 2025-2026 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.

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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	2026	2025
Land & Land Developments	0%	0%
Machineries	5%	5%
Building & Civil Construction	2.5%	2.5%
De Humidifier Machine Inst.	10%	10%
Electrical Installation	5%	5%
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

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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 it 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 it carrying amount. 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 cost. The cost of inventories includes expenditure incurred in acquiring these inventories and bringing them to their existing location and condition.

2.17 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.

2.18.01 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.

2.18.02 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.

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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.

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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 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.

2.18.03 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.

2.19 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.

2.20 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.

2.21 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"

2.22 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".

2.23 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.

2.24 Taxation:

2.24.02 Income Tax:
Income Tax has been calculated as per Income Tax Act-2023 (Act No. XII of 2023).

2.24.03 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.

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2.25 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.

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

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(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, WPPF is 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 a 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.

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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.

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.

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.

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 Financial Instruments
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.

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



		Amount in taka	
		June 30, 2026	**June 30, 2025**
3.00	**Property, plant and equipments**		
	A. Cost		
	Opening balance at cost	1,197,531,087	1,197,531,087
	Add: Addition during the year	-	-
		1,197,531,087	**1,197,531,087**
	Less: Disposal during the year	-	-
	Closing balance at cost	**1,197,531,087**	**1,197,531,087**
	B. Depreciation		
	Opening balance	673,293,317	656,009,005
	Add: Charge during the year	16,279,022	17,284,312
		689,572,339	**673,293,317**
	Less: Adjustment during the year	-	-
	Accumulated depreciation	**689,572,339**	**673,293,317**
	Carrying value (A-B)	**507,958,748**	**524,237,770**
	Schedule - A, may kindly be seen for details.		
4.00	**Investment in shares - long term**		
	Investment in 1,142,361 ordinary shares of Tk. 10 each, including bonus shares, held with Central Depository Bangladesh Limited (CDBL), at a cost value of Tk. 51,38,190.	5,138,890	5,138,890
		5,138,890	**5,138,890**
5.00	**Stock at stores**		
	Raw materials **5.01**	347,947,508	347,947,508
	Work-in-process	56,546,650	56,546,650
	Finished goods	95,681,480	95,681,480
		500,175,638	**500,175,638**

5.01 Raw materials

Particulars	Quantity	Balance-26	Balance-25
DH-River Isand	1,640,898	51,688,720	51,688,720
LC WAIKIKI	1,044,646	20,804,226	20,804,226
RADHAMONI	3,083,968	235,138,010	235,138,010
BOSTON	1,049,524	9,851,584	9,851,584
ACCESSORIES & OTHERS	-	30,464,968	30,464,968
Total	**6,819,036**	**347,947,508**	**347,947,508**

NB: Export bill receivables and closing stock held by certain buyers have been mutually adjusted based on proper agreement. In the future, any damaged, lost, or unsaleable inventory will be recognized as an expense in accordance with accounting standards.

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			Amount in taka	
			June 30, 2026	**June 30, 2025**
6.00	**Bill Receivable**			
	Export Bill receivable	**Note-6.01**	479,493,495	479,493,495
	Sub-Contract Receivable		50,333,444	32,058,000
			529,826,939	**511,551,495**
6.01	**Export Bill receivable**			
	More than 5 years		479,493,495	479,493,495
			479,493,495	**479,493,495**
7.00	**Advances, deposits and prepayments**			
	Security deposit (Titas gas)		4,485,343	4,485,343
	Cash Security (DESA)		163,590	163,590
	Workers profit participation fund		4,495,009	4,495,009
	Security deposit for car fuel		100,000	100,000
	Advance against FTT Service		1,665,148	1,665,148
	Prepaid fire insurance		1,000,000	1,000,000
	Advance to build- up margin-PBL		2,868,308	2,868,308
			14,777,398	**14,777,398**
8.00	**Advance income Tax**			
	Opening Balance		73,324,882	70,017,798
	Add: Tax Challan for Assesment year 2022-2023 & 2023-2024		102,252	303,444
			73,427,134	**70,321,242**
	Less: Advance Income Tax Adjusted for Assessment Year 2022-2023		3,731,308	-
			69,695,826	**70,321,242**
	Add: Tax deduction at source during the year	**Note- 8.01**	964,388	3,003,640
			70,660,214	**73,324,882**
8.01	**Tax Deduction at source during the year**			
	Tax deduction at source on motor		60,000	45,000
	Tax deduction at source on FDR		130,299	127,946
	Tax deduction at source on dividend income of		502,639	456,944
	Tax deduction at source on cash incentive		271,450	2,373,750
			964,388	**3,003,640**
9.00	**Cash and cash equivalents**			
	Cash in hand		11,779,426	8,405,715
	Cash at bank	**Note - 09.01**	9,576,146	9,287,407
			21,355,572	**17,693,122**

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		Amount in taka	
		June 30, 2026	**June 30, 2025**
9.01 Cash at bank			
Sonali bank ltd. - A/c no. 3543		77,961	77,961
Pubali bank ltd. - A/c no. 34255		21	270
Pubali bank ltd. - A/c no. 910-901-37091		21,972	22,892
Pubali bank ltd. - F.C. account-11497		1,315,715	1,315,715
Pubali bank ltd. -Cash incentive A/c no. 7546		101	101
Ncc bank limited -A/c no. 26133		5,946	5,946
Pubali bank limited -A/c no. 914		109,606	110,871
Agrani bank limited A/c no. 806		5,662	1,631
Pubali bank ltd.-Margin		1,554	1,554
Pubali bank ltd.-(EDF margin)		341	341
City bank ltd - A/c no. 1101600201001		44,478	45,168
Mercantile bank ltd. - A/c no. 161774		105,384	332,948
Agrani bank limited -A/c no. Margin		176	176
FDR Account	**Note-9.1.1**	7,887,229	7,371,833
		9,576,146	**9,287,407**

9.1.1 FDR Account			
Pubali bank limited -A/c no. 30135		6,262,497	5,853,408
Pubali bank limited -A/c no. 12123		566,302	529,343
Pubali bank limited -A/c no. 11761		221,491	206,855
Pubali bank limited -A/c no. 28814		344,577	322,268
Pubali bank limited -A/c no. 37574		492,362	459,959
		7,887,229	**7,371,833**

10.00 Share capital

Authorized share capital		
(50,000,000 ordinary shares @ tk. 10 each)	**500,000,000**	**500,000,000**
Issued, subscribed and paid-up		
(1,38,84,750 ordinary shares @ tk. 10 each)	**138,847,500**	**138,847,500**

Details of shareholdings position
(a) Composition of shareholdings:

Group	No. of shares		Percentage %	
	2026	**2025**	**2026**	**2025**
Sponsors and their associates	5,389,139	5,389,139	38.81%	38.81%
Institutions	1,467,147	1,467,147	10.57%	10.57%
General public	7,028,464	7,028,464	50.62%	50.62%
Total	**13,884,750**	**13,884,750**	**100%**	**100%**

Islam Quazi Shafique & Co. ★ Chartered Accountants ★ Dhaka

	Amount in taka	
	June 30, 2026	**June 30, 2025**

(b) Classification of shareholders by holding (regulation 37 of the listing regulation of dse ltd.):

Shareholding range	No. of shareholders		Percentage %	
	2026	**2025**	**2026**	**2025**
Less than 500 shares	3757	3956	61.22%	61.11%
500 to 5000 shares	2059	2183	33.55%	33.72%
5001 to 10000 shares	184	187	3.00%	2.89%
10001 to 20000 shares	74	89	1.21%	1.37%
20001 to 30000 shares	24	24	0.39%	0.37%
30001 to 40000 shares	15	16	0.24%	0.25%
40001 to 100000 shares	16	11	0.26%	0.17%
Over 100000 shares	8	8	0.13%	0.12%
Total	**6,137**	**6,474**	**100%**	**100%**

11.00 Retained earnings

Opening balance	(74,678,553)	(59,674,570)
Add: Net profit/(loss) during the year	(4,738,432)	(15,003,983)
	(79,416,985)	**(74,678,553)**

12.00 Long term loan

Pubali bank ltd.	926,611,995	756,817,449
	926,611,995	**756,817,449**

NB: Special loan rescheduling under Bangladesh Bank policy support with a 24-months grace period (February 2026 to February 2028).Loan Payment will be started from March 2028.

13.00 Deferred tax liability

Opening balance	33,076,896	31,470,739
Add: Deferred tax provision	1,010,875	1,606,157
	34,087,771	**33,076,896**
Less: Adjusted for during the year	-	-
	34,087,771	**33,076,896**

14.00 Accounts payable

Speed star transport corporation (TKS)	224,075	324,075
Paragon shipping agencies	75,622	375,622
	299,697	**699,697**

15.00 Liabilities for expenses

Liability for salary (H.O)		170,752	982,560
Liability for salary & wages (Factory)		1,457,890	1,899,335
Liability for postages & telephone		84,839	84,839
Liability for gas charges		1,915,693	488,020
Liability for internet bill		37,800	25,200
Liability for insurance expenses		125,058	125,058
Liability for WPPF	**Note-15.01**	4,287,157	4,287,157
Liability for electricity bill		536,353	397,453
Liability for audit fee		413,000	414,000
		9,028,542	**8,703,622**

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	Amount in taka	
	June 30, 2026	**June 30, 2025**
15.01 Liability for WPPF		
Opening balance	4,287,157	4,287,157
Add: Provision for tax made during the year	-	-
	4,287,157	**4,287,157**
Less: Distribution during the year	-	-
	4,287,157	**4,287,157**
16.00 Unpaid dividend		
Opening Balance	230,827	234,827
Add: Provision for tax made during the Year	-	-
	230,827	**234,827**
Less :Dividend Paid during the	-	4,000
	230,827	**230,827**
17.00 Liabilities for tax		
Opening balance	60,439,881	56,096,408
Add: Adjustment in respect of previous AY	102,252	-
	60,542,133	**56,096,408**
Less: Adjustment with previous year advance income tax	3,731,308	-
	56,810,825	**56,096,408**
Less: Paid through Challan	-	-
	56,810,825	**56,096,408**
Add: Provision for tax made during the year **(note-27.00)**	2,203,727	4,343,473
	59,014,552	**60,439,881**
18.00 Long term loan - current portion		
Pubali bank limited	-	156,000,000
	-	**156,000,000**

This represents current portion of long term loans from financial institutions which are repayable within next 12 months and consists of as follows:

19.00 Short term loan - secured tk. 561,189,500		
Pubali bank ltd.	258,675,185	261,237,560
Agrani bank ltd.	302,514,315	305,524,316
	561,189,500	**566,761,876**
20.00 Turnover		
Sub Contract Income	125,047,713	138,483,103
	125,047,713	**138,483,103**

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		Amount in taka	
		June 30, 2026	**June 30, 2025**
21.00 Cost of goods sold			
Opening stock of raw materials		347,947,508	347,947,508
Add: Raw materials purchased	**Note-21.01**	298,424	76,158
Raw materials available for		**348,245,932**	**348,023,666**
Less: Closing stock of raw		347,947,508	347,947,508
Raw materials consumed		**298,424**	**76,158**
Add: Manufacturing overhead	**Note-21.02**	94,886,165	101,806,285
Cost of goods manufactured		**95,184,589**	**101,882,443**
Add: Opening work-in-process		56,546,650	56,546,650
Manufacturing cost		**151,731,239**	**158,429,093**
Less: Closing work-in-process		56,546,650	56,546,650
Cost of goods manufactured		**95,184,589**	**101,882,443**
Add: Opening stock of finished		95,681,480	95,681,480
Cost of goods available for sales		**190,866,069**	**197,563,923**
Less: Closing stock of finished		95,681,480	95,681,480
Total cost of goods sold		**95,184,589**	**101,882,443**

21.01 Raw materials purchased during the year		
Purchase-Accessories	177,824	76,158
Transportation expenses	120,600	-
	298,424	**76,158**

21.02 Manufacturing overhead		
Salary and wages	67,571,638	73,239,444
Bonus	676,350	435,770
Consumable stores	51,060	46,200
Maintenance-car	75,640	89,551
Gas charges	4,551,861	5,635,003
Electricity charges	7,235,962	6,858,318
Electrical expenses	43,330	29,292
Generators, oil & mobil	35,400	30,600
Tiffin expenses	62,714	5,607
Stationary	53,115	49,434
Local conveyance	62,905	27,535
Depreciation (production)	14,466,190	15,359,531
	94,886,165	**101,806,285**

Islam Quazi Shafique & Co. ★ Chartered Accountants ★ Dhaka

		Amount in taka	
		June 30, 2026	**June 30, 2025**
22.00	**Administrative expenses**		
	Salary & allowances	8,949,693	8,101,931
	Bonus	384,768	335,306
	Board meeting fees	20,000	25,000
	Stationery	28,170	35,008
	Staff welfare expenses	29,350	33,470
	Bank charges	35,280	85,213
	Maintenance-car	69,490	66,445
	Local conveyance	116,325	117,570
	Fuel and lubricants	148,044	188,358
	AGM expenses	185,000	175,000
	Registration & renewal	60,300	73,761
	Stamp charges	74,021	45,801
	Audit fees	414,000	414,000
	Kitchen Rent	-	269,500
	Internet expenses	151,200	151,200
	Telephone bill	17,367	12,280
	Tiffin expenses-office	56,765	33,551
	CDBL expenses	56,000	31,000
	Mobile bill	20,318	20,318
	Depreciation	1,812,832	1,924,781
		12,628,923	**12,139,493**
23.00	**Selling expenses**		
	Advertisement	71,850	60,750
		71,850	**60,750**
24.00	**Financial expenses**		
	Interest on bank loan	24,565,370	60,116,733
		24,565,370	**60,116,733**
25.00	**Other income**		
	Exchange gain/(loss)	-	-
	FDR Interest Income	651,495	639,741
	Cash Incentive	2,714,500	23,737,500
	Dividend income	2,513,194	2,284,722
		5,879,189	**26,661,963**
26.00	**Contribution to WPPF**		
	Expense for WPPF	-	-
		-	**-**
27.00	**Current taxation**		
	(i) Tax on Cash Incentive	271,450	2,373,750
	(i) Tax on Sub-contract Profit **Note-27.01**	1,250,477	1,384,831
	(i) Tax on FDR Interest Income	179,161	127,948
	(ii) Tax on divedend income @ 20%	502,639	456,944
	(iii) Tax on exchange gain @ 22.5%	-	-
		2,203,727	**4,343,473**

Islam Quazi Shafique & Co. Chartered Accountants Dhaka

		Amount in taka	
		June 30, 2026	**June 30, 2025**
27.01	**Tax on Sub-Contract business**		
	i) Minimum Tax as per Section 163 (2) of ITA 2023	-	-
	i)Tax on Profit From Sub-contract Business 25%	-	-
	i) Minimum Tax as per Section 123 (Turnover tax 1%)	1,250,477	1,384,831
	Whichever is higher between	**1,250,477**	**1,384,831**
	Profit From Sub-Contract Business		
	Net Profit Before Tax	(1,523,830)	(9,054,353)
	Less: Other Income	5,879,189	26,661,963
		(7,403,019)	**(35,716,316)**
28.00	**Deferred tax provision**		
	Depreciation charged as per 3rd schedule of	24,702,980	30,668,956
	Depreciation charged as per financial statement	16,279,022	17,284,312
		8,423,958	**13,384,644**
	Current tax rate	12%	12%
	Deferred tax provision made during the year	**1,010,875**	**1,606,157**
29.00	**Basic earning per share**		
	The computation of EPS is given below		
	a. Profits attributable to the ordinary	(4,738,432)	(15,003,983)
	b. Number of ordinary shares during the year	13,884,750	13,884,750
	c. Earning per share (EPS)	**(0.34)**	**(1.08)**
	d. Basic earning per share (comparative restated)	**(0.34)**	**(1.08)**
30.00	**Net assets value (NAV) per share**		
	Total assets	1,649,893,399	1,646,899,195
	Total liabilities	1,590,462,884	1,582,730,248
	Net assets value (NAV)	**59,430,515**	**64,168,947**
	Number of ordinary shares during the year	13,884,750	13,884,750
	Net assets value (NAV per share)	**4.28**	**4.62**
	Net assets value (NAV) per share	**4.28**	**4.62**
31.00	**Net operating cash flow (NOCF)**		
	Cash received from turnover and other income **Note-31.01**	112,651,458	133,087,066
	Cash payments for costs & expenses **Note-31.02**	92,645,808	107,850,252
	Net operating cash flow (NOCFPS) Note-31.03	**20,005,650**	**25,236,814**
	Number of ordinary shares during the year	13,884,750	13,884,750
	Net operating cash flow (NOCFPS) per share	**1.44**	**1.82**
	Net operating cash flow (NOCFPS) per share restated	**1.44**	**1.82**

Islam Quazi Shafique & Co. Chartered Accountants Dhaka

	Amount in taka	
	June 30, 2026	**June 30, 2025**

31.01 Cash received from turnover and other income

Sales during the year	125,047,713	138,483,103
Add: Opening export bills receivable	511,551,495	479,493,495
Less: Closing export bills receivable	529,826,939	511,551,495
	106,772,269	**106,425,103**
Add: Other income	5,879,189	26,661,963
	112,651,458	**133,087,066**

31.02 Cash payments for costs & expenses

Cost of goods sold	95,184,589	101,882,443
Add: Administrative expenses	12,628,923	12,139,493
Add: Provision for tax	3,214,602	5,949,630
Add: Selling expenses	71,850	60,750
	111,099,964	**120,032,316**
Less: Depreciation charge	16,279,022	17,284,312
	94,820,942	**102,748,004**
Add: Opening current liabilities	70,074,027	72,079,700
	164,894,969	**174,827,704**
Less: Closing current liabilities	68,573,618	70,074,027
	96,321,351	**104,753,677**
Add: Opening deferred tax liability	33,076,896	31,470,739
	129,398,247	**136,224,416**
Less: Closing deferred tax liability	34,087,771	33,076,896
	95,310,476	**103,147,520**
Less: Opening current assets	588,277,918	583,575,186
	(492,967,442)	**(480,427,666)**
Add: Closing current assets	585,613,250	588,277,918
	92,645,808	**107,850,252**
Add: Adjustment in respect of previous year tax	-	-
	92,645,808	**107,850,252**

31.03 Net operating cash flow (indirect method)

Net income	(4,738,432)	(15,003,983)
Depreciation expenses	16,279,022	17,284,312
(Increase)/decrease in Export Bills Receivable	(18,275,444)	(32,058,000)
(Increase)/decrease in Advance Income Tax	2,664,668	(3,307,084)
(Increase)/decrease in financial expense	24,565,370	60,116,733
(Increase)/decrease in advances, deposits and pre-payments	-	(1,395,648)
Increase/(decrease) in accounts payable	(400,000)	(281,983)
Increase/(decrease) in Import Bill Payable	-	(3,473,127)
Increase/(decrease) in liabilities for expenses	324,920	(443)
Increase/(decrease) in liabilities for Advance Sales Against Sub Contract	-	(2,589,593)
Increase/(decrease) in liabilities for dividend	-	(3,999)
Increase/(decrease) in liability for tax	(1,425,330)	4,343,472
Increase/(decrease) in deferred tax liability	1,010,876	1,606,157
	20,005,650	**25,236,814**

Islam Quazi Shafique & Co. Chartered Accountants Dhaka

	Amount in taka	
	June 30, 2026	**June 30, 2025**

32.00 Production and stock position during the period:

Details of stock position in dozen

a) Production during the year	-	-
b) Opening stock	-	-
c) Closing stock	-	-

33.00 Amount of foreign exchange earned during the period on account of export on F.O.B. basis:

Details of export in us dollar

Export on F.O.B.	-	-

34.00 Number of employees during the period:

a) Salary below Tk. 3,000.00 per month	-	-
b) Salary above Tk. 3,000.00 per month	848	954
Total number of employees	**848**	**954**

35.00 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) Brokerage or discount

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

d) Non-resident shareholder

There was no non-resident shareholder at the period end June 30, 2026.

e) Capital expenditure commitment

There is no ongoing capital expenditure which has remained undisclosed.

f) 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.

g) 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.

h) General

i) All shares have been fully called up and paid up

ii) Bank balances shown in the accounts are duly reconciled

Islam Quazi Shafique & Co. Chartered Accountants Dhaka

Stylecraft Limited

Schedule of property, plant and equipments

As on 30 June 2026

Schedule - A

Particulars	Cost				Rate of dep.	Depreciation				Written down value as at 30.06.2026
	Balance as on 01.07.2025	Addition during the year	Disposal during the Period	Balance as on 30.06.2026		Balance as on 01.07.2025	Charged during the period	Disposal during the period	Balance as on 30.06.2026	
Land & land development	116,573,345	-	-	116,573,345	0%	-	-	-	-	116,573,345
Building & civil construction	414,842,528	-	-	414,842,528	3%	158,152,889	6,417,241	-	164,570,130	250,272,398
Machineries	374,954,804	-	-	374,954,804	5%	296,721,454	3,911,668	-	300,633,122	74,321,682
De-humidifier machine	2,149,075	-	-	2,149,075	10%	1,389,868	75,921	-	1,465,789	683,286
Electrical installation	85,388,425		-	85,388,425	5%	54,245,121	1,557,165	-	55,802,286	29,586,139
Tools & equipment	15,142,180		-	15,142,180	10%	11,135,634	400,655	-	11,536,289	3,605,891
Motor vehicles	45,571,375	-	-	45,571,375	20%	43,246,103	465,054	-	43,711,157	1,860,218
Factory furniture	27,317,236	-	-	27,317,236	10%	20,890,507	642,673	-	21,533,180	5,784,056
Office furniture	15,493,837	-	-	15,493,837	10%	13,127,656	236,618	-	13,364,274	2,129,563
Crockeries & utensils	340,447	-	-	340,447	25%	337,067	845	-	337,912	2,535
Telephone & intercom installation	2,424,485		-	2,424,485	10%	1,939,513	48,497	-	1,988,010	436,475
Iron & boiler	3,334,475	-	-	3,334,475	10%	2,962,754	37,172	-	2,999,926	334,549
Transformer installation	2,390,579	-	-	2,390,579	10%	1,998,361	39,222	-	2,037,583	352,996
Embroidery machine	2,874,993	-	-	2,874,993	20%	2,873,993	200	-	2,874,193	800
Computer installation	22,140,856		-	22,140,856	10%	16,411,934	572,892	-	16,984,826	5,156,030
Software installation	4,026,258	-	-	4,026,258	10%	2,428,992	159,727	-	2,588,719	1,437,539
Fire door	2,705,708	-	-	2,705,708	10%	1,557,312	114,840	-	1,672,152	1,033,556
Fire hydrant & detection system	19,734,345		-	19,734,345	10%	11,973,172	776,117	-	12,749,289	6,985,056
CC camera installation	3,981,810	-	-	3,981,810	10%	2,439,177	154,263	-	2,593,440	1,388,370
Gas line installation	4,161,000	-	-	4,161,000	10%	2,548,943	161,206	-	2,710,149	1,450,851
Generator	7,651,567	-	-	7,651,567	10%	6,403,911	124,766	-	6,528,677	1,122,890
Gas generator	24,331,759	-	-	24,331,759	10%	20,508,956	382,280	-	20,891,236	3,440,523
Balance as on 30 June, 2026	**1,197,531,087**	**-**	**-**	**1,197,531,087**		**673,293,317**	**16,279,022**	**-**	**689,572,339**	**507,958,748**
Balance as on 30 June, 2025	**1,197,531,087**	**-**	**-**	**1,197,531,087**		**656,009,005**	**17,284,312**	**-**	**673,293,317**	**524,237,770**

Allocation of depreciation for the period:

(1) Depreciation (production)	14,466,190
(2) Depreciation (administration)	1,812,832
Total	**16,279,022**

