

"If you have any query about this document, you may consult issuer, issue manager and underwriters"

PROSPECTUS

For
**PUBLIC OFFERING OF 47,500,000 ORDINARY SHARES OF TK.10.00 EACH AT AN ISSUE PRICE OF TK. 20.00 EACH
INCLUDING A PREMIUM OF TK. 10.00 PER SHARE TOTALING TO TK. 950,000,000**

Of
SAIHAM COTTON MILLS LIMITED (SCML)

OPENING DATE FOR SUBSCRIPTION: 04 MARCH, 2012 CLOSING DATE FOR SUBSCRIPTION: 08 MARCH, 2012
FOR NON-RESIDENT BANGLADESHI (NRB) QUOTA,
OPENING DATE FOR SUBSCRIPTION: 04 MARCH, 2012 CLOSING DATE FOR SUBSCRIPTION: 17 MARCH, 2012

MANAGER TO THE ISSUE



LankaBangla Investments Limited
A-A Bhaban (Level-6)
23, Motijheel C/A, Dhaka-1000, Bangladesh

UNDERWRITERS

Karnafuli Insurance Company Limited Bima Bhaban (3 rd Floor), 100 Motijheel C/A, Dhaka-1000	Meghna Life Insurance Company Limited Bima Bhaban (2 nd Floor), 100 Motijheel C/A, Dhaka-1000
Prime Finance Capital Management Limited 63 Dilkusha C/A (3 rd Floor), Dhaka-1000	MTB Capital Limited 68 Dilkusha (6 th Floor) C/A, Dhaka-1000
Union Capital Limited Noor Tower (5 th Floor), 1/F Free School Street, 73 Sonargaon Road, Dhaka-1205	IDLC Investments Limited Eunoos Trade Centre, Level# 21, 52-53, Dilkusha C/A, Dhaka-1000
LankaBangla Finance Limited Safura Tower (Level-11), 20 Kemal Ataturk Avenue, Dhaka-1213	

CREDIT RATING STATUS

	Long Term	Short Term
Entity Rating	A3	ST3
Rating Date	August 21, 2011	
Rated by	Credit Rating Agency of Bangladesh (CRAB)	
Validity of the Rating	August 20, 2012	

Date of Publication of the Prospectus: December 20, 2011

The Issue shall be placed in "N" Category



SAIHAM COTTON MILLS LIMITED
House # 34, Road # 136, Gulshan - 1
Dhaka - 1212, Bangladesh
Web: www.saihamcotton.com

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR."

AVAILABILITY OF PROSPECTUS

Prospectus of the Saiham Cotton Mills Limited may be obtained from the Issuer Company, the Manager to the Issue, the Underwriters and the Stock Exchanges as follows:

Issuer Company	Contact person	Contact No.
SAIHAM COTTON MILLS LIMITED House # 34, Road # 136, Gulshan - 1 Dhaka - 1212, Bangladesh	Md. Sahinur Kabir Company Secretary	Tel: 9862284, 9863323 Fax: 88-02 9894607, 8826254 E-mail:sahinur.fc@saiham.com

Manager to the Issue	Contact person	Contact No.
Lankabangla Investments Limited A-A Bhaban (Level-6) 23, Motijheel C/A, Dhaka-1000	M Shakil Islam Bhuiyan Chief Executive Officer	Tel: 9561238, Fax: 9561107 E-mail: shakil.bhuiyan@lankabangla-investments.com

Underwriters	Contact person	Contact No.
Karnafuli Insurance Company Limited Bima Bhaban (3rd Floor), 100 Motijheel C/A, Dhaka-1000	F. J. M. Hafiza Sultana Company Secretary	Tel: 9564808-9, 9564810-11 Fax: 880-2-9555802
Meghna Life Insurance Company Limited Bima Bhaban (2rd Floor), 100 Motijheel C/A, Dhaka-1000	Mian Mohd. Mashiur Rahman Company Secretary	Tel: 9558297, 9558993, 9556204 Fax: (8802) 7171942 E-mail: mlicoltd@citechco.net
Prime Finance Capital Management Limited 63 Dilkusha C/A (3rd Floor), Dhaka-1000	M. Mosharraf Hossain PhD, FCA Managing Director & CEO	Tel: 9563883 Fax: 88-02-9563692
MTB Capital Limited 68 Dilkusha (6th Floor) C/A, Dhaka-1000	Md. Ashadul Islam (Ashad) Board Secretary and Compliance Officer	Tel: 7170138-9, 01818416284 Fax: 9555654, E-mail: ashad@mutualtrustbank.com
Union Capital Limited Noor Tower (5th Floor), 1/F Free School Street, 73 Sonargaon Road, Dhaka-1205	Abdul Munim Khan EVP & Head of Business	Tel: 880-2-9662888 Fax: 880-2-8616878 E-mail: munim@unicap-bd.com
IDLC Investments Limited Eunoos Trade Center (Level 21) 52-53 Dilkusha C/A, Dhaka 1000	Md. Moniruzzaman, CFA Managing Director	Tel: 9571170 Fax: 9571171 E-mail: mzaman@idlc.com
LankaBangla Finance Limited Safura Tower (Level-11), 20 kemal Ataturk Avenue, Dhaka-1213	M A Faisal Mahmud Assistant Manager	Tel: 9883701-10 Fax: 88028810998 E-mail: faisal@lankabangla.com

Stock Exchanges	Available At	Contact No.
Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka-1000	DSE Library	Tel: 7175705-9
Chittagong Stock Exchange Limited CSE Building, 1080, Sk. Mujib Road, Ctg-4100	CSE Library	Tel: 031-714632-3 Tel: 031-720871-3

Prospectus is also available on the web sites of Saiham Cotton Mills Limited (www.saihamcotton.com), LankaBangla Investments Limited (www.lankabangla-investments.com) SEC (www.secbd.org), DSE (www.dsebd.org), CSE (www.csebd.com) and Public Reference room of the Securities and Exchange Commission (SEC) for reading and study.

Name of the Auditors	Address of the Auditors
Rahman Mostafa Alam & Co. Chartered Accountants	Tel: +88 02- 9553449 Paramount Heights (7th Floor – D2), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka – 1000.

TABLE OF CONTENTS

SECTION I: STATUTORY CONDITIONS	6-10
DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM.....	6
CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969.....	6
GENERAL INFORMATION	10
SECTION II: DECLARATIONS AND DUE DILIGENCE CERTIFICATES	11-13
DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTOR(S), INCLUDING THE CEO OF THE ISSUER COMPANY IN RESPECT OF THE PROSPECTUS.....	11
CONSENT OF DIRECTOR (S) TO SERVE AS DIRECTOR(S)	11
DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS.....	12
DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM SEC FOR ANY MATERIAL CHANGES	12
DECLARATION BY THE ISSUE MANAGERS ABOUT THE APPROVAL FROM SEC FOR ANY MATERIAL CHANGES.....	12
DUE DILIGENCE CERTIFICATE OF THE MANAGERS TO THE ISSUE	13
DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER (S)	13
SECTION III: RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT RISKS	14-16
SECTION IV: ISSUE SIZE & PURPOSE OF IPO	17-17
CAPITAL STRUCTURE OF THE COMPANY	17
USE OF PROCEEDS FROM IPO AND IMPLEMENTATION SCHEDULE	17
SECTION V: INFORMATION ABOUT THE COMPANY	18-22
COMPANY PROFILE	18
PRINCIPLE PRODUCTS AND SERVICES	18
PRODUCTS/SERVICES THAT ACCOUNTS FOR MORE THAN 10% OF THE COMPANY'S TOTAL REVENUE	19
ASSOCIATES, SUBSIDIARY/RELATED HOLDING COMPANY AND THEIR CORE AREAS OF BUSINESS	19
DISTRIBUTION OF PRODUCTS/SERVICES	19
COMPETITIVE CONDITION OF BUSINESS	20
SOURCES AND AVAILABILITY OF RAW MATERIALS AND PRINCIPAL SUPPLIERS	21
SOURCES OF AND REQUIREMENT FOR POWER, GAS AND WATER OR ANY OTHER UTILITIES	21
CUSTOMER PROVIDING 10% OR MORE REVENUES	21
DESCRIPTION OF CONTRACT WITH PRINCIPAL SUPPLIERS/CUSTOMERS	22
DESCRIPTION OF ANY MATERIAL PATENTS, TRADEMARKS, LICENSES OR ROYALTY AGREEMENTS	22
NUMBER OF EMPLOYEES	22
PRODUCTION / SERVICE RENDERING CAPACITY AND CURRENT UTILIZATION	22
SECTION VI: DESCRIPTION OF PROPERTY	23-24
LOCATION OF THE PRINCIPAL PLANTS AND OTHER PROPERTY OF THE COMPANY AND THEIR CONDITION	23
MACHINERY UNDER LEASE	24
LAND PROPERTY UNDER MORTGAGE.....	24
SECTION VII: PLAN OF OPERATION & DISCUSSION OF FINANCIAL CONDITIONS	25-30
INTERNAL & EXTERNAL SOURCES OF CASH.....	25
MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURE	25
CAUSES FOR MATERIAL CHANGES FROM PERIOD TO PERIOD	26
SEASONAL ASPECTS OF THE COMPANY'S BUSINESS	26
KNOWN TRENDS, EVENTS, UNCERTAINTIES.....	26
CHANGE IN THE ASSETS OF THE COMPANY USED TO PAY-OFF LIABILITIES.....	26
LOAN TAKEN FROM OR GIVEN TO HOLDING/PARENT COMPANY OR SUBSIDIARY COMPANY	27
FUTURE CONTRACTUAL LIABILITIES	27
FUTURE CAPITAL EXPENDITURES	27
VAT, INCOME TAX, CUSTOMS DUTY OR OTHER TAX LIABILITY	27
OPERATING LEASE AGREEMENTS DURING THE LAST FIVE YEARS	27
FINANCIAL LEASE COMMITMENTS DURING THE LAST FIVE YEARS	27
PERSONNEL RELATED SCHEMES	27
ESTIMATED EXPENSES RELATED TO IPO.....	28
REVALUATION OF COMPANY'S ASSETS	28
REVALUATION SUMMARY BY ITEMIZING SEPARATELY TO SHOW COMPARISON	29

TRANSACTION BETWEEN SUBSIDIARY/ASSOCIATE/HOLDING COMPANY AND THE ISSUER	30
AUDITOR'S CERTIFICATE: ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR CONSIDERATION IN CASH / OTHER THAN IN CASH	30
DECLARATION REGARDING SUPPRESSION OF MATERIAL INFORMATION	30
SECTION VIII: INFORMATION ABOUT DIRECTORS AND OFFICERS	31-37
DIRECTORS OF THE COMPANY	31
INFORMATION REGARDING DIRECTORS AND DIRECTORSHIP	31
DIRECTORS' INVOLVEMENT IN OTHER ORGANIZATIONS	31
FAMILY RELATIONSHIP AMONG DIRECTORS AND TOP 5 OFFICERS	31
SHORT BIO-DATA OF DIRECTORS	32
CREDIT INFORMATION BUREAU (CIB) REPORT	32
DESCRIPTION OF TOP EXECUTIVES AND HEADS OF DEPARTMENTS	33
INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS	33
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	33
DIRECTORS FACILITIES	34
EXECUTIVE COMPENSATION	34
OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES	34
TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM	34
TANGIBLE ASSETS PER SHARE	35
OWNERSHIP OF COMPANY'S SECURITIES	35
SHAREHOLDING OF 5% OR MORE	36
SECURITIES OF THE COMPANY OWNED BY THE DIRECTORS, TOP TEN SALARIED OFFICERS AND ALL OTHER OFFICER AS GROUP	37
NAME OF THE DIRECTORS WHO OWNED SECURITIES OF THE COMPANY	37
SECURITIES OWNED BY TOP TEN SALARIED OFFICERS	37
SECTION IX: FEATURES OF IPO	38-41
DETERMINATION OF OFFERING PRICE	38
MARKET FOR THE SECURITIES BEING OFFERED	40
DECLARATION ABOUT LISTING OF SHARES WITH STOCK EXCHANGE(S)	40
DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED	40
DEBT SECURITIES	41
SECTION X: PLAN OF DISTRIBUTION	42-42
UNDERWRITING OF SHARES	42
PRINCIPAL TERMS AND CONDITIONS OF UNDERWRITING AGREEMENT	42
COMMISSION FOR THE UNDERWRITERS	42
RELATIONSHIP OF OFFICERS OR DIRECTORS OF THE UNDERWRITER(S) WITH THE MEMBER OF BOARD OF THE COMPANY	42
SECTION XI: ALLOTMENT, SUBSCRIPTION & MARKET	43-52
LOCK IN PROVISION	43
REFUND OF SUBSCRIPTION MONEY	49
SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHIS (NRB)	49
AVAILABILITY OF SECURITIES	49
ALLOTMENT	50
APPLICATION FOR SUBSCRIPTION	50
TRADING AND SETTLEMENT	51
BANKERS TO THE ISSUE	52
SECTION XII: MATERIAL CONTRACTS AND OTHERS	53-53
MATERIAL CONTRACTS	53
MANAGERS TO THE ISSUE	53
COMMISSION TO THE BANKERS TO THE ISSUE	53
SECTION XIII : CORPORATE DIRECTORY	54
SECTION XIV : AUDITOR'S REPORT & RELATED CERTIFICATES	55-100
SECTION XV : CREDIT RATING REPORT	101-110
SECTION XVI: APPLICATION FORM	111-115



Definition and elaboration of the abbreviated words and technical terms used in the Prospectus

IPO	:	Initial Public Offering
Commission	:	Securities and Exchange Commission
SEC	:	Securities and Exchange Commission
SCML	:	Saiham Cotton Mills Limited
FSML	:	Faisal Spinning Mills Limited
The Company / Issuer	:	Saiham Cotton Mills Limited
Issue	:	Public Issue
DSE	:	Dhaka Stock Exchange Limited
CSE	:	Chittagong Stock Exchange Limited
RJSC	:	Registrar of Joint Stock Companies and Firms
Stockholder	:	Shareholders
NBR	:	National Board of Revenue
CIB	:	Credit Information Bureau
NRB	:	Non Resident Bangladeshi
Allotment	:	Letter of Allotment of Shares
FC Account	:	Foreign Currency Account
SND Account	:	Short Notice Deposit Account
Securities	:	Shares of Saiham Cotton Mills Limited
Market of the Securities	:	Share Market
Offering Price	:	Price of the securities of Saiham Cotton Mills Limited
Subscription	:	Application Money
CDBL	:	Central Depository Bangladesh Limited
NAV	:	Net Asset Value
EPS	:	Earnings Per Share
Sponsors	:	The Sponsor Shareholders of Saiham Cotton Mills Limited
Rules	:	Securities and Exchange Commission (Public Issue) Rules, 2006
Depository Act	:	Depository Act, 1999
Ordinance	:	Securities and Exchange Ordinance, 1969
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
Corporate Office	:	Head office of the Company
BO A/C	:	Beneficiary Owner Account or Depository Account



SECTION I: STATUTORY CONDITIONS

Disclosure in Respect of Issuance of Security in DEMAT Form

As per provision of the Depository Act, 1999 and regulation made there under, shares of the company will be issued in dematerialized form only and for this purpose Saiham Cotton Mills Limited has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfer/transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including rights/bonus) will also be issued in dematerialized form only.

Conditions under 2CC of the Securities and Exchange Ordinance, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 4,75,00,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 20.00 per share including a premium of Tk. 10.00 each worth Tk. 95,00,00,000.00 (Tk. Ninety Five Crore) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 3 (Three) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 3 (Three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in "MS - Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (Forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue managers within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshi (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they



Saiham Cotton Mills Limited

have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely: -

“Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, wherever applicable.
13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -
 - a. Total number of securities for which subscription has been received;
 - b. Amount received from the subscription; and
 - c. Amount of commission paid to the bankers to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.



16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of the subscription closure), if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.
18. All the applicants shall first be treated as applied for one minimum market lot of **250 shares worth Taka 5,000/-** (Five Thousand only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.**
22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.
23. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 20 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.
24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the issue managers, other underwriters, issuer or the sponsor group.



26. All issued shares (**including 30% bonus shares for the year ended on April 30, 2011**) of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years (**including 30% bonus shares for the year ended on April 30, 2011**) of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and issue managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.
28. The company shall apply to the stock exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
29. **The company shall deposit 3% tax to the Government Treasury on the share premium of the IPO and submit authenticated copy of 'Treasury Chalan' to the Commission, among others, to obtain consent for holding of lottery in line with the NBR's Order No. জারাবো/আয়কর বাজেট/২০১০/৯৭ dated 30.06.2010 and জারাবো/কর-৪/অধিক্ষেত্র/১১(৪)/২০০৩(অংশ)-১/২২৫ dated 06.07.2010.**
30. **The company shall not declare any benefit/dividend based on the financial statements for the year ended on April 30, 2012 before listing of its capital with stock exchange (s).**

PART-B

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).



Saiham Cotton Mills Limited

7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to SEC and stock exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

LankaBangla Investments Limited, the issue manager, has prepared this prospectus based on information provided by **Saiham Cotton Mills Limited (the issuer)** and also several discussions with Chairman, Managing Director, Directors and concerned executives of the Company all of which are publicly available. The Board of Directors of Saiham Cotton Mills Limited hereby confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

The issue, as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this prospectus may be obtained from the Head Office of Saiham Cotton Mills Limited, LankaBangla Investments Limited, the Underwriters and the Stock Exchanges where the securities will be listed.



SECTION II: DECLARATIONS AND DUE DILIGENCE CERTIFICATES

Declaration about the responsibility of the Director(s), including the CEO of the Issuer Company in respect of the Prospectus

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Syed Md. Faisal
Chairman

Sd/-
Syed Ishtiaq Ahmed
Managing Director/Director

Sd/-
Syed Shafqat Ahmed
Director

Sd/-
S.F.A.M. Shahjahan
Director

Consent of Director (s) To Serve As Director(s)

We hereby confirm that we have been serving as Director(s) of Saiham Cotton Mills Limited and continue to act as Director(s) of the Company.

Sd/-
Syed Md. Faisal
Chairman

Sd/-
Syed Ishtiaq Ahmed
Managing Director / Director

Sd/-
Syed Shafqat Ahmed
Director

Sd/-
S.F.A.M. Shahjahan
Director



Declaration about filing of prospectus with the Registrar of Joint Stock Companies and Firms

As required under section 138(1) of the Companies Act 1994, a dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required under section 138(1) of the companies Act, 1994.

Declaration by the Issuer about the Approval from SEC for any Material Changes

In case of any material change(s) in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the prospectus subsequent to the preparation of the prospectus and prior to its publication shall be incorporated in the prospectus and the said prospectus should be published with the approval of the Commission.

For Saiham Cotton Mills Limited

Sd/-

Syed Ishtiaq Ahmed

Managing Director / Director

Saiham Cotton Mills Limited

Declaration by the Issue Manager about the Approval from SEC for any Material Changes

In case of any material change(s) in any agreement, contract, instrument, facts and figures operational circumstances and statements made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-

M Shakil Islam Bhuiyan

Chief Executive Officer

LankaBangla Investments Limited



Due Diligence Certificate of the Manager to the Issue

Subject: Public offering of 47,500,000 ordinary shares of Tk.10.00 each at an issue price of Tk. 20.00 each including a premium of Tk. 10.00 each share totaling to Tk. 950,000,000 of Saiham Cotton Mills Limited

We, the under-noted Manager to the Issue to the above-mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) the draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) all the legal requirements connected with the said issue have been duly complied with; and
- c) the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-

M Shakil Islam Bhuiyan

Chief Executive Officer

LankaBangla Investments Limited

Due Diligence Certificate of the Underwriter(s)

Subject: Public offering of 47,500,000 ordinary shares of Tk.10.00 each at an issue price of Tk. 20.00 each including a premium of Tk. 10.00 each share totaling to Tk. 950,000,000 of Saiham Cotton Mills Limited

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the abovementioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) all information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- b) we shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- c) this underwriting commitment is unequivocal and irrevocable.

For Underwriters

Sd/-

Chief Executive Officer

Meghna Life Insurance Company Limited

Karnafuli Insurance Company Limited

MTB Capital Limited

Union Capital Limited

Prime Finance Capital Management Limited

LankaBangla Finance Limited



SECTION III: RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT RISKS

The factors described below may conceivably materially affect investors' decisions as investment in equity shares involves a high degree of risk. The company is operating in a globally competitive industry involving both external and internal factors having direct as well as indirect effects on the investments. Investors should carefully consider all of the information in this prospectus, including the risk factors, both external and internal, and management perceptions enumerated hereunder before making investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their equity share could decline, and investors may lose all or part of their investment.

a) Interest Rate Risk

Interest rate risk is associated with the fluctuations in market interest rates which cause a company's cost of debt to increase. Increase in interest rate increases the cost of borrowed funds for a company in case of floating rate loans. Increase in the interest rate burdens the company with additional financial charges and squeezes the profit of the company.

Management perception

Company management is well alert about the possible fluctuations in bank interest and always thrives for procuring long term fund with minimum fixed interest rate. Rises in interest rates mostly affect companies having floating rate loans. But since SCML's loans are fixed rate, management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the company.

b) Exchange Rate Risk

SCML imports raw materials by making payments in foreign currency and the price of raw cotton in the international market is very volatile.

Management perception

As the company is operating in the export market and also earning in foreign currency, any depreciation in the foreign currency increases the profitability in the short term. Even though in the long run the raw cotton becomes expensive but this cost is offset by revenue generated from selling yarn.

While the possibility of appreciation exists but data of last few decades show that there has been a constant scenario of depreciation rather than appreciation. Moreover, there is always the availability of forward contracts against foreign currency that can be availed depending on the feasibility of the situation.

c) Industry and Market Risk

Any industry is dependent on the policy of government and the international scenario. So far textile sector in Bangladesh has received continuous policy support from different governments. Apart from government policy, problems such as the recessions, wars, embargoes have significant effect on a company's operations. As SCML is operating in the export market, any negative change in the global economy has effect on the profitability of the company.



Management Perception

Despite the effects of global recession in 2009, whereas most of the companies in this sector suffered huge losses and had to shut down their operation, SCML achieved profit. This is the evidence of efficiency of the management and entrepreneurs. SCML has been performing with profit overcoming all economic, political and regulatory changes. Moreover, with the growing demand of Bangladeshi RMG and the increasing popularity of “Made in Bangladesh” branding, the spinning as a Primary Textile Sector is expected to have the required government support. The low product cost of Bangladeshi spinning industries is also an advantage which will encourage the foreign buyers to move out from other countries and place order in Bangladesh.

d) Technology-related Risks

Technology always plays a vital role for any business for ensuring better product quality, for providing better services to the customers and for minimizing costs. Spinning is a technology based industry and continuous technological improvement is an integral part of this business. Obsolete technology or machineries will make it difficult for any spinning company to sustain in such a competitive industry.

Management perception

SCML is well aware of the need for regular upgradation and representatives of foreign machinery suppliers regularly visit the factory for technological and/or software upgradation. Moreover, a portion of the fund to be raised through issuance of shares will be used to procure new machineries which will increase the productivity and efficiency of SCML.

e) Potential or existing Government regulations:

The company operates under Companies Act, taxation policy adopted by NBR, Securities and Exchange Commission rules and rules adopted by other regulatory bodies. Any abrupt changes of the policies formed by those bodies may impact the business of the company adversely.

Management perception

Unless any adverse policies are taken, which may materially affect the industry as a whole; the business of the company will not be affected. Government emphasizes on the growth of yarn industry to boost up the export of RMG. Yet the promoters and the sponsors have endeavor to convince the policy makers for adopting favorable terms & conditions, which will eventually help the yarn manufacturers of Bangladesh to compete with the low cost locations in the global arena.

f) Potential changes in the global or national policies

The performance of the company may be affected by the political and economical instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management perception:

The company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for us the company.

g) History of non operation



Saiham Cotton Mills Limited

The company does not have any history of non-operation.

h) Management risk:

Turnover of key managerial personnel, executives and officers may have adverse impact on business, operating results and future growth.

Management perception

The company places high priority in developing human resources. Importance is given to relevant on the job, in-house and external training programs, so that the people are well equipped with necessary skills. In line with these beliefs, SCML has been offering competitive package to its employees of all ranks to encourage professionalism, stimulate team work and promote innovation reinforced with high ethical standards. The company has reputation for cordial and congenial working environment. The staff turnover ratio is at its lowest point. The company has been arranging training of its core personnel on a continuous basis to cope with the growing challenges of the changing work environment, increase in customer expectations and growing sophistication of technology and processes. Succession strategy of the company develops alternative leaderships in all areas of its activities. Therefore, the management of SCML feels that company is well prepared to handle the situation in the foreseeable future.

i) Operational risk:

The main input of SCML is raw cotton which is not available in Bangladesh and needs to be imported. Cotton is a commodity traded in a volatile market. Any news of crop failure or other natural calamities makes the cotton index very volatile, as has been the case in 2010.

Management perception

The management with a long experience in this trade has encountered one of the most volatile situations in cotton market. The management of SCML forecasted this scenario and booked cotton in advance which enabled them to save a large amount of expenses. Thus, the entrepreneurs and managers, through their insight and knowledge of the market help the company to avoid any such risks.

j) Risk Associated With Capital Market

An active trading market for company's shares may not develop. The prices of their shares on the Stock Exchanges may fluctuate as a result of several factors, including:

- Volatility in the Dhaka and Chittagong securities markets.
- Results of operations and performance, in terms of market share.
- Performance of Bangladesh economy and changes in government policies.
- Changes in future business operation and expansion of the company's business

Management perception

In the year 2009 & 2010, Bangladesh capital market has grown significantly except the year 2011. Experts view the Bangladesh market as one of the emerging markets in Asia. Moreover, the company has been showing steady earnings growth since its inception, and, therefore, the chance of adverse fluctuation in its market price because of the change in the performance of the company is remote. The Government has taken the development of securities market as a challenge and initiated a number of market friendly policies. Therefore, management expects the market will be gradually matured and stabilized. Management also expects that the forthcoming developments in fiscal and environmental regulations will make the market more buoyant.



SECTION IV: ISSUE SIZE & PURPOSE OF IPO

Capital Structure of the Company

Details	No. of Shares	Amount in Tk.
Authorized Capital	200,000,000	2,000,000,000
Paid-up Capital as on April 30, 2011 (as per audited accounts)	67,500,000	675,000,000
Bonus Share Issued	20,250,000	202,500,000
Paid-up Capital before IPO	87,750,000	877,500,000
Shares to be Issued in Public Offering	47,500,000	475,000,000
Paid-up Capital (Post IPO)	135,250,000	1,352,500,000

Use of Proceeds from IPO and Schedule of Implementation

With the proceeds from IPO, the company plans to expand its existing business by increasing its capacity by setting up another 30,000 spindles state of the art Spinning Unit with machineries of Europe and Japan origin with latest technology. With the installation of this factory the production is expected to double. With the growing demand for good quality Export Yarn and Bangladesh becoming a dominant apparels and garments producer of the world, the requirement of export quality Yarn will further enhance in the future. With SCML's reputation for producing export quality Yarn and timely delivery, the management is confident in marketing this extra 550 MT of Yarn.

Utilization of Fund	Taka	Schedule of Implementation
Land & Land Development	5 Crore	Within 3 months of getting IPO proceeds.
Building	10 Crore	Within 7 months of getting IPO proceeds.
Infrastructural Development (Plant and Machinery)	80 Crore	Within 12 months of getting IPO proceeds.
Total	95 Crore	-

Approximate date of completion of the project	Projected date of commercial operation
Within 12 months of getting IPO proceeds.	After 12 months of getting IPO proceeds.

Sd/-
Syed Ishtiaq Ahmed
 Managing Director / Director
 Saiham Cotton Mills Limited

Sd/-
Abu Bakar Siddique
 Chief Financial Officer
 Saiham Cotton Mills Limited



SECTION V: INFORMATION ABOUT THE COMPANY

Company Profile

Saiham Spinning Mills Limited (SSML) was incorporated on May 30, 2002 as a Private Limited Company vide Incorporation No. C – 45928(2401)/2002 and with effect from April 16, 2003 the name of the company has been changed to Saiham Cotton Mills Limited (SCML). It has been converted into a Public Limited Company on March 25, 2010. The authorized capital of the company is Tk. 2000 million and paid up capital is Tk. 877.5 million.

Saiham Cotton Mills Limited is a manufacturer of 100% export-oriented cotton yarn and has 30960 spindles at present. It is duly registered under the joint stock companies and firms, Dhaka and its Head office is located at House#34, Road#136, Gulshan-1, Dhaka-1212. The production of SCML started from April 1, 2005 with an installed capacity of 30,960 spindles capable of producing 6,480,000 KGs of yarn per year. The mill is situated at Noyapara, Saihamnagar of Hobigonj district. Total area of the factory is 5.725 acres, where almost 60% is covered area for main factory building, quality control, utility, store, workshop, dormitory, office and others. At present, the company has a wide reputation in the local and international market.

SCML is fully committed to all aspects of legal compliance regarding Bangladesh Labor Law. Employees are fully covered with safety measures including standard in-house medical facilities. SCML also managed to comply with the international standard of its management. This is reflected in the attainment of ISO 9001:2000 Certificate conferred for fulfilling the norms of ISO standard.

From the very beginning of operational procedures, the entrepreneurs established strong IT infrastructure through installation of customized ERP (Enterprise Resource Planning) software. Through own radio link connection, the top management in the head office have access to all processes of production in almost real time basis. SCML was awarded “Best IT user in textile sector” by BASIS in 2005.

Principle Products and Services

The main product of SCML is cotton yarn, made of raw cotton. SCML produces 100% cotton yarn both carded and combed. Carding is a mechanical process that breaks up locks and unorganized clumps of fiber and then aligns the individual fibers so that they are more or less parallel with each other. The word is derived from the Latin carduus meaning teasel, as dried vegetable teasels were first used to comb the raw wool. These ordered fibers can then be passed on to other processes that are specific to the desired end use of the fiber. Combing is a method for preparing fiber for spinning by use of combs. The combs used have long metal teeth, and only barely resemble the comb used on hair. However, they are used in a similar fashion with one comb holding the fiber while the other is moved through, slowly transferring the fiber to the moving comb. Combing the fibers removes the short fibers and arranges the fiber in a flat bundle, with all the fibers going the same direction. Cotton is combed when it is to be used for high quality counts. In general, combing is done with fibers that are longer, and carding with fibers of a shorter length.

SCML produces different counts of yarn from imported raw cotton. Cotton count is the number of pieces of thread, 840 yards long needed to make up 1 lb weight. 10 count cotton means that 10x840 yds weighs 10 lb. This is coarser than 40 count cotton where 40x840 yards are needed. In the United Kingdom, ones to 40s are coarse counts (Oldham Counts), 40 to 80s are medium counts and above 80 is a fine count. In the United States ones to 20s are coarse counts and are denoted by Ne (Count Number)/1 where Ne denotes the English Count and the digit after oblique sign means single yarn. (Yarn can be doubled as well and then is called doubled yarn instead of single Yarn.



Saiham Cotton Mills Limited

SCML imports raw materials from USA, Uzbekistan, Turkmenistan, Tajikistan, West Africa, Syria, and India. They produce various counts of export quality cotton carded & combed single yarn for export oriented readymade garments industries.

The different types of count of Yarn produced are as follows:

Ne 30/1 K, Ne 20/1 K, Ne 24/1 K (Carded Single Cotton Yarn for general use/coarse fabric)
Ne 30/1 C, Ne 40/1 C, Ne 34/1 C (High quality Combed single yarn for high quality/fine fabric)

Products/Services that accounts for more than 10% of the company's total revenue

The Company produces only combed & carded cotton yarn which contributes towards 100% of its revenue.

Associates, subsidiary/related holding company and their core areas of Business

There is no subsidiary or related holding company of Saiham Cotton Mills Ltd. Saiham Cotton Mills Ltd. holds 23.49% shares of Faisal Spinning Mills Ltd. A short description of Faisal Spinning Mills Limited is given below:

Faisal Spinning Mills Limited (FSML) was incorporated as a private company limited by shares on June 12, 2006 with commitment for meeting the requirement of manufacturing and supplying high quality cotton yarn with the finance from six Commercial Banks naming Dhaka Bank Ltd, Agrani Bank Ltd, The City Bank Ltd, NCC Bank Ltd, Pubali Bank Ltd and Shahjalal Islami Bank Ltd. FSML is duly registered under the Registrar of Joint Stock Companies and Firms, Dhaka and its Head office is at House#34, Road#136, Gulshan-1, Dhaka-1212. The production of the Company was started from May 15, 2008 with an installed capacity of 30,960 spindles capable of producing 6,480,000 KGs of yarn per year. The mill is situated at Noyapara, Saihamnagar of Hobigonj district. Total area of the factory is 6.30 acres, where almost 60% covered area for main factory building, quality control, utility, store, workshop, dormitory, office and others.

Recent Financial highlights of Faisal Spinning Mills Limited (FSML):

Particulars	Amount in Taka	
	Mar-11	Mar-10
Authorized capital (50,00,000 Ordinary Shares of Tk. 100 each)	500,000,000	500,000,000
Paid-up capital	310,326,700	310,326,700
Shareholders' Equity	551,280,471	420,228,478
Net Profit After Tax	131,954,518	91,814,128
Earnings Per Share	42.52	29.59

Distribution of Products/Services

Saiham Cotton Mills Ltd. has three covered vans for smooth delivery of products having capacity of 9.50 tons, 9.50 tons and 7.50 tons respectively. As a deemed exporter of yarn, SCML usually supplies yarn through back to back L/C against Master L/C to our customers who are mainly located Dhaka, Narayangonj, Chittagong, Savar & Gazipur.



Competitive Condition of Business

Current State of the Industry in Bangladesh

Textile sector is regarded as an engine for economic development for a technologically backward and manpower surplus country like Bangladesh. For the economic uplift of the country and to accelerate the on-going industrialization process, development of the textile sector is of great importance.

The textile industry occupies an important position among the manufacturing industries in Bangladesh. It is the largest manufacturing sector contributing 78% of the total Export Earnings (as of 2006-07) and about 13% of the GDP and 40% of the Manufacturing Value Addition of the country. Primary Textile Sector (PTS comprises of Yarn & Fabric) contributes 51% of the total Foreign Exchange Retention out of export earnings. Bangladesh has enormous potential for investment in textile and spinning. Presently jobs have been created to the extent of a workforce of 5.0 million in this sector and investment in PTS sector is currently over Euro 3.50 billion. Export earnings from Textile and Clothing is USD 9.2 Billion (2006-07) of which local supply of yarn to weaving industry is 40% and local supply of yarn to knit industry is 90%.

Yarn is the key raw material for production of textiles. To ensure adequate supply of textiles for domestic consumption as well as to meet the demand for export oriented readymade garment industries, it is essential to develop the spinning sub-sector. Currently there is 341 Spinning Mills enrolled with BTMA supplying yarn to the Garment/Knitting Industry.

Name of the major competitors of Saiham Cotton Mills Limited:

- Badsha Textile Limited.
- Square Textile Limited
- J.K. Spinning Mills Limited
- Amber Cotton Mills Limited
- Hanif Spinning Mills Limited
- Aman Spinning Mills Limited
- Malek Spinning Mills Limited
- Metro Spinning Mills Limited
- Maksons Spinning Mills Limited
- Givensee Spinning Mills Limited

Market Size and Growth Rate

Textile industry in Bangladesh has two markets – one is domestic and the other is foreign. The domestic market demand at present is approximately 2742 million meters of fabric, which is expected to grow to 4205.00 million meters by 2014-15. As for the export market, the total requirement is 5480 million meters (Base Year 2007-08) which is expected to increase up to 16362 million meters by 2014-15. This means that presently there is a demand for 1617 million kg of yarn which is expected to go up by more than 2 folds to 3838 million kg of Yarn (Realistic Variant). Taking the Base Year to be 1995-96 the growth of yarn production (In million kg) in the Primary Textile Sector (PTS) is stated as below:

YEAR	PRODUCTION BY PVT PTS (In Mn. kg.)	GROWTH
1995-96	157.01	-
2000-01	186.76	18.94%
2001-02	204.81	9.66%
2002-03	330.65	61.44%
2003-04	370.3	11.99%
2004-05	440.52	18.96%
2005-06	530	20.30%
2006-07	600	13.30%
2007-08	870	46.66%
2008-09	920	5.74%

Source: BTMA.

**Competition**

Presently about 90% of the requirement of export yarn is being met by domestic spinning industry. However, with the growing demand for yarn, there will be a deficiency in supply which has to be filled up through establishment of new yarn manufacturing facilities, expansion of current facilities, and/or import of yarn. The local market for yarn comprises of local knitting and weaving industries. For the export market yarn is supplied by very few spinning mills in Bangladesh and rest is imported from abroad. The export capacity of knitting industry as per Export Promotion Bureau has grown more than 45% in 2007-08 and the growth is likely to continue. The demand of yarn for knitting is growing as knit export continues to grow. Presently, this is an open field and each competitor in yarn industry is fighting for a significant share of the market.

SCML has established its manufacturing facility with state of the art machineries from Europe imports the best possible quality of raw cotton and has employed qualified personnel in each phase of production line. Since SCML has taken these timely steps they are enjoying production efficiency over 89%. With their fine quality finished product as well as timely delivery and commitment to customers, SCML has earned a good reputation in this field of business and as a result their customer base is increasing rapidly.

Moreover, with the power and gas crisis looming over the country Saiham Cotton Mills Limited has a competitive advantage as far as production and delivery is concerned. Since they have their captive power generator and are located near two large gas fields – Hobiganj Gas Field and Bianibazar Gas Field, they are expected to do well in the future which might prompt them to go for early expansion to meet the growing demand of yarn.

Sources and availability of raw materials and principal suppliers

The major raw materials of Saiham Cotton Mills Ltd. are imported from overseas, mainly UK, Australia, Korea and Switzerland. Suppliers are evaluated periodically on supply reliability, quality and prices with new suppliers being added after they meet the required quality and reliability benchmarks through supplier appraisals and track record. The names of main suppliers are mentioned below:

Sl. No.	Name of Supplier	Address
01.	Daewoo International Corporation	541, Namdaemunno 5 – GA, Chung – GU, Seoul, Korea.
02.	Plexus Cotton Limited	Cotton Place, 2 Ivy Street, Brikenhead, Wirral CH41 5EF, UK.
03.	Louis Dreyfus Commodities	Suisse SA, 29, Roule De I, Aeroport, PO Box 236, CH- 1215 Geneva 15, Switzerland.
04.	Cargill Cotton Mills Ltd.	12 Pnces Parade, Liverpool L3 1BG, England.
05.	ICT Cotton Limited	12 Bridewell Place 3 rd Floor, East Unit, London EC4V 6AP.

Sources of and requirement for power, gas and water or any other utilities

Power: Power requirement of Saiham Cotton Mills Ltd. is 52800 KW/day, which is met up by own gas generator.

Water: Water supply is ensured from own deep tube well.

Gas: The manufacturing operation depends on Gas from Jalalabad Gas Transmission & Distribution Company Ltd.

Customer providing 10% or more revenues

Sl No.	Name of Customer	Address
01.	Flamingo Fashions Ltd.	102, Green Road, Farm Gate, Tejgaon, Dhaka – 1215.
02.	Base Textile Limited	9, CAD – I/A, Mohara, Kalurghat, Chittagong – 4221.
03.	Adury Knit Composite Ltd.	Karardi, Shabpur, Narshangdi.



Description of contract with principal suppliers/customers

Saiham Cotton Mills Limited does not have any material contract with its principal suppliers or customers.

Description of any material patents, trademarks, licenses or royalty agreements

Saiham Cotton Mills Limited does not have any patents, trademarks, licenses or royalty agreements.

Number of Employees

As on April 30, 2011 the employee details are given below:

Particulars	Officers & Staff		Workers	Total Employees
	Head office	Factory		
No. of Employees	12	86	559	657

Production / Service rendering capacity and current utilization

According to audited accounts of April 30, 2011, the production capacity is as follows:

Product	Installed production capacity in kg	Current utilization in kg	Percentage (%)
Yarn	64,80,000	59,21,557	91.38



SECTION VI: DESCRIPTION OF PROPERTY

Location of the principal plants and other property of the company and their condition

The company has set up its factory at Noyapara, Saiham Nagar, Habigonj to run the operations and the corporate office is situated at House # 34, Road # 136, Gulshan – 1, Dhaka, Bangladesh. The company possesses the following fixed assets as on April 30, 2011.

(In Taka, as per Audited Accounts)

Sl. No.	Name of the Asset(s)	Written Down Value (Without Revaluation) as at April 30, 2011	Revaluation Amount as at April 30, 2011	Written Down Value as at April 30, 2011
1	Land & Land Development	16,581,832	60,705,668	77,287,500
2	Building & Other Construction	129,516,403	170,551,720	300,068,123
3	Plant & Machineries	501,920,316	455,685,683	957,605,999
4	Furniture & Fixtures	1,090,742	-	1,090,742
5	Motor Vehicles	8,181,037	2,677,579	10,858,616
6	Office equipments	1,194,321	-	1,194,321
7	Sundry Assets	3,059,031	-	3,059,031
Total		661,543,682	689,620,650	1,351,164,332

- The above mentioned properties are situated at Company's factory premises and are in good operation condition.
- The properties of the company have been owned by the company and were purchased in new condition except one unit of carding machines which are acquired under lease financing.
- 5.725 acres of land of the company were under registered mortgaged to the lending banks namely Janata Bank Ltd. and Sonali Bank Ltd. on pari – passu basis. However, the Company has already paid off the project loan with Janata Bank Ltd. & Sonali Bank Ltd and currently has a working capital loan with Janata Bank Ltd.
- Carding machine was acquired under lease from Dhaka Bank Limited. The date of expiration of the lease is 02.08.2013.



Machinery under Lease:

The following machinery has been procured from the Dhaka Bank Limited on financial lease commitment basis:

Sl. No.	Name of Machinery	Quantity
01.	Carding Machine*	01 unit

* The details of this lease agreement are given under the caption 'Financial Lease Commitments during Last Five Years'

Land property under Mortgage

There was no mortgage or any other type of lien on the property except the following lands of the company which are mortgaged to Janata Bank Limited, Corporate Branch, Motijheel C/A and Sonali Bank Limited, Head office, Motijheel C/A. However, the Company has already paid off the project loan with Janata Bank Ltd. & Sonali Bank Ltd.

Sl. No	Ledger No.	Location	Land Area (Decimal)
01 ka	204,624	Itakhola	10.00
01 kha	576	Itakhola	7.25
02	1311	Itakhola	36.00
03	459	Itakhola	8.00
04	769	Itakhola	8.00
05	1311	Itakhola	10.50
06 ka	567/1	Itakhola	5.50
06 kha	1338	Itakhola	19.00
07	221	Itakhola	29.00
08 ka	624,202	Itakhola	20.00
08 kha	624,204	Itakhola	4.00
09	576	Itakhola	14.50
10	576	Itakhola	7.25
11	149,146	Itakhola	23.00
12	149	Itakhola	23.00
13 ka	582	Itakhola	12.00
13 kha	398/4	Itakhola	21.00
14	567/1	Itakhola	19.00
15 ka	185	Itakhola	14.00
15 kha	144	Itakhola	18.00
15 ga	1311	Itakhola	17.00
15 gha	567/1	Itakhola	29.50
16	537	Itakhola	23.00
17	305	Itakhola	9.00
18	813/1	Itakhola	23.00
19	305	Itakhola	16.00
20	1510	Itakhola	36.00
21	1790	Itakhola	24.00
22	618	Itakhola	30.00
23	1790	Itakhola	30.00
24	618	Itakhola	11.00
25	1790	Itakhola	15.00
Total			572.50



SECTION VII: PLAN OF OPERATION & DISCUSSION OF FINANCIAL CONDITIONS

Internal & External Sources of Cash

The internal sources of the cash of the company are the Share Capital, Share Money Deposit, General Reserve and Retained Earnings. The external sources of cash are bank loans.

(As per Audited Accounts)

Particulars	As of 30.04.2011 (Tk)	As of 30.04.2010 (Tk)	As of 30.06.2009 (Tk)
Internal Sources of Cash			
Paid Up Capital	675,000,000	350,000,000	350,000,000
Share Premium	291,000,000	-	-
Proposed Stock Dividend	-	175,000,000	-
Tax Holiday Reserve	153,294,293	61,401,660	72,400,626
General Reserve	60,400,000	60,400,000	123,000,000
Retained Earnings	180,050,513	3,580,466	1,807,315
Sub – Total	1,359,744,806	650,382,126	547,207,941
External Sources of Cash			
Long Term Loan	-	289,181,589	285,721,636
Short Term Loan	566,473,854	866,182,738	416,697,992
Sub – Total	566,473,854	1,155,364,327	702,419,628
Grand Total	1,926,218,660	1,805,746,453	1,249,627,569

Material Commitments for Capital Expenditure

The company has no material commitment for capital expenditure but it has an expansion plan to implement 30,000 spindles state of the art spinning unit with machineries Europe and Japan origin with latest technology. The sources of fund for the new project will be the fund collected from Initial Public Offering (IPO).



Causes for Material Changes from Period to Period

The company's net profit, EPS and other business indicators are increasing due to management effort and strategic action to face competition in the industry. The following table shows the year to year financial performance of the company and which is increasing due to the company's long term vision, experienced top tier management, favorable economic and government rules and regulations and the commendable repayment culture.

(As per audited accounts)

Particulars	From 01.05.2010 to 30.04.2011 (Tk)	From 01.07.2009 to 30.04.2010 (Tk)	From 01.07.2008 to 30.06.2009 (Tk)
Turnover	1,909,861,303	1,101,803,486	1,074,210,128
Less : Cost of Goods Sold	1,553,568,407	897,088,398	888,418,325
Gross Profit	356,292,896	204,715,088	185,791,803
Less : Operating Expenses :	147,870,701	97,087,372	124,911,813
Administrative and Marketing Expenses	29,152,697	18,083,858	18,565,628
Financial Expenses	118,718,004	79,003,514	106,346,185
Operating Profit	208,422,195	107,627,716	60,879,990
Less : Written off	-	-	11,122,721
Trial operation loss written off	-	-	5,902,522
Preliminary expenses written off	-	-	5,220,199
Non-operating income	10,035,345	671,600	-
Operating Profit Before WPPF	218,457,540	108,299,316	49,757,269
Less : Provision for WPPF	10,402,740	5,125,129	2,369,394
Profit Before Tax	208,054,800	103,174,187	47,387,875
Less : Provision for Tax	4,421,156	-	-
Current Tax	2,297,546	-	-
Deferred Tax	2,123,610	-	-
Net Profit after Tax	203,633,644	103,174,187	47,387,875
Less : Tax Holiday Reserve	79,207,782	41,001,034	18,955,150
Net Profit after Tax Holiday Reserve	124,425,862	62,173,153	28,432,725
Other Comprehensive Income :			
Less : Unrealized loss on financial assets	3,718,337	-	-
Total Comprehensive Income	120,707,526	62,173,153	28,432,725

Seasonal Aspects of the Company's Business

In general, demand for yarn prevails round the year. Yet from September to April demand goes high.

Known Trends, Events, Uncertainties

Decreased demand of the ready-made garments product in the local and international market, increased production cost, scarcity of raw materials, scarcity of gas, technological change, increased competition, govt. policy change towards the industry, political unrest, hartal, flood and natural calamities are the known events that may affect the business operations of the Company.

Change in the Assets of the Company Used to Pay-off Liabilities

No asset of the company has been disposed to pay off the liabilities.

**Loan Taken from or Given to Holding/Parent Company or Subsidiary Company**

The Company has not taken any loan from or given to Holding/Parent Company or Subsidiary Company except a loan given to the associate company named 'FSML' amounting Tk 107,867,756. This loan has been provided to Faisal Spinning Mills Ltd. @ 13.50% quarterly Interest rate as per agreement dated May 06, 2010 and repayment would start from 01.11.2011 (after 18 months of grace period from the date of agreement).

Future Contractual Liabilities

The company has no plan to enter into any contractual liabilities within next one year.

Future Capital Expenditures

There is no plan in the near future for any capital expenditure by SCML other than as specified in 'Use of Proceeds' of public issue of share.

VAT, Income Tax, Customs Duty or Other Tax Liability**i) VAT:**

The project of the company is 100% export oriented. Government of Bangladesh has declared that there is no VAT on 100% export oriented project except local sale. There is no outstanding VAT claim up to April 30, 2011.

ii) Income Tax :

Income Year	Assessment Year	Status	Remarks
2005-06	2006-07	The company is enjoying Tax Holiday	No tax demand
2006-07	2007-08	The company is enjoying Tax Holiday	No tax demand
2007-08	2008-09	The company is enjoying Tax Holiday	No tax demand
2008-09	2009-10	The company is enjoying Tax Holiday	No tax demand
2009-10	2010-11	The company is enjoying Tax Holiday	No tax demand
2010-11	2011-12	Tax Return has been duly Submitted	Assessment not yet completed.

NB: The company enjoying tax holiday from April 01,2005 and will be expired on March 31,2012 as per approval granted by National Board of Revenue vide their order no 11(700)anu-1/2005/654(2) dated 07.07.2005 under section 46A(3) of Income Tax Ordinance 1984.

iii) Customs Duty or Other Liability:

The Company does not have any outstanding custom duty or any other similar liabilities.

Operating Lease Agreements during Last Five Years

Saiham Cotton Mills Limited does not have any Operating Lease Agreements during the Last Five Years.

Financial Lease Commitments during Last Five Years

The following Carding Machine has been procured from Dhaka Bank Limited on financial lease commitment basis:

(Amount in Taka)							
Name of Institution	Amount of Loan	Rate of Interest	Sanction Date	Yearly Installment	Total Installment (Monthly basis)	Date of expiration	Outstanding balance as per audited accounts as on 30.04.11
Dhaka Bank Ltd.	10,980,665.17	14%	29.07.08	3,259,200	56	02.08.13	6,530,000

Personnel Related Schemes

The company believes in supporting its employees and is offering incentives and motivation for its continued profitability and prosperity. With a view to supporting these objectives, the company operates a Workers Profit Participation Fund (WPPF).



Estimated Expenses Related to IPO

SL#	Particulars	Nature of expenditure	Amount in Taka
Issue Management Fees:			
1	Managers to the Issue	1.00% of the total amount raised or Tk. 2 million Whichever is lower	2,000,000
2	VAT against Issue Management fee	4.5 % of Issue Management fee	90,000
Listing Related Fees:			
3	Application Fee for DSE	Fixed	5,000.00
4	Annual Fee for DSE and CSE		150,000.00
5	Listing Fees for Stock Exchange (DSE & CSE)	0.25% on Tk. 100 million and 0.15% on the rest amount of paid up capital; maximum Tk. 2 million for each exchange	4,000,000.00
SEC Fees:			
6	Application Fee	Fixed	10,000.00
7	Consent Fee	0.15% on entire offer	1,425,000.00
IPO Commissions:			
8	Underwriting Commission	0.20% on underwritten amount	950,000.00
9	Bankers to the Issue Commission	0.10% of collected amount	9,500,000.00
10	Credit Rating Fees		300,000.00
11	Legal & Consultancy Fees		10,000,000.00
12	Auditor Certification Fees		200,000.00
CDBL Fees and Expenses:			
13	Security Deposit		500,000.00
14	Documentation Fee		2,500.00
15	Annual Fee		100,000.00
16	Connection fee		6,000.00
17	Initial Public Offering Fee	.025% of total issue size	237,500.00
Printing and Post IPO Expenses:			
18	Publication of Prospectus	Estimated (to be paid at actual)	700,000.00
19	Abridged version of Prospectus and Notice in 4 daily newspaper	Estimated (to be paid at actual)	200,000.00
20	Notice for Prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	100,000.00
21	Printing of Forms	Estimated (to be paid at actual)	400,000.00
22	Lottery Conducting Expenses & BUET fee	Estimated (to be paid at actual)	1,000,000.00
23	Collection of forms, Data Processing, Allotment & Refund	Estimated (to be paid at actual)	12,300,000.00
24	SATCOM Software for Share Management	Estimated (to be paid at actual)	100,000.00
25	Stationeries and Other Expenses	Estimated (to be paid at actual)	100,000.00
26	3% Income Tax at source on Premium		14,250,000.00
Total			56,536,000.00
NB: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.			

**Revaluation of Company's Assets**

The company has revalued its fixed assets for the 1st time in the year 2009-2010 as per Board Resolution dated on 24.01.2010 which have been reflected in the financial statements of the company. Particulars of the valuer and summary of the report are as follows:

Name of the Valuer Valuer: Vigilant Survey Associates

Qualification of the Valuer: Licensed Certified Surveyor, Govt. of Bangladesh

Work Done by the Valuer :

Sl. No.	Name of the company for which Revaluation of assets was done
01.	Victory Jute Mills Ltd.
02.	The Dacca Dyeing and Manufacturing Limited.
03.	Confidence Cement
04.	QC Shipping Ltd.
05.	QC Barwill Ltd.
06.	Mohammadi Navigation Ltd.
07.	Sealand Incorporation
08.	Maersk line Ltd.

Reasons for valuation : Valuation was done to ascertain the net worth of the company at current value of the land, building, machinery and other assets.

Revaluation summary by itemizing separately to show comparison:

The valuer verified the value of fixed assets comprising land, building & civil construction, plant & machineries and vehicles. The valuation summary of the fixed assets is given below:

(Amount in Taka)

Sl No.	Name of the Assets	Book value as on 30.06.2009 (1)	Book value as on 31.12.2009 (2)	Revalued amount as on 31.12.2009 (3)	Revaluation surplus (4=3-2)
1	Land	16,581,832	16,581,832	77,287,500	60,705,668
2	Building & Civil construction	102,907,720	100,335,027	279,863,153	179,528,126
3	Plant & Machineries	498,085,547	479,407,339	972,040,510	492,633,171
4	Vehicles	4,757,025	4,400,248	7,550,341	3,150,093
	Total	622,332,124	600,724,446	1,336,741,504	736,017,058

Book value as on 30.06.2009 shown as per audited financial statements and book value as on 31.12.2009 taken after consider of depreciation for 6 (six) months. As we found the total value of fixed assets of the company is Tk. 1,336,741,504 as against the book value of Tk. 600,724,446 and thus the total assets value has been increased by Tk. 736,017,058.

Note: Revaluation of fixed assets of SCML had been made on January 20, 2010 and does not fall under the prevailing act and requirement of condition No. 1 of the Commission's Notification No. SEC/CMRRCD/2009-193/81/Admin dated December 29, 2010.



Transaction between Subsidiary/Associate/Holding Company and the Issuer

Company Name	Relationship	Nature of Transaction	Amount	Status of the Issuer
Faisal Spinning Mills Ltd.	Associate company	Working Capital Loan	107,867,756	Debtor
Faisal Spinning Mills Ltd.	Associate company	Investment in equity	72,912,500	Shareholder
Saiham Knit Composite Ltd.	Common Director	Share Money Deposit	20,350,000	Shareholder

Auditor's certificate regarding allotment of shares to promoters or sponsor shareholders for consideration in cash / other than in cash

After due verification, we certify that the paid-up capital of Saiham Cotton Mills Ltd. as of November 30, 2011 was Taka 877,500,000 divided into 87,750,000 number of ordinary shares of Taka 10 each, made up as follows :

Particulars of Allotment	Date of Allotment	Number of shares issued		Amount of share capital (Taka)
		Consideration in Cash/Bank	Consideration other than Cash	
First (subscription to the Memorandum & Articles of Association at the time of incorporation)	30.05.2002	17,500	-	175,000
Second	21.06.2004	29,102,500	-	291,025,000
Third	30.03.2005	5,880,000	-	58,800,000
Fourth	16.05.2010	-	17,500,000*	175,000,000
Fifth	01.11.2010	15,000,000	-	150,000,000
Sixth	07.07.2011	-	20,250,000*	202,500,000
Total		50,000,000	37,750,000	877,500,000

*This is also certifying that all shares of the company except 17,500,000 & 20,250,000 bonus shares were allotted against cash/bank consideration.

Dated : Dhaka
November 30, 2011

sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Declaration regarding Suppression of Material Information

This is to declare that, to the best of our knowledge and belief, no information, facts or circumstances, which should be disclosed have been suppressed, which can change the terms and conditions under which the offer has been made to the public.

Sd/-
Syed Ishtiaq Ahmed
Managing Director / Director
Saiham Cotton Mills Limited



SECTION VIII: INFORMATION ABOUT DIRECTORS AND OFFICERS

Directors of the Company

Name	Designation	Qualification	Age (Years)	Experience (Years)
S. M. Faisal	Chairman	MA & LLB from University of Dhaka.	69	40
Syed Ishtiaq Ahmed	Managing Director	B.Sc from Michigan, USA & MBA from University of Dhaka.	37	10
S.F.A. M Shahjahan	Director	BA	58	30
Syed Shafqat Ahmed	Director	BA (Eco) Michigan University, USA. MBA, University of Texas, Arlington, USA	35	8

Information regarding Directors and Directorship

Name	Designation	Date of becoming Director for the first time	Date of Expiration of Current Term
S. M. Faisal	Chairman	30.05.2002	11th AGM in 2012
Syed Ishtiaq Ahmed	Managing Director	30.05.2002	11th AGM in 2012
S.F.A.M. Shahjahan	Director	30.05.2002	11th AGM in 2012
Syed Shafqat Ahmed	Director	30.05.2002	11th AGM in 2012

NB: The directors of the company are subject to be retired by rotation according to Section 91 (2) of the Companies Act, 1994.

Directors' Involvement in Other Organizations

Name of the Directors	Name of other organizations	Position
S. M. Faisal	Saiham Textile Mills Ltd	Managing Director
	Saiham Cotton Mills Ltd.	Chairman
	Faisal Spinning Mills Ltd	Chairman
	Saiham Knit Composite Ltd.	Chairman
Syed Ishtiaq Ahmed	Saiham Textile Mills Ltd	Director
	Saiham Cotton Mills Ltd.	Managing Director
	Faisal Spinning Mills Ltd	Director
	Saiham Knit Composite Ltd.	Director
S.F.A.M. Shahjahan	Saiham Textile Mills Ltd	Chairman
	Saiham Cotton Mills Ltd.	Director
	Saiham Knit Composite Ltd.	Director
	Highway Inn Ltd.	Chairman
Syed Shafqat Ahmed	Saiham Textile Mills Ltd	Director
	Saiham Cotton Mills Ltd.	Director
	Faisal Spinning Mills Ltd	Director
	Saiham Knit Composite Ltd.	Managing Director

Family Relationship among Directors and Top 5 Officers

Family Relationship among Directors:

Name of Director	Position	Relationship
S. M. Faisal	Chairman	Father of Syed Ishtiaq Ahmed and Syed Shafqat Ahmed and brother of S.F.A. M Shahjahan
Syed Ishtiaq Ahmed	Managing Director	Son of S.M Faisal, brother of Syed Shafqat Ahmed and nephew of S.F.A. M Shahjahan
S.F.A. M Shahjahan	Director	Brother of S.M Faisal and uncle of Syed Ishtiaq Ahmed and Syed Shafqat Ahmed
Syed Shafqat Ahmed	Director	Son of S.M Faisal, brother of Syed Ishtiaq Ahmed and nephew of S.F.A. M Shahjahan



Saiham Cotton Mills Limited

Family Relationship among Directors & Top 5 Officers: There is no family relationship among the Directors and top 5 officers of the company except that Mrs. Yasmin Faisal is the wife of Mr. Syed Md. Faisal, mother of Syed Ishtiaq Ahmed & Syed Shafqat Ahmed and sister in law of S.F.A.M Shahjahan.

Short Bio-data of Directors

Mr. Syed Md. Faisal – Chairman

Mr. Syed Md. Faisal, son of Late Syed Sayeed Uddin Ahmed, is currently the Chairman of Saiham Cotton Mills Ltd. He is an MA as well as an LLB from The University of Dhaka. As a visionary entrepreneur, he set up one of the most sophisticated textile mills - Saiham Textile Mills Ltd, in the early 1980s in one of the remotest and most non-developed areas in Bangladesh i.e. Noyapara, Hobiganj. Within 20 years the same area has been transformed into an industrial region and now boasts more than Tk. 6000 million of investment and employment generation of over 8000 people. Mr. Faisal is the Managing Director of Saiham Textile Mills Ltd and the Chairman of Saiham Cotton Mills Ltd, Saiham Knit Composite Limited, and Faisal Spinning Mills Ltd. He is ex-Director of Bangladesh Textile Mills Association (BTMA), the apex body of textile sector in Bangladesh and also an ex-Director of National Tea Company Limited. He was the Chairman of Saiham Cement Industries Limited, a cement manufacturing plant in Mongla. He is well renowned for his philanthropic work in the locality.

Mr. Syed Ishtiaq Ahmed – Managing Director / Director

Engineer Syed Ishtiaq Ahmed, son of Mr. Syed Md. Faisal, is the Managing Director of Saiham Cotton Mills Ltd. He has graduated in Engineering from Michigan, USA and is also an MBA with a major in Finance from Institution of Business Administration (IBA), University of Dhaka. He has participated in a training on “Industry and Management” in Prato, Italy sponsored by Ministry of Foreign Trade, Italy. He is one of the members of the Board of Directors of BTMA. He has represented BTMA on a high level mission on Garment Technology and Textile Processing to IMB Cologne in Germany and also visited the London College of Fashion under University of the Arts London sponsored by United Nations Industrial Development Organizations (UNIDO). He has vast experience in technical, marketing and financial aspects of business. He is also a Director of Saiham Textile Mills Ltd.

Mr. S.F.A.M Shahjahan – Director

Mr. S. F. A. M Shahjahan, son of Late Syed Sayeed Uddin Ahmed, is one of the Directors of Saiham Cotton Mills Ltd. He is also the Chairman of Saiham Textile Mills Ltd and has more than 30 years of experience in textile business. His expertise is in the field of Marketing and Administration. He is also associated with different socio-cultural and philanthropic organizations.

Mr. Syed Shafqat Ahmed– Director

Mr. Syed Shafqat Ahmed graduated in Economics from Michigan State University and completed MBA from University of Texas at Arlington. He specializes in financial management and structuring / restructuring of organizations. He worked as a financial analyst at Salomon Smith Barney, an investment bank, and as a pricing analyst in Bowne of Dallas. His expertise in workflow designing was the key behind Saiham Cotton Mills Limited’s winning the “Best IT Use Award” in 2005 awarded by BASIS Bangladesh. He is currently acting as the Managing Director of Saiham Knit Composite Ltd, a sister concern of SCML, a 100% export oriented knit factory.

Credit Information Bureau (CIB) Report

Neither the Company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.



Description of Top Executives and Heads of Departments

Name	Designation	Educational Qualification	Date of Joining	Last 5 Years Experience
Syed Ishtiaq Ahmed	Managing Director	B.Sc from Michigan, USA & MBA from University of Dhaka	01.04.2004	Saiham Cotton Mills Ltd.
Md. Abu Bakar Siddique	Chief Financial Officer	C.A Intermediate	15.06.2004	Saiham Cotton Mills Ltd.
Syed Abdul Gafur	DGM – International Trade & Commerce	B. Com	20.06.2004	Saiham Cotton Mills Ltd.
Md. Sahinur Kabir	Sr. Manager (Accounts & Finance) & Company Secretary	M.Com (Acc.), ITP & CA CC	15.02.2008	Dhaka Beijing Dyeing & Weaving Industry Ltd. and Saiham Cotton Mills Ltd.
Md. Monirul Islam	Manager (Sales & Marketing)	Diploma in Mechanical	15.06.2004	Saiham Cotton Mills Ltd.
Md. Atiur Rahman	Sr. Manager - Procurement	M.Sc in Botany	15.07.2004	Saiham Cotton Mills Ltd.

Involvement of Directors and Officers in Certain Legal Proceedings

No director or officer of Saiham Cotton Mills Limited was involved in any of the following types of legal proceedings in the last 10 (Ten) years:

- Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
- Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

Certain Relationships and Related Transactions

Related Parties	Name of persons involved	Relationship with the issuer	Nature of transaction	Balance as at 30.04.11	Rate of Interest	Date of Loan	Date of Maturity	Issuer Status
Faisal Spinning Mills Ltd.	Syed Ishtiaq Ahmed	Director	Loan given	107,867,756	13.50%	May 06, 2010	No fixed maturity date	Debtor
	Syed Ishtiaq Ahmed	Director	Investment in equity	72,912,500	N/A	N/A	N/A	Shareholder
Saiham Knit Composite Ltd.	Syed Ishtiaq Ahmed	Director	Investment in equity	20,350,000	N/A	N/A	N/A	Shareholder

Directors' Facilities:



The directors of Saiham Cotton Mills Ltd do not enjoy any other facilities except remuneration received by four directors which are as follows:

Name of officers	Designation	Benefits paid from 01.05.10 to 30.04.11	
		Remuneration (Tk)	Meeting fees (Tk)
S. M. Faisal	Chairman	600,000	36,000
Syed Ishtiaq Ahmed	Managing Director	1,050,000	36,000
S.F.A.M. Shahjahan	Director	600,000	36,000
Syed Shafqat Ahmed	Director	1,050,000	36,000

Executive Compensation

a) Remuneration paid to top five salaried officers during last accounting period from May 01, 2010 to April 30, 2011:

Name of officers	Designation	Remuneration paid from 01.05.10 to 30.04.11 (Tk)
S. M. Faisal	Chairman	600,000
Syed Ishtiaq Ahmed	Managing Director	1,050,000
S.F.A.M. Shahjahan	Director	600,000
Syed Shafqat Ahmed	Director	1,050,000
Mrs. Yasmin Faisal	Executive Director	360,000
Total		3,660,000

b) Aggregate amount of remuneration paid to as directors & officers as a group during last accounting period:

Sl. No.	Particulars	Period from 01.05.10 to 30.04.11	Remarks
01.	Directors	3,300,000	Remuneration
02.	Executive Director	360,000	Remuneration
03.	Executives, Officers & Staffs	7,310,017	Salary, Festival & Incentive Bonus

c) Remuneration paid to any Director who was not an officer:

The company did not pay any remuneration to any director who was not an officer of the company during the last accounting year.

d) Contract for payment of future compensation:

The company has no contract with any director / officer for providing the payment of future compensation.

e) Pay Increase Intention:

Annual review of the salary and benefits of the employees will be made depending on the growth of the company's operation and performance evaluation of the employees.

Options Granted to Directors, Officers and Employees

The Company did not grant any stock option to any Officer, Director and all other officers of the Company or to any other person involved with the Company.

Transaction with the Directors and subscribers to the Memorandum

a) Benefit from the Company

The directors and subscribers to the memorandum have not received any benefit except remuneration and meeting fees received by the directors, directly or indirectly during the last five years. The issuer has not received any assets, services or other consideration from its directors and subscribers to the memorandum except fund against allotment of shares.

b) Directors and Subscribers' assets of the Company

The Directors and Subscribers to the Memorandum of the Company have not transferred any asset to the Company but deposited share money from time to time.



Tangible assets per share

Net Assets Value (NAV) per share as on November 30,2011 calculation based on Shareholders' Equity of April 30,2011 of Saiham Cotton Mills Ltd.		
Particulars	Amount in Taka	Amount in Taka
Share Capital	675,000,000	
Add: Stock Dividend (90,000,000+112,500,000)	202,500,000	877,500,000
Share Premium		291,000,000
Tax Holiday Reserve	153,254,293	
Less: Transfer to share capitat as stock dividend	90,000,000	63,254,293
General Reserve		60,400,000
Revaluation Surplus		586,177,552
Retained Earnings	180,050,513	
Less: Cash dividend	67,500,000	
Less: Transfer to share capitat as stock dividend	112,500,000	50,513
Total shareholder's equity		1,878,382,358
Divided by number of ordinary shares outstanding as on November 30,2011		87,750,000
Net Assets Value (NAV) per share (Considering revaluation surplus)		21.41
Particulars	Amount in Taka	Amount in Taka
Share Capital	675,000,000	
Add: Stock Dividend (90,000,000+112,500,000)	202,500,000	877,500,000
Share Premium		291,000,000
Tax Holiday Reserve	153,254,293	
Less: Transfer to share capitat as stock dividend	90,000,000	63,254,293
General Reserve		60,400,000
Retained Earnings	180,050,513	
Less: Cash dividend	67,500,000	
Less: Transfer to share capitat as stock dividend	112,500,000	50,513
Total shareholder's equity		1,292,204,806
Divided by number of ordinary shares outstanding as on November 30,2011		87,750,000
Net Assets Value (NAV) per share (Without considering revaluation surplus)		14.73

Sd/-
 Managing Director
 Saiham Cotton Mills Limited

Sd/-
 Chief Financial Officer
 Saiham Cotton Mills Limited



Ownership of Company's Securities

Name of the Shareholders	Address	Number of Shares	Percentage(%)
S. M Faisal	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	34,125,000	38.89
Syed Ishtiaq Ahmed	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	11,780,925	13.43
S.F.A.M Shahjahan	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	3,900,000	4.44
Syed Shafqat Ahmed	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	11,780,925	13.43
Mrs Yasmin Faisal	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	5,678,400	6.47
Mrs. Tasmina Ahmed	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	492,375	0.56
Mrs. Natasha Ahmed	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	492,375	0.56
Institutions, Employees & others *	-	19,500,000	22.22
Total		87,750,000	100

*The company also raised its paid up capital through further issuance of 15,000,000 ordinary shares of Tk. 10 to the institutional Investors and its employees & others vide SEC/CI/CPLC-79/2005/283 dated August 18, 2010. Subsequently, the company issued 30% stock dividend as per Commission's approval, letter SEC/CI/CPLC-79/2005/776 dated October 27, 2011. As a result, current total no of shares issued to 'Institutional Investors and its employees & others' as on date is 19,500,000. These shares are subject to one year lock in from the date of issuance of prospectus. Details of the shareholders are as follows:

Name of the Shareholders	Address	Number of Shares	Percentage
Lankabangla Finance Ltd.	Safura Tower, 20, Kemal Ataturk Avenue, Banani, Dhaka.	58,500	0.07%
ICB Capital Management Ltd. (Fund)	BDBL Bhaban (Level -16), 8 DIT Avenue , Dhaka – 1000.	130,000	0.15%
IDLC Finance Ltd.	Merchant Banking Division (13 th Floor), 36, Dilkusha C/A , Dhaka – 1000.	130,000	0.15%
Rupali Life Insurance Co. Limited	7, Rajuk Avenue (9 th Floor), Dhaka – 1000.	130,000	0.15%
Bangladesh Mutual Securities Ltd.	Shareef Mansion (7 th Floor), 56-57, Motijheel C/A, Dhaka – 1000.	910,000	1.04%
Prime Finance & Investments Ltd.	63, Dilkusha C/A, Dhaka.	214,500	0.24%
Meghna Life Insurance Co. Ltd.	Biman Bhaban (2 nd Floor), 100, Motijheel C/A, Dhaka – 1000.	260,000	0.30%
Karnaphuli Insurance Company Ltd.	Biman Bhaban (3 rd Floor), 100, Motijheel C/A, Dhaka – 1000.	130,000	0.15%
Northern General Insurance Co. Ltd.	Rajuk Bhaban (7 th Floor), 29, Dilkusha C/A, Dhaka – 1000.	130,000	0.15%
Fidelity Assets & Securities Company Ltd.	Suvastu Imam Square (6 th Floor), 65, Gulshan Avenue, Dhaka - 1212.	390,000	0.44%
Eastern Bank Ltd.	10, Dilkusha C/A, Jiban Bima Bhaban, Motijheel C/A, Dhaka-1000.	130,000	0.15%
DBH First Mutual Fund	I-K Tower (4 th Floor), Plot – 2, Block – CEN(A), Gulshan North Avenue, Gulshan – 2, Dhaka – 1212.	52,000	0.06%
Midas Financing Limited	House # 43, Road # 16 (New), Dhanmondi, Dhaka.	260,000	0.30%
Green Delta Mutual Fund	I-K Tower (4 th Floor), Plot – 2, Block – CEN(A), Gulshan North Avenue, Gulshan – 2, Dhaka – 1212	130,000	0.15%
Lankabangla Finance IP Account	Safura Tower, 20, Kemal Ataturk Avenue, Banani, Dhaka	7,196,150	8.20%
Satcom It Ltd.	9-G, Motijheel C/A, Dhaka – 1000.	13,000	0.01%
ICB Capital Management Ltd.	BDBL Bhaban (Level -16), 8 DIT Avenue , Dhaka – 1000.	26,000	0.03%
Employees & Others	-	9,209,850	10.50%
Total		19,500,000	22.22%

NB: Under the particulars of Lankabangla Finance IP Account and Employees & Others, there is no individual shareholder holds more than 5% of total share holding.



Shareholding of 5% or more of the Company's Securities

Name of the Shareholders	Address	Number of Shares	Subscribed amount	Percentage(%)
S. M Faisal	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	34,125,000	341,250,000	38.89
Syed Ishtiaq Ahmed	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	11,780,925	117,809,250	13.43
Syed Shafqat Ahmed	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	11,780,925	117,809,250	13.43
Mrs Yasmin Faisal	House # 34, Road # 136, Gulshan – 1, Dhaka – 1212.	5,678,400	56,784,000	6.47

Securities of the Company owned by the Directors, top ten salaried officers and all other officer as group

Name of the Directors who owned securities of the company:

Sl. No.	Name	Position	No. of Shares owned	Percentage(%)
1	S. M Faisal	Chairman	34,125,000	38.89%
2	Syed Ishtiaq Ahmed	Managing Director	11,780,925	13.43%
3	S.F.A.M Shahjahan	Director	3,900,000	13.43%
4	Syed Shafqat Ahmed	Director	11,780,925	6.47%

Securities Owned by Top Ten Salaried Officers:

Sl. No.	Name	Position	No. of Shares owned	Percentage(%)
1	S. M Faisal	Chairman	34,125,000	38.89%
2	Syed Ishtiaq Ahmed	Managing Director	11,780,925	13.43%
3	S.F.A.M Shahjahan	Director	3,900,000	4.44%
4	Syed Shafqat Ahmed	Director	11,780,925	13.43%
5	Mrs. Yasmin Faisal	Executive Director	5,678,400	6.47%
6	Abu Bakar Siddique	Chief Financial Officer	Nil	NA
7	Syed Abdul Gafur	DGM – International Trade & Commerce	Nil	NA
8	Md. Sahinur Kabir	Sr. Manager (Accounts & Finance)	Nil	NA
9	Md. Monirul Islam	Manager (Sales & Marketing)	Nil	NA
10	Md. Atiur Rahman	Manager - Procurement	Nil	NA



SECTION IX: FEATURES OF IPO

DETERMINATION OF OFFER PRICE

“Valuation under different methods as prescribed in clause no 16 (B) Of Public Issue Rules 2006”

The issue price of Tk. 20.00 per share including a premium of Tk. 10.00 per share is justified as given in the table below:

Price of Saiham Cotton Mills Ltd. (SCML) as per Fixed Price Method		
Valuation Methods		Offer Price (BDT)
Method 1(a)	: Net Asset Value Per Share (Without Considering Revaluation Surplus)	14.73
Method 1(b)	: Net Asset Value Per Share (Considering Revaluation Surplus)	21.41
Method 2	: Historical Earning Based Value Per Share	21.00

Based on the above calculation, **SAIHAM COTTON MILLS LIMITED** sets the offer price at **BDT 20.00**.

Details of Calculation of Valuation Methods

Method 1(a): Net Asset Value (NAV) per share (Without Considering Revaluation Surplus)

NAV per share is based on the information of the latest audited financial statements as on April 30, 2011 (at the end of the financial year). **NAV per share (Without Considering Revaluation Surplus) is Tk. 14.73** which has been derived by dividing the “net assets at the period end without considering revaluation surplus” by the number of outstanding shares before IPO as shown in the table below:

Particulars	Amount in Taka	Amount in Taka
*Share Capital	675,000,000	
Add: *Stock Dividend (90,000,000+112,500,000)	202,500,000	877,500,000
Share Premium		291,000,000
Tax Holiday Reserve	153,254,293	
Less: Transfer to share capital as stock dividend	90,000,000	63,254,293
General Reserve		60,400,000
*Retained Earnings	180,050,513	
Less: Cash dividend	67,500,000	
Less: Transfer to share capital as stock dividend	112,500,000	50,513
Total shareholder's equity		1,292,204,806
Divided by number of ordinary shares outstanding as on November 30,2011		87,750,000
Net Assets Value (NAV) per share (Without considering revaluation surplus)		14.73

*Share capital, Retained earnings, No. of shares have been adjusted to reflect the stock dividend of 30% and the cash dividend of 10% declared at AGM held at July 07, 2011.

Method 1(b): Net Asset Value (NAV) per share (Considering Revaluation Surplus)

NAV per share is based on the information of the latest audited financial statements as on April 30, 2011 (at the end of the financial year). **NAV per share considering revaluation surplus is Tk. 21.41** which has been derived by dividing the “net assets at the period end considering revaluation surplus” by the number of outstanding shares before IPO as shown in the table below:



Net Assets Value (NAV) per share as on November 30,2011 calculation based on Shareholders' Equity of April 30,2011 of		
Particulars	Amount in Taka	Amount in Taka
*Share Capital	675,000,000	
Add: *Stock Dividend (90,000,000+112,500,000)	202,500,000	877,500,000
Share Premium		291,000,000
Tax Holiday Reserve	153,254,293	
Less: Transfer to share capitat as stock dividend	90,000,000	63,254,293
General Reserve		60,400,000
Revaluation Surplus		586,177,552
*Retained Earnings	180,050,513	
Less: Cash dividend	67,500,000	
Less: Transfer to share capitat as stock dividend	112,500,000	50,513
Total shareholder's equity		1,878,382,358
Divided by number of ordinary shares outstanding as on November 30,2011		87,750,000
Net Assets Value (NAV) per share (Considering revaluation surplus)		21.41

*Share capital, Retained earnings, No. of shares have been adjusted to reflect the stock dividend of 30% and the cash dividend of 10% declared at AGM held at July 07, 2011.

Method 2: Historical Earnings Based Value per Share (EBVPS)

The Second method is the earnings based value which is based on historical information sourced from audited financial statements and statistics from Dhaka Stock Exchange Limited. The value was calculated by considering weighted net profit after tax for last 5 years since commercial operation as per audited accounts and multiples with benchmark market earnings multiple which has been guided by SEC.

The diluted EPS based on weighted average of net profit after tax is Tk. 1.40 and the benchmark market earnings multiple is 15.00. The historical EBVPS has been derived Tk. 21.00.

Method 2 : Historical Earnings Based Value Per Share				
Year	No. of Shares	Weight	Net Profit After Tax (BDT)	Weighted Net Profit After Tax (BDT)
2006-07	35,000,000	14.27%	75,642,891	10,795,112
2007-08	35,000,000	14.27%	71,333,348	10,180,090
2008-09	35,000,000	14.27%	47,387,875	6,762,796
2009-10	52,500,000	21.41%	103,174,187	22,086,217
2010-11	87,750,000	35.78%	199,915,307*	71,529,330
Total	245,250,000	100.00%	497,453,608	121,353,545
No. of Shares before IPO	87,750,000			
Diluted EPS based on Weighted Average of Net Profit After Tax (BDT)	1.40			
Benchmark Market Earnings Multiple	15.00			
Price per share (BDT)	21.00			

*Net profit after tax in the year 2010-11 has been adjusted to reflect the unrealized loss in investment in shares of Tk. 3,718,337.00.



Market for the Securities Being Offered

The issuer shall apply to all the stock exchanges in Bangladesh with 7 (Seven) working days from the date of consent accorded by the Commission to issue prospectus.

The issuer will apply at:



Dhaka Stock Exchange Limited.
9/E, Motijheel Commercial Area, Dhaka 1000.

and



Chittagong Stock Exchange Limited
CSE Building, 1080, Sheikh Mujib Road, Chittagong 4100

Declaration about listing of shares with Stock Exchange(s)

None of the stock exchange(s), if for any reason, grants listing within seventy five (75) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said seventy five (75) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer Company, shall ensure due compliance of the above mentioned conditions and submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) days time period allowed for refund of the subscription money.

Description of Securities outstanding or being offered

Dividend, Voting, Preemption Rights

The share capital of the company is divided into ordinary shares and is eligible to receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy or power of attorney in connection with, among others, selection of Directors and Auditors and other usual General Meeting whether ordinary or extraordinary. On a show of hands every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled in terms of the guidelines issued by SEC time to time.



Conversion and Liquidation Rights

If the Company at any time issues convertible preferences shares or debentures with the consent of SEC or/and other regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares, if any, of the company are freely transferable. The company shall not charge any fee for registering transfer of bonds. No transfer shall be made to firms, minors or persons of unsound mind.

Dividend Policy

1. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.
2. The Company in General Meeting may declare dividend to be paid to the members according to their rights and interests in the profits and may fix the time of payment. But no larger dividend shall be declared than is recommended by the Directors, but the Company at its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the company shall be conclusive.
3. No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividend shall not carry interest as against the Company.
4. The Directors may, from time to time, pay the members, such interim dividend, as in their judgment, the financial position of the Company may justify.
5. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
6. There is no limitation on payment of dividends to common stockholders.

Other Rights of the Shareholders

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the laws and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh. Financial Statements will be prepared in accordance with the Bangladesh Accounting Standards (BAS), consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law, BAS and Bangladesh Financial Reporting Standards (BFRS) to the shareholders regarding the financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it, in proportion to their shareholdings, on the date of book closure / record date for the purpose.

The shareholder holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the company as provided under Section 84 of the Companies Act, 1994.

Debt Securities

The Company has not issued any debt securities and has no future plan as such within six months.



SECTION X: PLAN OF DISTRIBUTION

Underwriting of Shares

Initial Public Offering (IPO) is for 47,500,000 Ordinary Shares of Tk. 10/- each, at an issue price Tk. 20/- each, amounting to Tk. 950,000,000/- (Taka Nine Hundred Fifty Million Only). As per SEC's guideline 50% of the 47,500,000 ordinary shares i.e. 23,750,000 ordinary shares at an issue price of Tk 20/- each amounting to Tk. 475,000,000/- (Taka Four Hundred Seventy Five Million Only) has been underwritten by the following institutions:

Name of Underwriters	Number of Shares underwritten	Underwriting Amount (Tk.)
Meghna Life Insurance Company Limited	1,750,000	35,000,000
Karnafuli Insurance Company Limited	1,750,000	35,000,000
MTB Capital Limited	2,300,000	46,000,000
Union Capital Limited	4,000,000	80,000,000
Prime Finance Capital Management Limited	5,750,000	115,000,000
LankaBangla Finance Limited	6,200,000	124,000,000
IDLC Investments Limited	2,000,000	40,000,000
TOTAL	23,750,000	475,000,000

Principal terms and conditions of underwriting agreement

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15(Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account has been credited.
3. In any case within 7 (Seven) days after the expiry of the aforesaid 15(Fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law may be imposed on them.

Commission for the underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.20% of 50% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

Relationship of Officers or Directors of the Underwriter(s) with the Member of Board of the Company

No Officer or Director of the Underwriter(s) is presently engaged as the Director of the company.



SECTION XI: ALLOTMENT, SUBSCRIPTION & MARKET

Lock-in Provision

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock in period of 3 (three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding 2(two) years of according consent, shall be subject to a lock in period of 1 (one) year from the date of issuance of prospectus or commercial operation, whichever comes later. The following table indicates the pre IPOshareholders position.

SL No.	Name of Shareholders	Status	Nos. of shares subscribed	% of shares hold	Date of Acquisition	Lock-in-period from the date of Prospectus Issuance
1	S. M Faisal	Chairman	34125000	38.89%	30.05.2002	3 years
2	Syed Ishtiaq Ahmed	Managing Director	11780925	13.43%	30.05.2002	3 years
3	S. F. A. M Shahjahan	Director	3900000	4.44%	30.05.2002	3 years
4	Syed Shafqat Ahmed	Director	11780925	13.43%	30.05.2002	3 years
5	Mrs. Yasmin Faisal	Sponsor	5678400	6.47%	30.05.2002	3 years
6	Mrs. Tasmina Ahmed	Sponsor	492375	0.56%	30.05.2002	3 years
7	Mrs. Natasha Ahmed	Sponsor	492375	0.56%	30.05.2002	3 years
8	Dr. ASM Asgar Hossain	Shareholder	45500	0.05%	01.11.2010	1 year
9	Nargis Rahman	Shareholder	123500	0.14%	01.11.2010	1 year
10	Najma Ali	Shareholder	123500	0.14%	01.11.2010	1 year
11	Lt. col Monirul Islam Akhand	Shareholder	9750	0.01%	01.11.2010	1 year
12	Syed A.K.M Salim	Shareholder	130000	0.15%	01.11.2010	1 year
13	Md. Mukhtar Hossain	Shareholder	19500	0.02%	01.11.2010	1 year
14	Md. Azharul Islam Khan	Shareholder	13000	0.01%	01.11.2010	1 year
15	ICB Capital Management Ltd.	Shareholder	130000	0.15%	01.11.2010	1 year
16	A.S.A Muiz	Shareholder	65000	0.07%	01.11.2010	1 year
17	Mohammad Ali Mia	Shareholder	26000	0.03%	01.11.2010	1 year
18	Md. Matlubar Rahman Chowdhury	Shareholder	32500	0.04%	01.11.2010	1 year
19	Syeda Momena Begum	Shareholder	65000	0.07%	01.11.2010	1 year
20	Hosne Ara Begum	Shareholder	19500	0.02%	01.11.2010	1 year
21	Mostafa Moin	Shareholder	52000	0.06%	01.11.2010	1 year
22	Md. Jashim Uddin Chowdhury	Shareholder	26000	0.03%	01.11.2010	1 year
23	Kazi Mostafa Alam FCA	Shareholder	13000	0.01%	01.11.2010	1 year
24	Md. Mustafizur Rahman	Shareholder	19500	0.02%	01.11.2010	1 year
25	Tareq Ansar Ahmad	Shareholder	13000	0.01%	01.11.2010	1 year
26	Gobinda Kumar Ghosh	Shareholder	130000	0.15%	01.11.2010	1 year
27	Mina Rani Ghosh	Shareholder	26000	0.03%	01.11.2010	1 year
28	Mamun Khan	Shareholder	39000	0.04%	01.11.2010	1 year
29	Dilip kumar Saha	Shareholder	65000	0.07%	01.11.2010	1 year
30	Tarun Kumar Koiri	Shareholder	39000	0.04%	01.11.2010	1 year
31	Md. Shajidul Islam	Shareholder	19500	0.02%	01.11.2010	1 year
32	Mizanur Rahman	Shareholder	6500	0.01%	01.11.2010	1 year
33	Dr. ASM Asgar Hossain	Shareholder	45500	0.05%	01.11.2010	1 year
34	Md. Noman Mia	Shareholder	13000	0.01%	01.11.2010	1 year
35	Bikash Ghosh	Shareholder	13000	0.01%	01.11.2010	1 year
36	Syed Abdul Gafur	Shareholder	45500	0.05%	01.11.2010	1 year
37	Syed Rakibul Hasan	Shareholder	6500	0.01%	01.11.2010	1 year
38	Morshada Jahan Moushime	Shareholder	6500	0.01%	01.11.2010	1 year
39	Md. Sahinur kabir	Shareholder	13000	0.01%	01.11.2010	1 year
40	Farid Uddin Ahamed	Shareholder	7800	0.01%	01.11.2010	1 year
41	Md. Mahafuzul Haque	Shareholder	3900	0.00%	01.11.2010	1 year
42	Mujammel Hossen Chowdhury	Shareholder	19500	0.02%	01.11.2010	1 year
43	Golam Mostafa	Shareholder	13000	0.01%	01.11.2010	1 year



Saiham Cotton Mills Limited

44	Md. Maniruzzaman Howlader	Shareholder	13000	0.01%	01.11.2010	1 year
45	Rafayath Ul Hoque	Shareholder	5200	0.01%	01.11.2010	1 year
46	Md. Nazmul Huq	Shareholder	13000	0.01%	01.11.2010	1 year
47	Mohammad Hafizur Rahaman	Shareholder	13000	0.01%	01.11.2010	1 year
48	Md. Mutaem Chowdhury	Shareholder	13000	0.01%	01.11.2010	1 year
49	Abul Bashar Mintu	Shareholder	6500	0.01%	01.11.2010	1 year
50	Dil Afroja	Shareholder	4550	0.01%	01.11.2010	1 year
51	Md. Monirul Islam	Shareholder	26000	0.03%	01.11.2010	1 year
52	F.J.M. Hafiza sultana	Shareholder	13000	0.01%	01.11.2010	1 year
53	Hazi Emam Hossain	Shareholder	13000	0.01%	01.11.2010	1 year
54	Colonel Md. Siddiquil alam Sikder	Shareholder	39000	0.04%	01.11.2010	1 year
55	Rebeca Islam	Shareholder	13000	0.01%	01.11.2010	1 year
56	Syed md. Samim Anwar	Shareholder	26000	0.03%	01.11.2010	1 year
57	Faisalur Rahman	Shareholder	13000	0.01%	01.11.2010	1 year
58	A.K.M Shahadat Hossain	Shareholder	97500	0.11%	01.11.2010	1 year
59	Exim CDI	Shareholder	97500	0.11%	01.11.2010	1 year
60	Khondaker Suja Ur Rahman	Shareholder	13000	0.01%	01.11.2010	1 year
61	Mohammed Nazmul Hossain	Shareholder	39000	0.04%	01.11.2010	1 year
62	sayeed Ahmed Chowdhury	Shareholder	3900	0.00%	01.11.2010	1 year
63	Tufail K Haider	Shareholder	26000	0.03%	01.11.2010	1 year
64	Md. Sazzad Hossain (khokon)	Shareholder	6500	0.01%	01.11.2010	1 year
65	Noor Us saklain	Shareholder	65000	0.07%	01.11.2010	1 year
66	Brig. Gen. Nurul Bashir	Shareholder	13000	0.01%	01.11.2010	1 year
67	Azizun Nahar Salim	Shareholder	39000	0.04%	01.11.2010	1 year
68	Md. Shafiqur Rahman	Shareholder	10400	0.01%	01.11.2010	1 year
69	Abdul Momen	Shareholder	52000	0.06%	01.11.2010	1 year
70	Ripon Kanti Chowdhury	Shareholder	6500	0.01%	01.11.2010	1 year
71	Mohammad Humayun Kabir	Shareholder	13000	0.01%	01.11.2010	1 year
72	Biswajit Kumar mondal	Shareholder	26000	0.03%	01.11.2010	1 year
73	Md. Swopon Mullaha	Shareholder	6500	0.01%	01.11.2010	1 year
74	Md. Mosaraf Hossain	Shareholder	13000	0.01%	01.11.2010	1 year
75	Syed Tawqir Husain	Shareholder	26000	0.03%	01.11.2010	1 year
76	Md. Ahsanul Kabir	Shareholder	13000	0.01%	01.11.2010	1 year
77	Md. Ziaul Karim	Shareholder	26000	0.03%	01.11.2010	1 year
78	Swadesh Investment Investor's A/C	Shareholder	65000	0.07%	01.11.2010	1 year
79	K.M. Zafar sadeque	Shareholder	6500	0.01%	01.11.2010	1 year
80	Sumana Yesmin	Shareholder	26000	0.03%	01.11.2010	1 year
81	Soma Podder	Shareholder	26000	0.03%	01.11.2010	1 year
82	Aloka saha	Shareholder	6500	0.01%	01.11.2010	1 year
83	Arif Hasan	Shareholder	6500	0.01%	01.11.2010	1 year
84	Birendra Kumar Shome	Shareholder	6500	0.01%	01.11.2010	1 year
85	Md. Monir Hossain Mridha	Shareholder	13000	0.01%	01.11.2010	1 year
86	Ahmed Kabir Majumder	Shareholder	130000	0.15%	01.11.2010	1 year
87	Shamir datta	Shareholder	130000	0.15%	01.11.2010	1 year
88	Northern General Insurance Co. Ltd.	Shareholder	130000	0.15%	01.11.2010	1 year
89	Dr. Md. Abdullah Al Mamun	Shareholder	13000	0.01%	01.11.2010	1 year
90	Mahmudul Hasan	Shareholder	65000	0.07%	01.11.2010	1 year
91	Saad Ahmed	Shareholder	6500	0.01%	01.11.2010	1 year
92	Samir M Rahman	Shareholder	13000	0.01%	01.11.2010	1 year
93	Mrs Shaily Fatema	Shareholder	26000	0.03%	01.11.2010	1 year
94	Mostafa Mahbub Ahmed	Shareholder	13000	0.01%	01.11.2010	1 year
95	Mohammed Saidur Rahman	Shareholder	6500	0.01%	01.11.2010	1 year
96	Md. Arafat Shams	Shareholder	32500	0.04%	01.11.2010	1 year
97	Kazi Siddiqua Parveen	Shareholder	65000	0.07%	01.11.2010	1 year
98	Md. Mubarak Hossain	Shareholder	6500	0.01%	01.11.2010	1 year
99	Md. Samiuzzaman	Shareholder	13000	0.01%	01.11.2010	1 year
100	Md. Benojir Alam	Shareholder	7800	0.01%	01.11.2010	1 year
101	Md. Shadiqul Hoque	Shareholder	26000	0.03%	01.11.2010	1 year
102	Sushanta Saha	Shareholder	13000	0.01%	01.11.2010	1 year
103	Imran Mahmud	Shareholder	13000	0.01%	01.11.2010	1 year



Saiham Cotton Mills Limited

104	Mozammel Hossain Mozumder	Shareholder	65000	0.07%	01.11.2010	1 year
105	Md. Anwar Shamim	Shareholder	6500	0.01%	01.11.2010	1 year
106	IDLC Finance Ltd.	Shareholder	130000	0.15%	01.11.2010	1 year
107	Mollah Khalilur Rahman	Shareholder	6500	0.01%	01.11.2010	1 year
108	Md. Salimullah	Shareholder	13000	0.01%	01.11.2010	1 year
109	Nasir Uddin Ahmed	Shareholder	91000	0.10%	01.11.2010	1 year
110	Bangladesh Mutual Securities Limited	Shareholder	910000	1.04%	01.11.2010	1 year
111	Rupali Life Insurance Co Ltd.	Shareholder	130000	0.15%	01.11.2010	1 year
112	Karnaphuli Insurance Co. Ltd.	Shareholder	130000	0.15%	01.11.2010	1 year
113	Arju Mand Banu	Shareholder	130000	0.15%	01.11.2010	1 year
114	Prime Finance & Investment Limited	Shareholder	214500	0.24%	01.11.2010	1 year
115	Dr. Mahbuba Gulshanara	Shareholder	3900	0.00%	01.11.2010	1 year
116	Meghna Life Insurance Company Ltd.	Shareholder	260000	0.30%	01.11.2010	1 year
117	Md. Moin Uddin	Shareholder	13000	0.01%	01.11.2010	1 year
118	Md. Ziaul Hossain	Shareholder	97500	0.11%	01.11.2010	1 year
119	Md. Shariful Islam	Shareholder	26000	0.03%	01.11.2010	1 year
120	Tapan Kumar Roy	Shareholder	7800	0.01%	01.11.2010	1 year
121	Fidelity assets & Securities Company Ltd.	Shareholder	390000	0.44%	01.11.2010	1 year
122	International Securities Co. Ltd.	Shareholder	390000	0.44%	01.11.2010	1 year
123	Abdul Quiyum Chowdhury	Shareholder	130000	0.15%	01.11.2010	1 year
124	Bijan Charraborty	Shareholder	130000	0.15%	01.11.2010	1 year
125	Md. Musleh Uddin	Shareholder	13000	0.01%	01.11.2010	1 year
126	Abdul Hasib	Shareholder	13000	0.01%	01.11.2010	1 year
127	Eastern Bank Ltd.	Shareholder	130000	0.15%	01.11.2010	1 year
128	Md. Yousuf	Shareholder	6500	0.01%	01.11.2010	1 year
129	Mohammad Redwanur Rahman	Shareholder	5200	0.01%	01.11.2010	1 year
130	Md. Ibrahim	Shareholder	6500	0.01%	01.11.2010	1 year
131	Abul Kalam	Shareholder	2600	0.00%	01.11.2010	1 year
132	Khan Fariuddin Md Ayaz	Shareholder	5200	0.01%	01.11.2010	1 year
133	Muazzam Hossen	Shareholder	13000	0.01%	01.11.2010	1 year
134	Md. Rejaul Hoque	Shareholder	39000	0.04%	01.11.2010	1 year
135	Lankabangla Finance IP A/C	Shareholder	7196150	8.20%	01.11.2010	1 year
136	Mr. Kafil Wara Choudhury	Shareholder	130000	0.15%	01.11.2010	1 year
137	Md. Muttakin Chowdhury	Shareholder	130000	0.15%	01.11.2010	1 year
138	Mr. Bishjit Debnath	Shareholder	130000	0.15%	01.11.2010	1 year
139	Mohammad Badrul Hossain Beig	Shareholder	6500	0.01%	01.11.2010	1 year
140	Chandan Kumar Chanda	Shareholder	6500	0.01%	01.11.2010	1 year
141	Kazi Afzal Hossain	Shareholder	13000	0.01%	01.11.2010	1 year
142	Md. Abul Bashar & Md. Abul Hossain	Shareholder	13000	0.01%	01.11.2010	1 year
143	Md. Nizamul Islam Majumder	Shareholder	13000	0.01%	01.11.2010	1 year
144	Md. Shaukat Hossain	Shareholder	13000	0.01%	01.11.2010	1 year
145	Midas Financing Limited	Shareholder	260000	0.30%	01.11.2010	1 year
146	Union Capital Limited Investor's A/C	Shareholder	130000	0.15%	01.11.2010	1 year
147	DBH First Mutual Fund	Shareholder	52000	0.06%	01.11.2010	1 year
148	Md. Mojibur Rahman Sheik	Shareholder	13000	0.01%	01.11.2010	1 year
149	Green Delta Mutual Fund	Shareholder	130000	0.15%	01.11.2010	1 year
150	Ashfaque U Chowdhury	Shareholder	26000	0.03%	01.11.2010	1 year
151	Md. Helaluddin	Shareholder	9100	0.01%	01.11.2010	1 year
152	Shahin Akther	Shareholder	3900	0.00%	01.11.2010	1 year
153	Mohammed Shafi Alam	Shareholder	6500	0.01%	01.11.2010	1 year
154	Zinia Tul Fardous	Shareholder	6500	0.01%	01.11.2010	1 year
155	Mohammed Nurul Aziz	Shareholder	6500	0.01%	01.11.2010	1 year
156	Mohammed Yousuf Soheli	Shareholder	3900	0.00%	01.11.2010	1 year
157	Mohammad Akbar Shah	Shareholder	6500	0.01%	01.11.2010	1 year
158	Md. Abidur Rahman	Shareholder	26000	0.03%	01.11.2010	1 year



Saiham Cotton Mills Limited

159	A S M Sayem Bhuiyan	Shareholder	7800	0.01%	01.11.2010	1 year
160	Hamid Monirul Azam	Shareholder	2600	0.00%	01.11.2010	1 year
161	Md. Hemayetul Islam	Shareholder	5200	0.01%	01.11.2010	1 year
162	Mohd. Anwar Husain	Shareholder	2600	0.00%	01.11.2010	1 year
163	Md. Aynul Hoque	Shareholder	1300	0.00%	01.11.2010	1 year
164	Md. Ahsan Ullah Raju	Shareholder	3900	0.00%	01.11.2010	1 year
165	Kazi Ahsan Maruf	Shareholder	2600	0.00%	01.11.2010	1 year
166	Md. Mohi Uddin Bhuyian	Shareholder	6500	0.01%	01.11.2010	1 year
167	Major Fazlur Rahman (Retd)	Shareholder	130000	0.15%	01.11.2010	1 year
168	Md. Niaz Ali	Shareholder	156000	0.18%	01.11.2010	1 year
169	Kowsar Begum & Safat Ahmed Siddiqui	Shareholder	1300	0.00%	01.11.2010	1 year
170	Gopal Chandra Roy	Shareholder	13000	0.01%	01.11.2010	1 year
171	Fawzia Rahman	Shareholder	13000	0.01%	01.11.2010	1 year
172	Alamgir Shamsul Alamin	Shareholder	26000	0.03%	01.11.2010	1 year
173	Pulin Krishna Roy	Shareholder	13000	0.01%	01.11.2010	1 year
174	Satcom It Limited	Shareholder	13000	0.01%	01.11.2010	1 year
175	Md. Ekram Chowdhury	Shareholder	13000	0.01%	01.11.2010	1 year
176	Ersad Ul Bosir Chowdhury	Shareholder	13000	0.01%	01.11.2010	1 year
177	Shabyashachi Halder	Shareholder	13000	0.01%	01.11.2010	1 year
178	M. A Baten Khan	Shareholder	13000	0.01%	01.11.2010	1 year
179	Md. Magfar Hasan Bahadur	Shareholder	6500	0.01%	01.11.2010	1 year
180	Mrs. Noor E Sharmin	Shareholder	19500	0.02%	01.11.2010	1 year
181	ICB Capital Management Ltd.	Shareholder	26000	0.03%	01.11.2010	1 year
182	Mohammed Yaahia Miah	Shareholder	13000	0.01%	01.11.2010	1 year
183	Syed Galib Ahmed	Shareholder	26000	0.03%	01.11.2010	1 year
184	Md. Safiqul Islam	Shareholder	6500	0.01%	01.11.2010	1 year
185	Farzana Akhand	Shareholder	9750	0.01%	01.11.2010	1 year
186	A.K.M Abdul Quayum	Shareholder	13000	0.01%	01.11.2010	1 year
187	Mohammed Nahiz	Shareholder	13000	0.01%	01.11.2010	1 year
188	Md. Rezaul Karim	Shareholder	19500	0.02%	01.11.2010	1 year
189	AB Mannan Sarder	Shareholder	3900	0.00%	01.11.2010	1 year
190	Syed Reaz Uddin Ahmed	Shareholder	6500	0.01%	01.11.2010	1 year
191	Md. Daud Ahmed Sikder	Shareholder	26000	0.03%	01.11.2010	1 year
192	Farzana Shimul	Shareholder	67600	0.08%	01.11.2010	1 year
193	A.B. M. Shahidul Islam	Shareholder	130000	0.15%	01.11.2010	1 year
194	Ehsan E Moazzam	Shareholder	130000	0.15%	01.11.2010	1 year
195	Jupiter Readymade garments Ltd.	Shareholder	65000	0.07%	01.11.2010	1 year
196	Farzana Moazzam	Shareholder	130000	0.15%	01.11.2010	1 year
197	Shamsher Ali Tarafder	Shareholder	26000	0.03%	01.11.2010	1 year
198	Mohammad tipu Sultan	Shareholder	130000	0.15%	01.11.2010	1 year
199	Roushan Ali Khan	Shareholder	39000	0.04%	01.11.2010	1 year
200	Md. Shahid Uddin Khan	Shareholder	52000	0.06%	01.11.2010	1 year
201	Kazi Rehana Begum	Shareholder	6500	0.01%	01.11.2010	1 year
202	Nazninara Siddiqua	Shareholder	6500	0.01%	01.11.2010	1 year
203	Maj. Gen. K. M Abdul wahed (Retd)	Shareholder	6500	0.01%	01.11.2010	1 year
204	Md. Tozammel haque	Shareholder	6500	0.01%	01.11.2010	1 year
205	Md. Nasim Uddin Khan	Shareholder	6500	0.01%	01.11.2010	1 year
206	Mr. Rahik Hasan	Shareholder	6500	0.01%	01.11.2010	1 year
207	Md. Monirul islam	Shareholder	6500	0.01%	01.11.2010	1 year
208	Dr. Lt. Col. (Retd) Waheedul Islam	Shareholder	6500	0.01%	01.11.2010	1 year
209	Mrs. Shahanara Begum	Shareholder	6500	0.01%	01.11.2010	1 year
210	Sayeda Rahman	Shareholder	13000	0.01%	01.11.2010	1 year
211	Major Md. Kahinoor Alam	Shareholder	13000	0.01%	01.11.2010	1 year
212	md. Mahfuzul Karim Majumder	Shareholder	6500	0.01%	01.11.2010	1 year
213	Md. Ibrahim	Shareholder	6500	0.01%	01.11.2010	1 year



Saiham Cotton Mills Limited

214	Md. Masud Karim	Shareholder	13000	0.01%	01.11.2010	1 year
215	Zakir Hossain Md. Dinder	Shareholder	6500	0.01%	01.11.2010	1 year
216	Brig Gen Md. Mokhlesur Rahman	Shareholder	6500	0.01%	01.11.2010	1 year
217	Lt. col Kamrul Hossain	Shareholder	6500	0.01%	01.11.2010	1 year
218	Md. Nazmul Hossain	Shareholder	6500	0.01%	01.11.2010	1 year
219	Major Md. Golan Mostafa	Shareholder	6500	0.01%	01.11.2010	1 year
220	Ahmed Hossain Khan	Shareholder	52000	0.06%	01.11.2010	1 year
221	Md. Fakruddin Chowdhury	Shareholder	26000	0.03%	01.11.2010	1 year
222	Rajib Kumar Dey	Shareholder	37050	0.04%	01.11.2010	1 year
223	hafiz Imruz Mahmud	Shareholder	52650	0.06%	01.11.2010	1 year
224	Mohammad Iqbal Chowdhury	Shareholder	79300	0.09%	01.11.2010	1 year
225	Proshanta Kumar Mondal	Shareholder	26000	0.03%	01.11.2010	1 year
226	Mrs. Kanak Lata Mallick	Shareholder	13000	0.01%	01.11.2010	1 year
227	Monoranjan Guha	Shareholder	6500	0.01%	01.11.2010	1 year
228	Tripti Rani Chanda	Shareholder	6500	0.01%	01.11.2010	1 year
229	Sonjoy Kumar Saha	Shareholder	6500	0.01%	01.11.2010	1 year
230	Kalyani Guha	Shareholder	6500	0.01%	01.11.2010	1 year
231	Kishore kumar Datta	Shareholder	28600	0.03%	01.11.2010	1 year
232	Md. Mustafizur Rahman	Shareholder	6500	0.01%	01.11.2010	1 year
233	Tuhin Akter	Shareholder	6500	0.01%	01.11.2010	1 year
234	Abdullah Al Mamun	Shareholder	7800	0.01%	01.11.2010	1 year
235	Mohammad Zakir Hossain	Shareholder	7800	0.01%	01.11.2010	1 year
236	Moksed Ali	Shareholder	13000	0.01%	01.11.2010	1 year
237	Chowdhury Ashik Mahmud Bin Harun	Shareholder	52000	0.06%	01.11.2010	1 year
238	Mohammad Abu Yusuf	Shareholder	14300	0.02%	01.11.2010	1 year
239	Anwarul Hoque	Shareholder	6500	0.01%	01.11.2010	1 year
240	Arzu Akhter	Shareholder	6500	0.01%	01.11.2010	1 year
241	Ratan Kumar Nath	Shareholder	2600	0.00%	01.11.2010	1 year
242	Md. Yousuf Ali	Shareholder	6500	0.01%	01.11.2010	1 year
243	Nuruddin Ahmed Al-Masud	Shareholder	32500	0.04%	01.11.2010	1 year
244	Syed Kamrul Hassan	Shareholder	14300	0.02%	01.11.2010	1 year
245	Satya Brata Narayan chowdhury	Shareholder	26000	0.03%	01.11.2010	1 year
246	Bipul majumder	Shareholder	6500	0.01%	01.11.2010	1 year
247	Mohammed Khaledun Nabi	Shareholder	26000	0.03%	01.11.2010	1 year
248	Md. Gias Uddin Mia	Shareholder	13000	0.01%	01.11.2010	1 year
249	Md. Mizanur Rahman	Shareholder	6500	0.01%	01.11.2010	1 year
250	Jobaida Begum	Shareholder	6500	0.01%	01.11.2010	1 year
251	Shamim Ahmed	Shareholder	26000	0.03%	01.11.2010	1 year
252	Abul Taher Md. Mohidul Hoque	Shareholder	6500	0.01%	01.11.2010	1 year
253	Abul Kalam Azad	Shareholder	6500	0.01%	01.11.2010	1 year
254	Md. Nasir Uddin Ahmed	Shareholder	6500	0.01%	01.11.2010	1 year
255	Swapan Kumer Tarafder	Shareholder	6500	0.01%	01.11.2010	1 year
256	Sajal Chandra Singha	Shareholder	6500	0.01%	01.11.2010	1 year
257	Mohammad Mahbub Alam	Shareholder	6500	0.01%	01.11.2010	1 year
258	Abul Hoque Chowdhury	Shareholder	6500	0.01%	01.11.2010	1 year
259	Md. Shafiul Alam Bhuiyan	Shareholder	6500	0.01%	01.11.2010	1 year
260	Mahmuduzzaman	Shareholder	6500	0.01%	01.11.2010	1 year
261	Boshir Ahmmad	Shareholder	6500	0.01%	01.11.2010	1 year
262	Tymur Islam	Shareholder	13000	0.01%	01.11.2010	1 year
263	Matribhumi Multipurpose Co Op So Ltd.	Shareholder	26000	0.03%	01.11.2010	1 year
264	Anowara Begum	Shareholder	10400	0.01%	01.11.2010	1 year
265	Dr. Khair Ahmed Choudhury	Shareholder	13000	0.01%	01.11.2010	1 year
266	A S M Humayun Kabir	Shareholder	13000	0.01%	01.11.2010	1 year
267	Md. Abul Munim	Shareholder	13000	0.01%	01.11.2010	1 year
268	Rijjadur Rahman	Shareholder	13000	0.01%	01.11.2010	1 year



Saiham Cotton Mills Limited

269	Md. Oliur Rahman	Shareholder	13000	0.01%	01.11.2010	1 year
270	Shahadat Hussain Khan	Shareholder	6500	0.01%	01.11.2010	1 year
271	Md. Abul Hussain	Shareholder	19500	0.02%	01.11.2010	1 year
272	C M Tufail Sami	Shareholder	13000	0.01%	01.11.2010	1 year
273	Jeans 2000 Ltd.	Shareholder	130000	0.15%	01.11.2010	1 year
274	Belal Ahmed	Shareholder	130000	0.15%	01.11.2010	1 year
275	Md. Rezaul Karim	Shareholder	19500	0.02%	01.11.2010	1 year
276	Rebeka Sultana	Shareholder	19500	0.02%	01.11.2010	1 year
277	Munmun Sultana	Shareholder	13000	0.01%	01.11.2010	1 year
278	Md. Mahmud Hasan	Shareholder	52000	0.06%	01.11.2010	1 year
279	Md. Rafiqul Islam	Shareholder	6500	0.01%	01.11.2010	1 year
280	Mahmudul Huq	Shareholder	6500	0.01%	01.11.2010	1 year
281	Ziaul Ahsan	Shareholder	13000	0.01%	01.11.2010	1 year
282	S M Iftekhar Imam	Shareholder	6500	0.01%	01.11.2010	1 year
283	Md. Ferdous Alam Khan	Shareholder	19500	0.02%	01.11.2010	1 year
284	Md. Tajul Islam	Shareholder	13000	0.01%	01.11.2010	1 year
285	Naima Tabassum	Shareholder	13000	0.01%	01.11.2010	1 year
286	Golam Mostafa Bhuiyan	Shareholder	13000	0.01%	01.11.2010	1 year
287	Mostafizur rahman	Shareholder	13000	0.01%	01.11.2010	1 year
288	Badal Krishna Rajbongshi	Shareholder	13000	0.01%	01.11.2010	1 year
289	Mohammad kabir Hossain	Shareholder	13000	0.01%	01.11.2010	1 year
290	Abdullah Al Mahfuz	Shareholder	13000	0.01%	01.11.2010	1 year
291	Farida Yesmin	Shareholder	13000	0.01%	01.11.2010	1 year
292	Sk Mohammad Ali	Shareholder	26000	0.03%	01.11.2010	1 year
293	Muhammad Asiful Haque	Shareholder	13000	0.01%	01.11.2010	1 year
294	Afsari Islam	Shareholder	111800	0.13%	01.11.2010	1 year
295	Imtiaz Ahmed	Shareholder	19500	0.02%	01.11.2010	1 year
296	Md. Mohammad Ali	Shareholder	13000	0.01%	01.11.2010	1 year
297	Ayesha Akther	Shareholder	13000	0.01%	01.11.2010	1 year
298	M A Quayum Bhuiyan	Shareholder	13000	0.01%	01.11.2010	1 year
299	Abdul Mannan	Shareholder	19500	0.02%	01.11.2010	1 year
300	Mohammad Shameem	Shareholder	20800	0.02%	01.11.2010	1 year
301	Kh. Atikur Rahman	Shareholder	39000	0.04%	01.11.2010	1 year
302	Ruhul Quddus	Shareholder	10400	0.01%	01.11.2010	1 year
303	Abdus Sabur Tarafder	Shareholder	13000	0.01%	01.11.2010	1 year
304	Tarun Kanti Ghosh	Shareholder	13000	0.01%	01.11.2010	1 year
305	Abdul Quiyum Choudhury	Shareholder	195000	0.22%	01.11.2010	1 year
306	Md. Shahjahan Miah	Shareholder	130000	0.15%	01.11.2010	1 year
307	Exim CDI	Shareholder	260000	0.30%	01.11.2010	1 year
308	Akbor Hossain Bhuiyan	Shareholder	6500	0.01%	01.11.2010	1 year
309	A.F Amin Choudhury	Shareholder	13000	0.01%	01.11.2010	1 year
310	Dr.Md. Zillure Rahman	Shareholder	19500	0.02%	01.11.2010	1 year
311	Ziaul Ahsan	Shareholder	6500	0.01%	01.11.2010	1 year
312	Fargana Akhter	Shareholder	91000	0.10%	01.11.2010	1 year
313	Mir Hoshrate Rahman	Shareholder	3900	0.00%	01.11.2010	1 year
314	Md. Afsar Ali	Shareholder	13000	0.01%	01.11.2010	1 year
315	G M Mahbubar Rahman	Shareholder	39000	0.04%	01.11.2010	1 year
316	Anjan Mallik	Shareholder	65000	0.07%	01.11.2010	1 year
317	Md. Hassan Mahmood	Shareholder	11700	0.01%	01.11.2010	1 year
318	S. M Moniruzzaman	Shareholder	6500	0.01%	01.11.2010	1 year
319	Dilip Kumar Das Gupta	Shareholder	130000	0.15%	01.11.2010	1 year
320	S.M Rakibul Alam	Shareholder	130000	0.15%	01.11.2010	1 year
321	Abdul Aziz	Shareholder	130000	0.15%	01.11.2010	1 year
322	Lankabangla Finance Ltd.	Shareholder	58500	0.07%	01.11.2010	1 year
Total			87,750,000	100.00%	-	-

*Lock in Period starts from the date of issuance of prospectus i.e. ,December 20, 2011



Refund of subscription money

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form:-

- Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected."

Subscription by and refund to non-resident Bangladeshis (NRB)

- A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".
- The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
- Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Availability of securities

- The offer:

	Securities	Number of shares	Total amount (Tk.)
A	10% of IPO of Ordinary Shares shall be reserved for Non Resident Bangladeshis	4,750,000	47,500,000
B	10% of IPO of Ordinary Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission	4,750,000	47,500,000
C	80% of IPO of Ordinary Shares shall be opened for Subscription by the General Public	38,000,000	380,000,000
	Total (A+B+C)	47,500,000	475,000,000

- All as stated in 1 (A), 1(B), 1(C) shall be offered for subscription and subsequent allotment by the Issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
- In case of over-subscription under any of the categories mentioned in the clause 1(A), 1(B) & (C) the Issue Manger shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
- In case of under-subscription under any of the 10% category as mentioned in clause 1(A) and 1(B), the unsubscribed portion shall be added to the general public category, and, if after such addition there is over-subscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
- In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
- The lottery as stated in clause (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.



Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5(five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

Application for subscription

1. Application for shares may be made for a minimum lot of **250** units of shares to the value of **Tk. 5,000 (Taka Five Thousand Only)** and should be made on the company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate Forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the Forms. Applications must not be for less than **250** units of share. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.
3. Application must be in full name of individuals, or limited companies, or trusts or societies, and not in the name of minors or persons of unsound mind. Applications from of insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association of that company.
4. An applicant cannot submit more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, all the application will be treated as invalid and will not be considered for allotment purpose. **In addition, 15% (fifteen) of application money may be forfeited by the Commission and the balance amount will be refunded to the applicant.**
5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
6. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.**
7. **An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by SEC.**
8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.



Saiham Cotton Mills Limited

9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices of the banks mentioned in the application forms in Cash/Cheque/Pay Order/Bank Draft. The Cheque/ Pay Order/ Bank Draft shall be made payable to the bank to which it is sent, be marked **“Saiham Cotton Mills Limited”**, shall bear the crossing **“A/C Payee Only”** and must be drawn on a bank in the same town of the bank to which application form is deposited.
10. All completed application forms together with remittances for the full amount, payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
11. A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft, drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollars, Great Britain Pounds or Euro Dollars at the spot buying (TT Clean) rate of exchange prevailing the date of opening of subscription. Refund against over subscription of shares shall be made in the currency, in which the value of shares, applied for, was paid by the applicant. Shares application form against the quota for NRB shall be sent by the applicant directly along with a bank draft or cheque to the company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia, and South Korea and on the website of the SEC, Issuer Company, Issue Managers, DSE and CSE.
12. The IPO subscription money collected from investors (other than non-resident Bangladeshis) by the Bankers to the Issue will be remitted to the **“Saiham Cotton Mills Ltd.” Savings A/C No. 1501201985342002** of BRAC Bank Limited, Bangladesh for this purpose.
13. The subscription money collected from Non-Resident Bangladeshis in US Dollars or Great Britain Pounds or Euro Dollars shall be deposited to three FC accounts opened by the Company for IPO purpose as follows:

Sl.	Name of the FC Accounts	Currency	Account No.	Bank
1	Saiham Cotton Mills Limited	US Dollar	1501201985342003	BRAC Bank Limited
2	Saiham Cotton Mills Limited	GB Pound	1501201985342004	
3	Saiham Cotton Mills Limited	Euro	1501201985342005	

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Saiham Cotton Mills Limited out of the “FC Account for IPO NRB Subscription”. Saiham Cotton Mills Limited has already opened the aforesaid FC Accounts & Current Account and shall close these accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

Trading and settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

The issue shall be placed in Category “N” with DSE and CSE.



Bankers to the issue

BRAC Bank Limited

Asad Gate Branch, Dhaka
 Bashundhara Branch
 Donia Branch
 Eskaton Branch
 Graphics Building Branch
 Gulshan Branch, Dhaka
 Manda Branch, Dhaka
 Mirpur Branch, Dhaka
 Nawabpur Branch, Dhaka
 Rampura Branch, Dhaka
 Shyamoli Branch, Dhaka
 Agrabad Branch, Chittagong
 CDA Avenue Branch, Chittagong
 Halisohor Branch, Chittagong
 Kazirdeuri Branch, Chittagong
 Momin Road Branch, Chittagong
 Barisal Branch
 Zindabazar Branch, Sylhet
 Bogra Branch
 Rajshahi Branch
 Jessore Branch
 Khulna Branch

Dutch-Banqla Bank Limited

Baburhat Branch, Narsingdi
 B.B. Road Branch, Narayanganj
 Donia Branch, Dhaka
 Dhaka EPZ Branch
 Board Bazar Branch, Gazipur
 Neitaiganj Branch, Narayanganj
 Simrail Branch, Narayanganj
 Joypara Branch, Dohar, Dhaka
 Savar Bazar Branch
 Gazipur Chowrasta Branch
 Mirzapur Branch, Tangail
 Manikgonj Branch
 Konabary Branch, Gazipur
 Bandura Branch, Nawabganj
 Narsingdi Branch
 Bhulta Branch, Narayanganj
 Narayanganj BSCIC Branch
 Tongi Branch
 Madaripur Branch
 Munshiganj Branch
 Faridpur Branch
 Tangail Branch
 Patherhat Branch, Chittagong
 Hathazari Branch, Chittagong
 CDA Avenue Branch, Chittagong
 Muradpur Branch, Chittagong
 Feni Branch
 Comilla Branch
 Jubilee Road Branch, Chittagong
 Kadamtali Branch, Chittagong
 Cox's Bazar Branch
 Lohagara Branch, Chittagong
 Fatikchhari Branch, Chittagong
 Choumuhani Branch
 Sonagazi Branch
 Khatunganj Branch, Chittagong
 Halisohor Branch, Chittagong
 Basurhat Branch(Rural), Noakhali
 Dagonbhuiyan Branch, Feni
 Chittagong EPZ Branch
 Barisal Branch
 Sylhet Branch
 Biswanath Branch, Sylhet
 Moulavi Bazar Branch
 Goala Bazar Branch, sylhet
 Beani Bazar Branch, Sylhet
 Chhatak Branch, Sylhet
 Sremangal Branch
 Habiganj Branch
 Shahajalal Uposohor Branch
 Pabna Branch
 Khulna Branch
 Bogra Branch
 Shahzadpur Branch
 Jessore Branch
 Kushtia Branch
 Satkhira Branch

Saidpur Branch
 Rangpur Branch
 Gobindaganj Branch

National Bank Limited

Gulshan Branch, Dhaka
 Imamgonj Branch, Dhaka
 Jatrabari Branch, Dhaka
 Kawran Bazar Branch, Dhaka
 Z.H. Sikder M.C. Branch, Dhaka
 Lake Circus Branch, Dhaka
 Tongi Branch, Dhaka
 Rifles Square Branch, Dhaka
 Pagla Bazar Branch, Narayanganj
 Mirpur Branch, Dhaka
 Mohammadpur Branch, Dhaka
 Motijheel Branch, Dhaka
 Dilkusha Branch, Dhaka
 New Eskaton Branch, Dhaka
 North Brook Hall Branch, Dhaka
 Rokeya Sarani Branch, Dhaka
 Savar Branch
 Uttara Branch, Dhaka
 Narayanganj Branch
 Netaigonj Branch, Narayanganj
 Faridpur Branch
 Mymensing Branch
 Muradpur Branch, Chittagong
 Chawk Bazar Branch, Chittagong
 Pahartoli Branch, Chittagong
 Sunamgonj Branch, Sunamgonj

IFIC Bank Limited

Federation Branch, Dhaka
 Dhanmondi Branch, Dhaka
 Banani Branch, Dhaka
 Elephant Road Branch, Dhaka
 Islampur Branch, Dhaka
 Shantinagar Branch, Dhaka
 Naya Paltan Branch, Dhaka
 Uttara Branch, Dhaka
 Malibagh Branch, Dhaka
 Pallabi Branch, Dhaka
 Lalmatia Branch, Dhaka
 North Brook Hall Branch, Dhaka
 Narayanganj Branch, Dhaka
 Mymensing Branch, Mymensing
 Stock Exchange Branch, Dhaka
 CDA Avenue Branch, Chittagong
 Madam Bibir Hat Branch, Chittagong
 Sheikh Mujib Road Branch, Chittagong
 Branhmanbaria Branch, Chittagong
 Alanker More Branch, Chittagong
 Barisal Branch, Barisal
 Sylhet Branch, Sylhet
 Moulvi Bazar Branch, Sylhet
 Uposohor Branch, Sylhet
 Tultikar Branch, Sylhet
 Rajshahi Branch, Rajshahi
 Bogra Branch, Rajshahi
 Pabna Branch, Rajshahi
 Khulna Branch, Khulna
 Boro Bazar Branch, Khulna
 Jessore Branch, Khulna
 Kushtia Branch, Khulna
 Dinajpur Branch, Rangpur
 Rangpur Branch Rangpur

Bank Asia Limited

Corporate Branch, Dhaka
 Scotia Branch, Dhaka
 Gulshan Branch, Dhaka
 MCB Banani Branch, Dhaka
 Uttara Branch, Dhaka
 Mitford Branch, Dhaka
 North South Rd. Branch, Dhaka
 Dhanmondi Branch, Dhaka
 Bashundhara Branch, Dhaka
 Moghbazar Branch, Dhaka
 Mohakhali Branch, Dhaka
 Mirpur Branch, Dhaka
 Shantinagar Branch, Dhaka

Progati Sarani Branch, Dhaka
 Uttara Branch, Dhaka
 Mitford Branch, Dhaka
 North South Rd. Branch, Dhaka
 Dhanmondi Branch, Dhaka
 Bashundhara Branch, Dhaka
 Moghbazar Branch, Dhaka
 Mohakhali Branch, Dhaka
 Mirpur Branch, Dhaka
 Shantinagar Branch, Dhaka
 Progati Sarani Branch, Dhaka
 MCB Sk. Mujib Road Branch, Chittagong
 Bahadderhat Branch, Chittagong
 Station Road Branch, Chittagong
 Kamal Bazar Branch, Chittagong
 Sylhet Main Branch, Sylhet
 Sylhet Uposahar Branch, Sylhet
 Rajshahi Branch, Rajshahi
 Bogra Branch, Bogra
 Ishwardi Branch, Ishwardi
 Khulna Branch, Khulna
 Jessore Branch, Jessore

Mutual Trust Bank Limited

Babu Bazar Branch, Dhaka
 Banani Branch, Dhaka
 Dholaikhal Branch, Dhaka
 Dilkusha Branch, Dhaka
 Fulbaria Branch, Dhaka
 Gulshan Branch, Dhaka
 Mohammadpur Branch, Dhaka
 MTB Corp. Center Branch, Dhaka
 Pallabi Branch, Dhaka
 Panthapath Branch, Dhaka
 Principal Branch, Dhaka
 Progati Sarani Branch, Dhaka
 Savar Branch, Dhaka
 Shanir Akhra Branch, Dhaka
 Tongi Branch, Dhaka
 Uttara Model Town Branch, Dhaka
 Narayanganj Branch, Narayanganj
 Sonargaon Branch, Narayanganj
 Alankar Mour Branch, Chittagong
 Rajshahi Branch, Rajshahi
 Rangpur Branch, Rangpur
 Bogra Branch, Bogra
 Pabna Branch, Pabna
 Sylhet Branch, Sylhet
 Moulvi Bazar Branch, Sylhet
 Gournadi Branch, Barisal
 Habiganj Branch

Dhaka Bank Limited

Goran Business Center, Dhaka
 Khligaon Branch, Dhaka
 Savar Branch, Dhaka
 Bhulta Branch, Dhaka
 Uposahar Branch, Sylhet

ICB

Head Office, Dhaka
 Local Office, Nayapaltan, Dhaka
 Chittagong Branch, Chittagong
 Barisal Branch, Barisal
 Sylhet Branch, Sylhet
 Rajshahi Branch, Rajshahi
 Khulna Branch, Khulna

Trust Bank Ltd.

Radisson Water Garden Hotel Branch, Dhaka
 Narsingdi Branch, Dhaka
 Tongi Branch, Dhaka
 Dilkusha Branch, Dhaka
 Principal Branch, Dhaka
 Momenshahi Cantonment Branch, Dhaka
 Savar Cantonment Branch, Dhaka
 S.S. Cantonment Branch, Tangail, Dhaka
 Kafrul Branch, Dhaka
 Joydebpur Branch, Dhaka
 Ashulia Branch, Dhaka

Ashugonj Branch, Chittagong
 Chittagong Cantonment Branch
 Comilla Cantonment Branch
 Chowmohoni Branch
 Kadamtali Branch
 Comilla Branch
 Jalalabad Cant. Branch, Sylhet
 Bogra Cantonment Branch, Bogra
 Khulna Branch, Khulna
 Rangpur Cantonment Branch

NCC Bank Ltd.

Motijheel Branch, Dhaka
 Dilkusha Branch, Dhaka
 Kawran Bazar Branch, Dhaka
 Mirpur Branch, Dhaka
 Dhanmodi Branch, Dhaka
 Mitford Branch, Dhaka
 Nawabpur Branch, Dhaka
 Kamal Bazar Branch, Dhaka
 Malibagh Branch, Dhaka
 Uttara Branch, Dhaka
 Moghbazar Branch, Dhaka
 Babubazar Branch, Dhaka
 Bangshal Branch, Dhaka
 Elephant Road Branch, Dhaka
 Pragati Sarani Branch, Dhaka
 Jatrabari Branch, Dhaka
 Gulshan Branch, Dhaka
 Shyamoli Branch, Dhaka
 Banani Branch, Dhaka
 Bijoyagar Branch, Dhaka
 Savar Branch
 Islampur Branch
 Joydevpur Branch
 Madaripur Branch
 Tangail Branch
 Narayanganj Branch
 Mymensing Branch
 Agrabad Branch, Chittagong
 Khatunganj Branch, Chittagong
 O.R. Nizam Road Branch, Chittagong
 Jubilee Road Branch, Chittagong
 Cox's Bazar Branch
 CEPZ Branch, Chittagong
 Anderkilla Branch, Chittagong
 Halisohor Branch, Chittagong
 Kadamtali Branch, Chittagong
 Majhirghat Branch
 Feni Branch
 Laxmipur Branch
 Choumuhani Branch
 Comilla Branch
 Madunaghat Branch
 Laldighirpar Branch, Sylhet
 Chowhatta Branch, Sylhet
 Moulvibazar Branch
 Rajshahi Branch
 Bogra Branch
 Naogaon Branch
 Khulna Branch
 Jessore Branch
 Rangpur Branch

First Security Bank Ltd.

Dilkusha Branch, Dhaka
 Mirpur Branch, Dhaka
 Topkhana Road Branch, Dhaka
 Donia Branch, Dhaka
 Biswa Road Branch, Dhaka
 Khatunganj Branch, Chittagong
 Agrabad Branch, Chittagong
 Motijheel Branch, Dhaka
 Sylhet Branch
 Rajshahi Branch
 Bogra Branch
 Rangpur Branch
 Patia Branch



SECTION XII: MATERIAL CONTRACTS AND OTHERS

Material Contracts

- a) Underwriting Agreements between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and LankaBangla Investments Limited

The copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from SEC may be inspected, on any working day, during office hours, at the Registered Office of the Company and the Issue Manager.

Manager to the issue

LankaBangla Investments Limited, A-A Bhaban (Level-6), 23, Motijheel C/A, Dhaka-1000 is acting as the **Issue Manager**.

The Issue management fee for the Issue manager is 1% of the Issue size or Tk. 2,000,000 whichever is lower.

Commission to the Bankers to the issue

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.



SECTION XIII: CORPORATE DIRECTORY

- Registered Address : House # 34, Road # 136, Gulshan – 1, Dhaka -1212
Tel: 9862284, 98633232, Fax: 88-02 9894607, 8826254
E-mail:sahinur.fc@saiham.com
- Auditor : **Rahman Mostafa Alam & Co.**
: Chartered Accountants
Paramount Heights (7th Floor – D2)
65/2/1, Box Culvert Road
Purana Paltan, Dhaka – 1000
Tel: 9553449
- Legal Advisor : Mr. Md. Shamsul Huq
Advocate, Bangladesh Supreme Court
- Tax Consultant : Rahman Mostafa Alam & Co.
- Manager to the issue : **LankaBangla Investments Ltd.**
A-A Bhaban (6th Floor), 23 Motijheel C/A, Dhaka-1000
Tel: 9561238, Fax: 9561107
E-mail: shakil.bhuiyan@ lankabangla-investments.com
- Company Secretary & Compliance Officer : **Md. Sahinur Kabir**
House # 34, Road # 136, Gulshan – 1, Dhaka -1212
Tel: 9862284, 98633232, Fax: 88-02 9894607, 8826254
E-mail:sahinur.fc@saiham.com



SECTION XIV: AUDITOR'S REPORT & RELATED CERTIFICATES

Auditors' Report to the Shareholders of Saiham Cotton Mills Ltd.

We have audited the accompanying financial statements of **Saiham Cotton Mills Ltd.** which comprise the statement of Financial Position as at April 30, 2011, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) and the Companies Act, 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements of the company prepared in accordance with the Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of financial position of **Saiham Cotton Mills Ltd.** as at April 30, 2011 and its financial performance and its cash flows for the year then ended and comply with the applicable sections of the Companies Act 1994, the Securities and Exchange Rule, 1987 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 statement 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 purpose of the company's business.

Dated: Dhaka
June 16, 2011

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountant



SAIHAM COTTON MILLS LTD.
Statement of Financial Position

As at April 30, 2011

	Notes	Amount in Taka	
		April 30, 2011	April 30, 2010 (Restated)*
ASSETS :			
Non current assets :			
Property, plant and equipment	3	1,351,164,332	1,327,541,267
Investment in shares	4	124,897,095	109,312,444
Total non-current assets		1,476,061,427	1,436,853,711
Current Assets :			
Inventories	5	463,252,332	278,692,735
Current account with sister concern	6	107,867,756	229,421,180
Loan to sister concern	7	-	127,400,000
Trade debtors	8	1,072,048,705	654,246,867
Advance, deposits and pre-payments	9	50,939,963	6,315,241
Cash and cash equivalents	10	70,711,469	48,675,947
Total current assets		1,764,820,225	1,344,751,970
Total Assets		3,240,881,652	2,781,605,681
EQUITY AND LIABILITIES			
Shareholders equity :			
Share capital	11	675,000,000	350,000,000
Proposed stock dividend		-	175,000,000
Share premium	12	291,000,000	-
Tax holiday reserve	13	153,254,293	74,046,511
General reserve	14	60,400,000	60,400,000
Revaluation surplus	15	586,177,552	625,614,499
Retained earnings	16	180,050,513	12,946,580
Total shareholders equity		1,945,882,358	1,298,007,589
Non-current liabilities :			
Project loan	17	-	215,611,589
Deferred tax liabilities	18	115,335,770	120,171,621
Total non-current liabilities		115,335,770	335,783,210
Current Liabilities :			
Current maturity of long term loan	19	-	73,570,000
Bank loan and overdraft	20	566,473,854	866,182,738
Income tax provision	21	2,297,546	-
Liability for expenses and other finance	22	26,999,215	17,832,171
Liabilities for goods and machinery	23	583,892,909	190,229,974
Total current liabilities		1,179,663,524	1,147,814,882
Total liabilities		1,294,999,294	1,483,598,092
Total equity and liabilities		3,240,881,652	2,781,605,681
Net assets value per share	29	28.83	37.09

The annexed notes 1 to 36 and annexure A to C form an integral part of these financial statements.

* Please see the note number 2.5

sd/-
Managing Director

sd/-
Director

sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
June 16, 2011

sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



SAIHAM COTTON MILLS LTD.
Statement of Comprehensive Income
For the year ended April 30, 2011

Particulars	Notes	Amount in Taka	
		April 30, 2011	April 30, 2010
			(Restated)*
Turnover		1,909,861,303	1,280,838,507
Cost of goods sold	24	(1,553,568,407)	(1,022,070,077)
Gross profit		356,292,896	258,768,430
Administrative and marketing expenses	25	(29,152,697)	(21,178,130)
Financial expenses	26	(118,718,004)	(96,727,878)
Operating profit		208,422,195	140,862,422
Non operating income	27	10,035,345	839,500
Operating profit before WPPF		218,457,540	141,701,922
Provision for WPPF		(10,402,740)	(6,747,711)
Profit before tax		208,054,800	134,954,212
Provision for tax		(4,421,155)	(9,769,062)
Current tax	21	(2,297,546)	-
Deferred tax	18.01	(2,123,610)	(9,769,062)
Net profit after tax		203,633,645	125,185,149
Tax holiday reserve	13.1	(79,207,782)	(53,645,885)
Net profit after tax holiday reserve		124,425,863	71,539,265
Other Comprehensive Income :			
Unrealized loss on available for sale financial assets		(3,718,337)	-
Total Comprehensive Income for the year		120,707,526	71,539,265
Earnings per share (EPS)	28	3.39	2.38

The annexed notes 1 to 36 and annexure A to C form an integral part of these financial statements.

* Please see the note number 2.5

sd/-
Managing Director

sd/-
Director

sd/-
Company Secretary

Dated: Dhaka
June 16, 2011

sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



SAIHAM COTTON MILLS LTD.

Statement of Cash Flows

For the year ended April 30, 2011

Particulars	Amount in Taka	
	April 30, 2011	April 30, 2010
CASH FLOW FROM OPERATING ACTIVITIES - A		
Collection from sales	1,492,059,465	1,105,411,061
Payment for cost and expenses	(1,329,686,745)	(1,062,815,858)
Interest paid on borrowings	(118,718,004)	(96,727,878)
Income from non operating income	6,317,008	839,500
Income tax provision	(2,297,546)	-
Net cash flow from operating activities	47,674,178	(53,293,175)
CASH FLOW FROM INVESTING ACTIVITIES - B	(126,701,607)	(20,612,563.00)
Acquisition of fixed assets	(111,116,956)	-
Investment in shares	(15,584,651)	(20,612,563)
CASH FLOW FROM FINANCING ACTIVITIES - C		
Long term loan paid/received	(215,611,589)	3,459,953
Current maturity of long term loan	(73,570,000)	-
Loan paid/received from bank	(299,708,884)	449,484,746
Loan to sister concern	127,400,000	(127,400,000)
Current account with sister concern	121,553,424	(229,421,180)
Share premium	291,000,000	-
Increase in share capital	325,000,000	-
Proposed stock dividend	(175,000,000)	-
	101,062,951	96,123,519
Increase in Cash & Cash Equivalents (A+B+C)	22,035,522	22,217,780
Cash & Cash Equivalents at beginning of the year	48,675,947	26,458,167
Cash & Cash Equivalents at ending of the year	70,711,469	48,675,947

sd/-
Managing Director

sd/-
Director

sd/-
Company Secretary



SAIHAM COTTON MILLS LTD.
Statement of Changes in Equity
 For the year ended April 30, 2011

Particulars	Share capital	Proposed stock dividend	Share premium	Tax holiday reserve	General reserve	Revaluation surplus	Retained earnings	Total equity
Balance as at May 01, 2009	350,000,000	-	-	72,400,626	123,000,000	-	1,807,315	547,207,941
Revaluation Surplus	-	-	-	-	-	736,017,058	-	736,017,058
Net profit for the year	-	-	-	-	-	-	125,185,149	125,185,149
Tax Holiday Reserve	-	-	-	53,645,885	-	-	(53,645,885)	0.00
Transfer from Tax Holiday Reserve	-	-	-	(52,000,000)	52,000,000	-	-	-
General Reserve	-	-	-	-	60,400,000	-	(60,400,000)	-
Proposed Stock Dividend	-	175,000,000	-	-	(175,000,000)	-	-	-
Balance as at April 30, 2010	350,000,000	175,000,000	-	74,046,511	60,400,000	736,017,058	12,946,580	1,408,410,148
Balance as at May 01, 2010	350,000,000	175,000,000	-	74,046,511	60,400,000	736,017,058	12,946,580	1,408,410,149
Adjustment for restatement*	-	-	-	-	-	(110,402,559)	-	(110,402,559)
Restated balance as at May 01, 2010	350,000,000	175,000,000	-	74,046,511	60,400,000	625,614,499	12,946,580	1,298,007,589
Adjustment for depreciation on revalued assets	-	-	-	-	-	(39,436,947)	-	(39,436,947)
Net profit for the year	-	-	-	-	-	-	203,633,645	203,633,645
Adjustment for revaluation of P.P.E and deferred tax	-	-	-	-	-	-	46,396,408	46,396,408
Unrealized loss on available for sale financial assets	-	-	-	-	-	-	(3,718,337)	(3,718,337)
Reserved made during the year	-	-	-	79,207,782	-	-	-	79,207,782
Transfer from Tax Holiday Reserve	-	-	-	-	-	-	(79,207,782)	(79,207,782)
Proposed Stock Dividend	175,000,000	(175,000,000)	-	-	-	-	-	-
Pre-placement of Shares	150,000,000	-	-	-	-	-	-	150,000,000
Share Premium	-	-	291,000,000	-	-	-	-	291,000,000
Balance as at April 30, 2011	675,000,000	-	291,000,000	153,254,293	60,400,000	586,177,552	180,050,513	1,945,862,358

* Please see the note number 2.5

Managing Director

Director

Company Secretary



SAIHAM COTTON MILLS LTD.
Notes to the Financial Statements
As at and for the year ended April 30, 2011

1. Corporate Information and Nature of Business Activities

1.1. Corporate Information

Saiham Cotton Mills Ltd. was incorporated on May 30, 2002 as a Private Limited Company under the Company Act, 1994 and subsequently it was converted as a Public Limited Company in April, 2010. The registered office of the company is situated at House # 34, Road # 136, Gulshan – 1, Dhaka – 1212 while the factory is situated at Noyapara, Saihamnagar, Hobigonj.

1.2. Nature of Business Activities:

The company operates as industrial spinning plant having one of the largest and modern cotton mill for 100% export oriented industries in Bangladesh. The Company manufactures auto coned electronically cleared cotton carded and combed grey yarn.

2. Significant Accounting Policies and basis of preparation of the financial statements:

2.1 Statement of Compliance

The financial statements have been prepared and disclosures of information made in accordance with the requirements of the Company Act 1994, the Securities and Exchange Rules 1987, and Bangladesh Financial Reporting Standards (BFRSs.)

2.2 Basis of Preparation:

The financial statements of the company have been prepared assuming Going Concern basis based on the accrual basis of accounting following under the historical cost convention except property, plant and equipment (PPE) and investment in shares.

2.3 Basis of Reporting

Financial statements are prepared and presented for external users by the enterprise in accordance with identified reporting framework. Presentation has been made in compliance with the standards adopted by the ICAB for reporting, BAS - 1 Presentation of Financial Statements and BAS – 34 Interim Financial Reporting.

2.4 Use of estimates and judgments

In the preparation of the financial statements management required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any periods affected.



2.5 Prior year adjustment:

As per BAS-12, "Income Taxes" Deferred tax liability should be recognized for the revaluation of property, plant and equipment (PPE). In 2010 the company revalued its PPE but no deferred tax liability has been recognized in the Financial Statements as of April 30, 2010. In 2011 prior year adjustment for revaluation of PPE and deferred tax liability has been accounted for and restated accordingly which is reflected in note number 14, 15, 16 and 18.

2.6 Going concern

The company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of existing business.

2.7 Components of the Financial Statement:

According to the BAS – 1 "Presentation of Financial Statements" the complete set of the financial statements includes the following components:

- i) The Statement of Financial Position as at April 30, 2011;
- ii) The Statement of Comprehensive Income for the year ended April 30, 2011;
- iii) The Statement of Cash Flows for the year ended April 30, 2011;
- iv) Statement of Changes in Equity for the year ended April 30, 2011 and
- v) Accounting Policies and explanatory notes of the financial statements for the year ended April 30, 2011.

2.8 Regulatory and Legal Compliance

The Company complied with the requirements of the following regulatory and legal authorities:

- i) The Companies Act ,1994;
- ii) The Income Tax Ordinance,1984;
- iii) Securities and Exchange Rules, 1987.
- iv) The VAT Act,1991 and
- v) Other applicable rules and regulation.

2.9 Property, Plant and Equipments (PPE)

Property, plant and equipment are stated at their cost / revalued value less accumulated depreciation in accordance with BAS 16 "Property, plant and equipment". Cost represents cost of acquisition or construction and includes purchase price and other directly attributable cost of bringing the asset to working conditions for its intended use.

Expenditure on repairs and maintenance of property, plant and equipment is treated as expenses when incurred, subsequent expenditure on property, plant and equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

Depreciation of Property, Plant and Equipments

No depreciation has been charged on Land and Land development considering the unlimited useful life. The rates of depreciation at the following rates are applied from the use of commercial production. Depreciation has been charged on PPE under diminishing balance method.



Name of assets	Rates
Building and Others Construction	5.00%
Plant and Machineries	7.50%
Furniture and Fixtures	10.00%
Motor Vehicles	15.00%
Office Equipments	10.00%
Sundry Assets	10.00%

Revaluation of property, plant and equipment

Basis of valuation:

Land and land development: To determine the basis of valuation of land which is 135 k. m. away from capital of Bangladesh by Dhaka – sylhet highway from Madharipur upa-zilla in Noyapara Union it is a very developed area surrounded by Tea gardens. The area has developed into an industrial zone with Textile, Spinning, Jute, Power station, Gremmenphone Tower, Tea industries already existing. Moreover the Hobiganj Gas field is available within five minutes of drive and SahajiBazer Power Station is located within 10 minutes of locality. The Government Mouza rate Tk. 13,434.46 per decimal.

Building and civil engineering: Factory building, Generator and other buildings / structure has been valued taking into consideration of present cost of construction materials technical and non technical labor cost workman shop and cost of transportation etc. as the valuer have taken into consideration the materials used for the construction of the buildings / structure and financial work and arrive at a fair and reasonable value of the same.

Plant and machinery: Here the depreciation is applied from the year of 2005 as per supplied documents stated the industries stated commercial production from the year of 2005. Deduction due depreciation from the new cost of the plant and machineries on the following basis the valuer have arrived at present valuation of same.

Vehicles and transport: The value of the vehicles and transports were considered their blue book and other record, purchase cost, date of purchase type and make of the vehicles and also present realizable condition. The market values of the vehicles are determined considering price escalation on the basis of professional judgment.

Date of Revaluation: 20th December, 2010.

Date of incorporation of the valuation in the financial statements December31, 2010.

Valuer: Vigilant Survey Associates

2.10 Investment in Shares

Investment in marketable ordinary shares has been shown at market price and classified as available for sale financial instruments as per BAS – 39. Any adjustment for diminution in value of share as on closing of the year on an individual investment basis is made in the financial statement which is reflected in the other comprehensive income statement.

2.11 Inventories:



Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or net realizable value. Costs including an appropriate portion of fixed and variable overhead expenses are assigned to inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale. In compliance with the requirements with BAS - 2 "Inventories" consist of Raw materials; WIP & Finished Goods are valued at the lower of average cost or the net realizable value. Item wise valuation as follows:

Raw Cotton	At cost
Stores & Spares	At cost
Packing Materials	At cost
Work-in-Process	100% Materials plus portion of labour charges, Gas charges, Electric charges.
Finished Goods (Yarn)	Cost or Market price whichever is lower

2.12 Revenue Recognition:

In compliance with the requirements of BAS - 18 "Revenue", revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding discounts, rebates, and sale taxes.

Revenue from the sale of goods is recognized when the following conditions are satisfied:

- i) the enterprise has transferred to the buyer the significant risk and rewards of ownership of the goods;
- ii) the enterprise retains neither continuing managerial involvement to the degree usually associated with ownership of the goods;
- iii) the amounts of revenue can be measured reliably ;
- iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- v) the cost incurred or to be incurred in respect of the transaction can be measured reliably.

2.13 Functional and Presentation Currency and level of precision

These financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT) which is both functional currency and presentation currency of the Company.

2.14 Earnings per Share (EPS):

Earnings per share (EPS) are calculated in accordance with the BAS – 33 "Earning per share" which has been shown on the face statement of comprehensive income.

i) Basic Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the ordinary shareholders by the weighted average number of shares outstanding during the year.

ii) Diluted earnings per share



Saiham Cotton Mills Limited

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution during the year under review.

2.15 Cash & Cash Equivalent:

According to BAS – 7 “Statement of Cash Flows” cash comprises of cash in hand and cash at bank and demand deposits (FDR) which is convertible with 3 month. Considering the provisions of BAS – 7 cash in hand and bank balances and FDRs have been considered as cash and cash equivalents.

2.16 Cash Flow Statement:

Cash Flow Statement is prepared principally in accordance with BAS – 7 “Statement cash flows” and in the cash flows the operating activities have been presented in direct method as prescribed by the Securities and Exchange Rule 1987.

2.17 Liabilities for Expenses:

While the provision for certain standing charges and known liabilities is made at the financial position date based on estimate, the difference arising there from on receipts of bills or actual payments is adjusted in the subsequent year when such liabilities are settled.

2.18 Foreign Currency Translation:

Transactions in foreign currencies are translated in to BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated in to BDT at the rate of exchange ruling at the financial position date. Gain or losses resulting from foreign currency transactions are taken to the Comprehensive Income statement complying with BAS 21.

2.19 Borrowing cost:

In compliance with the requirement of BAS – 23 “Borrowing cost” borrowing cost relating to operational period on long term loans, short term loans and overdraft facilities was charged to revenue account as an expense as incurred.

2.20 Revaluation Reserve

When an assets carrying amount is increased as a result of a revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus /reserve as per BAS-16: Property, Plant and Equipment. The company revalued the assets of land and land development, Building & Civil Engineering, Plant and Machinery and vehicle & Transport during the year December 31, 2009 which has absolutely owned by the company and the increase amount transferred to revaluation reserve. The tax effects on revaluation gain are measured and recognized in the financial statement as per BAS-12: Income Taxes.

2.21 Taxation:

Current Tax: The Company has been enjoying Tax Holiday from 01.04.2005 and will be expired on 31.03.2012. However, the company made a current tax provision in the financial statements on non-operating income as per finance act 2010.

Deferred Tax: Deferred tax is recognized on difference between the carrying amount of assets and a liability in the financial statements and the corresponding tax based used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liability are generally recognized for all taxable temporary



difference and deferred tax assets are recognized to the extent that it is probable that the profit will be available against which deductible temporary difference, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit. Considering the practices generally followed in Bangladesh the company have been reserved deferred tax assets or deferred tax liability in accordance with BAS- 12 “ Income Taxes “.

As per BAS -8, “Accounting Policies, Changes in accounting Estimates and Errors” Provision for Deferred tax liability has been rearranged in previous year on the basis of balance sheet liability method which is shown in note. 18.

2.22 Trade Debtors

Trade debtors for export of yarn are stated at their real value and consider good. No provision has been made for doubtful debts and no amount was written off as bad. Since all sales are made through L/C.

2.23 Provision for Worker's Profit Participation Fund

The company has provided @5% of net profit before tax after charging the contribution to WPPF as per provision of the Workers Profit Participation Act ,1968 and is payable to workers as delivered in the said Act.

2.24 Responsibility for Preparation and Presentation of Financial Statement:

The Board of Directors is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994 and as per provision of “The Framework for the Preparation and Presentation of Financial Statements” issued by the International Accounting Standard Committee (IASC).

2.25 Related Party Disclosures:

As per BAS 24 parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has carried out transactions in the ordinary course of business on an arm’s length basis at commercial rates with related parties. Related parties are stated their nominal value which is reflected in note nos. 4, 6 and 7.

2.26 Reporting period:

These financial statements cover the period from May 01, 2010 to April 30, 2011. The accounting year of Saiham Cotton Mills Ltd. has been changed as on April 30 of each year starting from 2010 instead of June 30, as per resolution as adopted in the meeting of Board of Directors held on April 01,2010.

2.27 Comparative Figure:

Comparative figures and account titles in the financial statements have been rearranged /re-classified where necessary to conform the changes in presentation in the current year. Comparative figures for the year from May 01, 2009 to April 30, 2010 have been taken from the un-audited financial statements. (Previous year Financial Statements audited for 10 months for charging accounting year)

2.28 Event after the reporting period:

In compliance with the requirements of “BAS – 10 “Events after the reporting period, post statement of financial position events that provide additional information about the company’s position at the statement of financial position date are reflected in the financial statement and events after the statement of financial position date that are not adjusting event are disclosed in the notes when material.

2.29 Approval of the financial statement

The financial statements were approved by the Board of Directors on June16, 2011.

2.30 General:

- i) Figures shown in the Financial Statements have been rounded off to the nearest Taka.
- ii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- iii) The company has not incurred any expenditure in foreign currency against royalties and technical fees.



	Amount in Taka	
	April 30, 2011	April 30, 2010
3.00 Property, plant and equipment (PPE) :		
Balance as on May 01	1,595,919,142	859,902,084
Addition during the year	111,116,956	-
Revaluation surplus during the year	-	736,017,058
Total as on April 30	1,707,036,098	1,595,919,142
Accumulated depreciation	(268,377,875)	(231,891,907)
Depreciable value	1,438,658,223	1,364,027,235
Depreciation charged during the year	(87,493,891)	(36,485,968)
Written down value as on April 30	1,351,164,332	1,327,541,267

- ▶ An elaborate Schedule of PPE has been shown in Annexure - A;
- ▶ Depreciation has not been charged on Land & Land Development;
- ▶ Depreciation has been charged on revalued value of PPE under diminishing balance method;
- ▶ Fractions have been avoided in calculating Depreciation of PPE;
- ▶ Allocation of Depreciation - Depreciation has been allocated 98.50% as Factory Overhead and 1.50% as Administrative Expenses.

4.00 Investment in shares :

Faisal Spinning Mills Ltd.	4.01	72,912,500	72,912,500
Investment in Ordinary Shares (Publicly Traded Company)	4.02	31,634,595	16,049,944
Deposit Against Shares of Saiham Knit Composite Ltd.	4.03	20,350,000	20,350,000
		124,897,095	109,312,444

4.01 Faisal spinning mills Ltd.

Investment in shares of Faisal Spinning Mills Ltd. for 729,125 shares @Tk. 100 each has been shown at cost price.

4.02 Investment in ordinary shares (Publicly Traded Company)

Investment in ordinary shares comprises of shares of various listed company's shares .

Name of the Company	No. of shares	Rate	April 30,2011		April 30,2010
			Cost	Market Value	Cost
Asia Insurance	11,250	76	1,197,571	850,500	-
BEXIMCO	51,300	173	9,999,238	8,849,250	704,540
Bextex	86,250	37	4,945,403	3,174,000	-
BSRM STEEL	2,400	1,428	4,555,211	3,427,800	-
Green Delta F. Services Ltd. BO-1203620023711436	-	-	-	-	8,569,307
KARNAPHULI					
Jamuna Oil	4,800	241	1,526,723	1,154,400	-
MTBL	4,140	361	2,291,881	1,495,575	-
NHFIL	550	818	472,809	449,763	-
Padma oil	1,500	733	812,718	1,099,800	-
PLFSL	29,237	125	1,405,198	3,645,854	699,386
Pragati Life	1,000	3,395	3,203,212	3,394,500	-
Prime Bank	405	39	16,856	15,917	224,896
Saiham Textile Mills Ltd.					1,059,147
Singer	350	2,964	1,468,551	1,037,313	-
Squarepharma	500	3,330	1,674,208	1,665,125	-
Unioncap	14,000	98	1,783,355	1,374,800	-
Total			35,352,932	31,634,595	11,257,277

ii)



Saiham Cotton Mills Limited

4.03 Deposit against shares of Saiham Knit Composite Ltd.

Deposit against shares of Saiham Knit Composite Ltd. for 203,500 shares @Tk. 100 each was made at cost price.

5.00 Inventories :

	30.04.2011		30.04.2010	
	Quantity in kg	Amount in Tk.	Quantity in kg	Amount in Tk.
Raw Materials	1,319,376	316,848,008	1,508,326	198,344,920
Work in Process	22,645	5,434,800	92,231	16,552,650
Finished Goods	433,750	106,268,750	223,723	41,089,040
Stores & Spare Parts		33,408,978		22,235,625
Packing Materials		1,291,796		470,500
		463,252,332		278,692,735

- ▶ Inventories are valued at lower of cost or net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale .
- ▶ Inventories are physically verified by the Management team .

Amount in Taka	
April 30, 2011	April 30, 2010

6.00 Current account with sister concern:

Balance as on May 01	229,421,180	-
Addition during the year	17,677,284	229,421,180
	247,098,464	229,421,180
Adjusted during the year	139,230,708	-
Closing balance as on April 30	107,867,756	229,421,180

- ▶ This amount has been paid to Faisal Spinning Mills Ltd. a private limited company for their working capital. This is the balance amount stands receivable as on 30.04.2011 for the transaction made with the company which are being adjustable in due course.

7.00 Loan to sister concern

Balance as on May 01	127,400,000	-
Addition during the year	-	127,400,000
	127,400,000	127,400,000
Adjusted during the year	127,400,000	-
Closing balance as on April 30	-	127,400,000

- ▶ This loan was given to Saiham Knit Composite Ltd. is a sister concern of the company which is a non interest bearing loan and adjusted fully during the year.

8.00 Trade debtors :

Trade Debtors	1,072,048,705	654,246,867
	1,072,048,705	654,246,867

- ▶ Details of trade debtors shown in Annx. - 'B & C'.
- ▶ The above amount is receivable from debtors against export L/C ;
- ▶ This is considered as good;

9.00 Advance, deposits and prepayments :

Security Deposit with Jalalabad Gas Transmission System Ltd.	6,205,438	6,147,341
Other Advances and Deposits (note : 9.01)	44,565,425	-
Advance income tax (AIT) for dividend income	169,100	167,900
	50,939,963	6,315,241



Amount in Taka	
April 30, 2011	April 30, 2010

9.01 Other advances and deposits

Advance against salary	118,212	-
Advance against suppliers	1,456,681	-
Advance against import L/C Margin and commission	42,990,532	-
	44,565,425	-

- ▶ All the advances and deposits amount are considered good and recoverable;
- ▶ Advance due from staffs and workers are regularly being realized through their salaries;
- ▶ There is no amount due from Directors or Officers of the Company under any agreement;
- ▶ Advance against suppliers due mainly to advances given to suppliers for packing materials, spare parts etc.
- ▶ There is no amount due from Directors or Officers of the Company under any agreement ;
- ▶ There is no amount due from any associate undertaking and related parties as on April 30, 2011 ;
- ▶ No amount was due by the directors (including managing director), managing agent, managers of the company and any of them severally or jointly with any other person, except as security and other deposits stated above.

10.00 Cash and cash equivalents :

Cash in hand (note : 10.01)	483,149	394,625
Cash at bank (note : 10.02)	70,228,320	48,281,322
	70,711,469	48,675,947

- ▶ Cash in hand stands for cash balance only.
- ▶ Bank balances were confirmed and reconciled with Bank statements.

10.01 Cash in hand

Head office	109,739	94,261
Factory Office	373,410	300,364
	483,149	394,625

10.02 Cash at bank

Janata Bank, Motijheel Branch - CD A/C # 023733012107	51,658	67,068
Janata Bank, Noyapara Branch - CD A/C # 0210005125	1,637,688	325,221
Dhaka Bank, Local Office - CD A/C # 020110000010671	343,937	21,247
Dhaka Bank, Islami Branch- CD A/C # 2015	9,596	407,190
Habib Bank, Gulshan Branch- CD A/C # 1446	16,436	3,589,463
Citi Bank NA CD Account G010000200063015	169,104	2,010,448
Bank Asia SND A/C # 02 1336000210	6,280,950	-
Standard Chartered Bank, Gulshan Branch, CD A/C # 6301	13,831	166,981
HSBC CD A/C # 001234608-011	4,200,452	1,342,252
HSBC Margin Account # 001234608-091	50,089,679	4,719,307
HSBC BDT Margin Account # 001 234608-091	31,739	-
HSBC FC Account # 001234608-047	1,148,726	2,022,375
BRAC Bank Ltd. A/C # 2001	5,453	99,770
Fixed Deposit Receipts	6,229,071	33,510,000
	70,228,320	48,281,322

- ▶ Fixed Deposit Receipts are lien with bank against bank guarantee.

11.00 Share capital**Authorized capital**

200,000,000 Ordinary shares of Tk.10/- each	2,000,000,000	1,250,000,000
---	----------------------	----------------------

Issued, subscribed and paid up capital :

35,000,000 Ordinary Shares @ Tk. 10 each fully paid up in cash	350,000,000	350,000,000
17,500,000 Ordinary Shares @ Tk. 10 each fully paid up other than cash	175,000,000	-
15,000,000 Ordinary Shares @ Tk. 10 each fully paid up in cash	150,000,000	-
67,500,000 Ordinary Shares	675,000,000	350,000,000



Percentage of shareholding position of different shareholders are as follows :

Name of the shareholder	30.04.2011		30.04.2010	
	No. of shares	% of holding	No. of shares	% of holding
Sponsors	52,500,000	77.78	35,000,000	100
Financial Institutions	2,350,000	3.48	-	-
Employees	202,500	0.30	-	-
General Public	12,447,500	18.44	-	-
Total	67,500,000	100.00	35,000,000	100

Classification of Shareholders by holding :

The number of shareholders and shareholding position as at April 30, 2011 are given below :

Range of holding	No. of shareholding	No. of shareholders	% of shareholding
Less than 500 shares	-	-	-
500 to 5,000 shares	420,500	93	0.62
5,001 to 10,000 shares	881,000	92	1.31
10,001 to 20,000 shares	808,000	45	1.20
20,001 to 30,000 shares	395,500	14	0.59
30,001 to 40,000 shares	385,000	10	0.57
40,001 to 50,000 shares	535,500	11	0.79
50,001 to 100,000 shares	3,904,000	42	5.78
100,001 to 1,000,000 shares	2,892,500	11	4.29
Over 1,000,000 shares	57,278,000	6	84.86
Total	67,500,000	324	100.00

Amount in Taka	
April 30, 2011	April 30, 2010

12.00 Share Premium :

15,000,000 share (premium) @ Tk. 20
Less : Tax Deducted at Sources @ 3%

300,000,000	-
9,000,000	-
291,000,000	-

- ▶ This represents issuance of 15,000,000 ordinary shares for Tk. 30 each including premium of Tk. 20 each .The above amount received during the year with the approval of Securities and Exchange Commission (SEC) vide letter # SEC/CI/CPLC-79/2005/283 dt August 18,2010 after netting of Tax Deducted at Source at the rate 3% as per Section 53L of Income Tax Ordinance, 1984.

13.00 Tax Holiday Reserve :

Balance as on May 01		74,046,511	72,400,626
Reserve made during the year	13.1	79,207,782	53,645,885
		153,254,293	126,046,511
Transfer to General Reserve Account		-	(52,000,000)
Closing Balance as on April 30		153,254,293	74,046,511

- ▶ This is the statutory reserve made at the rate of 40% of net profit after tax as per Income Tax Ordinance, 1984 for Tax Holiday.

13.1 Tax Holiday Reserve :

Operating profit during the year		208,422,195	140,862,422
Provision for WPPF		(10,402,740)	(6,747,711)
Profit before tax holiday reserve		198,019,455	134,114,711
Tax holiday reserve (40%)		79,207,782	53,645,885



	Amount in Taka	
	April 30, 2011	April 30, 2010
14.00 General Reserve (Restated) :		
Balance as on May 01	60,400,000	123,000,000
Transfer from Tax Holiday Reserve	-	52,000,000
	60,400,000	175,000,000
Reserve made during the year	-	60,400,000
	60,400,000	235,400,000
Transfer to proposed stock dividend	-	(175,000,000)
Balance as on April 30	60,400,000	60,400,000
15.00 Revaluation Surplus (Restated):		
Balance as on May 01	625,614,499	-
Addition during the year	-	736,017,058
	625,614,499	736,017,058
Adjustment for depreciation on revalued assets	(39,436,947)	-
	586,177,552	736,017,058
Adjustment for provision of deferred tax	-	110,402,559
Balance as on April 30	586,177,552	625,614,499
▶ Revaluation surplus of property, plant and equipment has been restated for the recognition of deferred tax liability as per BAS - 12.		
16.00 Retained Earning (Restated) :		
Balance as on May 01	12,946,580	1,807,315
Net profit for the year	203,633,645	125,185,149
	216,580,224	126,992,464
Transfer to general reserve	-	(60,400,000)
Transfer to tax holiday reserve	(79,207,782)	(53,645,885)
	137,372,442	12,946,580
Adjustment for revaluation of P.P.E and deferred tax	46,396,408	-
Unrealized loss on available for sale financial assets	(3,718,337)	-
Balance as on April 30	180,050,513	12,946,580
17.00 Long Term Loan (Project Financed)		
Sonali Bank Ltd.		
Principal amount	129,779,853	129,779,853
Add. Interest during the construction period (IDCP)	10,265,170	-
	140,045,023	129,779,853
Less. Current maturity of Long term loan	29,414,000	41,934,900
	110,631,023	87,844,953
Payment made during the year	110,631,023	-
	-	87,844,953
Janata Bank Ltd.		
Principal amount	159,401,736	159,401,736
Add. Interest during the construction period (IDCP)	17,905,914	-
	177,307,650	159,401,736
Less. Current maturity of Long term loan	38,308,000	31,635,100
	138,999,650	127,766,636
Payment made during the year	138,999,650	-
	-	127,766,636
Total	-	215,611,589



Amount in Taka	
April 30, 2011	April 30, 2010

18.00 Deferred tax Liabilities (Restated)

Balance as on May 01		120,171,621	-
Add : Amount provided for the year	18.01	2,123,610	120,171,621
		122,295,231	120,171,621
Adjustment for depreciation of revalued assets		(6,959,461)	-
Balance as on April 30		115,335,770	120,171,621

18.01 Calculation of Deferred Tax

Particulars	Accounting Base	Tax Base	Temporary Difference Taxable / (Deductible)
Property, plant and equipment as on 30.04.2010			
Cost	591,524,209	526,397,126	65,127,083
Revaluation	736,017,058	-	736,017,058
Total	<u>1,327,541,267</u>	<u>526,397,126</u>	<u>801,144,141</u>
Tax Rate			15%
Deferred Tax Liability as on 30.04.2010			<u>120,171,621</u>
Property, plant and equipment as on 30.04.2011			
Cost	661,543,682	535,862,788	125,680,894
Revaluation	689,620,650	-	689,620,650
Total	<u>1,351,164,332</u>	<u>535,862,788</u>	<u>815,301,544</u>
Tax Rate			15%
Deferred Tax Liability as on 30.04.2011			<u>122,295,232</u>
Deferred Tax expenses for the year			<u>2,123,610</u>

- As per BAS - 16 "Property, Plant and Equipment" deferred tax has been calculated for revaluation surplus. Deferred tax has been rearranged in previous year on the basis of balance sheet liability method.

19.00 Current maturity of Long term loan

Janata Bank Ltd. (note : 17.00)	29,414,000	41,934,900
Sonali Bank Ltd.(note : 17.00)	38,308,000	31,635,100
	67,722,000	73,570,000
Payment made during the year	67,722,000	-
	-	73,570,000

20.00 Bank Loan and Overdraft :

Cash Credit (Hypo) from Janata Bank Ltd.	279,931,517	268,575,555
Short Term Overdraft - Citibank N.A & HSBC	-	224,000,000
Cash Credit (Hypo) from Bank Asia Ltd.	170,346,462	185,988,388
IDBP Loan	116,195,875	187,618,795
	566,473,854	866,182,738

- The cash credit facilities secured by the hypothecation of stock of raw cotton, work in process, finished goods and trade debtors, Directors personal security.

21.00 Income Tax Provision

Non operating income (other than share income)	4,707,678	-
Income tax provision (37.5%)	1,765,379	-
Non operating income (share income)	5,321,667	-
Income tax provision (10%)	532,167	-
Income Tax Provision	2,297,546	-

- The company has been enjoying tax holiday since 01.04.2005.
 ► Income Tax Provision has been kept @ 37.5% on the non operating income as per Income Tax Ordinance, 1984.



Saiham Cotton Mills Limited

		Amount in Taka	
		April 30, 2011	April 30, 2010
22.00	Liabilities for Expenses & Other Finance :		
	Liabilities against lease Asset (Dhaka Bank Ltd.)	6,530,000	8,507,053
	Salary and wages	2,580,595	2,005,000
	Gas Charges	1,910,950	1,820,000
	Directors Remuneration	330,000	305,000
	Audit Fees	50,000	50,000
	Professional fees for placement (Lankabangla Finance)	5,175,000	-
	WPPF (note : 22.01)	10,422,671	5,145,118
		26,999,216	17,832,171
22.01	Works Profit Participation Fund (WPPF)		
	Balance as on May 01	5,145,118	1,917,495
	Provision made during the year	10,402,740	6,747,711
		15,547,858	8,665,206
	Payment made during the year	(5,125,187)	(3,520,088)
	Balance as on April 30	10,422,671	5,145,118
23.00	Liabilities for Goods & Machinery		
	Import raw cotton	543,593,725	179,939,228
	Capital Machinery	39,979,724	-
	Local purchases	319,460	10,290,746
		583,892,909	190,229,974
24.00	Cost of Goods Sold :		
	Materials Consumption		
	Raw Cotton (note :24.01)	1,422,209,615	907,133,355
	Packing Materials (note : 24.02)	11,263,952	12,332,447
	Stores and Spares (note : 24.03)	19,201,796	16,762,515
	Total materials consumption	1,452,675,363	936,228,317
	Direct Wages and Salaries	27,481,900	21,449,001
	Prime cost	1,480,157,263	957,677,318
	Add. Factory Overhead (note : 24.04)	127,473,004	81,233,727
	Total manufacturing cost	1,607,630,267	1,038,911,045
	Add. Opening Work-in-process	16,552,650	8,973,928
	Cost of goods available for use	1,624,182,917	1,047,884,973
	Less. Closing Work-in-process	5,434,800	16,552,650
	Cost of Production	1,618,748,117	1,031,332,323
	Add. Opening Finished Goods	41,089,040	31,826,794
	Cost of goods available for sales	1,659,837,157	1,063,159,117
	Less. Closing Finished Goods	106,268,750	41,089,040
	Cost of Goods Sold	1,553,568,407	1,022,070,077
24.01	Raw Cotton		
	Opening Stock	198,344,920	145,862,400
	Add. Purchase during the year	1,540,712,703	959,615,875
	Raw Cotton available for use	1,739,057,623	1,105,478,275
	Less. Closing Stock	316,848,008	198,344,920
	Consumption	1,422,209,615	907,133,355
24.02	Packing Materials		
	Opening Stock	470,500	456,219
	Add. Purchase during the year	12,085,248	12,346,728
	Packing Materials available for use	12,555,748	12,802,947
	Less. Closing Stock	1,291,796	470,500
	Consumption	11,263,952	12,332,447



	Amount in Taka	
	April 30, 2011	April 30, 2010
24.03 Stores and Spares		
Opening Stock	22,235,625	21,899,100
Add. Purchase during the year	30,375,149	17,099,040
Stores and Spares available for use	52,610,774	38,998,140
Less. Closing Stock	33,408,978	22,235,625
Consumption	19,201,796	16,762,515
24.04 Factory Overhead		
Gas Charges	21,897,994	20,625,647
Fuel and Lubricants	4,097,557	5,394,831
Insurance Premium	6,766,474	5,127,450
Covered Van and Lorry expenses	5,265,460	4,532,673
Factory Maintenances	3,264,320	2,632,028
Depreciation	86,181,199	42,921,098
	127,473,004	81,233,727
25.00 Administrative and Marketing Expenses :		
Directors Remuneration	3,660,000	3,660,000
Salary and Allowances	5,879,481	5,293,210
Festival Bonus	408,086	440,134
Office Rent	240,000	240,000
Incentive Bonus	1,022,450	929,024
Entertainments	690,215	839,456
Electric Bill	74,847	55,382
Fuel & Lubricants	675,450	527,666
Paper and Periodicals	50,937	90,166
Fees, Forms, and others	925,555	643,064
Board Meeting Fees	144,000	120,000
Maintenance of Vehicles	322,575	296,017
Information Technology Expenses	913,450	760,880
Insurance Premium	538,761	222,547
Printing	360,600	277,157
Stationery	173,652	101,492
Donation and Subscription	614,383	675,588
Miscellaneous Expenses	190,850	108,777
Office Maintenance	555,635	695,989
Traveling and Conveyance	906,545	814,899
Telephone and Mobile Expenses	182,083	163,638
Audit fee	265,000	52,500
Professional fees for placement	5,175,000	-
Uniform and Upkeep	452,400	435,444
Medical and Welfare	875,900	982,489
Postage and Stamp	17,850	15,804
Selling & Distribution Exp.	2,245,650	1,762,641
Advertisement	278,650	-
Depreciation	1,312,692	974,166
	29,152,697	21,178,130
26.00 Financial Expenses :		
The above amount comprise of as follows -		
Interest on Project Loan - Janata Bank	17,905,914	12,132,827
Interest on Project Loan - Sonali Bank	10,265,170	12,632,200
Interest on Cash Credit (Hypo) & Others	85,669,326	68,376,539
Bank Charges and Commission	3,750,731	2,287,554
Payment collection charge	148,030	-
Interest on Lease Assets	978,833	1,298,758
	118,718,004	96,727,878



	Amount in Taka	
	April 30, 2011	April 30, 2010
27.00 Non operating income		
Interest on FDR	4,617,314	-
Interest on STD A/C	90,364	-
Gain on Investment in shares	5,321,667	-
Dividend Income	6,000	839,500
	10,035,345	839,500
28.00 Earnings per share		
Net profit after tax holiday reserve	203,633,645	125,185,149
Divided by weighted average number of shares	60,000,000	52,500,000
Earning per share (EPS)	3.39	2.38

Weighted average number of shares

Date	Narrative	Shares	Time	Weighted average number of shares
01.05.2010	Opening Balance	35,000,000	6/12	17,500,000
01.011.2010	New issue of share	15,000,000		
		50,000,000	6/12	25,000,000
	Bonus Shares	17,500,000		17,500,000
		67,500,000		60,000,000

- ▶ Earning per share (EPS) has been calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year as at April 30, 2011 in terms of BAS-33. Previous year figures have been restated for current year presentation for the issue of 17,500,000 number of ordinary shares as a bonus share.

29.00 Net asset value (NAV) per share

Total assets	3,240,881,652	2,781,605,681
Total outside liabilities	1,294,999,294	1,483,598,092
Net assets	1,945,882,358	1,298,007,589
Divided by number of ordinary shares	67,500,000	35,000,000
Net assets value (NAV) per share	28.83	37.09

30.00 Disclosures as per requirement of Schedule XI, part II of the Companies Act 1994

Attendance Status of Board Meeting of Director

During the year ended April 30,2011 twelve Board Meeting were held. The attendance status of all meeting is as follows :

Name of Director	Position	Meeting Held	Attended
Mr. S. M. Faisal	Chairman	12	12
Mr. Syed Ishtiaq Ahmed	Managing Director	12	12
Mr. S. F. A. M. Shahjahan	Director	12	12
Mr. Syed Shafqat Ahmed	Director	12	12

31.00 Disclosures as per requirement of Schedule XI, part II of the Companies Act 1994

A. Disclosure as per requirement of schedule XI, part II, Note 5 of Para 3

Employee position (as on April 30. 2011)

Number of Employees

Salary Range (Monthly)	Officer & Staff		Worker	Total Employees
	Head Office	Factory		
Below 3,000	0	5	389	394
Above 3,000	12	81	170	263
Total	12	86	559	657



Disclosure as per requirement of schedule XI, part II , para 4

Name	Designation	Remuneration	Festival Bonus	Total
Mr. S. M. Faisal	Chairman	600,000	Nil	600,000
Mr. Syed Ishtiaq Ahmed	Managing Director	1,050,000	Nil	1,050,000
Mr. S. F. A. M. Shahjahan	Director	600,000	Nil	600,000
Mr. Syed Shafqat Ahmed	Director	1,050,000	Nil	1,050,000
Mrs. Yasmin Faisal	Executive Director	360,000	Nil	360,000
		3,660,000		3,660,000

B. Disclosure as per requirement of schedule XI, Part II , Para 7

Details of Production Capacity Utilization:

Particulars	Installed Capacity per annum in kgs	Actual production in kgs	% of Capacity Utilization	% of Excess / (Shortfall)
Yarn	6,480,000	5,921,557	91.38	(8.62)

C. Disclosure as per requirement of schedule XI, Part II, para 8

Value of Raw Cotton, Packing Materials and Stores and Spares.

Particulars	Local Purchase	Import	Total purchase	Consumption	% of consumption
Raw Cotton	308,142,541	1,232,570,162	1,540,712,703	1,422,209,615	92%
Packing Material	12,085,248	-	12,085,248	11,263,952	93%
Spares parts	6,075,030	24,300,119	30,375,149	19,201,796	63%

Schedule XI, Part II, Para 8(b) & para 8(d) Foreign currencies remitted during the period :

During this period, the company did not remit any amount as dividend, technical know-how, royalty, professional consultation fees, interest and other matters either its shareholder or others.

32.00 Contingent Liability:

Nature of contingent liability

Bank Guarantee - Jalalabad Gas T & D System Ltd.	899,745	899,745
Bank Guarantee - Jalalabad Gas T & D System Ltd.	1,831,701	1,831,701
Bank Guarantee - Jalalabad Gas T & D System Ltd.	1,354,412	1,354,412
Bank Guarantee - Jalalabad Gas T & D System Ltd.	3,729,071	-
	7,814,929	4,085,858

33.00 Contingent Assets:

There was no Contingent Assets as on April 30, 2011.

34.00 Claim against the Company:

There was no claim against the company which is to be acknowledged as debt as on April 30, 2011

35.00 Event after reporting period

The Board of directors at their board meeting held on June 16, 2011 Recommended to the shareholders 30% Stock Dividend and 10% Cash Dividend for the year ended April 30, 2011. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).

Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statement or notes thereto.

36.00 General Comments & Observations :

- ▶ All shares have been fully called and paid up .
- ▶ There was no preference share issued by the company .
- ▶ The company has not incurred any expenditure in foreign currency against royalties and technical fees .
- ▶ Auditors are paid only statutory audit fees .
- ▶ No foreign exchange remitted to the any shareholders during the period.
- ▶ No amount of money was expended by the company for compensating any members of the Board for special service rendered.



Annexure - A

Saiham Cotton Mills Ltd.
Property, plant and equipment - at cost / revalued value less depreciation

Particulars	Cost		Rate %	Depreciation		W.D.V as at 30.04.2011	
	Balance as on 01.05.2010	Addition during the year		Balance 01.05.2010	Charged for the year		Balance 30.04.2011
	Total as on 30.04.2011						
Land and Land Development	16,581,832	-	-	-	-	16,581,832	
Building & Other Construction	128,201,967	35,827,500	5.00	4,930,995	34,513,064	129,516,403	
Plant and Machineries	699,486,788	69,986,756	7.50	35,021,640	267,553,228	501,920,316	
Furnitures & Fixtures	2,112,066	-	10.00	121,194	1,021,325	1,090,742	
Motor Vehicles	7,995,000	4,643,000	15.00	624,360	4,456,963	8,181,037	
Office Equipments	1,631,606	342,700	10.00	94,625	779,985	1,194,321	
Sundry Assets	3,892,825	317,000	10.00	304,670	1,150,794	3,059,031	
Sub - Total	859,902,084	111,116,956		41,097,483	309,475,358	661,543,682	

Revaluation of property, plant and equipment

Particulars	Cost		Rate %	Depreciation		W.D.V as at 30.04.2011	
	Balance as on 01.05.2010	Revaluation surplus during the year		Balance 01.05.2010	Charged for the year		Balance 30.04.2011
	Total as on 30.04.2011						
Land and Land Development	60,705,668	-	-	-	-	60,705,668	
Building & Other Construction	179,528,126	-	5.00	8,976,406	8,976,406	170,551,720	
Plant and Machineries	492,633,171	-	7.50	36,947,488	36,947,488	455,685,683	
Motor Vehicles	3,150,093	-	15.00	472,514	472,514	2,677,579	
Sub - Total	736,017,058	-		46,396,408	46,396,408	689,620,650	
Grand Total	1,595,919,142	111,116,956		87,493,891	355,871,766	1,351,164,332	

Depreciation charged to :

Cost of Production	86,181,199
Administrative and Marketing Expenses	1,312,692
	<u>87,493,891</u>



Annexure - B

The break up of trade debtors as on April 30,2011 are as follows :

Name of Party	L/C No	Value in BDT
Magpie Composite	41021	2,496,900
Base Textiles	41035-5	4,515,000
Base Textiles	41035-10	3,045,000
Base Textiles	40658-1	2,618,700
Base Textiles	40658-2	3,501,750
Base Textiles	40658-3	2,368,800
Adury Knit Composite	40991	1,338,750
Adury Knit Composite	40083-1	1,785,000
Adury Knit Composite	40083-2	2,826,250
Shariyar Fabrics	44773-4	7,787,500
Shariyar Fabrics	44773-7	7,787,500
Shariyar Fabrics	44773-8	7,787,500
Shariyar Fabrics	44773-10	7,787,500
KDS Textile	40166-1	7,140,000
KDS Textile	40166-2	7,140,000
KDS Textile	40166-3	3,605,000
KDS Textile	40166-4	7,350,000
Abir Fashion	40595	1,732,500
Silk International Ltd.	40125	1,946,700
Silk International Ltd.	40127	2,034,900
Pattarumadathil	40352	2,979,200
Pattarumadathil	40357	2,646,000
Abir Fashion	40675-1	2,082,500
Abir Fashion	40675-2	2,499,000
Tean-T-Shirt	40534-1	3,717,000
Tean-T-Shirt	40534-2	3,717,000
Tean-T-Shirt	40534-3	4,130,000
Tean-T-Shirt	40535	4,375,000
Magpie Composite	42772	458,500
Tean-T-Shirt	40539-1	4,165,000
Tean-T-Shirt	40539-2	4,165,000
Tean-T-Shirt	40539-3	2,082,500
Adury Apparels	40176	4,279,275
Adury Knit Composite	40003-1	4,095,000
Adury Knit Composite	40003-2	4,095,000
Adury Knit Composite	40003-3	4,095,000
Adury Knit Composite	40003-4	4,095,000
Adury Knit Composite	40003-5	4,095,000
Adury Knit Composite	40003-6	5,405,400
Smart Knitwear Ltd.	40032	3,237,150
Nakshi Knit Composite	40061	2,354,800
Garland Fashion	40098-1	3,446,100
Garland Fashion	40098-2	3,446,100
Saiham Knit	40011	336,000
S.M Knitwear Ltd.	40147-1	6,441,120
S.M Knitwear Ltd.	40147-2	5,555,235
S.M Knitwear Ltd.	40147-3	5,555,235
S.M Knitwear Ltd.	40147-4	5,555,235
S.M Knitwear Ltd.	40147-5	5,595,345
Muazuddin Textile Ltd.	40263-1	7,560,000
Muazuddin Textile Ltd.	40263-2	7,560,000
C/F		210,413,945



Name of Party	L/C No	Value in BDT
B/F		210,413,945
Muazuddin Textile Ltd.	40263-3	7,560,000
Muazuddin Textile Ltd.	40263-4	7,560,000
Muazuddin Textile Ltd.	40263-5	7,560,000
S.M Knitwear Ltd.	40158-1	7,320,075
S.M Knitwear Ltd.	40158-2	7,320,075
KDS Textile	40019-1	3,990,000
KDS Textile	40019-2	3,990,000
KDS Textile	40019-3	3,990,000
KDS Textile	40019-4	3,990,000
Tean-T-Shirt	40056-1	3,780,000
Tean-T-Shirt	40056-2	1,890,000
Tean-T-Shirt	40058	1,890,000
Samrat & Company	40039	4,060,000
Saiham Knit	40027	3,758,825
Tean-T-Shirt	40068	3,811,500
Nakshi Knit Composite	40151	1,535,100
Base Textiles	40232-1	4,676,000
Base Textiles	40232-2	4,676,000
Base Textiles	40232-3	4,676,000
Base Textiles	40246	5,313,000
Dal Knitwear	40320-1	5,425,000
Dal Knitwear	40320-1	5,425,000
Eon Knit Composite	40032	4,221,000
Muazuddin knit	40712	9,170,000
Muazuddin knit	40712	9,170,000
Muazuddin knit	40712	9,170,000
Muazuddin knit	40712	9,170,000
Muazuddin knit	40712	9,170,000
Saiham Knit	40072	217,525
R.R Knit Wear	40215	2,667,000
Eon Knit Composite	40043	3,969,000
Abir Fashion	40184	1,761,200
Marp Knit Composite	40127	1,834,000
Comptex Bangladesh	40225-1	5,731,250
Comptex Bangladesh	40225-2	5,731,250
KDS Textile	40019 Amnd-1	2,240,000
Comptex Bangladesh	40226-1	5,731,250
Comptex Bangladesh	40226-2	5,731,250
Nar Sweater Ltd.	40117-1	2,003,050
Nar Sweater Ltd.	40117-2	2,063,250
Saiham Knit	40099-1	3,896,025
Saiham Knit	40099-2	2,163,000
Base Textiles	40430	2,341,500
Base Textiles	40432-1	5,005,000
Base Textiles	40432-2	1,280,300
Base Textiles	40432-3	4,060,000
Base Textiles	40432-4	3,085,600
Base Textiles	40432-5	1,680,000
Zyantex Ltd.	40338	1,950,900
Zyantex Ltd.	40341	308,000
Base Fashion	40335	3,046,400
Base Fashion	40336	462,000
C/F		433,640,270



Name of Party	L/C No	Value in BDT
B/F		433,640,270
Zayantex Ltd.	40342	2,533,300
Oli Knitting Fabrics	41190-1	3,750,600
Oli Knitting Fabrics	41190-2	3,520,300
Oli Knitting Fabrics	41190-3	3,520,300
Oli Knitting Fabrics	41190-4	3,745,000
Oli Knitting Fabrics	41190-5	2,958,550
Beget Knitwear	40128	426,300
Base Textile	40432 Amnd-01	1,925,000
York Composite Ltd	42196-2	2,975,000
York Fashion Ltd	42207	1,522,500
Base Textiles	41041-1	4,515,000
Base Textiles	41041-2	4,515,000
York Fashion Ltd	42700	1,134,000
Pattarumadathil	40333	1,414,000
Shariyar Fabrics	45414	9,537,500
Esex Limited	24226	861,000
International Classic	40104	5,775,000
KDS Textile	40018-1	3,990,000
KDS Textile	40018-2	3,990,000
Life Textile	40134-1	5,031,250
Life Textile	40134-2	5,031,250
Naz Knitwear Ltd.	40082-1	5,827,500
Naz Knitwear Ltd.	40082-2	5,827,500
Abir Fashion	40077	1,689,625
Beget Knitwear	40048	2,712,325
Beget Knitwear	40049	738,150
KDS Textile	40024-1	7,980,000
Naz Knitwear Ltd.	40092	6,993,000
Oli Knitting Fabrics	40367-1	3,885,000
Oli Knitting Fabrics	40367-2	2,331,000
Oli Knitting Fabrics	40367-3	4,749,500
Oli Knitting Fabrics	40367-4	4,749,500
Oli Knitting Fabrics	40367-5	1,920,450
Muazuddin Textile Ltd.	40420-1	7,840,000
Muazuddin Textile Ltd.	40420-2	7,840,000
Muazuddin Textile Ltd.	40420-3	7,840,000
Muazuddin Textile Ltd.	40420-4	7,840,000
Muazuddin Textile Ltd.	40420-5	7,840,000
Tean-T-Shirt	40072-1	3,815,000
Tean-T-Shirt	40072-2	2,030,000
Magpie Composite	40473-1	6,615,000
Magpie Composite	40473-2	6,615,000
Magpie Composite	40473-3	6,174,000
Tua-Ha Textiles	40026	1,396,500
Eon Knit Composite	40025	1,641,500
Dal Knitwear	40318-1	5,425,000
Dal Knitwear	40318-1	5,425,000
Dal Knitwear	40319-1	5,425,000
Dal Knitwear	40319-2	5,425,000
Cute Dress Industry	403396	1,988,000
Seacotex Fabrics	40281	4,016,250
Robintex Bangladesh	40618-1	4,585,000
C/F		655,490,920



Name of Party	L/C No	Value in BDT
B/F		655,490,920
Robintex Bangladesh	40618-2	4,585,000
Robintex Bangladesh	40619-1	4,550,000
Robintex Bangladesh	40619-2	4,550,000
Robintex Bangladesh	40620	4,550,000
Seacotex Fabrics	40297	1,814,400
Seacotex Fabrics	40307	2,973,250
Scandex Textile	40065-1	4,812,500
Scandex Textile	40065-2	4,812,500
Seacotex Fabrics	40370-1	5,775,000
Seacotex Fabrics	40370-2	5,775,000
Seacotex Fabrics	40371-1	1,895,250
Seacotex Fabrics	40371-2	5,775,000
Seacotex Fabrics	40371-3	5,775,000
Seacotex Fabrics	40371-4	5,005,000
Seacotex Fabrics	40373	3,696,000
Eon Knit Composite	40057	525,000
Capitol International	40122	2,246,300
Orvi Fashion Ltd.	40633-2	4,495,750
Marp Knit Composite	40440	3,948,000
Abir Fashion	40643-1	2,415,000
Abir Fashion	40643-2	2,093,000
Abir Fashion	40643-3	1,932,000
Silk International Ltd.	40126	2,391,900
Beget Knitwear	40407	3,769,325
Dal Knitwear	42480-1	4,060,000
Dal Knitwear	42480-2	4,060,000
Dal Knitwear	42481-1	4,060,000
Dal Knitwear	42481-2	4,060,000
Naab Fashion Ltd.	40253	2,165,800
Naab Fashion Ltd.	40254	2,499,000
Adury Apparels	40002-1	3,685,500
Adury Apparels	40002-2	3,685,500
Knit Syndicate	40002	787,500
Beget Knitwear	40010	3,993,535
Abir Fashion	40007	1,023,750
Garland Fashion	40023	4,914,000
Adury Knit Composite	40993	892,500
Abir Fashion	40524-2	1,911,000
Abir Fashion	40524-3	1,911,000
Jas Knit wear Ltd	40115-1	4,777,500
Jas Knit wear Ltd	40115-1	945,000
Jas Knit wear Ltd	40116	2,852,500
Magpie Composite	42518	1,019,200
Magpie Composite	42552	3,258,325
Pattarumadathil	40349	1,400,000
York Fashion Ltd	42701	3,370,500
Dal Knitwear	42479-1	4,060,000
Dal Knitwear	42479-2	4,060,000
Beget Knitwear	40014	2,038,225
Tean-T-Shirt	40027	3,248,000
Wave Tex	40059-1	4,536,000
Wave Tex	40059-2	3,433,500
C/F		828,358,930



Name of Party	L/C No	Value in BDT
B/F		828,358,930
Muazuddin Textile Ltd.	40262-1	7,560,000
Muazuddin Textile Ltd.	40262-2	7,560,000
Muazuddin Textile Ltd.	40262-3	7,560,000
Muazuddin Textile Ltd.	40262-4	7,560,000
Muazuddin Textile Ltd.	40262-5	7,560,000
Abir Fashion	40046	3,242,750
Abir Fashion	40047	3,242,750
Abir Fashion	40048	2,310,000
Abir Fashion	40049	2,289,000
Abir Fashion	40050	2,289,000
Samsons Knit	40116-1	6,842,500
Samsons Knit	40116-2	7,630,000
Silk International Ltd.	40017	3,780,000
V-Teac Fashion	401741-1	9,502,500
V-Teac Fashion	401741-2	9,502,500
Muazuddin knit	40262-1	7,840,000
Muazuddin knit	40262-2	7,840,000
Muazuddin knit	40262-3	7,840,000
Muazuddin knit	40262-4	7,840,000
Muazuddin knit	40262-5	7,840,000
Karnaphuli Knit	40108-1	9,450,000
Karnaphuli Knit	40108-2	9,450,000
Karnaphuli Knit	40108-3	9,450,000
Karnaphuli Knit	40108-4	5,670,000
Karnaphuli Knit	40108-5	3,780,000
Samrat & Company	40034-1	4,060,000
Samrat & Company	40034-2	4,060,000
Abir Fashion	40065	2,116,800
Abir Fashion	40066-1	2,415,000
Abir Fashion	40066-2	2,817,500
Eon Knit Composite	40017	2,212,700
Samsons Knit	40127-1	8,050,000
Samsons Knit	40127-2	7,630,000
S.M Knitwear Ltd.	40199-1	5,851,825
S.M Knitwear Ltd.	40199-2	2,936,325
S.M Knitwear Ltd.	40170	2,005,500
Samrat & Company	40045-1	10,150,000
Samrat & Company	40045-2	10,150,000
Samrat & Company	40046	8,120,000
Waltz Fashion Ltd.	40243	2,362,500
Muazuddin Textile Ltd.	40687	1,421,350
Muazuddin Textile Ltd.	40688	1,899,275
Total		1,072,048,705



Annexure - C

The break up of trade debtors as on April 30,2010 are as follows :

Name of Party	L/C No	Value in BDT
Apparels-21	40287-1	3,485,000
Apparels-21	40287-4	5,576,000
Apparels-21	40287-5	5,576,000
KAC Fashion	41219-3	4,250,000
KAC Fashion	41219-4	4,250,000
Hall Mark Fashions Ltd.	40249	1,249,942
S.B.Knitting Ltd.	40266	980,900
S.B.Knitting Ltd.	40277	399,500
Epyllion Fabrics	40326	9,629,480
Lithe Apparels	40831	3,982,080
Epyllion Fabrics	40326 Amnd-01	3,187,358
Apparels-21	40843	840,480
KDS Textile	40154-1	4,794,000
KDS Textile	40154-2	4,794,000
Epyllion Fabrics	40326 Amnd-02	5,937,624
KDS Textile	40171-1	5,100,000
KDS Textile	40171-2	5,100,000
KDS Textile	40171-3	5,100,000
KDS Textile	40171-4	5,100,000
S.B.Knitting Ltd.	40441	293,760
Lithe Apparels	40863	1,844,160
Lithe Apparels	40866	1,583,040
Lithe Apparels	40869	1,729,920
Apparels-21	40870	3,198,720
BG Collection	43368	1,115,200
Angels Composite	418848	5,610,000
BG Collection	43419	6,058,800
S.B.Knitting Ltd.	40445	984,096
Polymer Knittin	990109	1,364,080
Cotton Field (BD)	43844-3	5,355,000
Cotton Field (BD)	43844-4	5,355,000
Mondol Fabrics	46311	6,426,000
Mondol Fabrics	46313	5,253,000
Nexus Knit	40861	371,110
Base Textiles	40753	5,330,928
V-Teac Fashion	412922	3,633,580
Polymer Knittin	990110	712,300
N&N Knitting	46143D	339,626
Smart Knitwear Ltd.	40775	487,390
Smart Knitwear Ltd.	40780	2,347,190
N&N Knitting	46253D	633,590
Adury Knit	40973	4,091,560
Adury Knit	40974	2,958,000
Adury Knit	40976	5,457,000
Perse Knitwear Ltd.	45201	4,161,600
Angels Composite	420412	5,521,600
Smart Knitwear Ltd.	40817	1,244,400
BG Collection	43721	714,374
Base Textiles	40003	6,732,000
Zayantex	40019	398,820
C/F		170,638,208



Name of Party	L/C No	Value in BDT
B/F		170,638,208
S.B.Knitting Ltd.	40027	691,900
KDS Textile	40514 Amnd-02	1,105,000
Flamingo Fashion Ltd.	40388	8,296,000
Perse Knitwear Ltd.	40453	273,360
Eurotex Knitwear	40059-1	4,930,000
Eurotex Knitwear	40059-2	4,930,000
Dal Knitwear	40179	2,380,000
York Composite Ltd	40266	2,312,000
Magpie Composite	40238	907,120
Arman Fabrics	40090	1,244,400
Tean-T-Shirt	40053	2,575,840
Arman Fabrics	40101	1,244,400
KDS Textile	40022	4,420,000
Camio USA	40089	3,477,479
International Classic	40133	3,476,500
S.B.Knitting Ltd.	40117	174,420
Polymer Knittin	990017	979,200
Angels Composite	403385	1,566,720
International Classic	40156	2,075,700
KDS Textile	40028-1	4,352,000
KDS Textile	40028-2	4,352,000
KDS Textile	40028-3	4,352,000
Adury Knit	40175	4,832,352
Adury Knit	40176	2,454,528
Beo Apparels	40078	1,093,270
Eurotex Knitwear	40140	4,930,000
Eurotex Knitwear	40140-1	4,930,000
Eurotex Knitwear	40142	4,930,000
Eurotex Knitwear	40142-1	4,930,000
Eurotex Knitwear	40145	4,930,000
Eurotex Knitwear	40145-1	4,930,000
Flamingo Fashion Ltd.	40970	4,845,000
Flamingo Fashion Ltd.	40970-1	4,845,000
Flamingo Fashion Ltd.	40971	4,845,000
Flamingo Fashion Ltd.	40971-1	4,845,000
Mondol Apparels	40064-1	5,712,000
Mondol Apparels	40064-1	4,760,000
Mondol Apparels	40064-3	4,760,000
Pattarumadathil	40034	1,020,000
Base Textiles	40274	2,050,200
Base Textiles	40152	4,175,200
Base Textiles	40152-1	4,175,200
Magpie Composite	40509	1,644,240
Magpie Composite	40514	2,877,420
Base Textiles	40274 Amnd-01	149,940
Base Textiles	40297	1,349,460
Magpie Composite	40548	2,476,900
Asrotex Limited	40194-1	5,355,000
Asrotex Limited	40194-2	5,355,000
Asrotex Limited	40194-3	5,440,000
C/F		339,394,956



Name of Party	L/C No	Value in BDT
B/F		339,394,956
Asrotex Limited	40194-4	5,440,000
Dal Knitwear	40530	1,594,600
Base Textiles	40162	618,800
Pattarumadathil	40039	1,020,000
Asrotex Limited	40198	5,011,600
Irish Fabrics	40084	5,045,600
Asrotex	40450	1,686,400
Clifton Apparels	40031-1	4,896,000
Clifton Apparels	40031-2	4,896,000
KDS Textile	40035 Amnd-01	1,207,000
International Classic	40245	3,716,200
Asrotex Limited	40210	5,695,000
Asrotex Limited	40211	4,712,400
Tean-T-Shirt	40140	2,669,680
Fulpur Knit	40622	1,734,000
Magpie Composite	40668	617,100
Clifton Apparels	40039	4,896,000
Unison Design	40057	1,759,500
Eon Knit Composite	40033	393,040
Magpie Composite	40722	549,780
Eon Knit Composite	40034	1,063,520
Delux Fashion Ltd.	40050	4,896,000
Camio USA	40220	557,600
Marma Composite	40138	730,320
Design Sports	40089	2,774,400
Dal Knitwear	40675	1,797,240
Muazuddin Knit	401319-1	4,732,800
Muazuddin Knit	401319-2	4,732,800
Muazuddin Knit	401319-3	4,732,800
Muazuddin Knit	401319-4	4,732,800
Muazuddin Knit	401319-5	4,732,800
KDS Textile	40058-1	5,168,000
KDS Textile	40058-2	5,168,000
KDS Textile	40058-3	5,168,000
KDS Textile	40058-4	5,168,000
KDS Textile	40058-5	5,168,000
Dal Knitwear	40733	4,740,620
Camio USA	40219	334,560
Marma Composite	40150	612,000
Magpie Composite	40751	1,705,780
Nexus Knit	40186	3,157,920
Nexus Knit	40187	3,242,784
Nexus Knit	40188	639,710
Epyllion Fabrics	40110-1	6,564,040
Epyllion Fabrics	40110-2	6,564,040
Marma Composite	40166	624,240
Fariha Knit	40283-1	6,205,000
Fariha Knit	40283-2	6,205,000
Fariha Knit	40653-1	6,205,000
Fariha Knit	40653-2	6,205,000
Fariha Knit	40654-1	6,205,000
C/F		518,087,430



Name of Party	L/C No	Value in BDT
B/F		518,087,430
Fariha Knit	40654-2	6,205,000
Fariha Knit	40655-1	6,205,000
Fariha Knit	40655-2	6,205,000
Epyllion Fabrics	40115	5,251,232
Epyllion Fabrics	40115	3,535,918
Epyllion Fabrics	40115	5,480,691
Muazuddin Textail	40830-1	4,828,000
Muazuddin Textail	40830-2	4,828,000
Muazuddin Textail	40830-3	4,828,000
Muazuddin Textail	40830-4	4,828,000
Muazuddin Textail	40830-5	4,828,000
Camio USA	40255	484,500
Adury Knit	40440	1,666,000
Futtullah Apparels	40325	1,013,880
Eon Knit Composite	40039	734,400
Marma Composite	40175	3,869,540
James Appareles	40428	1,985,600
Flamingo Fashion Ltd.	41844-1	6,035,000
Flamingo Fashion Ltd.	41844-2	6,035,000
Flamingo Fashion Ltd.	41844-1	6,035,000
Flamingo Fashion Ltd.	41844-2	6,035,000
Dal Knitwear	40833	2,414,000
Faruque Knit	40073	3,179,204
Flamingo Fashion Ltd.	41943-1	3,621,000
Flamingo Fashion Ltd.	41943-2	3,621,000
Flamingo Fashion Ltd.	41943-3	4,828,000
Eon Knit Composite	40041	535,500
Dal Knitwear	40863	928,200
James Appareles	40447	2,937,631
James Appareles	40449	2,767,600
Kamal Textail	40159	384,540
Platinum Fashions	40636	1,258,000
Platinum Fashions	40637	510,000
Platinum Fashions	40638	1,241,000
Montex Fabrics	41500	2,284,800
Montex Fabrics	42270	1,428,000
Dal Knitwear	40887	1,207,000
Alim Knit (BD)	40162	4,855,200
Dal Knitwear	40888	1,207,000
Dal Knitwear	40889	1,207,000
Dal Knitwear	40886	1,207,000
M.K Fashion	42182	3,621,000
Total		654,246,867



Schedule - A

Saiham Cotton Mills Ltd.

Fixed Asset - at cost less depreciation

Particulars	Cost		Total as on 30.04.11	Rate %	Depreciation			W.D.V as at 30.04.11
	Balance as on 01.05.2010	Addition during the year			Balance 01.05.2010	Charged for the year	Balance 30.04.11	
Land and Land Development	16,581,832	-	16,581,832	-	-	-	16,581,832	
Building & Other Construction	128,201,967	35,827,500	164,029,467	5	29,582,069	34,513,064	129,516,403	
Plant and Machineries	699,486,788	69,986,756	769,473,544	7.5	232,531,588	267,553,228	501,920,316	
Furnitures & Fixtures	2,112,066	-	2,112,066	10	900,131	1,021,325	1,090,742	
Motor Vehicles	7,995,000	4,643,000	12,638,000	15	3,832,603	4,456,963	8,181,037	
Office Equipments	1,631,606	342,700	1,974,306	10	685,360	779,985	1,194,321	
Sundry Assets	3,892,825	317,000	4,209,825	10	846,124	1,150,794	3,059,031	
Sub - Total	859,902,084	111,116,956	971,019,040		268,377,875	309,475,358	661,543,682	

Revaluation of fixed assets during the period

Particulars	Cost		Total as on 30.04.11	Rate %	Depreciation			W.D.V as at 30.04.11
	Balance as on 01.05.2010	Revaluation surplus during the year			Balance 01.05.2010	Charged for the year	Balance 30.04.11	
Land and Land Development	60,705,668	-	60,705,668	-	-	-	60,705,668	
Building & Other Construction	179,528,126	-	179,528,126	5	-	8,976,406	170,551,720	
Plant and Machineries	492,633,171	-	492,633,171	7.5	-	36,947,488	455,685,683	
Motor Vehicles	3,150,093	-	3,150,093	15	-	472,514	2,677,579	
Sub - Total	736,017,058	-	736,017,058		-	46,396,408	689,620,650	

Grand Total 1,595,919,142 111,116,956 1,707,036,098 - 268,377,875 87,493,891 355,871,766 1,351,164,332



Additional Disclosures in the Financial Statements of Saiham Cotton Mills Limited Year ended April 30, 2011

I. EPS has been calculated without considering unrealized loss. The unrealized loss has not been capitalized due to the volatile nature of the stock market as well as the unrealized gain has also not been taken into consideration until it is realized. However, considering the points raised and taken into consideration the unrealized loss the EPS would have been Tk. 3.33 instead of Tk. 3.39 with a difference of Tk. 0.06.

II. As per requirement of rule 8. B. 20 (e) of the SEC (Public Issue) Rules, 2006, the fully diluted EPS of SCML will be Tk. 2.28.

III. There is no loan interest has been capitalized from 2007 to 2011. Year wise breakups of interest charged on bank loan are as follows:

Particulars	2011 (1 year)	2010 (10 months)	2009 (1 year)	2008(1 year)	2007(1 year)
Janata Bank Ltd.					
Project Loan	17,905,914	8,573,056	17,086,499	19,576,596	23,153,065
IDCP (charged during the year/period)	-	553,603	950,508	664,167	-
CC (Hypo)	28,457,359	27,502,379	32,780,033	20,023,513	25,873,835
Bank Charge	784,386	276,489	300,326	137,856	30,746
Sonali Bank Ltd.					
Project Loan	10,265,170	10,300,578	13,989,731	16,201,366	17,826,567
Bank Asia Ltd.					
CC(Hypo)	18,292,207	12,350,615	-	-	-
IDBP interest	3,514,466	264,169	3,905,187	4,050,274	-
Bank Charge	826,645	139,653	86,219	57,809	194,544
Citi Bank N A					
Over Draft/STL Int & Charges	18,378,371	6,520,927	20,951,362	28,468,582	2,179,743
IDBP interest	7,889,206	2,855,111	42,513	439,676	-
Bank Charge	51,169	107,828	46,059	25,225	58,513
Habib Bank Ltd.					
IDBP/Ltr & Charges	123,176	1,387,362	1,296,010	7,329,209	-
Bank Charge	3,586	14,675	32,050	29,095	49,380
HSBC					
Interest on Short Term Loan	4,134,521	1,739,209	-	-	-
IDBP interest	51,237	-	-	1,803,476	-
Bank Charge	140,785	290,596	378,822	249,005	196,038
Standard Chartered Bank					
IDBP interest	-	3,840,207	7,200,375	5,530,767	-
Bank Charge	2,150	23,200	131,245	68,281	63,311
Dhaka Bank Ltd.					
Interest on Lease	978,833	1,018,976	752,070	-	-
Payment interest Against Documents	2,685,220	-	-	-	-
IDBP interest	-	154,437	2,413,539	-	-
Bank Charge	95,813	16,155	50,727	42,077	45,892
BRAC Bank					
Bank charge	14,266	230	-	-	-
Overdue Interest	1,318,212	-	-	1,874,669	-
Short payment	2,805,310	1,074,059	3,952,910	3,996,766	38,197
Total	118,718,004	79,003,514	106,346,185	110,568,410	69,709,832



IV. The loan of Tk. 10,78,67,756/- has been provided to Faisal Spinning Mills Ltd. @ 13.50% quarterly Interest rate as per agreement dated May 06, 2010 and repayment would start from 01.11.2011 (after 18 months of grace period from the date of agreement). The provisions of section 103 of the Companies Act 1994 are complied with for providing such loans to related company.

V. Quantity-wise inventory is shown in the note # 5 except packing materials and stores & spare parts. The quantity of stores & spare parts of different measuring units are shown in a precise form. In note # 5 the following para is to be added:

Packing Material			
Sl. No.	Item Name	Quantity (pcs)	Amount (Tk.)
1	Stiicker	1,283,500	94,547
2	Paper Cone	256,377	634,911
3	P.P Woven Bag	14,711	371,555
4	Polythine	2,750	179,263
5	Poly Rope	160	11,520
Total			1,291,796

VI. 1. In regard to trade debtors (sundry debtors) the following particulars shall be given separately:

(i) Debt considered good in respect of which the company is fully secured

Trade debtors occurred in the ordinary course of business are considered good but no security given by the debtors. However, most of the outstanding balances realized subsequently.

(ii) Debt considered good for which the company holds no security other than the debtors' personal security

All the trade debtors have arisen in the ordinary course of business in good faith as well as market reputation of the company for the above mentioned reasons no personal security taken from debtors.

(iii) Debts considered doubtful or bad

The company considered all the debts given to trade debtors is realizable as such no doubtful or bad debts provision has been created as on April 30, 2011.

(iv) Debt due by directors or other officers of the company

There is no debt due by directors or other officers of the company as on April 30, 2011.

(v) Debt due by Common Management

There is no debt due by Common Management

(vi) The maximum amount due by directors or other officers of the company

There is no such debt in this respect except an amount of Tk. 118,212 has been due from an officer during the year as advance against salary. The said transaction is disclosed in note no 9.01 in the audited financial statements for the year ended April 30, 2011.

2. Reserved for doubtful or bad debts

There is no such reserve created in this respect as on April 30, 2011.



VII. The breakup of trade debtors which was collected within October 31,2011are as follows:

Name of Party	L/C No	Value in BDT	Date of Collection
Magpie Composite	41021	2,496,900	01.06.11
Base Textiles	41035-5	4,515,000	05.07.11
Base Textiles	41035-10	3,045,000	19.04.11
Base Textiles	40658-1	2,618,700	12.05.11
Base Textiles	40658-2	3,501,750	16.05.11
Base Textiles	40658-3	2,368,800	16.05.11
Adury Knit Composite	40991	1,338,750	01.06.11
Adury Knit Composite	40083-1	1,785,000	16.05.11
Adury Knit Composite	40083-2	2,826,250	16.05.11
Shariyar Fabrics	44773-4	7,787,500	19.04.11
Shariyar Fabrics	44773-7	7,787,500	14.04.11
Shariyar Fabrics	44773-8	7,787,500	14.04.11
Shariyar Fabrics	44773-10	7,787,500	04.05.11
KDS Textile	40166-1	7,140,000	04.05.11
KDS Textile	40166-2	7,140,000	04.05.11
KDS Textile	40166-3	3,605,000	04.05.11
KDS Textile	40166-4	7,350,000	11.05.11
Abir Fashion	40595	1,732,500	05.07.11
Silk International Ltd.	40125	1,946,700	18.05.11
Silk International Ltd.	40127	2,034,900	04.07.11
Pattarumadathil	40352	2,979,200	14.07.11
Pattarumadathil	40357	2,646,000	14.07.11
Abir Fashion	40675-1	2,082,500	14.06.11
Abir Fashion	40675-2	2,499,000	21.06.11
Tean-T-Shirt	40534-1	3,717,000	16.08.11
Tean-T-Shirt	40534-2	3,717,000	09.08.11
Tean-T-Shirt	40534-3	4,130,000	16.08.11
Tean-T-Shirt	40535	4,375,000	21.07.11
Magpie Composite	42772	458,500	05.07.11
Tean-T-Shirt	40539-1	4,165,000	21.07.11
Tean-T-Shirt	40539-2	4,165,000	21.07.11
Tean-T-Shirt	40539-3	2,082,500	21.07.11
Adury Apparels	40176	4,279,275	20.06.11
Adury Knit Composite	40003-1	4,095,000	14.06.11
Adury Knit Composite	40003-2	4,095,000	14.06.11
Adury Knit Composite	40003-3	4,095,000	28.06.11
Adury Knit Composite	40003-4	4,095,000	28.06.11
Adury Knit Composite	40003-5	4,095,000	28.06.11
Adury Knit Composite	40003-6	5,405,400	12.07.11



Saiham Cotton Mills Limited

Smart Knitwear Ltd.	40032	3,237,150	14.07.11
Nakshi Knit Composite	40061	2,354,800	18.08.11
Saiham Knit	40011	336,000	14.08.11
S.M Knitwear Ltd.	40147-1	6,441,120	18.08.11
S.M Knitwear Ltd.	40147-2	5,555,235	12.09.11
S.M Knitwear Ltd.	40147-3	5,555,235	08.09.11
S.M Knitwear Ltd.	40147-4	5,555,235	30.10.11
S.M Knitwear Ltd.	40147-5	5,595,345	12.09.11
Muazuddin Textile Ltd.	40263-1	7,560,000	31.10.11
Muazuddin Textile Ltd.	40263-2	7,560,000	31.10.11
Muazuddin Textile Ltd.	40263-3	7,560,000	31.10.11
KDS Textile	40019-1	3,990,000	20.10.11
KDS Textile	40019-2	3,990,000	20.10.11
KDS Textile	40019-3	3,990,000	20.10.11
KDS Textile	40019-4	3,990,000	20.10.11
Tean-T-Shirt	40056-1	3,780,000	16.08.11
Tean-T-Shirt	40056-2	1,890,000	16.08.11
Tean-T-Shirt	40058	1,890,000	28.07.11
Samrat & Company	40039	4,060,000	25.07.11
Saiham Knit	40027	3,758,825	22.06.11
Tean-T-Shirt	40068	3,811,500	14.09.11
Nakshi Knit Composite	40151	1,535,100	17.08.11
Eon Knit Composite	40032	4,221,000	14.09.11
Muazuddin knit	40712	9,170,000	10.10.11
Muazuddin knit	40712	9,170,000	10.10.11
Muazuddin knit	40712	9,170,000	10.10.11
Saiham Knit	40072	217,525	23.08.11
Eon Knit Composite	40043	3,969,000	14.09.11
Comptex Bangladesh	40225-1	5,731,250	10.10.11
Comptex Bangladesh	40225-2	5,731,250	10.10.11
Nar Sweater Ltd.	40117-1	2,003,050	30.10.11
Nar Sweater Ltd.	40117-2	2,063,250	21.09.11
Saiham Knit	40099-1	3,896,025	08.09.11
Saiham Knit	40099-2	2,163,000	08.09.11
Base Textiles	40430	2,341,500	30.10.11
Base Textiles	40432-2	1,280,300	30.10.11
Zayantex Ltd.	40341	308,000	16.10.11
Base Fashion	40336	462,000	30.10.11
Zayantex Ltd.	40342	2,533,300	16.10.11
Oli Knitting Fabrics	41190-1	3,750,600	31.10.11
Oli Knitting Fabrics	41190-2	3,520,300	31.10.11
Oli Knitting Fabrics	41190-5	2,958,550	31.10.11
Beget Knitwear	40128	426,300	27.10.11



Saiham Cotton Mills Limited

Base Textile	40432 Amnd-01	1,925,000	30.10.11
York Composite Ltd	42196-2	2,975,000	03.05.11
York Fashion Ltd	42207	1,522,500	23.05.11
Base Textiles	41041-1	4,515,000	09.05.11
Base Textiles	41041-2	4,515,000	24.07.11
York Fashion Ltd	42700	1,134,000	18.05.11
Pattarumadathil	40333	1,414,000	15.06.11
Shariyar Fabrics	45414	9,537,500	09.05.11
Esex Limited	24226	861,000	05.05.11
International Classic	40104	5,775,000	29.05.11
KDS Textile	40018-1	3,990,000	15.09.11
KDS Textile	40018-2	3,990,000	19.09.11
Naz Knitwear Ltd.	40082-1	5,827,500	28.07.11
Naz Knitwear Ltd.	40082-2	5,827,500	28.07.11
Abir Fashion	40077	1,689,625	27.07.11
Beget Knitwear	40048	2,712,325	27.07.11
Beget Knitwear	40049	738,150	27.07.11
Naz Knitwear Ltd.	40092	6,993,000	28.07.11
Oli Knitting Fabrics	40367-1	3,885,000	06.09.11
Oli Knitting Fabrics	40367-2	2,331,000	09.10.11
Oli Knitting Fabrics	40367-3	4,749,500	19.09.11
Oli Knitting Fabrics	40367-4	4,749,500	19.09.11
Oli Knitting Fabrics	40367-5	1,920,450	06.09.11
Muazuddin Textile Ltd.	40420-1	7,840,000	19.09.11
Muazuddin Textile Ltd.	40420-2	7,840,000	25.08.11
Muazuddin Textile Ltd.	40420-3	7,840,000	18.09.11
Muazuddin Textile Ltd.	40420-4	7,840,000	25.08.11
Muazuddin Textile Ltd.	40420-5	7,840,000	25.08.11
Tean-T-Shirt	40072-1	3,815,000	18.09.11
Tean-T-Shirt	40072-2	2,030,000	05.10.11
Magpie Composite	40473-1	6,615,000	06.09.11
Magpie Composite	40473-2	6,615,000	06.09.11
Magpie Composite	40473-3	6,174,000	06.09.11
Tua-Ha Textiles	40026	1,396,500	25.08.11
Eon Knit Composite	40025	1,641,500	01.08.11
Dal Knitwear	40319-1	5,425,000	10.10.11
Dal Knitwear	40319-2	5,425,000	10.10.11
Cute Dress Industry	403396	1,988,000	10.08.11
Seacotex Fabrics	40281	4,016,250	15.09.11
Robintex Bangladesh	40618-1	4,585,000	29.08.11
Robintex Bangladesh	40618-2	4,585,000	29.08.11
Robintex Bangladesh	40619-1	4,550,000	29.08.11
Robintex Bangladesh	40619-2	4,550,000	29.08.11



Saiham Cotton Mills Limited

Robintex Bangladesh	40620	4,550,000	29.08.11
Seacotex Fabrics	40297	1,814,400	16.08.11
Seacotex Fabrics	40307	2,973,250	13.09.11
Seacotex Fabrics	40371-1	1,895,250	17.10.11
Seacotex Fabrics	40371-2	5,775,000	13.09.11
Seacotex Fabrics	40371-3	5,775,000	17.10.11
Seacotex Fabrics	40373	3,696,000	13.09.11
Eon Knit Composite	40057	525,000	26.09.11
Orvi Fashion Ltd.	40633-2	4,495,750	25.07.11
Marp Knit Composite	40440	3,948,000	14.06.11
Abir Fashion	40643-1	2,415,000	21.07.11
Abir Fashion	40643-2	2,093,000	06.07.11
Abir Fashion	40643-3	1,932,000	06.07.11
Silk International Ltd.	40126	2,391,900	18.05.11
Beget Knitwear	40407	3,769,325	19.04.11
Dal Knitwear	42480-1	4,060,000	06.07.11
Dal Knitwear	42480-2	4,060,000	06.07.11
Dal Knitwear	42481-1	4,060,000	29.06.11
Dal Knitwear	42481-2	4,060,000	06.07.11
Naab Fashion Ltd.	40253	2,165,800	31.05.11
Naab Fashion Ltd.	40254	2,499,000	31.05.11
Adury Apparels	40002-1	3,685,500	14.06.11
Adury Apparels	40002-2	3,685,500	14.06.11
Knit Syndicate	40002	787,500	29.05.11
Beget Knitwear	40010	3,993,535	06.06.11
Abir Fashion	40007	1,023,750	13.06.11
Garland Fashion	40023	4,914,000	23.08.11
Adury Knit Composite	40993	892,500	09.05.11
Abir Fashion	40524-2	1,911,000	09.05.11
Abir Fashion	40524-3	1,911,000	18.05.11
Jas Knit wear Ltd	40115-1	4,777,500	25.05.11
Jas Knit wear Ltd	40115-1	945,000	25.05.11
Jas Knit wear Ltd	40116	2,852,500	25.05.11
Magpie Composite	42518	1,019,200	10.05.11
Magpie Composite	42552	3,258,325	10.05.11
Pattarumadathil	40349	1,400,000	29.05.11
York Fashion Ltd	42701	3,370,500	27.06.11
Dal Knitwear	42479-1	4,060,000	30.06.11
Dal Knitwear	42479-2	4,060,000	30.06.11
Beget Knitwear	40014	2,038,225	08.06.11
Tea-T-Shirt	40027	3,248,000	25.09.11
Wave Tex	40059-1	4,536,000	31.07.11
Wave Tex	40059-2	3,433,500	30.06.11



Saiham Cotton Mills Limited

Muazuddin Textile Ltd.	40262-1	7,560,000	09.08.11
Muazuddin Textile Ltd.	40262-2	7,560,000	09.08.11
Muazuddin Textile Ltd.	40262-3	7,560,000	09.08.11
Muazuddin Textile Ltd.	40262-4	7,560,000	09.08.11
Muazuddin Textile Ltd.	40262-5	7,560,000	09.08.11
Abir Fashion	40046	3,242,750	14.09.11
Abir Fashion	40047	3,242,750	13.09.11
Abir Fashion	40049	2,289,000	29.08.11
Samsons Knit	40116-1	6,842,500	30.05.11
Samsons Knit	40116-2	7,630,000	30.05.11
Silk International Ltd.	40017	3,780,000	05.09.11
V-Teac Fashion	401741-1	9,502,500	18.08.11
V-Teac Fashion	401741-2	9,502,500	23.10.11
Karnaphuli Knit	40108-1	9,450,000	02.10.11
Karnaphuli Knit	40108-4	5,670,000	02.10.11
Samrat & Company	40034-1	4,060,000	14.07.11
Samrat & Company	40034-2	4,060,000	14.07.11
Abir Fashion	40065	2,116,800	29.08.11
Eon Knit Composite	40017	2,212,700	29.06.11
Samsons Knit	40127-1	8,050,000	11.08.11
Samsons Knit	40127-2	7,630,000	11.07.11
Samrat & Company	40045-1	10,150,000	27.07.11
Samrat & Company	40045-2	10,150,000	24.07.11
Samrat & Company	40046	8,120,000	11.09.11
Waltz Fashion Ltd.	40243	2,362,500	13.09.11
Muazuddin Textile Ltd.	40687	1,421,350	20.09.11
Muazuddin Textile Ltd.	40688	1,899,275	25.08.11
Sub Total		800,983,505	

The break-up of trade debtors which was not collected within October 31,2011are as follows:

Name of Party	L/C No	Value in BDT
Garland Fashion	40098-1	3,446,100
Garland Fashion	40098-2	3,446,100
Muazuddin Textile Ltd.	40263-4	7,560,000
Muazuddin Textile Ltd.	40263-5	7,560,000
S.M Knitwear Ltd.	40158-1	7,320,075
S.M Knitwear Ltd.	40158-2	7,320,075
Base Textiles	40232-1	4,676,000
Base Textiles	40232-2	4,676,000
Base Textiles	40232-3	4,676,000
Base Textiles	40246	5,313,000
Dal Knitwear	40320-1	5,425,000
Dal Knitwear	40320-1	5,425,000



Muazuddin knit	40712	9,170,000
Muazuddin knit	40712	9,170,000
R.R Knit Wear	40215	2,667,000
Abir Fashion	40184	1,761,200
Marp Knit Composite	40127	1,834,000
KDS Textile	40019 Amnd-1	2,240,000
Comptex Bangladesh	40226-1	5,731,250
Comptex Bangladesh	40226-2	5,731,250
Base Textiles	40432-1	5,005,000
Base Textiles	40432-3	4,060,000
Base Textiles	40432-4	3,085,600
Base Textiles	40432-5	1,680,000
Zyantex Ltd.	40338	1,950,900
Base Fashion	40335	3,046,400
Oli Knitting Fabrics	41190-3	3,520,300
Oli Knitting Fabrics	41190-4	3,745,000
Life Textile	40134-1	5,031,250
Life Textile	40134-2	5,031,250
KDS Textile	40024-1	7,980,000
Dal Knitwear	40318-1	5,425,000
Dal Knitwear	40318-1	5,425,000
Scandex Textile	40065-1	4,812,500
Scandex Textile	40065-2	4,812,500
Seacotex Fabrics	40370-1	5,775,000
Seacotex Fabrics	40370-2	5,775,000
Seacotex Fabrics	40371-4	5,005,000
Capitol International	40122	2,246,300
Abir Fashion	40048	2,310,000
Abir Fashion	40050	2,289,000
Muazuddin knit	40262-1	7,840,000
Muazuddin knit	40262-2	7,840,000
Muazuddin knit	40262-3	7,840,000
Muazuddin knit	40262-4	7,840,000
Muazuddin knit	40262-5	7,840,000
Karnaphuli Knit	40108-2	9,450,000
Karnaphuli Knit	40108-3	9,450,000
Karnaphuli Knit	40108-5	3,780,000
Abir Fashion	40066-1	2,415,000
Abir Fashion	40066-2	2,817,500
S.M Knitwear Ltd.	40199-1	5,851,825
S.M Knitwear Ltd.	40199-2	2,936,325
S.M Knitwear Ltd.	40170	2,005,500
Sub Total		271,065,200
Grand Total		1,072,048,705

VIII. Information about Bank loans/lease liabilities (Bank-wise) mentioning terms and condition are as follows:



Name of Bank	Nature of Loan	Limit	Rate of Interest	Purpose	Security
Janata Bank Ltd.	Cash Credit (Hypo)	300,000,000	13%	Working Capital	Mortgage of land, building, plant & machinery
	Letter of credit	120,000,000	Bank Schedule	To import raw material	
Bank Asia Ltd.	Overdraft/Cash credit	200,000,000	15%	Working Capital	Hypothecation of Raw material, WGP and finished goods
	Loan Trust Receipt	250,000,000	15%	To retire document	
	Letter of credit	500,000,000	Bank Schedule	To import raw material	
HSBC Lt.	Letter of credit	600,000,000	Bank Schedule	To import raw material	Personal and corporate guarantee
	Bill discount	150,000,000	10.50%	Working Capital	Hypothecation of Raw material, WGP and finished goods
	Loan Trust Receipt	120,000,000	10.50%	To retire document	
Dhaka Bank Ltd.	Lease finance	11,500,000	14%	To import machinery	Personal guarantee of director

IX. Details of Creditors for liabilities for goods and machinery are as follows:

L/C	Supplier name	Bank Name	L/C Value (BDT)
Liabilities for Goods against import of raw cotton			
10510050027	Louis Dreyfus Commodities	Janata Bank Ltd.	79,421,504
10510050030	Louis Dreyfus Commodities	Janata Bank Ltd.	91,047,600
2.0971E+11	Daewoo International Corporation	Bank Asia Ltd.	101,675,987
2.0971E+11	International Cotton Trading Ltd.	Bank Asia Ltd.	41,722,637
2.0971E+11	International Cotton Trading Ltd.	Bank Asia Ltd.	40,949,064
2.0971E+11	International Cotton Trading Ltd.	Bank Asia Ltd.	43,054,897
10511050006	International Cotton Trading Ltd.	Janata Bank Ltd.	145,722,036
Sub total			543,593,725
Liabilities for Machinery			
16759	Oerlikon Schlafhorst	HSBC Ltd.	16,904,724
Local	Bangla Trac Limited		23,075,000
Sub total			39,979,724
Local Purchase			319,460
Total			583,892,909

X. Details of turnover/sales mentioning quantity and value are as follows:

Particulars	30.04.2011		30.04.2010	
	Quantity (kg)	Amount in Tk.	Quantity (kg)	Amount in Tk
Export Sales	5,711,530	1,909,861,303	5,857,597.00	1,280,838,507
By Quantity:				
Opening Stock of Finished goods	223,723 kg	-	383,600 kg	-
Production during the year	5,921,557 kg	-	5,697,720 kg	-
Goods available for sales	6,145,280 kg	-	6,081,320 kg	-
Closing stock of finished goods	433,750 kg	-	223,723 kg	-
Sales during the year	5,711,530 kg	-	5,857,597 kg	-

XI. The company provide short term employee benefit as per appointment letter such as salary, allowances, bonuses, etc and provide worker profit participation fund.



Saiham Cotton Mills Limited

XII. Bonus shares which issued in previous years has been adjusted for the calculation of EPS and reflected in the face of Comprehensive Income Statement and Note-28 of the financial statements. As per para 12, of BAS-10, If an entity declares dividends to holders of equity instruments after the reporting period, the entity shall not recognize those dividends as a liability at the end of the reporting period. Moreover it is a non adjusting event as per para 10 of the same BAS. It is to be noted here that declared dividend can be cancelled in AGM and there is an uncertainty about the actual figure. For these above reason bonus shares declared on June 16, 2011 was not considered for calculation of EPS.

XIII. Disclosure as required under of Schedule XI, Part II, Para 6 are as follows:

Particulars	Amount (Tk.)
Audit Fee (3 times)	160,000
Fees for IPO certificate (2 times)	105,000
Total	265,000

XIV. Disclosure information regarding related party transactions as per requirement of BAS-24 is as follows:

Name of the Party	Nature of Transaction	Nature of Relationship	Balance as at 30.04.2011 (Tk)
Faisal Spinning Mills Ltd.	Working Capital Loan	Common Director	107,867,756
Faisal Spinning Mills Ltd.	Investment in Equity	Common Director	72,912,500
Saiham Knit Composite Ltd.	Share Money Deposit	Common Director	20,350,000

&

Name of officers	Designation	Benefits paid from 01.05.10 to 30.04.11	
		Remuneration	Meeting fees
S. M. Faisal	Chairman	600,000	36,000
Syed Ishtiaq Ahmed	Managing Director	1,050,000	36,000
S.F.A.M. Shahjahan	Director	600,000	36,000
Syed Shafqat Ahmed	Director	1,050,000	36,000

XV. There is no related party transactions for liabilities for goods & machinery.

XVI. In note 28 of the accompanying financial statements the profit after tax holiday reserve has been written instead of net profit after tax inadvertently.

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



Saiham Cotton Mills Ltd.

Auditors' Report under section - 135, Para 24 (i), of Part II of Third Schedule of the Companies Act, 1994

We have examined the Financial Statements of Saiham Cotton Mills Ltd. for the year ended May 01, 2010 to April 30, 2011; for the period ended July 01, 2009 to April 30, 2010 and for the year ended July 01, 2008 to June 30, 2009 audited by us and those for the years ended June 30, 2008 and June 30, 2007 audited by M. A. Malek Siddiqui Wali & Co., Chartered Accountants in pursuance of Section 135 (i) under para 24 (i) of Part -II of the Third Schedule of the Companies Act 1994 and report that :

A. The summarized statements of financial position of the company are as under :

Particulars	Amount in Taka				
	30.04.2011	30.04.2010	30.06.2009	30.06.2008	30.06.2007
Assets :					
Non-Current Assets :					
Property, Plant and Equipment	1,351,164,332	1,327,541,267	628,010,178	635,915,233	694,287,305
Investment in Shares	124,897,095	109,312,444	88,699,881	72,912,500	-
Preliminary and Pre-operating expenses	-	-	-	5,220,199	10,440,398
Total Non-Current Assets	1,476,061,427	1,436,853,711	716,710,059	714,047,932	704,727,703
Current Assets :					
Inventories	463,252,332	278,692,735	151,804,813	192,683,218	104,970,827
Goods in Transit	-	-	-	-	37,164,577
Current Account with Sister Concern	107,867,756	229,421,180	-	39,000,000	-
Short Term Loan	-	127,400,000	-	-	-
Trade Debtors	1,072,048,705	654,246,867	478,819,421	321,995,993	318,771,712
Advance, Deposits and Pre-payments	50,939,963	6,147,341	8,550,696	9,841,696	6,080,151
Cash and Bank Balances	70,711,469	48,675,947	40,615,173	23,458,126	2,914,414
Total Current Assets	1,764,820,225	1,344,584,070	679,790,103	586,979,033	469,901,681
Trial Production Loss	-	-	-	5,902,522	11,805,044
Total Assets	3,240,881,652	2,781,437,781	1,396,500,162	1,306,929,487	1,186,434,428
Equity & Liabilities :					
Shareholders' Equity :					
Share Capital	675,000,000	350,000,000	350,000,000	350,000,000	350,000,000
Proposed Stock Dividend	-	175,000,000	-	-	-
Share Premium	291,000,000	-	-	-	-
Tax Holiday Reserve	153,254,293	61,401,660	72,400,626	53,445,476	24,912,137
General Reserve	60,400,000	60,400,000	123,000,000	95,000,000	-
Revaluation Surplus (Restated)	586,177,552	736,017,058	-	-	-
Retained Earnings	180,050,513	3,580,466	1,807,315	1,374,590	53,574,581
Total Shareholders' Equity	1,945,882,358	1,386,399,184	547,207,941	499,820,066	428,486,718
Non-Current Liabilities					
Project Loan	-	289,181,589	285,721,636	325,105,687	370,887,135
Deferred Tax Liabilities (Restated)	115,335,770	-	-	-	-
Total Non-Current Liabilities	115,335,770	289,181,589	285,721,636	325,105,687	370,887,135
Current Liabilities :					
Bank Loan and Overdraft	566,473,854	866,182,738	416,697,992	375,424,497	343,583,822
Loan from Directors	-	-	-	-	38,121,559
Liabilities for Goods	583,892,909	221,862,088	130,471,901	97,170,591	-
Income Tax Provision	2,297,546	-	-	-	-
Liabilities for Expenses and Other Finance	26,999,215	17,812,182	16,400,692	9,408,646	5,355,194
Total Current Liabilities	1,179,663,524	1,105,857,008	563,570,585	482,003,734	387,060,575
Total Liabilities	1,294,999,294	1,395,038,597	849,292,221	807,109,421	757,947,710
Total Equity & Liabilities	3,240,881,652	2,781,437,781	1,396,500,162	1,306,929,487	1,186,434,428



B. The summarized statements of operating results of the company are as under :

Particulars	Amount in Taka				
	01.05.2010 to 30.04.2011	01.07.2009 to 30.04.2010	01.07.2008 to 30.06.2009	01.07.2007 to 30.06.2008	01.07.2006 to 30.06.2007
Turnover	1,909,861,303	1,101,803,486	1,074,210,128	1,083,230,585	801,484,134
Less : Cost of Goods Sold	1,553,568,407	897,088,398	888,418,325	873,139,857	646,689,604
Gross Profit	356,292,896	204,715,088	185,791,803	210,090,728	154,794,530
Less : Operating Expenses :	147,870,701	97,087,372	124,911,813	127,634,659	79,151,639
Administrative and Marketing Expenses	29,152,697	18,083,858	18,565,628	17,066,249	9,441,807
Financial Expenses	118,718,004	79,003,514	106,346,185	110,568,410	69,709,832
Operating Profit	208,422,195	107,627,716	60,879,990	82,456,069	75,642,891
Less : Written off	-	-	11,122,721	11,122,721	-
Trial operation loss written off	-	-	5,902,522	-	-
Preliminary expenses written off	-	-	5,220,199	11,122,721	-
Non-operating income	10,035,345	671,600	-	-	-
Operating Profit Before WPPF	218,457,540	108,299,316	49,757,269	71,333,348	75,642,891
Less : Provision for WPPF	10,402,740	5,125,129	2,369,394	-	-
Profit Before Tax	208,054,800	103,174,187	47,387,875	71,333,348	75,642,891
Less : Provision for Tax	4,421,156	-	-	-	-
Current Tax	2,297,546	-	-	-	-
Deferred Tax	2,123,610	-	-	-	-
Net Profit after Tax	203,633,644	103,174,187	47,387,875	71,333,348	75,642,891
Less : Tax Holiday Reserve	79,207,782	41,001,034	18,955,150	28,533,339	22,692,867
Net Profit after Tax Holiday Reserve	124,425,862	62,173,153	28,432,725	42,800,009	52,950,024
Other Comprehensive Income :					
Less : Unrealised loss on available for sale of financial assets	3,718,337	-	-	-	-
Total Comprehensive Income for the year / period	120,707,526	62,173,153	28,432,725	42,800,009	52,950,024



Saiham Cotton Mills Limited

C. Summarized Statement of Cash Flows are as under :

Particulars	Amount in Taka				
	01.05.2010 to 30.04.2011	01.07.2009 to 30.04.2010	01.07.2008 to 30.06.2009	01.07.2007 to 30.06.2008	01.07.2006 to 30.06.2007
Cash flows from operating activities (A)					
Collection from Sales	1,492,059,465	926,376,040	917,386,700	1,080,006,304	700,732,228
Payment for Cost & Expenses	(1,329,686,745)	(915,494,307)	(782,434,801)	(785,513,530)	(671,956,404)
Interest Paid on Borrowings	(118,718,004)	(79,003,514)	(106,346,185)	(110,568,410)	(69,709,832)
Income from Dividend/ Non Operating Income	6,317,008	671,600	-	-	-
Income Tax	(2,297,546)	-	-	-	-
Net Cash generated by / (used in) Operating activities	47,674,178	(67,450,181)	28,605,714	183,924,364	(40,934,008)
Cash flow from investing activities (B)					
Acquisition / disposal of Fixed Assets	(111,116,956)	-	(36,550,729)	594,180	(537,340)
Investment in Shares	(15,584,651)	(20,612,563)	(15,437,381)	(72,912,500)	-
Net cash used in investing activities	(126,701,607)	(20,612,563)	(51,988,110)	(72,318,320)	(537,340)
Cash flow from financing activities (C)					
Long Term Loan Paid / Received	(215,611,589)	3,459,953	(39,384,051)	(45,781,448)	(30,599,107)
Current maturity of Long Term Loan	(73,570,000)	-	-	-	-
Loan Paid / Received from Bank	(299,708,884)	449,484,746	41,273,495	31,840,675	139,045,744
Short Term Loan	127,400,000	(127,400,000)	(350,000)	(38,121,559)	(64,735,177)
Current Accounts with Sister Concern	121,553,424	(229,421,180)	39,000,000	(39,000,000)	-
Share premium	291,000,000	-	-	-	-
Increase in share capital	325,000,000	-	-	-	-
Proposed stock dividend	(175,000,000)	-	-	-	-
Net cash generated by / (used in) financing activities	101,062,951	96,123,518	40,539,444	(91,062,332)	43,711,460
Net increase in cash and cash equivalents (A+B+C)	22,035,522	8,060,774	17,157,048	20,543,712	2,240,112
Cash and Cash Equivalents at the beginning of the year / period	48,675,947	40,615,173	23,458,126	2,914,414	674,302
Cash and Cash Equivalents at the end of the year / period	70,711,469	48,675,947	40,615,174	23,458,126	2,914,414

D. Dividend

The company has declared dividend as follows:

Particulars	01.05.2010 to 30.04.2011	01.07.2009 to 30.04.2010	01.07.2008 to 30.06.2009	01.07.2007 to 30.06.2008	01.07.2006 to 30.06.2007
Cash Dividend	10%	Nil	Nil	Nil	Nil
Stock Dividend	30%	50%	Nil	Nil	Nil

E. Saiham Cotton Mills Limited was incorporated as a Private Limited Company on May 30, 2002 under the Companies Act, 1994 and the Company has converted into Public Ltd. Company in April, 2010.

F. The Company has no subsidiary company.

G. The Company did not prepare any financial statements for any period subsequent to April 30, 2011.

H. Figures related to previous years / period have been rearranged / re-classified where necessary to conform the changes in presentation.

Dated : Dhaka
July 31, 2011

sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



Auditors' Certificate Regarding Calculation of EPS and Ratios

We have examined the following earnings per share (EPS) and other ratios of Saiham Cotton Mills Ltd. for the year ended April 30, 2011, for the period ended April 30, 2010 and for the year ended June 30, 2009, 2008 and 2007, which have been produced by the management of the company to us. The preparation of the EPS and other ratios is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements for the year mentioned above.

Particulars	Amount in Taka				
	01.05.2010 to 30.04.2011	01.07.2009 to 30.04.2010	01.07.2008 to 30.06.2009	01.07.2007 to 30.06.2008	01.07.2006 to 30.06.2007

1. Liquidity Ratios :

Current Ratio (Times)	1.50	1.22	1.21	1.22	1.21
Quick Ratio (Times)	1.10	0.96	0.94	0.82	0.94
Time Interest Earned Ratio (Times)	1.92	1.37	0.57	0.75	1.09
Debt Equity Ratio (Times)	0.29	0.83	1.28	1.40	1.67

2. Operating Ratios :

Accounts Receivable Turnover Ratio (Times)	2.21	1.94	2.68	3.38	2.99
Inventory Turnover Ratio (Times)	4.19	4.17	5.16	5.87	7.45
Asset Turnover Ratio (Times)	0.63	0.53	0.79	0.87	0.71

3. Profitability Ratios :

Gross Margin Ratio (%)	18.66	18.58	17.30	19.39	19.31
Operating Income Ratio (%)	10.91	9.77	5.67	7.61	9.44
Net Income Ratio (%)	10.66	9.36	4.41	6.59	9.44
Return on Assets Ratio (%)	6.76	4.94	3.51	5.72	6.72
Return on Equity Ratio (%)	12.22	10.67	9.05	15.37	19.36
Earnings per Share (EPS)	3.02	2.95	1.35	2.04	2.16
Earnings per Share (EPS) Restated	3.02	1.97	0.90	1.36	1.44

Dated : Dhaka
July 31,2011

sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



SECTION XV: CREDIT RATING REPORT

Credit Rating Report Saiham Cotton Mills Limited (Surveillance)

Particulars	Ratings	Previous Ratings	Remarks
Saiham Cotton Mills Limited	A₃	BBB₁	Entity
BDT 300.0 million aggregate cash credit (Hypo) limit*	A₃ (Lr)	-	Please see Appendix-1 for details
BDT 600.0 million aggregate Fund based limits	ST-3	-	
BDT 500.0 million aggregate Non Fund based limits	ST-3	-	

Lr- Loan rating; ST-Short Term

*Due to its revolving nature, CRAB views Cash Credit (CC) as long-term facility.

Date of Rating: 21 August 2011.

Validity: The Long Term ratings are valid up to 20 August 2012 and the Short Term ratings are valid up to limit expiry date of respective credit facilities or 20 August 2012 whichever is earlier.

Rating Based on: Audited financial statements up to 30 April 2011, bank liability position as on 31 March 2011, and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

Analysts:

Razib Ahmed

razib.ahmed@crab.com.bd

Mir Imdadul Haque

imdadul@crab.com.bd

■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has upgraded the long-term rating of Saiham Cotton Mills Ltd (hereinafter referred to as SCML or the Company) to "**A₃**" (pronounced **Single A Three**) from **BBB₁**. CRAB has also assigned **A₃ (Lr)** rating to BDT 300.0 million aggregate cash credit (Hypo) limit and **ST-3** rating to BDT 600.0 million aggregate fund based limits and BDT 500.0 million aggregate non fund based limits in the Short Term of the Company.

The upward revision in rating reflects the improvement in the financial profile of SCML with steady growth in revenues driven by favorable demand environment for cotton yarn in the recent past; sound operating margins aided by its product profile, advantageous location of the plant in proximity to key customers, comfortable leverage position through equity financing from capital market in recent past, and experienced management team; and adequate coverage indicators.

After a slowdown over the last two years, the spinning industry has rebounded from the middle of 2009-10 driven by revival in export demand in line with improved retail outlook in the key western markets. Sales made by SCML increased by near to 50.0% in 2011, which helped the Company post healthy growth in revenues. A considerable portion of the revenue is accrued from 26"s to 30"s. SCML managed to maintain stable revenue growth and profitability margins despite the slowdown on the back of captive consumption by its sister concern, relationships with clientele since factory location of

Financial Highlights

Month	Year ended April 30		
	(12)	(10)	(12)
	2011	2010	2009
Net Sales (Mil. BDT)	1,909.9	1,280.8	1,074.2
EBITDA (Mil. BDT)	424.7	282.3	211.7
EBITDA Margin (%)	22.2	22.0	19.7
Net Profit Margin (%)	10.7	9.8	4.4
Return on Average Asset (%)	6.8	6.0	3.5
Quick Ratio (x)	1.1	1.0	0.9
Cash Conversion Cycle (Days)	152	172	152
Debt to Equity (x)	0.3	0.9	1.3
Borrowed Fund to EBITDA (x)	1.3	4.1	3.3
Cash Flow from Operation (Mil. BDT)	48.4	(68.4)	18.9
Free Cash Flow (Mil. BDT)	(62.7)	(68.4)	(17.6)
EBIT/Interest (x)	2.8	2.5	1.6

■ PROFILE

Saiham Cotton Mills Ltd (SCML), a sister concern of Saiham Group was incorporated on 30 May 2002 as a Private Limited Company manufacturing and supplying high quality cotton yarn with the finance from two Nationalized Commercial Banks namely Sonali Bank Ltd and Janata Bank Ltd. The production of the Company started from 01 April 2005 with an installed capacity of producing 6,480 MT cotton yarn per year in a range of 16s to 40s. The Company was converted as a public limited company in April 2010.



the Company gave lead time advantage, quality of the product tagged with entrepreneurs' long presence in business has helped them establish good client profile. SCML's capital structure has further improved significantly in 2011 because of BDT 450 million equity infusions in late 2010 from capital market through private placement tag with steady accruals reached total equity BDT 1,945.9 million from 1,298.0 million in 2010. This resulted in mentionable improvement in Debt to equity (2011: 0.29x; 2010: 0.89x) and Borrowed fund to EBITDA (2011: 1.33x; 2010: 4.09x).

The rating also factors in recent cotton price movement which may create pressure on future profitability of the Company; stressed liquidity position of the Company with trade receivable being 56% of its total sales in 2011 compared to 51% of total sales in 2010.

Credit Strengths

1. Financial flexibility arising from group strength.
2. Diversified product range (across count and process ranges) likely to insulate the Company from decline in demand from any specific segment to an extent; a significant portion of sales from knitwear raw material counts ensure stability to margins.
3. Low order volatility on account of captive consumption and long standing relationship with clients, which also mitigates demand risk.
4. Healthy profitability level with moderate value addition.
5. Conservative capital structure, comfortable coverage indicators.
6. No gas shortage or low pressure problem as Jalalabad gas field is near to factory premises

Credit Concerns

1. Stressed liquidity position due to high accounts receivable (2011: 56.1% 2010: 51.1% of total sales).
2. Vulnerability of the textile industry to exchange rates and cotton price fluctuations.
3. Fragmented industry structure with intense competition.
4. Textile industry susceptible to competitive pressures from other low-cost countries or from countries with lower foreign exchange fluctuations.

■ BACKGROUND

Saiham Cotton Mills Limited (SCML) was established as a private company limited by shares on May 30, 2002 with commitment for meeting the requirement of manufacturing and supplying high quality cotton yarn with the finance from two Nationalized Commercial Banks naming Sonali Bank and Janata Bank. Subsequently it was converted into a public limited company in April 2010. The Head office is at House#34, Road#136, Gulshan-1, Dhaka-1212. The production of the Company started in April 1, 2005 with an installed capacity of 30,960 spindles capable of producing 6,480,000 KGs of yarn per year. The mill is situated at Noyapara, Saihamnagar of Hobigonj district. Total area of the factory is 5.72 acres, where almost 60% area is covered for main factory building, quality control, utility, store, workshop, dormitory, office and others.

Group Belongings

Saiham Group is one of the renowned industrial and business concerns in the north east part of Bangladesh. Mr. Syed Md. Faisal is the founder of the group. The group has 04 limited Companies, and all are backward and forward linkage textile industries manufacturing varieties of yarns and apparels products.

Name of the Companies	Year	Business Activities	Total Sales	Total Operating Income	Net profit	Total Assets
Saiham Textile Mills Ltd.	2010	Spinning	384.68	24.51	23.43	535.15
	2009		299.73	15.95	14.40	281.33
	2008		329.45	18.53	15.75	281.18
	2007		300.61	16.50	16.50	280.19
Faisal Spinning Mills Ltd.	2010	Spinning	801.48	91.81	55.08	1,891.99
	2009		907.81	18.08	10.85	1,666.30
Saiham Knit Composite Ltd.	2011	Composite	-	-	-	409.39



Saiham Textile Mills Ltd: Established in 1981, one of the first composite textile mills in Bangladesh, which introduced the concept of synthetic fabrics in the country with brand new machineries imported from Japan, capacity of producing 7 million yards of finished fabrics per year. In 1992, a modern Yarn Spinning Unit with 30,000 spindles equipped with Japanese machinery was added in the Textile Unit. This mill produces cotton and polyester yarns for domestic and export market. The Company was listed in both Dhaka and Chittagong Stock Exchanges.

Faisal Spinning Mills Ltd: A 100% export oriented 30,960 spindles spinning unit, producing various count of cotton yarn established in 2008 with state of art machineries from Europe.

Saiham Knit Composite Ltd: A 100% composite knitting, dyeing and garments unit with an annual capacity to produce 3,500 MT of dyed fabric and almost 1.00 million dozen of finished garments per annum. The project commenced its operation in mid June 2010. The machineries of the Company are from Germany, Taiwan and Japan origin.

Table 2

Name of the Companies	Name of the Bank	Nature of Credit	Sanctioned Limit (BDT million)	Outstanding As on 31 March 2011
Saiham Textile Mills Ltd.	Janata Bank Ltd.	CC Hypothecation	155.00	137.65
Faisal Spinning Mills Ltd.	Dhaka Bank Ltd.	Project Loan	737.31	636.74
	Dhaka Bank Ltd.	L/C	300.00	161.49
	Dhaka Bank Ltd.	LTR	250.00	Nil
	Dhaka Bank Ltd.	CC Hypothecation	50.00	Nil
	NCC Bank Ltd.	CC Hypothecation	100.00	16.22
	NCC Bank Ltd.	LTR	250.00	226.49
Saiham Knit Composite Ltd.	Janata Bank Ltd	Project Loan	-	309.37
		CC Hypo	-	29.67

Shareholding & Board

There was no changes in shareholding pattern except and number of share holds by the shareholders and authorized and paid up capital of SCML in 2011. The authorized share capital of the Company was increased to BDT 2,000.0 million from BDT 1,250.0 million and paid up capital also increased to BDT 675.0 million from BDT 350 million. Among them, 52.5 million shares of BDT 10 each holds by the sponsors and rest of 15.0 million shares holds by the general public (18.44%), Financial institutions (3.48%) and employees (0.30%).

Management & Human Resources

Last one year (April 2010–April 2011), there was no major changes is core management team of the Company. The management of the Company is headed by Managing Director, who is looking after the all departments of the Company, especially production related matters. A group of senior executives aids the Managing Director to perform day-to-day business of the Company. Head of the plant is designated as Adviser to Managing Director, who is directly involved with all the activities of the factory. Mr. Bikash Kumar, a foreign expert is designated as Adviser to MD monitoring all departments of the plant. Mr. Bikash time-to-time reports to the Managing Director about the performance of the plant. Top executives of SCML are experienced in their own fields and most of them have served the group for a long time.

■ BUSINESS AND COMPETITIVE POSITION**Established market presence across count ranges, with major focus on 26"s to 30"s counts; moderate value addition tag with locational advantage attract premium pricing in the market lends stability to profitability margin**

SCML started its commercial operation in mid 2005 and has already established presence in the cotton yarn market on the back of relationships with clientele since factory location of the Company gave lead time advantage (uninterrupted gas facility with full pressure due to Jalalabad gas field near to factory and Chittagong port tag with bypass high way took less time to transport raw material and finished goods) to the buyer. Quality of the product tagged with entrepreneurs' long presence in business has also helped them establish good client profile. With moderate customer



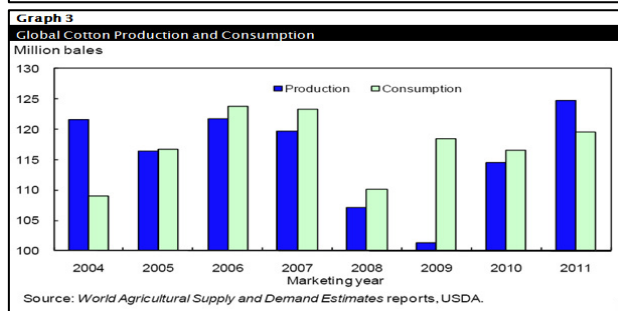
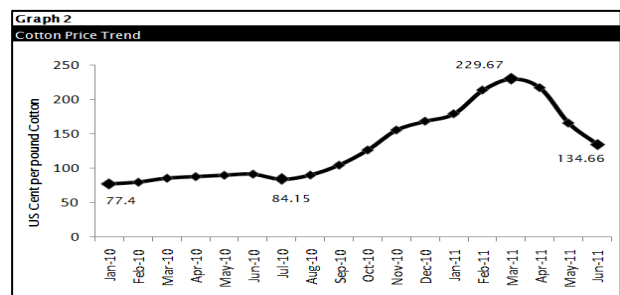
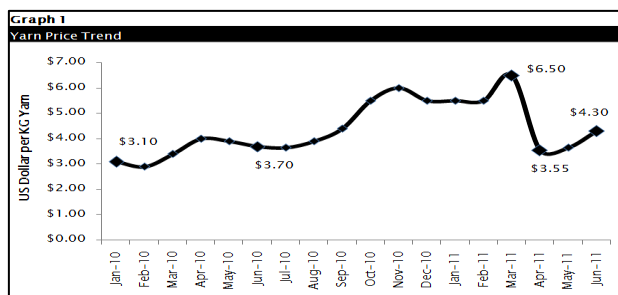
Saiham Cotton Mills Limited

concentration, Company's major buyers are Mondol Group, Muazuddin Textile Ltd, Abir Fashion, Epyllion Group, DBL Group, Base Textile, KDS Group Magpie Composite, Z-3 Composite, etc. Its sister concern will started full fledge in late 2011 which consumes a good portion of SCML's yarn which further increasing revenues and stable volumes even slowdown in export market mitigates the risk to an extent. The perceived better quality of yarn (on account of raw material and value addition) has also minimized the impact of competition and helped the Company attract premium pricing in the market.

Table 3
SCML's Business Performance

Month	Year ended April 30		
	(12)	(10)	(12)
	2011	2010	2009
Net Sales (Mil. BDT)	1,909.9	1,280.8	1,074.2
Export Sales (%)	100.0	100.0	100.0
EBITDA (Mil. BDT)	424.7	282.3	211.7
EBITDA Margin (%)	22.2	22.0	19.7
Sales Volumes			
Installed Capacity (MT/per year)	6,480.0	6,480.0	6,480.0
Total Production (MT/per year)	5,921.6	5,699.4	5,588.4
Total Sales (MT/per year)	5,093.2	7,170.5	6,272.4
Capacity Utilization (%)	91.4	88.0	86.2
Captive Consumption (%)	55.7	57.3	42.2
Yarn Price per KG (BDT)	375.0	178.6	171.3

SCML has a wide product range diversified across cotton yarn, with the ability to manufacture count range from 16"s to fine 40"s. The Company fully concentrates on the medium counts (26"s to 30"s), with more than 60% of revenues coming from those counts that are largely marketed to the deemed export market. The Company purchases cotton mostly from Uzbekistan, Tajikistan, Turkmenistan, West Africa, and United States of America. It is also imported from India depending on the price. Effective cotton mixing (Card and Combed) ensures higher quality of yarn, helping the Company attract premium pricing in the market. The presence count range provides stability to volumes, especially with the recent volatility in the demand for yarn. In 2008 and 2009, when export demand was low, the Company shifted its focus to higher count to cater to the high end market, which helped run the mill even during the slowdown.



Recent cotton price movement may create pressure on margin

Cotton prices witnessed a steep increase over the last two years on account of increase in consumption levels, particularly export demand. SCML maintains a justified raw material inventory to cater to its diverse customer requirements; however not up to the level for benefit or detriment from the cotton price movements.

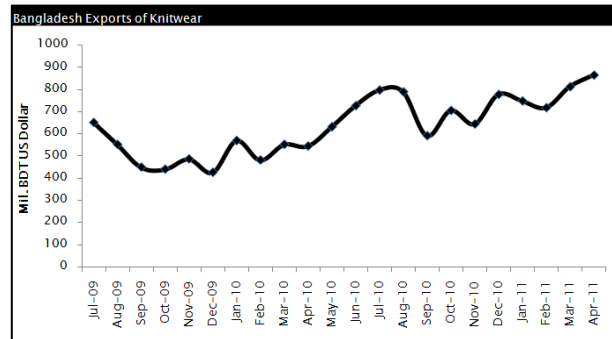


The world cotton market is as volatile as only a commodity market can be. In March 2011, the average market price of per pound cotton was 229.27 cents, which reduced to 105.03 cents¹ per pound in July 2011. Company's closing stock of raw cotton as on 30 April 2011 was 1,319.3 ton (2 month requirement) price was average BDT 240.15 per Kg (\$3.38). As of 30 June 2011, the Company has raw cotton stock of 910 .5 tons which average cost price was BDT 288.11 per KG (\$4.06). Yarn price also dropped to average \$4.3 per KG in June 2011 from \$6.50 per Kg in April 2011. In such imbalanced spinning industries may create pressure on future profitability of the Company.

Modest recovery in export demand

The yarn market in Bangladesh is characterized by shortage capacities. With almost 95% of business originating from exports, the Bangladeshi spinning industry suffered from the global economic slowdown in FY09. With that, low cost low quality Indian yarn (all counts) illegally imported by the businessman makes the Bangladeshi yarn market vulnerable.

Export demand witnessed modest recovery over the past few quarters driven by recovery in the retail markets of Europe and the United States to an extent. The increasing demand for apparels in these markets has been fuelling the increase in demand of yarn since FY10. The recent rebound in export demand coupled with adverse power situation reducing effective capacity. However, part of the yarn price increase also reflects the impact of increase in cotton prices since the onset of the current cotton season.



While retail sales in developed markets have improved in Europe and USA; these continue to be lower than the peaks attained in FY07. The situation is, however, not expected to improve significantly in the short term, as discretionary spend is unlikely to rebound with the current economic conditions in the EU and US markets. Hence, BNFKTL has to concentrate more in domestic market to reduce its dependence on export demand to some extent, which should augur well for the long-term growth potential of the Company.

■ **FINANCIAL POSITION**

Stable revenue growth; recent slowdown in profitability margin due to raw cotton price hike

Table 4

SCML's Financial Performance

Month	Year ended April 30			
	(12) 2011	(10) 2010	(12) 2009	(12) 2008
Net Sales (Mil. BDT)	1,909.9	1,280.8	1,074.2	1,083.2
Sales Growth (%)	49.11	19.24	(0.83)	35.15
CGSD as % of Sales	81.3	79.8	82.7	80.6
EBITDA (Mil. BDT)	424.7	282.3	211.7	251.3
EBITDA Growth (%)	50.42	33.37	(15.75)	23.35
EBITDA Margin (%)	22.2	22.0	19.7	23.2
Net Profit after tax (Mil. BDT)	203.6	125.2	47.4	71.3
Net profit after tax growth				
CAGR of Sales (2007 to 2011) (%)	19.0			
CAGR of EBITDA (2007 to 2011) (%)	15.8			
CAGR of Net Profit (2007 to 2011) (%)	21.9			

¹ As of: Friday, July 22, 2011 Source: USDA Market News



Supported by revenue growth from deemed export market, SCML posted a cumulative average growth rate of 15.8% in EBITDA over the period from 2007 to 2011. After stagnating in 2009 to an extent on account of slowdown, revenues rebounded in 2010 and 2011 with revival in export demand. Increase in yarn price in the same period because of high cotton price had also aided the revenue growth of the Company.

Table 5
Profitability Ratios

Month	Year ended April 30			
	(12) 2011	(10) 2010	(12) 2009	(12) 2008
Gross Profit Margin (%)	18.7	20.2	17.3	19.4
Operating Profit Margin (%)	17.7	18.6	15.6	17.8
Net Profit Margin (%)	10.7	9.8	4.4	6.6
Return on Average Asset (%)	6.8	6.0	3.5	5.7

Gross profit margin of the Company was decreased in 2011 due to price hike of raw cotton throughout the year, which also affect its operating profit margin. However, other profitability ratios shows upward trend due to changing capital structure and operational efficiency of the Company. Equity led capital expenditure in midterm and trim down world cotton market due to increasing production in 2011 tag with increasing knit export in world market, CRAB expected to continue the present profitability level in the short and medium term.

Equity infusion provide improving capital structure; comfortable coverage metrics; high working capital intensity of operation

Table 6
Leverage and Coverage Position

Month	Year ended April 30			
	(12) 2011	(10) 2010	(12) 2009	(12) 2008
(Mil. BDT)				
Equity	1,945.9	1,298.0	547.2	493.9
Borrowed Fund*	566.5	1,155.4	702.4	700.5
EBITDA	424.7	282.3	211.7	251.3
Fund Flow from Operation (FFO)	291.1	169.1	91.8	129.6
Cash Flow from Operation (CFO)	48.4	(68.4)	18.9	176.0
Retained Cash Flow (RCF)	48.4	(68.4)	18.9	176.0
Free Cash Flow (FCF)	(62.7)	(68.4)	(17.6)	176.6
Ratios				
Debt to Equity (x)	0.29	0.89	1.28	1.42
Borrowed Fund to EBITDA (x)	1.33	4.09	3.32	2.79
FFO/Debt (%)	51.4	14.6	13.1	18.5
CFO/Debt (%)	8.5	(5.9)	2.7	25.1
FCF/Debt (%)	(11.1)	(5.9)	(2.5)	25.2
EBIT/Interest (x)	2.8	2.5	1.6	1.7

* Including Directors loan

SCML's capital structure has further improved significantly in 2011 because of BDT 450 million equity infusions in late 2010 from capital market through private placement tag with steady accruals reached total equity BDT 1,945.9 million from 1,298.0 million in 2010. Asset revaluation in 2010 was improved SCML in that period from BDT 547.2 million.

The Company undertook significant debt-funded capital expenditure in the period from 2004 and 2005 towards setup of yarn mill. In 2011, the Company incurred capex of BDT 111.12 million which was funded from private placement. The Company also payoff its long term project loan and high cost short term loan from that private placement fund



amounting BDT 346.2 million in the same period. This resulted in mentionable improvement in Debt to equity (2011: 0.29x; 2010: 0.89x) and Borrowed fund to EBITDA (2011: 1.33x; 2010: 4.09x). Nevertheless, steady accruals and equity led capex planned for the medium term are expected to improve SCML's capitalization levels in the medium term. Coverage matrix of the Company also found to be comfortable level.

Table 7

Liquidity Position

Month	Year ended April 30			
	(12) 2011	(10) 2010	(12) 2009	(12) 2008
Current Ratio (X)	1.5	1.3	1.2	1.2
Quick Ratio (X)	1.1	1.0	0.9	0.8
Accounts Receivable Turnover (X)	2.2	2.3	2.7	3.4
Average Receivable Collection Period (Days)	156	153	129	102
Inventory Turnover (X)	4.0	4.5	4.9	5.5
Average Inventory Processing Period (Days)	87	76	70	63
Accounts Payable Turnover (X)	3.79	6.11	7.42	16.81
Average Payable Payment Period (Days)	91	56	46	21
Cash Conversation Cycle (Days)	152	172	152	144

In 2011, the liquidity position of the Company was quite comfortable, with the inherent profitability in the business leading to healthy fund flow from operations and positive cash flow from operation.

Working capital intensity of SCML was quite high in 2011, which is continuing from 2010 due to high accounts receivable. Average collection period of the Company was 156 days and average inventory processing period was 87 days in 2011. Accounts receivable of the Company reached to BDT 1,072.05 million from BDT 654.25 million, which should be concern issue of the Company. On the other hand, the Company pays on an average 91 days after to its creditor in the same time, which was quite high also. As of 30 April 2011, SCML enjoyed working capital limit from three commercial banks amounting BDT 2,120.0 million.

■ **BANK FACILITIES & CREDIT HISTORY**

SCML is banking with three commercial banks including govt., local, and foreign commercial banks. During 2011, the Company paid off its long term project loan taken from two govt. banks and short term loan of a foreign commercial bank. SCML's loan particulars as on 31 March 2011 was given below:

Table 8

SCML's Loan Particulars as of 31 March 2011

(Mil. BDT)	Facility	Limit	Outstanding
Janata Bank Limited			
Fund Base Long term	CC (Hypo)	300.0	279.9
Sub Total		300.0	279.9
Bank Asia Limited			
Fund Base Short term	LTR	250.0	18.7
	OD	200.0	193.7
Non Fund Base Short term	LC	500.0	223.8
Sub Total		950.0	436.2
HSBC			
Fund Base Short term	Bill Discounting	150.0	58.0
Sub Total		150.0	58.0
Grand Total		1,400.0	774.1



■ CAPITAL EXPENDITURE PLAN

The Company presently has 30,960 spindles producing annually 6,480 MT of finished yarn. With the growing demand of the Company's yarn and the market requirements, two-tier strategic plan has been derived as to increase the spindles to almost 53,000 spindles and achieved a daily production of 30,000 MT yarn per day. 1st tier plan was already implemented and the Company raised BDT 450.0 million through private placement. Such capital was invested in following area:

New machinery	BDT 70.0 million
Pay off long term loans	BDT 294.2 million
Pay off short term loans	BDT 52.0 million
Go-down	<u>BDT 33.8 million</u>
	BDT 450.0 million

2nd tier investment: BDT 580.00 million (financing from IPO fund) for setting up a project for another 22,000 spindles with complete new factory building and machinery. The Company is under process to raise fund from capital market through IPO.

SCML's Loan Particulars as of 31 March 2011

(Mil. BDT)	Facility	Limit	Outstanding	Validity
Janata Bank Limited				
Fund Base Long term	CC (Hypo)	300.0	279.9	30.6.2011
Sub Total		300.0	279.9	
Bank Asia Limited				
Fund Base Short term	LTR	250.0	18.7	2.3.2012
	OD	200.0	193.7	2.3.2012
Non Fund Base Short term	LC	500.0	223.8	2.3.2012
Sub Total		950.0	436.2	
HSBC				
Fund Base Short term	Bill Discounting	150.0	58.0	31.7.2011
Sub Total		150.0	58.0	
Grand Total		1,400.0	774.1	



CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

Long Term Rating	Definition
AAA Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
AA₁, AA₂, AA₃* Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
A₁, A₂, A₃ Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
BBB₁, BBB₂, BBB₃ Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
BB₁, BB₂, BB₃ Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
B₁, B₂, B₃ Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC₁, CCC₂, CCC₃ Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
CC Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

***Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.



LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS
(All loans/facilities with original maturity exceeding one year)

RATINGS	DEFINITION
AAA (Lr) (Triple A) Highest Safety	Loans/facilities rated AAA (Lr) are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
AA (Lr)* (Double A) High Safety	Loans/facilities rated AA (Lr) are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
A (Lr) Adequate Safety	Loans/facilities rated A (Lr) are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
BBB (Lr) (Triple B) Moderate Safety	Loans/facilities rated BBB (Lr) are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
BB (Lr) (Double B) Inadequate Safety	Loans/facilities rated BB (Lr) are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
B (Lr) High Risk	Loans/facilities rated B (Lr) are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
CCC (Lr) Very High Risk	Loans/facilities rated CCC (Lr) are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favorable circumstances continue.
CC (Lr) Extremely High Risk	Loans/facilities rated CC (Lr) are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
C (Lr) Near to Default	Loans/facilities rated C (Lr) are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
D (Lr) Default	Loans/facilities rated D (Lr) are in default or are expected to default on scheduled payment dates.

**Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS
(All loans/facilities with original maturity within one year)

	DEFINITION
ST-1 Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
ST-2 High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
ST-3 Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
ST-4 Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
ST-5 Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
ST-6 Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

© Copyright 2008, CREDIT RATING AGENCY OF BANGLADESH LIMITED ("CRAB"). All rights reserved. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT CRAB'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by CRAB from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and CRAB, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall CRAB have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of CRAB or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if CRAB is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY CRAB IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.



Saiham Cotton Mills Limited

SECTION XVI: APPLICATION FORM

'Interested Persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager.'

APPLICATION FORM SAIHAM COTTON MILLS LIMITED

APPLICATION FOR INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI (S)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

The Managing Director

Saiham Cotton Mills Limited.
House # 34, Road # 136, Gulshan - 1
Dhaka -1212, Bangladesh

Banker's Sl. No.

Broker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares of Tk. 20 each (including a premium of Tk. 10/-).
2. Amount of Tk. (*in figure*).....Taka (*in words*).....only deposited vide Cash / Cheque / Draft / Pay Order No.....dated.....On..... BankBranch.
3. Depository (B/O) Account Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

4. I/We agree to fully abide by the instruction given herein.

5. Particulars of Applicant(s):

a) Sole/First Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's name:		
Mother's name:		
Postal address:		
Occupation:	Nationality:	Tel:
For refund warrant (Application will not be treated as valid if anyone use a non-schedule bank. To avoid this complication, investors are requested not to use the name of any non-schedule bank) Please write the correct and full name of bank and branch;		
For refund warrant: Applicant's Bank A/C No.:		
Name of the Bank:	Branch:	

The applicant shall provide the same bank account number in the application form as it is in the BO account of the applicant.

b) Second Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's name:		
Mother's name:		
Postal address:		
Occupation:	Nationality:	Tel:

6. I/we hereby declare that I/we have read the Prospectus of **Saiham Cotton Mills Limited** and have willingly subscribed for no. of shares of Tk 20/- each on this form.

7. Specimen Signature(s):

	Name in Block Letters	Signature
Sole / First Applicant		
Second Applicant		

BANKER'S ACKNOWLEDGEMENT

Certified that this bank has received Tk.....(in word) only from Mr./Mrs./Ms. being the application money for Nos. of Ordinary Shares of **Saiham Cotton Mills Ltd.**

Banker's Sl. No.

Seal and Date

**Authorized Signature
(Name & Designation)**



INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will be only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **250** ordinary shares and must be for a multiple of **250** ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers to the Issue favoring "**Saiham Cotton Mills Limited**" and crossed "**A/C Payee only**" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Applications from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Association and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non allotment of securities, if the applicants' bank accounts as mentioned in the IPO application forms are maintained with the bankers to the issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO application forms. Otherwise, refund will be made only through "**Account Payee**" cheques showing Bank A/C Number and name of Bank Branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall NOT be considered for allotment purpose.
15. The Bankers to the issue shall be obliged to receive the A/C Payee Cheque (s) on the closing day of the subscription.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.**



Bankers to the Issue

BRAC Bank Limited

Asad Gate Branch, Dhaka
 Bashundhara Branch
 Donia Branch
 Eskaton Branch
 Graphics Building Branch
 Gulshan Branch, Dhaka
 Manda Branch, Dhaka
 Mirpur Branch, Dhaka
 Nawabpur Branch, Dhaka
 Rampura Branch, Dhaka
 Shyamoli Branch, Dhaka
 Agrabad Branch, Chittagong
 CDA Avenue Branch, Chittagong
 Halisohor Branch, Chittagong
 Kazirdeuri Branch, Chittagong
 Momin Road Branch, Chittagong
 Barisal Branch
 Zindabazar Branch, Sylhet
 Bogra Branch
 Rajshahi Branch
 Jessore Branch
 Khulna Branch

Dutch-Banqla Bank Limited

Baburhat Branch, Narsingdi
 B.B. Road Branch, Narayanganj
 Donia Branch, Dhaka
 Dhaka EPZ Branch
 Board Bazar Branch, Gazipur
 Neitaiganj Branch, Narayanganj
 Simrail Branch, Narayanganj
 Joypara Branch, Dohar, Dhaka
 Savar Bazar Branch
 Gazipur Chowrasta Branch
 Mirzapur Branch, Tangail
 Manikgonj Branch
 Konabary Branch, Gazipur
 Bandura Branch, Nawabganj
 Narsingdi Branch
 Bhulta Branch, Narayanganj
 Narayanganj BSCIC Branch
 Tongi Branch
 Madaripur Branch
 Munshiganj Branch
 Faridpur Branch
 Tangail Branch
 Patherhat Branch, Chittagong
 Hathazari Branch, Chittagong
 CDA Avenue Branch, Chittagong
 Muradpur Branch, Chittagong
 Feni Branch
 Comilla Branch
 Jubilee Road Branch, Chittagong
 Kadamtali Branch, Chittagong
 Cox's Bazar Branch
 Lohagara Branch, Chittagong
 Fatikchhari Branch, Chittagong
 Choumuhani Branch
 Sonagazi Branch
 Khatunganj Branch, Chittagong
 Halisohor Branch, Chittagong
 Basurhat Branch(Rural), Noakhali
 Dagonbhuiyan Branch, Feni
 Chittagong EPZ Branch
 Barisal Branch
 Sylhet Branch
 Biswanath Branch, Sylhet
 Moulavi Bazar Branch
 Goala Bazar Branch, sylhet
 Beani Bazar Branch, Sylhet
 Chhatak Branch, Sylhet
 Sremangal Branch
 Habiganj Branch
 Shahajalal Uposohor Branch
 Pabna Branch
 Khulna Branch
 Bogra Branch
 Shahzadpur Branch
 Jessore Branch
 Kushtia Branch
 Satkhira Branch

Saidpur Branch
 Rangpur Branch
 Gobindaganj Branch

National Bank Limited

Gulshan Branch, Dhaka
 Imamgonj Branch, Dhaka
 Jatrabari Branch, Dhaka
 Kawran Bazar Branch, Dhaka
 Z.H. Sikder M.C. Branch, Dhaka
 Lake Circus Branch, Dhaka
 Tongi Branch, Dhaka
 Rifles Square Branch, Dhaka
 Pagla Bazar Branch, Narayanganj
 Mirpur Branch, Dhaka
 Mohammadpur Branch, Dhaka
 Motijheel Branch, Dhaka
 Dilkusha Branch, Dhaka
 New Eskaton Branch, Dhaka
 North Brook Hall Branch, Dhaka
 Rokeya Sarani Branch, Dhaka
 Savar Branch
 Uttara Branch, Dhaka
 Narayanganj Branch
 Netaigonj Branch, Narayanganj
 Faridpur Branch
 Mymensing Branch
 Muradpur Branch, Chittagong
 Chawk Bazar Branch, Chittagong
 Pahartoli Branch, Chittagong
 Sunamgonj Branch, Sunamgonj

IFIC Bank Limited

Federation Branch, Dhaka
 Dhanmondi Branch, Dhaka
 Banani Branch, Dhaka
 Elephant Road Branch, Dhaka
 Islampur Branch, Dhaka
 Shantinagar Branch, Dhaka
 Naya Paltan Branch, Dhaka
 Uttara Branch, Dhaka
 Malibagh Branch, Dhaka
 Pallabi Branch, Dhaka
 Lalmatia Branch, Dhaka
 North Brook Hall Branch, Dhaka
 Narayanganj Branch, Dhaka
 Mymensing Branch, Mymensing
 Stock Exchange Branch, Dhaka
 CDA Avenue Branch, Chittagong
 Madam Bibir Hat Branch, Chittagong
 Sheikh Mujib Road Branch, Chittagong
 Branhmanbaria Branch, Chittagong
 Alanker More Branch, Chittagong
 Barisal Branch, Barisal
 Sylhet Branch, Sylhet
 Moulvi Bazar Branch, Sylhet
 Uposohor Branch, Sylhet
 Tultikar Branch, Sylhet
 Rajshahi Branch, Rajshahi
 Bogra Branch, Rajshahi
 Pabna Branch, Rajshahi
 Khulna Branch, Khulna
 Boro Bazar Branch, Khulna
 Jessore Branch, Khulna
 Kushtia Branch, Khulna
 Dinajpur Branch, Rangpur
 Rangpur Branch, Rangpur

Bank Asia Limited

Corporate Branch, Dhaka
 Scotia Branch, Dhaka
 Gulshan Branch, Dhaka
 MCB Banani Branch, Dhaka
 Uttara Branch, Dhaka
 Mitford Branch, Dhaka
 North South Rd. Branch, Dhaka
 Dhanmondi Branch, Dhaka
 Bashundhara Branch, Dhaka
 Moghbazar Branch, Dhaka
 Mohakhali Branch, Dhaka
 Mirpur Branch, Dhaka
 Shantinagar Branch, Dhaka

Progati Sarani Branch, Dhaka
 Uttara Branch, Dhaka
 Mitford Branch, Dhaka
 North South Rd. Branch, Dhaka
 Dhanmondi Branch, Dhaka
 Bashundhara Branch, Dhaka
 Moghbazar Branch, Dhaka
 Mohakhali Branch, Dhaka
 Mirpur Branch, Dhaka
 Shantinagar Branch, Dhaka
 Progati Sarani Branch, Dhaka
 MCB Sk. Mujib Road Branch, Chittagong
 Bahadderhat Branch, Chittagong
 Station Road Branch, Chittagong
 Kamal Bazar Branch, Chittagong
 Sylhet Main Branch, Sylhet
 Sylhet Uposahar Branch, Sylhet
 Rajshahi Branch, Rajshahi
 Bogra Branch, Bogra
 Ishwardi Branch, Ishwardi
 Khulna Branch, Khulna
 Jessore Branch, Jessore

Mutual Trust Bank Limited

Babu Bazar Branch, Dhaka
 Banani Branch, Dhaka
 Dholaikhal Branch, Dhaka
 Dilkusha Branch, Dhaka
 Fulbaria Branch, Dhaka
 Gulshan Branch, Dhaka
 Mohammadpur Branch, Dhaka
 MTB Corp. Center Branch, Dhaka
 Pallabi Branch, Dhaka
 Panthapath Branch, Dhaka
 Principal Branch, Dhaka
 Progati Sarani Branch, Dhaka
 Savar Branch, Dhaka
 Shanir Akhra Branch, Dhaka
 Tongi Branch, Dhaka
 Uttara Model Town Branch, Dhaka
 Narayanganj Branch, Narayanganj
 Sonargaon Branch, Narayanganj
 Alankar Mour Branch, Chittagong
 Rajshahi Branch, Rajshahi
 Rangpur Branch, Rangpur
 Bogra Branch, Bogra
 Pabna Branch, Pabna
 Sylhet Branch, Sylhet
 Moulvi Bazar Branch, Sylhet
 Gournadi Branch, Barisal
 Habiganj Branch

Dhaka Bank Limited

Goran Business Center, Dhaka
 Khilgaon Branch, Dhaka
 Savar Branch, Dhaka
 Bhulta Branch, Dhaka
 Uposahar Branch, Sylhet

ICB

Head Office, Dhaka
 Local Office, Nayapaltan, Dhaka
 Chittagong Branch, Chittagong
 Barisal Branch, Barisal
 Sylhet Branch, Sylhet
 Rajshahi Branch, Rajshahi
 Khulna Branch, Khulna

Trust Bank Ltd.

Radisson Water Garden Hotel Branch, Dhaka
 Narsingdi Branch, Dhaka
 Tongi Branch, Dhaka
 Dilkusha Branch, Dhaka
 Principal Branch, Dhaka
 Momenshahi Cantonment Branch, Dhaka
 Savar Cantonment Branch, Dhaka
 S.S. Cantonment Branch, Tangail, Dhaka
 Kafrul Branch, Dhaka
 Joydebpur Branch, Dhaka
 Ashulia Branch, Dhaka

Ashugonj Branch, Chittagong
 Chittagong Cantonment Branch
 Comilla Cantonment Branch
 Chowmohoni Branch
 Kadamtali Branch
 Comilla Branch
 Jalalabad Cant. Branch, Sylhet
 Bogra Cantonment Branch, Bogra
 Khulna Branch, Khulna
 Rangpur Cantonment Branch

NCC Bank Ltd.

Motijheel Branch, Dhaka
 Dilkusha Branch, Dhaka
 Kamal Bazar Branch, Dhaka
 Mirpur Branch, Dhaka
 Dhanmodi Branch, Dhaka
 Mitford Branch, Dhaka
 Nawabpur Branch, Dhaka
 Kamal Bazar Branch, Dhaka
 Malibagh Branch, Dhaka
 Uttara Branch, Dhaka
 Moghbazar Branch, Dhaka
 Babubazar Branch, Dhaka
 Bangshal Branch, Dhaka
 Elephant Road Branch, Dhaka
 Pragoti Sarani Branch, Dhaka
 Jatrabari Branch, Dhaka
 Gulshan Branch, Dhaka
 Shyamoli Branch, Dhaka
 Banani Branch, Dhaka
 Bijoynagar Branch, Dhaka
 Savar Branch
 Islampur Branch
 Joydevpur Branch
 Madaripur Branch
 Tangail Branch
 Narayanganj Branch
 Mymensing Branch
 Agrabad Branch, Chittagong
 Khatunganj Branch, Chittagong
 O.R. Nizam Road Branch, Chittagong
 Jubilee Road Branch, Chittagong
 Cox's Bazar Branch
 CEPZ Branch, Chittagong
 Anderkilla Branch, Chittagong
 Halisohor Branch, Chittagong
 Kadamtali Branch, Chittagong
 Majhighat Branch
 Feni Branch
 Laxmipur Branch
 Chowmuhuni Branch
 Comilla Branch
 Madunaghat Branch
 Laldighirpar Branch, Sylhet
 Chowhatta Branch, Sylhet
 Moulvibazar Branch
 Rajshahi Branch
 Bogra Branch
 Naogaon Branch
 Khulna Branch
 Jessore Branch
 Rangpur Branch

First Security Bank Ltd.

Dilkusha Branch, Dhaka
 Mirpur Branch, Dhaka
 Topkhana Road Branch, Dhaka
 Donia Branch, Dhaka
 Biswa Road Branch, Dhaka
 Khatunganj Branch, Chittagong
 Agrabad Branch, Chittagong
 Motijheel Branch, Dhaka
 Sylhet Branch
 Rajshahi Branch
 Bogra Branch
 Rangpur Branch
 Patia Branch



Saiham Cotton Mills Limited

Interested Persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager.

APPLICATION FORM
SAIHAM COTTON MILLS LIMITED
APPLICATION FOR NON-RESIDENT BANGLADESHI(S)
(TO BE SENT DIRECTLY TO THE COMPANY'S CORPORATE OFFICE)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

The Managing Director

Saiham Cotton Mills Limited.
House # 34, Road # 136, Gulshan - 1
Dhaka -1212, Bangladesh

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

- 1. No. of Ordinary Shares of Tk. 20 each (including a premium of Tk. 10/-).
2. Amount of Tk. (in figure)....., (in words)only Convertible into US Dollar 1.00 = Tk., UK Pound Sterling 1.00 = Tk., and Euro 1.00 = Tk.
3. Payment by cheque/draft no. dated..... for US Dollar or UK Pound Sterling or Euro or TK drawn onBank Branch.

4. Depository (B/O) Account Number [Form field]

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

5. I/we fully agree to abide by the instructions given herein.

6. Particulars of Applicant(s):

a) Sole/First Applicant

Name:
Father's/Husband's name:
Mother's name:
Postal address:
Occupation: Nationality:
Passport No.: Valid up to:
Date of Birth:
For refund warrant (Application will not be treated as valid if anyone use a non-schedule bank. To avoid this complication, investors are requested not to use the name of any non-schedule bank) Please write the correct and full name of bank and branch;
For refund warrant: Applicant's Bank A/C No.:
Name of the Bank Branch

The applicant shall provide the same bank account number in the application form as it is in the BO account of the applicant.

b) Second Applicant

Name:
Father's/Husband's name:
Mother's name:
Postal address:
Occupation: Nationality:
Passport No.: Valid up to:
Date of Birth:

Nominee:

Name
Mailing Address

7. I/we hereby declare that I/we have read the Prospectus of Saiham Cotton Mills Limited, and have willingly subscribed for no. of shares of Tk 20/- each on this form.

8. Specimen Signature(s):

Table with 3 columns: Name in Block Letters, Signature, and rows for Sole/First Applicant, Second Applicant, and Nominee.



INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) account, your application will be treated as invalid.
2. All information must be written or typed in block letters in English and must not be abbreviated.
3. An application must not be for less than **250** Ordinary Shares and must be for a multiple of **250** ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring "**Saiham Cotton Mills Limited**" and crossed "**Account Payee only**".
5. An application shall be sent by the applicant directly to the Company by **08/03/2012** so as to reach the Company by **17/03/2012**. Applications sent after **08/03/2012** or received by the Company after **17/03/2012** will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by SEC.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made to the first applicant. Note that a non-resident Bangladeshi (NRB) applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO by USD/GBP/Euro/BDT (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by USD/GBP/Euro/BDT (supported by a foreign currency encashment certificate) will not be allowed.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
12. The intending NRB applicants shall deposit share money by US Dollar/UK Pound Sterling/EURO draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.
13. The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
15. In case of joint NRB application joint applicant shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).
16. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
17. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
18. In case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly credited into their respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of the bank branch as mentioned in the application form, payable at Dhaka or Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeited whole or part of their application too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.