

**ANNUAL
REPORT
2013 - 2014**



SAIHAM COTTON MILLS LTD.

A black fountain pen with gold accents lies diagonally across a light blue desk. To its right, a pair of black-rimmed glasses with a wooden temple is placed on a dark blue textured surface. In the foreground, two white dice with black pips are visible. The background is a soft, light green gradient.

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Transmittal Letter

To

All Shareholders

Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Sub: Annual Report for the year ended April 30, 2014

Dear Sir

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Financial Position as at April 30, 2014, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended April 30, 2014 along with notes thereon for your record/necessary measures.

Yours Sincerely

Sd/

(Md.Sahinur Kabir)
Company Secretary

Event Highlights





Saiham Cotton Mills Ltd.
received following Certificates for its success:

Saiham Cotton Mills Ltd. received following Certificates for its success:



Certificate of Registration from Moody International



Certificate of Registration from Cotton made in Africa



Certificate of Compliance from CU inspections & Certifications India Private Limited



Certificate from Hohenstein Textile Testing Institute

Board Of Directors





SAIHAM COTTON MILLS LTD.

House # 2, Road # 55, Gulshan-2, Dhaka.

Notice Of The 13th Annual General Meeting

Notice is hereby given that the 13th Annual General Meeting (AGM) of the shareholders of the Company shall be held on October 23, 2014 at 11.30 A.M. at Saiham Cotton Mills Ltd. premises, Noyapara, P.O.Saiham Nagar, U.Z.-Madhabpur, Dist-Habiganj to transact the following businesses:

1. To consider the audited financial statements of the Company for the year ended April 30, 2014 together with auditors' and directors' reports thereon.
2. To declare dividend.
3. To elect directors.
4. To appoint new auditors and fix their remuneration.
5. To transact any other business with permission of the chair.

By order of the Board

Dated: Dhaka
August 28, 2014

Sd/-
(Md.Sahinur Kabir)
Company Secretary

Notes

1. The shareholders whose names will appear in the Share Register of the Company and/or Depository Register of CDBL as on record date, September 17, 2014 will be entitled to attend the AGM and receive dividend.
2. Attendance to the AGM will be on production of the Attendance Slip sent with this Notice.
3. The Proxy Form, sent with this Notice, affixed with requisite revenue stamp must be deposited at the Company's Registered Office at least 48 hours prior to the AGM.

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Management Apparatus

Board Of Directors

S. M. Faisal - Chairman
Engr. Syed Ishtiaq Ahmed - Managing Director
S. F. A. M. Shahjahan - Director
Syed Shafqat Ahmed, MBA - Director
Mostafa Moin - Independent Director

Audit Committee

Mostafa Moin - Chairman
S. F. A. M. Shahjahan - Member
Syed Shafqat Ahmed, MBA - Member

Company Secretary

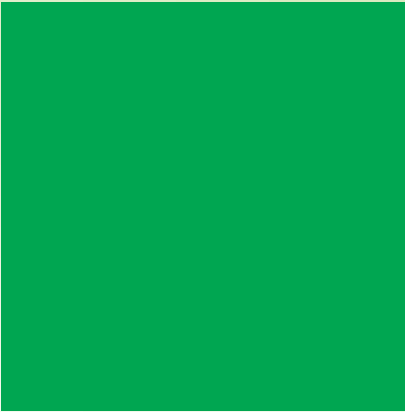
Md. Sahinur Kabir

SAIHAM COTTON MILLS LTD.

| | |
|---------------------|---|
| Registered Office | : House # 2, Road # 55, Gulshan-2, Dhaka - 1212 |
| Telephone | : 9862284, 9863323, 9887441 |
| Fax | : 9864607, 8826254 |
| E-mail | : info@saiham.com |
| Website | : www.saihamcotton.com |
| Auditors | : Rahman Mostafa Alam & Co. Chartered Accountants Box Culvert Road 65/2/1, Purana Paltan, Dhaka-1000 |
| Legal Advisor | : Md. Shamsul Haque Flat # 9 B, (10 th Floor) Fayanaz Property 37/2, Purana Paltan, Dhaka-1000 |
| Tax Advisor | : Jasim Chowdhury Paramount Heights Box Culvert Road 65/2/1, Purana Paltan, Dhaka-1000 |
| Principal Banker's | : HSBC Limited Dhaka Main Office, Anchor Tower, 1/13 Sonargaon Road, Dhaka Bank Asia Limited Dhanmondi Branch, Dhaka-1205 Janata Bank Limited Motijheel Corporate Branch 48, Motijheel C/A, Dhaka-1000 Dhaka Bank Limited Sara Tower, Motijheel, Dhaka-1000 Standard Chartered Bank Limited Gulshan Branch, Dhaka-1212 |
| Insurance Company's | : Green Delta Insurance Company Limited 2, Dilkusha C/A, Dhaka-1000 Karnaphuli Insurance Company Limited 64, Motijheel C/A, Dhaka-1000 Islami Insurance Bangladesh Limited Malibagh Branch, Dhaka-1217 Prime Insurance Company Limited 36, Dilkusha, Dhaka-1000 |
| Factory | : Noyapara, P. O : Saiham Nagar U. Z : Madhabpur, Dist : Habiganj Post Code : 3333 |



Factory Highlights



Message From The Chairman

Dear Shareholders
Assalamu Alaikum,

I, on behalf of the Members of the Board of Directors have the pleasure to welcome all our esteemed shareholders on this occasion of the 13th Annual General Meeting of Saiham Cotton Mills Ltd. We are delighted, encouraged and impressed at your joyful participation in this Annual General Meeting at this factory premises. Your spontaneous participation with taking trouble in long road journey manifests itself of your confidence on the Company. Thank you all.

Meanwhile, Annual Report 2013 -14 of this Company has been dispatched to you for your kind perusal. I believe you will get a comprehensive view from the Director's Report and to assess the financial position of the Company. I assure you that we shall always be with you and your investment will always be secured. I presume the performance of the business operation during the year under review is quite satisfactory.

The year 2013 was diametrically opposite and the company, industry and nation seemed at times to be under a barrage of challenges and threats to growth. The recessionary effect of the global recession continued throughout 2013. Along with it fire in Tazreen fashion, Rana Plaza building collapse and the cancellation of GSP facilities by USA was a severe blow to the Export Oriented Garments Industry. The seemingly unending flow of bad news from the RMG factories in Bangladesh in 2013 negatively affected not only RMG exports but had a similar effect on buyers of spinning from Bangladesh being the Primary Textile Supplier. Our customers were very concerned about country risk, potential liability of producing in Bangladesh and most of all reputational damage, in case of similar disasters. In spite of these problems Saiham Cotton Mills Ltd still emphasizes on its quality, commitment, traditional strengths of corporate governance statutory compliance consistency and stability. We are continuous looking for opportunity to expand the companys operational capacity and business therefore we have completed the construction of our new unit with the IPO fund. Besides we have avail foreign loan of US \$ 11.08 Million (US Dollar eleven million & eight thousand) only from Offshore Unit of The Hongkong & Shanghai Banking Corporation that bears 4.5% interest with 3 month libor. As a result our production and profitability will increase simultaneously. The benefit of which will be received by the shareholders in future days to come.

I would like to express my profound gratitude to all our valued shareholders, regulatory bodies, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Jalalabad Gas System, Banks, Insurance Co. Registrar of Joint Stock Companies and Firms who extended their cooperation suggestions & guidance in running the business successfully. I would also like to record my sincere thanks to the all officers, staffs and workers of the Company for their dedicated services for growth of the Company.

Thanking you all

Wishing you all the best

Sd/-
(S.M. Faisal)
Chairman

Director's Report To The Shareholders

Bismillahir Rahmanir Rahim
Dear Shareholders
Assalamu Alaikum,

It is my great pleasure to welcome you at the 13th Annual General Meeting of Saiham Cotton Mills Ltd. I, on behalf of the Board of Directors, have the pleasure to present before you the report for the year ended April 30, 2014 along with the audited financial statements and auditor's report thereon.

BACKGROUND

Saiham Spinning Mills Limited 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 Ltd. It has been converted into a Public Limited Company on March 25, 2010. The Authorized capital of the company is Tk. 2,000 million and paid up capital is Tk. 1,352 million. The company was listed with the Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd and share trading started in both the houses on June 24, 2012.

REVENUE

As you are aware that the Company is a manufacturer of 100% export- oriented cotton yarn and has 30,960 spindles. We have established a new factory with the utilization of the IPO proceedings which went into production on May 31, 2014. The total cost of setting up of the additional unit is Tk.1,12,17,48,482. The additional unit ie. Unit 2 will generate approximately extra revenue of Tk. 170 crore in the years to come. However the sales proceed from cotton yarn stood at 1,880 million.

Last year we saw a mixed reaction in the international cotton market. With the continuation of the recession from the previous year the cotton market picked up at the end of last year. Unfortunately the yarn market in Bangladesh did not respond accordingly. The lack of export orders, compliance issues being sorted, year long Political unrest had all it's effect on Profitability. The whole of last year was a great challenge in keeping the supply chain management in order. However due to the prudent management and cohesive effort of all concerned we maintained the production of our factory and also was able to complete the new project in time, considering the adversaries we faced.

Financial Result and Appropriation of Profit:

| Particulars | 2013-14 | 2012-13 |
|---|--------------------|--------------------|
| Net Profit for the year (after tax) | 200,281,820 | 259,014,976 |
| Add: Adjustment for revaluation of P.P.E and deferred tax | 37,228,534 | 40,055,792 |
| Less: Unrealized loss on sale of financial assets | 3,373,836 | (13,390,129) |
| Add: Previous year's surplus | 414,056,518 | 128,625,878 |
| Add: Transfer form Tax Holiday Reserve | - | 135,000,000 |
| Profit available for appropriation | 654,940,708 | 549,306,517 |
| Recommended for appropriations: | | |
| Tax holiday reserve | - | - |
| Cash Dividend @ 10% | 135,250,000 | 135,250,000 |
| Total | 519,690,708 | 414,056,517 |

Segment-wise or product-wise performance

Mentioned in section 21 of the notes to the financial statements.

Industry outlook and possible future developments in the industry

The company works as a Primary Textile Supplier producing Yarn for the Garments exporters. The business is directly co related to the exporters orders received from foreign buyers. At the same time as raw cotton is the main raw material and is traded in a volatile market any abrupt price change in the commodity effects the profitability. However the product of Saiham Cotton Mills Ltd holds very high reputation in the market for the quality and commitment. With the present

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compliance issue going on in RMG sector the business activities has slowed yet with the reputation we have for our product we believe Saiham Cotton Mills Ltd. has a positive outlook for the future.

Implementation of Saiham Cotton Mills Ltd. Unit - 2

The implementation of the second unit of Saiham Cotton Mills Ltd. was delayed in spite of all possible measures due to reasons beyond our control. LC's were opened at the earliest once the IPO funds were available however shipment of certain machinery was delayed. In addition the local construction work suffered greatly due to untimely supply of construction materials because of local incessant strikes throughout the year. In spite of this failures we were able to complete the project in shortest possible time. Even though BDT 95 crore was raised through IPO, yet we had invested an additional amount of BDT 17 crore from the companies own source taking into consideration the future outlook and prospect of the company. The details expense of the new Unit is given below:

| Particulars | Investment |
|-------------------------------|---------------|
| Land and Land Development | 4,33,22,973 |
| Building & Other Construction | 25,55,31,472 |
| Plant and Machineries | 82,24,66,179 |
| Sundry Assets | 4,27,858 |
| Total Cost of the SCML Unit 2 | 1,121,748,482 |

With the operation of Saiham Cotton Mills Ltd. Unit-2 now we are in a much better position of catering to the bigger orders of our client which will ensure growing business in the future.

During the last financial years Saiham Cotton Mills Ltd. has also enlisted themselves with various cotton Organizations to produce value added Yarn and thus expand their business share in the market. During the time we have obtained the Cotton Made in Africa (CMIA), OEKOTEX, Better Cotton Initiative (BCI) and Control Union (CU) for Organic Cotton Certificates. With more and more apparel producer now opting for Sustainability and Environment Friendly Cotton to produce Yarn, we believe this enlistment will expand our market share further in the days to come.

Risks and concerns

Saiham Cotton Mills Ltd operates as a Primary Textile Supplier to the forward link Ready Made Garments Industry. As such any risk associated to the apparels industry also affects our business, as has been the case throughout last year. With the compliance issues being sorted out we believe that Saiham Cotton Mills Ltd. business will grow even further with the steady supply of orders. Moreover, with China phasing out gradually from the apparels industry any shift of order to Bangladesh will really work to stimulate the market.

Raw Cotton is another issue that every spinning industry has to face. The volatility that exists in the present market is very alarming and prudent and calculative decision is required for better result of the company. However, with long experience of the management and constant long lasting relationship with supplier Saiham Cotton Mills Ltd. has so far been able to overcome this problem.

In 2013, initially Growth in Bangladesh was moderated, inflation declined, and the current account returned to a larger surplus. But these indicators slept again, reflecting slower expansion in exports, falling worker remittances, and political unrest before parliamentary elections. Higher inflation and a modest current account deficit were experienced by the economy. The garment industry faced challenges in adopting tough compliance and safety standards. Saiham Cotton Mills Ltd being a deemed exporter, there is always a risk associated with global scenario. The main challenge for the company and indeed the entire economy in 2013 was the unprecedented levels of political turmoil, violence and destruction especially in the third quarter of the year. However with the experience for last few years and Bangladesh becoming predominantly a powerful apparel market in the global arena and producing the basis apparels we believe that no matter what the demand for basis garments will sustain and Bangladesh will enjoy its share as a basic apparels supplier without any hindrance.

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Moreover, risks and concern of the industry solely depends on the upcoming Government policy as well. However, Garments being the major foreign currency earner has always enjoyed special consideration from all the successive Governments and expectation is that it will continue in the future.

A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.

| Particulars | April 30, 2014 | April 30, 2013 |
|-------------------------|-------------------------|-------------------------|
| Cost of goods sold | 1,58,65,05,421 (84.36%) | 1,60,55,74,798 (80.99%) |
| Gross profit | 29,41,66,383 (15.64%) | 37,67,86,803 (19.01%) |
| Net profit for the year | 20,02,81,820 (10.65%) | 25,90,14,976 (13.06%) |

Foreign Loan

In our last AGM the shareholders passed a resolution in favour of availing foreign loan to reduce the cost of fund. We are glad to inform that we have agreed on an arrangement with HSBC Bank to avail foreign loan of US \$ 11.08 Million (US Dollar eleven million & eight thousand) only from Offshore Unit of The Hongkong & Shanghai Banking Corporation. The loan bears 4.5% interest with 3 month libor and to be paid within 20 (twenty) equal quarterly installment. The Board of Directors is pleased to inform that we have meticulously thought of the overall process entrusted by the shareholders in the last AGM and have decided to deposit the funds collected from IPO Proceedings against the foreign loan sanctioned as security. This way the risk will be minimized and the profitability of the company will enhance.

Discussion on continuity of any Extra-Ordinary gain or loss

There is no significant extra-ordinary gain or loss during the financial year.

Related party transactions

The Company has transactions with its Associate Companies which have been disclosed in related party transaction in note nos 27 of the notes to the financial statements.

Utilization of Proceeds from public issues:

With the IPO fund for Tk 95 cr and additional Tk. 17 cr the company has set up a brand new 100% export oriented spinning unit – 2. This unit – 2 starts its production on May 31, 2014.

DIRECTORS

In terms of Article 127 of the Articles of Association of the Company Mr. S. M. Faisal and Engr. Syed Ishtiaq Ahmed Directors retire by rotation from the Board in the 13th Annual General Meeting. Being eligible under Article 128 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

Disclosure of information of the directors who are willing to be re-elected.

S. M. Faisal, Chairman

Mr. S. M. Faisal M.A.L.L.B from Dhaka University 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 more than Tk. 60,000 million of investment and employment generation of over 8000 people. 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.

Names of companies in which Mr. S. M. Faisal holds the directorship:

| Interest in other Company: | Designation |
|----------------------------|-------------------|
| Saiham Cotton Mills Ltd. | Chairman |
| Saiham Textile Mills Ltd. | Managing Director |
| Faisal Spinning Mills Ltd. | Chairman |
| Saiham Knit Composite Ltd. | Chairman |

Engr. Syed Ishtiaq Ahmed, Managing Director

Engr. 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 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 of Garments 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.

Names of companies in which Engr. Syed Ishtiaq Ahmed holds the directorship:

| Interest in other Company: | Designation |
|----------------------------|-------------------|
| Saiham Cotton Mills Ltd. | Managing Director |
| Saiham Textile Mills Ltd. | Director |
| Faisal Spinning Mills Ltd | Director |
| Saiham Knit Composite Ltd | Director |

BOARD MEETINGS

In accordance with directives of the regulatory authorities, the Board supervises, study and reviews the activities of the Company and makes businesses decisions, etc. During the year, 6 (six) board meetings were held.

Remuneration to directors including independent director

The Independent Director of the Company is receiving a sum of Tk. 10,000 (Ten Thousand) as board meeting fee.

Number of Board meetings held during the year and attendance by each director

| Name of Directors | Number of Board Meeting held during the financial year ended 30.04.2014 | Number of Board Meeting attended | Remarks |
|---|---|----------------------------------|---------|
| Mr. S. M. Faisal | 6 | 6 | |
| Engr.Syed Ishtiaq Ahmed | 6 | 6 | |
| Mr. S. F.A. M. Shahjahan | 6 | 6 | |
| Syed Shafqat Ahmed | 6 | 6 | |
| Mr.Mostafa Moin (Independend Director) | 6 | 6 | |

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year the company has contributed Tk 4.64 crore to the National Exchequer as Income Tax.

DIVIDEND

The Board of Directors has recommended 10% cash dividend for the year ended April 30, 2014 (subject to the approval in the forthcoming AGM) whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date, i.e., September 17, 2014.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee consists of the following members:

| | |
|--|------------|
| Mr. Mostafa Moin, Independent Director | : Chairman |
| Mr. S.F.A.M. Shahjahan, Director | : Member |
| Syed Shafqat Ahmed, MBA Director | : Member |

SAIHAM COTTON MILLS LTD.

Scope of work of Audit Committee

The Committee is authorized to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the Group and co-opt any resources (including external professional assistance) it sees fit in order to fulfill its duties. However, the Committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit. The Committee presents a summary of its activities to shareholders and other interested parties by means of this report, and the committee Chairman attends all general meetings of the Company's shareholders to answer any questions on the committee's activities.

Review of financial statements by the Audit Committee

Audit Committee reviewed the annual financial statements for the year April 30, 2014 and placed its recommendation to the Board of Directors.

External Audit

Rahman Mostafa Alam & Co. a Chartered Accountant firm registered in Bangladesh acted as the external auditors to the company throughout the year. The auditors are not engaged on any material non-audit work such as:

- Appraisal or valuation services or fairness opinions
- Financial information systems design and implementation
- Book-keeping or other services related to the accounting records or financial statements;
- Broker-dealer services
- Actuarial services and
- Internal audit services;

Independence of External Auditor

As a policy, the Committee would not allow the external auditors to perform any work that they may subsequently need to audit, or which might otherwise create a conflict of interests. The Committee also monitors the balance between audit and non-audit related functions to ensure that auditor independence can be shown to be maintained. The Chief Financial Officer is permitted to engage the external auditors on matters that do not create such conflicts.

The Audit Committee appraised the expertise, resources, independence and objectivity of external auditor and also reviewed their effectiveness as external auditors before reaching the recommendation to the Board that their re-election should be proposed to shareholders.

Resolutions of the Audit Committee Meeting:

The Committee met Two times during last financial year 2013-14 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended April 30, 2014
- Reviewed and discussed the Management Letter, by external auditor M/s Rahman Mostafa Alam & Co. for the year ended April 30, 2014 on the annual audit on financial statements of Saiham Cotton Mills Ltd.
- The expression of interest sent by the audit firm was reviewed by the Audit Committee and recommended M/s Rahman Mustafiz Haq & Co. Chartered Accountants, as auditor of the Company for the year to be ended April 30, 2015;
- Reviewed various reports of Internal Control & Compliance Department on operational and financial procedures

Based on the review and above discussions, the Audit Committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the company and to ensure that its assets are safeguarded properly.

Report from the Audit Committee

Dated: August 12, 2014.

The Board of Directors
Saiham Cotton Mills Ltd
House # 2, Road # 55
Gulshan-2, Dhaka

Audit Committee Report

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditor's observations in their reports on the draft financial statements of the Company initiated by the auditors for the year ended 30 April 2014. The Committee found the statements adequate arrangement to present a true and fair view of the financial status of the Company; and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting and disclosures.

Sd/-
(Mostafa Moin)
Chairman
Audit Committee
Saiham Cotton Mills Ltd.

ENVIRONMENTAL ROLE

The company is committed to maintain high standard of pollution free environment at mill area. Accordingly tree plantation activities is implementing every year at mill premises.

APPOINTMENT OF AUDITORS

The present Auditor, Rahman Mostafa Alam & Co. Chartered Accountants retire as they have completed three consecutive years. In view of proposal received from a shareholder, Rahman Mustafiz Haq & Co. Chartered Accountants has given their consent for audit of accounts of the company for ther ending on April 30, 2015.The appointment of new auditors and fixation of their remuneration need to be considered by the shareholders in the Annual General Meeting.

Corporate Governance Compliance Report

In accordance with the requirement of BSEC Notification no. SEC/CMRRCD/2006-158/134/admin/44 dated 07 August 2012 is shown in Annexure: II of the Annual Report.

CORPORATE & FINANCIAL REPORTING:

The Company is determined to ensure good governance by complying with all the applicable rules and regulations of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission. It has complied with all the requirements of Corporate Governance and the Directors are pleased to confirm the following:

- a. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- b. Proper books of accounts of the Company have been maintained.
- c. Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d. The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- e. The systems of internal control are sound and have been effectively implemented and monitored.
- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. There are no significant deviations in operating result of the business of the company compared to last year.

JAIHAM COTTON MILLS LTD.

Pattern of Shareholding

| Name wise details | No. of Shares held |
|---|---------------------------|
| Parent/Subsidiary/Associated Companies and other related parties | |
| Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children: | |
| Mr. S.M.Faisal - Chairman | 3,41,25,000 |
| Engr Syed Ishtiaq Ahmed - Managing Director | 1,17,80,925 |
| Syed Shafqat Ahmed - Director | 1,17,80,925 |
| Mr. S.F.A.M. Shahjahan - Director | 39,00,000 |
| Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children: | Nil |
| Executives | Nil |
| Shareholders holding ten percent (10%) or more voting interest in the Company: | Nil |

Key operating and financial data

The summarized key operating financial data of five years is annexed (Annexure : 1).

On behalf of the Board of Directors we convey our sincerest gratitude and warmest respect to our valued shareholders. We highly cherish the confidence bestowed upon us by our honorable sponsors, shareholders, patrons and well-wishers. The Board of Directors also expresses deepest thanks to Bangladesh Securities and Exchange Commission (BSEC), Joint Stock Companies & Firms, Dhaka Stock Exchange, Chittagong Stock Exchange and Central Depository Bangladesh Limited for their cordial help and assistance. The Board of Directors also highly appreciates the contribution of the management and all members of staff for their meritorious and relentless services with extreme sincerity and dedication.

For and on behalf of the Board

Sd/-

(Engr.Syed Ishtiaq Ahmed)

Managing Director

August 30, 2014

Saiham Cotton Mills Ltd.

Annexure : I

The Key Operating and Financial Data :

Financial Highlights

| Particulars | 2014 | 2013 | 2012 | 2011 | 2010 |
|-------------------------------|----------|-------|-------|-------|-------|
| Turnover | 1,880 | 1,982 | 1,727 | 1,909 | 1,101 |
| Gross profit | 294 | 377 | 379 | 356 | 204 |
| Net profit after tax | 200 | 259 | 225 | 260 | 103 |
| Net cash operating activities | 1,208.29 | 5.85 | 94 | 104 | (67) |

Table: Summary of Balance Sheet

| Particulars | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------------------------|--------|--------|---------|-------|-------|
| Authorized capital | 2,000 | 2,000 | 2,000 | 2,000 | 1,250 |
| Paid-up capital | 1,352 | 1,352 | 1,352 | 675 | 350 |
| Reserve and surplus | 1,165 | 1,090 | 989 | 1,035 | 860 |
| Shareholders' equity | 3,268 | 3,194 | 3,093 | 2,002 | 1,386 |
| Deferred tax liabilities | 137 | 139 | 125 | 115 | - |
| Non-current liabilities | 137 | 139 | 125 | 115 | 289 |
| Current liabilities | 1,643 | 1,067 | 1,029 | 1,179 | 1,105 |
| Fixed Assets | 2,268 | 1,192 | 1,273 | 1,351 | 1,327 |
| Other Non-current Assets | 1,058 | 1,173 | 230 | 181 | 109 |
| Total Non-current Assets | 3,326 | 2,365 | 1,503 | 1,532 | 1,436 |
| Current Assets | 1,724 | 2,036 | 2,745 | 1,764 | 1,344 |
| Book value per share | 10 | 10 | 10 | 10 | 10 |
| Earnings per share | 1.48 | 1.92 | 2.48 | 3.24 | 2.95 |
| Dividend per share : | | | | | |
| Cash | 10% | 10% | 10% | 10% | - |
| Stock | - | - | - | 30% | 50% |
| Number of shareholders | 24,446 | 31,052 | 143,722 | 324 | 7 |

Table : Ratios

| Particulars | 2014 | 2013 | 2012 | 2011 | 2010 |
|----------------------------|--------|--------|--------|--------|--------|
| Debt to Equity Ratio | 0.54 | 0.38 | 0.37 | 0.65 | 0.83 |
| Current Ratio | 1.05 | 1.91 | 2.7 | 1.5 | 1.22 |
| Gross profit/Sales (%) | 15.64% | 19.01% | 21.94% | 18.64% | 18.52% |
| Operating profit/Sales (%) | 8.20% | 12.03% | 13.67% | 10.89% | 9.72% |
| Profit after tax/Sales (%) | 10.65% | 13.07% | 13% | 13.61% | 9.35% |
| Return on Asset (%) | 4.96% | 5.99% | 5.96% | 6.76% | 4.94% |
| Return on Equity (%) | 7.19% | 8.26% | 8.83% | 12.22% | 10.67% |

SAIHAM COTTON MILLS LTD.

Annexure : II

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/229/ Admin/44 : dated August 07, 2012

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---------------|---|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 1.1 | Board Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty) | ✓ | | |
| 1.2 | Independent Directors: | | | |
| 1.2 (i) | One fifth (1/5) of the total number of directors | ✓ | | |
| 1.2(ii) a) | Does not hold any share or holds less than 1% shares of the total paid-up shares | ✓ | | |
| 1.2 (ii) b) | Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship | ✓ | | |
| 1.2 (ii) c) | Does not have any relationship, whether pecuniary or otherwise, with the company or its subsidiary /associated companies | ✓ | | |
| 1.2 (ii) d) | Not a member, director, officer of any stock exchange | ✓ | | |
| 1.2 (ii) e) | Not a member, director, officer of any stock exchange or an intermediary of the capital market | ✓ | | |
| 1.2 (ii) f) | Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm | ✓ | | |
| 1.2 (ii) g) | Not be an independent director in more than 3 (three) listed companies | ✓ | | |
| 1.2 (ii) h) | Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBF | ✓ | | |
| 1.2 (ii) i) | Not been convicted for a criminal offence involving moral turpitude | ✓ | | |
| 1.2 (iii) | Nominated by the board of directors and approved by the shareholders in the AGM | ✓ | | |
| 1.2 (iv) | Not remain vacant for more than 90 (ninety) days | ✓ | | |
| 1.2 (v) | Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded | ✓ | | |
| 1.2 (vi) | Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only | ✓ | | |
| 1.3 | Qualification of independent Director (ID) | ✓ | | |
| 1.3 (i) | Knowledge of independent Directors | ✓ | | |
| 1.3 (ii) | Background of Independent Directors | ✓ | | |
| 1.3 (iii) | Special cases for qualifications | ✓ | | |
| 1.4 | Individual Chairman of the Board and CEO | ✓ | | |
| 1.5 | The Directors Report to Shareholders: | | | |
| 1.5 (i) | Industry outlook and possible future developments in the industry | ✓ | | |

SAIHAM COTTON MILLS LTD.

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|-------------------|--|-------------------|--------------|-------------------------|
| | | Complied | Not Complied | |
| 1.5 (ii) | Segment-wise or product-wise performance | ✓ | | |
| 1.5 (iii) | Risks and concerns | ✓ | | |
| 1.5 (iv) | Discussion on Cost of Goods sold, Gross Profit Margin and net Profit Margin | ✓ | | |
| 1.5 (v) | Discussion on continuity of any Extra-Ordinary gain or loss | ✓ | | |
| 1.5 (vi) | Basis for related party transactions | ✓ | | |
| 1.5 (vii) | Utilization of proceeds from public issues, rights issues and/ or through any others | ✓ | | |
| 1.5 (viii) | Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing | | | No such deteriorate |
| 1.5 (ix) | Explanation about significant variance occurs between Quarterly Financial performance annual Financial Statements | | | No such Variance occurs |
| 1.5 (x) | Remuneration to directors including independent directors | ✓ | | |
| 1.5 (xi) | Fairness of Financial Statement | ✓ | | |
| 1.5 (xii) | Maintenance of Proper books of Accounts | ✓ | | |
| 1.5 (xiii) | Adoption of appropriate accounting policies and estimates | ✓ | | |
| 1.5 (xiv) | Followed IAS, BAS, IFRS and BFRS in preparation of financial statements | ✓ | | |
| 1.5 (xv) | Soundness of internal control system | ✓ | | |
| 1.5 (xvi) | Ability to continue as a going concern | ✓ | | |
| 1.5 (xvii) | Significant deviations from the last year's | ✓ | | |
| 1.5 (xviii) | Key operating and financial data of at least preceding 5 (five) years | ✓ | | |
| 1.5 (xix) | Reasons for not declared dividend | | | N/A |
| 1.5 (xx) | Number of board meetings hold during the year and attendance | ✓ | | |
| 1.5 (xxi) | Pattern of shareholding: | | | |
| 1.5 (xxi) a) | Parent/Subsidiary/Associated Companies and other related parties | ✓ | | |
| 1.5 (xxi) b) | Directors, CEO, CS, CFO, HIA and their spouses and minor children | ✓ | | |
| 1.5 (xxi) c) | Executive | ✓ | | |
| 1.5 (xxi) d) | 10% or more voting interest | ✓ | | |
| 1.5 (xxii) | Appointment /re-appointment of director: | ✓ | | |
| 1.5 (xxii) a) | Resume of the Director | ✓ | | |
| 1.5 (xxii) b) | Expertise in specific functional areas | ✓ | | |
| 1.5 (xxii) c) | Holding of directorship and membership of committees of the board other than this company | ✓ | | |
| 2.1 | Appointment of CFO,HIA and CS: | | | |

SAIHAM COTTON MILLS LTD.

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---------------|---|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 2.2 | Appointment of CFO and CS at the meeting of the Board of Directors | ✓ | | |
| 3 | Audit Committee: | | | |
| 3 (i) | Constitution of Audit Committee | ✓ | | |
| 3 (ii) | Assistance of the Audit Committee to Board of Directors | ✓ | | |
| 3 (iii) | Responsibility of the Audit Committee | ✓ | | |
| 3.1 | Constitution of the Audit Committee: | ✓ | | |
| 3.1 (i) | At least 3 (three) Members | ✓ | | |
| 3.1 (ii) | Appointment of members of the Audit Committee | ✓ | | |
| 3.1 (iii) | Qualification of Audit Committee members | ✓ | | |
| 3.1 (iv) | Term of Service of Audit Committee members | ✓ | | |
| 3.1 (v) | Secretary of the Audit Committee | ✓ | | |
| 3.1 (vi) | Quorum of the Audit Committee | ✓ | | |
| 3.2 | Chairman of the Audit Committee | | | |
| 3.2 (i) | Board of Directors shall select the Chairman | ✓ | | |
| 3.2 (ii) | Chairman of the audit committee shall remain present in the AGM | ✓ | | |
| 3.3 | Role of the Audit Committee | | | |
| 3.3 (i) | Oversee the financial reporting process | ✓ | | |
| 3.3 (ii) | Monitor choice of accounting policies and principals | ✓ | | |
| 3.3 (iii) | Monitor Internal Control Risk management process | ✓ | | |
| 3.3 (iv) | Oversee hiring and performance of external auditors | ✓ | | |
| 3.3 (v) | Review the annual financial statements before submission to the board for approval | ✓ | | |
| 3.3 (vi) | Review the quarterly and half yearly financial statements before submission to the board for approval | ✓ | | |
| 3.3 (vii) | Review the adequacy of internal audit function | ✓ | | |
| 3.3 (viii) | Review statement of significant related party transactions | ✓ | | |
| 3.3 (ix) | Review Management Letters/Letter of Internal Control weakness issued by statutory auditors | ✓ | | |
| 3.3 (x) | Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue | ✓ | | |
| 3.4 | Reporting of the Audit Committee: | | | |
| 3.4.1 | Reporting to the Board of Directors | ✓ | | |
| 3.4.1 (i) | Activities of Audit Committee | ✓ | | |
| 3.4.1 (ii) a) | Conflicts of interests | ✓ | | |
| 3.4.1 (ii) b) | Material defect in the internal control system | ✓ | | |
| 3.4.1 (ii) c) | Infringement of laws, rules and regulations | ✓ | | |

SAIHAM COTTON MILLS LTD.

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---------------|--|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 3.4.1 | (ii) d) Any other matter | ✓ | | |
| 3.4.2 | Reporting to the Authorities | ✓ | | |
| 3.5 | Reporting to the Shareholders and General Investors | ✓ | | |
| 4 | Engagement of External/Statutory Auditors: | ✓ | | |
| 4 (i) | Appraisal or valuation services or Fairness opinions | ✓ | | |
| 4 (ii) | Financial information systems design and implementation | ✓ | | |
| 4 (iii) | Book-Keeping | ✓ | | |
| 4 (iv) | Broker-dealer services | ✓ | | |
| 4 (v) | Actuarial services | ✓ | | |
| 4 (vi) | Internal audit services | ✓ | | |
| 4(vii) | Services that the Audit Committee determines | ✓ | | |
| 4 (viii) | Audit firm shall not hold any share of the company they audit | ✓ | | |
| 5 | Subsidiary Company: | | | |
| 5 (i) | Compositions of the Board of Directors | | | N/A |
| 5 (ii) | At least 1 (one) independent director to the subsidiary company | | | N/A |
| 5 (iii) | Submission of Minutes to the holding company | | | N/A |
| 5 (iv) | Review of Minutes by the holding company | | | N/A |
| 5 (v) | Review of Financial Statement by the holding company | | | N/A |
| 6 | Duties of Chief Executive Officer and Chief Financial Officer: | | | |
| 6 (i) a) | Reviewed the materiality untrue of the financial statement | ✓ | | |
| 6 (i) b) | Reviewed about compliance of the accounting standard | ✓ | | |
| 6 (ii) | Reviewed about fraudulent, illegal or violation of the company's code of conduct | ✓ | | |
| 7 | Reporting and Compliance of Corporate Governance: | | | |
| 7 (i) | Obtain certificate about compliance of conditions of corporate Governance Guidelines | ✓ | | |
| 7 (ii) | annexure attached in the director's report | ✓ | | |

SAIHAM COTTON MILLS LTD.



KAZI ZAHIR KHAN & CO.

CHARTERED ACCOUNTANTS

কাজী জহির খান এন্ড কোং

চার্টার্ড একাউন্ট্যান্টস

Partners:

KAZI ZAHIRUL KABIR.

B. Com. (Hons.), M. Com. FCA.

MD. NURUL HOSSAIN KHAN

B. Com. FCA

ABDULLA-AL-MAHMUD

FCA, FCMA, FCS, LL.B, MBA (DU), M.Com

CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDER OF

Saiham Cotton Mills Limited
(As Required Under the BSEC Guidelines)

We have examined compliance to the Bangladesh Securities and Exchange Commission (BSEC) guideline on Corporate Governance by Saiham Cotton Mills Limited for the year ended 30th April, 2014. These guidelines relate to the Notification no. SEC/CMRRC/2006-158/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the Company. Our assessment was limited to the procedures and implementation thereof as adopted by the management in ensuring compliance to the conditions of Corporate Governance. This is scrutiny and verification only and not an expression of opinion or audit on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by Bangladesh Securities and Exchange Commission (BSEC). We also state that such compliance is neither an assurance as to the future viability of the Company nor certificate on the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Dated : Dhaka

August 18, 2014


KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS





Rahman Mostafa Alam & Co. Chartered Accountants



Auditors' Report to the shareholders Of Saiham Cotton Mills Limited

We have audited the accompanying financial statements of **Saiham Cotton Mills Limited (the company)**, which comprise the statement of Financial Position as at **April 30, 2014**, and the statement of Comprehensive Income, Statement of Cash Flows and Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 34 and annexure A to C.

Management's Responsibility for the Financial Statements

Management of **Saiham Cotton Mills Limited** is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, 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, the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company, 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 present fairly give a true and fair view of the financial position of **Saiham Cotton Mills Limited** as at April 30, 2014, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Companies Act, 1994, Bangladesh Securities and Exchange Rules, 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the company's Financial Position and the Comprehensive Income Statements 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
August 28, 2014

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

SAIHAM COTTON MILLS LTD.

Saiham Cotton Mills Ltd.

Statement of Financial Position

As at April 30, 2014

| Particulars | Notes | Amount in Taka | |
|--|-------|----------------------|----------------------|
| | | April 30, 2014 | April 30, 2013 |
| Assets : | | | |
| Non Current Assets : | | | |
| Property, plant and equipment | 3.00 | 2,268,218,417 | 1,192,267,756 |
| Capital work in progress unit-2 | | - | 846,774,422 |
| Investment | 4.00 | 1,058,103,375 | 326,481,444 |
| Total Non-current Assets | | 3,326,321,792 | 2,365,523,622 |
| Current Assets : | | | |
| Trade and other receivables | 5.00 | 949,693,502 | 1,147,732,205 |
| Inventories | 6.00 | 577,408,147 | 691,339,617 |
| Current account with associate company | 7.00 | 16,443,725 | 10,997,493 |
| Advance, deposits and pre-payments | 8.00 | 56,485,278 | 97,285,229 |
| Cash and cash equivalents | 9.00 | 123,950,508 | 88,587,907 |
| Total Current Assets | | 1,723,981,160 | 2,035,942,451 |
| Total Assets | | 5,050,302,952 | 4,401,466,073 |
| Equity and Liabilities : | | | |
| Shareholders Equity : | | | |
| Share capital | 10.00 | 1,352,500,000 | 1,352,500,000 |
| Share premium | 11.00 | 751,750,000 | 751,750,000 |
| Tax holiday reserve | 12.00 | 100,715,999 | 100,715,999 |
| Revaluation surplus | 13.00 | 483,846,073 | 515,490,327 |
| General reserve | | 60,400,000 | 60,400,000 |
| Retained earnings | 14.00 | 519,690,708 | 414,056,518 |
| Total Shareholders Equity | | 3,268,902,780 | 3,194,912,844 |
| Non-current Liabilities : | | | |
| Deferred tax liabilities | 15.00 | 137,989,462 | 139,398,751 |
| Total Non-current Liabilities | | 137,989,462 | 139,398,751 |
| Current Liabilities : | | | |
| Bank loan and overdraft | 16.00 | 207,097,331 | 658,639,104 |
| Term loan | 17.00 | 457,234,377 | - |
| Trade creditors | 18.00 | 922,757,025 | 356,085,893 |
| Income tax provision | 19.00 | 30,438,594 | 31,045,344 |
| Payable and accruals | 20.00 | 25,883,383 | 21,384,138 |
| Total Current Liabilities | | 1,643,410,710 | 1,067,154,478 |
| Total Liabilities | | 1,781,400,172 | 1,206,553,229 |
| Total Equity and Liabilities | | 5,050,302,952 | 4,401,466,073 |
| Net Assets Value per Share | 26.00 | 24.17 | 23.62 |

The annexed notes 1 to 34 and annexure A to C form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
August 28, 2014

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

SAIHAM COTTON MILLS LTD.

SAIHAM COTTON MILLS LTD.
Statement of Comprehensive Income
For the year ended April 30, 2014

| Particulars | Notes | Amount in Taka | |
|--|-------|---------------------|---------------------|
| | | April 30, 2014 | April 30, 2013 |
| Turnover | | 1,880,671,804 | 1,982,361,601 |
| Cost of goods sold | 21.00 | (1,586,505,421) | (1,605,574,798) |
| Gross profit | | 294,166,383 | 376,786,803 |
| Administrative and marketing expenses | 22.00 | (43,132,815) | (38,495,724) |
| Financial expenses | 23.00 | (96,754,694) | (99,946,310) |
| Operating profit | | 154,278,875 | 238,344,769 |
| Provision for WPPF | | (7,346,613) | (11,349,751) |
| Operating profit after WPPF | | 146,932,262 | 226,995,018 |
| Non operating income | 24.00 | 103,388,734 | 97,716,192 |
| Profit before tax | | 250,320,996 | 324,711,210 |
| Provision for tax | | (50,039,175) | (65,696,234) |
| Current tax | 19.01 | (45,864,184) | (60,903,703) |
| Deferred tax | 15.01 | (4,174,991) | (4,792,531) |
| Net profit after tax | | 200,281,820 | 259,014,976 |
| Other Comprehensive Income/(Loss) : | | 3,373,836 | (13,390,129) |
| Adjustment for realized loss/(gain) on marketable securities | | 3,373,836 | (13,390,129) |
| Total Comprehensive Income for the year | | 203,655,656 | 245,624,847 |
| Earnings per share (EPS) | 25.00 | 1.48 | 1.92 |

The annexed notes 1 to 34 and annexure A to C form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
August 28,2014

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

SAIHAM COTTON MILLS LTD.

SAIHAM COTTON MILLS LTD.

Statement of Cash Flows

For the year ended April 30, 2014

| Particulars | Amount in Taka | |
|---|------------------------|----------------------|
| | April 30, 2014 | April 30, 2013 |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Collection from sales | 2,078,710,507 | 1,800,843,067 |
| Payment for cost and expenses | (833,951,463) | (1,744,898,135) |
| Interest paid on borrowings | (96,754,694) | (99,946,310) |
| Collection from non operating income | 106,762,570 | 84,326,063 |
| Income tax paid | (46,470,934) | (34,482,706) |
| Net cash provided by operating activities | 1,208,295,986 | 5,841,979 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of fixed asset | (1,153,082,249) | (1,324,758) |
| Investment in shares | (731,621,931) | (111,402,512) |
| Capital work in progress unit-2 | 846,774,422 | (826,277,245) |
| Net cash used by investing activities | (1,037,929,758) | (939,004,515) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Short term loan | (451,541,773) | 82,173,729 |
| Current account with associate company | (5,446,232) | 6,555,207 |
| Long term loan | 457,234,377 | - |
| Dividend paid | (135,250,000) | (135,250,000) |
| Net cash provided by financing activities | (135,003,628) | (46,521,064) |
| D. Increase in Cash & Cash Equivalents (A+B+C) | 35,362,600 | (979,683,600) |
| Cash & cash Equivalents at beginning of the year | 88,587,907 | 1,068,271,507 |
| Cash & cash Equivalents at ending of the year | 123,950,508 | 88,587,907 |
| Net Operating Cash Flow Per Share (NOCFPS) | 8.93 | 0.04 |

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

SAIHAM COTTON MILLS LTD.
Statement of Changes in Equity
 For the year ended April 30, 2014

| Particulars | Share capital | Share premium | Tax holiday reserve | General reserve | Revaluation surplus | Retained earnings | Total equity |
|---|----------------------|--------------------|---------------------|-------------------|---------------------|--------------------|----------------------|
| Balance as at May 01, 2012 | 1,352,500,000 | 751,750,000 | 235,715,999 | 60,400,000 | 549,537,750 | 128,625,878 | 3,078,529,627 |
| Net profit for the year | - | - | - | - | - | 259,014,976 | 259,014,976 |
| Adjustment for depreciation on revalued assets | - | - | - | - | (34,047,423) | - | (34,047,423) |
| Adjustment for revaluation of P.P.E and deferred tax | - | - | - | - | - | 40,055,792 | 40,055,792 |
| Unrealised loss on available for sale of financial assets | - | - | - | - | - | (13,390,129) | (13,390,129) |
| Transferred to retained earnings | - | - | (135,000,000) | - | - | 135,000,000 | - |
| Dividend paid for the prior year (2012) | - | - | - | - | - | (135,250,000) | (135,250,000) |
| Balance as at April 30, 2013 | 1,352,500,000 | 751,750,000 | 100,715,999 | 60,400,000 | 515,490,327 | 414,056,517 | 3,194,912,844 |
| Balance as at May 01, 2013 | 1,352,500,000 | 751,750,000 | 100,715,999 | 60,400,000 | 515,490,327 | 414,056,517 | 3,194,912,844 |
| Net profit for the year | - | - | - | - | - | 200,281,820 | 200,281,820 |
| Adjustment for depreciation on revalued assets | - | - | - | - | (31,644,254) | - | (31,644,254) |
| Adjustment for revaluation of P.P.E and deferred tax | - | - | - | - | - | 37,228,534 | 37,228,534 |
| Unrealised loss on available for sale of financial assets | - | - | - | - | - | 3,373,836 | 3,373,836 |
| Transferred to retained earnings | - | - | - | - | - | - | - |
| Dividend paid for the prior year (2013) | - | - | - | - | - | (135,250,000) | (135,250,000) |
| Balance as at April 30, 2014 | 1,352,500,000 | 751,750,000 | 100,715,999 | 60,400,000 | 483,846,073 | 519,690,707 | 3,268,902,780 |

Sd/-
 Managing Director

Sd/-
 Director

Sd/-
 Company Secretary

SAIHAM COTTON MILLS LTD.

SAIHAM COTTON MILLS LTD.

Notes to the Financial Statements
As at and for the year ended April 30, 2014

1. Corporate Information and Nature of Business Activities

1.1. Corporate Information:

Saiham Cotton Mills Ltd. (SCML) 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 Asset Rose Dale, House # 02(4th floor), Road # 55, Gulshan – 2, Dhaka – 1212 while the factory is situated at Noyapara, Saihamnagar, Hobigonj.

Saiham Cotton Mills Ltd. (SCML) had floated its 4,75,00,000 shares of Tk. 10/- each at Tk. 20/- each including premium of Tk. 10/- per share to general public through Initial Public Offering (IPO) after obtaining consent from Bangladesh Securities and Exchange Commission (BSEC) vide their letter no. SEC/CI/IPO-159/2011/898 dated December 18, 2011.

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, Bangladesh 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), investment in shares and investment in FDR.

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.

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 on going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any periods affected.

2.5 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.

2.6 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, 2014;
- ii) The Statement of Comprehensive Income for the year ended April 30, 2014;
- iii) Statement of Changes in Equity for the year ended April 30, 2014;
- iv) The Statement of Cash Flows for the year ended April 30, 2014; and
- v) Accounting Policies and explanatory notes the financial statements for the year ended April 30, 2014.

2.7 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) Bangladesh Securities and Exchange Rules, 1987;
- iv) The VAT Act,1991; and
- iv) Other applicable rules and regulation.

2.8 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. Depreciation has been charged from the date when the assets become usable. 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% |

SAIHAM COTTON MILLS LTD.

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 Madhabpur 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, Gremmen phone Tower, Tea industries already existing. Moreover the Hobiganj Gas field is available with in 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 deprecation is applied from the year of 2005 as per supplied documents stated the industries stated commercial production from the year of 2005. Deduction due deprecation 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: December 20, 2010.

Date of incorporation of the valuation in the financial statements December 31, 2010.

Valuer : Vigilant Survey Associates

2.09 Investment in Shares:

Investment in marketable ordinary shares has been shown at market price and classified as available for sale financial instruments. 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.

2.10 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. |
| Finished Goods (Yarn) | Cost or Market price which ever is lower |

2.11 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.

2.12 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.

2.13 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 Earning 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 number of shares outstanding during the year.

ii) Diluted earnings per share

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.

2.14 Cash & Cash Equivalent:

According to BAS – 7 "Statement of Cash Flows" cash comprises of cash in hand and cash at bank. Considering the provisions of BAS – 7 cash in hand and bank balances have been considered as cash and cash equivalents.

2.15 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 Bangladesh Securities and Exchange Rule 1987.

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2.16 Payable and Accruals:

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.

2.17 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.

2.18 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.

2.19 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 of net off deferred tax transferred to revaluation reserve. The tax effects on revaluation gain are measured and recognized in the financial statement as per BAS-12: Income Taxes.

2.20 Taxation:

Current Tax:

Current tax provision has been made as per income tax ordinance 1984.

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 loses or unused tax credits can be utilities. 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 “.

2.21 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.

2.22 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.

2.23 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).

2.24 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.

2.25 Reporting period:

These financial statements cover the period from May 01, 2013 to April 30, 2014.

2.26 Comparative Figure:

Comparative information has been disclosed in respect of the year 2013 for all numerical information in the financial statements and also the narrative and descriptive where it is relevant for understanding of the current year's financial statements.

2.27 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 August 28, 2014.

2.30 General:

- i) Figures appearing in these Financial Statements have been rounded off to the nearest Bangladesh 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.

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| | | Amount in Taka | | |
|-------------|---|----------------------|----------------------|--------------------|
| | | April 30, 2014 | April 30, 2013 | |
| 3.00 | Property, plant and equipment: | | | |
| | This is arrived of as follows: | | | |
| | Cost | 2,873,035,693 | 1,719,953,444 | |
| | Less: Accumulated depreciation | 604,817,276 | 527,685,688 | |
| | Written down value | 2,268,218,417 | 1,192,267,756 | |
| | ▶ 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 value of PPE under diminishing balance method; | | | |
| | ▶ Fractions have been avoided in calculating Depreciation of PPE. | | | |
| 4.00 | Investment | | | |
| | Investment in Associate company (FSML) | 4.01 | 146,812,262 | 146,812,262 |
| | Investment in shares of listed company | 4.02 | 40,352,042 | 43,730,111 |
| | Investment in Unquoted company (SKCL) | 4.03 | 20,350,000 | 20,350,000 |
| | Investment in FDR | 4.04 | 850,589,071 | 115,589,071 |
| | | | 1,058,103,375 | 326,481,444 |

4.01 Investment in Associate company (FSML):

Investment in Associate company has been valued on the basis of equity method of accounting based on audit report of the company for the year ended on March 31, 2013.

4.02 Investment in shares of listed company:

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

| Name of the Company | No. of shares | Rate | April 30, 2014 | | April 30, 2013 |
|--|---------------|----------|-------------------|-------------------|-------------------|
| | | | Cost | Market Value | Market Value |
| Asia Insurance Ltd. | 28,140 | 65.14 | 1,833,116 | 596,568 | 761,120 |
| BEXIMCO Ltd. | 163,975 | 64.98 | 10,654,850 | 4,460,120 | 6,216,793 |
| Bangladesh Shipping Corporation | - | - | - | - | 1,485,220 |
| BSRM STEEL | - | - | - | - | 2,459,730 |
| BSCCL | 10,120 | 276.96 | 2,802,807 | 1,842,852 | - |
| Green Delta F. Services Ltd. BO-1203620023711436 | - | - | 195 | 195 | 27,666,334 |
| GENNEXT | 6,000 | 36.93 | 221,583 | 114,000 | - |
| Lankabangla | 13,650 | 71.28 | 972,926 | 708,435 | - |
| Mutual Trust Bank Ltd. | 550 | 38.36 | 21,097 | 9,350 | 7,612 |
| Padma oil Ltd. | - | - | - | - | 543,536 |
| PLFSL | 83,367 | 36.58 | 3,049,909 | 1,625,657 | 1,421,064 |
| Prime Bank Ltd. | - | - | - | - | 6,202 |
| Singer Bangladesh Ltd. | - | - | - | - | 1,825,500 |
| UNIQUEHRL | 24,100 | 92.31 | 2,224,673 | 1,588,190 | - |
| UNITEDAIR | 272,212 | 19.09 | 5,196,064 | 3,375,429 | - |
| Union Capital Ltd. | 54,111 | 32.31 | 1,748,593 | 1,352,775 | 1,337,000 |
| APOLISPAT | 30,000 | 26.71 | 801,192 | 756,000 | - |
| ARGONDENIM | 15,000 | 56.79 | 851,894 | 820,500 | - |
| BDBUILDING | 20,000 | 73.54 | 1,470,860 | 1,352,000 | - |
| BSRMSTEEL | 5,000 | 71.81 | 359,031 | 334,500 | - |
| EHL | 20,000 | 58.49 | 1,169,840 | 1,172,000 | - |
| GP | 5,000 | 272.59 | 1,362,930 | 1,344,500 | - |
| LINDEBD | 1,000 | 1,100.48 | 1,100,484 | 1,133,700 | - |
| MATINSPINNING | 30,000 | 41.46 | 1,243,755 | 1,263,000 | - |
| OLYMPIC | 10,000 | 239.20 | 2,392,030 | 2,403,000 | - |
| Carried Down | | | 39,477,829 | 26,252,771 | 43,730,111 |

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| | | | | Amount in Taka | |
|------------------------|--------|--------|-------------------|-------------------|-------------------|
| | | | | April 30, 2014 | April 30, 2013 |
| Brought Forward | | | 39,477,829 | 26,252,771 | 43,730,111 |
| PADMAOIL | 4,000 | 364.54 | 1,458,160 | 1,385,600 | - |
| POPULAR1MF | 50,000 | 6.93 | 346,380 | 340,000 | - |
| RDFOOD | 20,000 | 21.59 | 431,720 | 394,000 | - |
| UCBL | 40,000 | 27.96 | 1,118,528 | 1,068,000 | - |
| BRAC EPL BALANCE TK. | | | 10,911,671 | 10,911,671 | - |
| Total | | | 53,744,288 | 40,352,042 | 43,730,111 |

4.03 Investment in Unquoted company:

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

4.04 Investment in FDR :

| | | |
|---------------------------------|--------------------|--------------------|
| Dhaka Bank(04316) | 900,000 | 900,000 |
| Bank Asia(0048960/1858) | 1,600,000 | 1,600,000 |
| Bank Asia(0132931/5700) | 3,729,071 | 3,729,071 |
| Bank Asia (0214090) | 1,360,000 | 1,360,000 |
| Uttara Bank Ltd. (0465613) | - | 10,000,000 |
| BRAC(1502302444904001) | - | 10,000,000 |
| BRAC(62245) | - | 10,000,000 |
| ULC(0660113139) | - | 10,000,000 |
| Bank Asia | 10,000,000 | 10,000,000 |
| UFIL(0100120006313) | - | 25,000,000 |
| BA COR(0203056/12904/002550129) | 10,000,000 | 10,000,000 |
| UCBL(0358982/41100017659) | 5,000,000 | 5,000,000 |
| AB Hobi(3400879/78006) | 10,000,000 | 10,000,000 |
| DBH Ripon(36208) | - | 3,000,000 |
| PLFS/TDR/1821/2013 | - | 5,000,000 |
| MTB | 5,000,000 | - |
| City Bank | 3,000,000 | - |
| Bank Asia | 15,000,000 | - |
| Prime Finance | 25,000,000 | - |
| FAS Finance | 5,000,000 | - |
| UNICAP | 15,000,000 | - |
| HSBC Ltd, 101 | 100,000,000 | - |
| HSBC Ltd, 102 | 100,000,000 | - |
| Bank Asia, 0214587 | 10,000,000 | - |
| Uttara Finance, 5382/13 | 30,000,000 | - |
| BRAC Bank, 42001 | 20,000,000 | - |
| HSBC Ltd, 105 | 50,000,000 | - |
| HSBC Ltd, 106 | 50,000,000 | - |
| HSBC Ltd, 107 | 50,000,000 | - |
| HSBC Ltd, 108 | 50,000,000 | - |
| HSBC Ltd, 109 | 50,000,000 | - |
| HSBC Ltd, 110 | 50,000,000 | - |
| Uttara Finance, 4114 | 50,000,000 | - |
| UNICAP, 0366 | 50,000,000 | - |
| AB Bank, 3369992 | 20,000,000 | - |
| Prime Finance, 1783/12 | 20,000,000 | - |
| Uttara Finance, 32812 | 20,000,000 | - |
| IDLC Finance, 3223 | 20,000,000 | - |
| | 850,589,071 | 115,589,071 |

- ▶ Out of total Tk. 850,589,071, Taka 7,589,071 Fixed Deposit Receipts are lien with bank against bank guarantee.
- ▶ Out of total Tk. 850,589,071, Taka 80,000,000 Fixed Deposit Receipts are lien marked with bank against raw cotton L/C margin.
- ▶ Out of total Tk. 850,589,071, Taka 740,000,000 Fixed Deposit Receipts are lien marked with HSBC Ltd. against term loan.

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| | | Amount in Taka | |
|-------------|--|------------------------|----------------------|
| | | April 30, 2014 | April 30, 2013 |
| 5.00 | Trade debtors : | | |
| | ▶ Details of trade debtors shown in Annx. - 'B & C'. | | |
| | ▶ The above amount is receivable from debtors against export L/C | | |
| | | 949,693,502 | 1,147,732,205 |
| 6.00 | Inventories : | | |
| | This represents as follows: | | |
| | | Quantity in kgs | Amount in Tk. |
| | Raw Materials | 1,964,147 | 335,240,934 |
| | Work in Process | 85,102 | 14,525,147 |
| | Finished Goods | 630,926 | 174,766,483 |
| | Stores & Spare Parts | | 46,752,026 |
| | Oil & Lubricants | | 1,571,053 |
| | Packing Materials | | 4,552,504 |
| | | 577,408,147 | 691,339,617 |
| | ▶ 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 . | | |
| 7.00 | Current account with associate company: | | |
| | | 16,443,725 | 10,997,493 |
| | ▶ This amount has been paid to Faisal Spinning Mills Ltd.(FSML) for short term/temporary loan. This is the amount stands receivable as on 30.04.2014 for the transaction made with the company which are being adjustable in due course. | | |
| 8.00 | Advance, deposits and prepayments : | | |
| | Security Deposit with Jalalabad Gas Transmission System Ltd. | 6,205,438 | 6,205,438 |
| | Advance against salary | 667,150 | 506,450 |
| | Advance against office rent | 500,000 | 500,000 |
| | Security deposit with CDBL | 500,000 | 500,000 |
| | Advance against suppliers | 11,060,170 | 2,468,912 |
| | Advance against vehicle | 1,914,722 | - |
| | Advance against electrical goods | 1,500,000 | - |
| | Advance against import of raw cotton,spare parts of L/C Margin and commission | 34,137,798 | 87,104,429 |
| | | 56,485,278 | 97,285,229 |
| | ▶ 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 any associate undertaking and related parties as on April 30, 2014 ; | | |
| | ▶ 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;and | | |
| | ▶ L/C Margin deposit against various import L/C represent margin and commission of Raw cotton, Spare Parts, Packing Materials. | | |
| 9.00 | Cash and cash equivalents : | | |
| | This consists of : | | |
| | Cash in hand | 9.01 | 243,411 |
| | Cash at bank | 9.02 | 123,707,097 |
| | | | 123,950,508 |
| | | | 88,587,907 |
| | ▶ Cash in hand stands for cash balance only. | | |
| | ▶ Bank balances were confirmed and reconciled with Bank statements. | | |
| 9.01 | Cash in hand: | | |
| | Head office | 60,975 | 22,012 |
| | Factory Office | 182,436 | 2,153,604 |
| | | 243,411 | 2,175,616 |

SAIHAM COTTON MILLS LTD.

| | | Amount in Taka | |
|--------------|--|----------------------|----------------------|
| | | April 30, 2014 | April 30, 2013 |
| 9.02 | Cash at bank: | | |
| | Janata Bank, Motijheel Branch - CD A/C # 023733012107 | 602,936 | 529,421 |
| | Janata Bank, Noyapara Branch - CD A/C # 0210005125 | 7,018,167 | 42,392 |
| | Janata Bank Ltd. SND A/C # 145 | 3,008,371 | 1,566,397 |
| | Janata Bank Ltd. EDF A/C # | - | 223,208 |
| | Dhaka Bank, Local Office - CD A/C # 020110000010671 | 1 | 1 |
| | Dhaka Bank, Islami Branch- CD A/C # 2015 | 25,097,409 | 83,084 |
| | Standard Chartered Bank, Gulshan Branch, CD A/C # 01-1183017-01 | 174,610 | 342,110 |
| | HSBC CD A/C # 001234608-011 | 300,681 | 12,495 |
| | HSBC Margin Account # 001234608-091 | 4,794,800 | 18,993,088 |
| | HSBC BDT Margin Account # 001 234608-095 | 10,163 | 8,831 |
| | HSBC FC Account # 001234608-047 | 5,828,890 | 1,294,343 |
| | HSBC Dividend Account # 001 234608-012 | 2,567,611 | 2,913,153 |
| | HSBC Dividend Account # 001 234608-015 | 2,259,349 | - |
| | HSBC CD A/C # 001234608-013 | 966,714 | 39,961,707 |
| | HSBC CD A/C # 001234608-014 | 79,693 | 403,423 |
| | HSBC Offshore A/C # 005 | 39,513 | - |
| | Bank Asia \$ Margin A/C # 11047000002 | 64,681,596 | 7,854,839 |
| | Premier Bank Ltd. A/C #1021311869 | 2,791,031 | 10,787,067 |
| | BRAC Bank Ltd. STD A/C # 1526101985342001 | 3,485,562 | 1,396,732 |
| | | 123,707,097 | 86,412,291 |
| 10.00 | Share capital : | | |
| | This represents : | | |
| | Authorized capital | | |
| | 200,000,000 Ordinary shares of Tk.10 each | 2,000,000,000 | 2,000,000,000 |
| | Issued, subscribed and paid up capital : | | |
| | 35,000,000 Ordinary Shares @ Tk. 10 each fully paid up | 350,000,000 | 350,000,000 |
| | 17,500,000 Ordinary Shares @ Tk. 10 each fully paid up other than cash | 175,000,000 | 175,000,000 |
| | 15,000,000 Ordinary Shares @ Tk. 10 each fully paid up | 150,000,000 | 150,000,000 |
| | 20,250,000 Ordinary Shares @ Tk. 10 each fully paid up Other than cash | 202,500,000 | 202,500,000 |
| | 47,500,000 Ordinary Shares @ Tk. 10 each fully paid up | 475,000,000 | 475,000,000 |
| | 135,250,000 Ordinary Shares | 1,352,500,000 | 1,352,500,000 |

Percentage of shareholding position of different shareholders are as follows :

| Name of the shareholder | 30.04.2014 | | 30.04.2013 | |
|-------------------------|--------------------|--------------|--------------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Sponsors | 68,250,000 | 50.46 | 68,250,000 | 50.46 |
| Financial Institutions | 25,162,500 | 18.60 | 67,000,000 | 49.54 |
| General Public | 41,837,500 | 30.93 | - | - |
| | 135,250,000 | 100 | 135,250,000 | 100 |

Classification of Shareholders by holding :

The number of shareholders and shareholding position as at April 30, 2014 are given below :

| Range of holding | No. of shareholding | No. of shareholders | % of shareholding |
|-----------------------------|---------------------|---------------------|-------------------|
| Less than 500 shares | 4,941,250 | 18,684 | 3.65 |
| 501 to 5,000 shares | 8,706,300 | 4,223 | 6.44 |
| 5,001 to 10,000 shares | 5,508,150 | 712 | 4.07 |
| 10,001 to 20,000 shares | 6,268,450 | 431 | 4.63 |
| 20,001 to 30,000 shares | 3,381,600 | 132 | 2.50 |
| 30,001 to 40,000 shares | 2,364,150 | 66 | 1.75 |
| 40,001 to 50,000 shares | 1,871,000 | 40 | 1.38 |
| 50,001 to 100,000 shares | 5,933,350 | 85 | 4.39 |
| 100,001 to 1,000,000 shares | 15,642,500 | 64 | 11.57 |
| Over 1,000,000 shares | 80,633,250 | 9 | 59.62 |
| Total | 135,250,000 | 24,446 | 100.00 |

SAIHAM COTTON MILLS LTD.

| | | Amount in Taka | |
|--------------|---|--------------------|--------------------|
| | | April 30, 2014 | April 30, 2013 |
| 11.00 | Share Premium : | | |
| | Opening Balance | 751,750,000 | 751,750,000 |
| | Add: Share premium from issue of 47,500,000 shares | - | - |
| | | 751,750,000 | 751,750,000 |
| | Less : Tax Deducted at Sources @ 3% | - | - |
| | | 751,750,000 | 751,750,000 |
| 12.00 | Tax Holiday Reserve : | | |
| | This is arrived as follows : | | |
| | Opening Balance | 100,715,999 | 235,715,999 |
| | Add: Reserve made during the year | - | - |
| | Less: Transferred to retained earnings | - | (135,000,000) |
| | Closing Balance | 100,715,999 | 100,715,999 |
| 13.00 | Revaluation Surplus : | | |
| | This calculation is arrived as follows : | | |
| | Opening Balance | 515,490,327 | 549,537,750 |
| | Adjustment for depreciation on revalued assets | (31,644,254) | (34,047,423) |
| | Closing Balance | 483,846,073 | 515,490,327 |
| 14.00 | Retained Earnings : | | |
| | This is arrived as follows : | | |
| | Opening Balance | 414,056,518 | 128,625,878 |
| | Net profit after Tax | 200,281,820 | 259,014,976 |
| | | 614,338,338 | 387,640,854 |
| | Adjustment for revaluation of P.P.E and deferred tax | 37,228,534 | 40,055,792 |
| | Unrealized loss for sale of Shares | 3,373,836 | (13,390,129) |
| | Transferred from tax holiday reserve | - | 135,000,000 |
| | Dividend paid for the year (2012-13) | (135,250,000) | (135,250,000) |
| | Closing Balance | 519,690,708 | 414,056,518 |
| 15.00 | Deferred tax Liabilities : | | |
| | This is arrived as follows : | | |
| | Opening Balance | 139,398,751 | 140,614,589 |
| | Add: Deferred Tax expenses for the year | 4,174,991 | 4,792,531 |
| | Deferred tax liability on Share of income of Associate Company for the year | - | - |
| | | 143,573,742 | 145,407,120 |
| | Adjustment for depreciation of revalued assets | (5,584,280) | (6,008,369) |
| | Closing Balance | 137,989,462 | 139,398,751 |

15.01 Calculation of Deferred Tax :

| Particulars | Accounting Base | Tax Base | Temporary Difference Taxable / (Deductible) |
|---|----------------------|----------------------|---|
| Property, plant and equipment as on 30.04.2014 | | | |
| W.D.V | 1,698,987,742 | 1,446,821,684 | 252,166,058 |
| Revaluation | 569,230,675 | - | 569,230,675 |
| Total | 2,268,218,417 | 1,446,821,684 | 821,396,733 |
| Tax Rate | | | 15% |
| Deferred Tax Liability as on 30.04.2014 | | | 123,209,510 |
| Add: Share of income of Associate company | | | 14,779,952 |
| Total | | | 137,989,462 |
| Deferred Tax liability as per last year | | | 139,398,751 |
| Net Deferred Tax decrease | | | (1,409,289) |
| Add: Adjustment for depreciation of revalued assets | | | 5,584,280 |
| Deferred Tax expenses for the year | | | 4,174,991 |

- As per BAS - 16 "Property, Plant and Equipment" deferred tax has been calculated for revaluation surplus. Deferred tax has been Calculated as per BAS-12.

SAIHAM COTTON MILLS LTD.

16.00 Bank Loan and Overdraft :

This consists of as follows :

Cash Credit (Hypo) from Janata Bank Ltd.

Cash Credit (Hypo) from Bank Asia Ltd.

IDBP Loan - HSBC

IDBP Loan - Bank Asia Ltd.

| Amount in Taka | |
|--------------------|--------------------|
| April 30, 2014 | April 30, 2013 |
| - | 308,907,730 |
| 120,991,149 | 198,688,983 |
| 86,106,182 | 135,473,391 |
| - | 15,569,000 |
| 207,097,331 | 658,639,104 |

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

17.00 Term Loan

Name of the Bank

Bank Asia Ltd.

HSBC Ltd.

| | |
|--------------------|----------|
| 210,027,189 | - |
| 247,207,188 | - |
| 457,234,377 | - |

Repayment terms:

Bank Asia Ltd.

This is repayable in 20 quarterly installments with effect from June,2014 bearing interest at the rate of 14% per annum.

HSBC Ltd.

The above loan consists of 5 (five) numbers of term loan which was explained are as follows :

Loan # 01 : This is repayable in 20 quarterly installments of US \$ 14,192.42 each equivalent to taka with effect from May,2014 bearing interest at the rate of LIBOR +4.50% per annum.

Loan # 02 : This is repayable in 20 quarterly installments of US \$ 3,373.68 each equivalent to taka as per prevailing rate commencing from May,2014 bearing interest at the rate of LIBOR + 4.50% per annum.

Loan # 03 : This is repayable in 20 quarterly installments of US \$ 58,500 each equivalent to taka as per prevailing rate commencing from June,2014 bearing interest at the rate of LIBOR + 4.50% per annum.

Loan # 04 : This is repayable in 20 quarterly installments of US \$ 3,807.60 each equivalent to taka as per prevailing rate commencing from June,2014 bearing interest at the rate of LIBOR + 4.50% per annum.

Loan # 05 : This is repayable in 20 quarterly installments of US \$ 79,458.36 each equivalent to taka as per prevailing rate commencing from July,2014 bearing interest at the rate of LIBOR + 4.50% per annum.

Security details :

Bank Asia Ltd.

The loan from Bank Asia Ltd. is secured by the registered mortgage on the project land 1297 decimal , hypothecation of stock of raw cotton, work in process, finished goods ,book debts, personal guarantee of all the directors and pari passu charge on all the floting assets and book debts of the company with RJSC with Bank Asia Ltd.

HSBC Ltd.

The loan from HSBC Ltd. is secured by the hypothecation of stock of raw cotton, work in process, finished goods, book debts, personal guarantee of all the directors, corporate guarantee of Faisal Spinning Mills Ltd, Saiham Textile Mills Ltd. and pari passu charge on all the floting assets and book debts of the company with RJSC with HSBC.

SAIHAM COTTON MILLS LTD.

| | | Amount in Taka | |
|---|-------|---|--------------------|
| | | April 30, 2014 | April 30, 2013 |
| 18.00 Trade Creditors : | | | |
| This is arrived as follows : | | | |
| Import of raw cotton | | 374,448,150 | 349,901,083 |
| Import of Capital Machinery | | 538,016,993 | - |
| Local purchases | | 10,291,882 | 6,184,810 |
| | | 922,757,025 | 356,085,893 |
| 19.00 Income Tax Provision : | | | |
| Opening Balance | | 31,045,344 | 4,624,347 |
| Add : Provision made during the year | 19.01 | 45,864,184 | 60,903,703 |
| | | 76,909,528 | 65,528,050 |
| Less: Payment made during the year | | 46,470,934 | 34,482,706 |
| Advance income tax paid | | 46,470,934 | 30,191,910 |
| Income tax paid last year | | - | 4,290,796 |
| Closing Balance | | 30,438,594 | 31,045,344 |
| 19.01 Provision made during the year : | | | |
| Non operating income other than dividend income | | 103,275,708 | 97,482,827 |
| Income tax provision (27.5%) | | 28,400,820 | 26,807,777 |
| Dividend Income | | 113,026 | 233,365 |
| Income Tax Provision(20%) | | 22,605 | 46,673 |
| Operating profit after WPPF | | 146,932,261 | 226,995,018 |
| Add: Disallowable Depreciation | | 77,131,588 | - |
| Less :Allowable Depreciation | | 107,792,122 | - |
| | | 116,271,727 | 226,995,018 |
| Income tax provision (15%) | | 17,440,759 | 34,049,253 |
| Total Income Tax Provision | | 45,864,184 | 60,903,703 |
| ▶ | | Income Tax Provision has been made @ 27.5% on the non operating income as per Income Tax Ordinance, 1984. | |
| ▶ | | Income Tax Provision has been made @ 15% on the net profit as per Income Tax Ordinance, 1984. | |
| 20.00 Payable and Accruals: | | | |
| This is arrived as follows : | | | |
| Salary and wages | | 6,598,011 | 3,635,243 |
| Gas Charges | | 2,483,290 | 1,879,467 |
| Audit Fees | | 57,500 | 57,500 |
| Consultancy Fees | | - | 15,000 |
| Electricity bill | | 11,732 | 9,777 |
| Telephone bill | | 6,095 | 5,826 |
| Professional fees for Credit Rating(CRAB) | | - | 200,000 |
| Sundry expenses | | 4,553,182 | 1,298,421 |
| Unpaid Dividend | | 4,826,960 | 2,933,153 |
| WPPF | 20.01 | 7,346,613 | 11,349,751 |
| | | 25,883,383 | 21,384,138 |
| 20.01 Workers Profit Participation Fund (WPPF) : | | | |
| This is arrived as follows : | | | |
| Opening Balance | | 11,349,751 | 11,244,777 |
| Provision made during the year | | 7,346,613 | 11,349,751 |
| | | 18,696,364 | 22,594,528 |
| Payment made during the year | | (11,349,751) | (11,244,777) |
| Closing Balance | | 7,346,613 | 11,349,751 |

SAIHAM COTTON MILLS LTD.

| | | Amount in Taka | |
|--------------|--|----------------------|----------------------|
| | | April 30, 2014 | April 30, 2013 |
| 21.00 | Cost of Goods Sold : | | |
| | This is made up as follows : | | |
| | Materials Consumption | | |
| | Raw Cotton | 21.01 1,440,323,397 | 1,421,195,041 |
| | Packing Materials | 21.02 13,718,615 | 13,002,898 |
| | Stores and Spares | 21.03 29,654,364 | 54,188,845 |
| | Total materials consumption | 1,483,696,376 | 1,488,386,784 |
| | Direct Wages and Salaries | 49,777,345 | 37,352,567 |
| | Prime cost | 1,533,473,721 | 1,525,739,351 |
| | Add. Factory Overhead | 21.04 121,542,835 | 125,217,018 |
| | Total manufacturing cost | 1,655,016,556 | 1,650,956,369 |
| | Add. Opening Work-in-process | 8,148,360 | 9,450,000 |
| | Cost of goods available for use | 1,663,164,916 | 1,660,406,369 |
| | Less. Closing Work-in-process | 14,525,147 | 8,148,360 |
| | Cost of Production | 1,648,639,769 | 1,652,258,009 |
| | Add. Opening Stock of Finished Goods | 112,632,135 | 65,948,924 |
| | Cost of goods available for sales | 1,761,271,904 | 1,718,206,933 |
| | Less. Closing Stock of Finished Goods | 174,766,483 | 112,632,135 |
| | Cost of Goods Sold | 1,586,505,421 | 1,605,574,798 |
| 21.01 | Raw Cotton : | | |
| | This is arrived as follows : | | |
| | Opening Stock of Raw Cotton | 536,413,863 | 462,855,759 |
| | Add. Purchase during the year | 1,239,150,468 | 1,494,753,145 |
| | Raw Cotton available for use | 1,775,564,331 | 1,957,608,904 |
| | Less. Closing Stock of Raw Cotton | 335,240,934 | 536,413,863 |
| | Consumption during the year | 1,440,323,397 | 1,421,195,041 |
| 21.02 | Packing Materials : | | |
| | This is arrived as follows : | | |
| | Opening Stock of Packing Materials | 1,456,939 | 709,829 |
| | Add. Purchase during the year | 16,814,180 | 13,750,008 |
| | Packing Materials available for use | 18,271,119 | 14,459,837 |
| | Less. Closing Stock of Packing Materials | 4,552,504 | 1,456,939 |
| | Consumption during the year | 13,718,615 | 13,002,898 |
| 21.03 | Stores and Spares : | | |
| | This is arrived as follows : | | |
| | Opening Stock of Spare Parts | 31,117,267 | 49,892,965 |
| | Add. Purchase during the year | 45,289,123 | 35,413,147 |
| | Stores and Spares available for use | 76,406,390 | 85,306,112 |
| | Less. Closing Stock of Spare Parts | 46,752,026 | 31,117,267 |
| | Consumption during the year | 29,654,364 | 54,188,845 |
| 21.04 | Factory Overhead : | | |
| | Gas Charges | 22,498,861 | 22,036,487 |
| | Fuel and Lubricants | 7,796,728 | 6,413,890 |
| | Insurance Premium | 4,127,063 | 4,127,113 |
| | Covered Van and Lorry expenses | 4,481,785 | 4,905,558 |
| | Factory Maintenances | 6,736,794 | 6,165,559 |
| | Staff Quarter exp | 217,121 | 362,526 |
| | Depreciation | 75,684,483 | 81,205,885 |
| | | 121,542,835 | 125,217,018 |

SAIHAM COTTON MILLS LTD.

| | | Amount in Taka | |
|--------------|--|-------------------|-------------------|
| | | April 30, 2014 | April 30, 2013 |
| 22.00 | Administrative and Marketing Expenses : | | |
| | This consists of as follows : | | |
| | Directors Remuneration | 3,805,000 | 3,960,000 |
| | Salary and Allowances | 12,227,279 | 9,417,543 |
| | Festival Bonus | 781,916 | 597,666 |
| | Office Rent | 600,000 | 980,000 |
| | Rest house Exp. | 180,880 | 181,899 |
| | Staff Quarter Exp | 34,904 | - |
| | Incentive Bonus | 4,446,000 | 3,570,000 |
| | Entertainments | 574,998 | 700,115 |
| | Electric Bill | 99,150 | 104,727 |
| | Rent a car | 653,830 | 559,110 |
| | Fuel & Lubricants | 352,517 | 357,808 |
| | Paper and Periodicals | 47,015 | 123,379 |
| | Fees, Forms, and others | 2,669,641 | 988,596 |
| | Board Meeting Fees | 60,000 | 18,000 |
| | Maintenance of Vehicles | 2,442,300 | 1,606,834 |
| | Information Technology Expenses | 1,780,914 | 1,667,044 |
| | Insurance Premium | 271,663 | 300,116 |
| | Printing & Stationery | 1,792,138 | 645,546 |
| | Donation and Subscription | 48,500 | 710,450 |
| | Miscellaneous Expenses | 1,397,499 | 570,420 |
| | Office Maintenance | 589,010 | 414,958 |
| | Traveling and Conveyance | 552,368 | 479,217 |
| | Transportation cost | 292,217 | 133,503 |
| | Telephone and Mobile Expenses | 144,397 | 194,626 |
| | Audit fees | 57,500 | 57,500 |
| | Uniform and Upkeep | 96,049 | 62,745 |
| | Medical and Welfare | 809,806 | - |
| | Postage and Stamp | 119,402 | 88,730 |
| | Selling & Distribution Exp. | 3,839,300 | 3,688,000 |
| | Advertisement | 149,220 | 140,083 |
| | AGM Expenses | 770,296 | 3,123,328 |
| | IPO Expenses | - | 1,432,803 |
| | Depreciation | 1,447,106 | 1,620,978 |
| | | 43,132,815 | 38,495,724 |
| 23.00 | Financial Expenses : | | |
| | The above amount comprise of as follows - | | |
| | Interest on Cash Credit (Hypo) | 61,721,906 | 76,362,923 |
| | Interest on Dhaka Bank Ltd. | 5,488,115 | 3,908,443 |
| | Interest on Term Loan | 10,484,101 | - |
| | Interest on Bank Asia Ltd. | 8,621,109 | 5,312,573 |
| | Interest on HSBC Ltd. | 7,531,889 | 8,916,191 |
| | Bank Charges and Commission | - | 4,065,967 |
| | Overdue Interest | 2,907,574 | 1,262,013 |
| | Payment collection charge | - | 118,200 |
| | | 96,754,694 | 99,946,310 |

SAIHAM COTTON MILLS LTD.

| | | Amount in Taka | |
|--------------|--|----------------------|----------------------|
| | | April 30, 2014 | April 30, 2013 |
| 24.00 | Non operating income : | | |
| | Interest on FDR | 99,548,036 | - |
| | Interest on STD A/C | 2,150,238 | 51,480,024 |
| | Interest on IPO Deposit | - | 43,741,478 |
| | Insurance claim | 919,910 | 2,151,325 |
| | Overdue Interest | 25,013 | - |
| | Other | - | 110,000 |
| | Gain on dollar fluctuation on export | 4,008,464 | - |
| | Realised loss on marketable securities | (3,375,953) | - |
| | Dividend Income | 113,026 | 233,365 |
| | | 103,388,734 | 97,716,192 |
| 25.00 | Earnings per share : | | |
| | The computation of EPS is given below : | | |
| | Net profit after tax | 200,281,820 | 259,014,976 |
| | Number of total outstanding shares | 135,250,000 | 135,250,000 |
| | Earnings per share (EPS) | 1.48 | 1.92 |
| 26.00 | Net asset value (NAV) per share : | | |
| | Total assets | 5,050,302,952 | 4,401,466,073 |
| | Total outside liabilities | 1,781,400,172 | 1,206,553,229 |
| | Net assets | 3,268,902,780 | 3,194,912,844 |
| | Divided by number of ordinary shares | 135,250,000 | 135,250,000 |
| | Net assets value (NAV) per share | 24.17 | 23.62 |

27.00 Related Party Transactions:

During the year under review, the company carried out a number of transactions with related party in the normal course of business. The name of the related parties, nature of business and their value have been set out below in accordance with the provisions of BAS 24 "Related Party Disclosure".

| Name of the Party | Nature of Transaction | Type of Relationship | Transaction Value |
|----------------------------|-----------------------|----------------------|-------------------|
| Faisal Spinning Mills Ltd. | Temporary loan | Associate Company | 16,443,725 |
| Faisal Spinning Mills Ltd. | Trade Debtors | Associate Company | 201,566,636 |
| Saiham Knit Composite Ltd. | Trade Debtors | Group Company | 79,232,640 |
| Saiham Textile Mills Ltd. | Trade Debtors | Group Company | 137,148,227 |

28.00 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, 2014 six 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 | 6 | 6 |
| Mr. Syed Ishtiaq Ahmed | Managing Director | 6 | 6 |
| Mr. S. F. A. M. Shahjahan | Director | 6 | 6 |
| Mr. Syed Shafqat Ahmed | Director | 6 | 6 |
| Mr. Mostafa Moin | Independent Director | 6 | 6 |

SAIHAM COTTON MILLS LTD.

29.00 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

Number of Employees

| Salary Range (Monthly) | Officer & Staff | | Worker | Total Employees |
|------------------------|-----------------|------------|------------|-----------------|
| | Head Office | Factory | | |
| Below 3,000 | - | - | - | - |
| Above 3,000 | 18 | 196 | 986 | 1200 |
| Total | 18 | 196 | 986 | 1200 |

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

| Name | Designation | Remuneration | Festival Bonus | Total |
|---------------------------|--------------------|------------------|----------------|------------------|
| Mr. S. M. Faisal | Chairman | 550,000 | Nil | 550,000 |
| Mr. Syed Ishtiaq Ahmed | Managing Director | 1,275,000 | Nil | 1,275,000 |
| Mr. S. F. A. M. Shahjahan | Director | 550,000 | Nil | 550,000 |
| Mr. Syed Shafqat Ahmed | Director | 1,100,000 | Nil | 1,100,000 |
| Mrs. Yasmin Faisal | Executive Director | 330,000 | Nil | 330,000 |
| | | 3,805,000 | | 3,805,000 |

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 | 5,811,480 | 90 | (10) |

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 | - | 1,239,150,468 | 1,239,150,468 | 1,440,323,397 | 116 |
| Packing Material | 16,814,180 | - | 16,814,180 | 13,718,615 | 82 |
| Spares parts | 27,173,474 | 18,115,649 | 45,289,123 | 29,654,364 | 65 |

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.

30.00 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 | 3,729,071 |
| | 7,814,929 | 7,814,929 |

31.00 Contingent Assets:

There was no Contingent Assets as on April 30, 2014.

32.00 Claim against the Company:

There was no claim against the company which is to be acknowledged as debt as on April 30, 2014

33.00 Event after reporting period :

The Board of directors at their board meeting held on August 28, 2014 recommended to the shareholders 10 % Cash Dividend for the year ended April 30, 2014. 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.

34.00 General Comments & Observations :

- ▶ 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.

**Sd/-
Managing Director**

**Sd/-
Director**

**Sd/-
Company Secretary**

Saiham Cotton Mills Ltd.
Property, plant and equipment
As at April 30, 2014

Annexure - A

| Particulars | Cost | | Rate % | Depreciation | | W.D.V. as at 30.04.2014 |
|-------------------------------|--------------------------|--------------------------|--------|--------------------------|------------------------|-------------------------|
| | Balance as on 01.05.2013 | Addition during the year | | Balance as on 30.04.2014 | Charge during the year | |
| Land and Land Development | 24,497,188 | 43,322,973 | - | - | - | 67,820,161 |
| Building & Other Construction | 166,659,467 | 255,531,472 | 5.00 | 6,004,843 | 53,277,256 | 368,913,683 |
| Plant and Machineries | 770,961,544 | 822,466,179 | 7.50 | 32,483,745 | 372,613,319 | 1,220,814,404 |
| Furnitures & Fixtures | 2,134,066 | 1,430,000 | 10.00 | 90,947 | 1,319,513 | 2,244,553 |
| Motor Vehicles | 12,638,000 | 6,266,218 | 15.00 | 889,231 | 7,616,432 | 11,287,786 |
| Office Equipments | 2,803,096 | 758,875 | 10.00 | 176,745 | 1,214,500 | 2,347,471 |
| Sundry Assets | 4,243,025 | 23,306,532 | 10.00 | 257,544 | 1,989,874 | 25,559,683 |
| Sub - Total | 983,936,386 | 1,153,082,249 | | 39,903,055 | 438,030,893 | 1,698,987,742 |

Revaluation of property, plant and equipment

| Particulars | Cost | | Rate % | Depreciation | | W.D.V. as at 30.04.2014 |
|-------------------------------|--------------------------|--------------------------|--------|--------------------------|------------------------|-------------------------|
| | Balance as on 01.05.2013 | Addition during the year | | Balance as on 30.04.2014 | Charge during the year | |
| Land and Land Development | 60,705,668 | - | - | - | - | 60,705,668 |
| Building & Other Construction | 179,528,126 | - | 5.00 | 7,696,146 | 33,301,345 | 146,226,781 |
| Plant and Machineries | 492,633,171 | - | 7.50 | 29,242,205 | 131,979,313 | 360,653,858 |
| Motor Vehicles | 3,150,093 | - | 15.00 | 290,183 | 1,505,725 | 1,644,368 |
| Sub - Total | 736,017,058 | - | | 37,228,534 | 166,786,383 | 569,230,675 |
| Grand Total | 1,719,953,444 | 1,153,082,249 | | 77,131,588 | 604,817,276 | 2,268,218,417 |

Allocation:

| | |
|---------------------------------------|-------------------|
| Cost of Production | 75,684,483 |
| Administrative and Marketing Expenses | 1,447,106 |
| | 77,131,588 |

SAIHAM COTTON MILLS LTD.

Saiham Cotton Mills Ltd.

Statement of Trade and Other Receivables

As on 30.04.2014

Annexure - B

| Name of the Party | L/C No | Amount in Taka |
|---------------------------|---------------|--------------------|
| Asrotex Limited | 40673-1 | 4,032,000 |
| Asrotex Limited | 40673-2 | 4,032,000 |
| Asrotex Limited | 40673-3 | 5,376,000 |
| Lithe Apparels Ltd | 40437 | 8,658,816 |
| Apparel-21 | 40442-11 | 5,285,952 |
| Apparel-21 | 40442-10 | 7,379,136 |
| Pattarumadathil | 40188 amnd-01 | 5,644,800 |
| IFS Texwear (PVT) Ltd | 40450-3 | 6,950,400 |
| IFS Texwear (PVT) Ltd | 40450-4 | 6,950,400 |
| Kento Asia Ltd. | 40641 | 1,705,229 |
| IFS Texwear (PVT) Ltd | 40490-1 | 6,950,400 |
| IFS Texwear (PVT) Ltd | 40490-2 | 6,950,400 |
| Naz Knitwear Ltd. | 40722-1 | 9,676,800 |
| Naz Knitwear Ltd. | 40722-2 | 10,297,344 |
| IFS Texwear (PVT) Ltd | 40254-1 | 4,032,000 |
| IFS Texwear (PVT) Ltd | 40254-2 | 6,950,400 |
| IFS Texwear (PVT) Ltd | 40254-3 | 6,950,400 |
| IFS Texwear (PVT) Ltd | 40254-4 | 6,950,400 |
| IFS Texwear (PVT) Ltd | 40254-5 | 6,950,400 |
| Sariha Knit Wears Ltd. | 41247 | 1,003,008 |
| Pattarumadathil | 40188 amnd-02 | 913,344 |
| Naz Knitwear Ltd. | 40793 | 2,985,984 |
| Oli Knitting Fabrics Ltd. | 40799 | 6,898,176 |
| Oli Knitting Fabrics Ltd. | 40802-1 | 8,294,400 |
| Oli Knitting Fabrics Ltd. | 40802-2 | 8,294,400 |
| Oli Knitting Fabrics Ltd. | 40802-3 | 8,294,400 |
| Oli Knitting Fabrics Ltd. | 40802-4 | 8,294,400 |
| Oli Knitting Fabrics Ltd. | 40802-5 | 8,294,400 |
| Oli Knitting Fabrics Ltd. | 40802-6 | 12,524,544 |
| Oli Knitting Fabrics Ltd. | 40802-7 | 13,036,032 |
| Oli Knitting Fabrics Ltd. | 40802-8 | 1,824,768 |
| Pattarumadathil | 40235 | 763,392 |
| Dowas Land Apparels Ltd. | 40618 | 2,916,480 |
| Pattarumadathil | 40235 Amnd-01 | 2,303,808 |
| Beget Knitwear | 40707 | 560,640 |
| Scandex Textile Ind. Ltd. | 40885-1 | 6,758,400 |
| Scandex Textile Ind. Ltd. | 40885-2 | 6,758,400 |
| Scandex Textile Ind. Ltd. | 40885-3 | 3,338,650 |
| IFS Texwear (PVT) Ltd | 40586-1 | 6,816,000 |
| IFS Texwear (PVT) Ltd | 40586-2 | 6,816,000 |
| IFS Texwear (PVT) Ltd | 40586-3 | 6,816,000 |
| Sub Total | | 246,228,902 |

SAIHAM COTTON MILLS LTD.

| Party Name | L/C No | Amount in Taka |
|-----------------------------|----------------------|--------------------|
| Pattarumadathil | 40251 | 3,067,200 |
| Beget Knitwear | 40752 | 901,440 |
| Saiham Knit Com. | 208114040107 Amnd-01 | 8,356,416 |
| Niagre Textile | 236014040775 | 5,299,200 |
| IFS Texwear (PVT) Ltd | 40586-4 | 6,816,000 |
| Base Textiles Ltd. | 40481 | 5,487,821 |
| Pattarumadathil | 40251 Amnd-01 | 2,688,000 |
| Oli Knitting Fabrics Ltd. | 40877 | 3,271,680 |
| Oli Knitting Fabrics Ltd. | 40880 | 2,249,280 |
| Naz Knitwear Ltd. | 40889 | 1,840,320 |
| Smart Knitwear Ltd. | 40620 | 304,128 |
| Smart Knitwear Ltd. | 40616 | 525,312 |
| Smart Knitwear Ltd. | 40628 | 2,239,488 |
| MS. Attires Ltd. | 41282 | 3,077,760 |
| Oli Knitting Fabrics Ltd. | 40936 | 4,798,464 |
| Adury Apparels Ltd. | 41343 | 2,419,200 |
| Adury Knit Composite Ltd. | 41346-1 | 5,376,000 |
| Adury Knit Composite Ltd. | 41346-2 | 6,988,800 |
| Oli Knitting Fabrics Ltd. | 40935 | 524,160 |
| IFS Texwear (PVT) Ltd | 40325 | 6,816,000 |
| Pattarumadathil | 40281 | 2,688,000 |
| Oishi Fashion (PVT) Ltd | 40481 | 686,784 |
| IFS Texwear (PVT) Ltd | 40005 | 6,816,000 |
| Adury Knit Composite Ltd. | 40013-1 | 5,314,560 |
| Adury Knit Composite Ltd. | 40013-2 | 5,314,560 |
| Adury Knit Composite Ltd. | 40014-1 | 4,650,240 |
| Adury Knit Composite Ltd. | 40014-2 | 4,650,240 |
| ADury Knit Composite Ltd. | 40087-1 | 3,985,920 |
| Adury Knit Composite Ltd. | 40087-2 | 3,985,920 |
| Oishi Fashion (PVT) Ltd | 40048 | 606,720 |
| Pattarumadathil | 090614040016 | 2,688,000 |
| Saiham Knit Com | 40058 | 2,426,112 |
| Oli Knitting Fabrics Ltd. | 40064-1 | 6,572,160 |
| Oli Knitting Fabrics Ltd. | 40064-2 | 5,376,000 |
| Oli Knitting Fabrics Ltd. | 40064-3 | 6,988,800 |
| Dird Composite Textiles Ltd | 40106 | 2,764,800 |
| Saiham Knit Com | 40061 | 4,520,064 |
| Saiham Knit Com | 208114040008 Amnd-02 | 4,623,936 |
| Saiham Knit Com | 40193 Amand-01 | 314,880 |
| Pattarumadathil | 090614040044 | 1,382,400 |
| Base Textiles Ltd. | 187814040313 | 2,247,552 |
| Saiham Knit Com | 208114040095 | 1,873,536 |
| Saiham Knit Com | 208114040008 Amnd-03 | 2,011,776 |
| Saiham Knit Com | 208114040099 | 7,922,304 |
| Saiham Knit Com | 208114040058 Amnd-01 | 1,630,848 |
| Saiham Knit Com | 208114040008 Amnd-04 | 1,033,536 |
| Saiham Knit Com | 208114040107 | 1,702,464 |
| IFS Texwear (PVT) Ltd | 303714040154 | 3,210,240 |
| Base Textiles Ltd. | 187814040386 | 321,024 |
| Base Textiles Ltd. | 034314030004 | 3,013,440 |
| Sub Total | | 160,713,869 |

SAIHAM COTTON MILLS LTD.

| Party Name | L/C No | Amount in Taka |
|---|----------------------|--------------------|
| Islam Garments Ltd. | 079614034572-2 | 8,524,800 |
| Uttara Knitwear Ltd. | 086414040385-1 | 2,803,200 |
| Uttara Knitwear Ltd. | 086414040385-2 | 2,803,200 |
| Uttara Knitwear Ltd. | 086414040385-3 | 2,803,200 |
| Niagara Textile | 296014040776 | 5,299,200 |
| Niagara Textile | 296014040777 | 5,299,200 |
| Base Textiles Ltd. | 187814040444-1 | 4,569,600 |
| Base Textiles Ltd. | 187814040444-2 | 4,892,160 |
| Base Textiles Ltd. | 187814040448-1 | 1,254,912 |
| Niagara Textile | 296014040788 | 5,299,200 |
| Niagara Textile | 296014040789 | 5,299,200 |
| Saiham Knit Com | 208114040140 | 11,398,656 |
| Libas Knitwear Ltd. | 134714040324-1 | 3,544,320 |
| Libas Knitwear Ltd. | 134714040324-2 | 3,544,320 |
| Libas Knitwear Ltd. | 134714040325-1 | 3,408,000 |
| Libas Knitwear Ltd. | 134714040325-2 | 3,408,000 |
| Libas Knitwear Ltd. | 134714040326-1 | 3,408,000 |
| Libas Knitwear Ltd. | 134714040326-2 | 3,408,000 |
| Libas Knitwear Ltd. | 134714040331-1 | 3,408,000 |
| Libas Knitwear Ltd. | 134714040331-2 | 3,408,000 |
| Saiham Knit Com | 208114040107 amnd-02 | 5,840,640 |
| New R.S. HI-Fashion Ltd. | 086514040334 | 3,494,400 |
| Oli Knitting Fabrics Ltd. | 135014040239 | 5,297,280 |
| Oli Knitting Fabrics Ltd. | 135014040239 | 8,042,880 |
| Niagara Textile | 296014040883 | 2,036,736 |
| Saiham Knit Com | 208114040161 | 1,123,200 |
| Saiham Knit Com | 208114040169 | 1,512,576 |
| Saiham Knit Com | 208114040177 | 456,576 |
| Saiham Knit Com | 208114040178 | 1,662,336 |
| Sariha Knit Wears Ltd. | 050014040413 | 1,317,120 |
| Base Textiles Ltd. | 187814040562-1 | 4,596,480 |
| Base Textiles Ltd. | 187814040562-2 | 3,386,880 |
| Saiham Knit Com | 208114040183 | 4,487,040 |
| Foptex Pvt. Ltd. | 162214040202 | 3,047,040 |
| MS. Attires Ltd. | 221714040528 | 1,612,800 |
| MS. Attires Ltd. | 221714040529 | 806,400 |
| Saiham Knit Com | 208114040107 Amnd-03 | 164,736 |
| Comfit Composite Knit Ltd. | 195314040412 | 1,720,320 |
| MS. Attires Ltd. | 221714040542 | 1,059,840 |
| Faisal Spinning Mills Ltd. | | 201,566,636 |
| Saiham Textile Mills Ltd. | | 137,148,227 |
| Saiham Knit Com | 208114040200 | 614,016 |
| Saiham Knit Com | 208114040201 | 1,180,800 |
| Saiham Knit Com | 208114040209 | 9,824,256 |
| Naz Knitwear Ltd. | 135014040288 | 712,320 |
| Saiham Knit Com | 208114040224 | 4,551,936 |
| Advance goods delivery but L/C not received | | 34,048,476 |
| Sub Total | | 542,750,731 |
| Grand Total | | 949,693,502 |

SAIHAM COTTON MILLS LTD.

Saiham Cotton Mills Ltd.
Statement of Trade and Other Receivables
As on 30.04.2013

Annexure - C

| Name of the Party | L/C No | BDT |
|--------------------------|---------------|--------------------|
| Trust Knitwear Inds.Ltd. | 41405 | 1,081,080 |
| Trust Knitwear Inds.Ltd. | 41406 | 249,480 |
| Trust Knitwear Inds.Ltd. | 41431 | 662,008 |
| Multifabs Limited | 45275 | 1,501,500 |
| Saiham Knit Com | 40557 | 6,531,140 |
| Saiham Knit Com | 40503 Amnd-01 | 545,738 |
| Saiham Knit Com | 40641 | 7,654,378 |
| Multifabs Limited | 406384 | 2,637,250 |
| Saiham Knit Com | 40008 | 1,988,910 |
| Saiham Knit Com | 40022-1 | 19,739,335 |
| Saiham Knit Com | 40020 | 1,724,800 |
| Saiham Knit Com | 40557 Amnd-02 | 5,708,010 |
| Smart Knitwear Ltd. | 40104 | 2,644,873 |
| Saiham Knit Com | 40148 | 5,396,545 |
| Saiham Knit Com | 40557 Amnd-03 | 3,992,450 |
| Smart Knitwear Ltd. | 40169 | 936,320 |
| Smart Knitwear Ltd. | 40182 | 4,564,560 |
| Smart Knitwear Ltd. | 40183 | 2,370,060 |
| Saiham Knit Com | 40280 | 1,784,090 |
| Smart Knitwear Ltd. | 40212 | 2,264,955 |
| Smart Knitwear Ltd. | 40213 | 833,294 |
| Chowdhury Knitwear | 40482-5 | 2,718,100 |
| Chowdhury Knitwear | 40482-11 | 2,718,100 |
| Chowdhury Knitwear | 40482-12 | 2,718,100 |
| Chowdhury Knitwear | 40482-13 | 2,718,100 |
| Chowdhury Knitwear | 40482-14 | 2,718,100 |
| Chowdhury Knitwear | 40482-15 | 2,718,100 |
| Chowdhury Knitwear | 40482-16 | 5,436,200 |
| Chowdhury Knitwear | 40482-17 | 5,436,200 |
| Chowdhury Knitwear | 40482-18 | 2,718,100 |
| Chowdhury Knitwear | 40486-1 | 2,718,100 |
| Chowdhury Knitwear | 40486-2 | 2,718,100 |
| Chowdhury Knitwear | 40486-3 | 2,718,100 |
| Chowdhury Knitwear | 40486-4 | 2,718,100 |
| Chowdhury Knitwear | 40486-5 | 2,718,100 |
| Chowdhury Knitwear | 40486-6 | 2,718,100 |
| Chowdhury Knitwear | 40486-7 | 5,436,200 |
| Chowdhury Knitwear | 40486-8 | 5,436,200 |
| Chowdhury Knitwear | 40486-9 | 2,718,100 |
| Chowdhury Knitwear | 40486-10 | 2,718,100 |
| Chowdhury Knitwear | 40486-11 | 2,718,100 |
| Chowdhury Knitwear | 40486-12 | 2,718,100 |
| Chowdhury Knitwear | 40486-13 | 2,718,100 |
| Chowdhury Knitwear | 40486-14 | 2,718,100 |
| Chowdhury Knitwear | 40486-15 | 5,436,200 |
| Sub Total | | 153,635,675 |

SAIHAM COTTON MILLS LTD.

| Party Name | L/C No | BDT |
|---------------------------|----------|--------------------|
| Chowdhury Knitwear | 40486-16 | 5,436,200 |
| Mother Color Ltd. | 40213-3 | 6,737,500 |
| Mother Color Ltd. | 40213-4 | 6,737,500 |
| Comptex Bangladesh | 40951 | 7,507,500 |
| Polo Composite Knit | 40690-3 | 7,026,250 |
| Aji Apparels Ind | 40697-03 | 7,026,250 |
| Polo Composite Knit | 40731-4 | 6,833,750 |
| FSML | | 312,946,587 |
| Orion Knit Textile | 40871 | 3,575,880 |
| Base Textiles Ltd. | 40427 | 585,200 |
| Base Textiles Ltd. | 41154 | 857,203 |
| Noor Sewing & Dyeing Ltd. | 42156 | 5,621,000 |
| United Costume Ltd. | 45525-1 | 7,442,820 |
| Shariyar Fabrics | 211763-1 | 9,351,650 |
| Shariyar Fabrics | 211763-2 | 9,351,650 |
| Shariyar Fabrics | 211763-3 | 8,015,700 |
| Chowdhury Knitwear | 40033-1 | 5,390,000 |
| Chowdhury Knitwear | 40033-2 | 5,390,000 |
| Chowdhury Knitwear | 40033-3 | 5,390,000 |
| Chowdhury Knitwear | 40033-4 | 2,695,000 |
| Chowdhury Knitwear | 40033-5 | 5,390,000 |
| Chowdhury Knitwear | 40033-6 | 2,695,000 |
| Chowdhury Knitwear | 40032-1 | 4,100,250 |
| Chowdhury Knitwear | 40032-2 | 4,100,250 |
| Chowdhury Knitwear | 40032-3 | 4,100,250 |
| Chowdhury Knitwear | 40032-4 | 4,100,250 |
| Chowdhury Knitwear | 40032-5 | 5,467,000 |
| Chowdhury Knitwear | 40032-6 | 5,467,000 |
| Chowdhury Knitwear | 40032-7 | 5,467,000 |
| Chowdhury Knitwear | 40032-8 | 2,733,500 |
| Chowdhury Knitwear | 40032-9 | 4,100,250 |
| Chowdhury Knitwear | 40032-10 | 4,100,250 |
| Chowdhury Knitwear | 40032-11 | 4,100,250 |
| Chowdhury Knitwear | 40032-12 | 4,100,250 |
| Chowdhury Knitwear | 40032-13 | 2,733,500 |
| ZAF Sweater & Garments | 40061 | 4,065,600 |
| Base Textiles Ltd. | 40209-1 | 5,270,650 |
| Base Textiles Ltd. | 40209-2 | 5,929,000 |
| Base Textiles Ltd. | 40209-3 | 5,929,000 |
| Base Textiles Ltd. | 40209-4 | 5,929,000 |
| Base Textiles Ltd. | 40209-5 | 6,198,500 |
| Base Textiles Ltd. | 40209-6 | 6,951,945 |
| Base Textiles Ltd. | 40053 | 808,500 |
| Stress Fashion Ltd. | 40126 | 1,723,453 |
| Dream Yard Attires Ltd. | 40087 | 1,626,240 |
| Polo Composite Knit | 40103-1 | 2,494,800 |
| Polo Composite Knit | 40103-2 | 2,494,800 |
| Polo Composite Knit | 40103-3 | 2,494,800 |
| Polo Composite Knit | 40103-4 | 2,494,800 |
| Polo Composite Knit | 40103-5 | 2,494,800 |
| Sub Total | | 543,578,527 |

SAIHAM COTTON MILLS LTD.

| Party Name | L/C No | BDT |
|-------------------------------|---------------|--------------------|
| Polo Composite Knit | 40103-6 | 2,494,800 |
| Polo Composite Knit | 40103-7 | 2,494,800 |
| Polo Composite Knit | 40103-8 | 2,494,800 |
| Polo Composite Knit | 40103-9 | 2,494,800 |
| Polo Composite Knit | 40103-10 | 2,494,800 |
| Polo Composite Knit | 40103-11 | 2,772,000 |
| Stress Fashion Ltd. | 40126 Amnd-1 | 662,970 |
| Confidance Knitting | 40008-1 | 2,695,000 |
| Confidance Knitting | 40008-2 | 2,695,000 |
| Confidance Knitting | 40008-3 | 2,695,000 |
| Orion Knit Textile | 40147 | 2,772,000 |
| Base Textiles Ltd. | 40335 | 273,735 |
| Stress Fashion Ltd. | 40172 | 3,634,400 |
| Orion Knit Textile | 40169 | 651,420 |
| Uttara Knitting & Dyeing Ltd. | 40387 Amen-01 | 3,465,000 |
| Orion Knit Textile | 40179 | 4,352,040 |
| Orion Knit Textile | 40180-1 | 7,682,767 |
| Shariyar Fabrics | 302780-1 | 13,783,000 |
| Shariyar Fabrics | 302780-2 | 10,337,250 |
| Shariyar Fabrics | 302780-3 | 10,888,570 |
| Shariyar Fabrics | 302780-4 | 6,064,520 |
| Shariyar Fabrics | 302780-5 | 9,234,610 |
| Shariyar Fabrics | 302780-6 | 11,715,550 |
| Friends Knit Fashion Ltd. | 40190-1 | 5,621,000 |
| Friends Knit Fashion Ltd. | 40190-2 | 5,621,000 |
| Friends Knit Fashion Ltd. | 40191 | 4,215,750 |
| Orion Knit Textile | 40188 | 5,544,000 |
| Base Textiles Ltd. | 40427 | 300,300 |
| Base Textiles Ltd. | 40124 | 278,355 |
| Base Textiles Ltd. | 40426 | 5,105,100 |
| Base Textiles Ltd. | 40428 | 4,834,060 |
| Base Textiles Ltd. | 40452 | 5,735,730 |
| Graphics Textiles | 40150-1 | 4,273,500 |
| Graphics Textiles | 40150-2 | 2,849,000 |
| Graphics Textiles | 40150-3 | 2,887,500 |
| Graphics Textiles | 40150-4 | 2,964,500 |
| Graphics Textiles | 40150-5 | 3,041,500 |
| Graphics Textiles | 40150-6 | 3,195,500 |
| Graphics Textiles | 40150-7 | 3,349,500 |
| Graphics Textiles | 40150-8 | 3,015,320 |
| Base Textiles Ltd. | 40151 | 1,096,095 |
| Fakir Apparels Ltd. | 40197 | 6,776,000 |
| Rudmilla Knit Wear Ltd. | 40255 | 3,723,720 |
| Shariyar Fabrics | 303775-1 | 12,822,810 |
| Shariyar Fabrics | 303775-2 | 9,666,426 |
| Shariyar Fabrics | 303775-3 | 10,850,070 |
| Shariyar Fabrics | 303775-4 | 7,073,682 |
| Shariyar Fabrics | 303775-5 | 8,257,326 |
| Shariyar Fabrics | 303775-6 | 7,693,686 |
| Ambia Knitting & Dyeing | 40547 | 2,964,500 |
| Sub Total | | 242,604,762 |

SAIHAM COTTON MILLS LTD.

| Party Name | L/C No | BDT |
|-------------------------------|---------------|--------------------|
| MS. Attires Ltd. | 40370 | 1,139,600 |
| MS. Attires Ltd. | 40371 | 2,706,550 |
| MS. Attires Ltd. | 40372 | 1,424,500 |
| MS. Attires Ltd. | 40375 | 2,279,200 |
| Dream Yard Attires Ltd. | 40243-1 | 4,273,500 |
| Dream Yard Attires Ltd. | 40243-1 | 4,273,500 |
| Base Textiles Ltd. | 40570 | 2,063,600 |
| Confidance Knitting | 40014 | 2,279,200 |
| Fakir Apparels Ltd. | 40283 | 4,065,600 |
| Fakir Apparels Ltd. | 40284 | 1,501,500 |
| Base Textiles Ltd. | 40166 | 1,236,620 |
| Base Textiles Ltd. | 30007 | 6,468,000 |
| Base Textiles Ltd. | 40178 | 1,489,565 |
| Confidance Knitting | 40014 Amnd-01 | 4,131,050 |
| Base Textiles Ltd. | 30009 | 1,684,375 |
| Base Textiles Ltd. | 30004 | 835,450 |
| Base Textiles Ltd. | 30003 | 1,482,250 |
| Base Textiles Ltd. | 40452 | 1,021,020 |
| Tean-T-Shirt Fashion | 40688 | 2,926,000 |
| Pattarumadathil | 40030 Amnd-01 | 3,977,243 |
| Beget Knitwear | 40343 | 1,699,390 |
| Pattarumadathil | 40054 | 2,282,473 |
| Base Fashion | 41491 | 1,041,810 |
| Base Fashion | 41236 | 3,603,600 |
| Pattarumadathil | 40098 | 2,309,962 |
| Pattarumadathil | 40003 | 5,392,695 |
| Pattarumadathil | 40003 Amnd-01 | 2,045,505 |
| Comptex Bangladesh | 40102-1 | 5,390,000 |
| Comptex Bangladesh | 40102-1 | 5,390,000 |
| Pattarumadathil | 40003 amnd-04 | 1,859,550 |
| Base Textiles Ltd. | 40238-1 | 2,075,150 |
| Base Textiles Ltd. | 40238-2 | 5,336,100 |
| Uttara Knitting & Dyeing Ltd. | 40282 | 2,733,500 |
| Rock Knitwears Ltd. | 40266 | 2,718,100 |
| Rock Knitwears Ltd. | 40267 | 4,061,750 |
| Uttara Knitting & Dyeing Ltd. | 40387 | 1,940,400 |
| Uttara Knitwear Ltd. | 40403-1 | 2,863,245 |
| Uttara Knitwear Ltd. | 40403-2 | 2,849,000 |
| Uttara Knitwear Ltd. | 40403-3 | 2,849,000 |
| Uttara Knitwear Ltd. | 40403-4 | 2,849,000 |
| Uttara Knitwear Ltd. | 40403-5 | 2,849,000 |
| Uttara Knitwear Ltd. | 40403-6 | 3,931,620 |
| Uttara Knitwear Ltd. | 40403-7 | 2,849,000 |
| Uttara Knitwear Ltd. | 40403-8 | 2,849,000 |
| Uttara Knitwear Ltd. | 40403-9 | 3,003,000 |
| Uttara Knitwear Ltd. | 40403-10 | 2,747,745 |
| Uttara Knitwear Ltd. | 40403-11 | 3,003,000 |
| Uttara Knitwear Ltd. | 40403-12 | 1,216,215 |
| Confidance Knitting | 40009 | 2,668,050 |
| Base Fashion | 40476 | 1,346,615 |
| Sub Total | | 139,011,796 |

SAIHAM COTTON MILLS LTD.

| Party Name | L/C No | BDT |
|--|---------------|-------------------------|
| Base Textiles Ltd. | 40238 Amnd-01 | 841,995 |
| Pattarumadathil | 40057 | 2,248,400 |
| Confidance Knitting | 40012 | 1,463,000 |
| Pattarumadathil | 40063 | 1,538,460 |
| Beget Knitwear | 40217 | 2,007,775 |
| Beget Knitwear | 40218 | 634,480 |
| Rock Knitwears Ltd. | 40446 | 2,864,400 |
| Trams Composite Ltd. | 41519 | 1,054,130 |
| Pattarumadathil | 40071 | 1,923,075 |
| Advance goods delivery but L/C not received 10% proceed with Janata Bank Ltd. | | 44,875,496 9,450,234 |
| Sub Total | | 68,901,445 |
| Grand Total | | 1,147,732,205 |

 **SAIHAM COTTON MILLS LTD.**

House # 2, Road # 55, Gulshan-2, Dhaka-1212, Bangladesh.

PROXY FORM

I/ Weof.....
.....being a shareholder of **Saiham Cotton Mills Ltd.** and
entitled to vote hereby appoint Mr./Mrs./Miss as
my/ our proxy to attend and vote for me / us and on my/ our behalf at the 13th ANNUAL GENERAL MEETING of the
Company to be held on the October 23, 2014 and /or at any adjustment thereof.

As witness my/ our hand this.day of2014

(Signature of the Shareholder)

(Signature of Proxy)

REVENUE
STAMP
Tk. 20.00

BO ID No.

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No. of Shares held

Dated.....

Note:

01. A member entitled to attend and vote at the meeting may appoint any person as his/ her Proxy to attend and vote on his / her behalf.
02. Stamp Proxy Form must be deposited at the Company's Registered Office before 48 hours of the meeting.

 **SAIHAM COTTON MILLS LTD.**

House # 2, Road # 55, Gulshan-2, Dhaka-1212, Bangladesh.

ATTENDANCE SLIP

I / we hereby record my / our attendance at the 13th ANNUAL GENERAL MEETING of the Company being held on
October 23, 2014 at 11.30 A.M. at Saiham Cotton Mills Ltd. (Unit-2) Mill Premises, Noyapara, Saiham Nagar,
Madhabpur, Habiganj

BO ID No.

| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

No. of Shares held

Dated.....

(Signature of Proxy)

(Signature of the Shareholder)

Date

N.B.: Please present this slip duly signed at the entrance of the Meeting Place.



SAIHAM COTTON MILLS LTD.

Head Office : House # 02, Road # 55, Gulshan-2, Dhaka-1212
Phone : 9862284, 9863323, 9887441, Fax : 880-2-9894607, 8826254
E-mail : info@saiham.com, website : www.saihamcotton.com