



**Annual
Report
2017-2018**



SAIHAM COTTON MILLS LTD.
সায়হাম কটন মিলস্ লিমিটেড



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TRANSMITTAL LETTER

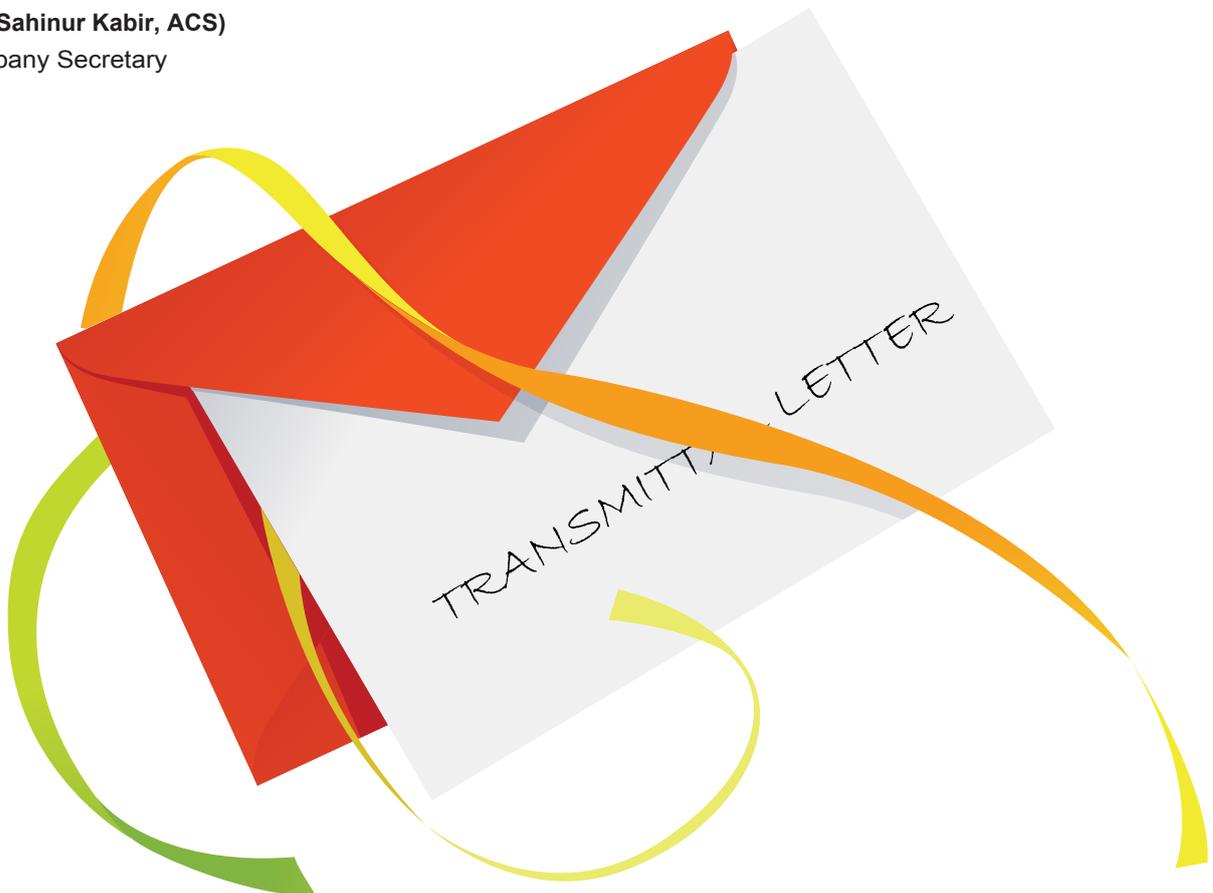
To
All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Sub: Annual Report for the year ended June 30, 2018.

Dear Sir(s),
We are pleased to enclose a copy of the Annual Report containing Directors' Report and Auditors' Report along with Audited Financial Statements of Saiham Cotton Mills Limited for the year ended June 30, 2018 for your kind information and record.

Yours Sincerely

Sd/
(Md. Sahinur Kabir, ACS)
Company Secretary



EVENT HIGHLIGHTS



SAIHAM COTTON MILLS LTD.

RECEIVED FOLLOWING

CERTIFICATES

FOR ITS SUCCESS:



CERTIFICATE OF REGISTRATION

No.: Y - 06/2018
We herewith register

SAIHAM COTTON MILLS Ltd.

House No. 34, Road No. 136 Gulshan
Dhaka - 1212, Bangladesh

as official supplier of "Cotton made in Africa" yarns, fabrics or the final product, produced in compliance with the chain of custody guidelines issued by the Aid by Trade Foundation.

This registration is valid until: **31.12.2018**


Tina Stridde
Managing Director
Aid by Trade Foundation


Christian Barthel
Managing Director
ATAKORA Fördergesellschaft GmbH



Certificate of Registration

This is to certify that the
Quality Management System
of

SAIHAM COTTON MILLS LTD.

Noyapara, Saiham Nagar, Madhabpur, Hobigonj-3333, Bangladesh

Has been independently assessed and is
compliant with the requirements of:

ISO 9001:2015

For the following scope of activities:

MANUFACTURING AND EXPORT OF YARN

Certificate Number: 1899141A

Date of initial registration	10 th September 2018
Date of this certificate	10 th September 2018
Certificate expiry (subject to the company maintaining its system to the required standard)	09 th September 2021


Authorised Signatory



This certificate is the property of ACM Limited and shall be returned immediately on request.
ACM Limited, 4 Navigation Court, Harris Business Park, Hambury Road, Stoke Prior, Bromsgrove, B60 4FD, UK
info@acmcertfd.com

SAIHAM COTTON MILLS LTD.



BOARD OF DIRECTORS



S. M. Faisal
Chairman



Engr. Syed Ishtiaq Ahmed
Managing Director



Syed Shafqat Ahmed, MBA
Director



S. F. A. M. Shahjahan
Director



Syed Nasir Uddin Haider
Independent Director



Notice Of The
17th Annual
General Meeting

SAIHAM COTTON MILLS LTD.

Saiham Tower, House # 34 (11th Floor) Road # 136, Gulshan-1, Dhaka-1212

Notice of the 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting (AGM) of the Shareholders of the Company shall be held on December 18, 2018 at 12.30 P.M. at Mill 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 June 30, 2018 together with Auditors and Directors reports thereon.
2. To declare Dividend.
3. To elect Directors.
4. To elect Independent Director.
5. To appoint Auditors and fix their remuneration.
6. To appoint Auditors/Professionals and fix their remuneration who will provide the certificate on Compliance of Corporate Governance.
7. To transact any other business with permission of the chair.

By order of the Board

Dated: Dhaka
October 28, 2018

Sd/-
(**Md. Sahinur Kabir, ACS**)
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 November 20, 2018 will be entitled to attend and vote in 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 of Tk. 20/- must be deposited at the Company's Dhaka Office at least 48 hours prior to the AGM.

MANAGEMENT APPARATUS

Board of Directors

Mr. S. M. Faisal	Chairman
Engr. Syed Ishtiaq Ahmed	Managing Director
Mr. S. F. A. M. Shahjahan	Director
Mr. Syed Shafqat Ahmed MBA	Director
Mr. Syed Nasir Uddin Haider	Independent Director

Nomination & Remuneration Committee

Mr. Syed Nasir Uddin Haider	Chairman
Mr. S. F. A. M. Shahjahan	Member
Mr. Syed Shafqat Ahmed MBA	Member
Md. Sahinur Kabir, ACS	Secretary

Audit Committee

Mr. Syed Nasir Uddin Haider	Chairman
Mr. S. F. A. M. Shahjahan	Member
Mr. Syed Shafqat Ahmed MBA	Member
Md. Sahinur Kabir, ACS	Secretary

Management Team

Md. Sahinur Kabir, ACS	Company Secretary
Md. Abu Bakar Siddique	Chief Financial Officer
Md. Alamgir Hossain	Head of Internal Audit & Compliance

CORPORATE INFORMATION

- Registered Office** : Noyapara, P. O : Saiham Nagar, U. Z : Madhabpur
Dist : Habiganj-3333
- Dhaka Office** : Saiham Tower, House # 34 (11th Floor) Road # 136
Gulshan-1, Dhaka-1212
- Telephone** : 9862284,9863323, 9887441
- Fax** : 9864607, 9846254
- E-mail** : info@saihamcotton.com
- Website** : www.saihamcotton.com
- Auditors** : Rahman Mostafa Alam & Co.
Chartered Accountants
Paramount Heights
Box Culvert Road
65/2/1, Purana Paltan, Dhaka-1000
- Legal Advisor** : Md. Shamsul Haque
Flat # 9 B, (10th Floor)
Fayanaz Property
37/2, 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
Bank Alfalah Limited
168 Gulshan Avenue, Dhaka-1212
Standard Chartered Bank Limited
Gulshan Branch, Dhaka-1212
Prime Bank Limited
Gulshan Branch, Dhaka-1212
- Insurance Company's** : **Green Delta Insurance Company Limited**
51-52, Mohakhali C/A, Dhaka-1212
Prime Insurance Company Limited
36, Dilkusha, Dhaka-1000
Karnaphuli Insurance Company Limited
64, Motijheel C/A, Dhaka-1000
Islami Insurance Bangladesh Limited
Malibagh Branch, Dhaka-1217
- Factory** : Noyapara, P. O : Saiham Nagar
U. Z : Madhabpur, Dist : Habiganj- 3333

FACTORY HIGHLIGHTS



MESSAGE FROM THE CHAIRMAN

Dear Shareholders

AssalamuAlaikum,

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 17th 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 for the year ended June 30, 2018 of this Company has been dispatched to you for your kind perusal. I believe you will get a comprehensive view from the Directors' 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.

FY 2017-18 was a mixed year for global economies with new challenges for emerging economies. The mixed trend of data from US, EU and other countries gave a gloomy outlook on the world economy. However, in spite of relatively weak underlying growth, unemployment in the US economy continued to decline leading to high consumer confidence and resulted in higher interest rate. Euro zone was shaken by UK's referendum on exiting the European Union which led to sharp depreciation both in Euro and GBP. However, the Euro zone showed a lot of resilience post the Brexit election and confidence in the regions remained high. Consumer demand was steady for most of the year thanks to continuously falling unemployment rate. China continues to face pressure on capital outflows and saw its currency depreciating in FY18 which provided some support to their exports. Bangladesh economy continued to grow at a strong pace albeit slower than previous year. However the turnover of the financial year was BDT. 2,929 million versus BDT. 2,989 million which even though shows a negative growth however resulted in better profit before tax of BDT. 200 million against BDT. 194 million, which shows the efficiency of the management and deserves applaud.

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 Ltd, Banks and Insurance, 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 employees of the Company for their dedicated services for growth of the Company.

Best wishes

Sd/-
(S.M. Faisal)
Chairman

DIRECTORS' REPORT TO THE SHAREHOLDERS

Bismillahir Rahmanir Rahim
Dear Shareholders
AssalamuAlaikum,

It is my great pleasure to welcome you at the 17th 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 June 30, 2018 along with the audited financial statements and auditors' report thereon.

Background

Saiham Spinning Mills Limited was incorporated on May 30, 2002 as a Private Limited Company vide incorporation No.C-459289(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. 1,487 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.

Industry outlook and possible future developments in the industry

The world apparel trade is going through a challenging and uncertain time. The big economic superpower USA and China, in a logger head with trade war is creating pressure in every respect of the world economy. Barriers and counter barriers is creating great uncertainty, which was never seen in the recent past. Even though it is expected that Bangladesh will likely to benefit from this trade war, however the fact remains that there is no "Clear Winner in a Trade War"

However, reality tells us that the Textile Industry is one of the oldest Industry in the country and plays an important role in the country's economy in terms of Industrial Production, Employment and foreign exchange earnings. The Textile Industry has achieved a good growth in last two decades in terms of installed spindles and yarn production and the brand "Made in Bangladesh" has stamped its mark in the Global Arena. It is expected that the share of global trade will increase in the coming days, resulting in more business opportunity for the backward linkage industry.. This could happen due to buoyant domestic and international demand, conducive Government Policies. Textile sector contributes to the country's Gross Domestic Product (GDP), also employs workers directly.

Revenue

2017-18 was a challenging year with regards to Global perspective. The trade war, the free fall of commodity and other products created a great uncertainty on both local and global economy. Even though it is expected that Bangladesh will benefit from this trade war, however the fact remains that the trade between the two economic giant will only leave the world economy bleeding. Global economic activity remained muted during the year as cotton prices remained soft. The oversupply situation continued as cotton producing countries vied for market share. Despite these macro headwinds, Bangladesh was resilient and overtook China's growth rate to become the world's one of the fastest growing major economy. However, the Bangladesh economy too faced challenges from slow agricultural growth and sharp contraction in exports due to weak global demand and lower commodity prices. The turnover of the financial year was BDT 2,929 million versus BDT 2,989 million which is BDT 60 million less than last year due to the price pressure on commodity. Moreover, the currency depreciation of neighboring countries put pressure on the final product resulting in lower revenue.

Segment-wise or product-wise performance

The company produces 100% export oriented cotton yarn. There is no segment wise product produces , hence product wise performance not disclose in the report.

Risks and concerns

Foreign Exchange Risk: The exchange rate plays an important role since most of our export business is in dollar. The importing countries must be able to import yarn at a proper price as per their currencies and any major volatility in this aspect also affects business competitiveness. During last 2 years exchange rates have been quite volatile. During the year 2017-2018 dollar exchange rate was fluctuated mode. The Company expects to realize its exports at current rate. However, it will have impact on import of cotton.

Opportunities, Threats And Concern: The future of Textile industry is highly depending on availability of raw material at a competitive price. With the introduction of Hybrids and BT Cotton, the cotton production is increasing and it is expected that the supply of quality cotton will be comfortable in the coming season 2018-19. Chinese exports of Textiles and clothing are declining especially to USA due to devaluation of currency, thus, provides an opportunity to Bangladesh for improving its export performance. In long run, the prospectus of Bangladesh Textile Industry is likely to be bright. However, fluctuation in cotton price, exchange rates, availability of labour are threats to the industry. The availability of workers is also a problem. Spinning units are highly capital intensive and has to maintain large Raw Material inventory levels due to its seasonality. The company makes all efforts to have efficient inventory management and constant efforts are being made to monitor the inventory levels keeping in view of interest costs. Company has also a system of assessing the risks on an ongoing basis. This includes an effective internal control and management reporting system. Further, the framework also captures the existing practices to manage commodity price risk, interest risk, and foreign exchange risk etc. An important aspect of this framework is to promote a balanced approach that considers risk and return.

Lastly, risks and concern of the industry solely depends on the upcoming Government policy. 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 thus enabling to negate a lot of unforeseen risks.

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

Particulars	June 30, 2018	June 30, 2017
Cost of goods sold	262,53,12,713 (89.60%)	270,53,58,038 (90.48%)
Gross profit	30,44,72,887 (10.39%)	28,44,69,133 (9.51%)
Net profit for the year	15,85,69,186 (5.41%)	15,81,30,539 (5.29%)

Discussion on continuity of any Extra-Ordinary activities (gain or loss)

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

Related party transactions

The Company enter into transactions with related parties as defined in the “Bangladesh Accounting Standards 24: Related Party Disclosures”. The name of the related parties, nature of business and their value have been set out in note 24 of the notes to the financial statements.

Utilization of Proceeds from public issues

With the IPO fund the company has set up a brand new 100% export oriented spinning unit. In the year 2014 that has been reported accordingly to the regulators. No further issue of any instrument was made during the year.

Remuneration to Directors including Independent Director

The Remuneration of Directors has been mentioned in note 18 of the financial statements.

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with Bangladesh Accounting Standard/ Bangladesh Financial Reporting Standard, Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company’s state of affairs, the results of its operations, cash flow and changes in equity.

Proper Books of Accounts

Proper books of accounts of the Company have been maintained.

Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

Application of IAS/BAS/IFRS/BFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

Internal Control

The Board of Directors assures its Shareholders that the Company has a risk management process to ensure that the systems of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present. The company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that controls that are in place are adequate to address these risks.

Minority Shareholders

Minority Shareholders interest have been protected by the Board of Directors.

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. There are no significant doubts about the Company's ability to continue as a going concern.

Significant deviations from last year's operating results.

Explanation of Significant deviations from last year's operating results are mentioned below:

Particulars	June, 2018	June, 2017
Net Profit for the year (after tax)	15,85,69,186	15,81,30,539
Add: Adjustment for revaluation of P.P.E and deferred tax	2,75,04,458	2,95,71,786
Add: Previous year's surplus	58,50,30,753	54,61,03,429
Add: Transfer from Tax Holiday Reserve	10,07,15,999	-
Add: Transfer from General Reserve	6,04,00,000	-
Recommended for appropriations:		
Dividend	(17,85,30,000)	(14,87,75,000)
Balance as at June 30, 2018	75,36,90,396	58,50,30,754

Key operating and financial data

The key operating and financial data of the last 5 (five) years is set out in page 26 of the annual report.

Dividend

The Board of Directors at their board meeting held on October 28, 2018 recommended to the shareholders 10% cash dividend for the year ended June 30, 2018 whose name appears on the register of members on record date.

Interim Dividend

No stock dividend has been declared as interim dividend for the year June 30, 2018.

Contribution to the National Exchequer

Saiham Cotton Mills Limited is one of the largest corporate tax payers of the country. During the year 2017-2018 under review the Company has contributed amounting to BDT 30,294,268 the including VAT, Tax, Import duty, supplementary duty and others.

Board Meetings and Attendance

During the year total 06 (six) board meeting were held. Details of the board meetings are shown in the annual report note # 25. The managing Director who is an Ex Officio, CFO and Company Secretary were present in all board meetings.

Pattern of Shareholding and name wise details:

Name wise details	No. of Shares held
(a) Parent/Subsidiary/Associated Companies and other related parties	Nil
(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and compliance and their spouse and minor children:	
Mr. S.M.Faisal-Chairman	1,83,87,500
Engr. Syed Ishtiaq Ahmed - Managing Director	1,29,59,017
Mr. Shafqat Ahmed - Director	69,59,017
Mr.S.F.A.M.Shahjahan - Director	42,90,000
Mr. Mostafa Moin- Independent Director	Nil
Mrs. Yasmin Faisal- Sponsor	1,33,96,240
Mrs. Tasmina Ahmed- Sponsor	5,41,612
Mrs. Natasha Ahmed - Sponsor	65,41,612
Company Secretary, Chief Financial Officer, Head of Internal Audit and compliance and their spouse and minor children	Nil
(c) Executives; and	Nil
(d) Shareholders holding ten percent (10%) or more voting interest in the Company:	Nil

Directors appointment or re appointment

In terms of Article 108 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 17th Annual General Meeting. Being eligible under Article 110 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-appointment. The brief profile of the Directors is given below :

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

Mr. S.M. Faisal – Chairman

Mr. S.M. Faisal, son of Late Syed Sayeed Uddin Ahmed, is currently the Chairman of Saiham Cotton Mills Ltd. He is an MA as well as an LLB from The University of Dhaka. As a visionary entrepreneur, he is the founder of Saiham Group. He set up one of the most sophisticated textile mills - Saiham Textile Mills Ltd, in the early 1980s in one of the remotest and least developed areas in Bangladesh i.e. Noyapara, Hobiganj. Within 20 years the same area has been transformed into an industrial region and now boasts more than Tk. 150000 million of investment and employment generation of over 8000 people. Mr. S.M. Faisal is the Managing Director of Saiham Textile Mills Ltd and the Chairman of Saiham Knit Composite Limited, and Faisal Spinning Mills Ltd. He is ex-Director of Bangladesh Textile Mills Association (BTMA), the apex body of textile sector in Bangladesh and also an ex-Director of National Tea Company Limited. He was the Chairman of Saiham Cement Industries Limited, a cement manufacturing plant in Mongla. He is well renowned for his philanthropic work in the locality.

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 / Director

Engineer Syed Ishtiaq Ahmed, son of Mr. S.M. Faisal, is the Managing Director of Saiham Cotton Mills Ltd. He has graduated in Electrical Engineering from Michigan, USA and is also an MBA. He has participated in a training on “Industry and Management” in Prato, Italy sponsored by Ministry of Foreign Trade, Italy. He was one of the members of the Board of Directors of BTMA and is the Director of Bangladesh Association of Publicly Listed Company (BAPLC). He has represented BTMA on a high level mission on Garment Technology and Textile Processing to IMB Cologne in Germany and also visited the London College of Fashion under University of the Arts London sponsored by United Nations Industrial Development Organizations (UNIDO). He has vast experience in technical, marketing and financial aspects of business. He is also a Director of Saiham Textile Mills Ltd, Saiham Knit Composite Ltd and Faisal Spinning Mills Ltd.

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

Appointment of Independent Director

As per BSEC notification for Corporate Governance Code, Ref. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, Mr Mostafa Moin as Independent Director for 2nd term of three years appointment expired on July, 2018. Being he is not eligible for re-appointment according to BSEC notification, the Board of Director of the company appointed Mr. Syed Nasir Uddin Haider as Independent Director for three years term, subject to the approval of next (17th) Annual General Meeting.

Management Discussion and Analysis

Management discussion and analysis has been highlighted in the Directors’ report.

Declaration or certification by the MD and CFO

Declaration or certification by the MD and CFO has been given on page 41 of annual report.

Report on Compliance of the corporate Governance Code

The company maintained a good Corporate Governance practices as described to page 28 to 40 of the annual report.

Appointment of Auditors

M/S Rahman Mostafa Alam & Co. Chartered Accountants has carried out the audit of accounts of the company for the year June 30, 2018 and completed consecutive three years of audit. They are not eligible for re-appointment, in accordance with the provision of BSEC Order No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 03 June, 2018, and Regulation Number 15(3) of Stock Exchange (Listing) Regulations 2015. Among the proposals received from Chartered Accountants firms, in recommendation of the audit committee, the Board proposed for the appointment of Malek Siddiqui Wali & Co., 9-G, Motijheel C/A, Dhaka-1000 to hold office for the period until conclusion of the next (18th) Annual General Meeting of the company for auditing the accounts for the year ended June 30, 2019.

The appointment of auditor to be placed before 17th Annual General Meeting for shareholders approval.

Appointment of Professional (Chartered Accountants/Chartered Secretaries) firm for the Certificate on Compliance with the Corporate Governance Code of BSEC

As per notification number BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 the company shall obtain certificate from Professional Accountant/Chartered Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance with the condition of Corporate Governance Code of the commission and such certificate shall be disclosed in the Annual Report.

In this regard, Kazi Zahir Khan & Co., Chartered Accountants offered themselves for appointment to issue “Corporate Governance Compliance Certificate”. The Board recommended the proposal for appointment of Kazi Zahir Khan & Co., Chartered Accountants to issue “Corporate Governance Compliance Certificate” of Saiham Cotton Mills Limited for the year June 30, 2019 subject to approval of the shareholders of the company in the 17th Annual General Meeting.

Corporate Social Responsibility (CSR)

Saiham Cotton Mills Limited (SCML) has been persistently continuing its initiatives with the purpose of the welfare of our society and thus contributing in Corporate Social Responsibility (CSR). The main objective of establishing the units of Saiham Cotton Mills Limited was the reason for uplifting the life of the localities. Having over 200 years of relationship with the ancestors of the locality and the entrepreneurs it was always social responsibility first rather than the business perspective that was prevalent. Following are some of the major Corporate Social Responsibilities of SCML to mention a few activities:

Women Empowerment:

The operation of SCML has had a great socio-economic impact on the locality. The first and foremost is the women empowerment. Women in this locality were confined within the boundaries of their house and were concentrated to only household work. The dark reality was that they were never financially and socially independent. Most of the time it was seen that the girls were married in their mid-teen only to be divorced few years later, probably with the responsibility of the new born children on their shoulder. For security and social pressure, they would marry again only to face the same destiny in most of the cases. They were deprived of their fundamental rights of education and eventually was a burden to the society. It is through the effort of SCML, that a pilot project was taken up to introduce this women as work force in the factory, much to the raised eye brows of the then social leaders. Presently the women comprises of almost 60% of the work force of SCML. These steps gave dividends as these women were no longer bounded by the social force of getting married in early ages and having children, rather the women started determining their own fate of marrying or remarrying as they are financially independent now. With the introduction of the women as a work force, a new revolution has taken over the locality where the younger girls are more concentrating towards their completion of education in order to get themselves admitted in the non-production related administrative officer post.

A small dream with a little effort and courage has transformed the entire socio-economic situation of the area for which SCML really can claim to be the initiator.

Free Eye Camp:

Eyes are the most crucial zones of our body. It is not possible to depict an existence without visualization. In order to address this issue SCML along with Moulvi Bazaar B.N.S.B Eye Hospital took its initiatives for free eye camp providing free eye operation and post-operative care. The company has been organising this free eye camp for almost 20 years now. Free eye surgeries with intra ocular lens implantation are organized for the rural people. Every year thousands of people of nearby rural locality await eagerly for this free eye care and come to see the doctors, get medicine or even get surgery, completely free of cost. SCML even arranges for the boarding and lodging free of cost, for the patient during their stay for the treatment.

Patrons:

Education is the back bone of a nation. Without proper education and dynamic and knowledge enriched students, the future of a nation will be at jeopardy. SCML realises this fact very much and believes education as a primal tool for social change. The contribution of SCML towards the educational sectors to enhance the leadership skill to prepare the new upcoming generations for the real world can be seen in their whole hearted participation of almost all educational institution of the locality. Not only that, the entity is maintaining a complete chain of educational institutes starting from primary school, high school, Colleges, and Universities. S.M. Faisal Primary School, Syed Sayeeduddin Ahmed School and College, Syed Sayeeduddin Ahmed University and College are some of the institutions to name which are being looked after by SCML. SCML has also expanded their philanthropic hand in the local Madrasha, namely Itakhola Aliya Madrasha. Not only with financial help, they have gone limit in constructing buildings with their own fund. There are instances when the salaries of the teachers were also paid from these institutions, as it awaited Government recognition. All the educational institutions are well reputed and have high respect among nearby locality for their quality of education.

Financial Independence:

SCML has transformed the whole of the locality into a model financially independent economy. Every other person in the locality is directly or indirectly related to economic activities. In the earlier days most of the people residing here barely had no any work to do throughout the year. Main profession of the area was farming and going to forest to cut trees and sell them to local market for their daily earning. With the inception of SCML most of the workers are from local villages now. SCML took all the trouble of training these farmers and house wife and transforming them into work force. Now not only the men but also the women of the family are working in shifts and generating a decent earning. Working 8 hours on a shift they all now have another 8 hours to devote their time for agriculture or to their tiny shops, which gives

them extra financial return. The women of the family also coming into the work force has really given most of the families extra financial benefit, as such one can come into a conclusion that the area "Saihamnagar" is free of hunger and poverty and boasts to be one of the most proactive society contributing to the economy and a financially secured villages in the country.

Contribution to Religious Institutions

The word Saiham and donation to religious institution goes hand in hand. There are hardly any religious institutions in locality that has not been benefited financially by SCML. Few years back, a promotion was launched where all mosques were given free mikes, fans, carpets/floor mat out of these institutions. Moreover, any new construction to these religious institutions, the first thing in the list of the organisers are to approach SCML for their philanthropic help. Not only mosque this grants exceeds past into the temples of the locality. It is because of the presence of SCML and their controlling factor, the area is enjoying a brotherly atmosphere among religions.

Warm Clothes Distribution

The area Noyapara, Saihamnagar is situated in the North East of Dhaka among the lush green tea garden area. As such the weather here is extremely intriguing. The temperature during the winter times comes down very much. The poor people are not prepared for this extreme cold weather. Even though it lasts for several weeks yet extreme cold along with severe fog makes life unbearable. May it be adults, children or elderly persons living in the village home, sleeping at night becomes impossible due to wet like cold floor and chilling air blowing through. SCML comes up for the help of this distressed people. Every year on a routing wise schedule they distribute blankets family wise and sweaters and warm clothes to individual for free. The biggest satisfaction observed during this distribution is that after 2/3 years of distribution it was observed that major people are covered with this hot clothing and can survive the initial spell of cold weather the subsequent year.

Law and Order Situation

The village of Saihamnagar has transformed into an industrialized area and along with it has transformed the citizens staying there. As already mentioned, everyone values time and realized his or her contribution towards economy as such is a great unified work force. They understand the value of work and the essence of financial independence. As such less idle times are spent which results in less non-productive discussion and less law and order disorder. Understanding the value of time and specially the time value of money with the SCML operating at the back ground, the villagers have barely have any time to think beyond their own requirements. Such peace, calm, quiet and secure is the area that people are migrating outside of the locality in numbers, may it be Muslim, Hindu or other religion or profession. Any petty occurrences are instantly solved through local interference as they all realize the value of wasted time and the loss it will incur for them.

Sewerage and Drainage problem Solution

SCML has gone forward in mitigating the water logging and sanitation problem of the locality. With the beginning of each unit construction special priorities were given in solving the water logging and drainage problem of the area. May it be the mile-long drain from the central Noyapara Bazaar to wash away all the wastages, the excavation of the canal beside the SCML for proper flowing of water, creating drainage in the locality to overcome the water logging and save the houses from submersion, SCML is always present beside the local people.

Environmental Aspect

SCML is an environment conscious entity. In fact, today's textile industry is one of the biggest sources of greenhouse gasses on Earth, due to the huge size and scope of the industry as well as the many processes and products that go into the making of textiles and finished textile products. Co-generation or Combined Heat and Power (CHP) is the simultaneous generation of both electricity and heat from the same fuel, for useful purposes and one of the bigger solution for reducing the carbon emission. The average global efficiency of fossil-fuelled power generation has remained stagnant for decades at 35% to 37%. Technologies already exist today to bring the generation fleet closer to 45% efficiency. Even though not essential for SCML yet SCML has ventured into the co-generation arena, out of their responsibility towards the environment and Mother Nature. As such not only production wise, SCML has set up the largest co-generation system in Bangladesh in spinning sector where the polluted exhaust gas of the Generators are recycled into a close system to produce chilled water, instead of releasing them in the open air thus utilizing almost 70% of utilized energy. The recycled exhaust is then used as a chilled water to reduce the internal temperature of the manufacturing floor. The whole process is a complete closed chamber and saves the environment of the polluted discharge of the generator sets and thus contributing to the Carbon Footprint.

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SCML has set up an own grid of 50 KWH solar electricity plant. The electricity is generated and is used for the day-to-day non-production related work, thus contributing to the reduction of Carbon Footprint. A master plan is underway where SCML plans to harvest the rainwater in recycling the water for its various internal use mainly gardening and toilet flushing by the end of year 2018.

Acknowledgement

The Company and its Board of Directors would like to extend its foremost regard and appreciation to the valued shareholders and others stakeholders of the company for their persistent support and guidance to the company that lead to the achievement. The Board also express their gratitude to National Board Of Revenue (NBR), Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities and Exchange Commission's (BSEC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange (DSE), Chattogram Stock Exchange (CSE), Bank/NBFI and others agencies for their support and guidance.

For and on behalf of the Board of Directors.

Sd/-

(Engr. Syed Ishtiaq Ahmed)

Managing Director

Corporate Governance Statement

The board of Directors of Saiham Cotton Mills Limited is responsible for proper governance which includes setting out Company's strategic aims, provide the necessary leadership to implement such aims, supervising the management of the business and reporting to the shareholders on their stewardship.

Saiham Cotton Mills Limited is committed to continually reviewing all corporate governance policies and practices to ensure the ongoing transparency of the Company's practices and the delivery of high standards and quality information to stakeholders.

The maintenance of effective corporate governance remains a key priority of the Board of Saiham Cotton Mills Limited. To exercise clarity about director's responsibility towards the shareholders, corporate governance must be dynamic and remain focused on the business objectives of the Company and create a culture of openness and accountability. Keeping this in mind, clear structure and accountabilities supported by well understood policies and procedures to guide the activities of the company's management have been instituted.

Statement of Compliance

Bangladesh Securities and Exchange Commission's notification on Corporate Governance Code

As Saiham Cotton Mills Limited is listed with Stock Exchange in Bangladesh, we comply the BSEC's notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018. For the year ended June 30, 2018, we have complied with the relevant provisions set out in Annexure-II of this report. In addition, to established standards of Corporate Governance, the company also considered best governance practices in its activities.

Board Composition

The Board in Saiham Cotton Mills Limited is comprised of 05 (Five) Directors, including 01 (one) Independent Director, who possess a wide range of skills and experience over the business. The Board of Director ensure that the activities of the company are always conducted the business in the best interest of the stakeholders.

Retirement and Re-election of Directors

As per the Article of Association of the company, one-third of the directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree themselves) be determined by lot, but remains eligible for re-election.

Independent Director

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to appointment of independent Director to the Board. Saiham Cotton has 01 (one) Independent Director namely Mr. Syed Nasir Uddin Haider.

Chairman of the Board and Managing Director of the Company are different person

The chairman of the Board is not the Chief Executive Officer (CEO) of the company. The role of chairman and managing director are separate.

Roles and Responsibilities of the Board

The Board of Directors is responsible for protecting the rights and interests of all shareholders and also accountable for the overall management of the entity. Besides its usual legal and statutory responsibilities, the Board is responsible for the following:

- Reviewing and adopting a strategic plan for the company;
- Overseeing the conduct of the company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation and where appropriate, replacing senior management;
- Developing and implementing and investor relations program or shareholder communications policy for the company;
- Reviewing the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, and regulations, rules, directives and guidelines;

- Approving the financial statements and accounting policies of the company;
- Approving changes in the policy;
- Recommending dividend for declaration in AGM;
- Establishing committees including the Audit Committee & Nomination and Remuneration Committee (NRC);
- Receiving and reviewing reports from committees of the Board;
- Establishing and monitoring compliance with the company's standards of business conduct and other policies of the company;
- Establishing appropriate systems of corporate governance in the company;
- Considering and approving other matters specially reserved for the attention of the Board; and
- Constantly guide and assist the company in external stakeholder management.

Chairman of the Board

The chairman of the Board is elected to the office of Chairman by the Directors. The Board consider that the chairman is independent.

Role of the Chairman

The Chairman leads the Board in determination of its strategy and achievement of its objectives. The Chairman is responsible for organizing the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The Chairman facilitates the effective contribution of Independent Directors and ensures that constructive relations exist amongst the Directors. Minutes of the Board meetings are signed by the Chairman.

Role of the Managing Director

The Managing Director is responsible for running the business and for formulating and implementing Board strategy and policy. He also has direct charge and overall control of the Company on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Company.

He is to certify to the board regarding financial statements and financial transactions of the company according to the Corporate Governance Code as issued by Bangladesh Securities and Exchange Commission (BSEC).

Board Meetings

The Company shall conduct its Board meeting and record the minutes of the meeting as well as keep required books and records in line with the provision of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

The meetings of the Board of Directors of Saiham Cotton Mills Limited are generally held at the Registered Corporate Office of the Company. The meetings are held frequently at least once in a quarter, to discharge its responsibility and functions as mentioned above. Meeting is scheduled well in advance and the notice of each Board meeting is given, in writing to each director by the Company Secretary.

Number of Board Meeting held in for the year June 30, 2018

The number of meetings of the board held during the year June 30, 2018 and the attendances of Directors are disclosed in the note 25 of the Audited Financial Statements.

Role of Company Secretary

The Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) also require a listed company to appoint a Company Secretary, as distinct from other managers of the Company. In pursuance of the same, the Board of Directors has appointed a qualified Associate Chartered Secretary (ACS) as Company Secretary and defined his roles & responsibilities. In Saiham Cotton Mills Limited, among other functions, the Company Secretary;

- Advises and assists the members of the Board with respect to their duties and responsibilities as Directors and compliance with their obligations under the Companies Act, Stock Exchange requirements and issues on corporate governance.
- Acts as a channel of communication and information
- Ensures that the Board's decisions are properly implemented and communicated by assisting in the implementation of corporate strategies and policies.
- Ensures proper compliance with all relevant statutory and regulatory requirements.
- Communicates with the stakeholders of the company

Role of Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) is a versatile individual with the talent to meet a continually changing set of circumstances. He is responsible for accounts and treasury functions of the company. In addition, he attends all board meetings and presents quarterly and periodical results.

He is to certify to the board regarding financial statements and financial transactions of the company according to the Corporate Governance Code as issued by Bangladesh Securities and Exchange Commission (BSEC).

Role of the Head of Internal Audit and Compliance

The Head of Internal Control and Compliance is responsible for reporting to the Board/ Audit Committee regarding any deviation from accounting and internal control systems of the Company. He is also responsible for ensuring regulatory compliance of the Company.

Secretarial Standards

The Company has complied with the Bangladesh Secretarial Standards (BSS) as adopted by The Institute of Chartered Secretaries of Bangladesh (ICSB).

Board Committees

The Board has established 02 (two) Board Committees to which it has delegated some of its responsibilities. They are the Audit Committee and Nomination and Remuneration Committee (NRC).

Audit Committee

The Audit Committee of Saiham Cotton Mills Limited is a sub-committee of the Board of Directors and is appointed and authorized by the Board in compliance with BSEC Corporate Governance Code BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

Composition of Audit Committee

An audit committee consisting of the Independent Director as chairman and 02 (two) other Director as member has been constituted in terms of the BSEC Corporate Governance Code for ensuring good governance practices. The Company Secretary acts as the secretary of the Audit Committee. The Audit committee consists of the following members:

Mr. Syed Nasir Uddin Haider, Chairman, Audit Committee
Mr.S.F.A.M. Shahjahan , Member, Audit Committee
Mr Syed Shafqat Ahmed, Member, Audit Committee
Mr Md. Sahinur Kabir, Secretary, ACS, Audit Committee

Chairman of the Audit Committee

The committee headed by Mr. Syed Nasir Uddin Haider with 35 years of knowledge and experience in the field of Accounting, Finance, Audit and Corporate Management.

Meeting of the Audit Committee

The Audit Committee of the Board meet 04 (four) time during the year and examined the coverage of Internal and External Audit.

Role of Audit Committee

The audit committee is governed by a terms of reference (TOR) which is reviewed by the Board. The major roles of audit committee are given bellow:

- Oversee the Financial Reporting Process;
- Monitor choice of Accounting Policies and Principles;
- Monitor Internal Audit and Compliance Process;
- Oversee hiring and performance of External Auditors;
- Hold meeting with the external or Statutory Auditors for review of the Annual Financial Statements before submission to the Board for approval;
- Review along with management, the quarterly and half yearly Financial Statements before submission to the Board for approval;

- Review the internal audit function;
- Any other matters as per terms of reference of the audit committee as per notification of the BSEC.

Reporting of Audit Committee

The audit committee directly reports to the Board of Directors.

Nomination and Remuneration Committee (NRC)

Nomination and Remuneration Committee (NRC) is a sub-committee of the Board formed as per notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018.

Composition of Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee consists of three Directors including one Independent Director. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC.

The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee (NRC)

Chairman of Nomination and Remuneration Committee (NRC)

Mr. Syed Nasir Uddin Haider, Independent Director is the Chairman of the Nomination and Remuneration Committee.

Meeting of Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) of the Board met 01 (one) time during the year 30 June, 2018.

Role of the Nomination and Remuneration Committee (NRC)

The Role of the Nomination and Remuneration Committee (NRC) acts as per the terms and conditions of the Corporate Governance Code of BSEC.

Price Sensitive Information (PSI)

The Board of Saiham Cotton Mills Limited through the Company Secretary always ensures to inform all Price Sensitive Information (PSI) within 30 minutes of the decision or immediately upon getting such information to the BSEC and the Stock Exchanges and also ensure immediate publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English and one in online news site. The communication is done through Fax, E-mail, by special messenger and through courier service in special cases.

Dividend Policy

The Board of Directors has a Dividend Policy which is based on company's performance and company's long-term objectives.

Statement of Internal Control

The internal control system of Saiham Cotton Mills Limited is designed to manage risks that may impede the achievement of the company's business objectives rather than eliminates these risks. The ultimate facilitator of the internal control system is the Board of Directors in order to ensure that the importance of internal controls is understood across the company and that adequate resource allocations are available. Internal control is the process by which the company's directors, management and staff obtain reasonable assurance as to the achievement of specified objectives including: -

- Efficiency and effectiveness of operations,
- Maintenance of assets,
- Reliability of financial and other management information,
- the prevention of fraud,
- Compliance with relevant national laws and Companies Act. BSEC Rules, Stock Exchanges Rules and Regulations.

Saiham Cotton Mills Limited continues to ensure the presence of the following components that would create an effective internal control system.

Control Environment

The Board of Directors sets the tone for an effective control environment through regular exchange views and reviews of the processes for identifying, evaluating and managing the significant risks. An effective control environment is set by top management that cascades across all business functions.

Control Activities

Control activities are the policies and the procedure to help ensure that management directives are carried out, and the necessary actions are taken to minimize the risks of failing to meet objectives. Policies and procedures are effectively established within the company and continuously reviewed for compliance, adequacy and improvement.

Information and Communication

The company ensures the effective flow of information on internal activities and external factors across the management levels. All individuals receive a clear message from senior management that control responsibilities must be taken seriously.

Monitoring

The system of internal control is monitored regularly through both ongoing activities and separate evaluations. Ongoing monitoring activities are conducted through regular management activities. An Internal Audit Team has been setup with three members during the year under review. The internal audit function is responsible for providing an objective and independent view of the effectiveness of operational and financial controls and procedures, as well as management action in dealing with issues of control. The internal audit function monitors the presence of the components of internal control system and reports to the audit committee.

Statement of Risk Management

The management structure of the Company has been restructured over the year with the combination of Senior Management and young recruits to tackle any unforeseen risks and finding ways to mitigate them. The Company's well experienced Management team has been applying robust and integrated Risk Management Policies to ensure that the risks and uncertainties assumed by it e.g. Industry Risks, Regulatory Risks, Market Risks, Operational Risks, Legal Risks, Interest Rate Risks, Exchange Rate Risks and potential changes in Global policies etc. are within the defined risk appetites and are properly addressed. Periodic Monitoring is carried out on regular basis to address any risk related issued upcoming and that it might affect the profitability. The company believes that increased competition enhances team responsiveness and the risk can be mitigate by ensuring impeccable quality, timely delivery and superior services.

Statements of Directors Responsibilities on Financial Statements

The Directors are responsible for preparing the annual report and financial statements in accordance with the Companies Act 1994, Securities and Exchange Commission Rules 1987, Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

The Companies Act 1994 requires Directors to ensure that the company keeps proper books of accounts of all transactions and prepares financial statements that give a true and fair view of the state of the company's affairs and of the profit for the year.

The Directors are also required to ensure that the financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) and BFRS as applicable in Bangladesh and provided as required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the regulations of the Dhaka/Chittagong Stock Exchanges. They are also responsible for taking reasonable measures to safeguard the assets of the company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to preventing and detecting fraudulent activities and other irregularities.

The Directors are of the view that these financial statements have been prepared under the generally accepted accounting principles and in accordance with the Bangladesh Accounting Standards as laid down by the Institute of Chartered Accountants of Bangladesh.

The Directors endeavor to ensure that the company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the company and to be able to ensure that the financial statements of the company meet the requirements of the Companies Act, Bangladesh Accounting Standards, and the regulations of the Dhaka/Chittagong Stock Exchanges Ltd.

The Directors have a reasonable expectation, after making enquiries and following a review of the company's plan for the ensuring year including cash inflows and borrowings facilities, that the Company has adequate resources to continues its operational existence in the foreseeable future, and therefore to continue to adopt the going concern basis in preparing the accounts.

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Rahman Mostafa Alalm & Co., Auditors of the company, have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders and Directors meetings and expressed their opinion in the Annual Report.

Communications and Relationship with Shareholders

Saiham Cotton Mills Limited is continuously striving to improve relations with its shareholders. The Company encourages communications with shareholders throughout the year and welcomes their participation at the shareholders' meeting. The quarterly financial result and all other information are published in widely circulated dailies in both Bengali and English newspaper and one in On-line newspaper. The information is also made available in the company website.

Annual Reports are sent to the shareholders through email in soft form. The soft copy of the Annual Report is also available in the company' website.

Website

The Company has an official website linked with the website of the stock exchanges. All corporate information's are posted on the Investor Relations section of the company's website: www.saihamcotton.com.

Shareholders Queries

Saiham Cotton Mills Limited has set up a separate share division in 11th floor of the Dhaka office. In addition, we have special queries telephone lines and an email address.

Shareholders can contact No.: +0088 022 9862284 or mail: info@saihamcotton.com to Saiham Cotton Mills Limited Share Office for any queries and/or grievances.

Audit Committee Report for the year ended June 30, 2018

The terms of reference of the Audit Committee has been determined by the Board of Directors of the Company in accordance with the conditions of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC).

The Committee is appointed by and responsible to the Board of Directors. Audit Committee consists of three members of the Board, one of them are independent director. During the financial year ended on June 30, 2018 four meetings of the Audit Committee were held.

Audit Committee carried out the following activities:

- Reviewed the Quarterly, Half Yearly and Annual Financial Statements of the Company before submission to the board for their approval.
- Reviewed the effectiveness of internal control and also review audit objection of head of internal audit and compliance also reviewed points or suggestions and amendments by the internal auditor.
- Met with the external auditors and had discussion on the audit of Financial Statements of the company.

The Committee is of the opinion that, adequate controls and procedures are there to provide reasonable assurance that the companies assets are safeguarded, the liabilities are properly accounted for and Financial activities of the company is well managed.

On behalf of the Audit Committee

Sd/-
(Syed Nasir Uddin Haider)
Chairman
Audit Committee

Saiham Cotton Mills Ltd.

Annexure-I

The Key Operating and Financial Data :

(Taka in Million)

Financial Highlights

Particulars	2018	2017	2016(2 M.)	2016(12 M.)	2015	2014
Turnover	2,929	2,989	317	2,486	2,726	1,880
Gross profit	304	284	49	225	288	294
Net profit after tax	158	158	25	139	189	200
Net cash operating activities	8	(100)	(34)	326	398	1,208

Table: Summary of Balance Sheet

Particulars	2018	2017	2016(2 M.)	2016(12 M.)	2015	2014
Authorized capital	2,000	2,000	2,000	2,000	2,000	2,000
Paid-up capital	1,488	1,488	1,488	1,488	1,352	1,352
Reserve and surplus	1,506	1,155	1,133	1,102	1,265	1,165
Shareholders' equity	3,368	3,395	3,373	3,346	3,369	3,268
Deferred tax liabilities	189	177	161	158	157	137
Non-current liabilities	469	557	589	607	663	137
Current liabilities	2,483	1,830	1,555	1,449	1,187	1,643
Fixed Assets	2,597	2,605	2,472	2,476	2,324	2,268
Other Non-current Assets	528	809	948	997	1,073	1,058
Total Non-current Assets	3,126	3,414	3,420	3,472	3,397	3,326
Current Assets	3,195	2,368	2,097	1,929	1,822	1,724
Book value per share	10	10	10	10	10	10
Earning per share	1.07	1.06	0.17	0.93	1.4	1.48
Dividend per share :						
Cash	10%	12%	10%	-	5%	10%
Stock	-	-	-	-	10%	-
Number of shareholders	12,140	13,826	15,931	16,405	18,302	24,446

Table: Summary of Balance Sheet

Particulars	2018	2017	2016(2 M.)	2016(12 M.)	2015	2014
Debt to Equity Ratio	0.87	0.70	0.64	0.61	0.55	0.54
Current Ratio	1.28	1.29	1.35	1.33	1.54	1.05
Gross profit/Sales (%)	10.39%	9.51%	15.37%	9.04%	10.59%	15.64%
Operating profit/Sales (%)	4.62%	3.87%	4.49%	2.68%	5.19%	8.20%
Profit after tax/Sales (%)	5.41%	5.29%	7.80%	5.58%	6.96%	10.65%
Return on Asset (%)	3.16%	3.35%	0.61%	3.20%	4.70%	4.96%
Return on Equity (%)	5.29%	5.27%	0.84%	4.70%	6.61%	7.19%



KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS
কাজী জহির খান এন্ড কোং
চার্টার্ড একাউন্ট্যান্টস।

Annexure- B
[Certificate as per condition No. 1(5) (xxvii)]

Report to the Shareholders of SAIHAM COTTON MILLS LIMITED on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Saiham Cotton Mills Limited** for the year ended on 30th June, 2018. This Code relates to the Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018** of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is highly satisfactory.

Dated: Dhaka
October 21, 2018


N. H. Khan, FCA
Managing Partner
KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS

Head Office: Shamsunnahar Complex, 8th Floor (2nd Lift), Flat- 9B, 31/C/1, Topkhana Road, Sec-6, Dhaka- 1000,
Tel: 57160824, 57160821 Fax: +880-2-9358166, e-mail: kzkc_bd@yahoo.com,
Branch Office: 281/3, Jafraabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207. Tel: 8113474, e-mail: annamudco@gmail.com

SAIHAM COTTON MILLS LTD.

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006Annexure-II 158/207/Admin/80, dated 3 June 2018.

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
1	Board of Directors			
1.1	Size of the Board of Directors			
	The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	\checkmark		
1.2	Independent Directors			
1.2(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors, any fraction shall be considered to the next integer or hole number for calculating number of independent director(s);	\checkmark		
1.2 (b)	For the purpose of this clause 'independent director' means a director-	\checkmark		
1.2 (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	\checkmark		
1.2 (b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	\checkmark		
1.2 (b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	\checkmark		
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	\checkmark		
1.2 (b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	\checkmark		
1.2 (b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	\checkmark		
1.2 (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	\checkmark		
1.2 (b)(viii)	who is not independent director in more than 5 (five) listed companies;	\checkmark		
1.2 (b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	\checkmark		
1.2 (b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	\checkmark		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
1.2 (c)	Independent director shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1.2 (d)	The post of independent director cannot remain vacant for more than 90 (ninety) days;	✓		
1.2 (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	✓		
1.3	Qualification of Independent Director(ID)			
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	✓		
1.3 (b)	Independent Director shall have following qualifications			
1.3 (b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-		
1.3(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	-		
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	-		
1.3 (b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-		
1.3 (b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1.3 (d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1.4 (b)	The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	✓		
1.4 (e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1.5	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the companies Act, 1994 (Act No. XVIII of 1994):-	✓		
1.5 (i)	An industry outlook and possible future developments in the industry;	✓		
1.5 (ii)	The Segment-wise or product-wise performance;	✓		
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	✓		
1.5 (v)	A discussion on continuity of any Extra-Ordinary gain or loss;	✓		
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.;			N/A
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
1.5 (x)	A statement of remuneration paid to the directors including independent directors	✓		
1.5 (xi)	A Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1.5 (xii)	A Statement that proper books of account of the issuer company have been maintained;	✓		
1.5 (xiii)	A Statement that Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1.5 (xiv)	A Statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed;	✓		
1.5 (xv)	A Statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1.5 (xvi)	A Statement that Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1.5 (xvii)	A Statement that there are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;	✓		
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			N/A
1.5 (xix)	A Statement that the where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			The Board declared dividend
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director shall be disclosed;	✓		
1.5 (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1.5 (xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
1.5 (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5 (xxiii)(c)	Executives;	✓		
1.5 (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	✓		
1.5 (xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:	✓		
1.5 (xxiv)(a)	A brief resume of the director;	✓		
1.5 (xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	✓		
1.5 (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1.5 (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1.5 (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance and financial position as well as cash flows in absolute figure for such changes;	✓		
1.5 (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1.5 (xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5 (xxv)(e)	The financial and economic scenario of the country and the globe;	✓		
1.5 (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1.5 (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
1.6	Meetings of the Board of Directors			
1.6	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).	✓		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			Under Process
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial Statements, in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3.1	Appointment			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3.2	Requirement to attend the Board Meetings			
3.2	The MD or CEO, CS, CFO and HIAC of the companies shall attend the meetings of the Board of Directors provided that the CS, CFO and /or the HIAC shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating of their personal matters.	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3 (a)	The MD or CEO and CFO have reviewed financial statements for the year to the best of their knowledge and belief;	✓		
3.3 (a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3.3 (a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3.3 (b)	This is also certified that no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee			
4	For ensuring good governance in the company, the Board shall have at least following subcommittees:	✓		
4 (i)	Audit Committee;	✓		
4 (ii)	Nomination and Remuneration Committee;	✓		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5.1 (a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
5.1 (b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5.1 (c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
5.2	Constitution of Audit Committee			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5.2 (b)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director;	✓		
5.2 (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5.2 (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5.2 (e)	The company secretary shall act as the secretary of the Committee;	✓		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5.3	Chairman of the Audit Committee			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5.3 (b)	In the absence of the chairperson the audit committee, the remaining members may elect one of themselves as chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition 5(4)(b) and the reason of absence or the regular chairperson shall be duly recorded in the minutes.			No such issue
5.3 (c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
5.4	Meeting of the Audit Committee			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5.5	Role of Audit Committee shall include the following:			
5.5 (a)	Oversee the financial reporting process;	✓		
5.5 (b)	Monitor choice of accounting policies and principles;	✓		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5.5 (d)	Oversee hiring and performance of external auditors;	✓		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5 (f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓		
5.5 (h)	Review the adequacy of internal audit function;	✓		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5.5 (j)	Review statement of significant related party transactions submitted by the management;	✓		
5.5 (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	✓		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			No such issue
5.6	Reporting of the Audit Committee			
5.6 (a)	Reporting to the Board of Directors			
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
5.6 (a)(ii)	The Audit committee shall immediately report to the Board of Directors on the following findings, if any;			
5.6 (a)(ii)(a)	Report on conflicts of interests;			No such issue

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
5.6 (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			No such issue
5.6 (a) (ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations; and			No such issue
5.6 (a) (ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such issue
5.6 (b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such issue
5.7	Reporting to the Shareholders and General Investors			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6.1(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6.2	Constitution of the NRC	✓		
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	✓		
6.2 (b)	All members of the Committee shall be non-executive directors;	✓		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such issue
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such issue
6.2 (g)	The company secretary shall act as the secretary of the Committee;	✓		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6.2 (i)	No member of the NRC shall receive any remuneration for any advisory role or otherwise, other than Director's fees or honorarium from the company;	✓		
6.3	Chairperson of the NRC			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such issue
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.			Will attend in upcoming AGM
6.4	Meeting of the NRC			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
6.5	Role of the NRC			
6.5 (a)	NRC shall be independent and accountable to the Board and shareholders;	√		
6.5 (b)	NRC shall oversee, among others, the following matters:	√		
6.5 (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, considering the following:	√		
6.5 (b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6.5 (b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6.5 (b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6.5 (b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6.5 (b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6.5 (b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6.5 (b)(v)	Identifying the company's needs for employees at different levels;	√		
6.5 (b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	External/Statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	√		
7.1 (i)	Appraisal or valuation services or fairness opinions;	√		
7.1 (ii)	Financial information systems design and implementation	√		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services;	√		
7.1 (v)	Actuarial services;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	any service that the Audit Committee determines;	√		
7.1 (viii)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 9 (1);	√		
7.1 (ix)	Any other service that creates conflict of interest;	√		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8.1	The company shall have an official website linked with the website of the stock exchange;	√		
8.2	The company shall keep the website functional from the date of listing;	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting;			Will be appointed in this 17th AGM
9.3	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		

MANAGING DIRECTOR & CFO'S DECLARATION TO THE BOARD OF DIRECTORS

The Board of Directors

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

Subject: Declaration or Certification on Financial Statements for the year ended June 30, 2018.

Dear Sir(s)

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Saiham Cotton Mills Limited for the year ended on June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-

Syed Ishtiaq Ahmed
Managing Director

Date: October 18, 2018

Sd/-

Abu Bakar Siddique
Chief Financial Officer

Date: October 18, 2018



Rahman Mostafa Alam & Co.
Chartered Accountants



**Auditors' Report
to
The Shareholders of Saiham Cotton Mills Ltd.**

We have audited the accompanying financial statements of **Saiham Cotton Mills Ltd ("the Company")** which comprise the statement of financial position as at June 30, 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in note 1 to 31 and annexure A - C.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statement 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 (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management 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, in all material respects, the financial position of Saiham Cotton Mills Ltd as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with the applicable section of the Companies Act 1994 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 purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of these books; and
- c) The company's statement of financial position and the statement of profit and loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.
- d) the expenditure was incurred for the purposes of the company's business.

Dated : Dhaka
October 28, 2018


Rahman Mostafa Alam & Co.
Chartered Accountants

**Saiham Cotton Mills Ltd.
Statement of Financial Position**

As at June 30, 2018

Particulars	Notes	Amount in Taka	
		June 30, 2018	June 30, 2017
ASSETS:			
Non-current Assets:			
Property, plant and equipment	3.00	2,597,872,808	2,605,234,086
Investment	4.00	528,299,680	809,004,454
Total Non-current Assets		3,126,172,488	3,414,238,540
Current Assets:			
Trade and other receivables	5.00	1,015,623,914	1,106,416,158
Inventories	6.00	2,018,814,946	1,108,561,348
Advance, deposits and pre-payments	7.00	82,932,134	70,102,419
Cash and cash equivalents	8.00	77,989,286	82,503,433
Total Current Assets		3,195,360,280	2,367,583,358
Total Assets		6,321,532,768	5,781,821,898
EQUITY AND LIABILITIES:			
Shareholder's Equity:			
Share capital	09.00	1,487,750,000	1,487,750,000
Share premium		751,750,000	751,750,000
Tax holiday reserve		-	100,715,999
Revaluation surplus	10.00	374,327,126	397,705,914
General reserve		-	60,400,000
Retained earnings		753,690,396	585,030,753
AFS Reserve		700,367	11,421,414
Total Shareholders Equity		3,368,217,889	3,394,774,080
Non-current Liabilities:			
Deferred tax liabilities	11.00	189,288,677	176,550,299
Term Loan	12.00	280,187,310	380,046,716
Total Non-current Liabilities		469,475,987	556,597,015
Current Liabilities:			
Short Term Loan	13.00	1,807,583,035	1,489,595,923
Term Loan Current Maturity	12.00	204,113,547	259,758,224
Trade creditors	14.00	408,762,035	31,371,243
Income tax provision	15.00	2,180,043	8,680,043
Payable and accruals	16.00	61,200,232	41,045,370
Total Current Liabilities		2,483,838,892	1,830,450,803
Total Liabilities		2,953,314,879	2,387,047,818
Total Equity and Liabilities		6,321,532,768	5,781,821,898
Net Assets Value per Share	23.00	22.64	22.82

The annexed notes 1 to 31 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
October 28, 2018

Sd-
Rahman Mostafa Alam & Co.
Chartered Accountants

Saiham Cotton Mills Ltd.
Statement of Profit or Loss and Other Comprehensive Income
 For the year ended June 30, 2018

Particulars	Notes	Amount in Taka	
		July 01, 2017 to June 30, 2018	July 01, 2016 to June 30, 2017
Turnover		2,929,785,600	2,989,827,171
Cost of goods sold	17.00	(2,625,312,713)	(2,705,358,038)
Gross Profit		304,472,887	284,469,133
Administrative and marketing expenses	18.00	(72,322,740)	(74,728,727)
Unrealized gain/(loss) for change in exchange rate of foreign currency		(179,643)	-
Financial expenses	19.00	(96,478,668)	(94,068,355)
Operating Profit		135,491,836	115,672,051
Non-operating income	20.00	45,789,432	51,935,258
Other income	21.00	29,015,994	36,121,959
Operating Profit Before WPPF & WWF		210,297,263	203,729,268
Expenses for WPPF & WWF		(10,014,155)	(9,701,394)
Profit before Tax		200,283,107	194,027,874
Provision for Tax		(41,713,921)	(35,897,335)
Current Tax	15.00	(23,658,647)	(16,691,065)
Deferred Tax	11.1.1	(18,055,274)	(19,206,270)
Net Profit after Tax		158,569,186	158,130,539
Other Comprehensive Income/(Loss)		(10,721,047)	8,750,220
Adjustment for unrealized loss/(gain) on marketable securities		(11,912,274)	9,722,467
Deferred tax adjustment		1,191,227	(972,247)
Total Comprehensive Income for the year		147,848,140	166,880,759
Earnings Per Share (EPS)	22.00	1.07	1.06

The annexed notes 1 to 31 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
 October 28, 2018

Sd-
Rahman Mostafa Alam & Co.
 Chartered Accountants

Saiham Cotton Mills Ltd.
Statement of Changes in Equity
 For the year ended June 30, 2018

Particulars	Share capital	Share premium	Tax holiday reserve	General reserve	Revaluation surplus	AFS Reserve	Retained earnings	Total equity
Balance as at July 01, 2016	1,487,750,000	751,750,000	100,715,999	60,400,000	422,841,932	2,671,194	546,103,429	3,372,232,554
Total Comprehensive Income during the year	-	-	-	-	-	8,750,220	158,130,539	166,880,760
Adjustment for depreciation on revalued assets	-	-	-	-	(25,136,018)	-	-	(25,136,018)
Adjustment for revaluation of P.P.E and deferred tax	-	-	-	-	-	-	29,571,786	29,571,786
Cash Dividend paid for the year (2016)	-	-	-	-	-	-	(148,775,000)	(148,775,000)
Balance as at June 30, 2017	1,487,750,000	751,750,000	100,715,999	60,400,000	397,705,914	11,421,414	585,030,754	3,394,774,080
Balance as at July 01, 2017	1,487,750,000	751,750,000	100,715,999	60,400,000	397,705,914	11,421,414	585,030,753	3,394,774,080
Adjustment for Tax holiday reserve	-	-	(100,715,999)	-	-	-	100,715,999	-
Adjustment for General reserve	-	-	-	(60,400,000)	-	-	60,400,000	-
Total Comprehensive Income during the year	-	-	-	-	-	(10,721,047)	158,569,186	147,848,140
Adjustment for depreciation on revalued assets	-	-	-	-	(23,378,788)	-	-	(23,378,788)
Adjustment for revaluation of P.P.E and deferred tax	-	-	-	-	-	-	27,504,458	27,504,458
Cash Dividend paid for the year (2017)	-	-	-	-	-	-	(178,530,000)	(178,530,000)
Balance as at June 30, 2018	1,487,750,000	751,750,000	-	-	374,327,126	700,367	753,690,396	3,368,217,889

Sd/-
 Managing Director

Sd/-
 Director

Sd/-
 Company Secretary

Saiham Cotton Mills Ltd.
Statement of Cash Flows
For the year ended June 30, 2018

Particulars	Amount in Taka	
	July 01, 2017 to June 30, 2018	July 01, 2016 to June 30, 2017
A. Cash Flows From Operating Activities		
Collection from customers	3,023,668,615	2,538,972,302
Payment for cost and expenses	(3,060,062,291)	(2,702,709,196)
Collection from non-operating income	45,789,432	51,935,258
Collection from other income	29,015,994	36,121,959
Income tax paid	(30,158,647)	(25,199,754)
Net cash used in operating activities	8,253,103	(100,879,429)
B. Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(166,831,080)	(298,375,353)
Investment in Unquoted company (SKCL)	-	20,350,000
Investment in shares of listed company	-	5,550,544
Investment in FDR	268,792,500	122,623,190
Liability against capital machinery	-	(28,201,158)
Net cash flows from investing activities	101,961,420	(178,052,777)
C. Cash Flows From Financing Activities		
Short-term loan	314,298,316	522,323,457
Term Loan	(155,504,083)	22,326,624
Interest paid on borrowings	(96,478,668)	(94,068,355)
Dividend paid	(178,530,000)	(148,775,000)
Net cash flows from financing activities	(116,214,435)	301,806,726
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(5,999,912)	22,874,520
Cash & Cash Equivalents at beginning of the year	82,503,433	59,628,913
Effects of exchange rate changes on Cash & Cash Equivalent	1,485,766	-
Cash & Cash Equivalents at end of the year	77,989,287	82,503,433
Net Operating Cash Flow Per Share (NOCFPS)	0.06	(0.68)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Saiham Cotton Mills Ltd.
Notes to the Financial Statements
As at and for the year ended June 30, 2018

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 Noyapara, P.O: Saiham Nagar, U.Z: Madhabpur, Habiganj. while Dhaka office is situated at House # 34(11th floor), Road # 136, Gulshan – 1, Dhaka – 1212.

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 Securities and Exchange Commission (SEC) 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 concern 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) Statement of Financial Position as at June 30, 2018;
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2018;
- iii) Statement of Changes in Equity for the year ended June 30, 2018;
- iv) Statement of Cash Flows for the year ended June 30, 2018; and
- v) Accounting Policies and explanatory notes to the financial statements for the year ended June 30, 2018.

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) 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%

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, Grammen phone Tower, Tea industries already existing. Moreover the Hobiganj Gas field is available with in five minutes of drive and Sahaji Bazer 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 started commercial production from the year of 2005. Deduction due depreciation from the new cost of the plant and machineries on the above 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 "Earnings per share" which has been shown on the face of 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.

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: “The Effects of Changes in Foreign Exchange Rates”.

2.18 Borrowing costs:

In compliance with the requirement of BAS – 23 “Borrowing costs” 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 utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit. Considering the practices generally followed in Bangladesh the company have been reserved deferred tax assets or deferred tax liability in accordance with BAS- 12 “ Income Taxes “.

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: "Related Party Disclosures" 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 covered 12 (twelve) months from July 01, 2017 to June 30, 2018.

2.26 Comparative Figure:

Comparative information has been disclosed in respect of the year 2017 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.

2.28 Approval of the financial statement:

These financial statements have been approved by the Board of Directors on October 28, 2018

2.29 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.

SAIHAM COTTON MILLS LTD.

Amount in Taka	
June 30, 2018	June 30, 2017

3.00 Property, Plant and Equipment

This is arrived as follows:

Cost	3,874,333,723	3,707,502,643
Less: Accumulated depreciation	1,276,460,915	1,102,268,557
Written down value	2,597,872,808	2,605,234,086

- ▶ 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 Unquoted company (FSML)	4.01	60,499,400	60,499,400
Investment in shares of listed company	4.02	19,093,035	31,005,309
Investment in FDR	4.03	448,707,245	717,499,745
		528,299,680	809,004,454
4.01 Investment in Unquoted company (FSML)		60,499,400	60,499,400
		60,499,400	60,499,400

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	June 30, 2018		June 30, 2017
		Cost	Market Value	Market Value
ABB1STMF	63,734	415,377	382,404	-
ACTIVEFINE	15,374	515,835	442,771	1,875,900
AIL	2,400	268,421	244,800	-
AMCL(PRAN)	1,021	232,481	238,199	-
APOLOISPAT	15,000	197,607	180,000	-
ALHAJTEX	1,400	116,389	109,620	-
ANWARGALV	2,500	207,025	201,000	-
BEXIMCO	5,000	132,528	131,000	-
BSCCL	13,958	2,645,367	1,436,278	2,161,800
BNICL	-	-	-	189,000
CITYBANK	45,950	1,592,959	1,543,920	-
CNATEX	40,000	487,397	200,000	-
DHAKABANK	2,500	36,024	35,500	-
EXIM	16,000	216,534	190,400	-
FARCHEM	29,000	729,228	458,200	1,028,000
FASFIN	5,000	55,220	55,500	-
ICB	1,075	169,068	163,185	1,921,700
IFIC	28,263	467,108	358,940	-
IDLC	-	-	-	849,600
KPCL	3,500	252,054	236,600	1,509,600
KEYACOSMET	60,000	582,758	528,000	-
MITHUNKNIT	10,000	591,405	206,000	477,000
MIRACLEIND	2,000	91,665	85,400	-
NAHEEACP	5,000	258,932	232,500	-
PREMIERBANK	9,500	108,894	103,550	-
PLFSL	10,000	292,722	99,000	1,248,000
RAKCERAMIC	7,500	449,062	322,500	576,000
RANFOUNDRY	1,000	144,865	143,700	-
SAFKOSPINN	4,000	71,083	71,600	-
SHEPHERD	17,000	494,707	455,600	-
SAPORTL	1,000	47,725	27,300	41,100
UCB	5,000	104,476	88,000	-
USMANIAGL	1,000	158,383	167,100	-
UNITEDAIR	495,000	6,482,570	1,881,000	3,465,000
WMSHIPYARD	12,000	374,451	354,000	-

SAIHAM COTTON MILLS LTD.

	Amount in Taka			
	June 30, 2018		June 30, 2017	
Green Delta F. Services	-	(233,319)	(233,319)	8,121
Ltd. BO-1203620023711436	-	-	-	1,496,250
AFTABAUTO	-	-	-	824,000
APOLOISPAT	-	-	-	381,600
ANLIMAYARN	-	-	-	-
BARKAPOWERR	73,800	2,876,641	1,999,980	2,202,480
BBS	1,500	61,056	42,600	-
BENGALWTL	-	-	-	470,000
BDLAMPS	-	-	-	519,900
BDTHAI	18,750	603,530	425,625	-
CITYBANK	6,300	319,674	211,680	-
DHAKABANK	45,000	974,081	639,000	-
FARCHEM	-	-	-	3,341,000
FASFIN	27,500	574,790	305,250	-
GPHISPAT	100	3,815	3,670	-
ICBIBANK	-	-	-	204,000
ICB	7,875	1,398,181	1,195,425	-
ILFSL	16,800	350,396	250,320	-
ONEBANK	42,000	1,001,741	693,000	-
SPCL	-	-	-	1,443,000
SUNLIFEINS	3,500	110,720	72,800	403,560
SAIFPOWER	64,000	2,333,296	1,568,000	-
SALVOCHEM	1,500	34,179	36,750	-
MATINSPINN	-	-	-	535,600
PRIMEBANK	-	-	-	456,000
NFML	-	-	-	1,012,000
NLTUBES	-	-	-	496,000
SHEPHERD	-	-	-	397,000
UTTARABANK	16,000	624,303	395,200	-
BRAC EPL BALANCE TK.	-	113,487	113,487	1,472,098
Total		30,136,891	19,093,035	31,005,309

4.03 Investment in FDR

	Purpose	June 30, 2018	June 30, 2017
Dhaka Bank, 0010720	Bank Guarantee	899,745	899,745
Bank Asia(0048960/1858)	Bank Guarantee	1,600,000	1,600,000
UNICAP, 2015 10 320		-	40,000,000
UNICAP,0311	Term Loan	16,207,500	15,000,000
UFIL, 1516		20,000,000	20,000,000
UFIL, 216		-	40,000,000
Lankabangla, 20881		-	50,000,000
Lankabangla		-	40,000,000
Uttara Bank, 0602287/4824		-	10,000,000
AB Bank, 3529980		-	10,000,000
UFIL, 2916		20,000,000	20,000,000
UNICAP, 2015 08 211	Term Loan	50,000,000	50,000,000
IDLC Finance, 71201		20,000,000	20,000,000
UNICAP,2015 08 232		20,000,000	20,000,000
IDLC Finance, 71204	Term Loan	50,000,000	50,000,000
IDLC,71205	Term Loan	-	60,000,000
IDLC Finance, 71201	Term Loan	50,000,000	50,000,000
IDLC Finance, 71202	Term Loan	50,000,000	50,000,000
IDLC Finance, 71203	Term Loan	50,000,000	50,000,000
UNICAP , 2015 01 026		50,000,000	50,000,000
Lankabangla,169	Term Loan	50,000,000	50,000,000
Lankabangla, 78	Trem Loan	-	20,000,000
		448,707,245	717,499,745

► Out of total Tk. 448,707,245 Taka 2,499,745 Fixed Deposit Receipts are lien with bank against bank guarantee and Taka 300,000,000 Fixed Deposit Receipts are lien marked with HSBC Ltd. against term loan.

		Amount in Taka	
		June 30, 2018	June 30, 2017
5.00 Trade and other receivables		1,015,623,914	1,106,416,158
		1,015,623,914	1,106,416,158

- ▶ Details of trade debtors shown in Annexure - 'B & C'.
- ▶ The above amount is receivable from debtors against export L/C

6.00 Inventories

This represents as follows:

	Quantity	Amount in Tk.	Amount in Tk.
Raw Materials	16,795,095 LBS	1,476,127,425	711,102,361
Work in Process	92,412 kgs	18,482,277	22,090,603
Finished Goods	2,128,795 kgs	476,921,927	327,814,201
Stores & Spare Parts	N/A	45,977,103	44,625,783
Oil & Lubricants	N/A	421,729	954,484
Packing Materials	N/A	884,485	1,973,916
		2,018,814,946	1,108,561,348

- ▶ 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 Advance, deposits and prepayments

Security Deposit with Jalalabad Gas	15,072,839	13,506,031
Security Deposit with Hobigonj Palli Biddut	283,005	283,005
Advance against salary & wages	811,850	689,850
Advance against office rent	-	405,000
Security deposit with CDBL	500,000	500,000
Advance against local suppliers	12,484,800	9,598,429
Advance against L/C Margin and commission	53,779,640	45,120,104
	82,932,134	70,102,419

- ▶ 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.
- ▶ 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.

8.00 Cash and cash equivalents

This consists of :

Cash in hand	8.01	2,138,296	3,560,843
Cash at banks	8.02	75,850,990	78,942,590
		77,989,286	82,503,433

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

8.01 Cash in hand

Head office	184,152	152,344
Factory Office	1,954,144	3,408,499
	2,138,296	3,560,843

8.02 Cash at banks

Janata Bank, Motijheel Branch - CD A/C # 023733012107	45,117	10,702
Janata Bank, Noyapara Branch - CD A/C # 0210005125	1,932,734	997,959

SAIHAM COTTON MILLS LTD.

	Amount in Taka	
	June 30, 2018	June 30, 2017
Janata Bank Ltd. SND A/C # 145	2,026,061	517,568
Dhaka Bank, Islami Branch- CD A/C # 2015	106,919	264,941
Standard Chartered Bank, A/C # 01-1183017-01	26,910	164,960
HSBC CD A/C # 001234608-011	(28,333,751)	598,289
HSBC BDT Margin Account # 001 234608-095	10,568	10,568
HSBC Dividend Account # 001 234608-012	1,788,805	1,791,305
HSBC Dividend Account # 001 234608-015	1,850,988	1,853,488
HSBC Dividend Account # 001 234608-901	2,260,573	2,264,348
HSBC Dividend Account # 001 234608-902	831,472	919,929
HSBC Dividend Account # 001 234608-903	1,146,035	1,187,350
HSBC Dividend Account # 001 234608-904	1,793,459	-
HSBC (SFCAM) A/C # 016	-	-
HSBC CD A/C # 001234608-013	412	412
HSBC CD A/C # 001234608-014	7,861	133,307
Bank Al Falah STD A/C # 0702 03700151	39,298	40,448
Premier Bank Ltd. A/C #1021311869	140,666	55,898
Mutual Trust Bank A/C # 599	4,704	5,854
Prime Bank CD A/C # 44026	551,042	140,194
Bkash DM -417	44,580	-
Dutch Bangla Bank A/C # 19259	334,978	437,111
Eastern Bank A/C # 72879	110,447	-
BRAC Bank A/C # 1501201985342002	1,943,795	1,912,412
Foreign Currency Accounts		
HSBC Margin Account # 001234608-091	231,008	15,634,602
HSBC FC Account # 001234608-047	8,142,069	3,161,885
HSBC Offshore A/C # 005	72,550	6,936,854
Bank Asia \$ Margin A/C # 11047000002	57,992,523	36,852,234
Bank Asia ERQ A/C # 11042000002	1,776,671	1,618,498
Bank Al Falah Margin A/C # 0702 4502202	37,098	1,431,474
Prime Bank BTB A/C # 19110	18,935,398	-
	75,850,990	78,942,590

09.00 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
13,525,000 Ordinary Shares @ Tk.10 each fully paid up Other than cash	135,250,000	135,250,000
148,775,000 Ordinary Shares	1,487,750,000	1,487,750,000

Percentage of shareholding position of different shareholders are as follows:

Name of the Shareholders	30.06.2018		30.06.2017	
	No. of shares	% of holding	No. of shares	% of holding
Sponsors	63,074,998	42.40	69,074,998	46.43
Institutions	37,712,934	25.35	37,238,383	25.03
General Public	47,987,068	32.25	42,461,619	28.54
	148,775,000	100.00	148,775,000	100.00

Amount in Taka	
June 30, 2018	June 30, 2017

Classification of Shareholders by holding:

The number of shareholders and shareholding position as at June 30, 2018 are given below:

Range of holding	No. of shareholding	No. of shareholders
Upto 500 shares	2,298,450	8,725
501 to 5,000 shares	4,390,775	2,252
5,001 to 10,000 shares	3,867,653	511
10,001 to 20,000 shares	4,233,572	292
20,001 to 30,000 shares	2,820,297	111
30,001 to 40,000 shares	1,911,684	53
40,001 to 50,000 shares	1,461,124	32
50,001 to 100,000 shares	6,150,166	87
100,001 to 1,000,000 shares	15,665,599	60
Over 1,000,000 shares	105,975,680	17
Total	148,775,000	12,140

10.00 Revaluation Surplus

This calculation is arrived as follows:

Opening Balance	397,705,914	422,841,932
Adjustment for depreciation on revalued assets	(23,378,788)	(25,136,018)
Closing Balance	374,327,126	397,705,914

11.00 Deferred tax Liabilities

This is arrived as follows:

Opening Balance	176,550,299	160,807,550
Add: Deferred Tax expenses for the year 11.1.1	18,055,274	19,206,270
Add: Deferred Tax expenses on unrealize gain	(1,191,227)	972,247
	193,414,346	180,986,067
Adjustment for depreciation of revalued assets	(4,125,669)	(4,435,768)
Closing Balance	189,288,677	176,550,299

11.01 Deferred tax liability for the period/year is arrived as follows:

	30.06.18	30.06.17
<u>A. Property, plant and equipment</u>		
Carrying amount	2,157,487,955	2,137,344,775
Tax base amount	1,337,467,087	1,436,692,402
Taxable temporary difference	820,020,868	700,652,373
Tax rate	15%	15%
Deferred tax liability	123,003,130	105,097,856
<u>B. Calculation of deferred tax on revaluation of property, plant and equipment:</u>		
Revalued value of land	60,705,668	60,705,668
Revalued value of other than land	379,679,185	407,183,643
<u>Tax Rate</u>		
On land	15%	15%
On other than land	15%	15%
<u>Deferred tax liabilities</u>		
For land	9,105,850	9,105,850
For other than land	56,951,878	61,077,546
	66,057,728	70,183,397
<u>C. Deferred Tax on unrealize gain/ (loss)</u>		
Opening balance of deferred tax liability for unrealized gain	1,269,046	296,799
Addition during the year	(1,191,227)	972,247
	77,819	1,269,046

		Amount in Taka	
		June 30, 2018	June 30, 2017
D. Deferred Tax on Gratuity Provision			
Opening balance of deferred tax liability for gratuity provision		-	-
Addition during the year		150,000	-
		150,000	-
Total (A+B+C+D)		189,288,677	176,550,299
Calculation of deferred tax:			
Deferred tax liability as on June 30, 2018		189,288,677	176,550,299
Deferred tax liability as on June 30, 2017		176,550,299	160,807,550
Deferred tax increased during the year		12,738,378	15,742,750
11.1.1			
11.1.1 Deferred tax liability other than revalued assets as at June 30, 2018		123,003,130	105,097,856
Deferred tax liability other than revalued assets as at June 30, 2017		105,097,856	85,891,586
Net increased in deferred tax expenses for other than revalued assets for the year		17,905,274	19,206,270
Deferred liability on gratuity provision as at June 30, 2018		150,000	-
Deferred liability on gratuity provision as at June 30, 2017		-	-
Net increased in deferred tax expenses for gratuity provision		150,000	-
Total deferred expenses for the year		18,055,274	19,206,270
Adjustment of revaluation surplus for deferred tax			
Deferred tax liability for revaluation as on June 30, 2018		66,057,728	70,183,397
Deferred tax liability for revaluation as on June 30, 2017		70,183,397	74,619,165
Adjustment of revaluation surplus for deferred tax		(4,125,669)	(4,435,768)
		13,929,606	14,770,502
Current Tax		23,658,647	16,691,065
Deferred tax		18,055,274	19,206,270
Provision for Tax		41,713,921	35,897,335
12.00 Term Loan			
This is arrived as follows:			
Opening Balance as on July 01, 2017		639,804,940	617,478,316
Addition during the year		100,000,000	236,705,403
		739,804,940	854,183,719
Adjusted/Payment during the year		(255,504,083)	(214,378,779)
Closing Balance as on June 30,2018		484,300,857	639,804,940
Less: Term Loan Current Maturity		204,113,547	259,758,224
		280,187,310	380,046,716

Repayment terms:

HSBC Ltd.

The above loan created in form of foreign currency term loan which was explained are as follows:

These long term loan are repayable in 16-20 equal installments and interest rate is libor +4.5% per annum. Repayment of these loan started in between May 2014 to July 2016 and will be completed in between 19.02.2019 to 20.12.2021.

Security details:

HSBC Ltd.

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

SAIHAM COTTON MILLS LTD.

Amount in Taka	
June 30, 2018	June 30, 2017

Prime Bank Ltd.

Out of total Tk. 484,300,857, Taka 93,749,998 has been created long term loan against corporate office floor purchase and are repayable in 96 equal installments. Repayment of these loan started from January, 2018 and will be completed in December, 2020

The loan from Prime Bank Ltd. is secured by the Registered Mortgage of corporate office floor space, personal guarantee of all the directors, Insurance coverage and others related charge documents.

13.00 Short Term Loan

Bank Loan and Overdraft	13.01	1,807,583,035	1,489,595,923
		1,807,583,035	1,489,595,923
13.01 Bank Loan and Overdraft			
This consists of as follows:			
Cash Credit (Hypo) Bank Asia Ltd.		297,985,915	183,224,214
Cash Credit (Hypo) Bank Al Falah		145,930,685	130,507,768
Short Term Loan - HSBC		-	-
L/C liabilities under EDF		1,197,784,142	1,072,643,955
IDBP Loan - Prime Bank Ltd.		17,014,576	-
IDBP Loan - Bank Asia Ltd.		68,939,025	-
IDBP Loan - HSBC Ltd.		79,928,692	103,219,987
		1,807,583,035	1,489,595,923
The cash credit facilities secured by the hypothecation of stock of raw cotton, work in process, finished goods, trade debtors and Directors personal security.			
14.00 Trade Creditors			
This is arrived as follows:			
LC Liabilities		396,269,295	-
Local supplier		12,492,740	31,371,243
		408,762,035	31,371,243
15.00 Income Tax Provision			
Opening Balance		8,680,043	17,188,730
Add: Provision made during the year		23,658,647	16,691,065
		32,338,690	33,879,797
Less: Payment made during the year		30,158,647	25,199,754
Closing Balance		2,180,043	8,680,043
16.00 Payable and Accruals			
This is arrived as follows:			
Salary and wages		10,135,724	5,590,059
Gas Charges		9,166,868	7,864,786
Audit Fees		115,000	230,000
Electricity bill		21,227	22,709
Telephone bill		4,000	4,000
Gratuity Provision		1,000,000	-
Financial Expenses		12,048,489	1,753,370
Credit Rating Fees		172,500	-
Provident Fund(Head Office)		48,080	25,800
Provident Fund(Factory Office-Company Cont.)		102,659	-
Provident Fund(Factory Office-Staff Cont.)		99,784	-
Unclaimed dividend		9,671,332	8,281,361
Unpaid share money deposit		1,943,795	1,912,412
VAT expenses		27,000	-
WPPF/WWF	16.01	16,643,773	15,360,873
		61,200,232	41,045,370

		Amount in Taka	
		June 30, 2018	June 30, 2017
16.01 Workers Profit Participation Fund (WPPF/WWF)			
This is arrived as follows:			
Opening Balance		15,360,873	12,076,035
Provision made during the period/year		10,014,155	9,701,394
		25,375,028	21,777,429
Payment made during the period/year		(8,731,255)	(6,416,556)
Closing Balance		16,643,773	15,360,873
17.00 Cost of Goods Sold			
This is made up as follows:			
Materials Consumption			
Raw Cotton	17.01	2,249,526,999	2,242,436,828
Packing Materials	17.02	30,932,821	30,186,429
Stores and Spares	17.03	53,853,017	76,970,197
Total materials consumption		2,334,312,837	2,349,593,454
Direct Wages and Salaries		114,178,403	115,280,385
Prime cost		2,448,491,240	2,464,873,839
Add. Factory Overhead	17.04	322,320,873	292,190,145
Total manufacturing cost		2,770,812,113	2,757,063,984
Add. Opening Work-in-process		22,090,603	13,610,769
Cost of goods available for use		2,792,902,716	2,770,674,753
Less. Closing Work-in-process		18,482,277	22,090,603
Cost of Production		2,774,420,439	2,748,584,150
Add. Opening Stock of Finished Goods		327,814,201	284,588,089
Cost of goods available for sales		3,102,234,640	3,033,172,239
Less. Closing Stock of Finished Goods		476,921,927	327,814,201
Cost of Goods Sold		2,625,312,713	2,705,358,038
17.01 Raw Cotton			
This is arrived as follows:			
Opening Stock of Raw Cotton		711,102,361	963,260,450
Add. Purchase during the year		3,030,005,179	1,990,278,739
Less: Short Weight Claim		(15,453,116)	-
Raw Cotton available for use		3,725,654,424	2,953,539,189
Less. Closing Stock of Raw Cotton		1,476,127,425	711,102,361
Consumption during the year		2,249,526,999	2,242,436,828
17.02 Packing Materials			
This is arrived as follows:			
Opening Stock of Packing Materials		1,973,916	2,206,892
Add. Purchase during the year		29,843,390	29,953,453
Packing Materials available for use		31,817,306	32,160,345
Less. Closing Stock of Packing Materials		884,485	1,973,916
Consumption during the year		30,932,821	30,186,429
17.03 Stores and Spare Parts			
This is arrived as follows :			
Opening Stock of Spare Parts		44,625,783	46,055,607
Add. Purchase during the year		55,204,337	75,540,373
Stores and Spares available for use		99,830,120	121,595,980
Less. Closing Stock of Spare Parts		45,977,103	44,625,783
Consumption during the year		53,853,017	76,970,197

SAIHAM COTTON MILLS LTD.

Amount in Taka		
June 30, 2018	June 30, 2017	
17.04 Factory Overhead		
Gas Charges	112,207,990	91,741,144
Fuel and Lubricants	13,750,564	13,812,541
Insurance Premium	7,798,978	8,133,242
Covered Van and Lorry expenses	5,024,457	7,445,143
Factory Repair & Maintenances of Capital Assets	13,843,750	9,534,640
Staff Quarter exp	798,841	295,517
Misc. Expenses	46,440	2,650
Depreciation (Annexure- A)	168,849,853	161,225,268
	322,320,873	292,190,145
18.00 Administrative and Marketing Expenses		
This consists of as follows:		
Directors Remuneration	2,100,000	2,100,000
Salary and Allowances	28,094,772	24,929,684
Festival Bonus	1,556,563	1,568,743
Provident Fund Expenses	1,283,088	683,393
Office Rent	345,000	690,000
Rest house Exp.	375,930	-
Staff Quarter Exp	12,320	-
Incentive Bonus	-	5,550,000
Grauity	2,053,930	1,163,350
Entertainment	1,545,527	3,097,172
Electric Bill	263,590	340,535
Rent a car	1,600,381	1,911,475
Fuel & Lubricants	4,504,612	3,923,719
Fees, Forms, and others	4,020,770	3,505,646
Board Meeting Fees	75,000	75,000
Maintenance of Vehicles	7,015,886	2,676,604
IT Expenses	3,291,151	3,154,019
Insurance Premium	988,416	354,894
Printing & Stationery	1,825,318	1,800,237
Donation and Subscription	454,898	1,614,237
Miscellaneous Expenses	747,017	916,769
Office Maintenance	682,077	1,157,928
Traveling and Conveyance	462,829	462,237
Transportation cost	103,730	112,070
Telephone and Mobile Expenses	224,196	185,297
Utility expenses	139,466	-
Audit fees	115,000	115,000
Certification	-	55,000
CSR Activities	5,000	-
Uniform and Upkeep	317,905	310,108
Medical and Welfare	298,250	1,687,308
Postage and Stamp	75,946	137,524
Selling & Distribution Exp.	963,116	4,914,400
Business Development Exp	28,110	177,320
Advertisement	317,570	348,010
VAT Exp.	135,621	-
AGM Expenses	957,250	934,758
Depreciation (Annexure- A)	5,342,505	4,076,290
	72,322,740	74,728,727

	Amount in Taka	
	June 30, 2018	June 30, 2017
19.00 Financial Expenses		
The above amount comprise of as follows:		
Interest on Cash Credit Hypo (BA)	18,959,103	29,253,118
Interest on Term Loan (HSBC)	32,602,239	35,407,161
Interest on Term Loan (Prime Bank)	4,561,876	-
Interest on Bank Asia Ltd.	6,266,293	2,358,455
Interest on HSBC Ltd.	11,415,826	10,978,955
Interest on CC Hypo (HSBC Ltd.)	611,931	-
Interest on Bank Al Falah	16,121,033	3,666,667
Interest on Prime Bank	154,891	7,441,458
Bank Charges and Commission	5,782,901	4,961,182
Overdue Interest	2,575	1,359
	96,478,668	94,068,355
20.00 Non operating income		
Interest on FDR against bank gurantee and term loan	13,744,700	17,167,400
Interest on STD A/C	20,052	83,634
Insurance claim	2,949,740	5,610,092
Short weight claim	-	4,528,453
Overdue Interest	-	163,042
Gain on dollar fluctuation	32,891,245	29,058,272
Realised gain/(loss) on marketable securities	(3,816,305)	(5,544,446)
Incentive on Bank Interest	-	868,811
	45,789,432	51,935,258
21.00 Other income		
Dividend Income	245,645	2,594,264
Interest on FDR	28,770,349	33,527,695
	29,015,994	36,121,959
22.00 Earnings per share (EPS)		
The computation of EPS is given below:		
Net profit after tax	158,569,186	158,130,539
Number of total outstanding shares	148,775,000	148,775,000
Earnings per share (EPS)	1.07	1.06
23.00 Net asset value (NAV) per share		
Total assets	6,321,532,768	5,781,821,898
Total outside liabilities	2,953,314,879	2,387,047,819
Net assets	3,368,217,889	3,394,774,079
Divided by number of ordinary shares	148,775,000	148,775,000
Net assets value (NAV) per share	22.64	22.82

24.00 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 Disclosures":

Name of Party	Nature of Transaction	Relationship	30.06.2018	30.06.2017
Faisal Spinning Mills Ltd	Trade & other receivables	Group Company	109,182,940	170,486,081
Saiham Knit Composite Ltd.	Trade receivables	Group Company	119,579,708	145,202,451
Saiham Textile Mills Ltd.	Payable	Group Company	-	24,615,385
Director's Remuneration	Remuneration	MD/Director	2,100,000	2,100,000
Board meeting fees	Meeting fee	MD/Director	75,000	75,000

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

Attendance Status of Board Meeting of Director

During the period/year the following Board Meeting were held.

The attendance status of all meeting are as follows :

Name of Director	Position	2017-2018		2016-2017
		Meeting Held	Attended	Attended
Mr. S. M. Faisal	Chairman	6	6	6
Mr. Syed Ishtiaq Ahmed	Managing Director	6	6	6
Mr. S. F. A. M. Shahjahan	Director	6	6	6
Mr. Syed Shafqat Ahmed	Director	6	6	6
Mr. Mostafa Moin	Independent Director	6	6	6

26.00 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 for the period ended June 30,2018

Salary Range (Monthly)	Officer & Staff		Worker	Total Employees
	Head Office	Factory		
Below 3,000	-	-	-	-
Above 3,000	18	190	1,031	1,239
Total	18	190	1,031	1,239

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

Name	Designation	Amount in Taka	
		June 30, 2018 Remuneration	June 30, 2017 Remuneration
Mr. S. M. Faisal	Chairman	-	-
Mr. Syed Ishtiaq Ahmed	Managing Director	2,100,000	2100000
Mr. S. F. A. M. Shahjahan	Director	-	-
Mr. Syed Shafqat Ahmed	Director	-	-
Total		2,100,000	2,100,000

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

Details of production capacity & utilization

Year	Installed capacity p.a in kgs	Actual Production p.a in kgs	% of Capacity Utilization	%of Shortage
June 30, 2018	13,492,000	12,457,379	92	8
June 30, 2017	13,492,000	12,083,781	90	10

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

Value of Raw Cotton, Packing Materials and Stores and Spares for the period ended June 30,2018.

Particulars	Local Purchase	Import	Total purchase	Consumption
Raw Cotton	542,686,927	2,487,318,252	3,030,005,179	2,249,526,999
Packing Material	29,843,390	-	29,843,390	30,932,821
Spare parts	19,321,518	35,882,819	55,204,337	53,853,017

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.

Saiham Cotton Mills Ltd.

Property, plant and equipment

As at June 30, 2018

Annexure - A

Particulars	Cost			Rate %	Depreciation			W.D.V. as at 30.06.2018
	Balance as at 01.07.2017	Addition during the year	Balance as at 30.06.2018		Balance as at 01.07.2017	Charged during the year	Balance as at 30.06.2018	
Land and Land Development	85,444,293	10,138,900	95,583,193	-	-	-	95,583,193	
Factory Building & Other Construction	576,052,359	-	576,052,359	5%	119,069,112	22,849,162	434,134,085	
Office Building	-	126,361,395	126,361,395	5%	-	526,506	125,834,889	
Plant and Machineries	2,158,504,652	13,344,550	2,171,849,202	7.50%	675,151,921	111,334,858	1,385,362,422	
Furniture & Fixtures	11,152,284	11,621,660	22,773,944	10%	2,673,145	944,761	19,156,038	
Motor Vehicles	27,756,350	2,189,600	29,945,950	15%	14,351,400	2,038,113	13,556,438	
Office Equipments	20,721,875	2,064,985	22,786,860	10%	4,039,606	1,685,435	17,061,819	
Sundry Assets	91,853,772	1,109,990	92,963,762	10%	18,855,625	7,309,065	66,799,072	
Sub - Total	2,971,485,585	166,831,080	3,138,316,665		834,140,810	146,687,900	2,157,487,955	

Revaluation of property, plant and equipment

Particulars	Cost			Rate %	Depreciation			W.D.V. as at 30.06.2018
	Balance as on 01.07.2017	Addition during the year	Balance as on 30.06.2018		Balance as on 01.07.2017	Charged during the year	Balance as on 30.06.2018	
Land and Land Development	60,705,668	-	60,705,668	-	-	-	60,705,668	
Building & Other Construction	179,528,126	-	179,528,126	5%	55,201,699	6,216,321	118,110,105	
Plant and Machineries	492,633,171	-	492,633,171	7.50%	210,760,556	21,140,446	260,732,169	
Motor Vehicles	3,150,093	-	3,150,093	15%	2,165,492	147,690	836,911	
Sub - Total	736,017,058	-	736,017,058		268,127,747	27,504,458	440,384,853	
Grand Total	3,707,502,643	166,831,080	3,874,333,723		1,102,268,557	174,192,357	2,597,872,808	

Allocation of depreciation:

Cost of Production

Administrative and Marketing Expenses

168,849,853

5,342,505

174,192,357

Saiham Cotton Mills Ltd.
Statement of Trade and Other Receivables
As at June 30, 2018

Annexure -B

Name of Party	L/C #	Amount in Taka
Advanced Composite Textile Ltd.	0000001170402045-0	7,529,008.75
Advanced Composite Textile Ltd.	0000001180400819-0	12,153,492.50
Advanced Composite Textile Ltd.	0000001180400819-0	9,905,175.00
Advanced Composite Textile Ltd.	0000001180400819-0	9,985,608.00
AKH Knitting & Dyeing Ltd.	0000194917042301-01	806,812.50
AKH Knitting & Dyeing Ltd.	0000194918041833-0	10,724,400.00
Alema Textile Ltd	0686180408077-0	3,347,444.38
Alema Textile Ltd	0686180408077-0	4,244,454.38
Alema Textile Ltd	0686180408077-0	3,351,375.00
Alema Textile Ltd	0686180408077-0	3,326,550.00
ANAM GARMENTS LTD	045718040028-0	4,581,040.00
ANAM GARMENTS LTD	045718040028-0	3,169,738.75
ANAM GARMENTS LTD	045718040028-0	3,558,250.00
ANAM GARMENTS LTD	045718040028-01	1,291,934.38
ANAM GARMENTS LTD	045718040049-0	2,095,643.75
Apex Textile Printing Mills Limited	BBCDAK881227-0	2,087,782.50
APPAREL 21 LTD	087117040543-0	6,119,776.25
APPAREL 21 LTD	087117040537-01	5,576,522.50
APPAREL 21 LTD	087117040537-01	5,838,840.00
APS APPARELS LTD.	1008180400262-0	2,758,057.50
APS DESIGN WORKS LTD.	100817041846-0	2,390,647.50
APS DESIGN WORKS LTD.	1008180400574-0	1,409,853.13
APS DESIGN WORKS LTD.	1008170401886-0	9,393,614.50
APS DESIGN WORKS LTD.	1008170401886-0	5,829,530.63
APS Knit Composite Ltd.	1008180300021-0	6,771,225.63
APS Knit Composite Ltd.	1008180300021-0	6,413,125.00
Aswad Composite Mills Ltd.	296718040546-0	2,482,500.00
Beget Knitwear Ltd	089917040282-01	445,195.00
BK FASHION WEAR LTD.	0003201180400064-0	1,585,076.25
COMPTEx BANGLADESH LIMITED	1759180400061-01	6,454,500.00
COMPTEx BANGLADESH LIMITED	1759180400121-0	570,975.00
COMPTEx BANGLADESH LIMITED	1759180400061-02	6,951,000.00
Confidence Knitting Industries Ltd.	1689180401521-0	5,378,750.00
Cotton Dyeing & Finishing Mills Ltd.	0961180400012-0	654,138.75
Cotton Field BD Ltd	102116041911-0	2,224,733.75
Crossline Knit Fabrics LTD.	1211180400371-0	1,199,047.50
DIRD COMPOSITE TEXTILES LTD.	1013180401083-0	165,500.00
DIRECT SPORTS & LEISUREWEAR (BD) LTD.	20871802400308-0	3,424,815.63
DIRECT SPORTS & LEISUREWEAR (BD) LTD.	2087180400308-01	119,573.75
DIRECT SPORTS & LEISUREWEAR (BD) LTD.	2087180400812-0	846,118.75
DIRECT SPORTS & LEISUREWEAR (BD) LTD.	2087180400812-1	191,152.50
Eurotex Knitwear Ltd.	086518030114-0	3,972,000.00
Eurotex Knitwear Ltd.	086518030114-0	6,620,000.00
Eurotex Knitwear Ltd.	0000182218030119-0	1,340,963.75
FAKHRUDDIN TEXTILE MILLS LTD.	142118040233-0	4,574,461.38
FAKIR APPARELS LTD.	216218041587-0	3,897,525.00
FAKIR APPARELS LTD.	216218042064-0	1,241,250.00
FAKIR FASHION LTD	411010803680-L-0	5,802,926.50
FAME APPARELS LIMITED	1887180400352-0	4,795,941.75

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
FARIHA KNIT TEX LTD.	0000194718030014-0	5,627,000.00
FARIHA KNIT TEX LTD.	0000194718030014-0	8,440,500.00
FRIENDS KNITWEAR AND ACCESSORIES LTD	091518040007-0	2,648,000.00
FRIENDS KNITWEAR AND ACCESSORIES LTD	091518040206-0	2,689,375.00
FRIENDS KNITWEAR AND ACCESSORIES LTD	091518040304-0	3,401,025.00
FRIENDS KNITWEAR AND ACCESSORIES LTD	091518040364-0	5,461,500.00
FRIENDS KNITWEAR AND ACCESSORIES LTD	091518040530-0	1,588,800.00
Generation Next Fashion Ltd	1343180401045-0	3,996,825.00
Generation Next Fashion Ltd	1343180401045-0	6,923,940.75
Grameen Fabrics & Fashions Ltd.	215918040039-0	314,243.13
Grameen Fabrics & Fashions Ltd.	1345180400435-0	701,306.25
Grameen Fabrics & Fashions Ltd.	1345180400677-0	5,636,930.00
Grameen Fabrics & Fashions Ltd.	215918040369-0	6,417,883.13
Green Life Knittex Ltd	1066180400985-0	2,272,728.75
HABITUS FASHION LTD.	209018040723-0	5,658,279.50
HASEEN APPARELS LTD.	0673180403157-0	4,433,951.88
HASEEN APPARELS LTD.	0673180404381-0	1,385,855.63
Haseen Knit Composite Ltd.	0673180401552-0	3,151,120.00
Haseen Knit Composite Ltd.	0673180406513-0	1,504,808.75
INTRAMEX KNITWEAR LTD	1616180400082-0	3,775,882.50
INTRAMEX KNITWEAR LTD	1747180400334-0	1,040,995.00
ISLAM GARMENTS LTD. (Knit. Division)	ILC0796180311265-0	7,770,225.00
Islam Knit Designs Ltd	ILC0796180404542-0	1,160,982.50
Islam Knit Designs Ltd	ILC0796180306969-0	430,300.00
Islam Knit Designs Ltd	ILC0796180306982-0	1,106,946.75
JIM AND JESSI COMPOSITE LTD.	340118040054-0	2,755,575.00
JIM AND JESSI COMPOSITE LTD.	340118040055-0	4,096,125.00
JIM AND JESSI COMPOSITE LTD.	340118040055-0	5,570,730.00
JIM AND JESSI COMPOSITE LTD.	340118040055-0	3,986,895.00
JIM AND JESSI COMPOSITE LTD.	340118040066-0	1,574,318.75
JIM AND JESSI COMPOSITE LTD.	340118040066-0	3,972,000.00
JIM AND JESSI COMPOSITE LTD.	340118040200-0	509,740.00
JIM AND JESSI COMPOSITE LTD.	340118040201-0	1,344,687.50
JIM AND JESSI COMPOSITE LTD.	340118040269-0	2,789,502.50
JIM AND JESSI COMPOSITE LTD.	340118040269-0	3,984,412.50
JIM AND JESSI COMPOSITE LTD.	340118040342-0	4,088,677.50
JIM AND JESSI COMPOSITE LTD.	340118040343-0	4,716,750.00
JIM AND JESSI COMPOSITE LTD.	340118040374-0	2,477,535.00
Kushiara Composite Knit Ind. Ltd.	1003180401030-0	9,450,050.00
Kushiara Composite Knit Ind. Ltd.	1003180401030-0	5,543,422.50
Kushiara Composite Knit Ind. Ltd.	1003180401030-0	1,911,525.00
Kushiara Composite Knit Ind. Ltd.	1003180401030-0	9,557,625.00
Libas Textiles Ltd.	1018180400139-0	5,052,301.25
Libas Textiles Ltd.	1018180400139-0	6,640,687.50
Libas Textiles Ltd.	1018180400173-0	1,646,311.25
Libas Textiles Ltd.	1018180400187-0	3,187,943.75
Libas Textiles Ltd.	089018040356-0	534,565.00
Libas Textiles Ltd.	1018180400329-0	1,959,520.00
Libas Textiles Ltd.	1018180400378-0	1,563,975.00
Libas Textiles Ltd.	1018180400438-0	3,413,437.50
Liberty Knitwear Ltd.	100717042603-0	14,481,250.00
Liberty Knitwear Ltd.	100717042603-0	14,481,250.00
Liberty Knitwear Ltd.	1007180400219-0	8,192,250.00

Name of Party	L/C #	Amount in Taka
Liberty Knitwear Ltd.	1007180400219-0	10,923,000.00
Liberty Knitwear Ltd.	1007180400219-0	8,192,250.00
Life Textile (Pvt) Ltd.	1066170404718-0	8,171,562.50
Life Textile (Pvt) Ltd.	1066170404718-0	9,480,046.88
Life Textile (Pvt) Ltd.	1066170404718-0	4,592,625.00
Life Textile (Pvt) Ltd.	1066170404718-0	2,602,487.50
Life Textile (Pvt) Ltd.	1066170404718-0	7,654,375.00
Logos Apparels Ltd.	2960170401337-0	4,038,200.00
Logos Apparels Ltd.	2960170401337-0	1,009,550.00
Logos Apparels Ltd.	2960170401338-0	8,492,839.38
Logos Apparels Ltd.	2960170401338-0	4,126,535.63
Logos Apparels Ltd.	2960170401339-0	7,571,625.00
Logos Apparels Ltd.	2960170401354-0	2,523,875.00
Logos Apparels Ltd.	2960170401355-0	4,076,058.13
Midland Knitwear Ltd	1007180401163-0	2,317,000.00
Mita Apparels (Pvt) Ltd.	1083170400034-0	2,850,737.50
Modele De Capital Ind. Ltd.	1676180400157-0	8,245,623.75
Modele De Capital Ind. Ltd.	1676180400302-0	748,473.75
Modele De Capital Ind. Ltd.	1676180400375-0	1,986,000.00
MOMTAX EXPO. LTD.	1676180400311-0	285,487.50
MOMTAX EXPO. LTD.	1676180400497-0	2,703,856.25
MOMTAX EXPO. LTD.	1676180400580-0	564,768.75
MOMTAX EXPO. LTD.	1676180400620-0	277,212.50
MOMTAX EXPO. LTD.	1676180400646-0	277,212.50
MOMTAX EXPO. LTD.	1676180400687-0	636,761.25
MOMTAX EXPO. LTD.	1676180400704-0	988,862.50
MOMTAX EXPO. LTD.	1676180400759-0	1,849,669.38
MOONLUX APPARELS LTD.	0686180409558-0	3,132,087.50
MOONLUX APPARELS LTD.	0686180410866-0	1,033,547.50
MOONLUX APPARELS LTD.	0686180410976-0	275,557.50
Muazuddin Knit Fashion Ltd	209018040149-0	2,693,512.50
Muazuddin Knit Fashion Ltd	209018040589-0	1,274,350.00
Muazuddin Knit Fashion Ltd	209018040588-0	2,177,566.25
Muazuddin Knit Fashion Ltd	209018040586-0	4,240,937.50
Muazuddin Knit Fashion Ltd	209018041474-0	6,266,823.00
Muazuddin Textile Ltd.	00000001180400089-0	2,129,157.50
Muazuddin Textile Ltd.	1066180400435-0	7,313,445.00
Muazuddin Textile Ltd.	1066180400464-0	2,705,925.00
Muazuddin Textile Ltd.	1066180400833-0	807,640.00
Muazuddin Textile Ltd.	1066180401206-0	1,179,187.50
Muazuddin Textile Ltd.	1066180401274-0	3,452,743.75
Muazuddin Textile Ltd.	1066180401912-0	4,406,437.50
Muazuddin Textile Ltd.	1066180401912-0	7,240,625.00
MULTITEX KNIT COMPOSITE LIMITED	086218041193-0	734,820.00
MULTITEX KNIT COMPOSITE LIMITED	086218041364-0	1,634,519.38
MULTITEX KNIT COMPOSITE LIMITED	086218041366-0	3,730,783.75
MULTITEX KNIT COMPOSITE LIMITED	086218042378-0	2,150,672.50
MULTITEX KNIT COMPOSITE LIMITED	086218042479-0	660,758.75
MULTITEX KNIT COMPOSITE LIMITED	086218042662-0	2,350,513.75
MULTITEX KNIT COMPOSITE LIMITED	086218042759-0	1,519,083.13
MULTITEX KNIT COMPOSITE LIMITED	086218042802-0	1,525,289.38
MULTITEX KNIT COMPOSITE LIMITED	086218043015-0	1,002,309.38
MULTITEX KNIT COMPOSITE LIMITED	086218043379-0	541,185.00

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
NAZ Knitwear Ltd	135017040835-0	6,371,750.00
NAZ Knitwear Ltd	135017040835-0	6,371,750.00
NAZ Knitwear Ltd	135017041182-0	1,886,700.00
NETWORK CLOTHING LTD.	108618030010-0	3,698,925.00
NETWORK CLOTHING LTD.	108618030014-0	3,809,396.25
Nexus Fashion Ltd.	1349180400261-0	3,705,545.00
Nexus Fashion Ltd.	1349180400282-0	3,358,946.63
Nexus Fashion Ltd.	1349180400289-0	8,888,839.50
Nexus Fashion Ltd.	1349180400290-0	6,302,571.00
Nexus Fashion Ltd.	1349180400420-0	9,392,125.00
Nexus Fashion Ltd.	1349180400425-0	5,345,650.00
Nexus Fashion Ltd.	1349180400425-0	4,034,062.50
Nexus Fashion Ltd.	1349180400724-0	3,669,962.50
Nexus Fashion Ltd.	1349180400724-0	5,213,250.00
Niagara Textiles Ltd	296018040308-0	471,675.00
Niagara Textiles Ltd	089218040093-0	483,053.13
Niagara Textiles Ltd	296018040927-0	2,446,296.88
POLESTAR FASHION DESIGN LTD.	1747180400137-0	1,850,496.88
POLESTAR FASHION DESIGN LTD.	1747180400137-01	194,048.75
POLESTAR FASHION DESIGN LTD.	1747180400166-0	2,171,773.75
POLESTAR FASHION DESIGN LTD.	1747180400166-01	2,727,315.88
POLESTAR FASHION DESIGN LTD.	1747180400194-0	962,382.50
POLESTAR FASHION DESIGN LTD.	1747180400212-0	132,193.13
POLESTAR FASHION DESIGN LTD.	1747180400246-0	758,403.75
POLESTAR FASHION DESIGN LTD.	1747180400297-0	465,675.63
POLESTAR FASHION DESIGN LTD.	1747180400369-0	389,752.50
POLESTAR FASHION DESIGN LTD.	1747180400432-0	743,095.00
POLESTAR FASHION DESIGN LTD.	1747180400444-0	353,756.25
POLESTAR FASHION DESIGN LTD.	1747180400449-0	140,261.25
RADIAL INTERNATIONAL LTD. UNIT-02	ILC0807180409567-0	1,187,876.25
Raiyan Knit Composite Ltd	1349180300097-0	3,292,208.75
Raiyan Knit Composite Ltd	1349180300097-0	8,022,612.50
RAZ APPARELS	216218041071-0	7,211,662.50
RAZ APPARELS	216218041073-0	6,090,400.00
RAZ APPARELS	216218041074-0	4,071,300.00
RAZ APPARELS	216218041736-0	1,573,491.25
RBSR FASHIONS LTD	091518040178-0	6,087,917.50
RBSR FASHIONS LTD	091518040178-01	3,021,864.50
RBSR FASHIONS LTD	091518040228-0	1,080,218.50
RBSR FASHIONS LTD	091518040250-0	1,454,745.00
RBSR FASHIONS LTD	091518040284-0	2,922,316.25
RENAISSANCE APPARELS LTD	1478170301388-0	2,557,220.77
ROBINTEX BANGLADESH LIMITED	209018040591-0	2,836,670.00
SAIHAM KNIT COMPOSITE LTD.	208117040424-04	1,782,228.13
SAIHAM KNIT COMPOSITE LTD.	208118040025-01	12,863,694.38
SAIHAM KNIT COMPOSITE LTD.	208118040025-02	5,908,350.00
SAIHAM KNIT COMPOSITE LTD.	208118040025-03	602,626.88
SAIHAM KNIT COMPOSITE LTD.	208118040025-03	10,768,257.50
SAIHAM KNIT COMPOSITE LTD.	3355180400036-02	1,365,375.00
SAIHAM KNIT COMPOSITE LTD.	208118040068-0	251,973.75
SAIHAM KNIT COMPOSITE LTD.	208118040070-0	5,404,402.50
SAIHAM KNIT COMPOSITE LTD.	208118040070-0	8,251,416.25
SAIHAM KNIT COMPOSITE LTD.	208118040070-0	6,659,306.25

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
SAIHAM KNIT COMPOSITE LTD.	208118040110-0	893,700.00
SAIHAM KNIT COMPOSITE LTD.	208118040111-0	893,700.00
SAIHAM KNIT COMPOSITE LTD.	3355180400133-0	413,543.13
SAIHAM KNIT COMPOSITE LTD.	3355180400133-02	3,015,823.75
SAIHAM KNIT COMPOSITE LTD.	3355180400133-02	1,141,536.25
SAIHAM KNIT COMPOSITE LTD.	208118040128-0	1,490,120.63
SAIHAM KNIT COMPOSITE LTD.	208118040128-0	3,882,216.25
SAIHAM KNIT COMPOSITE LTD.	208118040128-0	2,152,741.25
SAIHAM KNIT COMPOSITE LTD.	3355180400158-0	7,226,226.50
SAIHAM KNIT COMPOSITE LTD.	3355180400158-0	11,585,910.25
SAIHAM KNIT COMPOSITE LTD.	208118040134-0	4,385,750.00
SAIHAM KNIT COMPOSITE LTD.	208118040134-0	4,385,750.00
SAIHAM KNIT COMPOSITE LTD.	208118040142-0	6,216,800.63
SAIHAM KNIT COMPOSITE LTD.	3355180400176-0	4,468,500.00
SAIHAM KNIT COMPOSITE LTD.	208118040146-0	1,372,201.88
SAIHAM KNIT COMPOSITE LTD.	3355180400208-0	2,152,327.50
SAIHAM KNIT COMPOSITE LTD.	208118040158-0	10,045,229.38
Sara Fashionwear Ltd.	0000195518041286-0	781,987.50
SCANDEX KNITWEAR LTD(Unit-2),	2357170400965-0	1,176,705.00
SCANDEX KNITWEAR LTD(Unit-2),	235718270027-0	2,650,068.75
SIF TEXTILE INDUSTRIES LTD	208418040125-0	2,370,580.63
Silk International Ltd.	094618040031-0	3,483,775.00
Silk International Ltd.	094618040045-0	970,864.38
The Delta Composite Knitting Ind.Ltd.	0093170402455-0	3,661,687.50
Unique Designers Ltd.	141918040024-0	1,792,985.63
Unique Designers Ltd.	141918040039-0	3,065,473.75
Unique Designers Ltd.	141918040053-0	3,304,207.50
Unique Designers Ltd.	141918040057-0	732,958.13
Unique Designers Ltd.	141918040057-01	1,533,357.50
Unique Designers Ltd.	141918040059-0	2,730,750.00
Unique Designers Ltd.	141918040088-0	810,908.63
Unique Designers Ltd.	141918040095-0	2,703,442.50
UNITY FABRIC INDUSTRIES LTD.	091518040380-0	1,100,575.00
UNITY FABRIC INDUSTRIES LTD.	091518040411-0	1,220,562.50
UNITY FABRIC INDUSTRIES LTD.	1760180400144-0	1,226,355.00
UNITY FABRIC INDUSTRIES LTD.	1760180400144-1	1,319,862.50
Uttara Fabrics (PVt.) Ltd.	1088170400036-0	10,873,350.00
Valmont Fashions Ltd.	134817043548-0	1,804,777.50
Valmont Fashions Ltd.	209318040094-0	450,160.00
Valmont Fashions Ltd.	209318040094-01	206,668.13
Valmont Fashions Ltd.	134818040440-0	491,948.75
Valmont Fashions Ltd.	209318040423-0	969,002.50
Valmont Fashions Ltd.	134818030056-01	4,435,400.00
Valmont Fashions Ltd.	134818041838-0	1,079,266.88
ZAIN APPARELS LTD	215418040159-0	2,176,738.75
Faisal Spinning Mills Ltd.		109,182,940
Total		1,015,623,914

Saiham Cotton Mills Ltd.
Statement of Trade and Other Receivables
As at June 30, 2017

Annexure - C

Name of Party	L/C #	Amount in Taka
A-One Polar Ltd.	100717040695-0	280,000
A-One Polar Ltd.	100717040728-0	8,019,200
ABONI TEXTILES LTD	0000194517040275-0	1,568,430
ABONI TEXTILES LTD	0000194517040601-0	2,376,000
ABONI TEXTILES LTD	0000194517040601-0	2,376,000
ABONI TEXTILES LTD	0000194517040601-0	2,376,000
ABONI TEXTILES LTD	153917040080-0	2,614,050
ABONI TEXTILES LTD	153917040080-01	2,664,000
ACS Textiles Bangladesh Ltd.	1335-17-04-02262-0	1,232,000
AKH Knitting & Dyeing Ltd.	0000194917041520-0	652,800
AKH Knitting & Dyeing Ltd.	0000194917041520-0	4,787,200
AKH Knitting & Dyeing Ltd.	0000194917041520-01	1,670,400
AKH Knitting & Dyeing Ltd.	s	7,800,000
AKH Knitting & Dyeing Ltd.	1880170400456-0	6,400,000
AKH Knitting & Dyeing Ltd.	1880170400456-0	3,900,000
AKH Knitting & Dyeing Ltd.	0000194917042163-0	7,680,000
AMAZING FASHIONS LTD.	075117041215-0	266,311
APS APPARELS LTD.	100817040143-0	3,037,558
APS APPARELS LTD.	100817040164-0	1,340,630
APS APPARELS LTD.	100817040224-0	5,834,120
APS APPARELS LTD.	100817040224-0	4,189,938
APS APPARELS LTD.	100817040224-0	5,964,000
APS APPARELS LTD.	100817040224-0	6,433,468
APS APPARELS LTD.	100817040269-0	5,816,000
APS APPARELS LTD.	100817040673-0	640,000
APS Holdings Limited	100817040145-0	2,858,220
APS Holdings Limited	100817040146-0	3,348,415
APS Holdings Limited	100817040203-0	576,583
APS Knit Composite Ltd.	100817040115-0	625,088
APS Knit Composite Ltd.	100817040137-0	522,600
Advanced Composite Textile Ltd.	0000001170400116-0	7,775,425
Advanced Composite Textile Ltd.	0000001170400462-0	8,656,200
Advanced Composite Textile Ltd.	0000001170400462-0	6,955,200
Advanced Composite Textile Ltd.	0000001170400832-0	7,016,000
Ahsan Composite Ltd	2228170400251-0	1,271,700
Ahsan Composite Ltd	2228170400382-0	4,120,200
Ahsan Composite Ltd	2228170400382-0	5,064,098
Ahsan Composite Ltd	2228170400562-0	5,676,720
Alema Textile Ltd	0686170408224-0	2,688,000
Alema Textile Ltd	0686170409970-0	2,995,680
Alema Textile Ltd	0686170409968-0	915,840
Aswad Composite Mills Ltd.	296716040868-1	1,980,555
COMPTEx BANGLADESH LIMITED	209017040192-0	482,400
COMPTEx BANGLADESH LIMITED	101017040278-0	3,552,000
COMPTEx BANGLADESH LIMITED	101017040278-01	4,148,000
Century Apparels Ltd	216217030186-0	3,755,640
Century Apparels Ltd	216217030258-0	1,770,000
Confidence Knitting Industries Ltd.	1689170401630-0	4,384,225
Confidence Knitting Industries Ltd.	1689170401630-0	5,094,650

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
Confidence Knitting Industries Ltd.	1689170401630-01	8,241,750
Confidence Knitting Industries Ltd.	1689170401630-01	8,363,250
Confidence Knitting Industries Ltd.	1689170402556-0	3,840,000
Confidence Knitting Industries Ltd.	1689170402840-0	2,359,600
Cotton Field BD Ltd	102116041901-0	5,589,250
Cotton Field BD Ltd	102116041901-0	5,553,875
Cotton Field BD Ltd	102116041911-0	5,660,000
Divergent Knitex Ltd.	086417040145-0	1,280,531
Divergent Knitex Ltd.	086417040149-0	741,825
Dress Up Ltd	162417040202-0	1,457,000
Dress Up Ltd	162417040272-0	1,934,240
Dress Up Ltd	162417040302-0	951,400
Fakir Apparels Ltd.	216217040531-0	2,830,318
Fakir Apparels Ltd.	140917040223-0	1,071,600
Fakir Apparels Ltd.	140917040241-0	694,400
Fakir Apparels Ltd.	216217041160-0	3,204,000
Grameen Fabrics & Fashions Ltd.	215917040346-0	1,104,800
Grameen Fabrics & Fashions Ltd.	215917040344-0	585,200
Grameen Fabrics & Fashions Ltd.	215917040465-0	854,000
Green Life Knitex Ltd	106617040403-0	2,607,770
Hams Garments Ltd	2966160400477-0	5,625,440
Haseen Apparels Ltd.	0673170412389-0	1,248,000
Haseen Knit Composite Ltd.	0673170411838-0	2,356,000
Haseen Knit Composite Ltd.	0673170412382-0	3,744,000
Home Textiles Ltd.	126917040479-0	2,440,000
Horizon Fashion Wear Ltd.	2228170401057-0	1,942,000
ISLAM GARMENTS LTD. (Knit. Division)	ILC0796170406501-0	280,000
Interstoff Apparels Ltd.	1746170400272-0	1,077,300
Interstoff Apparels Ltd.	1746170400299-0	3,240,000
Interstoff Apparels Ltd.	1746170400300-0	3,290,220
Interstoff Apparels Ltd.	1746170400357-0	664,000
Interstoff Apparels Ltd.	1746170400381-0	3,064,000
Interstoff Apparels Ltd.	1746170400499-0	6,208,000
Interstoff Apparels Ltd.	1746170400537-0	328,000
Interstoff Apparels Ltd.	208217040986-0	2,553,600
KC Apparels Ltd.	ILC0798170406432-0	1,420,000
Karoni Knit Composite Ltd.	0665170400194-0	2,005,675
Knit Bangla	ILC0796170402426-0	259,639
Knit Bazar (Pvt.) Ltd	340116040591-0	1,111,762
Knit Bazar (Pvt.) Ltd	340116040591-01	842,380
Knit Bazar (Pvt.) Ltd	340117040070-0	474,580
Knit Concern Ltd.	ILC0798170400312-01	2,723,950
Knit Concern Ltd.	ILC0798170401591-0	5,369,400
Knit Horizon Ltd.	3045-17-04-0272-0	744,800
Knit Horizon Ltd.	3045-17-04-0301-0	792,000
Knit Horizon Ltd.	3045-17-04-0363-0	374,400
Knit Horizon Ltd.	3045-17-04-0449-0	264,000
Knit Plus Ltd.	100316041952-0	2,551,250
Knit Plus Ltd.	1890160400331-0	6,837,350
LIBAS KNITWEAR LTD.	086217041940-0	3,808,000
LIBAS KNITWEAR LTD.	086217041940-0	2,075,600
LIBAS KNITWEAR LTD.	086217041940-0	3,648,800
LIBAS KNITWEAR LTD.	086217043241-0	3,024,000

Name of Party	L/C #	Amount in Taka
LIBAS KNITWEAR LTD.	086217043241-0	3,408,400
LIBAS TEXTILE LTD.	089016041047-0	2,352,645
Lantabur Apparels Ltd.	313716040389-0	2,345,670
Lantabur Apparels Ltd.	313716040445-0	2,154,825
Lantabur Apparels Ltd.	313716040446-0	3,211,260
Lantabur Apparels Ltd.	313716040466-0	1,610,700
Lantabur Apparels Ltd.	313717040045-01	3,499,530
Lantabur Apparels Ltd.	313717040099-0	2,246,278
Lantabur Apparels Ltd.	313717040178-0	3,047,120
Liberty Knitwear Ltd.	100717040183-0	6,181,875
MOONLUX APPARELS LTD.	0686170313251-0	3,933,600
Mita Apparels (Pvt) Ltd.	1083170400016-0	2,860,110
Mita Apparels (Pvt) Ltd.	1083170400016-0	2,748,960
Modele De Capital Ind. Ltd.	1689160408052-0	4,097,700
Modele De Capital Ind. Ltd.	1689160408881-0	7,967,750
Modele De Capital Ind. Ltd.	1689170402528-0	5,376,000
Modele De Capital Ind. Ltd.	1689170402511-0	6,890,000
Modele De Capital Ind. Ltd.	1689170402593-0	10,720,000
Momtax Expo. Ltd.	1676170300035-0	2,160,000
Muazuddin Textile Ltd.	0000001170400117-0	5,557,000
Muazuddin Textile Ltd.	0000001170400117-0	9,082,800
Muazuddin Textile Ltd.	0000001170400117-0	6,716,400
Muazuddin Textile Ltd.	0000001170400117-0	7,467,000
Muazuddin Textile Ltd.	0000001170400117-0	9,976,000
Muazuddin Textile Ltd.	0000001170400117-0	7,400,800
Muazuddin Textile Ltd.	1066170401507-0	676,000
Muazuddin Textile Ltd.	1066170401541-0	3,527,200
N.R Knitting Mills Ltd.	1689170403052-0	4,176,000
NAZ Knitwear Ltd	135016040774-0	3,497,175
NAZ Knitwear Ltd	135016040774-0	1,174,800
NAZ Knitwear Ltd	135016040897-0	5,995,634
NAZ Knitwear Ltd	135016040897-0	1,675,000
NAZ Knitwear Ltd	135016040897-0	7,485,465
Network Clothing Ltd.	1086170400268-0	5,872,500
Network Clothing Ltd.	1086170400268-0	6,960,000
Network Clothing Ltd.	1086170400268-0	5,691,250
Nexus Fashion Ltd.	1349170400538-01	5,864,000
Niagara Textiles Ltd	089217040107-0	823,073
Norban Comtex Limited	2087170400264-0	2,417,800
Northern Corporation Ltd.	2228170400722-0	1,254,000
ORBID APPARELS LTD.	000095170400107-0	2,147,760
ORBID APPARELS LTD.	000095170400441-0	2,448,200
ORBID APPARELS LTD.	000095170300006-0	7,955,280
ORBID APPARELS LTD.	000095170300007-0	2,483,000
ORBID APPARELS LTD.	000095170400547-0	385,400
Pinnacle Garments (Pvt) Ltd.	0673170402291-0	2,013,172
Pinnacle Garments (Pvt) Ltd.	0673170402442-0	3,088,000
Pinnacle Garments (Pvt) Ltd.	0673170402442-0	4,631,500
RBSR FASHIONS LTD	091517040525-0	2,141,600
ROBINTEX BANGLADESH LIMITED	141916040254-01	7,129,200
Radial International Ltd. Unit-02	ILC0807160423793-0	5,251,650
Radial International Ltd. Unit-02	ILC0807160424029-0	5,352,000

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
Radial International Ltd. Unit-02	ILC0807160424869-0	1,769,600
Saiham Knit Composite Ltd.	208116040629-02	2,075,200
Saiham Knit Composite Ltd.	208116040629-03	1,182,210
Saiham Knit Composite Ltd.	208116040629-04	1,596,690
Saiham Knit Composite Ltd.	208117040039-01	6,600,000
Saiham Knit Composite Ltd.	208117040053-0	10,673,000
Saiham Knit Composite Ltd.	208117040053-0	7,969,000
Saiham Knit Composite Ltd.	208117040053-0	17,550,000
Saiham Knit Composite Ltd.	208117040053-0	6,110,000
Saiham Knit Composite Ltd.	208117040053-0	9,516,163
Saiham Knit Composite Ltd.	208117040054-01	7,607,600
Saiham Knit Composite Ltd.	208117040054-02	8,448,400
Saiham Knit Composite Ltd.	208117040054-03	8,629,000
Saiham Knit Composite Ltd.	208117040054-04	14,232,200
Saiham Knit Composite Ltd.	208117040054-05	1,411,000
Saiham Knit Composite Ltd.	208117040054-06	7,868,680
Saiham Knit Composite Ltd.	208117040054-07	12,608,000
Saiham Knit Composite Ltd.	208117040060-0	1,336,659
Saiham Knit Composite Ltd.	208117040066-0	5,181,000
Saiham Knit Composite Ltd.	208117040066-01	2,604,000
Saiham Knit Composite Ltd.	208117040101-0	2,708,250
Saiham Knit Composite Ltd.	208117040128-0	1,554,800
Saiham Knit Composite Ltd.	208117040128-01	3,374,600
Saiham Knit Composite Ltd.	208117040128-02	1,130,800
Saiham Knit Composite Ltd.	208117040203-0	264,000
Saiham Knit Composite Ltd.	208117040224-0	644,000
Saiham Knit Composite Ltd.	208117040235-0	1,400,000
Saiham Knit Composite Ltd.	208117040128-03	927,200
Sajib Knitwear & Garments Ltd.	0000196117040132-0	3,576,000
Sajib Knitwear & Garments Ltd.	0000196117040132-0	2,093,046
Shadhin Garments Pvt. Ltd.	0000196117040131-0	1,029,292
Shadhin Garments Pvt. Ltd.	0000196117040178-0	3,450,075
Shadhin Garments Pvt. Ltd.	0000196117040177-0	5,175,113
Shadhin Garments Pvt. Ltd.	0000196117040175-0	1,144,320
Shamsher Apparels Ltd.	0000196117040462-0	3,968,000
Shamsher Apparels Ltd.	0000196117040462-0	3,780,000
Southeast Textile (PVT) Ltd.	075117042802-0	414,400
Taqwa Fabrics Ltd.	1347-16-04-1371-0	2,489,600
Taqwa Fabrics Ltd.	1347-16-04-1371-0	3,734,400
Taqwa Fabrics Ltd.	1347-16-04-1387-0	446,572
Taqwa Fabrics Ltd.	1347-16-04-1535-0	2,430,164
Taqwa Fabrics Ltd.	1347-16-04-1536-0	2,433,500
Taqwa Fabrics Ltd.	1347-16-04-1536-01	262,975
Taqwa Fabrics Ltd.	1347-16-04-1536-02	264,000
Taqwa Fabrics Ltd.	1347-16-04-1535-01	788,925
Taqwa Fabrics Ltd.	1347-17-04-0031-0	3,949,335
Taqwa Fabrics Ltd.	1347-17-04-0031-01	1,760,363
Taqwa Fabrics Ltd.	1347-17-04-0089-0	2,564,203
Taqwa Fabrics Ltd.	1347-17-04-0115-0	3,756,225
Taqwa Fabrics Ltd.	1347-17-04-0114-0	938,075
Taqwa Fabrics Ltd.	1347-17-04-0114-01	1,042,088
Taqwa Fabrics Ltd.	1347-17-04-0179-0	2,790,283
Taqwa Fabrics Ltd.	1347-17-04-0179-0	3,956,400

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
Taqwa Fabrics Ltd.	1347-17-04-0247-0	5,030,400
Taqwa Fabrics Ltd.	1347-17-04-0247-01	2,712,000
Taqwa Fabrics Ltd.	1347-17-04-0401-0	1,578,400
Tex Tailor Export (BD) Ltd.	108217040203-0	2,276,500
Tex Tailor Export (BD) Ltd.	108217040203-01	2,339,300
Tex Tailor Export (BD) Ltd.	108217040385-0	4,670,750
Tex Tailor Export (BD) Ltd.	108217040492-0	2,355,000
The Delta Composite Knitting Ind.Ltd.	0093170401266-0	3,940,000
The Delta Composite Knitting Ind.Ltd.	0093170401267-0	3,420,000
The Delta Composite Knitting Ind.Ltd.	089017040509-0	3,960,000
The Delta Composite Knitting Ind.Ltd.	089017040545-0	3,820,000
Unique Designers Ltd.	141917040040-0	3,851,210
Unique Designers Ltd.	141917040040-01	634,230
Unique Designers Ltd.	141917040079-0	353,250
Unique Designers Ltd.	141917040116-0	5,396,720
Unique Designers Ltd.	141917040135-0	255,600
Unique Designers Ltd.	141917040134-0	2,527,400
Unique Designers Ltd.	141917040134-01	160,800
Zain Apparels Ltd	0000181816040247-0	3,442,650
Zaman Knit Apparels Ltd.	086516041278-0	3,407,835
Zaman Knit Apparels Ltd.	086517040028-0	1,296,343
Zaman Knit Apparels Ltd.	086517040266-0	1,226,916
Zaman Knit Apparels Ltd.	086517040346-0	1,285,830
Zaman Knit Apparels Ltd.	086517040345-0	988,315
Zaman Knit Apparels Ltd.	086517040518-0	872,400
Zaman Knit Apparels Ltd.	086517040519-0	462,000
A-One Polar Ltd.	100717040333-0	1,079,375
APS APPARELS LTD.	100816040994-0	7,230,831
APS APPARELS LTD.	100816040994-0	3,728,358
Ahsan Composite Ltd	2228170400013-02	2,205,065
Biswas Fabrics Ltd	1344170400124-0	3,922,425
Comfit Composite Knit Ltd	0000195317040092-0	4,880,000
Comfit Composite Knit Ltd	0000195317040101-0	4,880,000
Gramtech Knit Dyeing Finishing	075117041442-0	5,168,000
Green Life Knittex Ltd	1066170402088-0	637,000
Hotapara Garments Ltd	1757170300004-0	7,201,200
Jim and Jessi Composite Ltd.	340117040324-0	4,832,000
LIBAS TEXTILE LTD.	089016041168-02	1,118,625
LIBAS TEXTILE LTD.	101817040079-0	4,720,000
LIBAS TEXTILE LTD.	101817040086-0	2,360,000
LIBAS TEXTILE LTD.	101817040085-0	2,360,000
LIBAS TEXTILE LTD.	101817040085-0	2,360,000
LIBAS TEXTILE LTD.	101817040112-0	2,360,000
LIBAS TEXTILE LTD.	0001816170400235-0	2,360,000
LIBAS TEXTILE LTD.	0001816170400238-0	2,360,000
LIBAS TEXTILE LTD.	0001816170400239-0	2,360,000
LIBAS TEXTILE LTD.	0001816170400240-0	2,360,000
Lantabur Apparels Ltd.	313717040179-0	3,463,360
Lantabur Apparels Ltd.	313717040179-0	3,956,160
MASCO Industries Limited	0000194516046275-0	6,200,000
MASCO Industries Limited	0000194516046275-0	6,200,000
Momtax Expo. Ltd.	1676170300011-0	3,453,440

JAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
Silver Apparels Ltd.	314017030018-0	4,056,480
Southern Knitwear Ltd	1559170400241-0	2,860,000
Square Fashions Limited	1478160405448-0	3,552,125
Square Fashions Limited	1478160405452-0	4,820,000
Square Fashions Limited	1478160405453-0	5,194,250
Square Fashions Limited	1478160405512-0	4,580,000
Tosrifa Industries Ltd	075117040931-0	2,319,675
Unity Fabric Industries Ltd.	091517040135-0	934,150
Valmont Fashions Ltd.	134817030039-0	4,276,320
Valmont Fashions Ltd.	134817041451	272,800
Zain Apparels Ltd	215417040235-0	944,800
Zain Apparels Ltd	215417040244-0	2,560,000
Zaman Knit Apparels Ltd.	086517040186-0	1,736,813
Faisal Spinning Mills Ltd.		170,486,081
Total		1,106,416,158



SAIHAM COTTON MILLS LTD.

Saiham Tower, House # 34 (11th Floor), Road # 136, Gulshan-1, Dhaka-1212

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 17th ANNUAL GENERAL MEETING
of the Company to be held on December 18, 2018 and /or at any adjustment thereof.

As witness my/ our hand this.day of2018

(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 Dhaka Office before 48 hours of the meeting.



SAIHAM COTTON MILLS LTD.

Saiham Tower, House # 34 (11th Floor), Road # 136, Gulshan-1, Dhaka-1212

ATTENDANCE SLIP

I / we hereby record my / our attendance at the 17th ANNUAL GENERAL MEETING of the Company being held on December 18, 2018 at 12:30 P.M. at Mill Premises, Noyapara, P.O.- Saiham Nagar, U.Z. - Madhabpur, Dist. - 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.

Dhaka Office : Saiham Tower, House # 34 (11th Floor), Road # 136
Gulshan-1, Dhaka-1212, Phone : 9862284, 9863323, 9887441
Fax : 880-2-9894607, 8826254, E-mail : info@saihamcotton.com
website : www.saihamcotton.com