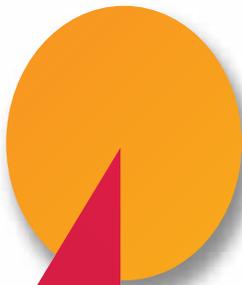


ANNUAL REPORT 2019-2020



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, 2020.

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report containing Directors' Report and Auditors' Report along with the Audited Financial Statements Comprising Financial Position as at June 30, 2020 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year ended June 30, 2020 along with notes thereon of Saiham cotton Mills Ltd. for your kind information and record.

Yours Sincerely

Sd/

(Md. Sahinur Kabir, ACS)
Company Secretary

SAIHAM COTTON MILLS LTD.

EVENT HIGHLIGHTS



Achievement

Mr. S.M. Faisal, Chairman of Saiham Cotton Mills Ltd. receiving the longest period tax payer award from Finance Minister AHM Mustafa Kamal MP.



SAIHAM COTTON MILLS LTD.

SAIHAM COTTON MILLS LTD.

IS ACREDITATED
BY THE FOLLOWING
CERTIFICATING AGENCIES



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

[Signature]
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, Sookde Pore, Broomsgrove, B50 4FD, UK
info@acmltd.com



CERTIFICATE OF
REGISTRATION

No.: Y-28/2020

We herewith register

SAIHAM COTTON MILLS LTD.

House # 34, Road # 136, Gulshan-1, Dhaka-1212

Factory: Siahm Nagor, Noyapara, Madhabpur

Habigonj/ 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: 31.12.2020*

[Signature]

Tina Stridde
Managing Director
Aid by Trade Foundation

[Signature]
Christian Barthel
Managing Director
ATAKORA Fördergesellschaft GmbH

*Final validity of each CmiA-certificate available online:
<http://cottonmadein africa.org/en/materials/textile-chain/63-cmia-spinning-mills-fabric-producers>

SAIHAM COTTON MILLS LTD.




 CU Inspections & Certifications India Pvt. Ltd.
 22nd Floor, Arihant Aura, TTC Industrial Area, Turbhe MIDC, Opposite Turbhe Station, 400705, Navi Mumbai,
 Maharashtra, India
 +91 22 61294200
 www.petersoncontrolunion.com

SCOPE CERTIFICATE

Scope Certificate Number: CU833007OCS-2020-00051396

Control Union Certifications declares that

Saiham Cotton Mills Ltd.
 License Number: 833007
 House: 34, Road: 136, Gulshan-01,
 1212 Dhaka
 Bangladesh

has been inspected and assessed in accordance with the
Organic Content Standard (OCS)
 - Version 2.0 -

and that products of the categories as mentioned below (and further specified in the annex) comply with this standard:
Product categories: Greige yarns

Processing steps / activities carried out under responsibility of the above-mentioned company (by the operations as detailed in the annex) for certified products:
Spinning, Storing, Exporting, Importing, Trading

This certificate is valid from
 2020-09-08
 This certificate is valid until
 2021-09-07


 2020-09-19, Navi Mumbai
 Name of authorized person
 On behalf of the Managing Director
 Zinat Jul | Certifier


 Logo of the accreditation body


This Scope Certificate provides no proof that any goods delivered by its holder are OCS certified. Proof of OCS certification of goods delivered is provided by a valid Transaction Certificate (TC) covering them.
 Accredited by: International Organic Accreditation Services (IOAS) Contract No 81
CU Inspections & Certifications India Pvt. Ltd.
 POST - 22nd Floor, Arihant Aura, TTC Industrial Area, Turbhe MIDC, Opposite Turbhe
 T +91 22 61294200 - F - - - - - cumidia@controlunion.com -


 This electronically issued document is the valid original version.


 CU Inspections & Certifications India Pvt. Ltd.
 22nd Floor, Arihant Aura, TTC Industrial Area, Turbhe MIDC, Opposite Turbhe Station, 400705, Navi Mumbai,
 Maharashtra, India
 +91 22 61294200
 www.petersoncontrolunion.com

SCOPE CERTIFICATE

Scope Certificate Number: CU833007RCS-2020-00056402

Control Union Certifications declares that

Saiham Cotton Mills Ltd.
 License Number: 833007
 House: 34, Road: 136, Gulshan-01,
 1212 Dhaka
 Bangladesh

has been inspected and assessed in accordance with the
Recycled Claim Standard (RCS)
 - Version 2.0 -

and that products of the categories as mentioned below (and further specified in the annex) comply with this standard:
Product categories: Greige yarns

Processing steps / activities carried out under responsibility of the above-mentioned company (by the operations as detailed in the annex) for certified products:
Spinning, Storing, Exporting, Importing, Trading

This certificate is valid from
 2020-09-19
 This certificate is valid until
 2021-09-18

Place and date of issue: Name of the issuing body: Standard's Logo:
   
 2020-09-19, Navi Mumbai Logo of the accreditation body:
 Name of authorized person 
 On behalf of the Managing Director
 Zinat Jul | Certifier

This Scope Certificate provides no proof that any goods delivered by its holder are RCS certified. Proof of RCS certification of goods delivered is provided by a valid Transaction Certificate (TC) covering them.
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 Maharashtra, India
 +91 22 61294200
 www.petersoncontrolunion.com

CERTIFICATE OF COMPLIANCE

Issued to/for:
 Certificate No. CU833007OCS-2020-00051396
 Registration No. 833007

Issued on behalf of/for:
Saiham Cotton Mills Ltd.
 House: 34, Road: 136, Gulshan-01,
 1212 Dhaka
 Bangladesh

Issued in accordance with/for compliance with the
Organic Content Standard (OCS) 2.0

and that products of the categories as mentioned below (and further specified in the annex) comply with this standard:
Product categories: Greige yarns

Processing steps / activities carried out under responsibility of the above-mentioned company (by the operations as detailed in the annex) for certified products:
Spinning, Storing, Exporting, Importing, Trading

This certificate is valid from
 2020-09-08
 This certificate is valid until
 2021-09-07

Place and date of issue: Name of the issuing body: Standard's Logo:
  
 2020-09-08, Navi Mumbai Logo of the accreditation body:
 Name of authorized person 
 On behalf of the Managing Director
 Zinat Jul | Certifier

This certificate provides no proof that any goods delivered by its holder are OCS certified. Proof of OCS certification of goods delivered is provided by a valid Transaction Certificate (TC) covering them.
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 22nd Floor, Arihant Aura, TTC Industrial Area, Turbhe MIDC, Opposite Turbhe Station, 400705, Navi Mumbai,
 Maharashtra, India
 +91 22 61294200
 www.petersoncontrolunion.com

CERTIFICATE OF COMPLIANCE

Issued to/for:
 Certificate No. CU833007RCS-2020-00056402
 Registration No. 833007

Issued on behalf of/for:
Saiham Cotton Mills Ltd.
 House: 34, Road: 136, Gulshan-01,
 1212 Dhaka
 Bangladesh

Issued in accordance with/for compliance with the
Recycled Claim Standard (RCS) 2.0

and that products of the categories as mentioned below (and further specified in the annex) comply with this standard:
Product categories: Greige yarns

Processing steps / activities carried out under responsibility of the above-mentioned company (by the operations as detailed in the annex) for certified products:
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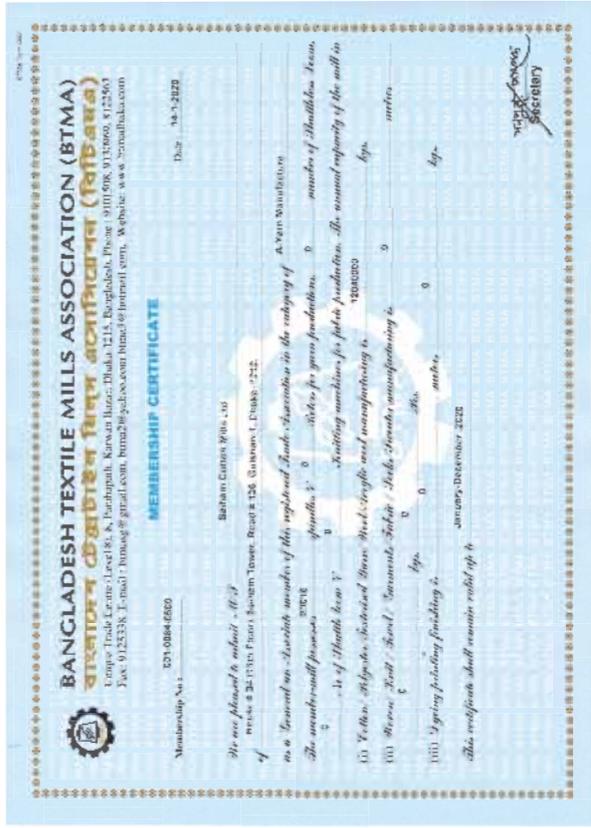
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 2020-09-19
 This certificate is valid until
 2021-09-18

Place and date of issue: Name of the issuing body: Standard's Logo:
   
 2020-09-19, Navi Mumbai Logo of the accreditation body:
 Name of authorized person 
 On behalf of the Managing Director
 Zinat Jul | Certifier

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 Accredited by: International Organic Accreditation Services (IOAS) Contract No 81
CU Inspections & Certifications India Pvt. Ltd.
 POST - 22nd Floor, Arihant Aura, TTC Industrial Area, Turbhe MIDC, Opposite Turbhe
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SAIHAM COTTON MILLS LTD.





SAIHAM COTTON MILLS LTD.

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

Notice of the 19th Annual General Meeting

Notice is hereby given that, the 19th Annual General Meeting of Saiham Cotton Mills Ltd. will be held on December 30, 2020 at 11:00 A.M. through Digital Platform in accordance with the Bangladesh Securities and Exchange Commission (BSEC) order SEC/SRMIC/04-231 dated March 24, 2020 to transact the following business.

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2020 together with the Reports of the Directors' and the Auditors' thereon.
2. To propose Dividend for the year ended June 30, 2020.
3. To elect Director.
4. To appoint new Director.
5. To appoint Statutory Auditors and fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors and fix their remuneration.
7. To authorize the Management/Board of Directors to allow transaction with sister companies.

Dated: Dhaka
October 28, 2020

By order of the Board
Sd/-
(Md. Sahinur Kabir, ACS)
Company Secretary

Notes

1. The Shareholder's whose name will appear in the Depository Register of CDBL as on record date, November 23, 2020 will be entitled to attend and vote at the AGM through Digital Platform.
2. A member entitled to attend/participate and vote in the Annual General Meeting, may appoint a proxy in his stead. Scanned copy of the proxy form, duly stamped must be mailed to the email at info@saihamcotton.com at least 48 hours before the meeting.
3. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of Annual Report (2019-2020) will be sent to the Member's respective email addresses which is available with us. The Annual Report (2019-2020) will be available in the Company's website www.saihamcotton.com.
4. AGM Notice, link for joining in the Digital Platform (audio-visual meeting) and detail login process will be mailed to the respective Member's email address available with us.
5. Member's whose email address updated/changed subsequently, are requested to email us at info@saihamcotton.com referring their full name, BO ID and email address to get the digital platform meeting invitation.
6. Full login/participation process to the digital platform meeting will also be available in the Company's website www.saihamcotton.com.

CORPORATE DIRECTORY

Board of Directors

Chairman

Mr. S.M. Faisal

Statutory Auditor

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Managing Director

Engr. Syed Ishtiaq Ahmed

Corporate Governance Auditor

Kazi Zahir Khan & Co.
Chartered Accountants

Directors

Mrs. Yasmin Faisal
Mr. Syed Shafqat Ahmed, MBA

Legal Adviser

Md. Shamsul Haque

Independent Director

Mr. Syed Nasir Uddin Haider

Dhaka Office

Saiham Tower, House # 34, (11th Floor)
Road # 136, Gulshan-1, Dhaka-1212
Telephone: 02-2222-62284, 02-2222-63323, 02-2222-87441
Fax: 02-2222-94607

Company Secretary

Md. Sahinur Kabir, ACS

Factory

Noyapara, P.O: Saiham Nagar, U.Z: Madhabpur
Dist: Habiganj-3333

Audit Committee

Mr. Syed Nasir Uddin Haider, Chairman
Mrs. Yasmin Faisal, Member
Mr. Syed Shafqat Ahmed MBA, Member
Md. Sahinur Kabir, ACS, Secretary

Bankers

HSBC Limited
Bank Asia Limited
Bank Alfalah Limited
Standard Chartered Bank
Prime Bank Limited

Nomination & Remuneration Committee

Mr. Syed Nasir Uddin Haider, Chairman
Mrs. Yasmin Faisal, Member
Mr. Syed Shafqat Ahmed MBA, Member
Md. Sahinur Kabir, ACS, Secretary

Insurance Company's

Green Delta Insurance Company Limited
Prime Insurance Company Limited
Karnaphuli Insurance Company Limited
Islami Insurance Bangladesh Limited

Chief Financial Officer

Syed Rakibul Hasan

Registered Office

Noyapara, P.O: Saiham Nagar, U.Z: Madhabpur
Dist: Habiganj-3333

Head of Internal Audit & Compliance

Md. Alamgir Hossain

THE BOARD OF DIRECTORS



Mr. Syed Md. Faisal

Chairman

Mr. Syed Md. Faisal, son of Late Syed Sayeed Uddin Ahmed, is currently the Chairman of Saiham Cotton Mills Limited. He is an MA as well as an LLB from The University of Dhaka. As a visionary entrepreneur, he set up one of the most sophisticated textile mills - Saiham Textile Mills Ltd, in the early 1980s in one of the remotest and most non- developed areas in Bangladesh i.e. Noyapara, Hobiganj. Mr. 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.

Engr. Syed Ishtiaq Ahmed

Managing Director

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



Mrs. Yasmin Faisal

Director



Mrs. Yasmin Faisal M.A wife of Mr. S. M. Faisal, is the Director of Saiham Cotton Mills Ltd. She has long experience in marketing, financial and product development & Administration. She traveled more than 30 countries including USA, Europe, Australia and East Asia for business purpose. She is also associated with a member of social and cultural organization. She is also the Managing Director of Faisal Spinning Mills Ltd. and the Director of Saiham Knit Composite Ltd. and Saiham Textile Mills Ltd.

THE BOARD OF DIRECTORS



Mr. Syed Shafqat Ahmed, MBA
Director

Mr. Syed Shafqat Ahmed, son of Mr. Syed Md. Faisal, is the Director of Saiham Cotton Mills Ltd. Mr. Syed Shafqat Ahmed graduated in Economics from Michigan State University and completed MBA from University of Texas at Arlington. He specializes in financial management and structuring / restructuring of organizations. He worked as a financial analyst at Salomon Smith Barney, an investment bank, and as a pricing analyst in Bowne of Dallas. His expertise in workflow designing was the key behind Saiham Cotton Mills Limited's winning the "Best IT Use Award" in 2005 awarded by BASIS Bangladesh. He is also the Managing Director of Saiham Knit Composite Ltd. and Saiham Suits Ltd and Director of Saiham Textile Mills Ltd. and Faisal Spinning Mills Ltd.

Mr. Syed Nasir Uddin Haider
Independent Director

Mr. Syed Nasir Uddin Haider, son of late Syed Shafiqur Rahman is the Independent Director of Saiham Cotton Mills Ltd. Syed Nasir Uddin Haider graduated in Bachelor of Commerce. He holds more than 30 years of experience in various sectors. He is able to ensure compliance with financial regulatory and corporate laws and can meaningful contribution to business.





FACTORY HIGHLIGHTS



MESSAGE FROM THE CHAIRMAN

Dear Shareholders

Assalamu Alaikum,

I, on behalf of the Members of the Board of Directors have the pleasure to welcome all our esteemed shareholders on this occasion of the 19th Annual General Meeting of Saiham Cotton Mills Ltd. (SCML). We are delighted, encouraged and impressed at your joyful participation in this Annual General Meeting under an unprecedented circumstances. Your spontaneous participation in this virtual platform manifests itself of your confidence on the Company. I would like to once again thank you all for your support.

It is my pleasure to place the Annual Report of Saiham Cotton Mills Limited along with the Audited Financial Statements and Auditor' Report thereon for the year ended June 30, 2020. 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. Even though the financial report does not reflect the true objective that we thrive for, however, considering the pandemic COVID 19 and its effect on the world trade, we would for once like to thank all related concerns for their tireless support in avoiding further financial catastrophe.

Financial Year 2019-20 was a mixed year for global economies which started with the usual recessionary outlook and then taking a nosedive in the second half with the COVID 19 taking its pandemic shape. The historic pandemic and its unprecedented effect has left the world economy in complete turmoil with complete lockdown of the economy having a ripple effect throughout the world. The whole world is busy trying to contain the pandemic and all resources and thoughts are centered on the basis of the COVID 19 with economic activities taking a second stage. As such our business activity is export based it took a great hit with virtually no demand, inventory piling up and loosing value with the lapse of time. Even though the world is yet to overcome the situation and still a lot of theories exist as to how we all overcome this situation, for us the business has come to almost standstill with order cancellation, price reduction and non payment issues, creating a situation where the core basis of business, that being trust and integrity took a big hit and credibility took a pause to a certain extent. In this challenging time I would like to assure you all, that all concerned in Saiham Cotton Mills Ltd, starting from workers, staff, officers and higher level management are trying hard and keeping no stone unturned as they try to face this pandemic situation and guide the company forward. I would like to thank them all on behalf of my board once again for their effort.

I would like to express my profound gratitude to the management and staff of SCML, valued shareholders, regulatory bodies, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Jalalabad Gas Transmission and Distribution System Ltd, Banks and Insurance, Customers, Suppliers, Registrar of Joint Stock Companies and Firms who extended their cooperation in this challenging time through their suggestions & guidance in running the business successfully. I once again would like to thank you all for your support and attendance today, as we hope to meet you all physically in the coming days with a much improved situation from every respect.

Thank you, take care and stay safe.

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 19th 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, 2020 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

Unlike any other time, the world apparel trade is going through an extremely challenging and uncertain time not seen before in the recent past due to the pandemic COVID 19. The world economic irrespective of bigger and smaller economy, all suffered largely at the second half of the year. This pandemic type situation was in addition to the big economic superpower USA and China trade war that was affecting the global scenario earlier.

It is extremely difficult to predict any possible future outcome during a pandemic situation. The whole world is in literal stand still with lockdown resulting out from the COVID 19, as such the economic activities are totally disrupted. The company went through a very challenging time due to the pandemic COVID 19. The operation of the mill was halted for an extended period of time. Business activity was paralyzed due to the lockdown imposed throughout the country.

TURNOVER

2019-2020 was a year associated with deep recession and uncertain business situation. The overall time frame of the business was very tumultuous starting with the ongoing trade war and culminating in the pandemic COVID 19, as such consistent demand and business activity was affected. There was continuous pressure on price as such there was severe revenue pressrue on the company. In spite of the continues trade war, no matter what ever damage control the company had done to overcome it's effect, the entirety of its changed completely with the emergence of the pandemic. The factroy went into complete lockdown for extended period, there was complete demand destruction, the financial activity came to complete halt with limited or no banking facility. The turnover of the financial year was BDT 3,007 million versus BDT 3,165 million which is BDT 158 million decreases than last year.

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: As our business is export based the exchange rate plays a dominant role in mitigating our currency related risks. The value of Bangladeshi Taka and corresponding value of competitor currency determines the extra advantage a country might enjoy on a short time basis and on a long time to certain extend. 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 3 years exchange rates have been quite volatile. During the year 2019-20 dollar exchange rate was stable and to a certain degree the local currency showed signs of strength which will help in reducing the import cost. As for revenue generation this might have a negative impact but the bigger picture is that Bangladeshi Taka has proved to be a stable currency over the period.

SAIHAM COTTON MILLS LTD.

Opportunities, Threats and Concern: Being an export unit concern, our market is being determined by the situation prevailing in our destination market i.e. USA, EU, Far East. Also, 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 seasons. With the prevailing trade war, one strongly believes that Bangladesh might be able to reap the benefit and enrich its export basket. Moreover, with the COVID 19 situation, the demand for niche ended apparels specially home wares are in demand, and Bangladesh being one of the sustainable and cheap sources of this apparel might enjoy comparatively better days ahead. 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, 2020	June 30, 2019
Cost of goods Sold	2,858,608,425 (95.05%)	2,818,104,921 (89.02%)
Gross Profit	149,027,996(4.95%)	347,670,995 (10.98%)
Net profit for the year	-94,658,927 (-3.15%)	169,660,544 (5.36%)

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 enters into transactions with related parties as defined in the “International Accounting Standards 24: Related Party Disclosures”. The name of the related parties, nature of business and their value have been set out in note 25of 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.

Variance within the Quarterly Financial Statement and Annual Financial Statements

Particulars	Q1	Q2	Q3	Total
Turnover in Million	618,521,426	713,422,530	994,638,593	3,007,636,421
Net Profit after tax in million in BDT	38,481,170	28,430,308	16,665,416	(94,658,927)

Due to adverse effect of COVID 19, decrease in sales, increase in financial expenses and increase in percentage of cost of goods sold on sales, Net profit has been decreased during the year 2019-2020.

Remuneration to Directors

This information is incorporated in the Notes 19 of the notes to the financial statements on page 70 with reference to the “Directors Remuneration” mentioning figures concerning the remuneration of the Managing Director.

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with International Accounting Standard/ International 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.

SAIHAM COTTON MILLS LTD.

In compliance with the requirement of the Bangladesh Securities and Exchange Commission's Corporate Governance Code 2018, the Chief Executive Officer/Managing Director and the Chief Financial Officer have given their declarations about the fairness of the financial statements which is shown on page # 43 of the report.

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/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.

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

Particulars	June 30, 2020	June 30, 2019
Net Profit after tax	(94,658,927)	169,660,545
Add: Adjustment for Revaluation of P.P.E and deferred tax	-	-
Add: Ajustment for depreciation on revaluation assets	116,777,842	41,240,733
Add: Adjustment for tax return(2015-2016)	-	1,331,524
Add: Previous year's surplus	817,148,198	753,690,396
Recommended for appropriations:	-	-
Dividend	(148,775,000)	(148,775,000)
Balance as at June 30, 2020	690,492,112	817,148,198

Key operating and financial data

The key operating and financial data of the last 5 (five) years is set out in page 28 of the annual report.

Declaration of Dividend

Due to adverse effect of COVID -19, decrease in sales, increase in financial expenses and increase in percentage of cost of goods sold on sales, the Company incurred loss in the year 2019-2020.

Considering these, the Bord of Directors in its Meeting held on 28 October 2020, did not recommend any dividend for the year ended on 30 June 2020 subject to approval of the shareholders at 19th Annual General Meeting scheduled to be held on 30 December, 2020.

Interim Dividend

No stock dividend has been declared as interim dividend for the year June 30, 2020.

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Contribution to the National Exchequer

Saiham Cotton Mills Limited is one of the largest corporate tax payers of the country. The Company contributed Tk. 26.58 million during 2019-2020 to the National Exchequer. Last five years comparative data are as follows:

Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Tax,VAT,Duty & Others	26.58	21.49	30.29	25.20	32.60

Board Meetings and Attendance

During the year total 07 (seven) board meeting were held. Details of the board meetings are shown in the annual report note # 26. 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	
(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
Mrs. Yasmin Faisal- Director	1,33,96,240
Mr.S.F.A.M.Shahjahan - Sponsor	42,90,000
Mr. Syed Nasir Uddin Haider- Independent Director	Nil
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. Syed Md. Faisal, Director retire by rotation from the Board in the 19th Annual General Meeting. Being eligible under Article 110 of the Articles of Association of the Company, the retiring Director have offered themselves for re-appointment. The brief profile of the Director is given below :

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

Mr. Syed Md. Faisal – Chairman/Director

Mr. Syed Md. Faisal, son of Late Syed Sayeed Uddin Ahmed, is currently the Chairman of Saiham Cotton Mills Ltd. He is an MA as well as an LLB from The University of Dhaka. As a visionary entrepreneur, he 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. 15000 million of investment and employment generation of over 8000 people. Mr. Faisal is the Managing Director of Saiham Textile Mills Ltd and the Chairman of Saiham 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/Director
Saiham Textile Mills Ltd.	Managing Director
Faisal Spinning Mills Ltd	Chairman/Director
Saiham Knit Composite Ltd	Chairman/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, 1st Term of three years of Mr. Syed Nasir Uddin Haider as Independent Director will expire on July, 2021.

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 # 43 of annual report.

Report on Compliance of the corporate Governance Code

The company maintained a good Corporate Governance practices as described to page # 29 to 42 of the annual report.

Appointment of Auditors

The Auditors of the Company M/s. Khan Wahab Shafique Rahman & Co, Chartered Accountants have completed their second year audit of the company and eligible for re-appointment M/s Khan Wahab Shafique Rahman & Co, Chartered Accountants have expressed their willingness to be re-appointed as the statutory auditor of the company for the year 2020-2021 in accordance with the provision of BSEC Order No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018 And Regulation Number 15(3) of Stock Exchange (Listing) Regulations 2015.

The Audit Committee reviewed the proposal for re-appointment and recommended to the Board for reappointment of M/s. Khan Wahab Shafique Rahman & Co, Chartered Accountants at a remuneration of Tk. 350,000 (three lac fifty thousand) only including tax but excluding VAT as the auditors of the company for the year 2020-2021 to hold office for the period until conclusion of the next (20th) Annual General Meeting of the company for auditing the accounts for the year to be ended June 30, 2021.

The appointment of auditor to be placed before 19th 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, 2021 subject to approval of the shareholders of the company in the 19th 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

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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 Moulavibazar 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 wait 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.

COVID 19:

The company is well aware of the social obligation it has towards the society and tends to fulfill the responsibility as such. During the pandemic COVID 19, realising the severity of the situation the company not only ensured that all its workers are retained and taken care of properly with timely payment of their salary and bonuses, the company took up one of the largest Food Distribution Program in the district in distributing free essential food items among the thousands of distressed locals. With the help of the local administration free PPE and face masks were distributed and an strong campaign was launched within the factory premises to educate the workers of the social distancing, hygiene, hand wash and ways to avoid the transmission of COVID 19. The result was eminent as there was no COVID 19 detected patients within our factory premise.

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 familywise 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

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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.

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 2020.

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 Ltd., Chattogram Stock Exchange Ltd., 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 Exchanges 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, 2020, 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 of Director and Managing Director or Chief Executive Officer of the Company is different person

The chairman of the Board is not the Managing Director or 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;

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- Developing and implementing an 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 considers 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 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, 2020

The number of meetings of the board held during the year June 30, 2020 and the attendances of Directors are disclosed in the note 26 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;

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- 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

Mrs. Yasmin Faisal , Member, Audit Committee

Mr. Syed Shafqat Ahmed, Member, Audit Committee

Mr. Md. Sahinur Kabir, ACS, Secretary, 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 below:

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- 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/CMRRC/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, 2020.

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 mitigating 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.

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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 Ltd. 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 International Accounting Standards.

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, International 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 continue its operational existence in the foreseeable future, and therefore to continue to adopt the going concern basis in preparing the accounts.

Khan Wahab Shafique Rahman & 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.: 2222 62284 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, 2020

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. The present Audit Committee was constituted by the Board consisting of the following members:

Sl. No.	Name	Status in the Board	Status in the committee
01.	Mr. Syed Nasir Uddin Haider	Independent Director	Chairman
02.	Mrs. Yasmin Faisal	Director	Member
03.	Mr. Syed Shafqat Ahmed	Director	Member
04.	Mr. Md. Sahinur Kabir, ACS	Company Secretary	Secretary

During the financial year ended on June 30, 2020 , the Audit Committee held 04 (four) meetings in which , the following issues , among others were reviewed and discussed :

- 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 reviewed the Audit Plan for the year 2020-2021.
- The Committee reviewed the performance and appointment of external auditors
- The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the Company and didn't find any material deviation, discrepancies or any adverse finding/ observation in the area of reporting.

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

The Key Operating and Financial Data :

(Taka in Million)

Financial Highlights

Particulars	2020	2019	2018	2017	2016(2 M.)	2016(12 M.)	2015
Turnover	3,007	3,165	2,929	2,989	317	2,486	2,726
Gross profit	149	347	304	284	49	225	288
Net profit after tax	(95)	169	158	158	25	139	189
Net cash operating activities	35	131	8	(100)	(34)	326	398

Table: Summary of Balance Sheet

Particulars	2020	2019	2018	2017	2016(2 M.)	2016(12 M.)	2015
Authorized capital	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Paid-up capital	1,488	1,488	1,488	1,488	1,488	1,488	1,352
Reserve and surplus	1,442	1,569	1,506	1,155	1,133	1,102	1,265
Shareholders' equity	5,352	5,579	3,368	3,395	3,373	3,346	3,369
Deferred tax liabilities	576	581	189	177	161	158	157
Non-current liabilities	788	704	469	557	589	607	663
Current liabilities	3,072	2,895	2,512	1,830	1,555	1,449	1,187
Fixed Assets	5,152	5,272	2,597	2,605	2,472	2,476	2,324
Other Non-current Assets	525	536	528	809	948	997	1,073
Total Non-current Assets	5,678	5,808	3,126	3,414	3,420	3,472	3,397
Current Assets	3,535	3,370	3,224	2,368	2,097	1,929	1,822
Book value per share	10	10	10	10	10	10	10
Earning per share	(0.64)	1.14	1.07	1.06	0.17	0.93	1.4
Dividend per share :							
Cash	-	10%	10%	12%	10%	-	5%
Stock	-		-	-		-	10%
Number of shareholders	9,748	9,699	12,140	13,826	15,931	16,405	18,302

Table : Ratios

Particulars	2020	2019	2018	2017	2016(2 M.)	2016(12 M.)	2015
Debt to Equity Ratio	0.06	0.04	0.89	0.70	0.64	0.61	0.55
Current Ratio	1.74	1.16	1.28	1.29	1.35	1.33	1.54
Gross profit/Sales (%)	4.95%	10.98%	10.39%	9.51%	15.37%	9.04%	10.59%
Operating profit/Sales (%)	-4.14%	4.76%	4.62%	3.87%	4.49%	2.68%	5.19%
Profit after tax/Sales (%)	-3.15%	5.36%	5.41%	5.29%	7.80%	5.58%	6.96%
Return on Asset (%)	-0.68%	2.25%	3.15%	3.35%	0.61%	3.20%	4.70%
Return on Equity (%)	-1.16%	3.70%	5.29%	5.27%	0.84%	4.70%	6.61%



কাজী জহির খান এন্ড কোং
KAZI ZAHIR KHAN & CO.
Chartered Accountants
In Practice Since 1983

Associated firm of
EHK Consulting
Always building value

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 30 June 2020. This Code relates to the Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80** dated 03 June 2018 issued under section 2CC 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 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:

- 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;
- 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;
- 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
- The Governance of the company is satisfactory.

Dated: October 23, 2020
Place: Dhaka




Md. Nurul Hossain Khan, FCA
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Head Office: Shamsunnahar Complex, 8th Floor, Suite-9B, 31/C/1, Topkhana Road, Segun Bhangicha, Dhaka- 1000.
Tel: 57160824, Fax: +880-2-57160821, e-mail: kzko48@gmail.com, kzke_bd@yahoo.com
Branch Office: 281/3, Jafrabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207. Tel: 9124642. e-mail: mahmudkzcbd@gmail.com

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

Condition No.	Title	Compliance Status (Put ✓ 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)	✓		
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);	✓		
1.2 (b)	For the purpose of this clause 'independent director' means a director-	✓		
1.2 (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2 (b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	✓		
1.2 (b)(iii)	who has not been an executive of the company immediately preceding 2 (two) financial years;	✓		
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1.2 (b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1.2 (b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1.2 (b)(vii)	who is not a partner or 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;	✓		
1.2 (b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1.2 (b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		

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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

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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;	✓		
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;	✓		
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);	✓		

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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);	✓		

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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;	✓		

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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

SAIHAM COTTON MILLS LTD.

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;	✓		

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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;	✓		

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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 19th 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.	✓		

Declaration by MD and CFO

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, 2020.

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, 2020 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, 2020 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/-
(Engr. Syed Ishtiaq Ahmed)
Managing Director
Date: October 18, 2020

Sd/-
(Syed Rakibul Hasan)
Chief Financial Officer
Date: October 18, 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE SHARE HOLDERS OF SAIHAM COTTON MILLS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT**

Opinion

We have audited the financial statements of Saiham Cotton Mills Ltd. which comprise the statement of financial position as at 30 June 2020, and statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the statement of financial position of Saiham Cotton Mills Ltd. as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The company has adequately disclosed the loss of inventory on the fire accident in its godown on October 15, 2020 in **Note No. 31.00** of notes to the financial statements. Our opinion is not modified on this regard.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

We have determined the following key audit matters to communicate in our report.

Impact of COVID-19 on Business:

The key Audit Matter

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to corona Virus related respiratory disease commonly called as COVID-19. It has a big impact on imports, other procurement, production, export, and other activities of the Global business. The government of Bangladesh has declared general holidays from 26.03.2020 to 30.05.2020 and majority of Company of our country was compelled to reduce their trading at that period. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the company as well. Although the business operation and profitability of the company are impacted due to COVID-19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID-19 related matters on the company's operation and financial results cannot be reasonably assessed.

The company has given disclosures in **Note No. 2.30** related to the impact of the Covid-19 Pandemic.

How the scope of our audit responded to the key audit matter:

Regarding COVID-19 pandemic effect on the business activities of Saiham Cotton Mills Limited, we have discussed with the management of Saiham Cotton Mills Limited on the potential impact of pandemic on the company. We also

compared the previous year Financial Statements figures with the current year to find out the impact of COVID-19 Pandemic on the Business. However, as the company is a 100% export oriented company and as such, the company has seen a down-merge in the turnover while inventory and short term piled up, which resulted in significant increase in finance cost. The effects of COVID-19 have been reflected in the financial statements.

Property, plant and equipment

The key Audit Matter

The company has Tk. 5,152,105,158 as Written down Value (WDV) at Property, Plant and Equipment which stands at 55.93% of its total assets with new acquisitions of Tk. 155,067,284. The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually. It usually the company policy to charge depreciation when property, plant and equipment become available for use as described in the notes to the financial statements. The management is used judgment to ascertain the timing of depreciation of the property, plant and equipment in few cases.

Property, plant and equipment have been identified as a key audit matter because it requires the management to exercise significant judgment in relation to the estimate the carrying amount of the assets whether to be valued at cost less accumulated depreciation or revalued amount and depreciable lives of the assets considering the nature, timing and likelihood of changes to the technical factors which may affect the useful life expectancy of the assets and therefore it could have a material impact on the depreciation expense for the year.

Please refer to **Note 3.00 “Property Plant and Equipment”** of the notes to the financial statements for relevant details.

How the scope of our audit responded to the key audit matter:

Our procedures in relation to the depreciable lives of the property, plant and equipment included:

- a) Testing the key controls over the management’s judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment;
- b) Verifying whether additions, adjustments, depreciation and other disposals (if any) was made and accounted for in the financial statements in accordance with the relevant standards;
- c) Calculating the results and performing analytical reviews to assess whether proper effects of additions, adjustments, depreciation and other disposals (if any) has been given;
- d) Checking the adequacy of the disclosure of the assets;
- e) Verification and calculation of deferred tax and whether proper treatment has been given for the deferred tax thereon;
- f) Assessing the management’s estimates on the useful lives of property, plant and equipment with reference to: (1) the consistency with the company’s expected consumption pattern of economic benefits embodied in the respective assets and future operating plans including acquisitions and retirements of property, plant and equipment; (2) the comparison to the policies adopted by other comparable entities operating in this area; and (3) consideration of the company’s historical experience.

Inventory

The key Audit Matter

The Company had inventory of Tk. 2,151,227,203 at 30 June 2020 held in its factory, godowns and across multiple product lines. Inventories are carried at the lower of cost and net realizable value. As a result, the management applies judgment in determining the appropriate values for slow-moving or obsolete items. We have considered inventory as key audit matter because of the value of the inventory its nature and the fire loss event at subsequent period.

Please refer to **Note 5.00 “Inventories”** to the financial statements for relevant disclosures.

How the scope of our audit responded to the key audit matter:

We reviewed the appropriateness of management’s assumptions applied in calculating the value of the inventory provisions by:

- a) Evaluating the design and implementation of key inventory controls operating across the company, including stocks in the factory and in the godowns;

- b) Checking the management's inventory count sheet and reconciling the count results to the inventory listings to test the completeness of data;
- c) Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories;

Taxation

The key Audit Matter

The Statement of Profit & Loss and Other Comprehensive Income shows total loss before tax stands at Tk. 62,295,205 during the year. The company has charged total income tax of Tk. 32,363,722. Furthermore, deferred tax liability of the company has increased to Tk. 576,254,554 after giving effect of deferred tax on revaluation of asset.

Given the company's exposure to complex tax issues, the high level of management judgment in estimating the amounts of reserve and provision for tax and involvement with regulatory authorities, taxation was considered to be a key audit matter.

Please refer to **Note 11.00 "Deferred Tax Liability"** and **Note 16.00 "Provision for Tax"** to the financial statements for relevant disclosures regarding calculation and disclosure of taxation.

How the scope of our audit responded to the key audit matter:

We particularly focused on the impact of whether the tax provision was appropriately recognized; we conducted interviews with the company's tax personnel in order to assess the taxable income of the company. We re-performed the calculations made by the management regarding tax liabilities to ensure compliance with the provisions of Income Tax Ordinance, 1984 and checked the arithmetical accuracy of the calculations.

We also obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used thereon. We assessed key assumptions, controls, recognition and measurement of deferred tax assets. We also assessed the appropriateness of presentation of disclosures against **"Income Tax"**.

Sales

The Key Audit matter

The company has made net sales of Tk. 3,007,636,421 during the year. Sales have decreased due to decrease in demand from the customers due to COVID-19 pandemic and export halt. Recognition of the revenue of Saiham Cotton Mills Ltd. has been considered complex due to several types of contracts based mainly on export sales, as well as high sales volume comparing to last few years' performances.

Please refer to **"Turnover"** of the financial statements.

How the scope of our audit responded to the key audit matter:

We have reviewed the company's revenue recognition policies, accounting guidelines and disclosures to assess conformity with IFRS 15 "Revenue from Contracts with Customers". We have tested relevant internal control used to ensure the completeness, accuracy and timing of revenue recognized including sales during the year end to ensure cut off has been properly maintained. We have applied analytical and substantive procedures to establish, whether any revenue had been recognized where no corresponding accounts receivable or proceeds has been recorded in the general ledger.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, we also report the following:

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

Place: Dhaka
Dated: October 28, 2020

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Saiham Cotton Mills Ltd.
Statement of Financial Position
 As at June 30, 2020

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3.00	5,152,105,158	5,271,937,989
Investment	4.00	525,488,190	535,818,080
Total Non-Current Assets		5,677,593,348	5,807,756,069
Current Assets:			
Inventories	5.00	2,151,227,203	2,133,236,389
Trade and Other Receivables	6.00	1,196,234,014	1,121,522,492
Advance, Deposits and Pre-payments	7.00	130,790,676	77,397,650
Cash and Cash Equivalents	8.00	56,535,390	37,076,889
Total Current Assets		3,534,787,282	3,369,233,420
Total Assets		9,212,380,629	9,176,989,489
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
Revaluation Surplus	10.00	2,418,070,423	2,517,331,588
Retained Earnings		690,492,112	817,148,198
FVOCI Reserve		3,958,612	4,767,343
Total Shareholders Equity		5,352,021,148	5,578,747,129
Non-Current Liabilities:			
Deferred tax liabilities	11.00	576,254,554	580,863,000
Long Term Loan	12.00	211,620,466	122,930,780
Total Non-Current Liabilities		787,875,020	703,793,780
Current Liabilities:			
Short Term Loan	13.00	2,706,258,308	2,228,776,145
Long Term Loan Current Maturity	12.00	106,344,792	115,885,071
Liability against Capial Machinery	14.00	137,517,861	230,551,624
Trade & Other Creditors	15.00	69,416,912	259,931,889
Income tax provision	16.00	(9,063,871)	4,910,114
Payable and Accruals	17.00	62,010,461	54,393,739
Total Current Liabilities		3,072,484,463	2,894,448,580
Total Liabilities		3,860,359,482	3,598,242,360
Total Equity and Liabilities		9,212,380,629	9,176,989,489
Net Assets Value per Share	24.00	35.97	37.50

The annexed notes 1 to 33 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.

Place: Dhaka
 Date: October 28, 2020

Sd-
 Khan Wahab Shafique Rahman & Co.
 Chartered Accountants

Saiham Cotton Mills Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
Turnover		3,007,636,421	3,165,775,916
Cost of goods sold	18.00	(2,858,608,425)	(2,818,104,921)
Gross Profit		149,027,996	347,670,995
Administrative and marketing expenses	19.00	(80,236,252)	(73,606,973)
Financial expenses	20.00	(193,175,962)	(123,637,538)
Operating Profit		(124,384,219)	150,426,484
Non-operating income	21.00	16,725,550	4,453,394
Other income	22.00	37,306,735	59,824,137
Operating Profit Before WPPF & WWF		(70,351,933)	214,704,016
Expenses for WPPF & WWF		-	(10,224,001)
Unrealized gain/(loss) for change in exchange rate of foreign currency		8,056,729	1,789,405
Profit before Tax		(62,295,205)	206,269,420
Provision for Tax		(32,363,722)	(36,608,875)
Current Tax	16.00	(13,506,665)	(23,663,696)
Prior Year Tax		(5,858,968)	-
Deferred Tax	11.1.1	(12,998,089)	(12,945,179)
Net Profit after Tax		(94,658,927)	169,660,544
Other Comprehensive Income/(Loss)		16,707,946	2,188,312,170
Adjustment for unrealized gain/(loss) on marketable securities		(898,589)	4,518,862
Deferred tax adjustment		89,859	(451,886)
Revaluation gain on PPE		-	2,562,422,452
Deferred Tax Adjustment		17,516,676	(378,177,258)
Total Comprehensive Income for the year		(77,950,981)	2,357,972,715
Earnings Per Share (EPS)	23.00	(0.64)	1.14

The annexed notes 1 to 33 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.

Place: Dhaka
Date: October 28, 2020

Sd-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Saiham Cotton Mills Ltd.
Statement of Changes in Equity
 For the year ended June 30, 2020

Particulars	Share capital	Share premium	Revaluation surplus	FVOCI Reserve	Retained earnings	Total equity
Balance as at June 30, 2019	1,487,750,000	751,750,000	2,517,331,588	4,767,343	817,148,198	5,578,747,129
Net Profit after Tax					(94,658,927)	(94,658,927)
Unrealized gain on marketable securities	-	-	-	(808,730)		(808,730)
Adjustment for depreciation on revalued assets	-	-	(116,777,841)	-	116,777,841	-
Adjustment for revaluation of P.P.E and deferred tax	-	-	17,516,676	-	-	17,516,676
Cash Dividend paid for the year (2018-2019)	-	-	-	-	(148,775,000)	(148,775,000)
Balance as at June 30, 2020	1,487,750,000	751,750,000	2,418,070,423	3,958,612	690,492,112	5,352,021,147

Particulars	Share capital	Share premium	Revaluation surplus	FVOCI Reserve	Retained earnings	Total equity
Balance as at July 01, 2018	1,487,750,000	751,750,000	374,327,126	700,367	753,690,396	3,368,217,889
Net Profit after Tax					169,660,545	169,660,545
Unrealized gain on marketable securities	-	-	-	4,066,976	-	4,066,976
Adjustment for Tax Refund (2015-2016)	-	-	-	-	1,331,524	1,331,524
Revaluation gain during the year	-	-	2,562,422,452	-	-	2,562,422,452
Adjustment for depreciation on revalued assets	-	-	(41,240,733)	-	41,240,733	-
Adjustment for revaluation of P.P.E and deferred tax	-	-	(378,177,258)	-	-	(378,177,258)
Cash Dividend paid for the year (2017-2018)	-	-	-	-	(148,775,000)	(148,775,000)
Balance as at June 30, 2019	1,487,750,000	751,750,000	2,517,331,588	4,767,343	817,148,198	5,578,747,129

Sd/-
 Managing Director

Sd/-
 Director

Sd/-
 Company Secretary

Place: Dhaka
 Date: October 28, 2020

Sd-
 Khan Wahab Shafique Rahman & Co.
 Chartered Accountants

Saiham Cotton Mills Ltd.
Statement of Cash Flows
For the year ended June 30, 2020

Particulars	Amount in Taka	
	July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
A. Cash Flows From Operating Activities		
Collection from customers	2,989,645,608	3,061,904,345
Payment for cost and expenses	(2,975,124,718)	(2,977,252,001)
Collection from non-operating income	16,252,907	6,934,593
Collection from other income	37,306,735	59,824,138
Income tax paid	(33,339,618)	(19,602,102)
Net cash used in operating activities	34,740,913	131,808,972
B. Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(155,067,284)	(299,073,388)
Sale of property, plant and equipment	650,000	-
Investment in shares of listed company	1,372,588	17,143,013
Investment in FDR	8,058,713	(20,142,552)
Liability against capital machinery	(93,033,763)	230,551,624
Net cash flows from investing activities	(238,019,746)	(71,521,302)
C. Cash Flows From Financing Activities		
Short Term Loan	477,482,162	400,091,342
Long Term Loan	79,149,407	(254,731,424)
Interest paid on borrowings	(193,175,962)	(123,637,538)
Dividend paid	(148,775,000)	(148,775,000)
Net cash flows from financing activities	214,680,607	(127,052,620)
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	11,401,773	(66,764,950)
Cash & Cash Equivalents at beginning of the year	37,076,889	106,323,037
Effects of exchange rate changes	8,056,729	(2,481,198)
Cash & Cash Equivalents at end of the year	56,535,390	37,076,889
Net Operating Cash Flow Per Share (NOCFPS)	0.23	0.89

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, 2020

1. Reporting Entity

1.1. Background of the Entity

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

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. Basis of preparation and Presentation of financial statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, Securities and Exchange Rules 1987 and other relevant local laws as applicable.

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, IAS – 1: “Presentation of Financial Statements”.

2.4 Reporting period:

These financial statements covered 12 (twelve) months from July 01, 2019 to June 30, 2020.

2.5 Comparative Figure:

Comparative information has been disclosed in respect of the year ended 30 June 2019 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.

2.6 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Companies complied, as per Para 12 of Securities & Exchange Rule 1987, with the following International Accounting Standards (IASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements of the Company subject to departure where we have followed:

Sl. No.	Standard Number	Title of Standards	Compliance Status
01	IAS 01	Presentation of Financial Statements	Complied
02	IAS 02	Inventories	Complied
03	IAS 07	Statement of Cash Flows	Complied
04	IAS 10	Events after the Reporting Period	Complied
05	IAS 12	Income Taxes	Complied
06	IAS 16	Property, Plant & Equipment	Complied
07	IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
08	IAS 24	Related Party Disclosures	Complied
09	IAS 33	Earnings per Share	Complied
10	IFRS 09	Financial Instruments	Complied
11	IFRS 13	Fair Value Measurement	Complied
12	IFRS 15	Revenue from Contracts with Customers	Complied

2.7 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.

2.8 Going concern Review

As per IAS-1, a company is required to make assessment at the end of each year to make assessment of its capability to continue as going concern. Management of the company makes such assessment each year. The company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.9 Components of the Financial Statements:

According to the IAS – 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, 2020;
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2020;
- iii) Statement of Changes in Equity for the year ended June 30, 2020;
- iv) Statement of Cash Flows for the year ended June 30, 2020; and
- v) Accounting Policies and explanatory notes to the financial statements for the year ended June 30, 2020.

2.10 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.

2.11 Property, Plant and Equipments (PPE):

Property, plant and equipment are stated at their cost / revalued value less accumulated depreciation in accordance with IAS- 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 became available for use. 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%

2.12 Investment in Shares:

Investment in marketable ordinary shares has been shown at market price and classified as Fair value through other comprehensive income (FVOCI) 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.

2.13 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 IAS - 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 lower of weighted average cost or net realizable value
Stores & Spares	At lower of weighted average cost or net realizable value
Packing Materials	At lower of weighted average cost or net realizable value
Work-in-Process	100% Materials plus portion of labour charges, Gas charges.
Finished Goods	(Yarn)At lower of weighted average cost or net realizable value

2.14 Revenue Recognition:

In compliance with the requirements of IFRS - 15 “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.

2.15 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.

2.16 Earnings per Share (EPS):

Earnings per share (EPS) are calculated in accordance with the IAS – 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.

2.17 Cash & Cash Equivalent

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

2.18 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with IAS – 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.

2.19 Provision, Accruals and Other Payables

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.

2.20 Foreign Currency Translation

Transactions in foreign currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into 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 IAS- 21: “The Effects of Changes in Foreign Exchange Rates”.

2.21 Borrowing costs:

In compliance with the requirement of IAS – 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.

2.22 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 IAS-16: Property, Plant and Equipment. The company revalued the assets of land and land development, Factory Building and Other Construction, Building Office Space, Plant and Machineries and Motor vehicle which has absolutely owned by the company and the increase amount transferred to revaluation reserve. The tax effects on revaluation gain are measured and recognized in the Financial Statements as per IAS-12: Income Taxes.

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

2.24 Trade Debtors:

Trade debtors for export of yarn are stated at their real value and trade receivable has mostly arisen from export sales which are usually received within the tenure under LC terms. As such, no expected credit loss has arisen during the year.

2.25 Provision for Worker's Profit Participation Fund:

The company has not provided contribution to WPPF as per provision of the workers profit participation Act. 1968 due to company has shown net profit after tax (94,658,927) during the year.

2.26 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).

2.27 Related Party Disclosures:

As per IAS- 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.

2.28 Event after the reporting period:

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

2.29 Approval of the financial statement:

These financial statements have been approved by the Board of Directors on October 28, 2020.

2.30 General:

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

iv) Impact of COVID-19:

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, Social distancing etc. As a result of these measures all business and economic activities are adversely affected which has also impacted the company as well. The management have assessed the impact of COVID-19. Saiham Cotton Mills Limited is a 100% export oriented company and as such, the company has seen a down-surge in the turnover while inventory and short term piled up, which resulted in significant increase in finance cost. The effects of COVID-19 has been reflected in the financial statements.

SAIHAM COTTON MILLS LTD.

	Amount in Taka	
	June 30, 2020	June 30, 2019
3.00 Property, Plant and Equipment		
This is arrived as follows:		
Balance as on July 01, 2019	6,735,829,563	3,874,333,723
Addition during the year	155,067,284	2,861,495,840
Adjustment during the year	(4,580,000)	-
Total as on June 30, 2020	6,886,316,847	6,735,829,563
Accumulated Depreciation	(1,463,891,574)	(1,276,460,915)
Depreciation value	5,422,425,273	5,459,368,648
Depreciation charge during the year	(274,722,759)	(187,430,659)
Depreciation Adjustment during the year	4,402,644	-
Written down value as on June 30, 2020	5,152,105,158	5,271,937,989

(a) The details of the Property, Plant and equipment have been shown in **Annexure - A1**

(b) The assets have been revalued on 28 April, 2019 have been shown in **Annexure - A2**.

4.00 Investment			
Investment in Unquoted company (FSML)	4.01	60,499,400	60,499,400
Investment in shares of listed company	4.02	4,197,706	6,468,884
Investment in FDR	4.03	460,791,084	468,849,797
		525,488,190	535,818,080
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, 2020		June 30, 2019
		Cost	Market Value	Market Value
AGRANINS	-	-	-	18,750
AIL	1,000	27,008	26,200	184,500
AMANFEED	-	-	-	99,269
ALHAJTEX	-	-	-	253,380
BRACBANK	-	-	-	528,800
CITYGENINS	35,284	686,331	462,220	-
CNATEX	75,000	583,131	1,42,500	217,500
CONTININS	-	-	-	114,975
EASTLAND	-	-	-	4,498
ESQUIRENIT	5,000	109,235	109,500	44,700
FARCHEM	47,999	685,172	470,390	390,000
FASFIN	9,000	38,181	36,000	-
FEDERALINS	6,000	79,593	61,200	-
FORTUNE	-	-	-	72,400
FUANGFOOD	13,000	207,775	50,800	251,200
GSPFINANCE	5,500	137,082	67,100	157,500
IBP	12,000	256,574	247,200	774,400
KTL	17,500	154,491	162,750	-
NFML	13,000	148,994	113,100	-
PLFSL	10,000	292,722	30,000	41,000
RAKCERAMIC	2,550	138,801	66,300	126,750
RUPALIINS	-	-	-	7,920
SAIFPOWER	28,426	905,266	369,538	-
SONARBAINS	12,872	406,795	387,447	390,786
UNITEDAIR	610,000	6,097,375	854,000	1,354,416
UNITEDFIN	-	-	-	206,800
UTTARABANK	-	-	-	288,660
Green Delta F. Services Ltd. BO-1203620023711436	-	214,566	214,566	90,497
ICB	2,640	405,858	180,576	278,160
SAIFPOWER	-	-	-	520,250
BRAC EPL BALANCE TK.	-	46,318	46,318	51,773
Total		11,621,267	4,197,706	6,468,884

SAIHAM COTTON MILLS LTD.

			Amount in Taka	
			June 30, 2020	June 30, 2019
4.03 Investment in FDR				
Name of Bank	Purpose	Period		
Dhaka Bank, 0010720	Bank Guarantee		1,040,549	990,809
Bank Asia(0048960/1858)	Bank Guarantee		4,236,136	4,021,604
UNICAP,0311		1 Year	17,884,977	16,207,500
UFIL, 2916			23,150,399	21,338,000
UFIL, 1516			24,796,432	22,854,383
UNICAP,2015 08 211	Term Loan	1 Year	60,362,575	50,000,000
UNICAP,2015 08 232		1 Year	24,142,832	20,000,000
Lankabangla,169		5 Year	-	53,437,500
UFIL, 19918	Term Loan		54,238,000	50,000,000
UFIL, 19818	Term Loan		54,238,000	50,000,000
IDLC Finance, 38927		2 Year	64,860,000	60,000,000
IDLC Finance, 38928		2 Year	64,860,000	60,000,000
UFIL, 6919			65,620,000	60,000,000
Bank Asia,02155011152/036301	Bank Guarantee		525,565	-
Bank Asia, 02155011224/19	Bank Guarantee		835,619	-
			460,791,084	468,849,797

Out of total Tk. 460,791,084, Tk. 6,637,869 Fixed Deposit Receipts are under lien with various banks against bank guarantee and Taka 168,838,575 Fixed Deposit Receipts are lien marked with HSBC Ltd. against term loan. Interest on FDR avail different rate.

5.00 Inventories

This represents as follows:	Quantity	Amount in Tk.	Amount in Tk.
Raw Materials	25,918,259 Lbs	1,674,319,509	1,598,984,728
Work in Process	203,202 Kgs	30,480,302	26,427,960
Finished Goods	1,857,884 Kgs	400,251,784	437,170,961
Stores & Spare Parts	N/A	43,127,572	69,280,074
Oil & Lubricants	N/A	182,119	599,173
Packing Materials	N/A	2,865,917	773,494
		2,151,227,203	2,133,236,389

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 .

6.00 Trade and other receivables

Aging of Trade Debtors		
Trade debtors aged upto 90 days		283,124,477 407,663,550
Trade debtors aged upto 180 days		831,232,470 713,858,942
Other receiveables		81,877,067
		1,196,234,014 1,121,522,492

Details of Trade Debtors and Other Receivables shown in Annexure - B

a) Trade receivable has mostly arisen from export sales which are usually received within the tenure under LC terms. As such, no expected credit loss has arisen during the year.

b) There is no such debt due by or to directors or other officers of the company.

I. Receivable considered good in respect of which the company is fully secured.	1,034,982,432	738,700,021
II. Receivable considered good in respect of which the company holds no security other than the debtors personal security.	-	-
III. Receivable considered doubtful or bad.	-	-
IV. Receivable due by any director or other officer of the company.	-	-
V. Receivable due by common management.	161,251,582	382,822,471
VI. The maximum amount of receivable due by any director or other office of the company.	-	-
Total	1,196,234,014	1,121,522,492

Amount in Taka	
June 30, 2020	June 30, 2019

7.00 Advance, Deposits and Prepayments

Security Deposit with Jalalabad Gas	7.01	17,221,252	15,072,839
Security Deposit with Hobigonj Palli Biddut		283,005	283,005
Security deposit with CDBL		500,000	500,000
Advance against salary & wages		231,619	387,119
Advance against local suppliers		3,686,601	22,228,567
Advance against L/C Margin and commission		108,868,200	38,926,120
		130,790,676	77,397,650

7.01 Security Deposit with Jalalabad Gas

Opening Balance as at July 01, 2019		15,072,839	15,072,839
Add: Addition during the year		5,258,864	-
		20,331,703	15,072,839
Less: Adjustment made during the year		(3,110,451)	-
Closing Balance as on June 30, 2020		17,221,252	15,072,839

- (a) All the advances and deposits amount are considered good and recoverable;
- (b) Advance due from staffs and workers are regularly being realized through their salaries;
- (c) There is no amount due from Directors or Officers of the Company under any agreement;
- (d) Advance against suppliers due mainly to advances given to suppliers for packing materials, spare parts etc.
- (e) 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	204,125	117,880
Cash at Banks	8.02	56,331,265	36,959,009
		56,535,390	37,076,889

8.01 Cash in Hand

Head office		79	17,711
Factory Office		204,046	100,169
		204,125	117,880

8.02 Cash at Banks

<u>Name of Banks</u>	<u>Branches</u>	<u>Account Type</u>	<u>Currency</u>		
Janata Bank	Motijheel	CD A/C # 023733012107	BDT	85,256	30,287
Janata Bank	Noyapara	CD A/C # 0210005125	BDT	831,668	2,253
Janata Bank Ltd.	Noyapara	SND A/C # 145	BDT	95,227	93,355
Dhaka Bank	Islami	CD A/C # 2015	BDT	102,129	104,469
Standard Chartered Bank	Gulshan	CA-A/C # 01-1183017-01	BDT	24,840	25,760
HSBC	Gulshan	MDA # 001 234608-095	BDT	10,568	10,568
HSBC	Dhaka HO	DA # 001 234608-012	BDT	1,783,805	1,786,305
HSBC	Dhaka HO	DA # 001 234608-015	BDT	1,755,064	1,848,488
HSBC	Dhaka HO	DA # 001 234608-901	BDT	2,164,128	2,167,548
HSBC	Dhaka HO	DA # 001 234608-902	BDT	764,939	766,359
HSBC	Dhaka HO	DA # 001 234608-903	BDT	1,080,673	1,085,729
HSBC	Dhaka HO	DA # 001 234608-904	BDT	1,577,639	1,581,059
HSBC	Dhaka HO	DA # 001 234608-905	BDT	1,468,202	1,744,312
HSBC	Dhaka HO	DA # 001 234608-906	BDT	1,816,865	-
HSBC	Dhaka HO	(SFCAM) A/C # 016	BDT	-	-
HSBC	Dhaka HO	CD A/C # 001234608-013	BDT	412	412
HSBC	Dhaka HO	CD A/C # 001234608-014	BDT	5,361	5,361

SAIHAM COTTON MILLS LTD.

				Amount in Taka	
				June 30, 2020	June 30, 2019
Name of Banks	Branches	Account Type	Currency		
Bank Al Falah	Gulshan	STD A/C # 0702 03700151	BDT	37,199	38,148
Premier Bank Ltd.	Gulshan	A/C #1021311869	BDT	23,846	1,041,070
Mutual Trust Bank	Gulshan	SND A/C # 599	BDT	78,249	77,554
Prime Bank	Gulshan	CD A/C # 44026	BDT	-	-
Bkash DM -417			BDT	899,708	155,126
Dutch Bangla Bank	Habiganj	A/C # 19259	BDT	763,710	483,876
Eastern Bank	Gulshan	A/C # 72879	BDT	3,676,131	44,676
BRAC Bank	Gulshan	A/C # 1501201985342002	BDT	1,993,821	1,976,329
Foreign Currency Accounts					
HSBC	Gulshan	Margin Account # 001234608-091	USD	17,514,012	3,509,640
HSBC	Gulshan	FC Account # 001234608-047	USD	2,125	1,023,857
HSBC	Gulshan	Offshore A/C # 005	USD	6,395,914	277,413
Bank Asia	Eskaton	\$ Margin A/C # 11047000002	USD	27,176	27,031
Bank Asia	Dhanmondi	\$ Margin A/C # 21047000002	USD	907,581	7,758,879
Bank Asia	Dhanmondi	ERQ A/C # 11042000002	USD	1,730,428	1,721,236
Bank Asia	Dhanmondi	ERQ A/C # 20142000005	USD	6,368,798	-
Bank Al Falah	Gulshan	Margin A/C # 0702 4502202	USD	910,763	1,591,357
Prime Bank	Gulshan	BTB A/C # 19110	USD	1,435,030	5,980,554
				56,331,265	36,959,009

09.00 Share Capital

This represents:

Authorized capital

200,000,000 Ordinary shares of Tk.10 each

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	30.06.2020		30.06.2019	
	No. of shares	% of holding	No. of shares	% of holding
Sponsors	63,074,998	42.40	63,074,998	42.40
Institutions	21,274,102	14.30	18,751,544	12.60
General Public	64,425,900	43.30	66,948,458	45.00
	148,775,000	100.00	148,775,000	100.00

Classification of Shareholders by holding:

The number of shareholders and shareholding position as at June 30, 2020 are given below:

Range of holding	No. of shareholding	No. of shareholders	No. of shareholders
Upto 500 shares	1,808,356	7,144	7,307
501 to 5,000 shares	3,207,745	1,558	1,465
5,001 to 10,000 shares	2,858,655	369	325
10,001 to 20,000 shares	3,820,577	255	237
20,001 to 30,000 shares	3,086,695	123	92
30,001 to 40,000 shares	2,036,019	56	47
40,001 to 50,000 shares	1,515,953	33	40
50,001 to 100,000 shares	5,975,325	83	67
100,001 to 1,000,000 shares	28,126,025	108	103
Over 1,000,000 shares	96,339,650	19	16
Total	148,775,000	9,748	9,699

	Amount in Taka	
	June 30, 2020	June 30, 2019
10.00 Revaluation Surplus		
This calculation is arrived as follows:		
Opening Balance	2,517,331,588	374,327,126
Add: Revaluation gain during the year	-	2,562,422,452
Less: Adjustment for provision of deferred tax	17,516,676	(378,177,258)
Adjustment for depreciation on revalued assets	(116,777,841)	(41,240,733)
Closing Balance	2,418,070,423	2,517,331,588

The revaluation of assets of Saiham Cotton Mills Limited was made on 28 April, 2019 by Ata Khan & Co., Chartered Accountants, an Independent Qualified Valuer, on Land and Land Development, Factory Building and Other Construction, Building Office Space and Plant and Machineries. The revaluation surplus for which comes at Tk. 2,562,422,452. The result of such revaluation was incorporated in these financial statements from its effective date which is 01 May, 2019. The surplus arising from the revaluation was transferred to revaluation reserve. Effect of deferred tax on the revaluation has been shown under Note 11.00 "**Deferred Tax Liabilities**".

Present valuation of the Land and land Development, Building Office Space has been arrived at by taking into consideration the location and the market price of recent transfer of the assets. Present valuation of Factory building and other construction, Plant and machineries has been arrived at by taking into consideration the current replacement cost.

11.00 Deferred tax Liabilities

This is arrived as follows:

Opening Balance	580,863,000	189,288,677
Add: Deferred Tax expenses for the year 11.1.1	12,998,089	12,945,179
Add: Deferred tax on Revalued Asset	(17,516,676)	378,177,258
Add: Deferred Tax expenses on unrealize gain	(89,859)	451,886
	576,254,554	580,863,000
Adjustment for depreciation of revalued assets	-	-
Closing Balance	576,254,554	580,863,000

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

A. Property, plant and equipment

Carrying amount	2,307,316,426	2,310,371,417
Tax base amount	1,310,157,930	1,402,049,356
Taxable temporary difference	997,158,496	908,322,060
Tax rate	15%	15%
Deferred tax liability	149,573,774	136,248,309

B. Calculation of deferred tax on revaluation of property, plant and equipment:

Revalued value of land	1,021,866,807	1,021,866,807
Revalued value of other than land	1,822,921,925	1,939,699,765
Tax Rate		
On land	15%	15%
On other than land	15%	15%
Deferred tax liabilities		
For land	153,280,021	153,280,021
For other than land	273,438,289	290,954,965
	426,718,310	444,234,986

	Amount in Taka	
	June 30, 2020	June 30, 2019
<u>C . Deferred Tax on unrealize gain/ (loss)</u>		
Opening balance of deferred tax liability for unrealized gain	529,705	77,819
Addition during the year	(89,859)	451,886
	439,846	529,705
<u>D. Deferred Tax on Gratuity Provision</u>		
Provision for Gratuity as at June 30, 2020	3,182,510	1,000,000
Company tax rate	15%	15%
Deferred tax asset	(477,377)	(150,000)
Total (A+B+C+D)	576,254,554	580,863,000
<u>Calculation of deferred tax:</u>		
Deferred tax liability as on June 30, 2020	576,254,554	580,863,000
Deferred tax liability as on June 30, 2019	580,863,000	189,288,677
Deferred tax increased during the year 11.1.1	(4,608,447)	391,574,323
11.1.1 Deferred tax liability other than revalued assets as at June 30, 2020		
Deferred tax liability other than revalued assets as at June 30, 2019	149,573,774	136,248,309
Net increased in deferred tax expenses for other than revalued assets for the year	136,248,309	123,003,130
	13,325,465	13,245,179
Net increase in deferred tax for Unrealized Gain	(89,859)	451,886
Deferret tax asset on gratuity provision as at June 30, 2020	(477,377)	(150,000)
Deferret tax liability on gratuity provision as at June 30, 2019	(150,000)	150,000
Net increase/(decrease) in deferred tax expenses for gratuity provision	(327,377)	(300,000)
Total deferred expenses for the year	12,998,089	12,945,179
Adjustment of revaluation surplus for deferred tax		
Deferred tax liability for revaluation as on June 30, 2020	426,718,310	444,234,986
Deferred tax liability for revaluation as on June 30, 2019	444,234,986	66,057,728
Adjustment of revaluation surplus for deferred tax	(17,516,676)	378,177,258
	(4,608,446)	391,574,323
12.00 Long Term Loan		
This is arrived as follows:		
Opening Balance as on July 01, 2019	238,815,851	484,300,857
Addition during the year	178,075,061	-
	416,890,911	484,300,857
Adjusted/Payment during the year	(97,923,671)	(254,731,424)
	318,967,241	229,569,433
Unrealized gain/loss for change in exchange rate of foreign currency	(1,001,983)	9,246,418
Closing Balance as on June 30,2020	317,965,258	238,815,851
Less: Long Term Loan Current Maturity	106,344,792	115,885,071
	211,620,466	122,930,780

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 by 20.12.2021 & for addition during the year interest rate is LIBOR+3.25 % per annum and repayment of these loan to be started on July 2020 and will be completed by 03.06.2025.

SAIHAM COTTON MILLS LTD.

Amount in Taka	
June 30, 2020	June 30, 2019

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 fixed assets, floating assets and book debts of the company with RJSC and HSBC.

Prime Bank Ltd.

Out of total Tk. 317,965,258 Taka 69,735,147.59 has been taken and accounted for as long term loan against corporate office floor purchase and are repayable in 75 equal installments. Repayment of these loan started from January, 2018 and will be completed in December, 2025.

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**

2,706,258,308	2,228,776,145
2,706,258,308	2,228,776,145

13.01 Bank Loan and Overdraft

This consists of as follows:

Cash Credit (Hypo) Bank Asia Ltd.	292,644,387	295,716,878
Cash Credit (Hypo) Bank Al Falah Ltd.	152,986,494	145,420,995
Prime Bank Ltd. Overdraft Account	48,090,291	47,600,759
HSBC CD A/C # 001234608-011	49,095,544	26,125,966
Short Term Loan - HSBC	100,000,000	150,000,000
Short Term Loan - Bank Al Falah Ltd.	95,000,000	-
L/C liabilities under EDF	1,814,916,478	1,090,625,463
IDBP Loan - Prime Bank Ltd.	19,969,058	20,574,531
IDBP Loan - Bank Asia Ltd.	133,556,055	323,604,250
IDBP Loan - HSBC Ltd.	-	129,107,303
2,706,258,308	2,228,776,145	

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 Liability against Capial Machinery :

This consists of as follows:

HSBC-IMPORT LOAN-MACHINERY	111,623,680	228,584,174
BANK ASIA-IMPORT LOAN-MACHINERY	25,894,181	1,967,450
	137,517,861	230,551,624

15.00 Trade & Other Creditors

This is arrived as follows:

LC Liabilities	-	235,961,821
Local supplier	69,416,912	23,970,068
	69,416,912	259,931,889

Details of Trade & Other Creditors has been shown in Annexure- C.

		Amount in Taka	
		June 30, 2020	June 30, 2019
16.00	Income Tax Provision		
	Opening Balance	4,910,114	2,180,043
	Add: Provision made during the year	13,506,665	23,663,696
		18,416,779	25,843,740
	Less: Income Tax paid	27,480,650	20,933,626
	Income Tax Refundable (2015-2016)	-	1,331,524
	Advance Income Tax (2015-2016)	-	923,165
	Advance Income Tax (2019-2020)	5,261,124	297,268
	Tax Paid for 2018-2019	4,910,114	-
	Tax deducted at source on FDR interest	5,473,091	670,460
	Tax deducted at source u/s 82C	11,836,321	17,711,209
	Closing Balance	(9,063,871)	4,910,114
		13,506,665	23,663,696
16.01	Current Tax		
	(Higher of i, ii, iii)		
	i) Regular Tax		
	Profit before Tax	(62,295,205)	206,269,420
	Accounting Depreciation	274,722,759	187,430,659
	Capital Allowance	(246,781,354)	(275,731,851)
	Other income	(37,278,619)	(59,545,108)
	Non operating income	(16,725,550)	-
	Dividend income	(28,116)	(279,030)
	Income/(loss) from business	(88,386,085)	58,144,090
	Tax on business income @ 15%	-	8,721,614
	Tax on dividend income @ 20%	5,623	55,806
	Tax on Non operating income @ 25%	4,181,388	-
	Tax on Other income @ 25%	9,319,655	14,886,277
	Total tax liability	13,506,665	23,663,696
	ii) Minimum tax U/S-82C(2)		
	Tax deducted at source	11,836,321	17,711,209
	iii) Minimum tax U/S-82C(4)		
	Turnover	0.36% 3,007,636,421	10,827,491
	Non-operating income	0.36% 16,725,550	60,212
	Other income	0.60% 37,306,735	223,840
		11,111,544	11,771,770
17.00	Payable and Accruals		
	This is arrived as follows:		
	Salary and wages	9,477,539	10,817,449
	Gas Charges	15,934,362	6,904,516
	Audit Fees	434,000	402,500
	Utility Bill	34,415	19,172
	Telephone bill	1,594	3,280
	Gratuity Provision	3,182,510	1,000,000
	Financial Expenses	4,440,902	3,931,379
	Provident Fund(Head Office)	69,320	122,080
	Provident Fund(Factory Office)	185,855	382,199
	Unclaimed dividend	12,411,314	10,979,800
	Unpaid share money deposit	1,993,821	1,976,329
	Tax Deducted at Source	920	-
	VAT expenses	8,750	-
	Provision For C & F Charge	5,181,726	-
	WPPF	17.01 8,653,433	17,855,034
		62,010,461	54,393,739

SAIHAM COTTON MILLS LTD.

Amount in Taka	
June 30, 2020	June 30, 2019

17.01 Workers Profit Participation Fund (WPPF)

This is arrived as follows:

Opening Balance

Provision made during the year

Payment made during the year

Closing Balance

17,855,034	16,643,773
-	10,224,001
17,855,034	26,867,774
(9,201,601)	(9,012,740)
8,653,433	17,855,034

No provision was made for Workers' Profit Participation Fund as the company incurred loss during the year. The amount Tk. 8,653,433 lies as the 10% payable to Bangladesh Workers' Welfare Foundation Fund. As proper guidance on which account it should be deposited is not available, this amount has been kept as provision. Upon clear guidance from ministry, the amount shall be transferred.

18.00 Cost of Goods Sold

This is made up as follows:

Materials Consumption

Raw Cotton

18.01

Packing Materials

18.02

Stores and Spares

18.03

Total materials consumption

Direct Wages and Salaries

Prime cost

Add. Factory Overhead

18.04

Total manufacturing cost

Add. Opening Work-in-process

Cost of goods available for use

Less. Closing Work-in-process

Cost of Production

Add. Opening Stock of Finished Goods

Cost of goods available for sales

Less. Closing Stock of Finished Goods

Cost of Goods Sold

2,175,800,532	2,281,644,292
31,656,770	31,958,282
34,718,796	38,054,608
2,242,176,098	2,351,657,183
117,008,404	119,229,666
2,359,184,502	2,470,886,849
466,557,087	315,412,789
2,825,741,589	2,786,299,637
26,427,960	18,482,277
2,852,169,549	2,804,781,915
30,480,302	26,427,960
2,821,689,248	2,778,353,955
437,170,961	476,921,927
3,258,860,208	3,255,275,882
400,251,784	437,170,961
2,858,608,425	2,818,104,921

18.01 Raw Cotton

This is arrived as follows:

Opening Stock of Raw Cotton

Add. Purchase during the year

Less: Short Weight Claim

Add: (Gain)/Loss on dollar fluctuation

Raw Cotton available for use

Less. Closing Stock of Raw Cotton

Consumption during the year

1,598,984,728	1,476,127,425
2,251,445,094	2,412,054,673
(7,081,432)	(7,553,078)
6,771,651	-
3,850,120,041	3,880,629,020
1,674,319,509	1,598,984,728
2,175,800,532	2,281,644,292

18.02 Packing Materials

This is arrived as follows:

Opening Stock of Packing Materials

Add. Purchase during the year

Packing Materials available for use

Less. Closing Stock of Packing Materials

Consumption during the year

773,494	884,485
33,749,194	31,847,291
34,522,687	32,731,776
2,865,917	773,494
31,656,770	31,958,282

SAIHAM COTTON MILLS LTD.

Amount in Taka	
June 30, 2020	June 30, 2019

18.03 Stores and Spares

This is arrived as follows :

Opening Stock of Spare Parts

Add. Purchase during the year

Stores and Spares available for use

Less. Closing Stock of Spare Parts

Consumption during the year

69,280,074	45,977,103
8,566,294	61,357,579
77,846,368	107,334,683
43,127,572	69,280,074
34,718,796	38,054,608

18.04 Factory Overhead

Gas Charges

Fuel and Lubricants

Insurance Premium

Covered Van and Lorry expenses

Factory Repair & Maintenances of Capital Assets

Staff Quarter exp

Misc. Expenses

Depreciation (Annexure- A1)

172,212,074	108,526,980
2,870,874	3,365,372
8,946,895	9,521,172
6,493,095	7,693,530
12,997,123	9,641,107
1,365,573	1,319,826
501,150	192,120
261,170,303	175,152,681
466,557,087	315,412,789

19.00 Administrative and Marketing Expenses

This consists of as follows:

Directors Remuneration

Salary and Allowances

Festival Bonus

Provident Fund Expenses

Rest house Exp.

Staff Quarter Exp

Gratuity

Entertainment

Rent a car

Fuel & Lubricants

Fees, Forms, and others

Board Meeting Fees

Maintenance of Vehicles

IT Expenses

Insurance Premium

Printing & Stationery

Donation and Subscription

Miscellaneous Expenses

Office Maintenance

Traveling and Conveyance

Transportation cost

Telephone and Mobile Expenses

Utility expenses

Audit fees

Credit Rating Fee

CSR Activities

Uniform and Upkeep

Medical and Welfare

Postage and Stamp

Selling & Distribution Exp.

Business Development Exp

Advertisement

VAT Exp.

AGM Expenses

Depreciation (Annexure- A1)

2,100,000	2,100,000
31,608,562	30,308,958
1,873,549	1,533,061
1,508,473	1,251,821
5,400	-
840	9,340
2,251,950	565,410
1,516,294	1,332,955
1,486,900	1,587,080
5,531,920	3,545,936
4,749,967	4,482,423
96,250	115,000
1,932,873	3,060,941
2,758,330	3,749,894
823,094	1,167,286
1,457,120	1,373,856
420,100	424,340
1,041,210	1,004,575
519,911	713,571
436,907	414,697
7,130	15,910
281,194	229,050
239,756	247,706
465,500	425,500
161,250	160,500
180,000	-
83,103	67,224
669,005	1,420
28,160	13,832
71,968	52,900
407,582	201,174
344,025	326,085
572,859	11,550
1,052,615	835,000
13,552,456	12,277,978
80,236,252	73,606,973

Amount in Taka	
June 30, 2020	June 30, 2019

20.00 Financial Expenses

The above amount comprise of as follows:

Interest on Cash Credit Hypo (BA)	28,598,583	29,458,470
Interest on Cash Credit Hypo (Bank Alfalah)	15,425,529	14,198,660
Interest on OD (Prime Bank)	4,346,198	3,248,999
Interest on CC Hypo (HSBC Ltd.)	5,211,706	2,512,860
Interest on Term Loan (HSBC)	7,662,139	23,527,387
Interest on Term Loan (Prime Bank)	8,114,150	9,779,694
Interest on Bank Asia Ltd.	26,687,054	14,120,443
Interest on HSBC Ltd.	13,846,250	9,603,441
Interest on Bank Al Falah Ltd.	4,740,433	5,108,785
Interest on Prime Bank Ltd.	5,559,561	2,234,030
Bank Charges,Commission & Discripenses	8,151,905	6,666,567
Overdue Interest	427,478	11,236
Interest on Import Loan	64,404,976	3,166,967
	193,175,962	123,637,538

The financial expenses have been increased during the year due to increase of EDF loan facility for import of raw materials.

21.00 Non operating income

Interest on FDR against bank gurantee and term loan	17,452,295	4,100,000
Interest on STD A/C	13,199	14,646
Insurance claim	160,000	9,800,635
Overdue Interest	-	162,327
Gain on dollar fluctuation	-	(2,481,198)
Realised gain/(loss) on marketable securities	(1,372,588)	(7,143,015)
Gain on Sale of Capital Assets	472,644	-
	16,725,550	4,453,395

22.00 Other income

Dividend Income	28,116	279,030
Interest on FDR	37,278,619	59,545,108
	37,306,735	59,824,138

23.00 Earnings per share (EPS)

The computation of EPS is given below:

Net profit after tax	(94,658,927)	169,660,545
Number of total outstanding shares	148,775,000	148,775,000
Earnings per share (EPS)	(0.64)	1.14

24.00 Net Assets value (NAV) per share

Total assets	9,212,380,629	9,176,989,489
Total outside liabilities	3,860,359,482	3,598,242,360
Net assets	5,352,021,148	5,578,747,129
Divided by number of ordinary shares	148,775,000	148,775,000
Net assets value (NAV) per share	35.97	37.50

25.00 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 IAS 24 "Related Party Disclosures".

SAIHAM COTTON MILLS LTD.

Name of Party	Nature of Transaction	Relationship	Amount in Taka	
			June 30, 2020	June 30, 2019
			30.06.2020	30.06.2019
Faisal Spinning Mills Ltd	Trade receivables	Group Company	81,877,067	148,231,852
Saiham Knit Composite Ltd.	Trade receivables	Group Company	79,374,515	234,590,620
Saiham Textile Mills Ltd.	Payable	Group Company	46,416,405	-
Director's Remuneration	Remuneration	MD/Director	2,100,000	2,100,000
Board meeting fess	Meeting fee	MD/Director	96,250	115,000

To comply with BSEC notification No. SEC/CMRRCD/2008-183/Admin/03-30 dated June 1, 2009 the company has taken approval in its 18th board meeting dated 12th December 2019 for supply of goods and materials amounting 1% or above of the revenue for the immediate preceding financial year with its related parties.

26.00 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 is as follows :

Name of Director	Position	2019-2020		2018-2019
		Meeting Held	Attended	Attended
Mr. S. M. Faisal	Chairman	7	7	8
Mr. Syed Ishtiaq Ahmed	Managing Director	7	7	8
Mr. S. F. A. M. Shahjahan	Director/Shareholder	7	4	8
Mrs. Yasmin Faisal	Shareholder/Director	7	3	Nil
Mr. Syed Shafqat Ahmed	Director	7	7	8
Mr. Mostafa Moin	Independent Director	Nil	Nil	1
Mr. Syed Nasir Uddin Haider	Independent Director	7	7	7

27.00 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 30,2020

Salary Range (Monthly)	Officer & Staff		Worker	Total Employees
	Head Office	Factory		
Below 4,100	-	-	-	-
Above 4,100	18	170	914	1102
Total	18	170	914	1,102

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

Name	Designation	Amount in Taka	
		June 30, 2020 Remuneration	June 30, 2019 Remuneration
Mr. S. M. Faisal	Chairman	-	-
Mr. Syed Ishtiaq Ahmed	Managing Director	2,100,000	2,100,000
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, 2020	13,492,000	11,699,363	87	13
June 30, 2019	13,492,000	12,504,053	93	7

Amount in Taka	
June 30, 2020	June 30, 2019

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, 2020.

Particulars	Local Purchase	Import	Total purchase	Consumption
Raw Cotton	-	2,251,445,094	2,251,445,094	2,175,800,532
Packing Material	33,749,194	-	33,749,194	31,656,770
Spares parts	8,566,294	-	8,566,294	34,718,796

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.

28.00 Contingent Liability

Nature of contingent liability

Bank Guarantee - Jalalabad Gas T & D System Ltd.	899,745	899,745
Bank Guarantee - Jalalabad Gas T & D System Ltd.	1,831,701	1,831,701
Bank Guarantee - Jalalabad Gas T & D System Ltd.	1,354,412	1,354,412
Bank Guarantee - Jalalabad Gas T & D System Ltd.	3,729,071	3,729,071
Bank Guarantee - Jalalabad Gas T & D System Ltd.	27,303	27,303
Bank Guarantee - Jalalabad Gas T & D System Ltd.	2,564,947	2,564,947
Bank Guarantee - Jalalabad Gas T & D System Ltd.	4,105	4,105
Bank Guarantee - Jalalabad Gas T & D System Ltd.	10,379,877	10,379,877
Bank Guarantee - Jalalabad Gas T & D System Ltd.	4,753	4,753
Bank Guarantee - Jalalabad Gas T & D System Ltd.	3,128,862	3,128,862
Bank Guarantee - Jalalabad Gas T & D System Ltd.	10,504,034	-
Bank Guarantee - Jalalabad Gas T & D System Ltd.	13,692	-
	34,442,502	23,924,776

29.00 Contingent Assets

There was no Contingent Assets as on June 30, 2020.

30.00 Claim against the Company

There was no claim against the company which is to be acknowledged as debt as on June 30, 2020.

31.00 Event after reporting period

(a) The Board of Directors at their board meeting held on October 28, 2020 recommended to the shareholders no dividend for the year ended June 30, 2020. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).

(b) On 15 October 2020, the raw material stock godown of Saiham Cotton Mills Ltd. were damaged by fire, and the stock of raw materials kept in the godown has been burnt. The insurance is fully covered of the warehouse including the stock. As the accident occurred after the reporting period, this has been treated as non-adjusting event and therefore there is no financial impact on the financial statements for the year ended on 30 June, 2020. Except the facts stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statement or notes thereto.

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

32.00 General Comments & Observations

- (a) There was no preference share issued by the company.
- (b) The company has not incurred any expenditure in foreign currency against royalties and technical fees.
- (c) Auditors are paid only statutory audit fees.
- (d) No foreign exchange remitted to the any shareholders during the period.
- (e) No amount of money was expended by the company for compensating any members of the Board for special service rendered.

33.00 Reconciliation of cash flows from operating activities under indirect method

Profit before Tax	(62,295,205)	206,269,420
Adjustment to Reconcile Profit before Tax provided by operating activities:		
Less: Depreciation	274,722,759	187,430,659
Less: Finance Expenses	193,175,962	123,637,538
Less: Unrealized gain/(loss) for change in exchange rate of foreign currency	(8,056,729)	(1,789,405)
Add/(Less): Realized Loss/Gain on dollar fluctuation	-	2,481,198
Gain on Sale of Vehicle	(472,644)	-
Changes in current assets and liabilities:		
(Increase) /Decrease Inventories	(74,711,522)	(114,421,443)
(Increase) /Decrease Advance, deposits & prepayments	(53,393,025)	5,534,486
Income Tax Paid	(33,339,618)	(19,602,102)
(Increase) /Decrease Trade Receivable	(17,990,813)	(103,871,572)
Increase/ (Decrease) In trade credits	(190,514,976)	(147,053,313)
Increase / (Decrease) payables & Accruals	7,616,722	(6,806,495)
Net cash flow from operating activities	34,740,913	131,808,972

Saiham Cotton Mills Ltd.
Property, plant and equipment
As at June 30, 2020

Annexure -A1

Particulars	Cost			Rate %	Depreciation			W.D.V. as at 30.06.2020
	Balance as at 01.07.2019	Addition during the year	Adjustment during the year		Balance as at 30.06.2020	Charged during the year	Adjustment during the year	
Land and Land Development	96,700,668	700,000	-	97,400,668	-	-	-	97,400,668
Factory Building & Other Construction	581,050,735	18,410,703	-	599,461,438	20,946,958	-	184,592,763	414,868,675
Office Building	126,361,395	-	-	126,361,395	5,977,157	-	12,795,408	113,565,987
Plant and Machineries	2,448,282,471	130,794,791	-	2,579,077,262	117,529,903	-	1,009,646,572	1,569,430,690
Furnitures & Fixtures	22,781,944	-	-	22,781,944	1,724,837	-	7,258,413	15,523,531
Motor Vehicles	46,242,113	2,742,465	(4,580,000)	44,404,578	4,176,596	(4,402,644)	18,400,632	26,003,946
Office Equipments	22,988,065	1,397,221	-	24,385,286	1,567,160	-	9,000,060	15,385,226
Sundry Assets	92,982,662	1,022,104	-	94,004,766	6,022,308	-	38,867,063	55,137,703
Sub - Total	3,437,390,053	155,067,284	(4,580,000)	3,587,877,336	157,944,918	(4,402,644)	1,280,560,911	2,307,316,426

Revaluation of property, plant and equipment

Particulars	Cost			Rate %	Depreciation			W.D.V. as at 30.06.2020
	Balance as at 01.07.2019	Addition during the year	Adjustment during the year		Balance as at 30.06.2020	Charged during the year	Adjustment during the year	
Land and Land Development	1,021,866,807	-	-	1,021,866,807	-	-	-	1,021,866,807
Building & Other Construction	1,226,165,301	-	-	1,226,165,301	57,505,990	-	133,551,493	1,092,613,808
Plant and Machineries	1,047,257,309	-	-	1,047,257,309	59,165,145	-	317,553,861	729,703,448
Motor Vehicles	3,150,093	-	-	3,150,093	106,706	-	2,545,425	604,668
Sub - Total	3,298,439,510	-	-	3,298,439,510	116,777,841	-	453,650,778	2,844,788,732
Grand Total	6,735,829,563	155,067,284	(4,580,000)	6,886,316,846	274,722,759	(4,402,644)	1,734,211,669	5,152,105,158

Allocation of depreciation:

Cost of Production	261,170,303
Administrative and Marketing Expenses	13,552,456
	<u>274,722,759</u>

Saiham Cotton Mills Ltd.
Property, plant and equipment
As at June 30, 2019

Annexure -A2

Particulars	Cost			Rate %	Depreciation			W.D.V. as at 30.06.2019
	Balance as at 01.07.2018	Addition during the year	Balance as at 30.06.2019		Balance as at 01.07.2018	Charged during the year	Balance as at 30.06.2019	
Land and Land Development	95,583,193	1,117,475	96,700,668	-	-	-	96,700,668	
Factory Building & Other Construction	576,052,359	4,998,376	581,050,735	5%	141,918,274	21,727,531	417,404,930	
Office Building	126,361,395		126,361,395	5%	526,506	6,291,744	119,543,145	
Plant and Machineries	2,171,849,202	276,433,269	2,448,282,471	7.50%	786,486,780	105,629,890	1,556,165,802	
Furniture & Fixtures	22,773,944	8,000	22,781,944	10%	3,617,906	1,915,670	17,248,367	
Motor Vehicles	29,945,950	16,296,163	46,242,113	15%	16,389,512	2,237,168	27,615,433	
Office Equipments	22,786,860	201,205	22,988,065	10%	5,725,041	1,707,859	15,555,165	
Sundry Assets	92,963,762	18,900	92,982,662	10%	26,164,690	6,680,065	60,137,907	
Sub - Total	3,138,316,665	299,073,388	3,437,390,053		980,828,710	146,189,926	2,310,371,417	

Revaluation of property, plant and equipment

Particulars	Cost			Rate %	Depreciation			W.D.V. as at 30.06.2019
	Balance as at 01.07.2018	Addition during the year	Balance as at 30.06.2019		Balance as at 01.07.2018	Charged during the year	Balance as at 30.06.2019	
Land and Land Development	60,705,668	961,161,139	1,021,866,807	-	-	-	1,021,866,807	
Building & Other Construction	179,528,126	1,046,637,175	1,226,165,301	5%	61,418,021	14,627,482	1,150,119,798	
Plant and Machineries	492,633,171	554,624,138	1,047,257,309	7.50%	231,901,002	26,487,714	788,868,593	
Motor Vehicles	3,150,093	-	3,150,093	15%	2,313,182	125,537	711,374	
Sub - Total	736,017,058	2,562,422,452	3,298,439,510		295,632,205	41,240,733	2,961,566,572	
Grand Total	3,874,333,723	2,861,495,840	6,735,829,563		1,276,460,915	187,430,659	5,271,937,989	

As per decision of the Board new revaluation was effective from May 01, 2019.

Allocation of depreciation:

Cost of Production	175,152,681
Administrative and Marketing Expenses	12,277,978
	<u>187,430,659</u>

SAIHAM COTTON MILLS LTD.

Saiham Cotton Mills Ltd.
Statement of Trade and Other Receivables
As at June 30, 2020

Annexure - B

Name of Party	L/C #	Amount in Taka
A-ONE POLAR LTD.	1007200300254-0	15,157,201.88
A-ONE POLAR LTD.	1007200400947-0	5,439,960.00
ABC BANGLA APPARELS LTD.	0000100190400124-0	3,514,147.00
ABC BANGLA APPARELS LTD.	0000100190400125-0	1,096,428.98
ABC BANGLA APPARELS LTD.	0000100190400123-0	1,683,197.50
ADNAN TEXTILES LTD.	087220040102-0	868,882.50
APPAREL INDUSTRY LTD.	1353200400003-0	1,529,569.00
Advanced Composite Textile Ltd.	0000001190402781-0	4,736,039.25
Advanced Composite Textile Ltd.	0000001190402781-0	4,783,261.13
Advanced Composite Textile Ltd.	0000001190403236-0	834,463.00
Advanced Composite Textile Ltd.	0000001200400081-0	7,933,275.00
Advanced Composite Textile Ltd.	0000001200400081-0	6,880,542.00
Advanced Composite Textile Ltd.	0000001200400081-0	8,477,271.00
Alema Textiles Limited	0686200400039-0	873,080.00
Alema Textiles Limited	0686200400322-0	484,811.25
Alema Textiles Limited	0686200400365-0	2,851,151.88
Alema Textiles Limited	0686200400538-0	601,291.88
Alema Textiles Limited	0686200400542-0	2,115,540.00
BASE FASHIONS LIMITED.	1208200400040-0	1,635,346.00
BASE FASHIONS LIMITED.	1208200400090-0	394,984.75
BASE FASHIONS LIMITED.	1208200400506-0	594,785.75
CHAITY COMPOSITE LTD	1343190402701-0	7,936,213.25
CHAITY COMPOSITE LTD	1343200300275-0	4,867,588.90
CHAITY COMPOSITE LTD	1343200300275-0	5,685,513.75
CHAITY COMPOSITE LTD	1343200300275-0	4,840,473.05
CHAITY COMPOSITE LTD	1343200300275-0	5,266,351.40
CHORKA TEXTILE LTD	0000194520042596-0	1,457,372.00
CHORKA TEXTILE LTD	0000194520042597-0	5,167,542.25
CHORKA TEXTILE LTD	215020040162-0	436,330.13
COMPTEx BANGLADESH LIMITED	1759200400067-0	4,818,730.00
COMPTEx BANGLADESH LIMITED	1759200400067-01	4,869,100.00
COMPTEx BANGLADESH LIMITED	1759200400104-0	4,869,100.00
COMPTEx BANGLADESH LIMITED	209020040873-0	4,869,100.00
COMPTEx BANGLADESH LIMITED	209020040873-0	4,869,100.00
CROSSLINE KNIT FABRICS LTD.	1211200400406-0	2,527,944.38
DAL Knitwear Ltd.	0000195520030016-0	3,486,393.13
DIRD COMPOSITE TEXTILES LTD.	1013190402973-0	234,027.42
DRESS UP LTD	1624200400315-0	4,785,150.00
DRESS UP LTD	1624200400475-0	1,605,753.63
EVERWAY YARN DYEING LTD.	313720990031-0	5,981,437.50
FLAXEN DRESS MAKER LTD.	1007200300706-0	1,043,918.25
FRM FASHION HOUSE LTD	2228200300441-0	4,878,103.64
GRAMTECH KNIT DYEING FINISHING & GARMENTS IND. LTD	075120031125-0	2,306,904.03

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
GRAMTECH KNIT DYEING FINISHING & GARMENTS IND. LTD	075120031189-0	1,290,941.13
GREEN SMART SHIRTS LIMITED	BBCDAK007563-0	7,139,947.50
GREEN SMART SHIRTS LIMITED	BBCDAK007563-0	3,263,976.00
GREEN SMART SHIRTS LIMITED	BBCDAK007563-0	5,099,962.50
GUMTI TEXTILES LTD	1208200400521-0	2,501,290.25
Green Life Knittex Ltd	1066200400451-0	814,692.78
Green Life Knittex Ltd	1066200400797-1	2,455,957.25
Green Life Knittex Ltd	1066200400822-0	1,513,198.75
Green Life Knittex Ltd	1066200401286-0	1,961,155.95
HABITUS FASHION LTD.	297920040003-0	5,086,110.75
IFS TEXWEAR (PVT) LTD.	216220042694-0	524,687.50
IFS TEXWEAR (PVT) LTD.	216220042724-0	2,980,644.75
IFS TEXWEAR (PVT) LTD.	216220042724-0	8,058,780.25
IFS TEXWEAR (PVT) LTD.	216220042725-0	4,780,071.03
IFS TEXWEAR (PVT) LTD.	216220042760-0	1,479,282.95
IMPRESS - NEWTEX COMPOSITE TEXTILES LTD	1471200400160-0	2,818,369.40
JK KNIT COMPOSITE LTD.	1555200400389-0	1,019,992.50
JK KNIT COMPOSITE LTD.	1555200400394-0	5,332,294.13
KAIZER KNITWEARS LTD	134720040351-0	6,850,320.00
KAIZER KNITWEARS LTD	134720040351-0	7,492,537.50
KAIZER KNITWEARS LTD	134720040351-0	6,850,320.00
KAIZER KNITWEARS LTD	134720040351-0	7,171,428.75
KAIZER KNITWEARS LTD	134720040351-0	7,064,392.50
KAROONI KNIT COMPOSITE LTD.	0665200400251-0	5,058,827.00
KAROONI KNIT COMPOSITE LTD.	0665200400410-0	4,336,017.50
KAROONI KNIT COMPOSITE LTD.	0665200400410-0	2,575,795.88
KAROONI KNIT COMPOSITE LTD.	0665200400410-0	4,209,253.00
KAROONI KNIT COMPOSITE LTD.	0665200400411-0	1,562,519.38
KAROONI KNIT COMPOSITE LTD.	296520040626-1	2,919,781.00
KNIT VALLEY FASHIONS LIMITED	2087200400653-0	799,204.00
LAKHSMA INNERWEAR LIMITED	2361200400003-0	4,859,865.50
LANTABUR APPARELS LTD.	086219046902-0	3,534,714.75
LANTABUR APPARELS LTD.	086219047488-0	1,307,941.00
LANTABUR APPARELS LTD.	086219047700-0	1,919,306.88
LANTABUR APPARELS LTD.	086219047700-0	3,273,420.38
LANTABUR APPARELS LTD.	086219047701-0	3,018,002.50
LIBERTY KNITWEAR LTD.	1007190402796-0	9,378,331.54
LIBERTY KNITWEAR LTD.	1007190402796-0	6,878,266.96
LIBERTY KNITWEAR LTD.	1007190402796-0	1,989,934.01
LIFE TEXTILE (PVT) LTD.	1066200400887-0	5,188,319.88
LIFE TEXTILE (PVT) LTD.	1066200400887-0	5,039,728.38
LINK TEX SPORTSWEAR LTD	142020030012-0	1,955,615.25
LINK TEX SPORTSWEAR LTD	142020030013-1	2,181,146.93
Libas Textiles Ltd.	089020040028-0	2,644,425.00
Libas Textiles Ltd.	089020040044-0	1,970,096.63
Libas Textiles Ltd.	089020040044-0	3,067,533.00
Libas Textiles Ltd.	089020040074-0	5,145,715.25

Name of Party	L/C #	Amount in Taka
Libas Textiles Ltd.	089020040074-0	3,156,939.75
Libas Textiles Ltd.	089020040074-0	3,282,445.00
Libas Textiles Ltd.	0001816200400284-0	2,115,540.00
Libas Textiles Ltd.	089020040077-0	3,223,680.00
Libas Textiles Ltd.	1018200400235-0	4,141,673.25
Libas Textiles Ltd.	1018200400235-0	3,581,726.75
Libas Textiles Ltd.	1018200400235-0	3,861,700.00
Libas Textiles Ltd.	089020040110-0	1,883,838.00
Libas Textiles Ltd.	089020040110-0	3,656,862.00
Libas Textiles Ltd.	0001816200400431-0	698,883.75
Libas Textiles Ltd.	089020040123-0	1,082,535.25
Libas Textiles Ltd.	0001816200400474-0	907,499.50
Libas Textiles Ltd.	0001816200400526-0	4,385,925.78
Libas Textiles Ltd.	0001816200400526-0	4,109,814.23
Libas Textiles Ltd.	1018200400338-0	3,492,320.00
Libas Textiles Ltd.	1018200400341-0	3,492,320.00
Libas Textiles Ltd.	1018200400359-0	4,615,151.25
Libas Textiles Ltd.	1018200400366-0	3,492,320.00
MASCOTEX LIMITED	0000194520043113-0	218,270.00
METRO KNITTING AND DYEING MILLS LTD	1009200400410-0	3,441,950.00
METRO KNITTING AND DYEING MILLS LTD	1009200400410-0	5,162,925.00
MIDLAND KNITWEAR LTD	1007200400445-0	15,212,789.38
MIDLAND KNITWEAR LTD	1007200400445-0	7,999,385.63
MIDLAND KNITWEAR LTD	1007200400444-0	10,074,000.00
MUAZUDDIN TEXTILE LTD.	0000001190403762-0	6,161,930.00
MUAZUDDIN TEXTILE LTD.	0000001200400125-0	4,243,378.68
MUAZUDDIN TEXTILE LTD.	0000001200400125-0	4,804,668.38
MUAZUDDIN TEXTILE LTD.	1066200400419-0	2,490,796.50
MUAZUDDIN TEXTILE LTD.	1066200400551-0	1,286,953.50
MUAZUDDIN TEXTILE LTD.	0000001200400449-0	3,219,482.50
MUAZUDDIN TEXTILE LTD.	0000001200400448-0	826,068.00
MUAZUDDIN TEXTILE LTD.	0000001200401205-0	1,746,579.75
Muazuddin Knit Fashion Ltd	033019040090-0	5,770,303.25
Muazuddin Knit Fashion Ltd	209019043990-0	982,215.00
Muazuddin Knit Fashion Ltd	033020040020-0	1,798,418.88
Muazuddin Knit Fashion Ltd	033020040026-0	7,992,040.00
Muazuddin Knit Fashion Ltd	033020040026-0	5,876,500.00
Muazuddin Knit Fashion Ltd	033020040026-0	6,388,595.00
Muazuddin Knit Fashion Ltd	033020040026-0	8,227,100.00
Muazuddin Knit Fashion Ltd	033020040032-0	7,075,096.13
Muazuddin Knit Fashion Ltd	033020040032-0	3,737,454.00
Muazuddin Knit Fashion Ltd	033020040032-0	8,080,187.50
Muazuddin Knit Fashion Ltd	0000001200401233-0	3,923,613.13
Muazuddin Knit Fashion Ltd	209020041335-0	1,030,486.25
Muazuddin Knit Fashion Ltd	209020041414-0	2,612,733.88
NEWTEX DYEING & PRINTING LTD	086220042737-1	1,739,444.00
NEWTEX DYEING & PRINTING LTD	086220042737-0	671,600.00

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
NORTHERN FASHION LTD.	1471200400131-0	2,860,176.50
NORTHERN FASHION LTD.	1471200400131-0	4,674,336.00
NORTHERN FASHION LTD.	1471200300159-0	5,141,937.50
PACIFIC COTTON LTD.	0000194919044812-1	568,593.35
PACIFIC COTTON LTD.	0000194919044812-0	3,438,340.15
PACIFIC COTTON LTD.	1618200400070-0	9,825,927.75
PACIFIC COTTON LTD.	1618200400070-0	7,706,610.00
PACIFIC COTTON LTD.	1618200400070-0	1,835,986.50
PACIFIC COTTON LTD.	1618200400070-0	8,964,600.75
PACIFIC COTTON LTD.	1618200400071-0	7,241,946.75
PACIFIC COTTON LTD.	1618200400071-0	6,505,285.50
PACIFIC COTTON LTD.	1618200400071-0	2,292,036.48
PACIFIC COTTON LTD.	1618200400071-0	6,627,231.27
PACIFIC COTTON LTD.	1618200400071-1	199,801.00
PACIFIC COTTON LTD.	1618200400071-2	261,924.00
PACIFIC COTTON LTD.	1618200400071-3	4,414,510.75
PACIFIC COTTON LTD.	1618200400398-3	5,292,208.00
PACIFIC COTTON LTD.	209020041086-0	6,458,483.38
PANAGEA FASHION WEAR LTD	0000138190400961-0	5,524,959.38
PANAGEA FASHION WEAR LTD	0000138190400961-0	4,332,239.75
PANAGEA FASHION WEAR LTD	0000138190400961-2	1,746,789.63
POLO COMPOSITE KNIT INDUSTRY LIMITED	2228200300171-0	7,266,476.94
POLO COMPOSITE KNIT INDUSTRY LIMITED	2228200300171-0	6,836,237.39
POLO COMPOSITE KNIT INDUSTRY LIMITED	2228200300397-0	3,410,888.50
RADIAL INTERNATIONAL LTD. UNIT-02	ILC0807190416729-0	1,672,284.00
RADIAL INTERNATIONAL LTD. UNIT-02	ILC0807190416729-0	4,190,784.00
RADIAL INTERNATIONAL LTD. UNIT-02	209019043447-0	2,329,612.50
REACTIVE DRESS MAKER LTD.	000018220040668-0	1,758,139.67
RIZVI FASHIONS LTD	1066200400606-0	4,533,300.00
Ripon Knitwear Ltd.	1343200300240-1	5,141,937.50
Ripon Knitwear Ltd.	1343200300240-1	5,112,555.00
Ripon Knitwear Ltd.	1343200300240-1	4,932,062.50
S.B.STYLE COMPOSITE LTD.	1742200400083-0	2,277,143.75
S.B.STYLE COMPOSITE LTD.	1742200400083-0	2,927,756.25
S.B.STYLE COMPOSITE LTD.	1742200400133-0	2,197,391.25
SAFIA APPARELS LTD	0109190400103-0	5,399,664.00
SAIHAM KNIT COMPOSITE LTD.	208119040184-1	4,365,400.00
SAIHAM KNIT COMPOSITE LTD.	208119040224-4	18,215,051.25
SAIHAM KNIT COMPOSITE LTD.	208119040224-5	8,533,517.50
SAIHAM KNIT COMPOSITE LTD.	3355190400441-2	1,121,152.25
SAIHAM KNIT COMPOSITE LTD.	208120040024-0	8,059,200.00
SAIHAM KNIT COMPOSITE LTD.	208120040024-0	6,716,000.00
SAIHAM KNIT COMPOSITE LTD.	208120040024-0	6,716,000.00
SAIHAM KNIT COMPOSITE LTD.	3355200400016-0	7,135,750.00
SAIHAM KNIT COMPOSITE LTD.	3355200400016-1	222,887.25
SAIHAM KNIT COMPOSITE LTD.	3355200400016-2	390,367.50
SAIHAM KNIT COMPOSITE LTD.	208120040034-0	5,050,432.00

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in Taka
SAIHAM KNIT COMPOSITE LTD.	3355200400024-1	404,848.88
SAIHAM KNIT COMPOSITE LTD.	3355200400024-2	2,140,725.00
SAIHAM KNIT COMPOSITE LTD.	208120040074-0	7,135,750.00
SAIHAM KNIT COMPOSITE LTD.	208120040110-0	3,167,433.50
SHANTEX (PVT) LTD	134620040297-0	1,813,320.00
SILVER APPARELS LTD.	314020030103-0	3,156,520.00
SILVER APPARELS LTD.	314020030103-0	3,153,581.75
SILVER APPARELS LTD.	314020030105-0	5,024,407.50
SILVER APPARELS LTD.	314020030106-0	4,029,600.00
SILVER APPARELS LTD.	314020030104-0	3,337,852.00
SILVER APPARELS LTD.	314020030121-0	5,250,233.00
SILVER APPARELS LTD.	314020030122-0	5,977,030.13
TANIMA KNIT COMPOSITE LTD.	141620041633-0	1,056,426.80
TAQWA FABRICS LTD.	350219040516-0	2,746,424.25
TAQWA FABRICS LTD.	086219046829-0	492,366.75
TAQWA FABRICS LTD.	086219046897-0	700,143.00
TAQWA FABRICS LTD.	086219047266-0	2,776,646.25
TAQWA FABRICS LTD.	086219047267-0	2,216,280.00
TAQWA FABRICS LTD.	086219047267-0	2,770,350.00
TAQWA FABRICS LTD.	086219047303-0	1,422,952.50
TAQWA FABRICS LTD.	086219047301-0	969,622.50
TAQWA FABRICS LTD.	086219047301-0	3,324,420.00
TAQWA FABRICS LTD.	086219047302-0	2,455,537.50
TAQWA FABRICS LTD.	086219047302-0	3,546,887.50
TAQWA FABRICS LTD.	086219047304-0	1,195,657.88
TAQWA FABRICS LTD.	086219047675-0	2,707,597.38
TAQWA FABRICS LTD.	350219040617-0	2,741,177.38
TAQWA FABRICS LTD.	350219040617-0	1,784,986.88
TAQWA FABRICS LTD.	086219048057-0	576,736.50
TAQWA FABRICS LTD.	086220040004-0	1,892,023.13
TAQWA FABRICS LTD.	086220040065-0	1,937,146.25
TAQWA FABRICS LTD.	086220040065-0	2,728,375.00
TAQWA FABRICS LTD.	086220040236-0	4,236,956.50
TAQWA FABRICS LTD.	086220040669-0	3,683,306.25
TAQWA FABRICS LTD.	086220040676-0	4,092,562.50
TAQWA FABRICS LTD.	086220040667-0	2,760,099.71
TAQWA FABRICS LTD.	086220040667-0	2,586,675.80
TAQWA FABRICS LTD.	086220040980-0	4,243,672.50
TAQWA FABRICS LTD.	086220041342-0	3,139,730.00
TAQWA FABRICS LTD.	086220041342-0	3,996,020.00
TAQWA FABRICS LTD.	086220041343-0	3,139,730.00
TAQWA FABRICS LTD.	086220041343-0	3,996,020.00
TAQWA FABRICS LTD.	086220041345-0	1,331,866.75
TAQWA FABRICS LTD.	086220041648-0	3,853,305.00
TAQWA FABRICS LTD.	086220041648-0	3,282,445.00
UNIQUE DESIGNERS LTD.	141920040070-0	942,968.38
WINTER DRESS LTD.	3503200400002-0	2,196,551.75

Name of Party	L/C #	Amount in Taka
WINTER DRESS LTD.	3503200400377-0	5,398,824.50
GUMTI TEXTILES LTD	1208200400341-0	2,748,942.75
JIM AND JESSI COMPOSITE LTD.	314020040462-0	2,312,822.50
JIM AND JESSI COMPOSITE LTD.	314020040553-0	1,829,270.50
JIM AND JESSI COMPOSITE LTD.	314020040625-0	2,869,411.00
JIM AND JESSI COMPOSITE LTD.	314020040625-0	2,944,546.25
JIM AND JESSI COMPOSITE LTD.	314020040764-0	1,196,287.50
JIM AND JESSI COMPOSITE LTD.	314020040796-0	5,924,733.47
JIM AND JESSI COMPOSITE LTD.	314020040796-0	5,677,580.48
JIM AND JESSI COMPOSITE LTD.	314020040796-0	6,569,293.18
JIM AND JESSI COMPOSITE LTD.	314020040796-0	5,754,142.88
JIM AND JESSI COMPOSITE LTD.	314020040798-0	5,200,702.50
JIM AND JESSI COMPOSITE LTD.	314020040798-0	4,296,770.88
JIM AND JESSI COMPOSITE LTD.	314020040798-0	4,953,050.00
JIM AND JESSI COMPOSITE LTD.	314020040799-0	5,758,701.36
JIM AND JESSI COMPOSITE LTD.	314020040799-0	4,315,298.64
JIM AND JESSI COMPOSITE LTD.	314020041197-0	4,785,150.00
JIM AND JESSI COMPOSITE LTD.	314020041197-0	2,751,461.25
JIM AND JESSI COMPOSITE LTD.	314020041197-0	2,177,243.25
JIM AND JESSI COMPOSITE LTD.	314020041634-0	4,207,574.00
JIM AND JESSI COMPOSITE LTD.	314020041634-0	4,701,200.00
JIM AND JESSI COMPOSITE LTD.	314020041704-0	3,807,972.00
JIM AND JESSI COMPOSITE LTD.	314020041704-0	3,042,348.00
JK KNIT COMPOSITE LTD.	1555200400059-0	1,664,938.38
JK KNIT COMPOSITE LTD.	155820040060-0	3,277,235.90
JK KNIT COMPOSITE LTD.	155820040060-0	4,036,110.32
KDS TEXTILE MILLS LTD.	155420040049-0	1,704,604.75
KDS TEXTILE MILLS LTD.	155420040072-0	5,000,481.75
KNIT VALLEY FASHIONS LIMITED	2087200400540-0	1,522,643.13
KUSHIARA COMPOSITE KNIT IND. LTD.	1003200400187-0	6,731,950.50
KUSHIARA COMPOSITE KNIT IND. LTD.	1003200400426-0	6,799,950.00
KUSHIARA COMPOSITE KNIT IND. LTD.	1003200400579-0	5,540,700.00
KUSHIARA COMPOSITE KNIT IND. LTD.	1003200400579-0	6,002,425.00
LIBERTY KNITWEAR LTD.	1007200400173-0	13,450,678.04
LIBERTY KNITWEAR LTD.	1007200400173-0	9,803,471.96
Muazuddin Knit Fashion Ltd	209020040583-0	6,766,370.00
Muazuddin Knit Fashion Ltd	209020040583-0	6,686,617.50
Muazuddin Knit Fashion Ltd	209020040583-0	7,181,922.50
Muazuddin Knit Fashion Ltd	209020040583-0	6,398,039.38
Muazuddin Knit Fashion Ltd	209020040583-0	6,738,036.88
Muazuddin Knit Fashion Ltd	209020040583-1	1,609,741.25
SAFIA APPARELS LTD	0109200400001-0	4,499,720.00
SAFIA APPARELS LTD	0109200400001-0	4,949,692.00
SILVER APPARELS LTD.	296920040511-0	5,550,774.00
SILVER APPARELS LTD.	296920040511-0	6,412,101.00
SILVER APPARELS LTD.	296920040555-0	6,149,337.50
SILVER APPARELS LTD.	314020041125-0	6,128,350.00
SILVER APPARELS LTD.	314020041230-0	6,359,212.50
Faisal Spinning Mills Ltd.		81,877,066.94
Total		1,196,234,014

Saiham Cotton Mills Ltd.
Statement of Trade & other Creditors
As at June 30, 2020

Annexure - C

Name of Party		Amount in Taka
Saurer Components Gmbh	LC Liabilities	5,448,993
AEG Engineering	Local supplier	284,875
Aman Cement Mills Unit	Local supplier	148,000
Amina Traders	Local supplier	27,500
Anwar Ispat Ltd.	Local supplier	2,875,000
Assl Textile	Local supplier	4,826
Bearing Sales Corporation	Local supplier	118,240
Bismillah Textile Engineering	Local supplier	25,550
Chowdhury Electric House	Local supplier	51,434
Citizen Cables Ltd.	Local supplier	24,304
Color Woven Bag Industries Ltd.	Local supplier	835,000
COSMIC Trading International	Local supplier	160,665
Delcot Limited	Local supplier	220,285
Electric Power	Local supplier	42,820
Energypac	Local supplier	213,741
FIROZ Hardware & Packaging	Local supplier	53,000
FLASH POINT	Local supplier	77,400
Fork Lift Solution Ltd	Local supplier	80,500
Global Spintex Ltd	Local supplier	8,148
HA-MEEM Corporation	Local supplier	45,386
Hera Electric Store	Local supplier	351,850
Hossain Trading	Local supplier	265,000
JANATA MACHINERIES	Local supplier	29,480
Kamary Trade Centre	Local supplier	2,287,755
LIPIKA Local supplier		280,200
Louhajong Hardware Store	Local supplier	24,600
Lube Asia	Local supplier	796,857
Lucky Textile Engineering	Local supplier	12,000
M/S TAMIM TRADERS	Local supplier	239,620
Maa Bearing And Machineries	Local supplier	169,460
Marium International	Local supplier	239,950
Maysa Enterprise	Local supplier	61,000
Monir Enterprise	Local supplier	66,000
Mr. Burma(Saurer Schlafhorst)	Local supplier	65,000
Nazrul Islam Mizan	Local supplier	291,500
New Diamond Plastic & Engineering Works	Local supplier	670,780
Noor Label Printers.	Local supplier	132,000
RAFAT ENTERPRISE	Local supplier	665,330
Rony Enterprise	Local supplier	450,000
Rotation Engineering Ltd.	Local supplier	989,230

Name of Party		Amount in Taka
Royal Machinery Corp Ltd	Local supplier	50,000
S .S CORPORATION	Local supplier	13,675
Sail International Ltd.	Local supplier	194,500
Shabbir Automation Technologies	Local supplier	349,860
Sohan Engineering Works	Local supplier	172,095
Standard Electric Store	Local supplier	130,150
Star Trade Connection	Local supplier	40,500
SUN ELECTRONICS	Local supplier	186,430
T M Trade Corporation.	Local supplier	222,487
TAMIM TRADERS	Local supplier	10,300
Tanha Electronics	Local supplier	25,730
Texmark Associates Ltd.	Local supplier	31,500
Texus International	Local supplier	437,375
Unique Cement Industries Ltd.	Local supplier	813,630
United Trade Center	Local supplier	327,500
USTER TECHNOLOGIES, INC.	Local supplier	1,161,498
Saiham Textile Mills Ltd.	Group Company	46,416,405
Total		69,416,912

Saiham Cotton Mills Ltd.

Property, plant and equipment
As at June 30, 2020

Tax Base

Saiham Cotton Mills Ltd.

Fixed Asset - at cost less depreciation

Annexure -A1

Particulars	Cost			Rate %	Depreciation			W.D.V. as at 30.06.2020
	Balance as on 01.07.2019	Addition during the year	Adjustment during the year		Balance as on 01.07.2019	Charged during the year	Adjustment during the year	
Land and Land Development	96,700,668	700,000	-	-	-	-	-	97,400,668
Factory Building & Other Construction	581,050,735	18,410,703	-	20%	404,528,762	35,611,239.58	-	159,321,436
Office Building	126,361,395	-	-	10%	13,583,850	11,277,754.50	-	101,489,791
Plant and Machineries	2,448,282,471	130,794,791	-	20%	1,536,763,900	184,483,627.34	-	857,829,734
Furnitures & Fixtures	22,781,944	-	-	10%	5,533,577	1,724,836.74	-	15,523,531
Motor Vehicles	46,242,113	2,742,465	(4,580,000)	20%	21,400,485	5,014,033.44	(4,402,644)	22,392,704
Office Equipments	22,988,065	1,397,221	-	10%	8,575,102	1,452,939.84	-	14,357,244
Sundry Assets	92,982,662	1,022,104	-	15%	44,955,021	7,216,922.39	-	41,832,822
Sub - Total	3,437,390,053	155,067,284	(4,580,000)		2,035,340,696	246,781,354	(4,402,644)	1,310,157,930

Depreciation charge as per tax base

Depreciation charge as per Financial account

Temporary Difference

246,781,354

157,944,918

88,836,436

Revaluation of fixed assets during the year

Particulars	Cost			Rate %	Depreciation			W.D.V. as at 30.06.2020
	Balance as on 01.07.2019	Addition during the year	Adjustment during the year		Balance as on 01.07.2019	Charged during the year	Adjustment during the year	
Land and Land Development	1,021,866,807	-	-	-	-	-	-	1,021,866,807
Building & Other Construction	1,226,165,301	-	-	5%	76,045,503	57,505,990	-	1,092,613,808
Plant and Machineries	1,047,257,309	-	-	7.50%	258,388,716	59,165,144	-	729,703,448
Motor Vehicles	3,150,093	-	-	15%	2,438,719	106,706	-	604,668
Sub - Total	3,298,439,510	-	-		336,872,938	116,777,841	-	2,844,788,732
Grand Total	6,735,829,563	155,067,284	(4,580,000)	-	2,372,213,634	363,559,194	(4,402,644)	4,154,946,662

Saiham Cotton Mills Ltd.Property, plant and equipment
As at June 30, 2019**Tax Base****Saiham Cotton Mills Ltd.**

Property, plant and equipment

Annexure -A2

Particulars	Cost			Rate %	Depreciation		W.D.V. as at 30.06.2019
	Balance as on 01.07.2018	Addition during the year	Balance as on 30.06.2019		Balance as on 01.07.2018	Charged during the year	
Land and Land Development	95,583,193	1,117,475	96,700,668	-	-	-	96,700,668
Factory Building & Other Construction	576,052,359	4,998,376	581,050,735	20%	361,543,730	42,985,032.08	176,521,973
Office Building	126,361,395	-	126,361,395	10%	1,053,012	12,530,838.34	112,777,545
Plant and Machineries	2,171,849,202	276,433,269	2,448,282,471	20%	1,372,233,548	164,530,352	911,518,571
Furnitures & Fixtures	22,773,944	8,000	22,781,944	10%	3,617,906	1,915,670	17,248,367
Motor Vehicles	29,945,950	16,296,163	46,242,113	20%	18,924,615	2,475,870	24,841,628
Office Equipments	22,786,860	201,205	22,988,065	10%	6,994,154	1,580,947	14,412,963
Sundry Assets	92,963,762	18,900	92,982,662	15%	36,482,613	8,472,409	48,027,641
Sub - Total	3,138,316,665	299,073,388	3,437,390,053		1,800,849,578	234,491,118	1,402,049,356

Depreciation charge as per tax base

234,491,118

Depreciation charge as per Financial account

146,189,926

Temporary Difference

88,301,192**Revaluation of fixed assets during the year**

Particulars	Cost			Rate %	Depreciation		W.D.V. as at 30.06.2019
	Balance as on 01.07.2018	Addition during the year	Balance as on 30.06.2019		Balance as on 01.07.2018	Charged during the year	
Land and Land Development	60,705,668	961,161,139	1,021,866,807	-	-	-	1,021,866,807
Building & Other Construction	179,528,126	1,046,637,175	1,226,165,301	5%	61,418,021	14,627,482	1,150,119,798
Plant and Machineries	492,633,171	554,624,138	1,047,257,309	7.50%	231,901,002	26,487,714	788,868,593
Motor Vehicles	3,150,093	-	3,150,093	15%	2,313,182	125,537	711,374
Sub - Total	736,017,058	2,562,422,452	3,298,439,510		295,632,205	41,240,733	2,961,566,572
Grand Total	3,874,333,723	2,861,495,840	6,735,829,563	-	2,096,481,783	275,731,851	4,363,615,929



SAIHAM COTTON MILLS LTD.

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