

ANNUAL  
**REPORT**  
2018-2019



**Saiham Textile Mills Ltd.**  
সায়হাম টেক্সটাইল 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 Limited  
Chittagong Stock Exchange Limited

**Subject: Annual Report for the year ended June 30, 2019.**

Dear Sir(s),  
Enclosed please find a copy of Annual Report together with the Audited Financial Statements including Income Statements, Cash Flow Statements and Changes in Equity Statements for the year ended June 30, 2019 along with notes thereon of **Saiham Textile Mills Ltd.** for your kind information and records.

Thank you,

Yours Sincerely,



(Md. Neyamat Ullah)  
Company Secretary



Saiham Textile Mills Ltd.

## Views of 37th Annual General Meeting



## Board of Directors



S. F. A. M. Shahjahan  
Chairman



S. M. Faisal  
Managing Director



Engr. Syed Ishtiaq Ahmed  
Director



Syed Shafqat Ahmed, MBA  
Director



Mrs. Yasmin Faisal  
Director



Mrs. Rio Aziza Salim  
Director



Mohammed Nazmul Hossain, FCA  
Independent Director



Tariquzzaman Khan, FCA, FCS  
Independent Director

## Saiham Textile Mills Ltd.

### *Notice Of The 38th Annual General Meeting*

## Saiham Textile Mills Ltd.

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

### Notice of the 38th Annual General Meeting

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of Saiham Textile Mills Ltd. will be held on December 12, 2019 at 12.30 P.M. at Mills Premises, Noyapara, P.O - Saiham Nagar, U.Z.- Madhabpur, Dist - Habiganj to transact the following businesses:

1. To consider the Audited Financial Statements of the Company for the year ended June 30, 2019 together with Auditors' and Director's reports thereon.
2. To declare Dividend.
3. To elect Directors.
4. To Approve the Appointment of Independent Director.
5. To appoint Auditors and fix their remuneration.
6. To appoint statutory Auditors for compliance of corporate governance code and fix their remuneration.
7. To transact any other business with permission of the chair.

By order of the Board

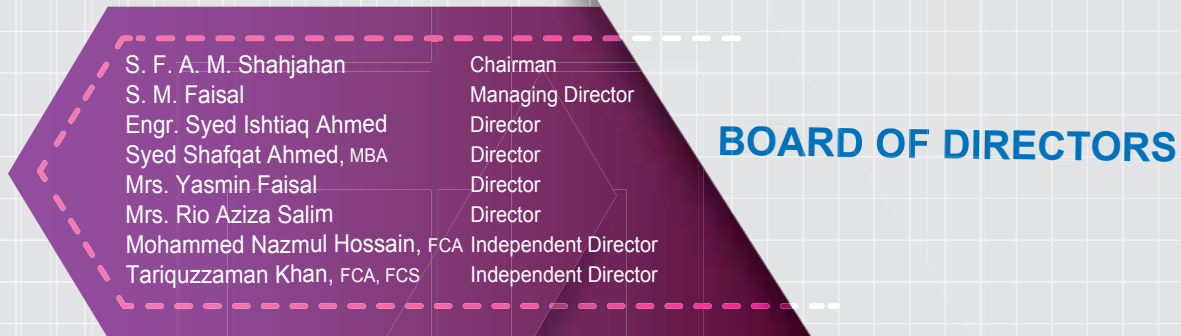
  
( Md. Neyamat Ullah )  
Company Secretary

Dated: Dhaka  
October 28, 2019

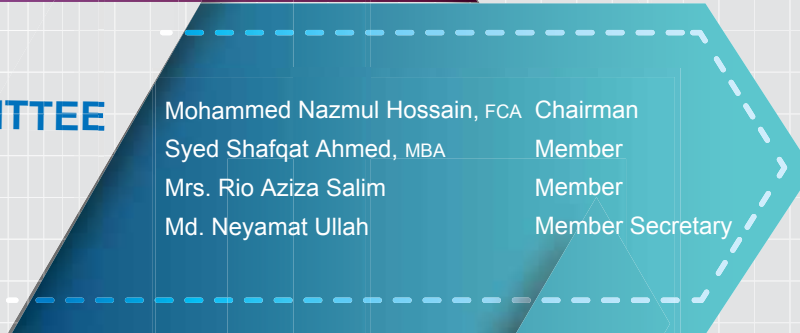
#### Notes:

1. The Shareholder's whose name will appear in the Share Register of the Company and/or Depository Register of CDBL as on record date, November 21, 2019 will be eligible to attend and vote at the AGM.
2. Attendance to the AGM will be on production of the Attendance Slip sent with this Notice.
3. The Proxy Form sent with this Notice, affixed with requisite revenue stamp of Tk. 20/- must be deposited at the Company's Dhaka Office at least 48 hours prior to the AGM.
4. The Annual Report and Proxy Form are available in the website of the Company [www.saihamtextile.com](http://www.saihamtextile.com).

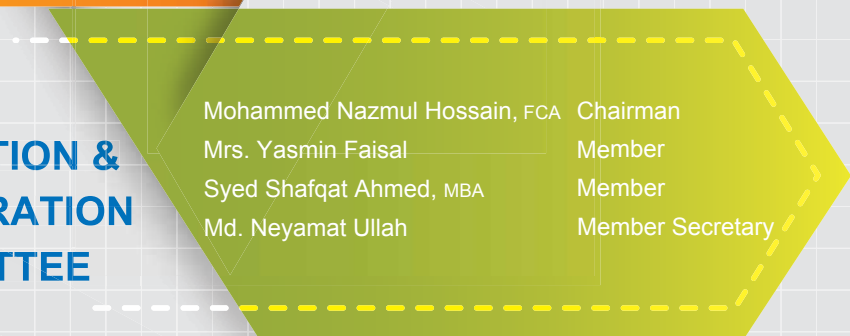
## Management Apparatus



### AUDIT COMMITTEE



### NOMINATION & REMUNERATION COMMITTEE



## Saiham Textile Mills Ltd.

<b>Registered Office</b>	:	Noyapara, P.O : Saiham Nagar U.Z : Madhabpur, Dist : Habiganj -3333
<b>Dhaka Office</b>	:	Saiham Tower, House # 34 (11 <sup>th</sup> Floor) Road # 136, Gulshan-1, Dhaka-1212
<b>Telephone</b>	:	9862284, 9863323, 9887441
<b>Fax</b>	:	9894607, 48810951
<b>E-mail</b>	:	share@saiham.com
<b>Website</b>	:	www.saihamtextile.com
<b>Auditors</b>	:	Khan Wahab Shafique Rahman & Co. Chartered Accountants Rupali Bima Bhaban (5 <sup>th</sup> Floor) 7 Rajuk Avenue, Motijheel, Dhaka-1000
<b>Legal Advisor</b>	:	Md. Shamsul Haque Flat # 9 B, (10 <sup>th</sup> Floor) Fayanaz Property 37/2, Purana Paltan, Dhaka-1000
<b>Principal Banker's</b>	:	<b>HSBC Limited.</b> Dhaka Main Office, Anchor Tower, Sonargaon Road, Dhaka <b>Eastern Bank Limited.</b> Head office Branch, 10, Dilkusha C/A, Dhaka-1000 <b>Standard Chartered Bank Limited.</b> 67 Gulshan avenue, Dhaka 1212 <b>Dhaka Bank Limited.</b> Islamic Banking Branch 158/160, Motijheel C/A, Dhaka-1000 <b>Prime Bank Limited.</b> Gulshan Branch Dhaka-1212
<b>Insurance Company's</b>	:	<b>Green Delta Insurance Company Limited.</b> 51-52, mohakhali C/A, Dhaka-1212 <b>Prime Insurance Company Limited.</b> 63, Dilkusha C/A, Dhaka-1000 <b>Islami Insurance Bangladesh Limited.</b> Malibagh Branch, Dhaka-1217 <b>Union Insurance Company Limited.</b> 65/2/1, Box Culvert Road Purana Paltan, Dhaka -1000
<b>Factory</b>	:	Noyapara, P.O : Saiham Nagar U.Z : Madhabpur, Dist : Habiganj -3333



# Our Vision

- ❑ We aspire to maintain our leadership position in the Textile Industry by producing the best quality various counts of yarns and becoming a reliable business partner of our buyer and suppliers.
- ❑ Protect the interest of our shareholder through sustainable growth and value creation.
- ❑ Preserve the trust of all our Stakeholders by adopting ethical business practices.
- ❑ Support the society through corporate social responsibility initiative.



# Our Mission

- Trust : Preserve the faith and goodwill of all our shareholders, buyers, suppliers and the society at large.
- For the Society : Contribute to the well being of the society in general by acting as a responsible corporate citizen.
- Our Goal : Long term maximization of Shareholders value in a society responsible manner.

# Factory Highlights



# **Achievement**

Mr. S.M. Faisal Managing Director of Saiham Textile Mills Ltd. received the longest period tax payer award from Finance Minister AHM Mustafa Kamal MP.



Mr. S.M. Faisal Managing Director of Saiham Textile Mills Ltd. receiving the longest period tax payer award from Finance Minister AHM Mustafa Kamal MP.

# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2019/091



Date of issue : February 17, 2019

## Renewed Certificate

*This is to certify that*

**SAIHAM TEXTILE MILLS LIMITED**

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31<sup>st</sup> December 2019.*



  
Secretary-General

# MESSAGE FROM THE CHAIRMAN

Distinguished Shareholders

On behalf of the Board of Directors, I welcome you all and take immense pleasure and delight in addressing the 38th Annual General Meeting of the company. I also want to thank you the honorable shareholders for joining us to make the event successful.

With pleasure I present the report of the Board of Directors the Audited Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and other Financial Statements of the company for the year June 30, 2019. This Annual Report has been prepared in compliance with Companies Act 1994, Financial Institutions Act 1993 and the Guidelines issued by Bangladesh Securities and Exchange Commission and other regulatory authorities. We eagerly wait for this day to get the opportunity to meet with all of you, discuss on the performance of the concerned year of the company and sharing the views of each other and thus getting guideline and inspiration for the days to come. I assumed that to the changed situation more obligations has been created on us on behalf of the valued shareholder in respect of last 37th AGM and to offer them assurance of our sincerity in maintaining operational results up to their expectations at present as well as in future.

Like previous years the global textile industry is passing through a very difficult time. The local and export market has taken the main effect of this downtrend. Due to Slackness in the global demand coupled with high cotton prices are effecting the fortunes of the Textile Industry throughtout the world. US continued to be the prime driver of the economic growth though the on-off trade war between the US and China is kept threatening the sentiment. Europe continued to deal with the protracted Brexit negotiations and continuing stress in the other parts of the system. China growing at its lowest performance in last 28 years partly driven by its intent to manage debt and partly the impact of its trade tensions with the US. Because of the prevailing textile scenario and high priced cotton along with yarn price not refelecting the actual market price, spinning mills have already cut down their production in the past few months. The future is still not clear. Our management is looking at the future with a hope that situation will improve for better in the second half of the current financial year.

The company is value-driven and there is conscious implementation of gender-equality. We are following the Corporate Governance guidelines meticulously and there is transparency in all our dealings and decision making. All processes are validated through the ISO 9001 systems of Quality Management.

I on behalf of the Board would like to express my sincere thanks to the respected shareholders for their overwhelming trust and confidence that helped to uncompromisingly pursue an agenda that was in the long-term interest of the Company. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository Bangladesh Limited, Jalalabad Gas System, Banks, Insurances and Financial Institutions for their support and patronage extended to the company from time to time.

Thanking you

Regards



(S.F.A.M. Shahjahan)  
Chairman

# DIRECTOR'S REPORT TO THE SHAREHOLDERS

Dear Shareholders

Assalamu Alaikum,

I, on behalf of the Board of Directors, have the pleasure to present before you the report for the year ended June 30, 2019 along with the audited financial statements and auditors' report thereon.

## BACKGROUND

Saiham Textile Mills Limited was incorporated on March 27, 1981 as a Public Limited Company vide incorporation No.C-8864/703. The Authorized capital of the company is Tk. 1,500 million and paid up capital is Tk. 905.62 million the company was listed with the Dhaka Stock Exchange Ltd. in the month of August 1988 and Chittagong Stock Exchange Ltd. in the month of March 1999.

## REVENUE

The year 2018-19 was a year of consolidation of the Company. Facing the global challenge, assessing its impact on the local apparel industry and finding a profitable was the main challenge throughout the by gone year. During the year under review, Company showcased its operational excellence along with consistent financial performance on the top line. Against the backdrop of challenging market environment, Company's business continues to track ahead satisfactorily on the back of dynamic response to market trends, enduring buyer satisfaction with strong product portfolio.

In Spite of rough market condition as narrated in industry scenario, the company is able to overcome the challenges posed by competitive forces during the year. Thus during the year under review, Company's turnover increased to Tk. 2,599 million as against Tk. 2,178 million recorded in the previous year. Company's performance was much better in turnover but unfortunately a havoc fire accident changed the profit scenario. On December 11, 2018 a destructive fire accident had burned 90,21,179 Lbs of raw cotton and factory godown etc. the value of which stood at Tk. 78,15,97,112. As we were insured with one of the top if not the top Insurance company in Bangladesh, Green Delta Insurance Company Ltd. we succeeded to realize a claim of Tk. 54,92,62,130 against our above claim, result of which Tk.23,47,27,317 had been sustained losses causing reduction of profit. As such the net profit after tax had stood at Tk. (87.71) million as compare to the previous year of Tk. 109.17 million. In spite of the incident which is an one off affair otherwise the overall financial performance was an admirable one and will give us great courage to move forward in our coming days.

## Financial Result and Appropriation of Profit:

Particulars	2019	2018
Net Profit for the year (after tax)	(8,77,19,640)	109,175,886
Add: Previous year's surplus	42,98,70,671	403,498,967
Add: Adjustment of revaluation of P.P.E	3,32,88,770	23,106,228
Add: Adjustment with Retained Earnings	-	2,764,589
Add: Adjustment for tax refund (2015-2016)	8,41,284	-
<b>Profit available for appropriation</b>	<b>37,62,81,085</b>	<b>53,85,45,670</b>
Recommended for appropriations:		
Cash Dividend	(13,58,43,750)	(108,675,000)
<b>Total</b>	<b>24,04,37,335</b>	<b>42,98,70,670</b>

## Segment-wise or product-wise performance

Mentioned in section 20 of the notes to the financial statements.

## Industry outlook and possible future developments in the industry

The Bangladesh economy will grow at 8 percent this fiscal year, which would be the highest in Asia, as per the latest forecast of the Asian Development Bank. The forecast is close to the government target of 8.2 percent growth in fiscal 2019-20. Last fiscal year, Bangladesh pulled off 8.13 percent GDP growth. Buoyant exports, robust private consumption, higher remittance, accommodative monetary policy and ongoing reform to improve business climate and high infrastructure spending helped Bangladesh attain high growth.

## Saiham Textile Mills Ltd.

The year 2018-19 was a challenging year in fluctuations of raw material prices and weak market sentiments. Despite this, our emphasis on increased products differentiation along with improved operational efficiencies and careful working capital management helped us to remain competitive.

The downstream industries in the man made fibre textile value chain spinning and weaving the largest employment generator in the value chain are facing acute stress because of high prices of staple fibre compared to imported material. This affects the export competitiveness of the domestic downstream textile industry. Higher input costs, falling demand from consumers, and competitive pressures are expected to impact the profitability of the Company. Continued slowdown in overall textile industry and slowdown in economic growth in recent months can impact sale growth for current year.

### Risks and concerns

The Company is experiencing pressure on margins due to competition from other low cost countries like China. Textiles being a labour intensive industry, rising labour and skilled human resources costs can put pressure on margins. Besides this competitive pressure has increased, driven by low priced yarn from China and India. The export market is not very encouraging either. Further any unforeseen slowdowns affecting the growth of the Bangladesh economy, may adversely affect the investments in the textile sector. With all our competitors enjoying almost 10%-15% depreciated value against their inwards foreign earnings, it is very challenging for Bangladeshi product to compete, specially Pakistan suddenly interfering with their ever record low currency and taking advantage of the low price for its depreciated Rupee.

The Company reviews its policies and practices to adjust the inventory levels of both raw materials and finished goods in line with changing demand to reduce the impact of volatility in raw material prices while ensuring availability of enough stocks for optimum production plans and supply of finished goods. The Company is exposed to risks attached to various statutes and regulations including the Competition Act, 1994. The Company is mitigating these risks through regular reviews of legal compliances, through internal as well as external compliance audits.

Any change in government policies related to cotton and yarn, higher raw material cost, competition from peer group, power cost, seasonal fluctuations, non-availability of skilled manpower have impact on spinning industry and are perceived as threats.

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

Particulars	June 30, 2019	June 30, 2018
Cost of goods sold	226,50,27,513 (87.14%)	191,18,88,879 (87.77%)
Gross profit	3341,60,018 (12.86%)	26,62,30,828 (12.22%)
Net profit for the year	877,19,640 (3.37%)	1091,75,887 (5.01%)

### Discussion on continuity of any Extra-Ordinary gain or loss

On December 11, 2018 a fire incident happened in one of the factory godown, the fire burned 90,21,179 LBS of raw cotton, the godown structure etc. Several unit of fire brigades took five days to control the fire. The fire completely came under control on 25th December 2018. The godown was fully insured by Green Delta Insurance Company Limited. Claim for total raw cotton burned value stands for tk. 7,81,59,712 and insurance claim against the fire loss is Tk. 54,92,62,130 as a result Tk. 23,47,27,317 has been sustained loss disclosed in Note 7.00 "Sundry Receivable".

### Related party transactions

The Company has transactions with its Associate Companies which have been disclosed in related party transaction in note nos. 28 of the notes to the financial statements.



## **Variance within the financial year**

There was no event of significant variance between quarterly financial performances during the year under reporting.

## **Fairness of financial statements**

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

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification dated August 7, 2012 Chief officer has given the declaration which is shown on page 39 of the report.

## **Books of Accounts**

Proper books of accounts of the company were 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 and IFRS**

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 systems and their adequacy**

Our Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process and Internal Audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

## **Environment Protection, Health and Safety**

Environment Protection, Health and Safety Environment Protection, Health and Safety continues to receive highest priority in all operational and functional areas. Adequate safety measures are taken at plant for prevention of any untoward incidents. Various processes required for pollution control and environmental protection are strictly adhered to.

## **Going Concern**

The Board, through appropriate enquiries and analysis, ensures that the resources are adequate to support the operation and that sufficient business opportunities exist to qualify the organization as a going concern and the Directors analyse the financial statements to ensure. Accordingly financial statements are prepared on a going concern basis.

## **Board of Directors**

### **i. Composition and size of the Board**

On the 30th June 2019, there were 8 members on the Board; The Board comprises Chairman, Managing Director, four Directors and two Independent directors.

## Saiham Textile Mills Ltd.

### ii. Board meeting and attendance:

The Board met 9 times during the period from July 01, 2018 to June 30, 2019. Following table shows the attendance of directors in the meeting.

Name of Directors	Number of Board Meeting held during the financial year ended 30.06.2019	Number of Board Meeting attended	Remarks
Mr. S. F.A. M. Shahjahan	9	9	
Mr. S. M. Faisal	9	9	
Mrs. Yasmin Faisal	9	9	
Engr. Syed Ishtiaq Ahmed	9	9	
Syed Shafqat Ahmed, MBA	9	9	
Mrs. Rio Aziza Salim	9	9	
Mr. Mostafa Moin, Independent Director	3	3	
Mohammad Nazmul Hasan, FCA, Independent Director	6	6	

### DIRECTORS

In terms of Article 115 of the Articles of Association of the Company,

Syed Shafqat Ahmed and Mrs. Yasmin Faisal, Director retire by rotation from the Board in the 38th Annual General Meeting. Being eligible under Article 117 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

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

#### Syed Shafqat Ahmed, MBA, Director

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

#### Names of companies in which Syed Shafqat Ahmed holds the directorship:

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

#### Mrs. Yasmin Faisal, Director

Mrs. Yasmin Faisal wife of Mr. Syed Md. Faisal completed her Masters in History from the Gordon College under Lahore University. She has long experience in marketing, financial and product development & administration. She traveled more than 30 countries including USA, Europe, Australia, Japan, German and Far-East Asia for business purposes. She is also associated with a member of social and cultural organizations.

#### Names of the companies in which Mrs. Yasmin Faisal holds the directorship:

Interest in other Company	Designation
Faisal Spinning Mills Ltd.	Managing Director
Saiham Textile Mills Ltd.	Director

## **Role of the Chairman**

The Chairman serves as the primary link between the board and management and works with the Managing Director and Company Secretary to set the agenda of the Board meetings. He provides leadership to the Board and ensures that the Board works effectively and discharges its responsibilities.

## **Role of the Managing Director**

The Managing Director is the key person and is responsible for running the business of the company. He is also responsible for formulating as well as implementing Board strategy and policy. The Managing Director is responsible for establishing and executing the Company's operating plan that is necessary to achieve the company's objectives. He has the overall control on the company's day to day affairs and is accountable to the Board for the financial and operational performance of the company.

## **Role of the Company Secretary**

Company Secretary is responsible for advising the Board through the chairman on all governance matters. He is also responsible for ensuring proper information flow with the Board and its committees and between the management and the non-executive directors. He is also acting as bridge between the regulators/stakeholders and the company.

## **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee, as a sub-committee of the Board of Director has been constituted with Four board of directors with one Independent director as a chairman. The Company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee assists 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 of the company. NRC is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. We have been taking necessary steps to comply with the corporate governance code has been adopted on 03, June 2018.

## **External Statutory Auditors**

The BSEC guidelines are being strictly followed in engaging statutory Auditors for the Company.

## **Website**

The company has been maintaining an official website [www.saihamtextile.com](http://www.saihamtextile.com) which is linked with website of the stock exchange.

## **DIVIDEND**

The Board of Directors has recommended 10% cash dividend for the year ended June 30, 2019 (subject to the approval in the forthcoming AGM) whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date, i.e., November 21, 2019.

## **Contribution to the national exchequer**

To contribute the economic development of the country and building up the revenues Saiham Textile Mills Ltd. deducts Income Tax, VAT at source from the employees, suppliers, turnover and deposits the same to the National Exchequer regularly. During the year 2018-2019 the company contributed 1.54 million to the National Exchequer in the form of corporate tax, custom duty, and Value added Tax (VAT).

## **Report of the Audit Committee**

The Audit committee consists of the following members:

Mr. Nazmul Hasan, FCA Independent Director	: Chairman
Syed Shafqat Ahmed, MBA, Director	: Member
Mrs. Rio Aziza Salim, Director	: Member
Md. Neyamat Ullah, Company Secretary	: Member

# Saiham Textile Mills Ltd.

## Scope of work of Audit Committee

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

## Review of financial statements by the Audit Committee

Audit Committee reviewed the annual financial statements for the year June 30, 2019 and placed its recommendation to the Board of Directors.

## External audit

Malek Siddiqui Wali a Chartered Accountant firm registered in Bangladesh acted as the external auditors to the company throughout the year. The external auditors are not engaged on any material non-audit work such as:

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

## Independence of External Auditor

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

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

## Resolutions of the Audit Committee meeting:

The Committee met three times during last financial year 2018-19 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended June 30, 2019;
- Reviewed and discussed the Management Letter, by external auditor Malek Siddiqui Wali for the year ended June 30, 2019 on the annual audit on financial statements of Saiham Textile Mills Ltd.;
- Reviewed various reports of Internal Control & Compliance Department on operational, financial procedures and branch activities;

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

## Report from the Audit Committee

Dated: October 17, 2019.

The Board of Directors

Saiham Textile Mills Ltd.

House 34, Road # 136

Gulshan-1, Dhaka

## Audit Committee Report

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observations in their reports on the draft financial statements of the Company initiated by the auditors for the year ended 30 June 2019. The Committee found the statements adequate arrangement to present a true and fair view of the financial status of the Company; and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting and disclosures.

Sd/-

(Md. Nazmul Hasan, FCA)

Chairman

Audit Committee

Saiham Textile Mills Ltd.

## Environmental Role

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

## Corporate Social Responsibilities

Saiham Textile Mills Ltd. always acknowledges its responsibilities for the well-being of the society and takes part in such activities whenever it becomes necessary. The company provides financial support to different social & cultural organizations and to the distressed people of the society. Contribution to CSR programs have been always supported and encouraged by the Board of Directors of the Company. During the year 2018-2019 the company has contributed to the welfare of the community such as donation to Mosque, Madrasha, School, free eye treatment given by setting up eye camp also distributed blanket among the poor people in winter season.

## Code of conduct

All the employees are bound by our written code of business conduct which is an agreement signed as part of their written contract of employment. The signatory is responsible to comply with the code and also ensure employees reporting to him also comply with the code.

## APPOINTMENT OF INDEPENDENT DIRECTOR

The Board of Directors has approved the retirement of Mr. Nasir Uddin Haider from the position of Independent Directors of the company and appointed Mr. Tariquzzaman Khan, FCA, FCS, as an Independent director of the company on August 13, 2019 subject to approval of shareholders in 38th Annual General Meeting of the company.

## Qualification of New Independent Director

Tariquzzaman Khan, FCA, FCS, is a professional accountant and has vast experienced in corporate industry. He completed B.Com (Hon's) in Accounting and M.Com from the University of Dhaka. He is fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) and Institute of Chartered Secretary of Bangladesh (ICSB).

## APPOINTMENT OF AUDITORS

The Auditors of the company Khan Wahab Shafique Rahman & Co. Chartered Accountants have audited the financial statements of the company for the year 2018-2019. It is mentioned here that Malek Siddiqui Wali, Chartered Accountants, 9-G Motijheel C/A, Dhaka -1000 was appointed as the auditors of the company for the year 2018-2019 in the last (37th) Annual General Meeting held on December 18, 2018. Malek Siddiqui Wali, Chartered Accountants resigned

## Saiham Textile Mills Ltd.

from the statutory auditor of the company for the year 2018-2019 due to continuous deterioration of health condition. In this circumstances, the Board of Directors appointed Khan Wahab Shafique Rahman & Co. Chartered Accountants as the statutory auditors for the year 2018-2019.

It is mentioned that, Khan Wahab Shafique Rahman & Co. Chartered Accountants offered themselves for re-appointment 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 re-appointment of Khan Wahab Shafique Rahman & Co. Chartered Accountants as the auditors of the company for the year 2019-2020 to hold office for the period until conclusion of the next (38th) Annual General Meeting of the company for auditing the accounts for the year ended June 30, 2020.

The appointment of auditor to be placed before 38th Annual General Meeting for shareholder's approval.

### **Appointment of Professional (Chartered Accountants/Chartered Secretaries) firm for the certificate on compliance with the Corporate Governance Code BSEC**

As per notification number BSEC/CMRRCD/2006-158/Admin/80 dated June 03, 2018 the company shall obtain certificate from Professional Accountant/ Chartered Secretary (Chartered Accountants/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 Textile Mills Limited for the year June 30, 2020 subject to approval of the Shareholders of the company in the 38th Annual General Meeting.

### **CORPORATE & FINANCIAL REPORTING:**

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

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.

Proper books of accounts of the Company have been maintained.

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.

The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.

The systems of internal control are sound and have been effectively implemented and monitored.

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

There are no significant deviations in operating result of the business of the company compared to last year.

## Pattern of Shareholding

Name wise details	No. of Shares held
Parent/Subsidiary/Associated Companies and other related parties	Nil
Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:	
Mr. S.F.A.M.Shahjahan Chairman	23,21,513
Mr. S.M.Faisal Managing Director	30,82,747
Mrs. Yasmin Faisal Director	20,27,000
Engr. Syed Ishtiaq Ahmed, Director	78,43,920
Mr. Shafqat Ahmed, MBA Director	74,93,503
Mrs. Rio Aziza Salim Director	76,15,219
Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:	
Executives	Nil
Shareholders holding ten percent (10%) or more voting interest in the Company: ICB	90,97,924

### Professionals for Compliance of Corporate Governance Code

The Board has appointed Kazi Zair Khan & Co. Chartered Accountants Shamsunnahar complex 8th floor (2nd lift) Flat- 9B, 31/C/1, Topkhana Road, Segunbagicha, Dhaka 1000 as professional for Report of Compliance Governance Code for the year 2018-2019.

### Key operating and financial data

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

### Corporate Governance Compliance Report

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, "Corporate Governance Compliance Report" is annexed (Annexure : 2)

On behalf of the Board of Directors



( S.M.Faisal )

Managing Director

October 17, 2019

## **STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL**

The company has an ongoing risk management process to identify and analyses the risks so that the company can set appropriate risk limits and controls. Risk management policies, procedures and system are reviewed regularly to reflect Changes in market conditions and the company's activities.

The company has exposures to the risks credit risk, liquidity risks, price risks foreign exchange risks etc.

### **Control activities**

Control activities are the policies and the procedures to help ensure that the 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 ensure the effective flow of information on internal 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 set up with six 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 systems and reports to the audit committee.



## **DIRECTOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS**

The Director's of the company are responsible for the integrity and accuracy of the financial statements. The board believes that the financial statement for the year ended on June 30, 2019 have been prepared in conformity with International Accounting Standard (IAS), IFRS, Companies Act, 1994, BSEC guidelines, Stock Exchanges Listing Regulations appropriate in the circumstances. In preparing the financial statements, management with the consultation of the board makes informed judgments and estimates where necessary to reflect the expected effects of events and transactions that have not been completed. The company's disclosure controls and procedures ensure that the material information required to be disclosed is recorded, processed, summarized and communicated to management and reported within the required time periods. In meeting its responsibility for the reliability of the financial statements, managements relies on a system of internal accounting control. The system is designed to provide reasonable assurance that assest are safeguarded and transaction are excuted in accordance with the management's authorization and recorded properly to permit the preparation of financial statements in accordance with IAS/IFRS. The design of this system recognizes that errors or irregularities may occur and the estimates and gudgements are required to assess the relative cost and expected benefits of the controls. Directors belive that the company's internal accounting controls provide reasonable assurance that errors or irregularities that could be material to that financial statements are prevented or would be detected within a timely period. The Audit Committee of the Board of Directors, which is composed solely of independet directors, is responsible for overseeing the Company's financial reporting process. The Audit Committee meets with management and sees the report of the Company's internal auditors periodically to review the work of each and to monitor the discharge by each of its responsibilities. The independent auditors are engaged to express an opinion on the Company's financial statements and on the Company's internal control over financial reporting. Their opinions are based on procedures that they believe to be sufficient to provide reasonable assurance that the financial statements contain no material errors and that the Company's internal controls are effective.

By order of the Board

Saiham Textile Mills Ltd.



( S.M.Faisal )

Managing Director

# Saiham Textile Mills Ltd.

Annexure : I  
(Taka in Crore)

## The Key Operation and Financial Data : Financial Highlights

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Turnover	259.92	217.81	152.96	163.98	174.74
Gross Profit	33.42	26.17	23.16	19.69	16.46
Net profit after tax	(8.77)	10.91	9.24	7.68	7.97
Net cash operating activities	10.82	1.33	6.82	(30.96)	48.73
<b>Summary of Balance Sheet</b>					
Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Authorized capital	150	150	150.00	150.00	150.00
Paid-up capital	90.56	90.56	90.56	86.25	75.00
Reserve and surplus	96.79	115.74	113.38	110.29	111.19
Shareholder's equity	392.79	244.34	243.95	238.65	230.52
Deferred tax liabilities	47.15	17.19	16.59	15.86	14.82
Non-current liabilities	54.02	25.31	16.59	31.22	54.18
Current liabilities	136.31	226.82	174.27	134.02	157.78
Fixed Aseets	381.12	193.22	187.94	192.95	202.60
Other Non-current Assets			-	-	-
Total Non-current Assets	381.12	193.22	187.94	192.95	202.60
Current Assets	202.00	303.25	246.87	210.94	242.21
Book value per share	10.00	10.00	10.00	10.00	10.00
Earnings per share	(0.97)	1.21	1.02	0.89	0.92
Cash	10%	15%	12%	5%	-
Stock	-	-	-	5%	15%
Number of shareholder's	4379	6205	7,175	7,242	7,331
<b>Ratios</b>					
Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Debt to Equity Ratio	0.48	1.03	0.78	0.69	0.84
Current Ratio	1.48	1.34	1.42	1.57	1.51
Gross Profit/Sales (%)	12.86	12.02	15.14	12.01	9.46
Operating/Sales (%)	5.81	5.51	5.97	3.65	2.20
Profit after tax/Sales (%)	(3.37)	5.01	6.04	4.69	4.58
Return on Asset (%)	(1.26)	2.74	2.91	2.83	2.29
Return on Equity (%)	(4.68)	5.29	4.53	3.91	4.23

## Saiham Textile Mills Ltd.

"Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:"

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
<b>1</b>	<b>Board of Directors</b>			
<b>1.1</b>	<b>Size of the Board of Directors</b>			
	The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	✓		
<b>1.2</b>	<b>Independent Directors</b>			
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 in 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;	✓		

## Saiham Textile Mills Ltd.

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;	√		
<b>1.3</b>	<b>Qualification of Independent Director(ID)</b>			
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	-		N/A
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;	-		N/A
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;	-		N/A
1.3 (b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-		N/A
1.3 (b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1.3 (d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
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.	√		
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
	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

## Saiham Textile Mills Ltd.

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

## Saiham Textile Mills Ltd.

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;	√		
<b>1.5 (xxv)</b>	<b>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:</b>			
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.	√		

## Saiham Textile Mills Ltd.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
<b>1.6</b>	<b>Meetings of the Board of Directors</b>			
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).	√		
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
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.	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
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
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-</b>			
<b>3.1</b>	<b>Appointment</b>			
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);	√		



## Saiham Textile Mills Ltd.

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).	✓		
<b>3.2</b>	<b>Requirement to attend the Board Meetings</b>			
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.	✓		
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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.	✓		
<b>4</b>	<b>Board of Directors' Committee</b>			
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;	✓		
<b>5</b>	<b>Audit Committee</b>			
<b>5.1</b>	<b>Responsibility to the Board of Directors</b>			
5.1 (a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors;	✓		

## Saiham Textile Mills Ltd.

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.	✓		
<b>5.2</b>	<b>Constitution of Audit Committee</b>			
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).	✓		
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		

## Saiham Textile Mills Ltd.

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.	✓		
<b>5.5</b>	<b>Role of Audit Committee shall include the following:</b>			
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
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
<b>5.6 (a)</b>	<b>Reporting to the Board of Directors</b>			
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 Textile 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
<b>5.6 (b)</b>	<b>Reporting to the Authorities</b>			
	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
<b>5.7</b>	<b>Reporting to the Shareholders and General Investors</b>			
	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.	✓		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6.1</b>	<b>Responsibility to the Board of Directors</b>			
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).	✓		
<b>6.2</b>	<b>Constitution of the NRC</b>	✓		
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;	✓		

## Saiham Textile Mills Ltd.

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;	✓		
<b>6.3</b>	<b>Chairperson of the NRC</b>			
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.	✓		
<b>6.4</b>	<b>Meeting of the NRC</b>			
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.	✓		

## Saiham Textile Mills Ltd.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not-complied	
<b>6.5</b>	<b>Role of the NRC</b>			
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.	√		
<b>7</b>	<b>External/Statutory Auditors</b>			
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;	√		

## Saiham Textile Mills Ltd.

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;			No such issue
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.	√		
<b>8</b>	<b>Maintaining a website by the Company</b>			
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).	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance</b>			
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;	√		
9.3	The directors of the company shall state, in accordance with the <b>Annexure</b> attached, in the directors' report whether the company has complied with these conditions.	√		

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

The Board of Directors  
Saiham Textile Mills Ltd.  
Saiham Tower (11th Floor), House # 34  
Road # 136, Gulshan-1, Dhaka-1212

**Subject : Managing Director & CFO's Declaration to the Board of Directors.**

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 Textile Mills Limited for the year ended on June 30, 2019 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, 2019 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - (b) 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.
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours,



( S.M.Faisal )  
Managing Director



Md. Abu Bakar Siddique  
Chief Financial Officer (CFO)





**KAZI ZAHIR KHAN & CO.**  
CHARTERED ACCOUNTANTS

**Annexure- B**

**[Certificate as per condition No. 1(5) (xxvii)]**

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

We have examined the compliance status to the Corporate Governance Code by Saiham Textile Mills Limited for the year ended on 30<sup>th</sup> June, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3<sup>rd</sup> June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

**Dated: Dhaka  
October 24, 2019**

  
**Nurul Hossain Khan, FCA  
Managing Partner  
KAZI ZAHIR KHAN & CO.  
CHARTERED ACCOUNTANTS**

Head Office: Shamsunnahar Complex, 8<sup>th</sup> Floor (2<sup>nd</sup> Lift), Flat- 9B, 31/C/1, Topkhana Road, Segunbagicha, Dhaka- 1000,  
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Branch Office: 281/3, Jafrabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207. Tel: 8113474. e-mail: [aamahmudco@gmail.com](mailto:aamahmudco@gmail.com)

# Saiham Textile Mills Ltd.

<p>A member of <b>mgeworldwide</b></p> <p><b>HEAD OFFICE :</b> RUPALI BIMA BHABAN 7, RAJUK AVENUE (5TH &amp; 6TH FLOOR) MOTIJHEEL, DHAKA-1000 Tel : 955136, 9551663, 9551821 FAX : 880-2-9551821 E-mail : kwsr@dhaka.net Web : www.kwsrbd.com</p>	<p><b>KHAN WAHAB SHAFIQUE RAHMAN &amp; CO.</b> CHARTERED ACCOUNTANTS</p> 	<p><b>BRANCH OFFICE :</b> FARUK CHAMBER (9TH FLOOR) 1403 SK. MUJIB ROAD AGRABAD C/A, DOUBLE MOORING CHATTOGRAM, BANGLADESH Tel : 031-2520056 E-mail : kwsrtg@gmail.com</p>
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## INDEPENDENT AUDITORS' REPORT TO THE SHARE HOLDERS OF SAIHAM TEXTILE MILLS LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

### Opinion

We have audited the financial statements of **Saiham Textile Mills Ltd.** which comprise the Statement of Financial Position as at 30 June 2019, 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 Textile Mills Ltd. as at 30 June 2019, 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

- a) We draw attention to note **5.00 "Inventories"** of the notes to the financial statements which describes the effects of a fire in the company's godown. Our opinion is not modified in respect of this matter.
- b) We draw attention to note **22.00 "Financial Expenses"** of the notes to the financial statements which describes the reasons of increase in financial expenses. Our opinion is not modified in respect of this matter.

### 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.

### Property, plant and equipment

#### *The key Audit Matter*

The company has Tk. 3,811,285,037 as Written Down Value (WDV) at Property, Plant and Equipment which stands at 65.36 % of its total assets with new acquisitions of Tk. 2,015,326,807 which includes Tk. 2,002,616,203 as revaluation made during the year. 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.

## Saiham Textile Mills Ltd.

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 & 4.00 “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 revaluation 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 revaluation has been given;
- d) Evaluation of the valuer’s competency and works performed;
- e) Checking the adequacy of the disclosure on the revaluation;
- f) Verification and calculation of deferred tax on revaluation and whether proper treatment has been given for the deferred tax thereon;
- g) 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. 629,999,455 at 30 June 2019 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. During the year a loss of stock on fire has occurred worth Tk. 781,597,112. As such, inventory has been considered as key audit matter during the year under audit.

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 challenged 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;
- d) Assessing and verifying the insurance company survey report as agreed by management to determine the loss of stock on fire and claim receivable thereon;
- e) Verifying whether the loss was properly accounted for in the financial statements;

# Saiham Textile Mills Ltd.

## Taxation

### *The key Audit Matter*

The Statement of Profit & Loss and Other Comprehensive Income shows total loss before tax stands at Tk. 73,579,360 during the year on which the company has charged total income tax of Tk. 14,140,280. Furthermore, deferred tax liability of the company has increased to Tk. 471,516,439 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 14.00 "Deferred Tax Liability"** and Note 19.00 "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. 2,599,187,531 during the year. Sales have increased due to increased demand from the customers. Recognition of the revenue of Saiham Textile 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of director of the company.

## **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.

## Saiham Textile Mills Ltd.


### 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, 2019

  
**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants

# Saiham Textile Mills Ltd.

## Saiham Textile Mills Limited

Statement of Financial Position  
As at June 30, 2019

Particulars	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
<b>ASSETS</b>			
<b>Non-current Assets:</b>		<b>3,811,285,037</b>	<b>1,932,223,618</b>
Property, Plant & Equipment- Spinning	3.00	1,340,172,897	802,888,090
Property, Plant & Equipment- Melange	4.00	2,471,112,140	1,129,335,528
<b>Current Assets:</b>		<b>2,020,035,964</b>	<b>3,032,528,541</b>
Inventories	5.00	629,999,455	1,962,550,900
Trade Debtors	6.00	747,739,818	813,737,911
Sundry Receivable	7.00	549,262,130	10,699,872
Advance, Deposits & Prepayments	8.00	52,692,097	75,277,023
Fixed Deposit Receipt	9.00	6,784,383	145,586,609
Cash & Cash Equivalents	10.00	33,558,082	24,676,226
<b>Total Assets</b>		<b>5,831,321,001</b>	<b>4,964,752,159</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity:</b>		<b>3,927,939,730</b>	<b>2,443,444,747</b>
Share Capital	11.00	905,625,000	905,625,000
Share Premium		727,500,000	727,500,000
Revaluation Reserve	12.00	2,054,377,395	380,449,077
Retained Earnings		240,437,335	429,870,670
<b>Non-current Liabilities:</b>		<b>540,266,430</b>	<b>253,136,828</b>
Term Loan- Prime Bank	13.00	68,749,991	81,249,995
Deferred Tax Liability	14.00	471,516,439	171,886,833
<b>Current Liabilities:</b>		<b>1,363,114,840</b>	<b>2,268,170,584</b>
Short Term Loan	15.00	740,965,441	712,429,227
Current Portion of Long Term Loan	16.00	12,500,004	12,500,004
Rights Share money Refundable		15,000	15,000
Liabilities for Goods	17.00	578,857,803	1,508,703,175
Liabilities for Expenses & Others	18.00	30,776,593	34,523,178
Provision for Tax	19.00	-	-
<b>Total Liabilities</b>		<b>1,903,381,271</b>	<b>2,521,307,412</b>
<b>Total Equity &amp; Liabilities</b>		<b>5,831,321,001</b>	<b>4,964,752,159</b>
<b>Net Assets Value Per Share (NAV)</b>	<b>26.00</b>	<b>43.37</b>	<b>26.98</b>

The annexed notes 1 to 33 and annexure A to D form an integral part of these financial statements.


  
Chairman

  
Managing Director

  
Company Secretary

Signed in terms of our separate report of even date.

Place: Dhaka  
Dated: October 28, 2019

  
Khan Wahab Shafique Rahaman & Co.  
Chartered Accountants

# Saiham Textile Mills Ltd.

## Saiham Textile Mills Limited Statement of Profit or Loss and Other Comprehensive Income For the year ended June 30, 2019

Particulars	Notes	Amount in Taka	
		2018 - 2019	2017 - 2018
Turnover	20.00	2,599,187,531	2,178,119,707
Less: Cost of goods sold		2,265,027,513	1,911,888,879
<b>Gross Profit</b>		<b>334,160,018</b>	<b>266,230,828</b>
<b>Less: Operating Expenses</b>	21.00	<b>183,205,541</b>	<b>138,147,440</b>
Administrative & Marketing Expenses	22.00	76,622,224	79,761,932
Financial Expenses		106,583,317	58,385,508
<b>Operating Profit</b>		<b>150,954,477</b>	<b>128,083,389</b>
Abnormal Loss by Fire	23.00	(234,727,317)	-
Non-Operating Income	24.00	1,402,542	16,135,938
Others Income	25.00	2,295,360	2,239,380
<b>Profit/(Loss) before WPPF &amp; WWF</b>	18.01	<b>(80,074,939)</b>	<b>146,458,707</b>
Less: Expenses for WPPF & WWF		-	6,805,480
Add: Unrealized Gain / (loss) for change in exchange rate of foreign currency		6,495,579	(3,543,629)
<b>Profit before tax</b>		<b>(73,579,360)</b>	<b>136,109,598</b>
<b>Less: Income tax expenses</b>	19.01	<b>14,140,280</b>	<b>26,933,711</b>
Current Tax Expenses	14.01	9,909,789	17,563,563
Deferred Tax Expenses		4,230,491	9,370,148
<b>Net (Loss)/ Profit after tax for the year</b>		<b>(87,719,640)</b>	<b>109,175,887</b>
<b>Other Comprehensive Income/(Loss)</b>		<b>1,707,217,088</b>	<b>-</b>
Revaluation gain on PPE		2,002,616,203	-
Deferred tax adjustment		(295,399,115)	-
<b>Total Comprehensive Income for the year</b>	27.00	<b>1,619,497,448</b>	<b>109,175,887</b>
<b>Earnings Per Share (EPS) (Basic)</b>		<b>(0.97)</b>	<b>1.21</b>

The annexed notes 1 to 33 and annexure A to D form an integral part of these Financial Statements.

  
Chairman

  
Managing Director

  
Company Secretary

Signed in terms of our separate report of even date.

Place: Dhaka  
Dated: October 28, 2019

  
Khan Wahab Shafique Rahaman & Co.  
Chartered Accountants



# Saiham Textile Mills Ltd.

## Saiham Textile Mills Ltd Statement of Changes in Equity For the year ended June 30, 2019

Particulars	Share Capital	Share premium of Rights Share	General Reserve	Revaluation Surplus	Retained Earnings	Total
<b>Balance as on July 01, 2018</b>	<b>905,625,000</b>	<b>727,500,000</b>	-	<b>380,449,077</b>	<b>429,870,671</b>	<b>2,443,444,748</b>
Revaluation During the Year	-	-	-	2,002,616,203	2,002,616,203	-
Adjustment for Tax Refund (2015-2016)	-	-	-	-	841,284	841,284
Net profit during the year	-	-	-	-	(87,719,640)	(87,719,640)
Depreciation on Revaluation of PPE	-	-	-	(33,288,770)	33,288,770	-
Adjustment for revaluation of PPE and Deferred Tax	-	-	-	(295,399,115)	-	(295,399,115)
Cash Dividend for 2017-2018	-	-	-	-	(135,843,750)	(135,843,750)
<b>Balance as on June 30, 2019</b>	<b>905,625,000</b>	<b>727,500,000</b>	-	<b>2,054,377,395</b>	<b>240,437,335</b>	<b>3,927,939,730</b>

Particulars	Share Capital	Share premium of Rights Share	General Reserve	Revaluation Surplus	Retained Earnings	Total
<b>Balance as on July 01, 2017</b>	<b>905,625,000</b>	<b>727,500,000</b>	<b>2,764,589</b>	<b>400,089,371</b>	<b>403,498,967</b>	<b>2,439,477,927</b>
Net profit during the year	-	-	-	-	109,175,887	109,175,887
Adjustment of Revaluation of PPE	-	-	-	(23,106,228)	23,106,228	-
Adjustment with Retained Earnings	-	-	(2,764,589)	-	2,764,589	-
Adjustment for revaluation of PPE and Deferred Tax	-	-	-	3,465,934	-	3,465,934
Cash Dividend for 2016-2017	-	-	-	-	(108,675,000)	(108,675,000)
<b>Balance as on June 30, 2018</b>	<b>905,625,000</b>	<b>727,500,000</b>	-	<b>380,449,077</b>	<b>429,870,671</b>	<b>2,443,444,748</b>


  
Chairman

  
Managing Director

  
Company Secretary

Place: Dhaka

Dated: October 28, 2019

  
Khan Wahab Shafique Rahaman & Co.  
Chartered Accountants

# Saiham Textile Mills Ltd.

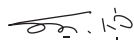
## Saiham Textile Mills Limited

Statement of Cash Flows  
For the year ended June 30, 2019

Particulars	Amount in Taka	
	2018 - 2019	2017 - 2018
<b>A. Cash Flows from Operating Activities</b>		
Collection from customers & other income	2,132,804,482	1,971,427,139
Payment to suppliers, employees and other expenses	(2,021,863,854)	(1,923,425,615)
Realized gain/(loss) on transactions	7,185,506	-
Income tax paid	(9,909,789)	(34,695,417)
<b>Net Cash Provided / (used) by Operating Activities</b>	<b>108,216,345</b>	<b>13,306,107</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(12,710,604)	(177,471,578)
Receipt from sale of disposed asset	1,500,000	-
Investment of FDR	138,802,226	350,000,000
<b>Net Cash Provided / (used) by Investing Activities</b>	<b>127,591,622</b>	<b>172,528,422</b>
<b>C. Cash Flows from Financing Activities</b>		
Loan received during the year	15,500,955	93,567,427
Loan repaid during the year	-	(113,106,122)
Finance cost	(106,583,317)	(58,385,508)
Dividend paid	(135,843,750)	(108,675,000)
<b>Net Cash Provided / (used) by Financing Activities</b>	<b>(226,926,112)</b>	<b>(186,599,203)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>8,881,856</b>	<b>(764,674)</b>
<b>Cash and Cash Equivalents at beginning of the year</b>	<b>24,676,226</b>	<b>25,440,706</b>
Effects of exchange rate changes on Cash & Cash Equivalent	-	194
<b>Cash and Cash Equivalents at end of the year</b>	<b>33,558,082</b>	<b>24,676,226</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)*</b>	<b>1.19</b>	<b>0.15</b>



Chairman



Managing Director



Company Secretary

Place: Dhaka

Dated: October 28, 2019

# Saiham Textile Mills Ltd.

## Saiham Textile Mills Limited Notes to the Financial Statements As at and for the year ended June 30, 2019

### 1 Status and Activities:

#### 1.1 Legal form of the Enterprise:

Saiham Textile Mills Limited was incorporated in Bangladesh on March 27, 1981 as a Public Limited Company under the Companies Act, 1913 (Subsequently repealed by the Companies Act, 1994) and listed with Dhaka Stock Exchange in the month of August, 1988. Head Office of the company is situated at Noyapara, Saiham Nagar, Habigonj and Dhaka office is situated at house # 02, Road # 55, Gulshan-02, Dhaka-1212.

#### 1.2 Issue of Rights Share:

Saiham Textile Mills Limited had issued 5,00,00,000 Rights Share of Tk. 10/= each at Tk. 25/= each including Premium of Tk. 15/= per share to general public in the ratio of 2:1 Rights Share (two Rights Share for each existing one share) against present 2,50,00,000 Ordinary Shares after obtaining consent from Bangladesh Securities & Exchange Commission (BSEC) vide their letter no SEC/CI/RI-65/2011/905 dated: December 20, 2011.

The purpose of issuance of Rights Share was to expand the companies business by establishing a new and modernized Melange Spinning Unit having 30,960 spindles.

Accordingly the Melange Spinning unit of Saiham Textile Mills Ltd. went on commercial production on 16th July 2013 and it is now running smoothly.

#### 1.3 Nature of Business Activities:

The company produces various counts of quality yarn in both Spinning & Melange unit.

### 2. Significant Accounting Policies and basis of preparation of the Financial Statements:

#### 2.1 Statement of Compliance:

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

#### 2.2 Basis of Preparation:

The Financial Statements of the company have been prepared Going Concern basis based on the accrual basis of accounting following under the historical cost convention.

#### 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 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 23	Borrowing Costs	Complied
08	IAS 24	Related Party Disclosures	Complied
09	IAS 33	Earnings per Share	Complied
10	IFRS 09	Financial Instruments	Complied
11	IFRS 15	Revenue from Contracts with Customers	Complied

**2.5 Use of Estimates and Judgments:**

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

**2.6 Going Concern:**

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

**2.7 Components of the Financial Statements:**

According to the IAS – 1 “Presentation of Financial Statements” the complete set of the Financial Statements includes the following components:

- i) The Statement of Financial Position for the Period ended June 30, 2019;
- ii) The Statement of Profit or Loss & Other Comprehensive Income for the for the Period ended June 30, 2019;
- iii) The Statement of Cash Flows for the Period ended June 30, 2019;
- iv) Statement of Changes in Equity for the Period ended June 30, 2019; and
- v) Accounting Policies and explanatory notes the Financial Statements for the Period ended June 30, 2019.

**2.8 Regulatory and Legal Compliance:**

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

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

**2.9 Property, Plant and Equipments (PPE):**

Property, Plant and Equipments 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 Equipments 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.

# Saiham Textile Mills Ltd.

## Depreciation of Property, Plant and Equipments

Depreciation has been charged when the asset is available for intended use and no depreciation is provided on retirement/disposal of Assets.

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

Name of assets	Rates
Factory Building and Others Construction	5%
Building office space	5%
Plant and Machineries	7.5%
Furniture and Fixtures	10%
Motor Vehicles	15%
Sundry Assets	10%
Office Equipments	10%

Depreciation has been charged to factory overhead & administrative expenses consistently.

## 2.10 Inventories:

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or Net Realizable Value. Costs including an appropriate portion of fixed and variable overhead expenses are assigned to inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make it salable. 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 methods are as follows:

Raw Cotton	At lower of weighted average cost or net realizable value
Polyester Staple Fiber PSF	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, Electric charges.
Finished Goods (Yarn)	At lower of weighted average cost or net realizable value

## Revaluation of property, plant and equipment

### Basis of valuation:

**Land and land development:** Present valuation of the Land and land Development has been arrived by consideration of the location and the market price of recent Transfer Price of the assets. Information and explanation from local people and Mouza Value has been considered to assess an average current transfer/market rate of land.

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

Plant and machinery: Plant and machineries has been arrived at by taking into consideration the current replacement cost. Beside, Information from C&F and other reliable source has been considered.

## 2.11 Revenue Recognition:

In compliance with the requirements of IFRS - 15 "Revenue from contracts with customers", revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding discounts, rebates, and sale taxes.

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

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

**2.12 Functional and Presentation Currency and level of precision:**

These Financial Statements are presented in Bangladeshi Taka which is both functional currency and presentation currency of the Company.

**2.13 Earnings Per Share (EPS):**

Earnings Per Share (EPS) are calculated in accordance with the IAS – 33 “Earnings Per Share” which has been shown on the face Statement of Comprehensive Income.

**i) Basic Earnings Per Share**

Basic Earnings Per Share are calculated by dividing the net profit or loss for the year attributable to the Ordinary Shareholders by the weighted average number of shares during the year.

**ii) Diluted Earnings Per Share**

No diluted Earnings Per Share are required to be calculated for the year as there was no scope for dilution during the year under review.

**2.14 Cash & Cash Equivalents:**

According to IAS – 7 “Cash Flow Statements” cash comprises of Cash in hand and Cash at Bank and demand deposits (FDR). Considering the provisions of IAS – 7 Cash in hand and Bank balances and FDRs have been considered as Cash and Cash Equivalents.

**2.15 Statement of Cash Flows:**

Statement of Cash Flows is prepared principally in accordance with IAS – 7 “Statement of Cash Flows” and in the Cash Flows the operating activities have been presented in direct method as prescribed by the Bangladesh Securities and Exchange Rule 1987.

**2.16 Liabilities for Expenses and Other Finance:**

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

**2.17 Foreign Currency Translation:**

Transactions in foreign currencies are translated in to BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated in to BDT at the rate of exchange ruling at the Financial Position date.

**2.18 Borrowing cost:**

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

**2.19 Revaluation Reserve:**

When an assets carrying amount is increased as a result of a revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus /reserve as per 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.

## Saiham Textile Mills Ltd.

### 2.20 Taxation:

#### Current Tax:

Provision for current tax has been made in the Financial Statements on taxable profit at the rate of 15% as per SRO No. 193/Law/income tax/2015 dated 30.06.15 of 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 ".

### 2.21 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.

### 2.22 Provision for Worker's Profit Participation Fund:

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

### 2.23 Responsibility for Preparation and Presentation of Financial Statements:

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

### 2.24 Related Party Disclosures:

As per IAS-24 parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

### 2.25 Reporting period:

These Financial Statements cover the period from July 01, 2018 to June 30, 2019.

### 2.26 Comparative Figure:

Comparative information has been disclosed in respect of the year 2018 for all numerical information in the financial statements and also narrative and descriptive where it is relevant for understanding of the current year's financial statements. Figures of 2018 have been rearranged in Note-20 (Cost of Goods Sold), amounting Tk.1,911,888,879 from Tk. 1,916,381,278 and Note-24 (Non-Operating Income) amounting Tk. 16,135,938 from Tk. 20,628,337 as previously reported in the audited financial statements as considered necessary to ensure comparability with the current year.

### 2.27 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 Statements and events after the Statement of Financial Position date that are not adjusting event are disclosed in the notes when material.

### 2.28 Reclassification

Maturity period of fixed deposit is one year hence fixed deposits are not shown under cash and cash equivalent.

### 2.29 General:

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

Amount in Taka	
June 30, 2019	June 30, 2018

### 3.00 Property, Plant & Equipment (net of depreciation): Spinning

#### At Cost:

Balance as on July 01, 2018	1,518,429,088	1,387,348,606
Addition during the year	583,697,957	131,080,482
<b>Total as on June 30, 2019</b>	<b>2,102,127,045</b>	<b>1,518,429,088</b>

#### Accumulated Depreciation:

Accumulated depreciation as on July 01, 2018	(715,540,998)	(671,508,218)
<b>Depreciable value</b>	<b>1,386,586,047</b>	<b>846,920,870</b>
Depreciation charged during the year	(46,413,149)	(44,032,780)
<b>Written down value as on June 30, 2019</b>	<b>1,340,172,897</b>	<b>802,888,090</b>

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

(b) The assets under Spinning unit has been revalued on 28 April, 2019. Please refer to Note 12.00 "Revaluation Reserve" for further details.

### 4.00 Property, Plant & Equipment (net of depreciation): Melange

#### At Cost:

Balance as on July 01, 2018	1,566,658,930	1,520,267,834
Addition during the year	1,431,628,850	46,391,096
	<b>2,998,287,780</b>	<b>1,566,658,930</b>
Adjustment during the year	(4,972,224)	-
<b>Total as on June 30, 2019</b>	<b>2,993,315,556</b>	<b>1,566,658,930</b>

#### Accumulated Depreciation:

Accumulated depreciation as on July 01, 2018	(437,323,402)	(356,656,105)
Adjustment during the year	1,079,889	
<b>Depreciable value</b>	<b>2,557,072,043</b>	<b>1,210,002,825</b>
Depreciation charged during the year	(85,959,903)	(80,667,297)
<b>Written down value as on June 30, 2019</b>	<b>2,471,112,140</b>	<b>1,129,335,528</b>

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

(b) The assets under Melange unit has been revalued on 28 April, 2019. Please refer to Note 12.00 "Revaluation Reserve" for further details.

(c) The effect of loss on fire on one out of three godowns has been shown as adjustment in Annexure - B.

Revaluation of the melange unit was done after the fire accident and as such the godown was not considered in the revaluation report.

### 5.00 Inventories

Particulars	Quantity	30.06.2019	Quantity	June 30, 2018
		Taka		Taka
Raw Materials	7048471 lbs	508,089,908	24217682 lbs	1,815,193,338
Stores & Spares	-	24,601,424	-	23,413,433
Packing Materials	-	2,446,220	-	908,935
Work-in-Process	230398 lbs	17,279,833	234897 lbs	18,605,506
Finished Goods (Yarn)	740280 lbs	77,582,070	1023235 lbs	104,429,688
<b>Total</b>		<b>629,999,455</b>		<b>1,962,550,900</b>

(i) Inventories are valued at cost price or net realizable value whichever is lower. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale. Physical verification of inventories was carried out by the management staff of the company. Inventories were pledged and hypothecated to Eastern Bank Ltd. Gulshan Branch, Dhaka. as security of working capital loan. Number of items of spare-parts & packing materials are higher than that of last year and different items are measured in different units.

(ii) On December 11, 2018, a fire incident happened in one of the factory godown, the fire burned 9,021,179 LBS of raw cotton. Loss on total raw Cotton burned stands at Tk. 781,597,112 (Note 23.00 "Abnormal Loss by fire") and insurance claim against the fire loss is Tk.549,262,130 disclosed in Note 7.00 "Sundry Receivable"



## Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2019	June 30, 2018

### 6.00 Trade Debtors & Others Receivables

Aging of Trade Debtors		
Book debts aged upto 90 days	656,515,191	704,161,990
Book debts aged upto 120 days	91,224,627	109,575,921
	<b>747,739,818</b>	<b>813,737,911</b>

#### Details of Trade Debtors shown in Annexure -C

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. Accounts Receivable considered good in respect of which the company is fully secured.	619,725,489	626,127,777
II. Accounts Receivable considered good in respect of which the company holds no security other than the debtors personal security	-	-
III. Accounts Receivable considered doubtful or bad.	-	-
IV. Accounts Receivable due by any director or other officer of the company.	-	-
V. Accounts Receivable due by common management.	128,014,329	187,610,134
VI. The maximum amount of receivable due by any director or other officer of the company.	-	-
<b>Total</b>	<b>747,739,818</b>	<b>813,737,911</b>

### 7.00 Sundry Receivable

Accrued Interest on F.D.R.	-	10,522,588
Accrued Office Rent (Sky view)	-	177,284
Claim receivable from Green Delta Insurance Co. Ltd.	549,262,130	-
	<b>549,262,130</b>	<b>10,699,872</b>

### 8.00 Advance, Deposits & Prepayments

Advance Income Tax	<b>8.01</b>	3,654,569	2,813,285
Advance against Salary		1,330,685	689,435
Deposits	<b>8.02</b>	47,706,843	70,664,293
Pre-payments	<b>8.03</b>	-	1,110,010
		<b>52,692,097</b>	<b>75,277,023</b>

#### 8.01 Advance Income Tax

Opening Balance		2,813,285	17,445,139
<b>Advance tax paid during the year:</b>			
Advance Income Tax		-	2,500,000
Tax at source on FDR		1,203,398	3,674,750
Tax at source on Export		8,230,607	13,719,663
Tax at source on Office Rent		114,768	111,972
AIT against Transport		355,000	50,000
Tax at source on Bank Interest		6,015.49	7,178
TDS & AIT Paid during the year		<b>9,909,789</b>	<b>20,063,563</b>
Tax refund for A/Y 2015-2016		841,284	-
<b>Total Advance tax paid</b>		<b>13,564,358</b>	<b>37,508,702</b>
Less: Adjustment with Previous Year Tax		-	(17,131,854)
Less: Adjustment with Current Year Tax		(9,909,789)	(17,563,563)
<b>Closing Balance</b>		<b>3,654,569</b>	<b>2,813,285</b>

#### 8:02 Deposits

Security Deposit	<b>8.02.01</b>	19,068,936	19,052,136
L/C Margin deposit for Raw Cotton, PSF& Spare parts		28,244,598	51,218,848
Deposit against VAT		393,309	393,309
		<b>47,706,843</b>	<b>70,664,293</b>

## Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2019	June 30, 2018
<b>8.02.01</b>	<b>Security Deposit</b>		
	Habigonj Palli Bidyut Samity	75,600	75,600
	Habigonj Palli Bidyut Samity	968,505	951,705
	Jalalabad Gas T&D Systems Ltd	3,426,815	3,426,815
	Jalalabad Gas T&D Systems Ltd	14,538,016	14,538,016
	Deposit to Saiham Sky View Tower	60,000	60,000
		<b>19,068,936</b>	<b>19,052,136</b>
<b>8.03</b>	<b>Prepayments</b>		
	Insurance Prepaid	-	1,110,010
		-	<b>1,110,010</b>
<b>9.00</b>	<b>Fixed Deposit Receipts</b>		
	IDLC Finance Ltd.(A/C No. 520) Gulshan	-	5,000,000
	Lanka Bangla Finance FDR no-1220	-	135,000,000
	FDR with Bank Asia	3,067,260	2,586,609
	FDR with Dhaka Bank	3,717,123	3,000,000
		<b>6,784,383</b>	<b>145,586,609</b>
	Taka 67,84,383.73 Fixed deposit receipts are under lien with Bank Asia & Dhaka Bank against Bank guarantee.		
<b>10.00</b>	<b>Cash &amp; Cash Equivalents</b>		
	Cash in Hand	10.01	953,484
	Cash at Bank	10.02	32,604,598
			<b>33,558,082</b>
<b>10.01</b>	<b>Cash in Hand</b>		
	Head Office	517,511	889,601
	Factory Office	435,973	91,797
		<b>953,484</b>	<b>981,398</b>
<b>10.02</b>	<b>Cash at Bank</b>		
	Janata Bank Ltd. (A/C No. 023733002322)	62,305	70,168
	Janata Bank Ltd.(A/C No. 0340-0210001941)	259,579	1,712,201
	Dutch Bangla Bank Ltd.(A/C No. 0116110000006828)	2,717,082	382,055
	Dhaka Bank Ltd.(A/C No. 215150000001464)	1,360,794	157,164
	Dhaka Bank Dividend Account -215150000001554	3,869,343	3,719,968
	HSBC Bank Dividend Account -001-145-457-012	635,381	635,881
	HSBC Bank Dividend Account -001-145-457-013	3,014,638	3,057,911
	HSBC Bank Dividend Account -001-145-457-014	907,572	-
	Mid land Bank Ltd. (A/c No. 00021190000151)	-	332,042
	Premier Bank Ltd (A/C no-014913100000040)	578,176	879,439
	Eastern Bank Ltd A/C no-101106032929	234	234
	Eastern Bank Ltd A/C no-1041060265553	118,034	124,062
	Eastern Bank Ltd ERQ A/C-1013100350441	10,488	66,531
	Prime Bank LTD A/C-2118119019656	117,047	227,086
	Standard Chartered Bank ERQ A/C-84135	2,108,800	2,150,365
	<b>F.C Account</b>		
	Standard Chartered Bank A/C -46118413501	11,508,763	3,963,104
	Dhaka Bank Ltd .F.C A/C-21413000000056	45,308	2,863
	HSBC F.C Margin A/C no-001-145457-091	3,586,732	635,331
	F.C Account with EBL A/C-1013100350441	1,704,324	5,578,426
		<b>32,604,598</b>	<b>23,694,828</b>

## Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2019	June 30, 2018

### 11.00 Share Capital

#### Authorized Capital:

15,00,00,000 Ordinary Shares @ of Tk. 10/- each

**1,500,000,000**      **1,500,000,000**

#### Issued, Subscribed & Paid up Capital:

12,500,000 Ordinary Shares @ Tk. 10 each fully paid up in cash	125,000,000	125,000,000
12,500,000 Ordinary Shares @ Tk. 10 each fully paid up other than cash	125,000,000	125,000,000
50,000,000 Right Ordinary Shares @ Tk. 10 each fully paid up in cash	500,000,000	500,000,000
11,250,000 Stock Dividend Issued@10 each	112,500,000	112,500,000
43,12,500 Stock Dividend Issued@10 each	43,125,000	43,125,000
<b>9,05,62,500 Ordinary Shares</b>	<b>905,625,000</b>	<b>905,625,000</b>

#### Percentage of share holding position of different share holders are as follows:

Particulars	30.06.2019		30.06.2018	
	Number of Shares	% of holding	Number of Shares	% of holding
Sponsors	30,519,745	33.70	30,519,745	33.70
Local Financial Institution	40,758,284	45.00	28,496,389	31.47
Public	19,284,471	21.30	31,546,366	34.83
<b>Total</b>	<b>90,562,500</b>	<b>100.00</b>	<b>90,562,500</b>	<b>100.00</b>

#### Classification of shareholders by holding:

The number of shareholders and share holding position as at June 30, 2019 are given below:

Holdings	30.06.2019		30.06.2018	
	Number of Shares Holders	% of holding	Number of Shares Holders	% of holding
Up to 5,000 shares	4,210	2.16	5,542	4.83
5,001 to 50,000 shares	111	1.42	551	8.49
50,001 to 1,00,000 shares	7	0.59	41	3.57
1,00,001 to 2,00,000 shares	17	2.89	30	5.01
2,00,001 to 3,00,000 shares	8	2.15	9	2.48
3,00,001 to 4,00,000 shares	4	1.54	7	2.62
4,00,001 to 5,00,000 shares	2	1.07	1	0.48
5,00,001 to above	20	88.18	24	72.52
<b>Total</b>	<b>4,379</b>	<b>100.00</b>	<b>6,205</b>	<b>100.00</b>

### 12.00 Revaluation Reserve

Opening Balance	380,449,077	400,089,371
Revaluation Gain during the year	2,002,616,203	-
Less: Adjustment for depreciation of revalued assets	(33,288,770)	(23,106,228)
	<b>2,349,776,510</b>	<b>376,983,143</b>
Add: Deferred Tax during the year	(295,399,115)	3,465,934
<b>Balance as on June 30, 2019</b>	<b>2,054,377,395</b>	<b>380,449,077</b>

The revaluation of assets of Saiham Textiles 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 was made for both Spinning and Melange units revaluation surplus for which comes at Tk. 2,002,616,203. 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 14.01 "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.

## Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2019	June 30, 2018
<b>13.00 Term Loan-Prime Bank</b>			
Opening balance as on July 01, 2018		-	-
Addition during the year		93,749,999	100,000,000
Less: Payment made during the year		12,500,004	6,250,001
		<b>81,249,995</b>	<b>93,749,999</b>
Less: current portion of Term Loan	<b>16.00</b>	12,500,004	12,500,004
<b>Closing Balance</b>		<b>68,749,991</b>	<b>81,249,995</b>

### Terms and conditions of the loan:

The company has availed the loan facility from Prime Bank Limited on December 04, 2017 with approved amount of Tk. 100,000,000. The repayment term of the loan is in equal monthly installments. Repayment has started from December 2017 and will be completed by 2025.

### Collateral:

Registered mortgage of 5,104.17 sft on the 11th floor (west side) and 02 nos. of car parking space of a 14 storied building under name and style Saiham Tower along with undivided and undemarcated share of land measuring 1.188 decimal out of total land measuring 33.10 decimal, situated within Dhaka, road no 136, Gulshan, Dhaka.

<b>14.00 Deferred Tax Liabilities</b>			
Opening Balance		171,886,833	165,982,619
Add : Deferred tax Expense during the year	14.01	4,230,491	9,370,149
Add : Deferred tax on Revaluation of asset during the year		295,399,115	(3,465,935)
<b>Closing Balance</b>		<b>471,516,439</b>	<b>171,886,833</b>

### 14.01 Deferred tax liability for 2019 is arrived as follows

#### A. Property, plant and equipment

Carrying amount		1,394,370,454	1,484,636,468
Tax base amount		666,019,421	787,511,398
Taxable temporary difference		<b>728,351,033</b>	<b>697,125,070</b>
Tax rate		15%	15%
<b>Deferred tax liability</b>		<b>109,252,655</b>	<b>104,568,761</b>

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

Revalued value of land		945,344,449	114,647,735
Revalued value of other than land		1,471,570,133	332,939,414
<b>Tax Rate</b>			
On land		15%	15%
On other than land		15%	15%
<b>Deferred tax liabilities</b>			
For land		141,801,667	17,197,160
For other than land		220,735,520	49,940,912
		<b>362,537,187</b>	<b>67,138,072</b>

#### C. Calculation of deferred tax on gratuity provision

Provision for Gratuity as at June 30, 2019		1,822,687	1,200,000
Company tax rate		15%	15%
Deferred tax asset		<b>(273,403)</b>	<b>180,000</b>

### Total deferred tax liability (A+B+C)

		<b>471,516,439</b>	<b>171,886,833</b>
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## Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2019	June 30, 2018
<b>Calculation of deferred tax:</b>			
Deferred tax Liability as on June 30, 2019		471,516,439	171,886,833
Deferred tax Liability as on June 30, 2018		(171,886,833)	(165,982,619)
<b>Net Deferred tax increased during the Year</b>		<b>299,629,606</b>	<b>5,904,214</b>
Deferred tax liability other than revalued assets as on June 30, 2019		109,252,655	104,568,761
Deferred tax liability other than revalued assets as on June 30, 2018		(104,568,761)	(95,378,612)
<b>Net increased in deferred tax expenses for the year 2018</b>		<b>4,683,895</b>	<b>9,190,149</b>
Deferred tax asset for gratuity as on June 30, 2019		(273,403)	180,000
Deferred tax liability for gratuity as on June 30, 2018		180,000	-
<b>Net increase/decrease in deferred tax expenses for the year 2019</b>		<b>(453,403)</b>	<b>180,000</b>
<b>Total increased in deferred tax expenses for the year</b>		<b>4,230,491</b>	<b>9,370,149</b>
<b>Adjustment of revaluation surplus for deferred tax</b>			
Deferred tax liability for revaluation as on June 30,2019		362,537,187	67,138,072
Deferred tax asset for revaluation as on June 30,2018		(67,138,072)	(70,604,007)
<b>Adjustment of revaluation surplus for deferred tax</b>		<b>295,399,115</b>	<b>(3,465,935)</b>
		<b>299,629,606</b>	<b>5,904,214</b>
<b>15.00 Short Term Loan</b>			
Bank Loan, Overdraft & Others	<b>15.01</b>	740,965,441	712,429,227
		<b>740,965,441</b>	<b>712,429,227</b>
<b>15.01 Bank Loan &amp; Overdraft</b>			
Short Term Loan-SCB		80,000,000	50,000,000
Short Term Loan-HSBC		120,000,000	160,000,000
Short Term Loan-EBL		30,000,000	40,000,000
Short Term Loan-DBL		100,000,000	-
Lanka Bangla Finance		6,898,448	10,396,592
IDBP- HSBC Bank Ltd		102,276,393	168,711,690
IDBP-Standard Chartered Bank		95,959,412	78,578,680
IDBP-Eastern Bank Ltd.		77,260,314	69,064,402
CC A/C with Eastern Bank Ltd		42,411,499	50,611,488
CC A/C with Standard Chartered Bank Ltd		49,316,037	49,765,560
CC A/C with HSBC Bank Ltd		19,343,338	17,800,815
Mrs. Momena Begum		17,500,000	17,500,000
		<b>740,965,441</b>	<b>712,429,227</b>
<b>16.00 Current Portion of Long Term Loan</b>			
Prime Bank Ltd.		12,500,004	12,500,004
		<b>12,500,004</b>	<b>12,500,004</b>
According to International Accounting Standard(IAS) 1 Presentation of Financial Statements" Current Portion of Long Term Loan that due to the settlement with in Twelve months after the financial Position date are current liabilities. Therefore the above amount has been shown in current liabilities.			
<b>17.00 Liabilities for Goods</b>			
Imported Raw Cotton, P.S.F & Spare- parts		578,857,803	1,508,703,175
		<b>578,857,803</b>	<b>1,508,703,175</b>
<b>Details of Trade Creditors Shown on Annexure- D</b>			

		Amount in Taka	
		June 30, 2019	June 30, 2018
<b>18.00</b>	<b>Liabilities for Expenses &amp; Others</b>		
	Electricity charges	-	239,427
	Gas charges	7,355,892	7,112,283
	Unclaimed Dividend Dhaka Bank	3,869,343	3,719,967
	Unclaimed Dividend HSBC Bank	4,557,591	3,693,792
	Security Deposit with Saiham Sky view	1,119,690	1,119,690
	<b>W.P.P.F.</b>		
	<b>18.01</b> Auditor Fees	1,312,385	7,437,317
	Auditor Fees	402,500	115,000
	Provision for Salary & wages officer staff F/O	10,001,779	9,572,208
	Provision for Gratuity	1,822,687	1,200,000
	Provision for provident fund F/O	254,725	233,494
	Provision for remuneration	80,000	80,000
	<b>Total</b>	<b>30,776,593</b>	<b>34,523,178</b>
<b>18.01</b>	<b>Workers Profit Participation Fund (WPPF)</b>		
	Opening Balance as on 01 July, 2018	7,437,317	6,318,375
	Provision made during the year	-	6,805,480
		<b>7,437,317</b>	<b>13,123,855</b>
	Payment made during the year	(6,124,932)	(5,686,538)
	<b>Closing Balance as on June 30, 2019</b>	<b>1,312,385</b>	<b>7,437,317</b>
No provision was made for Workers' Profit Participation Fund as the company incurred loss during the year.			
<b>19.00</b>	<b>Provision for Tax</b>		
	Opening Balance	-	17,131,854
	Add: Provision made during the year	<b>19.01</b> 9,909,789	17,563,563
		<b>9,909,789</b>	<b>34,695,417</b>
	Less: Income tax paid last year	-	(17,131,854)
	Less: income tax paid current year	(9,909,789)	(17,563,563)
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>19.01</b>	<b>Provision for income Tax</b>		
	<b>I. Regular Tax</b>		
	<b>Profit before Tax</b>	(73,579,360)	136,109,598
	Accounting Depreciation	132,373,053	124,700,077
	Capital Allowance	(134,202,582)	(162,862,502)
	Other income	(2,295,360)	(2,239,380)
	Income/(loss) From business	<b>(77,704,249)</b>	<b>95,707,793</b>
	Tax on Business income @ 15%	(11,655,637)	14,356,169
	Tax on Other income @ 25%	573,840	559,845
	<b>Total Tax Liability</b>	<b>(11,081,797)</b>	<b>14,916,014</b>
	<b>(ii) Minimum tax U/S-82C(2)</b>		
	Tax deducted at Sources	<b>9,909,789</b>	<b>17,563,563</b>
	<b>(iii) Minimum tax U/S-82C(4)</b>		
	Turnover	9,357,075	7,841,231
	Non- Operating income	5,049	74,262
	Other income	13,772	9,405
		<b>9,375,896</b>	<b>7,924,898</b>

## Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2019	June 30, 2018
<b>20.00</b>	<b>Cost of Goods Sold</b>		
	Opening Stock of Finished Goods	104,429,688	64,155,402
	Add: Cost of Production	2,245,365,401	1,956,655,564
	<b>Cost of goods available for sale</b>	<b>2,349,795,089</b>	<b>2,020,810,966</b>
	Less: Closing Stock of Finished Goods	77,582,070	104,429,688
	Less: Realized Gain/(Loss) for Exchange Rate Change	7,185,506	4,492,399
	<b>Cost of goods sold</b>	<b>2,265,027,513</b>	<b>1,911,888,879</b>
<b>20.01</b>	<b>Cost of Production</b>		
	Spare Parts	65,938,845	58,310,567
	Packing Materials	21,856,584	24,271,796
	Raw Materials	1,809,908,297	1,536,913,435
	<b>Raw Material Consumed</b>	<b>1,897,703,726</b>	<b>1,619,495,798</b>
	Direct Wages & Salaries	115,316,913	107,320,142
	<b>Prime Cost</b>	<b>2,013,020,639</b>	<b>1,726,815,940</b>
	Factory Overhead	231,019,089	225,197,033
	<b>Factory Cost</b>	<b>2,244,039,728</b>	<b>1,952,012,973</b>
	Add: Opening Work-in-Process	18,605,506	23,248,097
		<b>2,262,645,234</b>	<b>1,975,261,070</b>
	Less: Closing Work-in-Process	17,279,833	18,605,506
	<b>Total Cost of Production</b>	<b>2,245,365,401</b>	<b>1,956,655,564</b>
<b>20.01.01</b>	<b>Consumption of Spare Parts</b>		
	This is arrived as follows:		
	Opening Stock	23,413,433	39,320,244
	Add: Purchase during the year	67,126,836	42,403,756
	<b>Spare parts available for use</b>	<b>90,540,269</b>	<b>81,724,000</b>
	Less: Closing Stock	24,601,424	23,413,433
	<b>Total Consumption of Spare Parts</b>	<b>65,938,845</b>	<b>58,310,567</b>
<b>20.01.02</b>	<b>Consumption of Packing Materials</b>		
	This is arrived as follows:		
	Opening Stock	908,935	3,122,548
	Add: Purchase during the year	23,393,869	22,058,183
	Packing Mat. available for use	<b>24,302,804</b>	<b>25,180,731</b>
	Less: Closing Stock	2,446,220	908,935
	<b>Total Consumption of Packing Materials</b>	<b>21,856,584</b>	<b>24,271,796</b>
<b>20.01.03</b>	<b>Consumption of Raw Materials</b>		
	This is arrived as follows:		
	Opening Stock	1,815,193,338	1,162,334,405
	Add: Purchase during the year	1,284,401,979	2,189,772,368
	Less: Raw cotton Destroyed by fire	(781,597,112)	-
	<b>Available for use</b>	<b>2,317,998,205</b>	<b>3,352,106,773</b>
	Closing Stock of Raw materials	508,089,908	1,815,193,338
	<b>Total Consumption of Raw Materials</b>	<b>1,809,908,297</b>	<b>1,536,913,435</b>

		<b>Amount in Taka</b>	
		<b>June 30, 2019</b>	<b>June 30, 2018</b>
<b>20.02</b>	<b>Factory Overhead</b>		
	Electric Charges	1,638,700	3,553,894
	Gas Charges	89,836,552	88,625,165
	Carriage Inward	7,023,984	6,075,096
	Insurance Premium	2,358,658	2,675,813
	Factory Maintenance	1,322,270	878,975
	Fuel & Lubricants	8,869,208	8,241,348
	Depreciation	119,969,717	115,146,742
		<b>231,019,089</b>	<b>225,197,033</b>
<b>21.00</b>	<b>Administrative and Marketing Expenses</b>		
	Directors' Remuneration	960,000	960,000
	Salary & Allowances	31,642,157	30,866,037
	Provident fund	2,834,257	2,733,488
	Gratuity	2,000,000	1,200,000
	Office Rent	-	1,778,000
	Postage & Stamp	38,010	80,664
	Printing	122,000	200,000
	Stationery	100,455	240,038
	Maintenance of Vehicle	2,355,234	4,811,982
	Traveling	37,485	109,949
	Conveyance	2,042,760	1,769,646
	Entertainment	1,544,855	1,601,503
	AGM Expenses	866,590	957,290
	Paper & Periodicals	44,859	95,981
	Advertisement	407,385	324,820
	Subscription	1,981,033	1,137,236
	Insurance Premium	2,286,608	4,872,412
	Form, Fees & Others	3,888,177	6,471,246
	Board Meeting Fees	465,000	367,500
	Medical Expenses	930	17,980
	Welfare Expenses	1,063,830	1,229,612
	Electric Expenses	202,925	324,826
	Utilities expenses	600,000	139,476
	Miscellaneous Expenses	1,454,637	1,221,008
	Selling & Distribution	1,511,006	1,043,032
	Fuel & Gas	1,565,009	2,569,984
	Office Maintenance	1,307,051	797,760
	Telephone, Telex & Fax	470,781	194,737
	Water & Sewerage Charges	41,863	-
	IT Expenses	1,591,491	1,977,389
	Auditors' Fees	402,500	115,000
	Consultancy fees	390,000	-
	Depreciation	12,403,336	9,553,336
		<b>76,622,224</b>	<b>79,761,932</b>



## Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2019	June 30, 2018
<b>22.00</b>	<b>Financial Expenses</b>		
	Interest on Short Term Loan - SCB	5,935,375	3,007,292
	Interest on Cash Credit- SCB	3,672,384	3,500,625
	Interest on Short Term Loan-HSBC	18,172,778	10,144,980
	Finance Charge-EDF	29,421,219	1,092,378
	Interest on Cash Credit- EBL	4,083,854	3,959,248
	Interest on Short Term Loan-DBL	6,059,460	5,278,840
	Interest on Long Term Loan-Prime Bank	9,776,504	4,468,576
	Interest on Short Term Loan-EBL	3,260,032	3,746,806
	Overdue Interest After Maturity	21,248,926	12,744,100
	Interest on Short Term Loan-MBL	-	4,737,377
	Bank Charges & Commission	4,952,785	5,705,285
		<b>106,583,317</b>	<b>58,385,508</b>
<p>The finance expenses have increased during the year due to increased usage of EDF loan facility to pay the creditors for purchase as compared to last year.</p>			
<b>23.00</b>	<b>Abnormal Loss by Fire</b>		
	Raw Cotton Destroyed by Fire	781,597,112	-
	Building Structure Damaged by Fire	3,892,335	-
	Less: Claim settled by Insurance Company	(549,262,130)	-
	Less: Sale of Damaged Still structure, etc. sale	(1,500,000)	-
		<b>234,727,317</b>	<b>-</b>
<p>On December 11, 2018, a fire incident happened in one of the factory godown, the fire burned 90,21,179 LBS of raw cotton, the godown structure, etc. Several unit of fire brigades took five days to control the fire. The fire completely came under control on 25th December 2018. The godown was fully insured by Green Delta Insurance Company Limited. Claim for total raw Cotton burned value stands for Tk. 781,597,112 and insurance claim against the fire loss is Tk.549,262,130 disclosed in Note 7.00 "Sundry Receivable".</p>			
<b>24.00</b>	<b>Non-Operating Income</b>		
	Interest on FDR	1,348,913	16,072,588
	Interest on saving A/C	53,629	63,350
		<b>1,402,542</b>	<b>16,135,938</b>
<b>25.00</b>	<b>Other Income</b>		
	Office Rent	2,295,360	2,239,380
		<b>2,295,360</b>	<b>2,239,380</b>
<b>26.00</b>	<b>Net Assets Value (NAV) Per Share</b>		
	Total Assets	5,831,321,001	4,964,752,159
	Less: Total outside liabilities	(1,903,381,271)	(2,521,307,412)
	<b>Net Assets Value</b>	<b>3,927,939,731</b>	<b>2,443,444,747</b>
	*Divided by number of Ordinary Shares	90,562,500	90,562,500
	<b>Net Assets Value (NAV) Per Share</b>	<b>43.37</b>	<b>26.98</b>
<b>27.00</b>	<b>Earnings Per Share (EPS)</b>		
	Net profit after tax	(87,719,640)	109,175,886
	Number of total outstanding shares	90,562,500	90,562,500
	<b>Earnings Per Share (EPS)</b>	<b>(0.97)</b>	<b>1.21</b>

## Saiham Textile Mills Ltd.

### 28.00 Related party Transaction:

The company in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in Bangladesh Accounting Standard -24: "Related Party Disclosures". Total Statement of Financial expose with the related parties as on June 30, 2019 is as follows:

Name of the related party	Relationship	Nature of transaction	June 30, 2019	June 30, 2018
Faisal Spinning Mills Ltd.	Common Director	Trade & other Receivable/Payable	94,372,871	153,998,592
Saiham Cotton Mills Ltd.	Common Director	Trade & Other Receivable	-	-
Saiham Knit Composite Ltd.	Common Director	Trade & Other Receivable	33,641,459	33,611,542
Mrs. Momena Begum	Share holder	Short term loan	17,500,000	17,500,000
Director Remuneration	Managing Director	Remuneration	960,000	960,000
Board Meeting Fee	Directors	Meeting Fee	465,000	367,500

### 29.00 Disclosure as per requirement of Schedule XI, Part II of the Companies Act 1994.

Attendance Status of Board meeting of the Directors. During the year ended June 30, 2019 Nine Board meeting were held. The attendance status of all meeting is as follows:

Name of the Directors	Position	Meeting held	Attendance
S.M. Faisal	Managing Director	9	9
S.F.A.M. Shahjahan	Chairman	9	9
Engr. Syed Ishtiaq Ahmed	Director		9
Syed Shafqat Ahmed, MBA	Director	9	9
Mrs. Yasmin Faisal	Director	9	9
Rio Aziza Salim	Director	9	9
Mostafa Moin	Independent Director	3	3
Syed Nasir Uddin haider	Independent Director	9	8
Mohammad Nazmul Hossain	Independent Director	6	6

### 30.00 Disclosure 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 Employees Position as on June 30, 2019

##### Spinning unit:

Salary Range (Monthly)	Officers & Staffs			Total Employees
	Head Office	Factory Office	Workers	
Below 4,100	-	-	-	-
Above 4,100	25	100	520	645
<b>Total</b>	<b>25</b>	<b>100</b>	<b>520</b>	<b>645</b>

##### Melange Unit:

Salary Range (Monthly)	Officers & Staffs			Total Employees
	Head Office	Factory Office	Workers	
Below 4,100	-	-	-	-
Above 4,100	3	90	457	550
<b>Total</b>	<b>3</b>	<b>90</b>	<b>457</b>	<b>550</b>

Disclosure as per requirement of Schedule XI, Part II, Para 4

##### Directors' Remuneration:

Name of Director	Designation	Remuneration	Festival Bonus	Total
Mr. S.M. Faisal	Managing Director	960,000	Nil	960,000
<b>Total</b>		<b>960,000</b>		<b>960,000</b>

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

##### Details of Production Capacity utilization:

Particulars	In Lac		% of Achievement	% of Shortfall
	Installed Capacity	Actual Production		
June 30,2018	94.00 Kg	86.76 kg	91.18	8.82
June 30,2019	94.00 Kg	86.76 Kg	92.30	7.70

## Saiham Textile Mills Ltd.

### C. Disclosure as per requirement of Schedule XI, Part II, Para 7

Value of raw cotton, Polyester Staple Fiber, Viscose, Packing materials and Spares parts

Particulars	Opening	Import	Local	Total	Consumption
			Purchase/ loan	Purchase	
Raw Materials	1,815,193,338	1,284,401,979	-	3,099,595,317	1,809,908,297
Packing Materials	908,935	-	22,058,183	22,967,118	21,856,584
Spare parts	23,413,433	37,801,603	4,602,153	65,817,189	65,938,845

#### 31.00 Contingent Liability:

Nature of Contingent Liability:

Bank Guarantee- Jalalabad Gas T&D System Ltd  
 Bank Guarantee- Jalalabad Gas T&D System Ltd  
 Bank Guarantee- Jalalabad Gas T&D System Ltd  
 Bank Guarantee- Jalalabad Gas T&D System Ltd  
 Bank Guarantee- Jalalabad Gas T&D System Ltd

Amount in Taka	
June 30, 2019	June 30, 2018
7,275,252	7,275,252
2,307,059	2,307,059
1,731,136	1,731,136
33,801	33,801
16,800	
<b>11,364,048</b>	<b>11,347,248</b>

#### 32.00 Events after reporting period:

The Board of Directors at their board meeting held on October 28, 2019 recommended to the shareholders 10% cash dividend for the year ended June 30, 2019. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).

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

General:

All shares have been fully called and paid up.

There was no preference shares issued by the company.

There was no bank guarantee issued by the company on behalf of their directors or the company itself except bank loans.

No commission was paid to sales agents.

No brokerage was paid against sales during the year under audit.

The company has not incurred any foreign currency against royalties, technical fees etc.

During the year, the Board of Directors of the company holds 09 meetings.

Auditors' are paid only statutory audit fee approved by the shareholders in the last Annual General Meeting.

There has no claim against the company not acknowledged as debt at the date of Financial Position. No amount of money was spent by the company for compensating any member of the Board of special service rendered.

#### 33.00 Reconciliation of cash flows from operating activities under indirect method

Profit before Tax (73,579,360)

##### Adjustment to Reconcile Profit before Tax provided by operating activities:

Add: Depreciation	132,373,053
Less: Unrealized gain/(loss) for change in exchange rate of foreign currency	(6,495,579)
Add: loss on asset disposal	2,392,335
Add: Finance expenses	106,583,317
Less: Income Tax Paid	(9,909,789)

##### Changes in current assets and liabilities:

(Increase) / Decrease in Inventories	1,332,551,445
(Increase) / Decrease in Trade and Sundry Receivable-net off unrealized gain/(loss)	(470,080,951)
(Increase) / Decrease in Advance, deposits & prepayments	23,426,210
Increase/ (Decrease) In trade creditors-net off unrealized gain/(loss)	(925,297,752)
Increase / (Decrease) payables & Accruals	(3,746,585)

**Net cash flow from operating activities** **108,216,345**

# Saiham Textile Mills Ltd.

## Saiham Textile Mills Limited

Property, Plant and Equipment (Spinning unit)  
As at June 30, 2019

### Annexure - A

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2019
	As at 1st July, 2018	Addition during the year	Adjustment during the year		Total as at 30th June, 2019	Charged during the year	Adjustment during the year	
Land & Land Development	10,084,462	42,200	-	-	-	-	-	10,126,662
Factory Building & Other Construction	54,986,002	947,120	-	5	33,634,498	1,103,092	-	21,195,532
Building Office Space	144,715,490	-	-	5	9,609,790	6,755,285	-	128,350,415
Plant & Machineries	628,858,403	125,000	-	7.5	454,350,995	13,092,744	-	161,539,664
Furniture & Fixtures	3,919,196	20,920	-	10	3,220,964	70,869	-	648,283
Motor Vehicles	18,125,782	2,800,000	-	15	10,911,295	1,152,173	-	8,862,314
Sundry Assets	9,572,655	8,750	-	10	8,060,203	151,683	-	1,369,519
Office Equipments	8,226,211	590,684	-	10	3,399,516	526,970	-	4,890,410
<b>Sub-Total (a)</b>	<b>878,488,201</b>	<b>4,534,674</b>	<b>-</b>		<b>523,187,261</b>	<b>22,852,816</b>	<b>546,040,077</b>	<b>336,982,798</b>

### (b) Revaluation:

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2019
	As at 1st July, 2018	Addition during the year	Adjustment during the year		Total as at 30th June, 2019	Charged during the year	Adjustment during the year	
Land & Land Development	114,647,735	341,667,803	-	-	-	-	-	456,315,538
Factory Building & Other Construction	160,640,988	188,157,096	-	5	46,983,321	7,250,859	-	294,563,903
Building Office Space	34,229,830	41,851,244	-	5	10,011,338	1,559,685	-	64,510,051
Plant & Machineries	329,368,472	7,487,140	-	7.5	134,657,965	14,696,877	-	187,500,769
Motor Vehicles	1,053,862	-	-	15	701,113	52,912	-	299,837
<b>Sub-Total (b)</b>	<b>639,940,887</b>	<b>579,163,283</b>	<b>-</b>		<b>192,353,737</b>	<b>23,560,334</b>	<b>-</b>	<b>1,003,190,098</b>
<b>Grand Total (a+b)</b>	<b>1,518,429,088</b>	<b>583,697,957</b>	<b>2,102,127,045</b>		<b>715,540,998</b>	<b>46,413,149</b>	<b>761,954,149</b>	<b>1,340,172,897</b>

Depreciation Charge to :  
Cost of Production 36,143,572  
Administrative Expenses 10,269,577  
**Total 46,413,149**

# Saiham Textile Mills Ltd.

**Saiham Textile Mills Limited**  
Property, Plant and Equipment (Melange unit)  
As at June 30, 2019

## Annexure - B

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2019
	As at 1st July, 2018	Addition during the year	Adjustment during the year		Total as at 30th June, 2019	Charged during the year	Adjustment during the year	
Land & Land Development	53,721,090	238,400	-	-	-	-	-	53,959,490
Factory Building & Other Construction	275,527,067	7,924,000	4,972,224	5	53,798,082	1,079,889	63,936,709	214,542,134
Plant & Machineries	1,214,527,307	-	-	7.5	376,138,080	62,879,192	439,017,272	775,510,035
Furniture & Fixtures	404,775	10,800	-	10	129,049	28,653	157,702	257,873
Motor Vehicles	17,837,434	-	-	15	6,181,767	1,748,350	7,930,117	9,907,317
Sundry Assets	2,193,357	2,130	-	10	299,802	189,569	489,371	1,706,117
Office Equipments	2,447,900	600	-	10	776,622	167,188	943,810	1,504,690
<b>Sub-Total (a)</b>	<b>1,566,658,930</b>	<b>8,175,930</b>	<b>4,972,224</b>		<b>437,323,402</b>	<b>76,231,467</b>	<b>512,474,989</b>	<b>1,057,387,656</b>

**Note: As impact of fire incident in Godown, for damage of godown, book value of factory building and other construction reduced by BDT. 38923335.00/=**

### (b) Revaluation:

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2019
	As at 1st July, 2018	Addition during the year	Adjustment during the year		Total as at 30th June, 2019	Charged during the year	Adjustment during the year	
Land & Land Development	-	489,028,911	-	-	-	-	-	489,028,911
Factory Building & Other Construction	-	468,447,353	-	5	-	3,903,728	3,903,728	464,543,625
Plant & Machineries	-	465,976,656	-	7.5	-	5,824,708	5,824,708	460,151,948
<b>Sub-Total (b)</b>	<b>-</b>	<b>1,423,452,920</b>	<b>-</b>		<b>-</b>	<b>9,728,436</b>	<b>9,728,436</b>	<b>1,413,724,484</b>
<b>Grand Total (a+b)</b>	<b>1,566,658,930</b>	<b>1,431,628,850</b>	<b>2,993,315,566</b>		<b>437,323,402</b>	<b>85,959,903</b>	<b>522,203,416</b>	<b>2,471,112,140</b>

Depreciation Charge to :  
Cost of Production  
Administrative Expenses

83,826,144  
2,133,759  
**85,959,903**

# Saiham Textile Mills Ltd.

## Saiham Textile Mills Limited

Schedule of Trade debtor

### Annexure -C

Particulars	Amount in Taka	
	June 30, 2019	June 30, 2018
Advanced Composit Textile Ltd	98,449	47,627,280
AKH Knitting & Dyeing	-	15,969,994
Amena Textile Ltd	-	482,066
Apparel Today Ltd	5,690,510	5,381,355
Apperals Village Ltd	2,396,297	-
Apparel-21 Ltd	-	15,583,308
APPOLLO KNITWEAR (BD) LTD.	2,602,080	-
APEX TEXTILE PRINTING MILLS LTD	442,133	-
APS Apperals Ltd	-	539,179
APS Design works Ltd	4,257,348	-
APS Holdings Limited	-	3,679,414
APS KNIT COMPOSITE LIMITED	4,199,528	-
Alpha Clothing Ltd	-	3,718,494
ASWAD COMPOSITE MILLS LTD	2,542,494	-
ALLIANCE KNIT COMPOSITE LTD	3,077,519	-
Aristocrat Fashion (Pvt) Ltd	1,661,835	-
Aswad Composite Mills Ltd.	3,907,046	443,701
ASTRO KNITWEAR LTD	1,397,968	-
BASE FASHIONS LIMITED.	23,402,815	-
Best Dresswear Ltd	2,135,867	2,148,329
BD Knit design Ltd	-	449,966
CHAITY COMPOSITE LTD	3,680,768	-
COMPTEx BANGLADESH LIMITED	7,157,450	-
Century Apparels Ltd	5,458,674	7,247,132
COTTON FIELD (BD) LTD	10,824,920	-
Crossline knit Fabrics Ltd	28,029,111	-
CRYSTAL COMPOSITE LTD.	2,288,043	-
DEWAN FASHION WEARS LTD.	11,198,250	-
Diltex knitwear Ltd	-	4,832,293
Dip Knitwear Ltd	-	4,370,663
Dird composite Textile Ltd	12,607,397	43,142,054
DK GLOBAL FASHION WEAR LTD	1,799,132	-
Dowas-land Apparels Ltd.	1,354,314	9,265,530
DRESDEN TEXTILES LTD	19,655,370	-
ELHAM FASHION LTD	28,362,192	-
ENAYET GARMENTS LTD.	3,607,845	-
Essential Clothing Ltd	5,699,512	11,483,764
Eurotex knitwear Ltd	-	4,466,363
Everway Yarn Dyeing ltd	4,937,279	18,678,609
Fariha knit tex Ltd	12,451,256	-
Friends Knitwear & Accessories Ltd	709,223	4,930,919
FOUR H DYEING & PRINTING LTD	-	1,159,106
Fame Apparels Limited	-	38,178,222
Generation Next Fashion Ltd	3,907,536	24,415,760
Giant Textile Ltd	12,446	24,842,958
Grameen Fabrics & Fashions Ltd	-	9,881,501
Gramtech knit dying finishing & Garments	-	1,931,172
Green Life Knittex Ltd	2,115,908	-
Golden Rain Attires Ltd	-	5,167,349
Handz clothing BD Ltd.	2,329,858	1,426,404
Hassen Apperals Ltd	-	2,886,575
Hotapara Garments Ltd	-	2,467,244
HYDROXIDE KNITWEAR LTD	9,722,565	-

## Saiham Textile Mills Ltd.

Particulars	Amount in Taka	
	June 30, 2019	June 30, 2018
IMPRESS- NEWTEX COMPOSITE TEXTILES LTD	1,642,654	-
JAROMS INDUSTRIES LTD	1,473,910	-
JS Knitting & Garments Ltd	1,111,530	-
KAC COMPOSITE KNIT IND. LTD.	3,526,950	-
KAC FASHION WEAR LTD	567,383	-
KDS Textile Mills Ltd	-	35,155,626
KHAN BROTHERS KNITWEAR INDUSTRIES LTD	8,242,269	-
LIBAS Textile Ltd	698,235	27,746,205
Lantabur Apparels Ltd	4,274,411	-
LIBAS knitwear Ltd	1,829,547	-
Link Tex Sportswear Ltd	-	2,316,845
Logos Apparels Ltd	-	9,840,944
Momtex Expo Ltd	8,007	-
MA Star Knitting Fashion Ltd	-	1,223,550
Majumder Knitware Ltd	-	3,140,245
M.M Fashion & Composite Ltd	-	26,805,255
Mouchak Knit Composite Ltd	8,770,171	-
MOONLUX KNIT GARMENTS LTD	5,573,203	-
Muzauddin Textile Ltd	3,252,540	12,759,580
Mukul Knitwear Ltd.	2,769,286	475,419
MUNA SAAJ DESIGN	3,148,740	-
Muzauddin Knit Fashion Ltd	10,790,195	30,334,477
Naz knitwear Ltd	65,700	9,006,716
Nexus Fashion Ltd.	26,236,462	9,255,318
Newtex Dying & Printing Ltd	150,481	1,889,844
New Resuli Apparels	11,529,617	6,372,522
NICE APPARELS INDUSTRIES LTD.	42,038	-
NIRZHOR KNITWEAR LTD	4,471,369	-
Norp Knit Industries Ltd	-	23,009,093
Northern Fashion Ltd	3,118,725	-
Northern Trading	21,636,798	21,757,446
N.R Knitting Mills Ltd,	432,848	-
One-Way Textile Mills Ltd	12,530	-
Oli Knitting Fabrics Ltd	23,895	1,371,833
OPTIMUM FASHION WEAR LTD	705,536	-
Pacific Cotton Ltd	1,764,362	5,912,681
Pentagon Fashion wear Ltd	1,253,649	1,257,600
PENTA FORTH APPARELS LTD.	4,557,049	-
Pinnacle Garments Pvt. Ltd	1,003	3,724,078
Polo Composite Knit Ind. Ltd	16,376,143	2,788,972
R.A.Z Apparels Ltd	52,315,649	-
RAHMAT FASHION WEAR LTD	546,656	-
RAHMAN KNIT GARMENTS LTD	837,500	-
RAWAN FASHION LTD.	626,250	-
Reedisha Texstripe Limited.	3,103,159	-
RBSR Fashions Ltd	11,742,102	1,091,192
Rich Plus knitwear Ltd	-	1,227,215
Rudmila Knitwear Ltd.	18,900,740	-
Sadma Fashion wear Ltd	3,031,684	-
SAKURA DYEING AND GARMENTS LTD	6,262,500	-
SAFIA APPARELS LTD	5,616,000	-
Saiham Knit Composite Ltd	33,641,459	33,611,542
S.B. Knitting Ltd	24,708,616	6,942,954
SEACOTEX FABRICS LTD.	1,077,945	-
S.M. Knitwear Ltd	-	322,921
Shishir Knitting & Dyeing Ltd.	-	4,505,986

## Saiham Textile Mills Ltd.

Particulars	Amount in Taka	
	June 30, 2019	June 30, 2018
Shrabony Knitwear Limited	3,617,011	-
SILVER APPARELS LTD.	5,462,701	-
Sheperd Textile Ltd	-	4,310,819
Sunman Knit Fabric Ltd	-	-
SQUARE FASHIONS LTD	551,100	-
Tanzila Textile Ltd	-	14,705,666
Taqwa Fabrics Ltd	7,688,528	3,146,608
The Delta Composite Knitting Ind.Ltd.	-	7,238,420
TOSY KNIT FABRICS LTD.	703,677	-
Unique Designers Ltd.	21,463,885	-
UNITY FABRIC INDUSTRIES LTD.	33,785,693	-
Versatile Textiles Ltd	645,450	-
V-KNIT WEAR & COMPOSITE LTD.	336,182	-
West Apparels Ltd	-	21,639,616
York Fashion Ltd.	751,330	2,210,598
Zaheen Knitwear Ltd	2,119,135	-
Zian Apparels Ltd.	-	5,844,829
ZAYANTEX LIMITED	622,284	-
5F APPARELS LTD	24,948,330	-
Faisal Spinning Mills	94,372,871	153,998,592
Unrealized Gain for foreign exchange	2,483,214	-
<b>Total</b>	<b>747,739,818</b>	<b>813,737,911</b>



## Saiham Textile Mills Ltd.

Particulars	Amount in Taka	
	June 30, 2019	June 30, 2018
Strykar Overseas LLP	-	50,946,707
Grasim Industries Limited	-	37,137,767
Thai Rayon Public Company Limited	-	134,763,508
Manjeet Cotton Pvt. Ltd.	-	65,438,583
Louis Dreyfus Company Suisse SA	-	62,372,674
Cargill Cotton Ltd.	-	77,099,616
Namoi Cotton Alliance	-	51,649,667
Jess Smith & Sons Cotton LLc	-	48,271,044
Dharmdeep Commodities Pvt. Ltd.	-	210,517,884
Gujrat Cotton Corporation	-	57,884,690
RCMA Asia Pte. Ltd.	-	159,880,127
Square Textile Mills Ltd.	-	5,131,912
Habasit Lakoka Pvt. Ltd.	-	2,951,893
ASSL Textile	-	130,000
SAURER (Schlafhorst)	-	434,960
Glencore Grain B.V	90,784,896	154,928,549
Unitec Fibres Pvt. Ltd.	10,092,923	5,317,193
Faircot SA	40,033,539	158,398,504
Kangwal Polyester Co. Ltd.	163,488,787	111,352,650
Engelhart CTP (US) LLC		54,748,287
GCC and Company	2,552,369	49,550,236
Trutzschler	5,064,339	4,571,677
Kanai Juyo Kogyo co Ltd	8,626,301	3,860,268
Local Supplier	1,191,230	1,364,778
Dhancot Fabricks Ltd	46,433,570	-
CAFCO International	11,663,824	-
SRI SAI BABA COTTON INDUSTRIES	48,397,630	-
Reinhart AG	134,837,082	-
Jamal Yarn Trading	14,739,777	-
Rimtex Industries	5,499,157	-
Unrealized gain for foreign Exchange	(4,547,621)	
<b>Total</b>	<b>578,857,803</b>	<b>1,508,703,175</b>



# Saiham Textile Mills Ltd.

Saiham Tower, House # 34 (11<sup>th</sup> Floor) Road # 136, Gulshan-1, Dhaka-1212.

## PROXY FORM

I / We.....of.....  
being a Shareholder of **Saiham Textile Mills Limited** and entitled to vote hereby appoint Mr. / Mrs. / Miss  
..... as my / our proxy to attend and vote for me / us and on my /  
our behalf at the 38<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on December 12, 2019 and /or at any  
adjustment thereof.

As witness my/ our hand this \_\_\_\_\_ day of \_\_\_\_\_2019

\_\_\_\_\_  
(Signature of the Shareholder)

\_\_\_\_\_  
(Signature of Proxy)

Revenue  
Stamp  
Tk. 20.00

Folio No. / BO ID No.

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

No. of shares held \_\_\_\_\_

Dated \_\_\_\_\_

### Note:

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



# Saiham Textile Mills Ltd.

Saiham Tower, House # 34 (11<sup>th</sup> Floor) Road # 136, Gulshan-1, Dhaka-1212.

## ATTENDANCE SLIP

I / we hereby record my / our attendance at the 38<sup>th</sup> ANNUAL GENERAL MEETING of the Company being held on December 12, 2019 at 12.30 P.M. at Mills Premises, Noyapara, P.O - Saiham Nagar, U.Z.- Madhabpur, Dist - Habiganj to transact the following businesses:

Folio No. / BO ID No.

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No. of shares held

Dated \_\_\_\_\_

\_\_\_\_\_  
(Signature of Proxy)

\_\_\_\_\_  
(Signature of the Shareholder)

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

 **Saiham Textile Mills Ltd.**

**Dhaka Office :** Saiham Tower, House # 34 (11th Floor), Road # 136  
Gulshan-1, Dhaka-1212, Phone: 9862284, 9863323, 9887441  
Fax: 880-2-9894607, 8826254, E-mail: [share@saiham.com](mailto:share@saiham.com)  
website : [www.saihamtextile.com](http://www.saihamtextile.com)