

Annual Report 2015-2016



Saiham Textile Mills Ltd.

সায়হাম টেক্সটাইল মিলস্ লিমিটেড

CONTENTS

Transmittal Letter	01
Views of 34 th Annual General Meeting	02
Board of Directors	03
Notice of the Annual General Meeting	04
Management Apparatus	05
Our Vision, Our Mission	07
Factory Highlights	08
Chairman's Statement	09
Directors Report	10
Corporate Governance Compliance Report	20
Auditors' Report to the Shareholders	26
Statement of Financial Position	27
Statement of Comprehensive Income	28
Statement of Cash Flows	29
Statement of Changes in Equity	30
Notes to the Financial Statements	31
Proxy Form & Attendance Slip	54



Saiham Textile Mills Ltd.

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, 2016.

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, 2016 along with notes thereon of **Saiham Textile Mills Ltd.** for your kind information and records.

Thank you,

Yours Sincerely,



(Md. Neyamat Ullah)
Company Secretary



Views of 34th Annual General Meeting



Saiham Textile Mills Ltd.

Board of Directors



Mr. S. F. A. M. Shahjahan
Chairman



Mr. S. M. Faisal
Managing Director



Engr. Syed Ishtiaq Ahmed
Director



Mr. Syed Shafqat Ahmed, MBA
Director



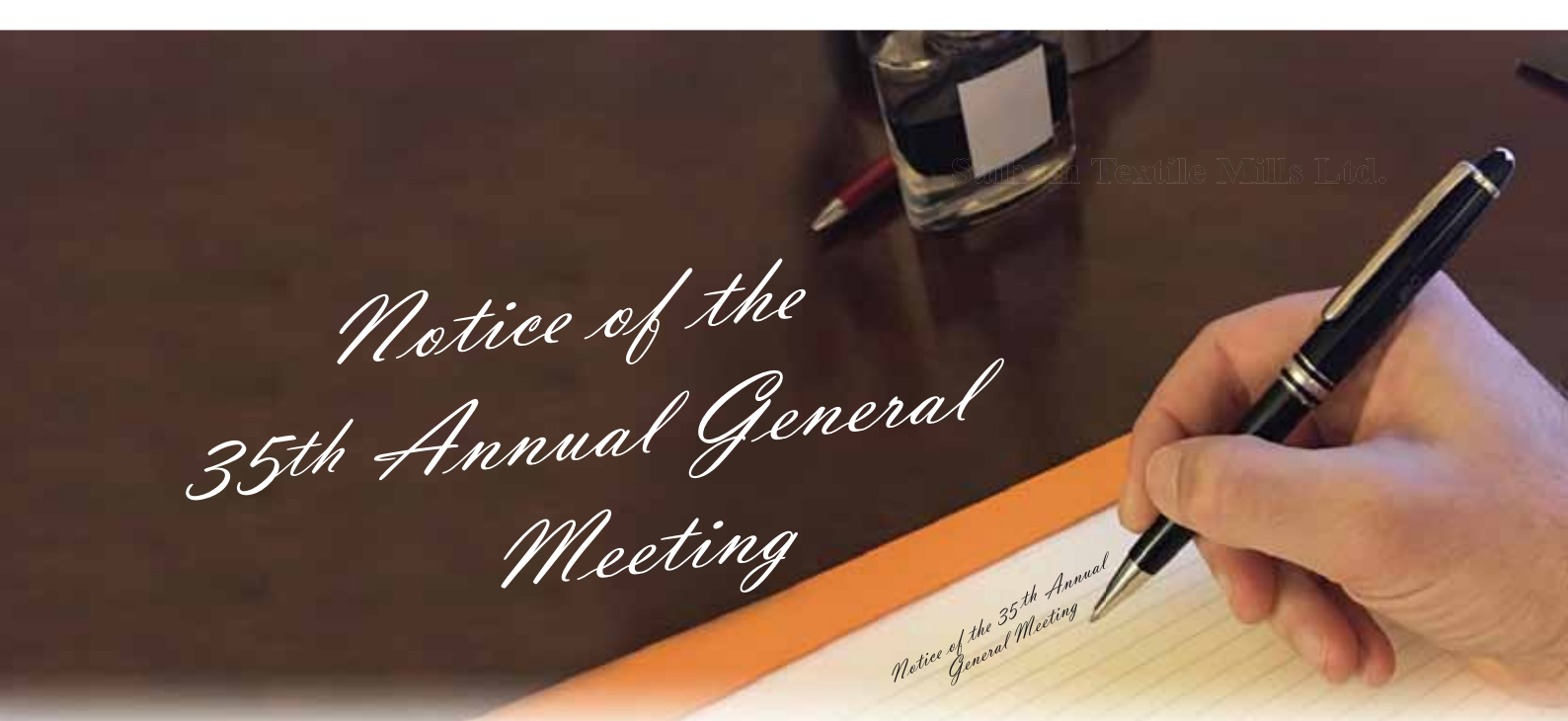
Mrs. Rio Aziza Salim
Director



Mr. Mostafa Moin
Independent Director



Mr. Syed Nasir Uddin Haider
Independent Director



Notice of the 35th Annual General Meeting

Saiham Textile Mills Ltd.

Asset RoseDale, House # 02, Road # 55, Gulshan-2, Dhaka - 1212.

Notice of the 35th Annual General Meeting

Notice is hereby given that the 35th Annual General Meeting of Saiham Textile Mills Ltd. will be held on December 19, 2016 at 1:30 P.M. at Mills Premises, Saiham Multipurpose Hall, 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, 2016 together with Auditors' and Directors' reports thereon.
2. To declare Dividend.
3. To elect Directors.
4. To approve appointment of the new Director.
5. To approve re-appointment of the Independent Director.
6. To appoint Auditors and fix their remuneration.
7. Miscellaneous.

By order of the Board



(Md.Neyamat Ullah)
Company Secretary

Dated: Dhaka
October 27, 2016

Notes:

1. The Shareholders whose name will appear in the Share Register of the Company and/or Depository Register of CDBL as on record date, November 21, 2016 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.

Saiham Textile Mills Ltd.

BOARD OF DIRECTORS

Mr. S. F. A. M. Shahjahan
Chairman

Mr. S. M. Faisal
Managing Director

Mrs. Rio Aziza Salim
Director

Engr. Syed Ishtiaq Ahmed
Director

Mr. Syed Shafqat Ahmed ^{MBA}
Director

Mr. Mostafa Moin
Independent Director

Mr. Syed Nasir Uddin Haider
Independent Director

Management Apparatus

AUDIT COMMITTEE

Mr. Mostafa Moin
Chairman

Mr. Syed Shafqat Ahmed, ^{MBA}
Member

Mrs. Rio Aziza Salim
Member

MANAGEMENT TEAM

Company Secretary
Md. Neyamat Ullah

Chief Financial Officer
Md. Abu Bakar Siddique

Head of Internal Auditor
Md. Mostafa Kamal

Saiham Textile Mills Ltd.

Registered Office	:	Noyapara, P.O : Saiham Nagar U.Z : Madhabpur, Dist : Habiganj -3333
Dhaka Office	:	House # 2, Road # 55, Gulshan-2, Dhaka - 1212
Telephone	:	9862284,9863323, 9887441
Fax	:	9894607, 8826254
E-mail	:	share@saiham.com
Website	:	www.saihamtextile.com
Auditors	:	Rahman Mostafa Alam & Co. Chartered Accountants Box Culvert Road, 65/2/1 Purana Paltan, Dhaka-1000
Legal Advisor	:	Md. Shamsul Haque Flat # 9 B, (10 th Floor) Fayanaz Property 37/2, Purana Paltan, Dhaka-1000
Tax Advisor	:	Jasim Chowdhury Paramount Heights Box Culvert Road 65/2/1, Purana Paltan, Dhaka-1000
Principal Banker's	:	HSBC Limited Main Branch, Anchor Tower, Sonargaon Road, Dhaka Eastern Bank Limited. Head office Branch, 10, Dilkusha C/A, Dhaka-1000 Standard Chartered Bank Limited. 67 Gulshan avenue, Dhaka 1212 Dhaka Bank Limited Islamic Banking Branch, Dhaka Janata Bank Limited 48, Motijheel Corporate Branch, Dhaka-1000 Janata Bank Limited Noyapara Branch, Habigonj.
Insurance Company's	:	Green Delta Insurance Company Limited 51-52, mohakhali C/A, Dhaka-1212 Prime Insurance Company Limited 63, Dilkusha C/A, Dhaka-1000 Islami Insurance Bangladesh Limited Malibagh Branch, Dhaka-1217 Karnaphuli Insurance Company Limited 64, Motijheel C/A, Dhaka-1000
Factory	:	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



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 35th 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, 2016. 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 34 AGM and to offer them assurance of our sincerity in maintaining operational results up to their expectations at present as well as in future.

In the year 2015-2016 the economy of Bangladesh has to deal with a number of economic bottlenecks. Inadequate savings and investment and increasing gap between these two appeared to be the major challenges in the economy. In addition, lack of any significant breakthrough in agriculture as regards innovation and technological advancement in the post green revolution period, unsatisfactory rate of growth in manufacturing and lack of employment opportunity in the sector causing higher unemployment rate. Yet during the fiscal year 2015-2016 Bangladesh achieved GDP growth of 7.5%. No major calamity, robust foreign currency remittance put the economy on a strong foothold. In this scenario the performance of our company can be termed satisfactory during the year under review. The turnover for the financial year was BDT 1,639 million and Profit before tax was 114 million. This year turnover fell short due to decrease of sale price of yarn but profit increases as we controlled expenditure which we committed in the last year for improving profitability. Although it is undeniable that spinning sector has been confronted by stiff competition in recent times. But still we are giving all out efforts to control expenditure for profit maximizing in coming years.

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 that the confidence has reposed on the Board of the company throughout the year. 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.

I would also like to express my sincerest appreciation to my fellow Board Members for their support, advices and guidance. The management team & all levels of employees who worked very hard to take the company forward, I would like to record our earnest appreciation of their wholehearted and unwavering services and convey our thanks to all of them.

Thanking you

Regards



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

DIRECTORS' 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, 2016 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. 862.5 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

Politics, the major driving force of Bangladesh economy was almost stable over the year 2015-2016. However the business sentiment and outlook did not seem completely free from uncertainty of another round of seasonal political chaos and instability. Saiham Textile Mills Ltd. able to overcome all the formidable obstacles and delivered consistency as a result the company successfully ensured a trajectory of sustainable growth. The Company being a yarn manufacturer in both Local and Export market enjoys a very rare balancing factor as far as product mix and marketing is concerned. The sale proceeds from cotton yarn stood at 1,639 million decreases of almost 5.85 % compared to last financial year. Even though the decreases of sale, profit have been increased due to the efficient management of process control that has enabled the company to avoid financial catastrophe and earn substantial profit instead.

Particulars		2016	2015
Net Profit for the year (after tax)		76,829,256	79,735,695
Add: Previous year's surplus		381,680,776	408,762,839
Restated Balance as on July 01, 2014		-	(22,830,191)
Add: Adjustment of revaluation of P. P. E.		26,577,993	28,512,433
Profit available for appropriation		485,088,025	494,180,776
Recommended for appropriations:			
Stock Dividend @ 15%		(112,500,000)	(112,500,000)
Total		372,588,025	381,680,776

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Mentioned in section 25 of the notes to the financial statements.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

Bangladesh is a developing country that is classified as a Next Eleven emerging market and one of the Frontier Five. According to recent opinion, Bangladesh has the second most pro-capitalist population in developing world. Between 2005 and 2016 Bangladesh averaged a GDP growth rate of around 6%. The year under review was much less politically active than the previous year. Most macroeconomic indicators, such as GDP growth, inflation, exchange rate and foreign exchange reserve were favorable. Sustained growth was also prevailed in exports and remittance inflows that led to the phenomenal rise in foreign exchange reserve. The economy is increasingly led by export oriented industrialization.

Bangladesh textile industry is the second largest in the world. Textile Industry has to look forward for robust growth in the years ahead taking advantage of the availability of raw materials, competent technical, managerial personnel and vast domestic market besides export potential. Bangladesh Textile Mills Association is trying to attract large investment for the development and growth of textile industry as the industry has vast potential for employment generation. We therefore need to take stock of these situations and chalk out a plan of action for the development and growth of our company in the years ahead.

Saiham Textile Mills Ltd.

Textile industry is a very important industry in our country providing employment to millions of people both directly and indirectly. It has to grow continuously. Hence long term approach for its development is the need of the hour.

Saiham has track record to upkeep with technology investment, which has proven them as trendsetters. Also due to its superior quality and competitive pricing, Saiham Textile Mills Limited has been able to capture a dominant position in the market. The Company is continuously working on product development through research and development being the market leader with the best quality product, operational efficiency, organized marketing and distribution network.

RISKS AND CONCERNS

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

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

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

Particulars	June 30, 2016	June 30, 2015
Cost of goods sold	144,29,17,395 (87.99%)	157,67,90,902 (90.54%)
Gross profit	19,69,80,424 (12.01%)	16,46,74,083 (9.46%)
Net profit for the year	7,68,29,256 (4.69%)	7,97,35,695 (4.58%)

Foreign Loan

The foreign loan against capital machinery for Tk. 88,83,74,380 has been converted into term loan for US Dollar 1,18,18,364.99 among which Tk. 52,95,70,384 has been paid till June 30, 2016. Details have been disclosed in note nos. 15 of the notes to the financial statements,

Discussion on continuity of any Extra-Ordinary gain or loss

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

Utilization of Right Share Fund

With the Right Share Fund the company has set up a brand new 100% export oriented Spinning Unit. This unit went into production on July 16, 2013.

Related party transactions

The Company has transactions with its Associate Companies which have been disclosed in related party transaction in note nos. 31 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 24 of the report.

Saiham Textile Mills Ltd.

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 BAS 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.

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.

DIRECTORS

In terms of Article 127 of the Articles of Association of the Company,

Engr. Syed Ishtiaq Ahmed and Syed Shafqat Ahmed, Director retire by rotation from the Board in the 35th Annual General Meeting. Being eligible under Article 128 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

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

Engr. Syed Ishtiaq Ahmed, Director

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

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

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

Syed Shafqat Ahmed, Director

Mr. Syed Shafqat Ahmed graduated in Economics from Michigan State University and completed MBA from University of Texas at Arlington. He specializes in financial management and structuring/restructuring of organizations. He worked as a financial analyst at Salomon Smith Barney, an investment bank and as pricing analyst in Bowne of Dallas. He expertise's in workflow deigning 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

Saiham Textile Mills Ltd.

Appointment of Director

Mrs. Yasmin Faisal

Mrs. Yasmin Faisal M.A. wife of Mr. S.M. Faisal is Managing Director of Faisal Spinning Mills Ltd. She was Sponsor Director of Saiham Textile Mills Ltd. After obtaining 2% Share she expressed her intension to be Director and the Board of Directors of the company in its meeting held on May 15, 2016 appointed her as Director. Her appointment as a Director has been placed for the approval by the shareholders in this 35th Annual General Meeting. 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.

Re-appointment of Independent Director

The Board in its meeting has extended the tenure of Syed Nasir Uddin Haider as Independent Directors of the Company for further period of three years with effect from May 15, 2016.

Syed Nasir Uddin Haider B.Com having more than 27 years of experience as a business leader in various sectors. He is able to ensure compliance with financial regulatory and corporate law and can make meaningful contribution to business in Bangladesh. Currently he is involved in agro based business. It is expected that his expertise would help to contribute the affairs as well as to protect the interest of all investors in general and smaller investors in particular.

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.

BOARD MEETINGS

In accordance with directives of the regulatory authorities, the Board supervises, study and review the activities of the Company and make businesses decisions, etc. During the year, 7 (Seven) board meetings were held.

Remuneration to directors including independent directors

The Director of the Company is receiving a sum of Taka 7,500/- (Seven thousand and five hundred) as board meeting fee.

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

Name of Directors	Number of Board Meeting held during the financial year ended 30.06.2016	Number of Board Meeting attended	Remarks
Mr. S. F.A. M. Shahjahan	7	7	
Mr. S. M. Faisal	7	7	
Engr. Syed Ishtiaq Ahmed	7	7	
Syed Shafqat Ahmed	7	7	
Mrs. Rio Aziza Salim	7	4	
Mr. Mostafa Moin	7	7	
Syed Nasir Uddin Haider	7	7	

DIVIDEND

The Board of Directors has recommended 5% cash and 5% stock dividend for the year ended June 30, 2016 (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, 2016.

Saiham Textile Mills Ltd.

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 2015-2016 the company contributed 19.92 million to the National Exchequer in the form of corporate tax, custom duty, and Value added Tax (VAT).

Saiham Textile Mills Ltd. is paying and facilitating collection of government revenue. During the year 2015-2016 the company contributed 19.92 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. Mostafa Moin, Independent Director	: Chairman
Mrs. Rio Aziza Salim, Director	: Member
Syed Shafqat Ahmed, Director	: Member

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, 2016 and placed its recommendation to the Board of Directors.

External Audit

Rahman Mostafa Alam & Co. a Chartered Accountants 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 2015-16 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended June 30, 2016;
- Reviewed and discussed the Management Letter, by external auditor Rahman Mostafa Alam & Co. for the year ended June 30, 2016 on the annual audit on financial statements of Saiham Textile Mills Ltd;

Saiham Textile Mills Ltd.

- The expression of interest sent by the audit firm was reviewed by the Audit Committee and recommended Rahman Mostafa Alam & Co. Chartered Accountants, as auditor of the Company for the year to be ended June 30, 2017;
- 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 16, 2016.

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

Audit Committee Report

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observations in their reports on the draft financial statements of the Company initiated by the auditors for the year ended 30 June 2016. 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. Mostafa Moin)
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 2015-2016 the company has contributed to the welfare of the community such as donation to Mosque, Madrasa, 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 AUDITORS

The Auditors of the Company Rahman Mostafa Alam & Co. Chartered Accountants, Paramount Heights, Box Culvert Road, 65/2/1, Purana Paltan Dhaka-1000 have audited the financial statements of the company for the year 2015-2016. They were appointed in the last 34th AGM Held on December 20, 2015 for the first year audit and the firm is eligible for re-appointment and have also expresses their willingness for reappointment for the year 2016-2017.

The Audit Committee reviewed the proposal for re-appointment and recommended to the Board for appointment of Rahman Mostafa Alam & Co. Chartered Accountants as the auditors of the Company for the year 2016-2017. Therefore the board of directors has proposed Rahman Mostafa Alam & Co. Chartered Accountants to engage as statutory auditors (subject to approval at the 35th Annual General Meeting).

Saiham Textile Mills Ltd.

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	
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	17,34,775
Mr. S.M.Faisal-Managing Director	29,35,950
Engr. Syed Ishtiaq Ahmed -Director	74,70,400
Mr. Shafqat Ahmed - Director	71,36,670
Mrs. Rio Aziza Salim - Director	72,52,590
Mrs. Yasmin Faisal - Director	17,40,000
Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:	Nil
Executives	Nil
Shareholders holding ten percent (10%) or more voting interest in the Company:	Nil

Key operating and financial data

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

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 16, 2016

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

Monitoring

The system of internal controls 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.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors' of the company are responsible for the integrity and accuracy of the financial statements. The board believes that the financial statements for the year ended on June 30, 2016 have been prepared in conformity with Bangladesh Accounting Standard (BAS), BFRS/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, management relies on a system of internal accounting control. The system is designed to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with the management's authorization and recorded properly to permit the preparation of financial statements in accordance with BAS/BFRS/IFRS. The design of this system recognizes that errors or irregularities may occur and the estimates and judgments are required to assess the relative cost and expected benefits of the controls. Directors believe 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 independent 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.

Saiham Textile Mills Limited

The Key Operation and Financial Data : Financial Highlights

Annexure : 1
(Taka in Crore)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Turnover	163.98	174.14	158.44	79.15	70.69
Gross Profit	19.69	16.46	27.26	15.41	13.68
Net profit after tax	7.68	7.97	21.07	15.87	10.98
Net cash operating activities	(30.96)	48.73	10.63	10.15	10.89
Summary of Balance Sheet					
Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Authorized capital	150.00	150.00	150.00	150.00	150.00
Paid-up capital	86.25	75.00	75.00	75.00	75.00
Reserve and surplus	110.29	111.19	113.89	98.76	91.93
Shareholder's equity	238.65	230.56	243.95	231.88	228.34
Deferred tax liabilities	15.86	14.82	4.97	2.49	2.55
Non-current liabilities	31.22	54.18	68.54	2.49	2.55
Current liabilities	134.02	160.06	123.00	145.87	30.22
Fixed Aseets	192.95	202.60	212.26	81.65	86.52
Other Non-current Assets	-	-	-	133.64	15.26
Total Non-current Assets	192.95	202.60	212.26	215.29	101.78
Current Assets	210.94	242.21	223.24	164.95	159.33
Book value per share	10.00	10.00	10.00	10.00	10.00
Earnings per share	0.89	0.92	2.81	2.12	1.46
Dividend per share:					
Cash	5%	-	15%	12%	15%
Stock	5%	15%	-	-	-
Number of shareholder's	7,242	7,331	8,364	11,452	11,548
Ratios					
Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Debt to Equity Ratio	0.69	0.92	0.79	0.64	0.14
Current Ratio	1.57	1.51	1.81	1.13	5.27
Gross Profit/Sales (%)	12.01	9.46	17.21	19.47	19.36
Operating/Sales (%)	3.65	2.20	10.57	12.11	12.52
Profit after tax/Sales (%)	4.69	4.58	13.30	20.06	15.53
Return on Asset (%)	2.83	2.29	6.06	5.35	4.85
Return on Equity (%)	3.91	4.29	11.16	9.14	6.58

Corporate Governance Compliance Report

Annexure : 2

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

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

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

The Board of Directors
Saiham Textile Mills Ltd.
House # 02 (4th Floor), Road # 55
Gulshan-2, Dhaka-1212, Bangladesh.

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

Dear Sir(s),

In compliance with the condition no. 6 imposed by the Bangladesh Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued under Section 2CC of the Securities & Exchange Ordinance, 1969, we do hereby certify to the Board of Directors that:

- (i) We have reviewed the Financial Statements for the year ended on June 30, 2016 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



Abu Bakar Siddique
Chief Financial Officer (CFO)

Saiham Textile Mills Ltd.



KAZI ZAHIR KHAN & CO.

CHARTERED ACCOUNTANTS

কাজী জহির খান এন্ড কোং

চার্টার্ড একাউন্ট্যান্টস

**CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDER OF
Saiham Textile Mills Limited
(AS REQUIRED UNDER THE BSEC GUIDELINES)**

We have examined compliance to the Bangladesh Securities and Exchange Commission (BSEC) guideline on Corporate Governance by **Saiham Textile Mills Limited** for the year ended 30th June, 2016. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

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

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

Dated : Dhaka
October 20, 2016


KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS



67/4. Kakrail (Pioneer Road), Dhaka-1000, Tel : 58316107, 9349740, Fax : +880-2-9358166, e-mail : kzkc_bd@yahoo.com
Branch Office : 281/3, Jafrabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207, Tel : 8113474, e-mail : aamahmudco@gmail.com



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

We have audited the accompanying financial statements of **Saiham Textile Mills Ltd.** (the Company) which comprise the Financial Position as at June 30, 2016; Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information disclosed in note 1 to 35 and Annexure-"A to D".

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Saiham Textile Mills Ltd.** as at June 30, 2016 and its financial performance and its cash flows for the year then ended in accordance with the applicable sections of the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of Profit or Loss and Other Comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purpose of the company's business.

Dated: Dhaka
October 27, 2016


Rahman Mostafa Alam & Co.
Chartered Accountants

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited Statement of Financial Position As on June 30, 2016

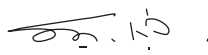
Particulars	Notes	Amount in Taka	
		June 30, 2016	June 30, 2015
Assets			Restated*
Non-Current Assets :		1,929,529,957	2,026,037,329
Property, Plant & Equipment- Spinning (net of dep.)	3.00	744,420,974	764,460,341
Property, Plant & Equipment- Melange (net of dep.)	4.00	1,185,108,983	1,261,576,988
Current Assets :		2,109,435,840	2,422,110,147
Inventories	5.00	963,903,694	1,217,063,038
Trade Debtors	6.00	556,829,837	210,702,900
Sundry Receivable	7.00	19,947,500	28,756,067
Advances, Deposits & Prepayments	8.00	144,018,393	88,700,621
Cash & Cash Equivalents	9.00	424,736,416	876,887,521
Total Assets		4,038,965,797	4,448,147,476
Equity & Liabilities :			
Shareholders' Equity:		2,386,504,302	2,305,688,347
Share Capital	10.00	862,500,000	750,000,000
Share Premium	11.00	727,500,000	727,500,000
General Reserve	12.00	2,764,589	2,764,589
Revaluation Reserve	13.00	421,151,688	443,742,982
Retained Earnings	14.00	372,588,025	381,680,776
Non-Current Liabilities :		312,251,254	541,828,739
Term Loan- HSBC	15.00	132,794,757	360,298,107
Term Loan- EBL	16.00	20,824,000	33,328,000
Deferred Tax Liability	17.00	158,632,497	148,202,632
Current Liabilities :		1,340,210,241	1,600,630,390
Short Term Loan	18.00	296,287,188	162,653,226
Current Portion of Long Term Loan	19.00	228,093,239	229,587,350
Rights Share money Refundable	20.00	15,000	15,000
Liabilities for Goods	21.00	709,625,695	1,122,351,843
Liabilities for Expenses & Others	22.00	22,106,950	24,541,032
Provision for Tax*	23.00	84,082,169	61,481,939
Total Liabilities		1,652,461,495	2,142,459,129
Total Equity & Liabilities		4,038,965,797	4,448,147,476
Net Assets Value (NAV) Per Share after Revaluation*	29.00	27.67	26.73
Net Assets Value (NAV) Per Share before Revaluation		22.79	21.59

* Prior year figure's restated. Detailed disclosed in Note 23 & 29

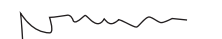
The annexed notes 1 to 35 and annexure A to D form an integral part of these Financial Statements.



Chairman



Managing Director



Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
October 27, 2016


Rahman Mostafa Alam & 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, 2016

Particulars	Notes	Amount in Taka	
		July 01, 2015 to June 30, 2016	July 01, 2014 to June 30, 2015
			Restated
Turnover (Net of VAT)	24.00	1,639,897,819	1,741,464,985
Less : Cost of goods sold	25.00	1,442,917,395	1,576,790,902
Gross Profit		196,980,424	164,674,083
Less : Operating Expenses		137,042,616	126,345,112
Administrative & Marketing Expenses	26.00	62,969,988	60,700,976
Financial Expenses	27.00	74,072,628	65,644,136
Operating Profit		59,937,808	38,328,971
Non-Operating Income	28.00	60,049,265	68,648,127
Operating Profit before contribution to W.P.P.F		119,987,073	106,977,098
Less : Provision for W.P.P.F	22.01	5,713,670	5,094,148
Profit before tax		114,273,403	101,882,950
Less : Income tax expenses		37,444,147	22,147,255
Current Tax	23.01	23,027,583	2,002,235
Deferred Tax Expenses	17.01	14,416,564	20,145,020
Net Profit after tax for the year and total Comprehensive Income for the year		76,829,256	79,735,695
Earnings Per Share (EPS) (Basic)	30.00	0.89	1.06
Restated Earnings Per Share (EPS)*			0.92

* Prior year figure's restated. Detailed disclosed in Note 30

The annexed notes 1 to 35 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.

Dated : Dhaka
October 27, 2016


Rahman Mostafa Alam & Co.
Chartered Accountants

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited Statement of Cash Flows For the year ended June 30, 2016

Particulars	Amount in Taka	
	July 01, 2015 to June 30, 2016	July 01, 2014 to June 30, 2015
A. Cash Flows from Operating Activities		
Collection from customers and other income	1,353,820,147	1,914,016,134
Payment to suppliers, employees and other expenses	(1,589,008,050)	(1,336,485,051)
Financial expenses paid	(74,072,628)	(65,644,136)
Income tax paid	(427,353)	(24,500,779)
Net cash provided / (used) by Operating Activities	(309,687,884)	487,386,168
B. Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(34,595,722)	(41,483,295)
Net cash provided / (used) by Investing Activities	(34,595,722)	(41,483,295)
C. Cash Flows from Financing Activities		
Loan received during the year	133,633,962	42,183,777
Loan repaid during the year	(241,501,461)	(395,007,350)
Dividend paid	-	(109,078,202)
Net cash provided / (used) by Financing Activities	(107,867,499)	(461,901,775)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(452,151,105)	(15,998,902)
Cash and cash equivalents at beginning of the year	876,887,521	892,886,423
Cash and Cash Equivalents at end of the year	424,736,416	876,887,521
Net Operating Cash Flows Per Share (NOCFPS)*	(3.59)	5.65

*Divided by weighted average number of shares of previous year has been restated.


Chairman


Managing Director

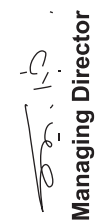

Company Secretary

Saiham Textile Mills Limited
Statement of Changes in Equity
For the year ended June 30, 2016

Particulars	Share Capital	Share premium of Rights Share	General Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2014	750,000,000	727,500,000	2,764,589	550,563,000	408,762,839	2,439,590,428
Net profit during the year	-	-	-	-	79,735,695	79,735,695
Restated Balance as on July 01, 2014					(22,830,191)	(22,830,191)
Balance as on July 01, 2014	750,000,000	727,500,000	2,764,589	550,563,000	465,668,343	2,496,495,932
Adjustment of Revaluation of PPE	-	-	-	(28,512,433)	28,512,433	-
Adjustment for revaluation of PPE and Deferred Tax	-	-	-	(78,307,585)	-	(78,307,585)
Dividend paid for 2013-2014	-	-	-	-	(112,500,000)	(112,500,000)
Balance as on June 30, 2015	750,000,000	727,500,000	2,764,589	443,742,982	381,680,776	2,305,688,347

Balance as on July 01, 2015	750,000,000	727,500,000	2,764,589	443,742,982	381,680,776	2,305,688,347
Net profit during the year	-	-	-	-	76,829,256	76,829,256
Adjustment of Revaluation of PPE	-	-	-	(26,577,993)	26,577,993	-
Adjustment for revaluation of PPE and Deferred Tax				3,986,699		3,986,699
Stock Dividend for 2014-2015	112,500,000	-	-	-	(112,500,000)	-
Balance as on June 30, 2016	862,500,000	727,500,000	2,764,589	421,151,688	372,588,025	2,386,504,302


Chairman


Managing Director


Company Secretary

Saiham Textile Mills Ltd.

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited

Notes to the Financial Statements

As on and for the year ended June 30, 2016

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 of 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 Bangladesh Financial Reporting Standards (BFRSs.)

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 except Property, Plant and Equipment (PPE).

2.3 Basis of Reporting:

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

2.4 Use of Estimates and Judgments:

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

2.5 Going Concern:

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

2.6 Components of the Financial Statements:

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

- i) The Statement of Financial Position as on June 30, 2016;
- ii) The Statement of Profit or Loss & Other Comprehensive Income for the year ended June 30, 2016;
- iii) The Statement of Cash Flows for the year ended June 30, 2016;
- iv) Statement of Changes in Equity for the year ended June 30, 2016; and
- v) Accounting Policies and explanatory notes the Financial Statements for the year ended June 30, 2016.

2.7 Regulatory and Legal Compliance:

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

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

2.8 Property, Plant and Equipments (PPE):

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

Expenditure on repairs and maintenance of Property, Plant and 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.

Depreciation of Property, Plant and Equipments

Depreciation has been charged on time basis on the date of acquisition 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.

2.9 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 saleable. In compliance with the requirements with BAS - 2 "Inventories" consist of Raw materials, WIP & Finished Goods are valued at the lower of average cost or the Net Realizable Value. Item wise valuation methods are as follows:

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

2.10 Revenue Recognition:

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

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

- i) the enterprise has transferred to the buyer the significant risk and rewards of ownership of the goods;
- ii) the enterprise retains neither continuing managerial involvement to the degree usually associated with ownership of the goods;

Saiham Textile Mills Ltd.

- 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.

2.11 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.

2.12 Earnings Per Share (EPS):

Earnings Per Share (EPS) are calculated in accordance with the BAS – 33 “Earnings Per Share” which has been shown on the face 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.

2.13 Cash & Cash Equivalents:

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

2.14 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with BAS – 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.

2.15 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.

2.16 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.

2.17 Borrowing cost:

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

2.18 Revaluation Reserve:

When an assets carrying amount is increased as a result of a revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus /reserve as per BAS-16: Property, Plant and Equipment. The company revalued the assets of land and land development, 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 BAS-12: Income Taxes.

2.19 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

Saiham Textile Mills Ltd.

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

2.20 Trade Debtors:

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

2.21 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.

2.22 Lease:

Lease rental against acquisition of assets has been expensed on their due date.

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 BAS-24 parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related parties are stated their nominal value which is reflected in note no, 31.

2.25 Reporting period:

These Financial Statements cover the period from July 01, 2015 to June 30, 2016.

2.26 Comparative Figure:

Comparative information has been disclosed in respect of the year 2016 for all numerical information in the Financial Statements and also the narrative and descriptive where it is relevant for understanding of the current year's Financial Statements. Figures of the year 2016 have been rearranged and restated whenever considered necessary to ensure comparability with the current year.

2.27 Event after the reporting period:

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

2.28 Restated :

Last year figure restated in NAV, EPS & Cash flow statement for bonus issue.

2.29 General:

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

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2016	June 30, 2015
3.00 Property, Plant & Equipment (net of depreciation) :Spinning			
Balance as on July 01,2015		1,347,537,574	1,313,576,415
Addition during the year		25,055,590	33,961,159
Total as on June 30, 2016		1,372,593,164	1,347,537,574
Accumulated depreciation		(583,077,233)	(537,032,457)
Depreciable value		789,515,931	810,505,117
Depreciation charged during the year		(45,094,956)	(46,044,776)
Written down value as on June 30, 2016		744,420,974	764,460,341

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

4.00 Property, Plant & Equipment (net of depreciation) Melange			
Balance as on July 01,2015		1,449,488,199	1,441,966,063
Addition during the year		9,540,132	7,522,136
Total as on June 30,2016		1,459,028,331	1,449,488,199
Accumulated depreciation		(187,911,211)	(95,845,348)
Depreciable value		1,271,117,120	1,353,642,851
Depreciation charged during the year		(86,008,137)	(92,065,863)
Written down value as on June 30,2016		1,185,108,983	1,261,576,988

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

5.00 Inventories : Spinning unit

Particulars	Quantity	June 30, 2016 Taka	Quantity	June 30, 2015 Taka
Raw Cotton	2429580 lbs	192,503,749	2308590 lbs	204,097,393
Polyester Staple Fiber	116059 kg	13,585,664	10884 Kg	1,128,929
Stores & Spares	-	29,039,098	-	17,145,235
Packing Materials	-	3,071,176	-	1,455,269
Work-in-Process	101959 lbs	8,666,515	89142 lbs	7,131,253
Finished Goods (Yarn)	166808 lbs	16,197,056	181948 lbs	19,104,540
Sub-Total		263,063,258		250,062,619
Inventories : Melange unit				
Raw Cotton	8227766 lbs	534,486,642	12048628 lbs	837,928,961
Viscose	860367 lbs	63,981,532	152773 lbs	11,650,316
Stores & Spares	-	16,663,620	-	5,166,896
Packing Materials	-	1,318,540	-	1,214,951
Work-in-Process	331665 lbs	26,533,248	163298 lbs	14,370,298
Finished Goods (Yarn)	602675 lbs	57,856,854	947735 lbs	96,668,997
Sub-Total		700,840,436		967,000,419
Total		963,903,694		1,217,063,038

→ 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.

→ As the number of items of spare-parts & packing materials are really high and different items measures in different units. The disclosure of the unit against those items might be confusing for users of the financial statements.

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2016	June 30, 2015
6.00	Trade Debtors		
	Book debts aged upto 90 days	114,314,213	87,454,450
	Book debts aged upto 120 days	442,515,624	123,248,450
		556,829,837	210,702,900
	→Details of Trade Debtors shown in Annexure -C		
7.00	Sundry Receivable :		
	Interest on F.D.R. (Accrued)	19,947,500	28,756,067
8.00	Advance, Deposits & Prepayments:		
	Advance	8.01 85,303,997	69,973,714
	Deposits	8.02 57,604,386	17,616,897
	Pre-payments	8.03 1,110,010	1,110,010
	Balance as on June 30, 2016	144,018,393	88,700,621
8.01	Advance:		
	Advance Income Tax	37,500,000	35,000,000
	Tax at source on FDR	28,729,295	21,972,965
	Tax at source on Export	17,634,055	11,747,223
	Tax at source on Office Rent	227,790	177,600
	AIT against Transport	600,000	525,000
	Tax at source on Bank Interest	135,322	105,991
	Advance against Salary	477,535	444,935
	Total	85,303,997	69,973,714
8.02	Deposits:		
	Security Deposit	8:02:01 17,287,199	14,245,239
	L/C Margin deposit for Raw Cotton, PSF& Spare parts	39,051,017	2,147,992
	Deposit against VAT	266,170	223,666
	Deposit against Office Rent	1,000,000	1,000,000
	Total	57,604,386	17,616,897
8.02.01	Security Deposit:		
	Habigonj Palli Bidyut Samity	75,600	75,600
	Habigonj Palli Bidyut Samity	951,705	951,705
	Jalalabad Gas T&D Systems Ltd	3,426,815	384,855
	Jalalabad Gas T&D Systems Ltd	12,773,079	12,773,079
	Deposit to Saiham Sky View Tower	60,000	60,000
	Total	17,287,199	14,245,239
	→ Security Deposits are made to statutory authorities and are considered good. The Jalalabad Gas T&D system Ltd, was paid Tk. 30,41,960 as security deposit against supply of Additional gas during the year under review.		
	→ L/C margin deposits for Tk. 39,051,017 represents margin and commission of Raw cotton , PSF & spare parts.		
8.03	Prepayments:		
	Insurance Prepaid	1,110,010	1,110,010
		1,110,010	1,110,010
9.00	Cash & Cash Equivalents :		
	Cash in Hand	9.01 1,279,892	837,494
	Cash at Bank	9.02 423,456,524	876,050,027
	Total	424,736,416	876,887,521

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2016	June 30, 2015
9.01	Cash in Hand :		
	Head Office	426,079	594,571
	Factory Office	853,813	242,923
	Total	1,279,892	837,494
9.02	Cash at Bank :		
	Janata Bank Ltd. (A/C No. 023733002322) Motijheel Corp.	85,951.25	34,501
	Janata Bank Ltd.(A/C No. 0340-0210001941) Noyapara	1,010,102	4,735,515
	Dutch Bangla Bank Ltd.(A/C No. 0116110000006828)	1,513,154.88	940,790
	Dhaka Bank Ltd.(A/C No. 215150000001464) Gulshan	403,594.96	5,034,008
	Dhaka Bank Ltd A/c-215150000001554	5,869,960.99	7,933,025
	Mid land Bank Ltd. (A/c No. 00021190000151	811,128.50	-
	HSBC (A/C No. 001-145145457-011) Gulshan	-	4,122,816
	Premier Bank Ltd (A/C no-014913100000040) Gulshan	2,447,838	9,062,329
	Eastern Bank Ltd A/C no-101106032929	233.59	14,452
	Eastern Bank Ltd A/C no-1041060265553	1,584.97	-
	Eastern Bank Ltd ERQ A/C-1013100350441 \$15,056.03	1,169,854	-
	Eastern Bank LTD CC A/C-1012040326949	31,117,358.94	-
	Standard chartered Bank CC A/C-01-1184135	213,749.00	-
	Standard Chartered Bank ERQ A/C-421184135 \$6,431.21	500,026.60	-
	F.C Account		
	Standard Chartered Bank A/C -46118413501 \$98,180.80	7,624,115	102,275
	Dhaka Bank Ltd .F.C A/C-21413000000056 \$57.60	4,493	13,944,320
	HSBC F.C Margin A/C no-001-145457-091 \$186,568.88	14,552,373	228,745
	HSBC Offshore A/C no-050-0077-80-005 \$4,950.31	384,639	524,754
	F.C Account with EBL A/C-1013100350441 \$2,056.07	159,757	1,872,496
	Sub-total	67,869,915	48,550,027
	FDR		
	Dhaka Bank Ltd. (FDR No. 148076/953/12 & 148097/974/12) Gulshan	-	82,500,000
	Brac Bank Ltd.(FDR No. 1502302443153001) Nawabpur	-	30,000,000
	AB Bank Ltd.(FDR No. 3369657, 3369662 & 3381892) Dargah Gate	-	40,000,000
	Mutual Trust Bank Ltd.(FDR No.101315/5391/12) Banani	-	20,000,000
	Shahjalal Islami Bank Ltd.(MTDR No. 0165400) Main	-	20,000,000
	First Security Islami Bank Ltd.(MTDR No.0298200/244-04)	-	30,000,000
	IDLC Finance Ltd.(A/C No. 10252204175201) Gulshan	25,000,000	25,000,000
	HSBC (A/C No. 001-145457-101 & 001-145457-102) Dhaka	-	400,000,000
	Lanka Bangla Finance FDR no-1220-001-204-205-206-358-359-360	285,000,000	135,000,000
	Bank Asia Ltd. (FDR No-0215500887,Dhanmondi)	-	10,000,000
	Delta Brac Housing-(FDR-No 71000117027-128638)	30,000,000	35,000,000
	FDR with IDLC Finance Dividend A/C	10,000,000	-
	FDR with Bank Asia	2,586,609	-
	FDR with Dhaka Bank	3,000,000	-
	Sub-total	355,586,609	827,500,000
	Grand Total	423,456,524	876,050,027

→ As all the fixed deposit will be matured within next 12 months, are considering as a cash & cash equivalent instead of Investment.

Saiham Textile Mills Ltd.

10.00 Share Capital:

Authorized Capital:

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

Issued, Subscribed & Paid up Capital:

12,500,000 Ordinary Shares @ Tk. 10 each fully paid up in cash

12,500,000 Ordinary Shares @ Tk. 10 each fully paid up other than cash

50,000,000 Right Ordinary Shares @ Tk. 10 each fully paid up in cash

11,250,000 Stock Dividend Issued@10 each

86,250,000 Ordinary Shares

Amount in Taka	
June 30, 2016	June 30, 2015
1,500,000,000	1,500,000,000
125,000,000	125,000,000
125,000,000	125,000,000
500,000,000	500,000,000
112,500,000	-
862,500,000	750,000,000

→ It is noted that 15% Stock Dividend which was approved in the 34 Annual General Meeting held on December 20, 2015 has been Credited/Transferred to the shareholders accounts on January 17, 2016

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

Particulars	June 30, 2016		June 30, 2015	
	Number of Shares	% of holding	Number of Shares	% of holding
Sponsors	28,399,760	32.93	25,598,800	34.13
Local Financial Institution	33,012,346	38.27	24,534,908	32.71
Public	24,837,894	28.80	24,866,292	33.16
Total	86,250,000	100	75,000,000	100

Classification of shareholders by holding:

The number of shareholders and share holding position as at June 30, 2016 are given below:

Holdings	June 30, 2016		June 30, 2015	
	Number of Share Holders	% of holding	Number of Share Holders	% of holding
Up to 5,000 shares	6537	5.98	6627	7.45
5,001 to 50,000 shares	582	9.00	587	11.09
50,001 to 1,00,000 shares	39	3.17	33	3.02
1,00,001 to 2,00,000 shares	38	6.09	37	6.59
2,00,001 to 3,00,000 shares	7	1.94	11	3.80
3,00,001 to 4,00,000 shares	9	3.68	7	3.28
4,00,001 to 5,00,000 shares	3	1.98	5	3.07
5,00,001 to above	27	68.16	24	61.69
Total	7,242	100	7,331	100

11.00 Share Premium :

	Number of Shares		
General Shareholders	36,788,858	551,832,870	551,832,870
Under Writers	13,211,142	198,167,130	198,167,130
	50,000,000	750,000,000	750,000,000
Less : Tax Deducted at Source @ 3%	-	22,500,000	22,500,000
Total	50,000,000	727,500,000	727,500,000

→ This represents the share premium on the issuance of 50,000,000 Rights Share at a Premium of Tk. 15/= each. The above amount received with the share premium on the approval of Bangladesh Securities and Exchange Commission (BSEC) vide letter # SEC/CI/RI-65/2011/905 Dated December 20, 2011 after netting of Tax deducted at source @ 3% as per section 53L of Ordinance, 1984.

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2016	June 30, 2015
12.00 General Reserve			
This represent the waiver of IDCP Loan of BSRS		2,764,589	2,764,589
13.00 Revaluation Reserve:			
Opening Balance		443,742,982	550,563,000
Less : Adjustment for depreciation of revalued assets		26,577,993	28,512,433
		417,164,989	522,050,567
Add: Deferred Tax		3,986,699	78,307,585
Balance as on June 30, 2016		421,151,688	443,742,982
14.00 Retained Earnings			
Balance as on July 01, 2015		381,680,776	408,762,839
Add : Profit made during the year		76,829,256	79,735,695
Add : Transfer of excess dep. of reserve surplus.		26,577,993	28,512,433
Less:Adjustment of Prior year		-	(22,830,191)
		485,088,025	494,180,776
Less : Stock Dividend for 2014-2015		112,500,000	112,500,000
Balance as on June 30, 2016		372,588,025	381,680,776
15.00 Term Loan (HSBC)			
Opening Balance (Transferred from Capital Liabilities)		360,298,107	587,801,457
Less : Current portion of Long Term Loan	19.01	227,503,350	227,503,350
Balance as on June 30, 2016		132,794,757	360,298,107
→ The Liabilities for Capital Machinery for Tk. 88,83,74,380 has been converted into Term Loan for USD\$ 1,18,18,364.99 of 4 years starting from January, 2014 bearing interest at the rate of LIBOR+4.25 per annum. during the year ended 30 June 2014. The Term Loan will be repaid in 16th Instalment.			
16.00 Term Loan-EBL			
Opening balance term Loan normal		33,328,000	47,916,000
Less :Term Loan Paid		-	12,504,000
		33,328,000	35,412,000
Less:current portion of term Loan normal	19.02	12,504,000	2,084,000
Closing Balance		20,824,000	33,328,000
→ The Term Loan EBL is repayable in 4 year which is started from 2nd april 2014 bearing interest @15.50% per annum.			
17.00 Deferred Tax Liabilities:			
Opening Balance		148,202,632	49,750,027
Add : Adjustment of deferred tax- Loss / (Income)	17.01	14,416,564	20,145,020
Less : Deffered tax on Revaluation		3,986,699	78,307,585
Closing Balance		158,632,497	148,202,632
17.01 Deferred tax liability for 2016 is arrived as follows			
A.Property, plant and equipment			
Carrying amount		1,434,057,383	1,503,986,762
Tax base amount		871,979,974	1,038,019,777
Taxable temporary difference		562,077,409	465,966,985
Tax rate		15%	15%
Deferred tax liability		84,311,611	69,895,048

Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2016	June 30, 2015

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

Revalued value of land	114,647,735	114,647,735
Revalued value of other than land	380,824,839	407,402,832
Tax Rate		
On land	15%	15%
On other than land	15%	15%
Deferred tax liabilities		
For land	17,197,160	17,197,160
For other than land	57,123,726	61,110,425
	74,320,886	78,307,585
Total deferred tax liability (A+B)	158,632,497	148,202,633
Calculation of deferred tax :		
Deferred tax liability as on June 30, 2016	158,632,497	148,202,633
Deferred tax liability as on June 30, 2015	148,202,633	24,832,404
Net Deferred tax increased during the Year	10,429,865	123,370,229
Deferred tax liability other than revalued assets as on June 30, 2016	84,311,611	69,895,048
Deferred tax liability other than revalued assets as on June 30, 2016	69,895,048	-
Net increased in deferred tax expenses for the year 2016	14,416,564	69,895,048
Adjustment of revaluation surplus for deferred tax		
Deferred tax liability for revaluation as on June 30,2016	74,320,886	78,307,585
Deferred tax liability for revaluation as on June 30,2016	78,307,585	-
Adjustment of revaluation surplus for deferred tax	(3,986,699)	78,307,585
	10,429,865	148,202,633

→Deferred tax liabilities have been recognized and measured in accordance with the provision of BAS-12 'Income Taxes'. Related deferred tax expenses /income have been disclosed in note-14.

18.00 Short Term Loan

Standard Chartered Bank	70,000,000	-
Mid Land Bank	200,000,000	-
Lanka Bangla Finance	7,375,782	-
Demand Loan Normal-EBL	-	96,000,000
Overdraft Corporate Loan-EBL	-	49,153,226
HSBC Bank CC A/C	1,411,406	-
Term Loan - Mrs Momena Begum	17,500,000	17,500,000
Total	296,287,188	162,653,226

19.00 Current Portion of Long Term Loan

228,093,239 **229,587,350**

19.01 Current Portion of Long Term Loan-HSBC

This is made up as follows:

Opening Balance	227,503,350	227,503,350
Transfer from Term Loan	227,503,350	227,503,350
	455,006,700	455,006,700
Less: Payment made during the year	228,997,461	227,503,350
Closing Balance	226,009,239	227,503,350

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2016	June 30, 2015
19.02	Current Portion of Long Term Loan-EBL		
	This is made up as follows:		
	Opening Balance	2,084,000	2,084,000
	Transfer from Term Loan	12,504,000	12,504,000
		14,588,000	14,588,000
	Less: Payment made during the year	12,504,000	12,504,000
	Closing Balance	2,084,000	2,084,000
20.00	Rights Share money Refundable :		
	Opening Balance	15,000	15,000
	Closing Balance	15,000	15,000
21.00	Liabilities for Goods		
	Imported Raw Cotton ,P.S.F & Spare- parts	709,625,695	1,122,351,843
	→Details of Trade Creditors Shown on Annexure-D		
22.00	Liabilities for Expenses & Others		
	Electric charges	269,555	352,213
	Gas charges	7,481,626	3,625,412
	Unclaimed Dividend	5,869,960	7,933,025
	Workers Welfare Fund	6,000	6,000
	Security Deposit Received from Office Rent	1,119,690	888,000
	W.P.P.F.	5,713,670	5,094,148
	Auditor Fees	90,000	50,000
	Salary & Wages	-	6,511,978
	Others payable (source tax)	-	80,256
	Provision for tax audit fee	10,000	-
	Provision for consultancy fee	15,000	-
	Provision for tax (Gas charge)	223,065	-
	Provision for tax (Boiler)	1,384	-
	Provision for salary officer staff F/O	4,300	-
	Provision for tax on salary H/O	10,200	-
	Provision for office rent	332,500	-
	Provision for tax office rent	17,500	-
	Provision for remuneration	72,000	-
	Provision for tax remuneration	8,000	-
	Provision for interest on short term loan Mid land Bank	862,500	-
	Total	22,106,950	24,541,032
22.01	Workers Profit Participation Fund (WPPF) :		
	Opening Balance	5,094,148	13,203,910
	Provision made during the year	5,713,670	5,094,148
		10,807,818	18,298,058
	Payment made during the year	5,094,148	13,203,910
	Closing Balance	5,713,670	5,094,148

→ **Workers Profit Participation Fund has been created @ 5% on Net Profit during the year under audit.**

Saiham Textile Mills Ltd.

		Amount in Taka		
		June 30, 2016	June 30, 2015	
23.00	Provision for Tax :			
	Opening Balance		61,481,939	39,149,513
	Add : Provision made during the year	23.01	23,027,583	2,002,235
	Add : Prior year Adgustment		-	22,830,191
			84,509,522	63,981,939
	Income tax paid		427,353	2,500,000
	Closing Balance		84,082,169	61,481,939
23.01	Provision for Income Tax:			
	Office Rent	1,578,045		
	Less- Allowable expenses@30%	473,414		
	Net- Office Rent	1,104,631		
	Non Operating Income	58,471,220		
	Total non- operating Income	60,049,265	59,575,851	25%
	Operating income	54,224,138	54,224,138	15%
	Total Provision	114,273,403		23,027,583
24.00	Turnover:			
	Particulars	Quantity (In Lac)	June 30,2016 Taka	Quantity (In Lac) June 30,2015 Taka
	Spinning unit:			
	Finished Yarn (Local)	19.16 Kg	427,751,767	22.51 Kg 535,117,471
	Finished Yarn (Export)	9.83 Kg	210,468,063	6.33 Kg 138,941,418
		28.99 kg	638,219,830	28.84 kg 674,058,889
	Less : VAT on Turnover		977,496	- 989,748
	Net Turnover		637,242,334	673,069,141
	Melange unit:			
	Finished Yarn (Export)	46.03 Kg	1,002,655,485	46.74 Kg 1,068,395,844
	Total Turn over	75.02 kg	1,639,897,819	75.58 kg 1,741,464,985
	VAT is paid on local sales of Cotton yarn			
25.00	Cost of Goods Sold:			
	Opening Stock of Finished Goods		115,773,537	165,110,582
	Add: Cost of Production	25.01	1,401,197,768	1,527,453,857
	Cost of goods available for sale		1,516,971,305	1,692,564,439
	Less: Closing Stock of Finished Goods		74,053,910	115,773,537
	Cost of goods sold		1,442,917,395	1,576,790,902
25.01	Cost of Production :			
	Spare Parts	25.01.01	16,968,460	18,833,787
	Packing Materials	25.01.02	16,141,020	21,047,839
	Raw Cotton-Spinning	25.01.03	121,528,930	147,459,064
	Raw Cotton-Melange	25.01.04	679,326,193	791,743,973
	Polyester Staple Fiber-Spinning	25.01.05	270,296,403	240,902,857
	Viscose- Melange	25.01.06	5,223,724	12,091,234
	Raw Material Consumed		1,109,484,730	1,232,078,754

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2016	June 30, 2015
Direct Wages & Salaries		83,979,956	80,690,599
Prime Cost		1,193,464,686	1,312,769,353
Factory Overhead	25.02	221,431,294	205,616,024
Factory Cost		1,414,895,980	1,518,385,377
Add : Opening Work-in-Process		21,501,551	30,570,031
		1,436,397,531	1,548,955,408
Less : Closing Work-in-Process		35,199,763	21,501,551
		1,401,197,768	1,527,453,857

25.01.01 Consumption of Spare Parts :

Particulars	Spinning	Melange	Total	Total
Opening Stock	17,145,235	5,166,896	22,312,131	23,201,807
Add : Purchase from Local market	18,672,820	14,638,357	33,311,177	17,944,111
Add: Imported	2,469,753	4,578,117	7,047,870	-
Spare parts available for use	38,287,808	24,383,370	62,671,178	41,145,918
Less : Closing Stock	29,039,098	16,663,620	45,702,718	22,312,131
Consumption	9,248,710	7,719,750	16,968,460	18,833,787

25.01.02 Consumption of Packing Materials :

Particulars	Spinning	Melange	Total	Total
Opening Stock	1,455,269	1,214,951	2,670,220	3,698,100
Add : Purchase from Local market	7,580,166	10,280,350	17,860,516	20,019,959
Packing Mat. available for use	9,035,435	11,495,301	20,530,736	23,718,059
Less : Closing Stock	3,071,176	1,318,540	4,389,716	2,670,220
Consumption	5,964,259	10,176,761	16,141,020	21,047,839

25.01.03 Consumption of Raw Cotton : Spinning Unit

Particulars	June 30, 2016		June 30, 2015	
	Qty in (lbs)	Taka	Qty in (lbs)	Taka
Opening Stock	2,308,590	204,097,393	3,536,424	306,314,769
Add : Imported	1,626,919	107,007,096	411,065	42,196,583
Add :Local Purchase	27,946	2,928,190	29,001	3,045,105
	3,963,455	314,032,679	3,976,490	351,556,457
Less : Closing Stock	2,429,580	192,503,749	2,308,590	204,097,393
Consumption	1,533,875	121,528,930	1,667,900	147,459,064

25.01.04 Consumption of Raw Cotton : Melange Unit

Particulars	June 30, 2016		June 30, 2015	
	Qty in (lbs)	Taka	Qty in (lbs)	Taka
Opening Stock	12,048,628	837,928,961	4,616,116	369,825,414
Add : Imported	10,533,406	617,579,511	18,988,340	1,271,269,391
Add :Loan received from- FSML	-	-	610,412	42,905,851
Sub-total	10,533,406	617,579,511	19,598,752	1,314,175,242
Total	22,582,034	1,455,508,472	24,214,868	1,684,000,656
Less: Loan Issued to SCML	3,092,021	192,014,520	781,694	54,327,722
Less: Loan Issued to FSML	806,249	49,681,117	-	-
Balance Stock	18,683,764	1,213,812,835	23,433,174	1,629,672,934
Less : Closing Stock	8,227,766	534,486,642	12,048,628	837,928,961
Consumption	10,455,998	679,326,193	11,384,546	791,743,973

Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2016	June 30, 2015

25.01.05 Consumption of Polyester Staple Fiber : Spinning unit

Particulars	June 30, 2016		June 30, 2015	
	Qty in (Kg)	Taka	Qty in (Kg)	Taka
Opening Stock	10,884	1,128,929	91,716	11,883,504
Add : Imported	2,392,260	279,169,401	1,792,542	182,482,255
Add : Loan From FSML	-	-	449,171	47,666,027
Local Purchase	21,997	3,583,737	-	-
	2,425,141	283,882,067	2,333,429	242,031,786
Less : Closing Stock	116,059	13,585,664	10,884	1,128,929
Consumption	2,309,082	270,296,403	2,322,545	240,902,857

25.01.06 Consumption of Viscose : Melange unit

Particulars	June 30, 2016		June 30, 2015	
	Qty in (Lbs)	Taka	Qty in (Lbs)	Taka
Opening Stock	152,773	11,650,316	311,325	23,741,550
Add : Imported	1,082,944	80,137,856	-	-
Local Purchase	87,532	6,613,918	-	-
Total	1,323,249	98,402,090	311,325	23,741,550
Issued to FSML	392,642	29,196,834	-	-
Balance stock	930,607	69,205,256	-	-
Less : Closing Stock	860,367	63,981,532	152,773	11,650,316
Consumption	70,240	5,223,724	158,552	12,091,234

25.02 Factory Overhead :

Electric Charges	2,551,553	2,996,259
Gas Charges	75,997,226	41,860,426
Carriage Inward	4,962,075	6,328,700
Insurance Premium	3,785,823	3,785,823
Clearing & Forwarding	-	6,764,989
Factory Maintenance	665,639	558,443
Fuel & Lubricants	7,120,372	9,318,603
Depreciation	126,348,606	134,002,781
Total	221,431,294	205,616,024

26.00 Administrative and Marketing Expenses

Directors' Remuneration	960,000	960,000
Salary & Allowances	38,161,033	35,850,280
Office Rent	4,200,000	4,170,000
Postage & Stamp	207,766	146,754
Printing	265,000	250,000
Stationery	289,749	668,822
Maintenance	414,234	558,443
Maintenance of Vehicle	669,871	725,670
Traveling	322,000	368,094
Conveyance	382,308	252,550
Entertainment	876,534	883,878
AGM Expenses	563,230	537,000
Paper & Periodicals	52,045	52,206
Advertisement	161,169	136,421
Subscription	536,650	332,976
Insurance Premium	3,359,994	1,678,174

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2016	June 30, 2015
	Form, Fees & Others	1,095,226	2,493,097
	Board Meeting Fees	292,500	345,000
	Medical Expenses	492,093	450,000
	Welfare Expenses	763,745	750,066
	Electric Expenses	530,276	459,278
	Miscellaneous Expenses	253,630	333,528
	Selling & Distribution	2,358,392	2,845,415
	Office Maintenance	302,150	674,876
	Telephone, Telex & Fax	153,132	133,459
	Water & Sewerage Charges	214,528	208,000
	IT Expenses	148,246	189,130
	Auditors' Fees	100,000	50,000
	Consultancy fees	90,000	90,000
	Depreciation	4,754,487	4,107,859
	Total	62,969,988	60,700,976
27.00	Financial Expenses:		
	Bank Interest	70,958,644	63,324,926
	Bank Charges & Commission	3,113,984	2,319,210
	Total	74,072,628	65,644,136
→ Out of the above, Tk. 23,173,163 represents the interest on Term Loan Of HSBC.			
28.00	Non-Operating Income:		
	Interest on FDR	38,295,491	37,365,556
	Interest on FDR (Accrued)	19,947,500	28,756,067
	Interest on Bank	228,229	750,504
	Office Rent	1,578,045	1,776,000
	Total	60,049,265	68,648,127
29.00	Net Assets Value (NAV) Per Share:		
	Total Assets	4,038,965,797	4,448,147,476
	Less: Total outside liabilities	1,652,461,495	2,142,459,129
	Net Assets Value	2,386,504,302	2,305,688,347
	*Divided by number of Ordinary Shares	86,250,000	86,250,000
	Net Assets Value (NAV) Per Share	27.67	26.73
*Divided by weighted average number of shares of previous year has been restated.			
30.00	Earnings Per Share (EPS):		
	Basic EPS		
	Net profit after tax	76,829,256	79,735,695
	weighted average number of shares	86,250,000	75,000,000
	Earnings Per Share (EPS)	0.89	1.06
	Restated EPS		
	Net profit after tax		79,735,695
	*Divided by weighted average number of shares		86,250,000
	Earnings Per Share (EPS)		0.92
*Divided by weighted average number of shares of previous year has been restated.			

Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2016	June 30, 2015

31.00 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 exposure with the related parties as on 30, June 2016 is as follows:

Name of the related party	Relationship	Nature of transaction	June30, 2016	June30, 2015
Faisal Spinning Mills Ltd.	Common Director	Loan of raw cotton & Viscose	22,415,787	180,552,622
Saiham Cotton Mills Ltd.	Common Director	Loan of raw cotton	289,087,740	55,457,754
Saiham Knit Composite Ltd.	Common Director	Sale of Yarn	28,291,929	-
Mrs. Momena Begum	Share holder	Short term loan	17,500,000	17,500,000
Board Meeting Fee	Common Director	Administrative Expense	292,500	345,000

32.00 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, 2016 Seven 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	7	7
S.F.A.M.Shahjahan	Chairman	7	7
Syed Ishtiaq Ahmed	Director	7	7
Syed Shafqat Ahmed	Director	7	7
Rio Aziza Salim	Director	7	4
Mostafa Moin	Independent Director	7	7
Syed Nasir Uddin haider	Independent Director	7	7

33.00 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, 2016

Spinning unit:

Salary Range (Monthly)	Head Office	Officers & Staffs		Total
		Factory Office	Workers	Employees
Below 3,000	-	-	-	-
Above 3,000	22	94	584	700
Total	22	94	584	700

Melange Unit:

Salary Range (Monthly)	Head Office	Officers & Staffs		Total
		Factory Office	Workers	Employees
Below 3,000	-	-	-	-
Above 3,000	2	75	457	534
Total	2	75	457	534

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

Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2016	June 30, 2015

Directors' Remuneration:

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

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		
Yarn (Spinning unit)	32.00 Kg	28.92 kg	90.38	9.62
Yarn (Melange unit)	50.00Kg	44.46 Kg	88.92	11.08

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 Purchase	Total Purchase	Consumption	% of Consumption
Spinning unit:						
Raw cotton	204,097,393	107,007,096	2,928,190	314,032,679	121,528,930	38.70
Polyester Staple Fiber	1,128,929	279,169,401	3,583,737	283,882,067	270,296,403	95.23
Packing Materials	1,455,269	-	7,580,166	9,035,435	5,964,259	66.00
Spare parts	17,145,235	2,469,753	18,672,820	38,287,808	9,248,710	24.16
Melange unit:						
Raw cotton	837,928,961	617,579,511	-	1,455,508,472	679,326,193	46.67
Viscose	11,650,316	80,137,856	6,613,918	98,402,090	5,223,724	5.30
Packing Materials	1,214,951	-	10,280,350	11,495,301	10,176,761	88.52
Spare parts	5,166,896	4,578,117	14,638,357	24,383,370	7,719,750	31.65

34.00 Contingent Liability:

Amount in Tk.	
June 30, 2016	June 30, 2015

Nature of Contingent Liability:

Bank Guranted- Jalalabad Gas T&D System Ltd

7,275,252 -

Bank Guranted- Jalalabad Gas T&D System Ltd

2,307,059 -

35.00 Events after reporting period:

The Board of Directors at their board meeting held on October 27, 2016 10% dividend (Cash Dividend 5% & Stock Dividend 5%) recommended to the shareholders for the year ended June 30, 2016 .

→Except the fact stated above, no circumstances have arisen since the Financial Position adjustment to or disclosure in the financial statements 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 07 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.

Saiham Textile Mills Limited
Property, Plant and Equipment (Spinning unit)
For the year ended June 30, 2016

Annexure - A

Particulars	Cost		Rate of dep. (%)	Depreciation		Written down value as at 30th June, 2016
	As at 1st July, 2015	Addition during the year		As at 1st July, 2015	Charged during the year	
Land & Land Development	1,952,265	7,762,740	-	-	-	9,715,005
Factory Building & Other Construction	47,213,752	5,311,750	5	30,420,099	972,477	21,132,926
Building Office Space	17,380,400	-	5	4,604,208	638,810	12,137,382
Plant & Machineries	613,135,903	1,411,003	7.5	410,496,659	15,250,856	188,799,391
Furniture & Fixtures	3,773,396	108,000	10	2,977,688	84,971	818,737
Motor Vehicles	8,404,942	9,720,840	15	7,235,915	904,418	9,985,449
Sundry Assets	9,417,467	60,893	10	7,517,640	193,028	1,767,691
Office Equipments	6,318,562	680,364	10	1,934,704	472,404	4,591,818
Sub-Total (a)	707,596,687	25,055,590		465,186,913	18,516,963	248,948,400

(b) Revaluation:

Particulars	Cost		Rate of dep. (%)	Depreciation		Written down value as at 30th June, 2016
	As at 1st July, 2015	Addition during the year		As at 1st July, 2015	Charged during the year	
Land & Land Development	114,647,735	-	-	-	-	114,647,735
Factory Building & Other Construction	160,640,988	-	5	28,076,280	6,628,235	125,936,473
Building Office Space	34,229,830	-	5	5,982,573	1,412,363	26,834,894
Plant & Machineries	329,368,472	-	7.5	83,351,999	18,451,235	227,565,238
Motor Vehicles	1,053,862	-	15	479,468	86,159	488,235
Sub-Total (b)	639,940,887	-		117,890,320	26,577,993	495,472,574
Grand Total (a+b)	1,347,537,574	25,055,590		583,077,233	45,094,956	744,420,974

Depreciation Charge to :

Cost of Production

Administrative Expenses

Total

41,302,804

3,792,152

45,094,956

Saiham Textile Mills Limited (Melange unit)

Property, Plant and Equipment

For the year ended June 30, 2016

Annexure - B

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2016
	As at 1st July, 2015	Addition during the year	Total as at 30th June, 2016		As at 1st July, 2015	Charged during the year	Total as at 30th June, 2016	
Land & Land Development	50,685,000	-	50,685,000	-	-	-	-	50,685,000
Factory Building & Other Construction	244,323,816	986,200	245,310,016	5	21,037,735	11,188,959	32,226,694	213,083,322
Plant & Machineries	1,145,207,769	8,351,902	1,153,559,671	7.5	164,625,811	73,856,843	238,482,654	915,077,017
Furniture & Fixtures	386,595	-	386,595	10	30,600	35,600	66,200	320,396
Motor Vehicles	6,915,934	-	6,915,934	15	1,919,171	749,514	2,668,686	4,247,248
Sundry Assets	112,635	11,880	124,515	10	10,336	10,824	21,160	103,355
Office Equipments	1,856,450	190,150	2,046,600	10	287,558	166,397	453,955	1,592,645
Sub-Total (a)	1,449,488,199	9,540,132	1,459,028,331		187,911,211	86,008,137	273,919,348	1,185,108,983

Depreciation Charge to :

Cost of Production 85,045,802

Administrative Expenses 962,335

Total **86,008,137**

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited Schedule of Trade debtor

Annexure -C

Particulars	June 30,2016	June 30,2015
Chorka Textile Ltd	1,277,738	611,380
Confidence Knitting Ind.ltd	115,812	889,023
Dress up Ltd	628,399	1,614,421
Smart knitwears Ltd	272,105	10,020,000
Aswad Composite Mills Ltd.	1,125,718	22,042,000
Adury Apperals Ltd	363,170	4,158,000
Lithe Apperals Ltd	830,399	322,861
Naz knitwear Ltd	171,931	31,878
Oishi Fashion (pvt) Ltd.	129,720	35,574
Oli Knitting Fabrics Ltd	3,550,832	1,374,373
Sadma Fashion wear Ltd	71,872.50	1,203,125
Scandex Textile Industries Ltd.	2,858,583	37,114
Aboni Textile Ltd	1,592,073	-
ALPS Apparels Ltd	144,231	-
Amazing Fashions Ltd	788,927	-
Blithe Fashions Ltd	561,499	-
Comfit Composite Knit Ltd	11,085,071	-
Cotton Dyeing & Finishing Mills	1,161,304	-
Cotton Field (BD) Ltd	1,776,611	-
Dream Yard Attires Ltd	179,021	-
Emon Fashion	85,004	-
Enoka Apparels Ltd	122,607	-
Fakir Apparels Ltd	60,901	-
Formosa poly Cotton Textiles	498,601	-
Fulpur Knit & Garments Ltd	565,578	-
Generation Next Fashion Ltd	2,529,796	-
Hagh Knitwears Ltd	71,367	-
Hams Garments Ltd	7,982,510	-
Hassen Apperals Ltd	177,156	-
JP Garments Ltd	1,463,868	-
JTS Fashion Ltd	1,810,177	-
Karoni Knit Composite Ltd	362,237	-
Knit Asia Ltd.unit-2	138,772	-
Knit Bazer (pvt.) Ltd.	338,422	-
Knit Concern Ltd	48,951	-
Kushiara Composite Knit Indus.	1,026,029	-
Landmark Fabrics Ltd	227,117	-
Libas Textile Ltd.	398,601	-
Lumen Textile Mills Ltd	123,465	-
Majumder Knitware Ltd	26,030	-
MARP Knit Composite Ltd	326,418	-
Meem Knitting Mills Ltd	3,203,299	-
Muzauddin Textile Ltd	962,936	-
Pacific Cotton Ltd	3,465,342	-
Panagea Fashion wear Ltd	209,013	-
Polo Composite Knit Ind. Ltd	763,480	-
Raisa Fashions Ltd	162,937	-

Saiham Textile Mills Ltd.

Particulars	June 30,2016	June 30,2015
Anlima Textile Ltd.	32,051	-
Arh Knit Composite Ltd	1,394,948	-
Best Style Composite Ltd	2,719,947	-
Birds A&Z Ltd	2,032,632	-
Barnali Textile & Printing ind.pvt.ltd	253,691	-
Blue Planet knitwear Ltd	27,777.75	-
Crossline knit Fabrics Ltd	95,959.50	-
Divergent Knitex Ltd	1,443,860	-
Esquare Knit Composite Ltd	49,417	-
GreenLife Knittex Ltd	4,700,683	-
Hwa well Textiles (BD) Ltd	1,069,735	-
JMS Composite Knitwear Ltd	276,457	-
Joint Garments Ltd	134,402	-
Knit & Knittex (Pvt.) Ltd.	18,162	-
Knit Zone Mode Pvt. Ltd.	3,285,078	-
Moonlux knit Garments Ltd	603,690	-
Midland Knitwear Ltd	142,890	-
N.R Knitting Mills Ltd	57,576	-
Niloy Knitwear	453,535	-
NK Sweaters Ltd	101,282	-
One-way Textile Mills Ltd	799,999	-
Pinnacle Garments Pvt. Ltd	84,771	-
Plummy Fashion Ltd	65,501	-
RBSR Fashions Ltd	259,596	-
Saturn Textiles Ltd	352,894	-
Southern Knitwear Ltd.	740,306	-
Tanzila Textile Ltd	11,179,612	-
The Immaculate Textile Ltd.	15,660,897	-
Unique Designers Ltd	109,596	-
Winsome Knit Composite Ltd.	63,326	-
York Fashion Ltd.	100,350	-
Zian Apparels Ltd.	4,524,452	-
AKH Knitting & Dyeing	6,535,658	-
Alim Knit (BD) Ltd.	3,729,600	-
Biva Apparel (PVT) Ltd.	1,952,018	-
Combine Tex Ltd.	656,371	-
Day Fashiond Ltd.	670,163	-
Dowas-land Apparels Ltd.	2,344,986	-
Green Life Knit Composite Ltd.	1,545,842	-
Horizon Fashion Wear Ltd.	273,116	-
Impress-Newtex	4,078,356	-
Intraco Design Ltd.	1,360,527	-
Jointex Knitwerars Ltd.	12,614,012	-
Meghna Knit Composite Ltd.	8,898,593	-
Mita Apparels (PVT) Ltd.	1,122,299	-
Mondol Fashions Ltd.	3,135,195	-
Mukul Knitwear Ltd.	890,636	-
Nexus Fashion Ltd.	15,878,811	-
Oishi Designs Ltd.	668,609	-
Sharp Knitting & Dyeing Ltd.	495,338	-
Southern Knitwear Ltd.	1,811,187	-

Saiham Textile Mills Ltd.

Particulars	June 30,2016	June 30,2015
Sunman Knit Fabric Ltd	1,572,837	-
Tanzina Textile Ltd	254,202	-
Unique Designers Ltd	314,063	-
Versatile Apperals (PVT) Ltd	56,954	-
Viyellatex Ltd	225,252	-
JTS Fashion Ltd	1,262,431	-
Libas Textiles Ltd.	1,243,200	-
Norban Comtex Ltd	10,373,067	-
Sharp Knitting & Dyeing Ltd.	1,006,992	-
Northern Trading	23,393,368	-
Faisal Spinning Mills	22,415,787	-
Saiham Cotton Mills	289,087,740	-
Saiham Knit Composite Ltd	28,291,929	-
Alim Knit (BD) Ltd	-	1,738,121
Appollo Faishan Ltd	-	4,966,500
Boney & Boney Apperals(Pvt) Ltd	-	240,240
Fabian Apperals Ltd	-	4,851,000
Confidence Knitwear Ind. Ltd.	-	945,637
Masud & Brothers	-	1,926,540
Dekko Apparels Ltd.	-	17,123,250
S.B. Knitting Ltd.	-	10,010,000
Roton Enterprise	-	9,599,475
Graphics Textiles Ltd.	-	170,940
Nukta Fabrics	-	2,002,000
Fabian Apperals Ltd	-	3,977,435
Trams Composit Ltd.	-	2,075,150
P.N Enterprise	-	13,048,459
Master Textile mills Ltd	-	308,323
M.S Attires Ltd	-	5,215,172
Zayantex Ltd	-	212,790
Adury Knit Composite Ltd	-	4,978,050
Alema Textile Mills Ltd	-	275,429
All Rounder Knitwear	-	112,805
Apperals-21 Ltd	-	1,282,820
Beget Knit wear Ltd	-	283,206
BG Collection Ltd	-	82,390
Comfit Composite Knit Ltd	-	1,139,600
Confidence Knitting Ind.Ltd	-	1,158,465
Fakir Fasion Ltd	-	1,951,026
Four Knit wear Ltd	-	7,443,783
IFS Textwear Pvt Ltd.	-	1,563,100
Jahara Fashion Ltd	-	3,863,090
Libas Knit Wear Ltd	-	109,725
Mouchak Knit Composite Ltd	-	15,152,291
Seacotex Fabrics Ltd.	-	453,877
Stress Fashion International Ltd	-	929,198
Suborna Bangladesh Ltd	-	979,980
Taqwa Fabrics Ltd	-	35,514,045
All Rounder Knitwear	-	635,250
Fair Appareals Ltd	-	219,450
York Fashion Ltd.	-	2,693,537
Yolk Apparels Ltd.	-	4,484,057
Farida Garments Pvt. Ltd	-	2,677,290
Niagara Textiles Ltd	-	1,351,543
Pattarrumadathil Design Ltd.	-	618,117
Total	556,829,837	210,702,900

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited Liabilities for Goods

Annexure -D

Particulars	L/C	L/C	June 30, 2016	June 30, 2015
EDF with HSBC-Raw Cotton	DCDAK-519019	DBL-10076	22,032,204	48,026,927
EDF with HSBC-Raw Cotton	DCDAK-670503	EBL-90132	60,948,773	29,755,325
EDF with HSBC-Raw Cotton	DCDAK-675148	HSBC-13640	22,199,285	39,600,855
EDF with HSBC-Raw Cotton	DCDAK-674302	EBL-90162	75,667,651	48,784,636
EDF with HSBC-Raw Cotton	DCDAK-676044	EBL-90162	28,758,355	82,595,681
EDF with HSBC-Raw Cotton	DCDAK-673945	HSBC-DCDAK-414275	27,303,772	41,248,083
EDF with HSBC-PSF	DCDAK-520601	HSBC-DCDAK-415834	14,906,736	63,467,720
EDF with HSBC-Viscose	DCDAK-520800	HSBC-DCDAK-415454	14,730,158	65,038,122
EDF with HSBC-Viscose	DCDAK-674832	HSBC-DCDAK-501838	8,095,438	63,352,769
EDF with HSBC-Viscose	DCDAK-674832	HSBC-DCDAK-502827	14,074,581	61,914,216
EDF with EBL-Raw Cotton	147815230037	EBL-147815990046	60,120,899	9,099,469
EDF with EBL-Raw Cotton	147815230037	EBL-147815990074	55,617,005	9,157,042
EDF with EBL-Raw Cotton	147815230094	EBL-147815990104	8,074,274	24,823,102
EDF with EBL-Raw Cotton	147816230110	EBL-147815990072	12,359,448	54,048,016
EDF with EBL-PSF	147815230072	HSBC-DCDAK-504160	15,852,974	66,555,286
EDF with EBL-PSF	147816230071	EBL-147815990127	13,171,841	77,253,554
EDF with EBL-PSF	147815230062	EBL-147814990151	13,403,764	10,173,782
EDF with EBL-Viscose	147816230003	HSBC-DCDAK-415460	1,516,134	10,019,329
EDF with EBL-Viscose	147816230084	HSBC-415460	6,187,814	9,719,946
EDF with EBL-Viscose	147816230060	HSBC-DCDAK-501328	21,680,627	17,448,188
EDF with EBL-Viscose	147816230099	HSBC-DCDAK-502652	6,811,588	7,849,398
EDF with EBL-Tencil Fibre	147815230088	HSBC-DCDAK-502652	11,320,721	7,616,007
EDF with SCB-Raw Cotton	249016050141	EBL-147815990083	177,351,317	17,112,140
EDF with EBL-Spareparts	147815010956	EBL-147814021620	1,529,924	9,141,178
EDF with EBL-Spareparts	147815011269	EBL-147814011375	1,643,800	1,722,886
EDF with EBL-Spareparts	147815011259	EBL-147814012008	1,090,610	707,100
EDF with EBL-Spareparts	147815011304	EBL-147814011786	897,017	233,700
EDF with EBL-Spareparts	147815011926	EBL-147814011829	1,344,255	1,920,610
EDF with EBL-Spareparts	147816010589	EBL-147814011427	1,070,730	840,603
EDF with HSBC-Spareparts	DCDAK-517533	EBL-147814012001	9,864,000	916,663
		EBL-147814012087	-	848,713
		EBL-147814021612	-	1,884,106
		EBL-147814021009	-	1,176,524
		EBL-147814021007	-	2,289,791
		Faisal spinning Mills Ltd	-	180,552,622
		Saiham cotton Mills Ltd	-	55,457,754
Total			709,625,695	1,122,351,843



Saiham Textile Mills Ltd.

Asset RoseDale, House # 2, Road # 55, Gulshan-2, 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 35th ANNUAL GENERAL MEETING of the Company to be held on December 19, 2016 and /or at any
adjustment thereof.

As witness my/ o ur hand this _____ day of _____ 2016

(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.

Asset RoseDale, House # 2, Road # 55, Gulshan-2, Dhaka - 1212.

ATTENDANCE SLIP

I / we hereby record my / our attendance at the 35th ANNUAL GENERAL MEETING of the Company being held on December 19, 2016 at 1:30 P.M. at Mill Premises, Saiham Multipurpose Hall, Noyapara, Saiham Nagar, Madhabpur, Habiganj.

Folio No. / BO ID No.

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

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 : House # 02, Road # 55, Gulshan-2, Dhaka-1212

Phone : 9862284, 9863323, 9887441, Fax : 880-2-9894607, 8826254

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