

A NUAL REPORT
2019-2020



Saiham Textile Mills Ltd.

সায়হাম টেক্সটাইল মিলস্ লিমিটেড

CONTENTS

Transmittal Letter	01	
Views of 38 th Annual General Meeting	02	
Board of Directors	03	
Notice of the 39 th Annual General Meeting	04	
		Management Apparatus 05
		Our Vision, Our Mission 07
		Factory Highlights 08
		Chairman's Statement 12
Director's Report	13-22	
Corporate Governance Compliance Report	26-38	
Auditor's Report to the Shareholders	41-45	
Statement of Financial Position	46	
		Statement of Comprehensive Income 47
		Statement of Changes in Equity 48
		Statement of Cash Flows 49
		Notes to the Financial Statements 50-79
		Proxy Form 80



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, 2020.

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, 2020 along with notes thereon of **Saiham Textile Mills Ltd.** for your kind information and records.

Thank you,

Yours Sincerely,



(Md. Neyamat Ullah)
Company Secretary



Saiham Textile Mills Ltd.

Views of 38th Annual General Meeting



Board of Directors



Engr. Syed Ishtiaq Ahmed
Chairman



S. M. Faisal
Managing Director



Syed Shafqat Ahmed, MBA
Director



Mrs. Yasmin Faisal
Director



Mrs. Rio Aziza Salim
Director



Mohammad Nazmul Hossain, FCA
Independent Director



Tariquzzaman Khan, FCA, FCS
Independent Director

*Notice Of The 39th
Annual General Meeting*

Saiham Textile Mills Ltd.

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


Notice of the 39th Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting of Saiham Textile Mills Ltd. will be held on December 30, 2020 at 3:00 P.M. through Digital Platform in accordance with the Bangladesh Securities and Exchange Commission (BSEC) order SEC/SRMIC/04-231 dated March 24, 2020 to transact the following business.

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

Dated: Dhaka
October 28, 2020

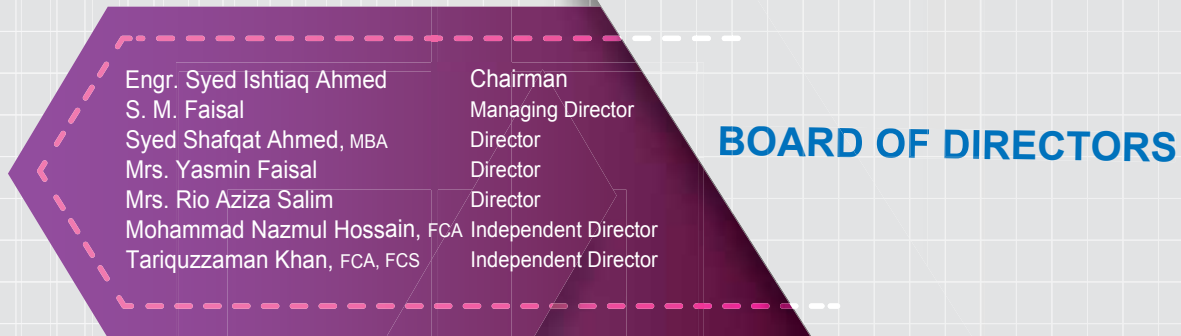
By order of the Board


(Md. Neyamat Ullah)
Company Secretary

Notes:

1. The Shareholder's whose name will appear in the Depository Register of CDBL as on record date, November 19, 2020 will be entitled to attend and vote at the AGM through Digital Platform.
2. A member entitled to attend/participate and vote in the Annual General Meeting, may appoint a proxy in his stead. Scanned copy of the proxy form, duly stamped must be mailed to the email at share@saiham.com at least 48 hours before the meeting.
3. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of Annual Report (2019-2020) will be sent to the Member's respective email addresses which is available with us. The Annual Report (2019-2020) will be available in the Company's website www.saihamtextile.com.
4. AGM Notice, link for joining in the Digital Platform (audio-visual meeting) and detail login process will be mailed to the respective Member's email address available with us.
5. Member's whose email address updated/changed subsequently, are requested to email us at share@saiham.com referring their full name, BO ID and email address to get the digital platform meeting invitation.
6. Full login/participation process to the digital platform meeting will also be available in the Company's website www.saihamtextile.com.

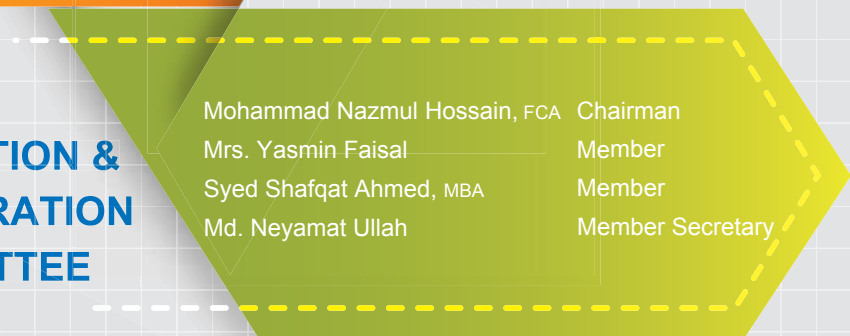
Management Apparatus



AUDIT COMMITTEE



NOMINATION & REMUNERATION COMMITTEE



Saiham Textile Mills Ltd.

Registered Office	:	Noyapara, P.O : Saiham Nagar U.Z : Madhabpur, Dist : Habiganj -3333
Dhaka Office	:	Saiham Tower, House # 34 (11 th Floor) Road # 136, Gulshan-1, Dhaka-1212
Telephone	:	02-2222-87441, 02-2222-62284, 02-2222-63323
Fax	:	02-2222-94607
E-mail	:	share@saiham.com
Website	:	www.saihamtextile.com
Auditors	:	Khan Wahab Shafique Rahman & Co. Chartered Accountants Rupali Bima Bhaban (5 th Floor) 7 Rajuk Avenue, Motijheel, Dhaka-1000
Legal Advisor	:	Md. Shamsul Haque Flat # 9 B, (10 th Floor) Fayanaz Property 37/2, Purana Paltan, Dhaka-1000
Principal Banker's	:	HSBC Limited. Dhaka Main Office, 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 158/160, Motijheel C/A, Dhaka-1000 Prime Bank Limited. Gulshan Branch Dhaka-1212
Insurance Company's	:	Green Delta Insurance Company Limited. 51-52, mohakhali C/A, Dhaka-1212 Prime Insurance Company Limited. 63, Dilkusha C/A, Dhaka-1000 Islami Insurance Bangladesh Limited. Malibagh Branch, Dhaka-1217 Union Insurance Company Limited. 65/2/1, Box Culvert Road Purana Paltan, 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



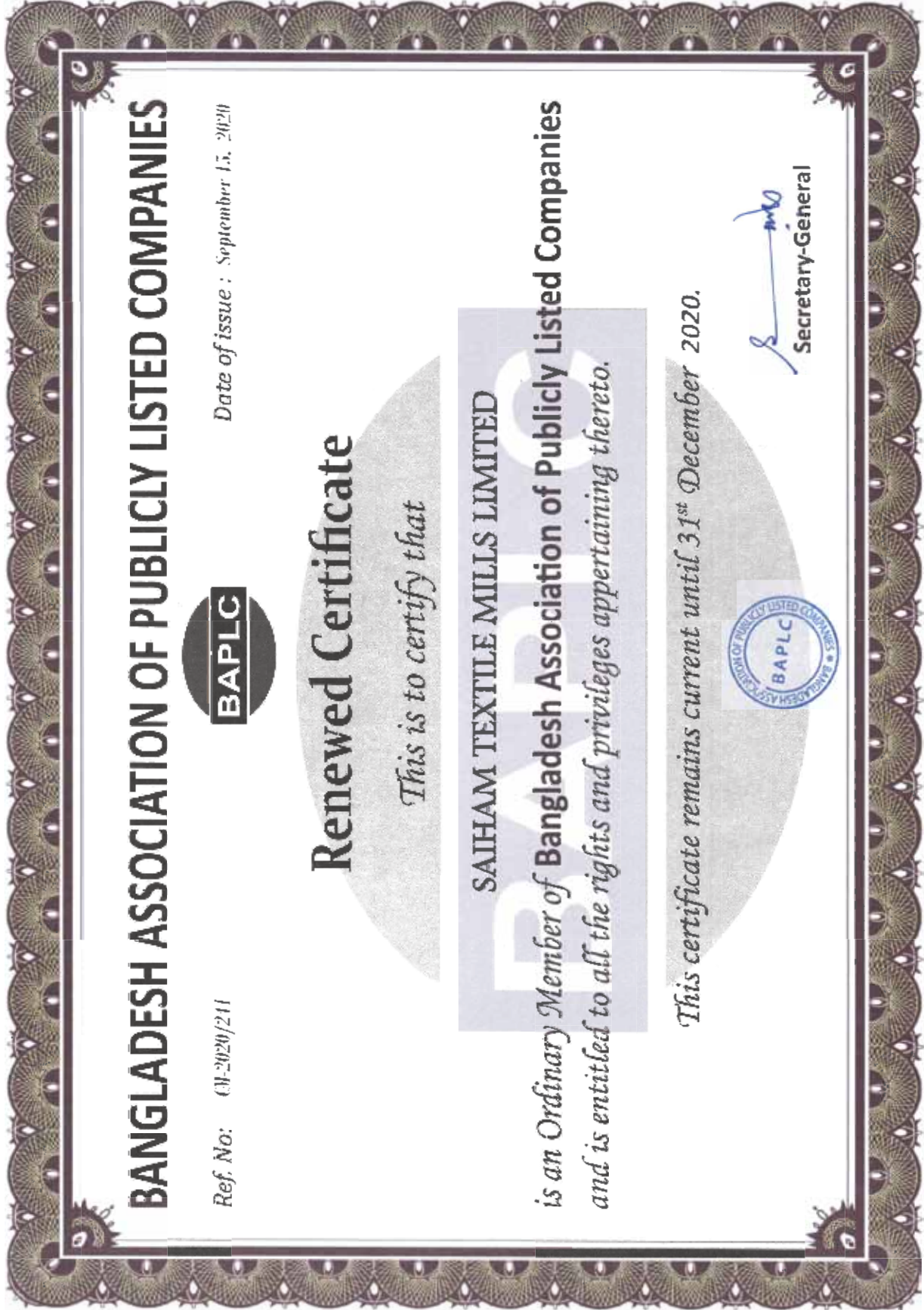
Achievement

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



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

Saiham Textile Mills Ltd.



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 39th 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, 2020. 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 38th AGM and to offer them assurance of our sincerity in maintaining operational results up to their expectations at present as well as in future.

2019-20 has been a challenging year with weakening consumer sentiment given the macro-economic conditions and finally, the COVID-19 outbreak its terrible impact on lives and livelihoods. The human impact of the virus and the containment efforts have resulted in supply and demand disruptions, resulting in a sharper growth deceleration. The situation remains volatile with the trajectory of the virus undetermined, evolving hot spot geographies, the success of containment measures uncertain, the severity and duration of resulting economic crisis and the extent of structural damage unknown. It has been too sudden – almost off the cliff; its spread has been all encompassing – affecting almost every economy and sector, and the plunge in economic activity levels and employment has been unprecedented. Despite the near-term ambiguity, we remain confident of the medium to long-term growth prospects of the textile sector. We have a strong portfolio of trusted brands and capable teams with a resilient mindset. We are built to survive times like these. We have naturally seen strong as well as challenging conditions over the decades and our Company has manoeuvred through all of these and come out stronger. We are confident about our ability to manage the immediate crisis and come out of it in a strengthened competitive position. We stand united with the nation in the fight against COVID-19 as we navigate our way through these dynamic uncertain times together.

I on behalf of the Board would like to express my sincere thanks to the respected shareholders for their overwhelming trust and confidence that helped to uncompromisingly pursue an agenda that was in the long-term interest of the Company. Most importantly, I would like to thank each and every employee as well as those working with our partners across our value chain for their commitment and service to us in these challenging times. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository Bangladesh Limited, Jalalabad Gas System, Banks, Insurances and Financial Institutions for their support and patronage extended to the company from time to time.

Thanking you

Regards



(Engr. Syed Ishtiaq Ahmed)
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, 2020 along with the audited financial statements and auditors' report thereon.

BACKGROUND

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

REVENUE

Financial Year 2019-20 has been a challenging year with weakening macro-economic conditions, slowing market growths in Textile sector and finally, COVID-19 outbreak and containment measures towards the end of the year. Our underlying sales growth was driven by an overall resilient performance in the first three quarters; In the March quarter, our performance at an aggregate level continued to be competitive with steady growth before the outbreak of COVID-19. The second half of March saw an exacerbated slowdown due to the virus outbreak, resultant containment measures by the government finally, a nation-wide lockdown. This had an adverse impact on our operations with breakage in supply lines, shortage of manpower and disruptions in procurement/transport, offsetting the resilient growth levels achieved hitherto. During the year under review our companies turnover stood at 1,642,383,390 as against 2,599,187,531 recorded in the previous year. Turnover of the company fall drastically due to adverse effect of COVID-19. On the other hand Cost of goods sold and operating expenses have been increased on sales proportionately in compare of last year.

We manage our business with agility and resilience to deliver consistent, competitive. We continue to focus on strengthening the core, accelerating premiumisation and driving market development. our Company has a large portfolio of strong brands that straddles the price-benefit pyramid.

Financial Result and Appropriation of Profit:

Particulars	2020	2019
Net Profit for the year (after tax)	(7,82,98,678)	(8,77,19,640)
Add: Previous year's surplus	24,04,37,335	42,98,70,671
Add: Adjustment of revaluation of P.P.E	8,97,99,808	3,32,88,770
Add: Adjustment for tax refund (2015-2016)	-	8,41,284
Profit available for appropriation	25,19,38,465	37,62,81,085
Recommended for appropriations:		
Cash Dividend	(9,05,62,500)	(13,58,43,750)
Total	16,13,75,965	24,04,37,335

Segment-wise or product-wise performance

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

Industry outlook and possible future developments in the industry

The outlook for industry and the Company in the near term can be viewed with cautious optimism. Fiscal FY 2020 began with a lockdown, with downtrend economic activity in Bangladesh, which took strict measures to contain the spread and intensity of the pandemic. Global trade dynamics, volatile commodity cycles and climate concerns continue to increase the uncertainty further. Market sentiments remained volatile since the start of the financial year due to escalating trade tensions between US and China, fears of disruptions to supply chains, prolonged uncertainty on Brexit and geopolitical tensions in Middle East. The world markets are uncertain at present and majority countries are facing economic issues affecting their growth. Continued slowdown in overall textile industry and slowdown in economic growth in recent months may impact sale growth for current year. The export market is not very encouraging either. However, the outlook is heavily contingent upon the intensity, spread and duration of the pandemic. Conditions like these create challenges for companies and categories across the spectrum.

Saiham Textile Mills Ltd.

In these times, as the economy, consumer and channel landscape rapidly evolve, we continue to be agile and responsive to leverage market opportunities and navigate through the challenges. By staying close to buyers and their needs, we ensure that our business continues to grow, while having a positive impact on people and the planet. Our strategy is constantly evolving to adapt to the trends and forces shaping our markets and impacting our multi stakeholders.

Risks and concerns

Risk management is embedded in the Company's operating framework. Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

This year the rampant spread of COVID-19 outbreak, across borders and geographies, has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook. The lockdowns and restrictions imposed on various activities due to the pandemic have posed challenges to all the businesses of our Company. The textile industry has been facing severe challenges in the aftermath of demonetization, global economic slowdown, US-China trade war and recently, the Coronavirus outbreak in China. Besides some of the risks that the Company is exposed to are:

Financial risks

The Company's policy is to actively manage its foreign exchange risk within the framework laid down by the Company. Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigation strategy to minimize financial and interest cost risks.

Commodity price risks

Uncertain availability and volatility in prices of key raw materials is the major concern. The Company proactively manages these risks through forward booking, inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with the existence of powerful brand image with a robust marketing network mitigates the impact of price risk.

Regulatory risks

The Company is exposed to risks attached to various statutes, laws and regulations including the Competition Act. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

Strategic risks

Emerging businesses, capital expenditure for capacity expansion etc, are normal strategic risks of the Company. However, the Company has well-defined processes and procedures for obtaining approvals for investments in new businesses and capacity expansions.

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

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

Particulars	June 30, 2020	June 30, 2019
Cost of goods sold	1,54,73,94,066 (94.22%)	2,26,50,27,513 (87.14%)
Gross profit	9,49,89,324 (5.78%)	33,41,60,018 (12.86%)
Net profit/loss for the year	(7,82,98,678) (4.77%)	(8,77,19,640) (3.37%)

Related party transactions

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

Variance within the financial year

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

Fairness of financial statements

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

In compliance with the requirement of the Bangladesh Securities and Exchange Commission Managing Director & CFO's have given the declaration which is shown on page 39 of the report.

Books of Accounts

Proper books of accounts of the company were maintained.

Accounting Policies

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

Application of 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.

Internal control systems and their adequacy

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

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

Environment Protection, Health and Safety

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

Going Concern

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

Saiham Textile Mills Ltd.

Board of Directors

i. Composition and size of the Board

On the 30th June 2020, there were 7 members on the Board; The Board comprises Chairman, Managing Director, three directors and two Independent directors.

ii. Board meeting and attendance:

The Board met 6 times during the period from July 01, 2019 to June 30, 2020. Following table shows the attendance of directors in the meeting.

Name of Directors	Number of Board Meeting held during the financial year ended 30.06.2020	Number of Board Meeting attended	Remarks
Mr. S. F.A. M. Shahjahan	6	4	Resigned on 12.01.2020
Mr. S. M. Faisal	6	6	
Engr. Syed Ishtiaq Ahmed	6	6	
Syed Shafqat Ahmed M.B.A	6	6	
Mrs. Yasmin Faisal	6	6	
Mrs. Rio Aziza Salim	6	6	
Mohammad Nazmul Hossain, FCA, (Independent Director)	6	6	
Mr. Tariquzzaman Khan, FCA, FCS, (Independent Director)	6	5	Appointed on 12.01.2019

DIRECTORS

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

S. M. Faisal and Mrs. Rio Aziza Salim, Director retire by rotation from the Board in the 39th Annual General Meeting. Being eligible under Article 117 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

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

S. M. Faisal

Mr. S. M. Faisal M.A.L.L.B from Dhaka University set up one of the most sophisticated textile Mills - Saiham Textile Mills Ltd in the early 1980s in one of the remotest and most non-developed areas in Bangladesh i.e. Noyapara, Hobiganj. Within 20 years the same area has been transformed into an industrial region and now boasts more than Tk. 60,000 million of investment and employment generation of over 8000 people. He is ex-Director of Bangladesh Textile Mills Association (BTMA), the apex body of textile sector in Bangladesh and also an ex-Director of National Tea Company limited. He was the chairman of Saiham Cement Industries Limited, a cement manufacturing plant in Mongla. He is well renowned for his philanthropic work in the locality.

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

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

Saiham Textile Mills Ltd.

Mrs. Rio Aziza Salim

Mrs. Rio Aziza Salim did her BSS (honors) and Masters in Sociology from Dhaka University. She lived and worked in U.K. and U.S.A for a long time and acquired vast experience in social work. She also has long experience in marketing, financial and product development. She has traveled Bangladesh, U.S.A, U.K, France, Germany, Singapore and many other countries. She is associated with a number of social and cultural organizations in Bangladesh.

Names of companies in which Mrs. Rio Aziza Salim holds the directorship:

Interest in the Company:	Designation
Saiham Textile Mills Ltd.	Director
Saiham Knit Composite Ltd.	Director

Re – appointment of Managing Director

The appointment of S.M. Faisal as Managing Director of the company expired on 23.03.2020. He has been re-appointed as Managing Director of the Company for a further period of 5 (five) years by the Board of Directors of the company in its meeting held on 25.03.2020. His appointment as Managing Director has been placed for the approval by the shareholders in this 39th Annual General Meeting.

Changes in the Board of Directors during the year 2019-20:

Mr. S.F.A.M. Shahjahan resigned from Director of the Company effective from January 12, 2020 due to personal reasons and work constraints. The Board places on record its sincere and deep appreciation for the services rendered by Mr. S.F.A.M. Shahjahan during his tenure as Chairman of the Company.

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.

Remuneration to directors including independent directors

The Director of the Company is receiving a sum of Taka 5,500/-(Five thousand and five hundred) as board meeting fee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, as a sub-committee of the Board of Director formed as per notification no.BSEC/CMRECD/2006-158/207/ADMIN/80DATED 3 June, 2018.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Three Directors including one Independent Director.

Chairman of Nomination and Remuneration Committee(NRC)

Mohammad Nazmul Hossain, FCA Independent Director is the Chairman of the Nomination and Remuneration Committee.

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

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter-alia, includes:

Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;

Determine / recommend the criteria for qualifications, positive attributes and independence of Director;

Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;

Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole. Recommend to the Board, all remunerations, in whatever form, payable to Senior Management.

The detailed terms of reference of the Nomination and Remuneration Committee is contained in the 'Corporate Governance Code'

Meeting of the Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee met 1 time during the financial year 2019-2020.

External Statutory Auditors

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

Website

The company has been maintaining an official website www.saihamtextile.com which is linked with website of the stock exchange. All Corporate information's are posted on the investor Relations section of the Company's website.

DIVIDEND

Due to adverse effect of Covid-19, turnover has been decreased significantly on the other hand financial expenses and percentage of Cost of goods sold increased; as a result the company incurred loss during the year 2019-2020. Considering the above situation The Board of Directors did not recommend any dividend for the year ended June 30, 2020 (subject to the approval in the forthcoming AGM).

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 2019-2020 the company contributed 20.65 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:

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

Saiham Textile Mills Ltd.

Scope of work of Audit Committee

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

Review of financial statements by the Audit Committee

Audit Committee reviewed the annual financial statements for the year June 30, 2020 and placed its recommendation to the Board of Directors.

External audit

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

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

Independence of External Auditor

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

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

Resolutions of the Audit Committee meeting:

The Committee met three times during last financial year 2019-20 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended June 30, 2020;
- Reviewed and discussed the Management Letter, by external auditor Khan Wahab Shafique Rahman & Co. for the year ended June 30, 2020 on the annual audit on financial statements of Saiham Textile Mills Ltd;
- The expression of interest sent by the audit firm was reviewed by the Audit Committee and recommended Khan Wahab Shafique Rahman & Co, as auditor of the Company for the year to be ended June 30, 2021;
- Reviewed various reports of Internal Control & Compliance Department on operational and financial procedures

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

Report from the Audit Committee

Dated: October 18, 2020.
The Board of Directors
Saiham Textile Mills Ltd
House 34, Road # 136
Gulshan-1, Dhaka

Audit Committee Report

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observations in their reports on the draft financial statements of the Company initiated by the auditors for the year ended 30 June 2020. 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/-
(Mohammad Nazmul Hossain, FCA)
Chairman
Audit Committee
Saiham Textile Mills Ltd.

Environmental Role

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

Corporate Social Responsibilities

Saiham Textile Mills Ltd. always acknowledges its responsibilities for the well-being of the society and takes part in such activities whenever it becomes necessary. The company provides financial support to different social & cultural organizations and to the distressed people of the society. Contribution to CSR programs have been always supported and encouraged by the Board of Directors of the Company. During the year 2019-2020 the company has contributed to the welfare of the community such as donation to Mosque, Madrasha, School, free eye treatment given by setting up eye camp also distributed blanket among the poor people in winter season. The company took up one of the largest Food Distribution program in the district in distributing free essential food items among thousands of low income families during the COVID 19 Pandemic period. The company also distributed health kits, including PPE and Face masks within the factory premises and educate the workers about social distancing to avoid the transmission of Covid 19.

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 Khan Wahab Shafique Rahman & Co. Chartered Accountants, 7 Rajuk Avenue, Motijheel, Dhaka have audited the financial statements of the company for the year 2019-2020. They were appointed in the last 38th AGM held on December 12, 2019. For the second year audit the firm is eligible for re-appointment and have also express their willingness for reappointment for the year 2020-2021.

The Audit Committee reviewed the proposal for re-appointment and recommended to the Board for re-appointment of Khan Wahab Shafique Rahman & Co. Chartered Accountants as the auditors of the company for the year 2020-2021. Therefore the board of Directors has proposed Khan Wahab Shafique Rahman & Co. Chartered Accountants to engage as statutory auditors (subject to approval at the 39th Annual General Meeting)

Saiham Textile Mills Ltd.

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

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

In this regard, Kazi Zahir Khan & Co. Chartered Accountants offered themselves for appointment to issue “Corporate Governance Compliance Certificate”. The Board recommended the proposal for appointment of Kazi Zahir Khan & Co. Chartered Accountants to issue “Corporate Governance Compliance Certificate” of Saiham Textile Mills Limited for the year June 30, 2021 subject to approval of the Shareholders of the company in the 39th Annual General Meeting

CORPORATE & FINANCIAL REPORTING:

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

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

Proper books of accounts of the Company have been maintained.

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

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

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

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

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

Pattern of Shareholding

Name wise details	No. of Shares held
Parent/Subsidiary/Associated Companies and other related parties	Nil
Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:	
Mr. S. M. Faisal-Managing Director	30,82,747
Engr. Syed Ishtiaq Ahmed -Chairman	78,43,920
Mr. Shafqat Ahmed - Director	74,93,503
Mrs. Yasmin Faisal – Director	20,27,000
Mrs. Rio Aziza Salim - Director	76,15,219
Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:	
Executives	Nil
Shareholders holding ten percent (10%) or more voting interest in the Company:	
ICB	30,61,967

Saiham Textile Mills Ltd.

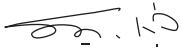
Key operating and financial data

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

Corporate Governance Compliance Report

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

On behalf of the Board of Directors



(S. M. Faisal)
Managing Director

October 18, 2020

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

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

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

Control activities

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

Information and Communication

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

Monitoring

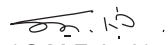
The system of internal control is monitored regularly through both ongoing activities and separate evaluations. Ongoing monitoring activities are conducted through regular management activities. An Internal Audit Team has been set up with six members during the year under review. The internal audit function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

DIRECTOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Director's of the company are responsible for the integrity and accuracy of the financial statements. The board believes that the financial statement for the year ended on June 30, 2020 have been prepared in conformity with International Accounting Standard (IAS), IFRS, Companies Act, 1994, BSEC guidelines, Stock Exchanges Listing Regulations appropriate in the circumstances. In preparing the financial statements, management with the consultation of the board makes informed judgments and estimates where necessary to reflect the expected effects of events and transactions that have not been completed. The company's disclosure controls and procedures ensure that the material information required to be disclosed is recorded, processed, summarized and communicated to management and reported within the required time periods. In meeting its responsibility for the reliability of the financial statements, managements relies on a system of internal accounting control. The system is designed to provide reasonable assurance that assest are safeguarded and transaction are excuted in accordance with the management's authorization and recorded properly to permit the preparation of financial statements in accordance with IAS/IFRS. The design of this system recognizes that errors or irregularities may occur and the estimates and gudgements are required to assess the relative cost and expected benefits of the controls. Directors 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 independet directors, is responsible for overseeing the Company's financial reporting process. The Audit Committee meets with management and sees the report of the Company's internal auditors periodically to review the work of each and to monitor the discharge by each of its responsibilities. The independent auditors are engaged to express an opinion on the Company's financial statements and on the Company's internal control over financial reporting. Their opinions are based on procedures that they believe to be sufficient to provide reasonable assurance that the financial statements contain no material errors and that the Company's internal controls are effective.

By order of the Board

Saiham Textile Mills Ltd.


(S.M.Faisal)

Managing Director

Saiham Textile Mills Ltd.

Annexure : I
(Taka in Crore)

The Key Operation and Financial Data : Financial Highlights

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Turnover	164.23	259.92	217.81	152.96	163.98
Gross Profit	9.49	33.42	26.17	23.16	19.69
Net profit after tax	(7.82)	(8.77)	10.91	9.24	7.68
Net cash operating activities	20.06	10.82	1.33	6.82	(30.96)
Summary of Balance Sheet					
Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Authorized capital	150	150	150	150.00	150.00
Paid-up capital	90.56	90.56	90.56	90.56	86.25
Reserve and surplus	88.89	96.79	115.74	113.38	110.29
Shareholder's equity	377.25	392.79	244.34	243.95	238.65
Deffered tax liabilities	46.02	47.15	17.19	16.59	15.86
Non-current liabilities	51.64	54.02	25.31	16.59	31.22
Current liabilities	164.09	136.31	226.82	174.27	134.02
Fixed Aseets	363.75	381.12	193.22	187.94	192.95
Total Non-current Assets	363.75	381.12	193.22	187.94	192.95
Current Assets	229.23	202.00	303.25	246.87	210.94
Book value per share	10.00	10.00	10.00	10.00	10.00
Earnings per share	(0.86)	(0.97)	1.21	1.02	0.89
Cash	-	10%	15%	12%	5%
Stock	-	-	-	-	5%
Number of shareholder's	4853	4379	6205	7,175	7,242
Ratios					
Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Debt to Equity Ratio	0.25	0.48	1.03	0.78	0.69
Current Ratio	1.40	1.48	1.34	1.42	1.57
Gross Profit/Sales (%)	6.00	12.86	12.02	15.14	12.01
Operating/Sales (%)	5.00	5.81	5.51	5.97	3.65
Profit after tax/Sales (%)	(0.50)	(3.37)	5.01	6.04	4.69
Return on Asset (%)	(1.32)	(1.26)	2.74	2.91	2.83
Return on Equity (%)	(2.78)	(4.68)	5.29	4.53	3.91

Saiham Textile Mills Ltd.

Annexure : II

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

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

Saiham Textile Mills Ltd.

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

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

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

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

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

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

Dear Sir(s),

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

- (1) The Financial Statements of Saiham Textile Mills Limited for the year ended on June 30, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that :-

- (i) We have reviewed the Financial Statements for the year ended on June 30, 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours,



(S.M.Faisal)
Managing Director



Md. Abu Bakar Siddique
Chief Financial Officer (CFO)

Saiham Textile Mills Ltd.



কাজী জহির খান এন্ড কোং
KAZI ZAHIR KHAN & CO.
Chartered Accountants
In Practice Since 1989

Associated firm of
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Always adding value

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

Report to the Shareholders of Saiham Textile Mills Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Saiham Textile Mills Limited for the year ended on 30 June 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Bangladesh Securities and Exchange Commission.

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


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

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

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

Dated: October 22, 2020
Place: Dhaka




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

Head Office: Shamsunnahar Complex, 8th Floor, Suite-9B, 31/C/1, Topkhana Road, Segun Bhagicha, Dhaka- 1000.
Tel: 57160824, Fax: +880-2-57160821, e-mail: kzke48@gmail.com, kzke_bd@yahoo.com
Branch Office: 281/3, Jafraabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207. Tel: 9124642. e-mail: mahmudkzkebd@gmail.com

INDEPENDENT AUDITORS' REPORT TO THE SHARE HOLDERS OF SAIHAM TEXTILE MILLS LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

Opinion

We have audited the financial statements of Saiham Textile Mills Ltd. which comprise the Statement of Financial Position as at 30 June 2020, and Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

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

Impact of COVID-19 on Business:

The key Audit Matter

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

Saiham Textile Mills Ltd.

The company has given disclosures in **Note No. 2.29** related to the impact of the Covid-19 Pandemic.

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

Regarding COVID-19 pandemic effect on the business activities of Saiham Textile Mills Limited, we have discussed with the management of Saiham Textile Mills Limited on the potential impact of pandemic on the company. We also compared the previous year Financial Statements figures with the current year to find out the impact of COVID-19 Pandemic on the Business. However, as the company is a 100% export oriented company and as such, the company has seen a down-merge in the turnover while inventory and short term piled up, which resulted in significant increase in finance cost. The effects of COVID-19 have been reflected in the financial statements.

Property, plant and equipment

The key Audit Matter

The company has Tk. 3,637,570,744 as Written down Value (WDV) at Property, Plant and Equipment which stands at 61.34% of its total assets with new acquisitions of Tk. 8,502,594. The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually. It usually the company policy to charge depreciation when property, plant and equipment become available for use as described in the notes to the financial statements. The management is used judgment to ascertain the timing of depreciation of the property, plant and equipment in few cases. Property, plant and equipment have been identified as a key audit matter because it requires the management to exercise significant judgment in relation to the estimate the carrying amount of the assets whether to be valued at cost less accumulated depreciation or revalued amount and depreciable lives of the assets considering the nature, timing and likelihood of changes to the technical factors which may affect the useful life expectancy of the assets and therefore it could have a material impact on the depreciation expense for the year.

Please refer to **Note 3.00 & 4.00 “Property Plant and Equipment”** of the notes to the financial statements for relevant details.

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

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

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

Inventory

The key Audit Matter

The Company had inventory of Tk. 1,159,780,461 at 30 June 2020 held in its factory, godowns and across multiple product lines. Inventories are carried at the lower of cost and net realizable value. As a result, the management applies judgment in determining the appropriate values for slow-moving or obsolete items.

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

Saiham Textile Mills Ltd.

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

We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:

- a) Evaluating the design and implementation of key inventory controls operating across the company, including stocks in the factory and in the godowns;
- b) Checking the management's inventory count sheet and reconciling the count results to the inventory listings to test the completeness of data;
- c) Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories;

Taxation

The key Audit Matter

The Statement of Profit & Loss and Other Comprehensive Income shows total loss before tax stands at Tk. 70,004,255 during the year. The company has charged total income tax of Tk. 8,294,424. Furthermore, deferred tax liability of the company has increased to Tk. 460,214,575 after giving effect of deferred tax on revaluation of asset.

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

Please refer to **Note 14.00 "Deferred Tax Liability"** and **Note 22.00 "Provision for Tax"** to the financial statements for relevant disclosures regarding calculation and disclosure of taxation.

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

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

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

Sales

The Key Audit matter

The company has made net sales of Tk. 1,642,383,390 during the year. Sales have decreased due to decrease in demand from the customers due to COVID-19 pandemic and export halt. Recognition of the revenue of Saiham Textile Mills Ltd. has been considered complex due to several types of contracts based mainly on export sales, as well as high sales volume comparing to last few years' performances.

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

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

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Saiham Textile Mills Ltd.

- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


Report on other Legal and Regulatory Requirements

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

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

Place: Dhaka

Dated: October 28, 2020


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited

Statement of Financial Position
As at June 30, 2020

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
ASSETS			
Non-current Assets:			
		3,637,570,744	3,811,285,037
Property, Plant & Equipment- Spinning	3.00	1,292,733,187	1,340,172,897
Property, Plant & Equipment- Melange	4.00	2,344,837,557	2,471,112,140
Current Assets:			
		2,292,351,517	2,020,035,964
Inventories	5.00	1,159,780,461	629,999,455
Trade Debtors	6.00	871,875,161	747,739,818
Sundry Receivable	7.00	287,386	549,262,130
Advance, Deposits & Prepayments	8.00	97,683,168	52,692,097
Fixed Deposit Receipt	9.00	7,572,812	6,784,383
Cash & Cash Equivalents	10.00	155,152,529	33,558,082
Total Assets		5,929,922,261	5,831,321,001
EQUITY & LIABILITIES			
Shareholders' Equity:			
		3,772,548,523	3,927,939,730
Share Capital	11.00	905,625,000	905,625,000
Share Premium		727,500,000	727,500,000
Revaluation Reserve	12.00	1,978,047,558	2,054,377,395
Retained Earnings		161,375,965	240,437,335
Non-current Liabilities:			
		516,464,562	540,266,430
Long Term Loan	13.00	56,249,987	68,749,991
Deferred Tax Liability	14.00	460,214,575	471,516,439
Current Liabilities:			
		1,640,909,174	1,363,114,840
Short Term Loan	15.00	864,396,199	740,965,441
Current Portion of Long Term Loan	16.00	12,500,004	12,500,004
Rights Share money Refundable		15,000	15,000
Liabilities for Goods & others	17.00	728,861,386	578,857,803
Liabilities for Expenses & Others	18.00	35,136,586	30,776,593
Total Liabilities		2,157,373,736	1,903,381,271
Total Equity & Liabilities		5,929,922,261	5,831,321,001
Net Assets Value Per Share (NAV)	26.00	41.66	43.37

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



Chairman


Managing Director


Company Secretary

Signed in terms of our separate report of even date.

Place: Dhaka
Dated: October 28, 2020


Khan Wahab Shafique Rahaman & Co.
Chartered Accountants

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited

Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		2019-2020	2018-2019
Turnover		1,642,383,390	2,599,187,531
Less: Cost of goods sold	20.00	1,547,394,066	2,265,027,513
Gross Profit		94,989,324	334,160,018
Less: Operating Expenses		168,840,230	183,205,541
Administrative & Marketing Expenses	21.00	78,659,352	76,622,224
Financial Expenses	22.00	90,180,878	106,583,317
Operating Profit		(73,850,906)	150,954,477
Abnormal Loss by Fire	23.00	-	(234,727,317)
Non-Operating Income	24.00	510,629	1,402,542
Others Income	25.00	2,278,553	2,295,360
Profit/(Loss) before WPPF & WWF		(71,061,725)	(80,074,939)
Less: Expenses for WPPF & WWF	18.01	-	-
Less: Unrealized Gain /(Loss) for change in exchange rate of foreign currency		(1,057,470)	6,495,579
Profit before tax		(70,004,255)	(73,579,360)
Less: Income tax expenses		8,294,424	14,140,280
Current Tax Expenses	19.01	6,126,317	9,909,789
Deferred Tax Expenses	14.01	2,168,107	4,230,491
Net Profit/(Loss) after tax for the year		(78,298,678)	(87,719,640)
Other Comprehensive Income/(Loss)		13,469,971	1,707,217,088
Revaluation gain on PPE		-	2,002,616,203
Deferred tax adjustment		13,469,971	(295,399,115)
Total Comprehensive Income for the year		(64,828,707)	1,619,497,448
Earnings Per Share (EPS) (Basic)	27.00	(0.86)	(0.97)

The annexed notes 1 to 34 and annexure A to D form an integral part of these Financial Statements.


Chairman


Managing Director


Company Secretary

Signed in terms of our separate report of even date.

Place: Dhaka
Dated: October 28 , 2020

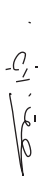

Khan Wahab Shafique Rahaman & Co.
Chartered Accountants

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

Particulars	Share Capital	Share premium of Rights Share	General Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2019	905,625,000	727,500,000	-	2,054,377,395	240,437,335	3,927,939,730
Net profit during the year	-	-	-	-	(78,298,678)	(78,298,678)
Depreciation on Revaluation of PPE	-	-	-	(89,799,808)	89,799,808	-
Adjustment for revaluation of PPE and Deferred Tax	-	-	-	13,469,971	-	13,469,971
Cash Dividend for 2018-2019	-	-	-	-	(90,562,500)	(90,562,500)
Balance as on June 30, 2020	905,625,000	727,500,000	-	1,978,047,558	161,375,965	3,772,548,523

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



Chairman


Managing Director


Company Secretary

Place: Dhaka

Date: October 28, 2020


Khan Wahab Shafique Rahaman & Co.
Chartered Accountants


Saiham Textile Mills Ltd.

Saiham Textile Mills Limited

Statement of Cash Flows
For the year ended June 30, 2020

Particulars	Amount in Taka	
	2019-2020	2018-2019
A. Cash Flows from Operating Activities		
Collection from customers & other income	2,070,011,973	2,132,804,482
Payment to suppliers, employees and other expenses	(1,869,595,932)	(2,021,863,854)
Realized gain/(loss) on transactions	6,408,370	7,185,506
Income tax paid	(6,126,317)	(9,909,789)
Net Cash Provided / (used) by Operating Activities	200,698,094	108,216,345
B. Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(8,502,594)	(12,710,604)
Receipt from sale of disposed asset	-	1,500,000
Investment of FDR	(788,429)	138,802,226
Net Cash Provided / (used) by Investing Activities	(9,291,023)	127,591,622
C. Cash Flows from Financing Activities		
Loan received during the year	110,930,754	15,500,955
Loan repaid during the year	-	-
Finance cost	(90,180,878)	(106,583,317)
Dividend paid	(90,562,500)	(135,843,750)
Net Cash Provided / (used) by Financing Activities	(69,812,624)	(226,926,112)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	121,594,447	8,881,856
Cash and Cash Equivalents at beginning of the year	33,558,082	24,676,226
Effects of exchange rate changes on Cash & Cash Equivalent	-	-
Cash and Cash Equivalents at end of the year	155,152,529	33,558,082
Net Operating Cash Flows Per Share (NOCFPS)*	2.22	1.19


Chairman


Managing Director


Company Secretary

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited Notes to the Financial Statements As at and for the year ended June 30, 2020

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 # 34, Road # 136, Gulshan-01, 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. started commercial production on 16th July 2013 and it is now running smoothly.

1.3 Nature of Business Activities:

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

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

2.1 Statement of Compliance:

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

2.2 Basis of Preparation:

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

2.3 Basis of Reporting:

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

2.4 Compliance with Financial Reporting Standards as applicable in Bangladesh

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

Sl. No.	Standard Number	Title of Standards	Compliance Status
01	IAS 01	Presentation of Financial Statements	Complied
02	IAS 02	Inventories	Complied
03	IAS 07	Statement of Cash Flows	Complied
04	IAS 10	Events after the Reporting Period	Complied
05	IAS 12	Income Taxes	Complied
06	IAS 16	Property, Plant & Equipment	Complied
07	IAS 23	Borrowing Costs	Complied
08	IAS 24	Related Party Disclosures	Complied
09	IAS 33	Earnings per Share	Complied
10	IFRS 09	Financial Instruments	Complied
11	IFRS 15	Revenue from Contracts with Customers	Complied

2.5 Use of Estimates and Judgments:

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

2.6 Going Concern:

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

2.7 Components of the Financial Statements:

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

- i) The Statement of Financial Position for the Period ended June 30, 2020;
- ii) The Statement of Profit or Loss & Other Comprehensive Income for the for the Period ended June 30, 2020;
- iii) The Statement of Cash Flows for the Period ended June 30, 2020;
- iv) Statement of Changes in Equity for the Period ended June 30, 2020; and
- v) Accounting Policies and explanatory notes the Financial Statements for the Period ended June 30, 2020.

2.8 Regulatory and Legal Compliance:

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

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

2.9 Property, Plant and Equipments (PPE):

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

Expenditure on repairs and maintenance of Property, Plant and Equipments is treated as expenses when incurred, subsequent expenditure on Property, Plant and Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

Depreciation of Property, Plant and Equipments

Depreciation has been charged when the asset is available for use and depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognized.

No depreciation has been charged on Land and Land development considering the unlimited useful life. The rates of depreciation at the following rates are 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%

Saiham Textile Mills Ltd.

Name of assets	Rates
Motor Vehicles	15%
Sundry Assets	10%
Office Equipments	10%

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

2.10 Inventories:

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or Net Realizable Value. Costs including an appropriate portion of fixed and variable overhead expenses are assigned to inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make it salable. In compliance with the requirements with IAS - 2 "Inventories" consist of Raw materials; WIP & Finished Goods are valued at the lower of average cost or the Net Realizable Value. Item wise valuation methods are as follows:

Raw Cotton	At lower of weighted average cost or net realizable value
Polyester Staple Fiber PSF	At lower of weighted average cost or net realizable value
Stores & Spares	At lower of weighted average cost or net realizable value
Packing Materials	At lower of weighted average cost or net realizable value
Work-in-Process	100% Materials plus portion of labour charges, Gas charges, Electric charges.
Finished Goods (Yarn)	At lower of weighted average cost or net realizable value

Revaluation of property, plant and equipment

Basis of valuation:

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

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

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

2.11 Revenue Recognition:

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

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

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

2.12 Functional and Presentation Currency and level of precision:

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

2.13 Earnings Per Share (EPS):

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

i) Basic Earnings Per Share

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

ii) Diluted Earnings Per Share

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

2.14 Cash & Cash Equivalents:

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

2.15 Statement of Cash Flows:

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

2.16 Liabilities for Expenses and Other Finance:

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

2.17 Foreign Currency Translation:

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

2.18 Borrowing cost:

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

2.19 Revaluation Reserve:

When an assets carrying amount is increased as a result of a revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus /reserve as per IAS-16: Property, Plant and Equipment. The company revalued the assets of land and land development, Factory Building and Other Construction, Building Office Space, Plant and Machineries and Motor vehicle which has absolutely owned by the company and the increase amount transferred to revaluation reserve. The tax effects on revaluation gain are measured and recognized in the Financial Statements as per IAS-12: Income Taxes.

2.20 Taxation:

Current Tax:

Provision for current tax has been made in the Financial Statements on taxable profit at the rate of 15% as per SRO No. 193/Law/income tax/2015 dated 30.06.15 of Income Tax Ordinance 1984.

Saiham Textile Mills Ltd.

Deferred Tax:

Deferred tax is recognized on difference between the carrying amount of assets and a liability in the financial statements and the corresponding tax based used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liability are generally recognized for all taxable temporary difference and deferred tax assets are recognized to the extent that it is probable that the profit will be available against which deductible temporary difference, unused tax losses or unused tax credits can be utilities. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit. Considering the practices generally followed in Bangladesh the company have been reserved deferred tax assets or deferred tax liability in accordance with IAS- 12 "Income Taxes ".

2.21 Trade Debtors:

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

2.22 Provision for Worker's Profit Participation Fund:

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

2.23 Responsibility for Preparation and Presentation of Financial Statements:

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

2.24 Related Party Disclosures:

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

2.25 Reporting period:

These Financial Statements cover the period from July 01, 2019 to June 30, 2020.

2.27 Event after the reporting period:

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

2.28 Reclassification

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

Saiham Textile Mills Ltd.

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

Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2020	June 30, 2019

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

At Cost:

Balance as on July 01, 2019	2,102,127,045	1,518,429,088
Addition during the year	6,304,794	583,697,957
	2,108,431,839	2,102,127,045
Adjustment during the year	-	-
Total as on June 30, 2020	2,108,431,839	2,102,127,045

Accumulated Depreciation:

Accumulated depreciation as on July 01, 2019	(761,954,149)	(715,540,998)
Depreciable value	1,346,477,690	1,386,586,047
Depreciation charged during the year	(53,744,504)	(46,413,149)
Written down value as on June 30, 2020	1,292,733,187	1,340,172,897

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

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

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

At Cost:

Balance as on July 01, 2019	2,993,315,556	1,566,658,930
Addition during the year	2,197,800	1,431,628,850
	2,995,513,356	2,998,287,780
Adjustment during the year	-	(4,972,224)
Total as on June 30, 2020	2,995,513,356	2,993,315,556

Accumulated Depreciation:

Accumulated depreciation as on July 01, 2019	(522,203,416)	(437,323,402)
Adjustment during the year	-	1,079,889
Depreciable value	2,473,309,940	2,557,072,043
Depreciation charged during the year	(128,472,383)	(85,959,903)
Written down value as on June 30, 2020	2,344,837,557	2,471,112,140

(a) The details of the Property, Plant and equipment have been shown in **Annexure - B1**

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

5.00 Inventories

Particulars	Quantity	30.06.2020	Quantity	30.06.2019
		Taka		Taka
Raw Materials	160,07,200 Lbs	974,038,180	7,048,471 Lbs	508,089,908
Stores & Spares		42,855,705		24,601,424
Packing Materials		1,842,078		2,446,220
Work-in-Process	209,293 Lbs	16,246,716	230,398 Lbs	17,279,833
Finished Goods (Yarn)	1322,748 Lbs	124,797,782	740,280 Lbs	77,582,070
Total		1,159,780,461		629,999,455

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, HSBC Ltd, Dhaka Bank Ltd and Standard Chartered Bank as security of working capital loan.

Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2020	June 30, 2019

6.00 Trade Debtors & Others Receivables

Aging of Trade Debtors:

Trade debtors aged upto 90 days	648,654,878	656,515,191
Trade debtors aged upto 120 days	176,803,878	91,224,627
Other Receivables	46,416,405	-
	871,875,161	747,739,818

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

- a) Trade receivable has mostly arisen from export sales which are usually received within the tenure under LC terms. As such, no expected credit loss has arisen during the year.
- b) There is no such debt due by or to directors or other officers of the Company.

I. Accounts Receivable considered good in respect of which the company is fully secured.	756,952,054	619,725,489
II. Accounts Receivable considered good in respect of which the company holds no security other than the debtors personal security.	-	-
III. Accounts Receivable considered doubtful or bad.	-	-
IV. Accounts Receivable due by any director or other officer of the company.	-	-
V. Accounts Receivable due by common management.	114,923,107	128,014,329
VI. The maximum amount of receivable due by any director or other officer of the company.	-	-
Total	871,875,161	747,739,818

7.00 Sundry Receivable

Office Rent (Sky view)	287,386	-
Claim receivable from Green Delta Insurance Co. Ltd.	-	549,262,130
	287,386	549,262,130

8.00 Advance, Deposits & Prepayments

Advance Income Tax	8.01	3,722,379	3,654,569
Advance against Salary		1,363,685	1,330,685
Advance-Global Spintex Ltd		186,500	-
Deposits	8.02	92,410,604	47,706,843
		97,683,168	52,692,097

8.01 Advance Income Tax

Opening Balance		3,654,569	2,813,285
Advance tax paid during the year:			
Tax at source on FDR		41,509	1,203,398
Tax at source on Export		5,787,954	8,230,607
Tax at source on Office Rent		99,552	114,768
Tax at source on Transport		187,500	355,000
Tax at source on Bank Interest		9,802	6,015.49
AIT Paid during the year		6,126,317	9,909,789
Tax refund for A/Y 2015-2016		-	841,284
Total Advance tax paid		9,780,886	13,564,358
Less : Tax paid for last year		(130,417)	-
Less: Adjustment with Current Year Tax		(5,928,090)	(9,909,789)
Closing Balance		3,722,379	3,654,569

Saiham Textile Mills Ltd.

					Amount in Taka		
					June 30, 2020	June 30, 2019	
8:02	Deposits						
	Security Deposit		8.02.01		22,179,929	19,068,936	
	L/C Margin deposit for Raw Cotton, PSF& Spare parts				69,837,366	28,244,598	
	Deposit against VAT				393,309	393,309	
					92,410,604	47,706,843	
8.02.01	Security Deposit						
	Habigonj Palli Bidyut Samity				1,053,355	1,044,105	
	Jalalabad Gas T&D Systems Ltd				21,063,574	17,964,831	
	Deposit to Saiham Sky View Tower				60,000	60,000	
					22,176,929	19,068,936	
9.00	Fixed Deposit Receipts						
	Bank name	Purpose	Rate of Interest	Period			
	FDR with Bank Asia Ltd.	Bank Gaurantee	6%	2019-2020	3,666,443	3,067,260	
	FDR with Dhaka Bank Ltd.	Bank Gaurantee	6%	2019-2020	3,906,369	3,717,123	
					7,572,812	6,784,383	
	Taka 7,572,812 Fixed deposit receipts are under lien with Bank Asia Ltd. & Dhaka Bank Ltd. against Bank guarantee.						
10.00	Cash & Cash Equivalents						
	Cash in Hand		10.01		811,259	953,484	
	Cash at Bank		10.02		154,341,270	32,604,598	
					155,152,529	33,558,082	
10.01	Cash in Hand						
	Head Office				630,988	517,511	
	Factory Office				180,271	435,973	
					811,259	953,484	
10.02	Cash at Bank						
	Janata Bank Ltd. (A/C No. 023733002322)				49,764	62,305	
	Janata Bank Ltd.(A/C No. 0340-0210001941)				537,540	259,579	
	Dutch Bangla Bank Ltd.(A/C No. 0116110000006828)				196,614	2,717,082	
	Dutch Bangla Bank Ltd.SND (A/C No. 291.120.48)				133,460	-	
	Dhaka Bank Ltd.(A/C No. 215150000001464)				126,811	1,360,794	
	Dhaka Bank Ltd. Dividend Account -215150000001554				3,918,933	3,869,343	
	HSBC Ltd. Dividend Account -001-145-457-012				634,881	635,381	
	HSBC Ltd. Dividend Account -001-145-457-013				3,011,218	3,014,638	
	HSBC Ltd. Dividend Account -001-145-457-014				847,830	907,572	
	HSBC Ltd. Dividend Account -001-145-457-015				706,987	-	
	HSBC Ltd. CD A/C# 001-145-457-011				20,395,988	-	
	Eastern Bank Ltd CC A/C #001-145-457-001				102,882,277	-	
	Standared Chartered Bank CC A/C# 01118413501				7,512,319	-	
	Bkash Account A/C 806446003				302,584	-	
	Premier Bank Ltd (A/C no-014913100000040)				39,469	578,176	
	Eastern Bank Ltd A/C no-101106032929				234	234	
	Eastern Bank Ltd A/C no-1041060265553				115,538	118,034	
	Prime Bank LTD A/C-2118119019656				101,889	117,047	

Saiham Textile Mills Ltd.

	Amount in Taka	
	June 30, 2020	June 30, 2019
F.C Account	-	-
Eastern Bank Ltd ERQ A/C-1013100350441	226,167	10,488
Standard Chartered Bank ERQ A/C-84135	1,890,887	2,108,800
Standard Chartered Bank A/C -46118413501	-	11,508,763
Dhaka Bank Ltd .F.C A/C-21413000000056	1,646	45,308
HSBC Ltd. F.C Margin A/C no-001-145457-091	8,148,259	3,586,732
Eastern Bank Ltd F.C. A/C-1013100350441	2,559,978	1,704,324
Sub-total	154,341,270	32,604,598

11.00 Share Capital

Authorized Capital:

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

1,500,000,000	1,500,000,000
---------------	---------------

Issued, Subscribed & Paid up Capital:

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

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

Particulars	30.06.2020		30.06.2019	
	Number of Shares	% of holding	Number of Shares	% of holding
Sponsors	30,519,745	33.70	30,519,745	33.70
Local Financial Institution	41,296,541	45.60	40,758,284	45.00
Public	18,746,214	20.70	19,284,471	21.30
Total	90,562,500	100.00	90,562,500	100.00

Classification of shareholders by holding:

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

Holdings	30.06.2020		30.06.2019	
	Number of Share Holders	% of holding	Number of Share Holders	% of holding
Up to 5,000 shares	4432	3.63	4210	2.16
5,001 to 50,000 shares	362	5.37	111	1.42
50,001 to 1,00,000 shares	20	1.73	7	0.59
1,00,001 to 2,00,000 shares	11	1.88	17	2.89
2,00,001 to 3,00,000 shares	6	2.15	8	2.15
3,00,001 to 4,00,000 shares	3	1.54	4	1.54
4,00,001 to 5,00,000 shares	1	1.07	2	1.07
5,00,001 to above	18	88.18	20	88.18
Total	4853	100.00	4379	100.00

12.00 Revaluation Reserve

Opening Balance	2,054,377,395	380,449,077
Revaluation Gain during the year	-	2,002,616,203
Less: Adjustment for depreciation of revalued assets	(89,799,808)	(33,288,770)
	1,964,577,586	2,349,776,510
Add: Deferred Tax during the year	13,469,971	(295,399,115)
Balance as on June 30, 2020	1,978,047,558	2,054,377,395

Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2020	June 30, 2019

The revaluation of assets of Saiham Textiles Mills Limited was made on 28 April, 2019 by Ata Khan & Co., Chartered Accountants, an Independent Qualified Valuer, on Land and Land Development, Factory Building and Other Construction, Building Office Space and Plant and Machineries. The revaluation was made for both Spinning and Melange units revaluation surplus for which comes at Tk. 2,002,616,203. The result of such revaluation was incorporated in these financial statements from its effective date which is 01 May, 2019. The surplus arising from the revaluation was transferred to revaluation reserve. Effect of deferred tax on the revaluation has been shown under **Note 14.01 "Deferred Tax Liabilities"**.

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

The effect of loss on fire on one out of three godowns has been shown as adjustment in **Annexure - B-2**. Revaluation of the melange unit was done after the fire accident and as such the godown was not considered in the revaluation report.

13.00 Long Term Loan

Opening balance as on July 01, 2019		81,249,995	-
Addition during the year		-	93,749,999
Less: Payment made during the year		(12,500,004)	12,500,004
		68,749,991	81,249,995
Less: current portion of Long Term Loan	16.00	(12,500,004)	12,500,004
Closing Balance as on June 30, 2020		56,249,987	68,749,991

Terms and conditions of the loan:

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

Collateral:

Registered mortgage of 5,104.17 sft on the 11th floor (west side) and 02 nos. of car parking space of a 14 storied building under name and style of Saiham Tower along with undivided and undemarcated share of land measuring 1.188 decimal out of total land measuring 33.10 decimal, situated at House # 34, Road# 136, Gulshan-1, Dhaka.

14.00 Deferred Tax Liabilities

Opening Balance		471,516,439	171,886,833
Add : Deferred tax Expense during the year	14.01	2,168,107	4,230,491
Add : Deferred tax on Revaluation of asset during the year		(13,469,971)	295,399,115
Closing Balance		460,214,575	471,516,439

14.01 Deferred tax liability for 2020 is arrived as follows

A. Property, plant and equipment

Carrying amount		1,310,455,969	1,394,370,454
Tax base amount		565,704,799	666,019,421
Taxable temporary difference		744,751,169	728,351,033
Tax rate		15%	15%
Deferred tax liability		111,712,675	109,252,655

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2020	June 30, 2019
<u>B. Calculation of deferred tax on revaluation of property, plant and equipment :</u>			
Revalued value of land		945,344,449	945,344,449
Revalued value of other than land		1,381,770,325	1,471,570,133
<u>Tax Rate</u>			
On land		15%	15%
On other than land		15%	15%
<u>Deferred tax liabilities</u>			
For land		141,801,667	141,801,667
For other than land		207,265,549	220,735,520
		349,067,216	362,537,187
<u>C. Calculation of deferred tax on gratuity provision</u>			
Provision for Gratuity as at June 30, 2020		3,768,778	1,822,687
Company tax rate		15%	15%
Deferred tax asset		(565,317)	(273,403)
Total deferred tax liability (A+B+C)		460,214,575	471,516,439
<u>Calculation of deferred tax:</u>			
Deferred tax Liability as on June 30, 2020		460,214,575	471,516,439
Deferred tax Liability as on June 30, 2019		(471,516,439)	(171,886,833)
Net Deferred tax increased during the Year		(11,301,864)	299,629,606
Deferred tax liability other than revalued assets as on June 30, 2020		111,712,675	109,252,655
Deferred tax liability other than revalued assets as on June 30, 2019		(109,252,655)	(104,568,761)
Net increased in deferred tax expenses for the year 2020		2,460,020	4,683,895
Deferred tax asset for gratuity as on June 30, 2020		(565,317)	(273,403)
Deferred tax liability for gratuity as on June 30, 2019		(273,403)	180,000
Net increase/decrease in deferred tax expenses for the year 2020		(291,914)	(453,403)
Total increased in deferred tax expenses for the year		2,168,107	4,230,491
<u>Adjustment of revaluation surplus for deferred tax</u>			
Deferred tax liability for revaluation as on June 30,2020		349,067,216	362,537,187
Deferred tax asset for revaluation as on June 30,2019		(362,537,187)	(67,138,072)
Adjustment of revaluation surplus for deferred tax		(13,469,971)	295,399,115
		(11,301,864)	299,629,607
15.00 Short Term Loan			
Bank Loan, Overdraft & Others	15.01	846,896,199	723,465,441
Mrs. Momena Begum		17,500,000	17,500,000
		864,396,199	740,965,441
15.01 Bank Loan & Overdraft			
Short Term Loan-HSBC		20,000,000	120,000,000
Short Term Loan (USD) -HSBC		92,895,000	-
Short Term Loan-EBL		98,000,000	30,000,000
Short Term Loan-DBL		-	100,000,000
Short Term Loan-SCB		-	80,000,000
Lanka Bangla Finance		3,400,304	6,898,448
IDBP- HSBC Ltd		21,000,470	102,276,393
IDBP-Eastern Bank Ltd.		49,022,770	77,260,314
IDBP-Standard Chartered Bank		-	95,959,412
EDF loan against Import of Raw Cotton		562,577,655	-
CC A/C with Eastern Bank Ltd		-	42,411,499
CC A/C with Standard Chartered Bank		-	49,316,037
CC A/C with HSBC Ltd		-	19,343,338
		846,896,199	723,465,441

Saiham Textile Mills Ltd.

Amount in Taka	
June 30, 2020	June 30, 2019

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

16.00 Current Portion of Long Term Loan

Prime Bank Ltd	12,500,004	12,500,004
	12,500,004	12,500,004

According to International Accounting Standard (IAS) 1 Presentation of Financial Statements" Current Portion of Long Term Loan that due to the settlement with in Twelve months after the financial Position date are current liabilities. Therefore the above amount has been shown in current liabilities.

17.00 Liabilities for Goods & others

Against Local materials	6,039,057	15,931,007
Against Capital Machinery	4,030,507	13,690,640
Against Raw Materials	718,791,822	549,236,156
	728,861,386	578,857,803

Details of Trade Creditors Shown on Annexure- D

18.00 Liabilities for Expenses & Others

Gas charges	8,830,600	7,355,892
Unclaimed Dividend Dhaka Bank Ltd	3,918,933	3,869,343
Unclaimed Dividend HSBC Ltd.	5,200,916	4,557,591
Security Deposit with Saiham Sky view	1,119,690	1,119,690
W.P.P.F.	18.01 1,312,385	1,312,385
Auditor Fees	437,000	402,500
Provision for Salary & wages officer staff F/O	9,049,273	10,001,779
Provision for Gratuity	3,768,778	1,822,687
Provision for C& F Charges	1,170,493	-
Provision for Board Meeting Fee	23,000	-
Provision for provident fund	233,518	254,725
Provision for remuneration	72,000	80,000
Total	35,136,586	30,776,593

18.01 Workers Profit Participation Fund (WPPF)

Opening Balance as on 01 July, 2019	1,312,385	7,437,317
Provision made during the year	-	-
	1,312,385	7,437,317
Payment made during the year	-	(6,124,932)
Closing Balance as on June 30, 2020	1,312,385	1,312,385

(No provision was made for Workers' Profit Participation Fund as the company incurred loss during the year. The amount Tk. 1,312,385 lies as the 10% payable to Bangladesh Workers' Welfare Foundation Fund. As specific directive as to on which account it should be deposited is not available, this amount has been kept as provision. Upon clear guidance from Labor Welfare Foundation, the amount shall be transferred.)

19.00 Provision for Tax

Opening Balance	-	-
Add: Provision made during the year	19.01 6,126,317	9,909,789
	6,126,317	9,909,789
Less: Income tax paid last year	-	-
Less: Adjusted with advance income tax	(6,126,317)	(9,909,789)
Closing Balance	-	-

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2020	June 30, 2019
19.01	Provision for income Tax		
	(i) Regular Tax		
	Profit before Tax	(70,004,255)	(73,579,360)
	Accounting Depreciation	182,216,887	132,373,053
	Capital Allowance	(108,817,215)	(134,202,582)
	Other income & Non operating Income	(2,789,182)	(2,295,360)
	Income/(loss) From business	606,236	(77,704,249)
	Tax on Business income @ 15%	90,935	(11,655,637)
	Tax on Other income @ 25%	697,296	573,840
	Total Tax Liability	788,231	(11,081,797)
	(ii) Minimum tax U/S-82C(2)		
	Tax deducted at Sources	6,126,317	9,909,789
	(iii) Minimum tax U/S-82C(4)		
	Turnover	0.36% 5,912,580	9,357,075
	Non- Operating income	0.36% 1,838	5,049
	Other income	0.60% 13,671	13,772
		5,928,090	9,375,896
20.00	Cost of Goods Sold		
	Opening Stock of Finished Goods	77,582,070	104,429,688
	Add: Cost of Production	20.01 1,601,018,148	2,245,365,401
	Cost of goods available for sale	1,678,600,218	2,349,795,089
	Less: Closing Stock of Finished Goods	124,797,782	77,582,070
	Less: Realized Gain/(Loss) for Exchange Rate Change	6,408,370	7,185,506
	Cost of goods sold	1,547,394,066	2,265,027,513
20.01	Cost of Production		
	Spare Parts	20.01.01 40,853,309	65,938,845
	Packing Materials	20.01.02 24,945,462	21,856,584
	Raw Materials	20.01.03 1,127,745,816	1,809,908,297
	Raw Material Consumed	1,193,544,587	1,897,703,726
	Direct Wages & Salaries	112,616,828	115,316,913
	Prime Cost	1,306,161,415	2,013,020,639
	Factory Overhead	20.02 293,823,616	231,019,089
	Factory Cost	1,599,985,031	2,244,039,728
	Add: Opening Work-in-Process	17,279,833	18,605,506
		1,617,264,864	2,262,645,234
	Less: Closing Work-in-Process	16,246,716	17,279,833
	Total Cost of Production	1,601,018,148	2,245,365,401
20.01.01	Consumption of Spare Parts		
	This is arrived as follows:		
	Opening Stock	24,601,424	23,413,433
	Add: Purchase during the year	59,107,590	67,126,836
	Spare parts available for use	83,709,014	90,540,269
	Less: Closing Stock	42,855,705	24,601,424
	Total Consumption of Spare Parts	40,853,309	65,938,845

Saiham Textile Mills Ltd.

		Amount in Taka	
		June 30, 2020	June 30, 2019
20.01.02	Consumption of Packing Materials		
	This is arrived as follows:		
	Opening Stock	2,446,220	908,935
	Add: Purchase during the year	24,341,320	23,393,869
	Packing Material available for use	26,787,540	24,302,804
	Less: Closing Stock	1,842,078	2,446,220
	Total Consumption of Packing Materials	24,945,462	21,856,584
20.01.03	Consumption of Raw Materials		
	This is arrived as follows:		
	Opening Stock	508,089,908	1,815,193,338
	Add: Purchase during the year	1,593,694,088	1,284,401,979
	Less: Raw cotton Destroyed by fire	-	(781,597,112)
	Raw Materials available for use	2,101,783,996	2,317,998,205
	Closing Stock of Raw materials	974,038,180	508,089,908
	Total Consumption of Raw Materials	1,127,745,816	1,809,908,297
20.02	Factory Overhead:		
	Electric Charges	674,790	1,638,700
	Gas Charges	104,547,311	89,836,552
	Covered Van and Lorry expenses	5,197,607	7,023,984
	Insurance Premium	4,375,448	2,358,658
	Factory Maintenance	1,897,415	1,322,270
	Fuel & Lubricants	7,392,103	8,869,208
	VAT/Excise Duty	1,132,954	-
	Depreciation	168,605,988	119,969,717
	Total	293,823,616	231,019,089
21.00	Administrative and Marketing Expenses		
	Directors' Remuneration	960,000	960,000
	Salary & Allowances	31,745,279	31,642,157
	Provident fund	2,869,674	2,834,257
	Gratuity	2,401,018	2,000,000
	Postage & Stamp	27,480	38,010
	Printing	100,000	122,000
	Stationery	43,929	100,455
	Maintenance of Vehicle	1,088,913	2,355,234
	Traveling	51,244	37,485
	Conveyance	571,642	2,042,760
	Entertainment	993,319	1,544,855
	AGM Expenses	1,132,132	866,590
	Paper & Periodicals	-	44,859
	Advertisement	252,925	407,385
	Subscription	1,160,963	1,981,033
	Insurance Premium	4,796,032	2,286,608
	Form, Fees & Others	3,108,774	3,888,177
	Board Meeting Fees	253,000	465,000
	Medical Expenses	307,500	930
	Welfare Expenses	1,527,889	1,063,830
	Electric Expenses	674,790	202,925
	Utilities expenses	202,648	600,000

Saiham Textile Mills Ltd.

	Amount in Taka	
	June 30, 2020	June 30, 2019
Miscellaneous Expenses	883,611	1,454,637
Selling & Distribution	1,254,935	1,511,006
Bad Debts	4,914,244	-
Fuel & Gas	1,428,760	1,565,009
Office Maintenance	465,721	1,307,051
Telephone, Telex & Fax	212,791	470,781
Water & Sewerage Charges	37,360	41,863
IT Expenses	874,880	1,591,491
Auditors' Fees	437,000	402,500
Consultancy fees	270,000	390,000
Depreciation	13,610,899	12,403,336
Total	78,659,352	76,622,224
22.00 Financial Expenses		
Interest on Short Term Loan - SCB	5,257,918	5,935,375
Interest on Cash Credit- SCB	3,061,126	3,672,384
Interest on Short Term Loan-HSBC	8,665,278	18,172,778
Interest on Cash Credit-HSBC	1,517,751	-
Finance Charge-EDF	37,257,867	29,421,219
Interest on Cash Credit- EBL	2,451,928	4,083,854
Interest on Short Term Loan-DBL	3,966,667	6,059,460
Interest on Long Term Loan-Prime Bank	8,101,274	9,776,504
Interest on Short Term Loan-EBL	4,557,654	3,260,032
Overdue Interest	11,181,682	21,248,926
Bank Charges & Commission	4,161,733	4,952,785
Total	90,180,878	106,583,317
23.00 Abnormal Loss by Fire		
Raw Cotton Destroyed by Fire	-	781,597,112
Building Structure Damaged by Fire	-	3,892,335
Less: Claim settled by Insurance Company	-	(549,262,130)
Less: Sale of Damaged Still structure, etc. sale	-	(1,500,000)
	-	234,727,317
<p>On December 11, 2018, a fire incident happened in one of the factory godown, the fire burned 90,21,179 LBS of raw cotton, the godown structure, etc. Several unit of fire brigades took five days to control the fire. The fire completely came under control on 25th December 2018. The godown was fully insured by Green Delta Insurance Company Limited. Claim for total raw Cotton burned value stands for Tk. 781,597,112 and insurance claim against the fire loss is Tk.549,262,130 disclosed in Note 7.00 "Sundry Receivable".</p>		
24.00 Non-Operating Income		
Interest on FDR	415,088	1,348,913
Interest on saving A/C	95,541	53,629
	510,629	1,402,542
25.00 Other Income		
Office Rent	2,278,553	2,295,360
	2,278,553	2,295,360
26.00 Net Assets Value (NAV) Per Share		
Total Assets	5,929,922,261	5,831,321,001
Less: Total outside liabilities	(2,157,373,736)	(1,903,381,271)
Net Assets Value	3,772,548,525	3,927,939,731
*Divided by number of Ordinary Shares	90,562,500	90,562,500
Net Assets Value (NAV) Per Share	41.66	43.37

Saiham Textile Mills Ltd.

27.00 Earnings Per Share (EPS)

	Amount in Taka	
	June 30, 2020	June 30, 2019
Net profit after tax	(78,298,678)	(87,719,640)
Number of total outstanding shares	90,562,500	90,562,500
Earnings Per Share (EPS)	(0.86)	(0.97)

28.00 Related party Transaction:

The company in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard -24: "Related Party Disclosures". Total Statement of Financial expose with the related parties as on June 30, 2020 is as follows:

Name of the related party	Relationship	Nature of transaction	June 30, 2020	June 30, 2019
Faisal Spinning Mills Ltd.	Common Director	Trade & other Receivable/Payable	-	94,372,871
Saiham Cotton Mills Ltd.	Common Director	Trade & Other Receivable	46,416,405	-
Saiham Knit Composite Ltd.	Common Director	Trade & Other Receivable	68,506,702	33,641,459
Mrs. Momena Begum	Sponsor Share holder	Short term loan	17,500,000	17,500,000
Director Remuneration	Managing Director	Remuneration	960,000	960,000
Board Meeting Fee	Directors	Meeting Fee	253,000	465,000

- a) During the year under review, the company carried out a number of transactions with related party in the normal course of business. The name of the related parties, nature of business and their value have been set out below in accordance with the provisions of IAS 24 "Related Party Disclosures".
- b) To comply with BSEC notification No. SEC/CMRRCD/2008-183/Admin/03-30 dated June 1, 2009 and BSEC notification No. SEC/CMRRCD/2006-159/Admin/02-10 dated September 1, 2006 the company has taken approval in its AGM on 12th December 2019 for supply of goods and materials amounting 1% or above of the revenue for the immediate preceding financial year with its related parties.

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

Attendance Status of Board meeting of the Directors. During the year ended June 30, 2020 Six 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	6	6
S.F.A.M. Shahjahan	Sponsor	6	4
Syed Ishtiaq Ahmed	Chairman	6	6
Syed Shafqat Ahmed, MBA	Director	6	6
Mrs. Yasmin Faisal	Director	6	6
Rio Aziza Salim	Director	6	6
Md. Tariquzzaman Khan, FCA, FCS	Independent Director	6	5
Mohammad Nazmul Hossain, FCA	Independent Director	6	6

30.00 Disclosure as per requirement of Schedule XI, Part II of the Companies act 1994.

A. Disclosure as per requirement of Schedule XI, Part II, note 5 of Para 3 Employees Position as on June 30, 2020

Salary Range (Monthly)	Officers & Staffs			Total Employees
	Head Office	Factory Office	Workers	
Below 4,100	-	-	-	-
Above 4,100	28	180	945	1,153
	28	180	945	1,153

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

Saiham Textile Mills Ltd.

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		
June 30, 2019	94.00 Kg	86.76 kg	92.3	7.70
June 30, 2020	94.00 Kg	83.38 Kg	88.70	11.30

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	Import	Local Purchase	Total Purchase	Consumption
Raw Materials	1,593,694,088	-	1,593,694,088	1,127,745,816
Packing Materials	-	24,341,320	24,341,320	24,945,462
Spare parts	57,692,160	1,415,430	59,107,590	40,853,309

Amount in Taka	
June 30, 2020	June 30, 2019

31.00 Contingent Liability:

Nature of Contingent Liability:

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

7,275,252	7,275,252
2,307,059	2,307,059
1,731,136	1,731,136
33,801	33,801
16,800	16,800
11,364,048	11,364,048

32.00 Events after reporting period:

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

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

33.00 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 06 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 Ltd.

Amount in Taka	
June 30, 2020	June 30, 2019

34.00 Reconciliation of cash flows from operating activities under indirect method

Profit before Tax	(70,004,255)	(73,579,360)
Adjustment to Reconcile Profit before Tax provided by operating activities:		
Add: Depreciation	182,216,887	132,373,053
Less: Unrealized gain/(loss) for change in exchange rate of foreign currency	1,057,470	(6,495,579)
Add: loss on asset disposal	-	2,392,335
Add: Finance expenses	90,180,878	106,583,317
Less: Income Tax Paid	(6,126,317)	(9,909,789)
Changes in current assets and liabilities:		
(Increase) / Decrease in Inventories	(529,781,006)	1,332,551,445
(Increase) / Decrease in Trade and Sundry Receivable-net off unrealized gain/(loss)	424,839,401	(470,080,951)
(Increase) / Decrease in Advance, deposits & prepayments	(44,991,071)	23,426,210
Increase/ (Decrease) In trade creditors-net off unrealized gain/(loss)	148,946,113	(925,297,752)
Increase / (Decrease) payables & Accruals	4,359,993	(3,746,585)
Net cash flow from operating activities	200,698,094	108,216,345

Saiham Textile Mills Limited
Property, Plant and Equipment (Spinning unit)
As at June 30, 2020

Annexure - A-1

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2020
	As at 1st July, 2019	Addition during the year	Adjustment during the year		Total as at 30th June, 2020	Charged during the year	Adjustment during the year	
Land & Land Development	10,126,662	12,480	-	-	10,139,142	-	-	10,139,142
Factory Building & Other Construction	55,933,122	760,000	-	5	56,693,122	1,062,943	-	20,892,589
Building Office Space	144,715,490	-	-	5	144,715,490	6,417,521	-	121,932,894
Plant & Machineries	628,983,403	7,390	-	7.5	628,990,793	12,115,521	-	149,431,533
Furniture & Fixtures	3,940,116	-	-	10	3,940,116	64,828	-	583,455
Motor Vehicles	20,925,782	5,058,902	-	15	25,984,684	1,392,583	-	12,528,633
Sundry Assets	9,581,405	4,500	-	10	9,585,905	136,989	-	1,237,030
Office Equipments	8,816,895	461,522	-	10	9,278,417	492,887	-	4,859,044
Sub-Total (a)	883,022,875	6,304,794	-		889,327,669	21,663,273	-	321,604,319

(b) Revaluation:

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2020
	As at 1st July, 2019	Addition during the year	Adjustment during the year		Total as at 30th June, 2020	Charged during the year	Adjustment during the year	
Land & Land Development	456,315,538	-	-	-	456,315,538	-	-	456,315,538
Factory Building & Other Construction	348,798,084	-	-	5	348,798,084	14,728,195	-	279,835,708
Building Office Space	76,081,074	-	-	5	76,081,074	3,225,503	-	61,284,548
Plant & Machineries	336,855,612	-	-	7.5	336,855,612	14,062,558	-	173,438,211
Motor Vehicles	1,053,862	-	-	15	1,053,862	44,976	-	254,861
Sub-Total (b)	1,219,104,170	-	-		1,219,104,170	32,061,231	-	971,128,867
Grand Total (a+b)	2,102,127,045	6,304,794	-		2,108,431,839	53,744,504	-	1,292,733,187

Depreciation Charge to:

Cost of Production	41,969,217
Administrative Expenses	11,775,287
Total	53,744,504

Saiham Textile Mills Ltd.

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

Annexure - A-2

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2019
	As at 1st July, 2018	Addition during the year	Adjustment during the year		Total as at 30th June, 2019	Charged during the year	Adjustment during the year	
Land & Land Development	10,084,462	42,200	-	10,126,662	-	-	-	10,126,662
Factory Building & Other Construction	54,986,002	947,120	-	55,933,122	5	1,103,092	34,737,590	21,195,532
Building Office Space	144,715,490	-	-	144,715,490	5	6,755,285	16,365,075	128,350,415
Plant & Machineries	628,858,403	125,000	-	628,983,403	7.5	13,092,744	467,443,739	161,539,664
Furniture & Fixtures	3,919,196	20,920	-	3,940,116	10	70,869	3,291,833	648,283
Motor Vehicles	18,125,782	2,800,000	-	20,925,782	15	1,152,173	12,063,468	8,862,314
Sundry Assets	9,572,655	8,750	-	9,581,405	10	151,683	8,211,886	1,369,519
Office Equipments	8,226,211	590,684	-	8,816,895	10	526,970	3,926,486	4,890,410
Sub-Total (a)	878,488,201	4,534,674	-	883,022,875		22,852,816	546,040,077	336,982,798

(b) Revaluation:

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2019
	As at 1st July, 2018	Addition during the year	Adjustment during the year		Total as at 30th June, 2019	Charged during the year	Adjustment during the year	
Land & Land Development	114,647,735	341,667,803	-	456,315,538	-	-	-	456,315,538
Factory Building & Other Construction	160,640,988	188,157,096	-	348,798,084	5	7,250,859	54,234,181	294,563,903
Building Office Space	34,229,830	41,851,244	-	76,081,074	5	1,559,685	11,571,023	64,510,051
Plant & Machineries	329,368,472	7,487,140	-	336,855,612	7.5	14,696,877	149,354,843	187,500,769
Motor Vehicles	1,053,862	-	-	1,053,862	15	52,912	754,025	299,837
Sub-Total (b)	639,940,887	579,163,283	-	1,219,104,170		23,560,334	215,914,072	1,003,190,098
Grand Total (a+b)	1,518,429,088	583,697,957	-	2,102,127,045		46,413,149	761,954,149	1,340,172,897

Depreciation Charge to:

Cost of Production	36,143,572
Administrative Expenses	10,269,577
Total	46,413,149

Saiham Textile Mills Limited
Property, Plant and Equipment (Melange unit)
As at June 30, 2020

Annexure - B-1

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2020
	As at 1st July, 2019	Addition during the year	Adjustment during the year		Total as at 30th June, 2019	Charged during the year	Adjustment during the year	
Land & Land Development	53,959,490	-	-	-	-	-	-	53,959,490
Factory Building & Other Construction	278,478,843	1,880,200	-	5	10,734,941	-	74,671,650	205,687,393
Plant & Machineries	1,214,527,307	-	-	7.5	58,163,253	-	497,180,525	717,346,782
Furniture & Fixtures	415,575	-	-	10	25,787	-	183,489	232,086
Motor Vehicles	17,837,434	-	-	15	1,486,098	-	9,416,215	8,421,219
Sundry Assets	2,195,487	-	-	10	170,612	-	659,983	1,535,504
Office Equipments	2,448,500	317,600	-	10	153,116	-	1,096,926	1,669,174
Sub-Total (a)	1,569,862,636	2,197,800	-	1,572,060,436	70,733,806	-	583,208,787	988,851,650

(b) Revaluation:

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2020
	As at 1st July, 2019	Addition during the year	Adjustment during the year		Total as at 30th June, 2020	Charged during the year	Adjustment during the year	
Land & Land Development	489,028,911	-	-	-	-	-	-	489,028,911
Factory Building & Other Construction	468,447,353	-	-	5	23,227,181	-	27,130,909	441,316,444
Plant & Machineries	465,976,656	-	-	7.5	34,511,396	-	40,336,104	425,640,552
Sub-Total (b)	1,423,452,920	-	-	1,423,452,920	57,738,577	-	67,467,013	1,355,985,907
Grand Total (a+b)	2,993,315,556	2,197,800	-	2,995,513,356	128,472,383	-	650,675,800	2,344,837,557

Depreciation Charge to :-

Cost of Production 126,636,771
Administrative Expenses 1,835,612

Total

128,472,383

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

Annexure - B-2

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2019
	As at 1st July, 2018	Addition during the year	Adjustment during the year		Total as at 30th June, 2019	Charged during the year	Adjustment during the year	
Land & Land Development	53,721,090	238,400	-	-	-	-	-	53,959,490
Factory Building & Other Construction	275,527,067	7,924,000	4,972,224	5	11,218,516	1,079,889	63,936,709	214,542,134
Plant & Machineries	1,214,527,307	-	-	7.5	62,879,192	-	439,017,272	775,510,035
Furniture & Fixtures	404,775	10,800	-	10	28,653	-	157,702	257,873
Motor Vehicles	17,837,434	-	-	15	1,748,350	-	7,930,117	9,907,317
Sundry Assets	2,193,357	2,130	-	10	189,569	-	489,371	1,706,117
Office Equipments	2,447,900	600	-	10	167,188	-	943,810	1,504,690
Sub-Total (a)	1,566,658,930	8,175,930	4,972,224		76,231,467	1,079,889	512,474,980	1,057,387,656

Note: As impact of fire incident in Godown, for damage of godown, book value of factory building and other construction reduced by BDT. 3,892,335.00/=

(b) Revaluation:

Particulars	Cost			Rate of dep. (%)	Depreciation			Written down value as at 30th June, 2019
	As at 1st July, 2018	Addition during the year	Adjustment during the year		Total as at 30th June, 2019	Charged during the year	Adjustment during the year	
Land & Land Development	-	489,028,911	-	-	-	-	-	489,028,911
Factory Building & Other Construction	-	468,447,353	-	5	3,903,728	-	3,903,728	464,543,625
Plant & Machineries	-	465,976,656	-	7.5	5,824,708	-	5,824,708	460,151,948
Sub-Total (b)	-	1,423,452,920	-		9,728,436	-	9,728,436	1,413,724,484
Grand Total (a+b)	1,566,658,930	1,431,628,850	4,972,224		85,959,903	1,079,889	522,203,416	2,471,112,140

Depreciation Charge to :-

Cost of Production	83,826,144
Administrative Expenses	2,133,759
Total	85,959,903

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited
Schedule of Trade debtor
As at June 30, 2020

Annexure-C

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
5F APPARELS LTD	21,312,953	24,948,330
ABC BANGLA APPARELS LTD.	9,483,296	-
ABIKO KNIT COMPOSITE LTD	21,153,301	-
Advanced Composit Textile Ltd	525,544	98,449
Amena Textile Ltd	3,504,283	-
APEX TEXTILE PRINTING MILLS LTD	-	442,133
Apparel Today Ltd	13,401,988	5,690,510
Apparel-21 Ltd	37,244,208	-
Apperals Village Ltd	-	2,396,297
APPOLLO KNITWEAR (BD) LTD.	-	2,602,080
APS Design works Ltd	-	4,257,348
APS KNIT COMPOSITE LIMITED	-	4,199,528
Aristocrat Fashion (Pvt) Ltd	-	1,661,835
ASTRO KNITWEAR LTD	-	1,397,968
ASTRO STICH ART LTD.	465,503	-
ASWAD COMPOSITE MILLS LTD	3,444,103	2,542,494
ALLIANCE KNIT COMPOSITE LTD	-	3,077,519
Aswad Composite Mills Ltd.	650,546	3,907,046
BASE FASHIONS LIMITED.	21,316,464	23,402,815
Best Dresswear Ltd	-	2,135,867
B.S Syanicate	30,025,261	-
Century Apparels Ltd	-	5,458,674
CHAITY COMPOSITE LTD	11,425,385	3,680,768
COMPTEX BANGLADESH LIMITED	-	7,157,450
COTTON FIELD (BD) LTD	-	10,824,920
Crossline knit Fabrics Ltd	599,189	28,029,111
CRYSTAL COMPOSITE LTD.	-	2,288,043
DAL knitware ltd	682,304	-
DALAS FASHIONS LTD	7,509,537	-
DEWAN FASHION WEARS LTD.	-	11,198,250
DHAKA SOCKS MANUFACTURING COMPANY LTD.	1,846,900	-
Dird composite Textile Ltd	-	12,607,397
DK GLOBAL FASHION WEAR LTD	-	1,799,132
Dowas-land Apparels Ltd.	-	1,354,314
DRESDEN TEXTILES LTD	-	19,655,370
DRESS UP LTD	9,654,250	-
ELHAM FASHION LTD	-	28,362,192
ENAYET GARMENTS LTD.	-	3,607,845
Essential Clothing Ltd	6,619,764	5,699,512
Eurotex knitwear Ltd	3,814,268	-
Everway Yarn Dyeing ltd	-	4,937,279
Faisal Spinning Mills	-	94,372,871
Saiham Cotton Mills Ltd.	46,416,405	-
FAKIR FASHION LTD.	4,323,425	-
FAMKAM FASHION LTD.	30,159,877	-
Fariha knit tex Ltd	1,252,716	12,451,256
Friends Knitwear & Accessories Ltd	-	709,223

Saiham Textile Mills Ltd.

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
FRM FASHION HOUSE LTD	8,476,515	-
Generation Next Fashion Ltd	2,776,856	3,907,536
G.K Fashion	3,750,000	-
Giant Textile Ltd	-	12,446
Green Life Knittex Ltd	-	2,115,908
Handz clothing BD Ltd.	-	2,329,858
HASEEN KNIT COMPOSITE LTD.	6,611,063	-
HDF APPARELS LTD.	727,217	-
HYDROXIDE KNITWEAR LTD	-	9,722,565
IMPRESS- NEWTEX COMPOSITE TEXTILES LTD	3,201,853	1,642,654
J.K KNIT COMPOSITE LTD	583,033	-
JAROMS INDUSTRIES LTD	-	1,473,910
JS Knitting & Garments Ltd	-	1,111,530
KAC COMPOSITE KNIT IND. LTD.	-	3,526,950
KAC FASHION WEAR LTD	-	567,383
Karoni Knit Composite Ltd	252,480	-
KHAN BROTHERS KNITWEAR INDUSTRIES LTD	-	8,242,269
KNIT CONCEPT LTD.	2,291,667	-
KNIT EXPORT (BD) LTD.	1,520,544	-
Knit Horizon Ltd	3,679,277	-
KUSHIARA COMPOSITE KNIT IND. LTD.	84,090,599	-
Lantabur Apparels Ltd	20,681,934	4,274,411
LATEST GARMENTS LTD	327,405	-
LIBAS knitwear Ltd	-	1,829,547
LIBAS Textile Ltd	12,742,296	698,235
Liberty Knitwear Ltd	34,917,222	-
MOF FASHIONS LTD	4,513,992	-
Momtex Expo Ltd	-	8,007
MOONLUX KNIT GARMENTS LTD	34,961,481	5,573,203
Mouchak Knit Composite Ltd	2,200,751	8,770,171
Mozart Knit Ltd	-	-
Mukul Knitwear Ltd.	-	2,769,286
MUNA SAAJ DESIGN	-	3,148,740
Muzauddin Knit Fashion Ltd	3,789,059	10,790,195
Muzauddin Textile Ltd	1,485,285	3,252,540
N.R Knitting Mills Ltd,	-	432,848
Naz knitwear Ltd	-	65,700
New Resuli Apparels	3,660,800	11,529,617
Newtex Dying & Printing Ltd	-	150,481
NEXT EXPORT ZONE LTD	1,719,716	-
Nexus Fashion Ltd.	-	26,236,462
NICE APPARELS INDUSTRIES LTD.	-	42,038
NIRZHOR KNITWEAR LTD	-	4,471,369
NOMAN COMPOSITE TEXTILE LIMITED	5,279,523	-
NOMAN TEXTILE MILLS LIMITED	9,689,874	-
Northern Fashion Ltd	-	3,118,725
Northern Trading	-	21,636,798
Oli Knitting Fabrics Ltd	-	23,895
One-Way Textile Mills Ltd	-	12,530
OPTIMUM FASHION WEAR LTD	-	705,536
P.N COMPOSITE LTD	1,287,583	-

Saiham Textile Mills Ltd.

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
Pacific Cotton Ltd	1,719,357	1,764,362
PENTA FORTH APPARELS LTD.	1,382,474	4,557,049
Pentagon Fashion wear Ltd	1,253,649	1,253,649
PIANGKA FASHION LTD	950,314	-
Pinnacle Garments Pvt. Ltd	-	1,003
PIXY KNIT WEARS LTD.	1,235,949	-
Polo Composite Knit Ind. Ltd	9,189,985	16,376,143
R.A.Z Apparels Ltd	1,907,000	52,315,649
R.S. KNIT FASHION LTD	2,656,598	-
RAHMAN KNIT GARMENTS LTD	-	837,500
RAHMAT FASHION WEAR LTD	-	546,656
RAWAN FASHION LTD.	-	626,250
RBSR Fashions Ltd	3,845,083	11,742,102
REEDISHA KNITEX LIMITED.	5,168,885	-
Reedisha Textstripe Limited.	-	3,103,159
Rose Intimates Limited	2,157,305	-
Rudmila Knitwear Ltd.	320,186	18,900,740
RUPASHI KNIT WEARS LTD	33,051,115	-
S.B. Knitting Ltd	-	24,708,616
S.B.STYLE COMPOSITE LTD.	22,897,992	-
Sadma Fashion wear Ltd	2,710,518	3,031,684
SAFIA APPARELS LTD	19,067,340	5,616,000
Saiham Knit Composite Ltd	68,506,702	33,641,459
SAKURA DYEING AND GARMENTS LTD	23,267,162	6,262,500
SAWFTEX LTD	2,146,182	-
SEACOTEX FABRICS LTD.	-	1,077,945
Sheperd Textile Ltd	10,913,500	-
SHOEB KNIT COMPOSITE LTD.	11,962,875	-
SHOWAN KNIT COMPOSITE LTD.	12,707,931	-
Shrabony Knitwear Limited	-	3,617,011
SILVER APPARELS LTD.	48,419,492	5,462,701
SQUARE FASHIONS LTD	-	551,100
TANIMA KNIT COMPOSITE LTD.	566,033	-
Taqwa Fabrics Ltd	26,959,924	7,688,528
TOSY KNIT FABRICS LTD.	-	703,677
UNIFILL TEXTILE MILLS LTD.	2,907,189	-
Unique Designers Ltd.	2,513,263	21,463,885
UNITY FABRIC INDUSTRIES LTD.	-	33,785,693
Unrealized Gain for foreign exchange	-	2,483,214
Versatile Textiles Ltd	-	645,450
V-KNIT WEAR & COMPOSITE LTD.	-	336,182
York Fashion Ltd.	5,107,536	751,330
Zaheen Knitwear Ltd	1,887,616	2,119,135
ZAYANTEX LIMITED	2,446,513	622,284
Total	871,875,161	747,739,818

Saiham Textile Mills Ltd.

Saiham Textile Mills Ltd (Spinning Unit)
 Depreciation Schedule (Calculation of Deffered Tax)
 For the year from July 01, 2019 to June 30, 2020

Particulars	Cost			Rate	Depreciation	Written Down Value
	Previous Balance	Addition During the period	Total			
Land & Land Development	10,126,662	12,480	10,139,142	-	-	10,139,142
Factory Building & Other Construction	4,655,435	760,000	5,415,435	20	943,754	4,471,681
Building Office Space	109,201,595	-	109,201,595	10	10,920,160	98,281,436
Plant & Machineries	32,301,430	7,390	32,308,820	20	6,460,409	25,848,411
Furniture & Fixtures	1,148,569	-	1,148,569	10	114,857	1,033,712
Motor Vehicles	6,864,850	5,058,902	11,923,752	20	1,457,285	10,466,467
Sundry Assets	2,401,543	4,500	2,406,043	10	240,192	2,165,851
Office Equipments	3,760,749	461,522	4,222,271	15	569,881	3,652,390
Total	170,460,833	6,304,794	176,765,627		20,706,537	156,059,090

Saiham Textile Mills Ltd (Spinning Unit)
 Depreciation Schedule (Calculation of Deffered Tax)
 For the year from July 01, 2019 to June 30, 2020

Particulars	Cost			Rate	Depreciation	Written Down Value
	Previous Balance	Addition During the period	Total			
Land & Land Development	53,959,490	-	53,959,490	-	-	53,959,490
Factory Building & Other Construction	93,833,531	1,880,200	95,713,731	20	18,798,043	76,915,688
Plant & Machineries	337,336,374	-	337,336,374	20	67,467,275	269,869,099
Furniture & Fixtures	247,066	-	247,066	10	24,707	222,359
Motor Vehicles	7,404,778	-	7,404,778	20	1,480,956	5,923,822
Sundry Assets	1,617,499	-	1,617,499	10	161,750	1,455,749
Office Equipments	1,159,849	317,600	1,477,449	15	177,947	1,299,502
Total	495,558,587	2,197,800	497,756,387		88,110,677	409,645,710

Saiham Textile Mills Ltd. (Spinning Unit)
 Depreciation Schedule (Calculation of Deffered Tax)
 For the year from July 01, 2018 to June 30, 2019

Particulars	Cost			Rate	Depreciation	Written Down Value
	Previous Balance	Addition During the period	Total			
Land & Land Development	10,084,462	42,200	10,126,662	-	-	10,126,662
Factory Building & Other Construction	4,872,174	947,120	5,819,294	20	1,163,859	4,655,435
Building Office Space	121,335,105	-	121,335,105	10	12,133,511	109,201,595
Plant & Machineries	40,251,788	125,000	40,376,788	20	8,075,358	32,301,430
Furniture & Fixtures	1,255,268	20,920	1,276,188	10	127,619	1,148,569
Motor Vehicles	5,781,062	2,800,000	8,581,062	20	1,716,212	6,864,850
Sundry Assets	2,659,632	8,750	2,668,382	10	266,838	2,401,543
Office Equipments	3,833,726	590,684	4,424,410	15	663,662	3,760,749
Total	190,073,217	4,534,674	194,607,891		24,147,058	170,460,833

Saiham Textile Mills Ltd. (Spinning Unit)
 Depreciation Schedule (Calculation of Deffered Tax)
 For the year from July 01, 2018 to June 30, 2019

Particulars	Cost			Rate	Depreciation	Written Down Value
	Previous Balance	Addition During the period	Total			
Land & Land Development	53,721,090	238,400	53,959,490	-	-	53,959,490
Factory Building & Other Construction	109,367,914	7,924,000	117,291,914	20	23,458,383	93,833,531
Plant & Machineries	421,670,468	-	421,670,468	20	84,334,094	337,336,374
Furniture & Fixtures	263,718	10,800	274,518	10	27,452	247,066
Motor Vehicles	9,255,973	-	9,255,973	20	1,851,195	7,404,778
Sundry Assets	1,795,091	2,130	1,797,221	10	179,722	1,617,499
Office Equipments	1,363,928	600	1,364,528	15	204,679	1,159,849
Total	597,438,182	8,175,930	605,614,112		110,055,524	495,558,588

Saiham Textile Mills Ltd.

Saiham Textile Mills Limited
Schedule of Liabilities for Goods & Others
As at June 30, 2020

Annexure-D

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
Liabilities against import of Raw Materials		
DC DAK982392-HSBC (Ecom Agroindustrial Corp. Ltd)	36,241,134	-
DC DAK982392-HSBC (Ecom Agroindustrial Corp. Ltd)	3,050,916	-
DC DAK976195-HSBC (Louis Dreyfus Company Suisse SA)	46,458,768	-
DC DAK987315-HSBC (ABJ Trading LLP)	31,105,751	-
DC DAK975665-HSBC	19,456,757	-
DC DAK975665-HSBC	19,417,711	-
DC DAK985616-HSBC (Reliance Industries Ltd.)	15,169,776	-
147819230177-EBL (Unitec Fibres Pvt. Ltd.)	10,107,595	-
147819230073-EBL (Unitec Fibres Pvt. Ltd.)	7,930,292	-
147819230170-EBL (Unitec Fibres Pvt. Ltd.)	9,660,880	-
147819230233-EBL (Unitec Fibres Pvt. Ltd.)	8,604,485	-
147819230224-EBL (Unitec Fibres Pvt. Ltd.)	8,698,006	-
147819230224-EBL (Unitec Fibres Pvt. Ltd.)	8,983,416	-
147819230140-EBL (Birla Jing Wei Fibres Co. Ltd.)	35,957,515	-
147819230205-EBL (Kangwal Polyester)	8,708,748	-
147819230205-EBL (Kangwal Polyester)	17,392,566	-
147819230075-EBL (Kangwal Polyester)	18,712,344	-
147120230014-EBL (Kangwal Polyester)	8,159,297	-
147120230014-EBL (Kangwal Polyester)	16,312,675	-
147819230168-EBL (COFCO International)	73,666,812	-
147119230009-EBL (COFCO International)	11,889,622	-
147119230009-EBL (COFCO International)	80,520,544	-
147819230193-EBL	21,803,577	-
147819230193-EBL	21,801,184	-
147819230251-EBL (Konstantions V. Markou S.A)	44,177,222	-
147819230235-EBL (Reliance Industries Ltd.)	32,966,302	-
147819230143-EBL (Bhilosa Industries Pvt. Ltd.)	4,944,647	-
147819230207-EBL (Agrocorp International Pte. Ltd.)	33,159,937	-
141519230007-DBL (OLAM International Ltd)	42,877,127	-
141519230006-DBL (ABJ Trading LLP)	21,913,687	-
Glencore Grain B.V	-	90,784,896
Unitec Fibres Pvt. Ltd.	-	10,092,923
Faircot SA	-	40,033,539
Kangwal Polyester Co. Ltd.	-	163,488,787
GCC and Company	-	2,552,369
Dhancot Fabricks Ltd	-	46,433,570
CAFCO International	-	11,663,824
SRI SAI BABA COTTON INDUSTRIES	-	48,397,630
Reinhart AG	-	134,837,082
Rimtex Industries	-	5,499,157
Unrealized gain for foreign Exchange	(1,057,470)	(4,547,621)
Sub Total of Liabilities against import of Raw Materials	718,791,822	549,236,156

Saiham Textile Mills Ltd.

Particulars	Amount in Taka	
	June 30, 2020	June 30, 2019
Liabilities Against local Materials		
FIROZA Hardware & Packaging	27,500	-
Bengal Roots Textile Ltd.	29,372	-
Standard Electric Store	112,960	-
Marium International	200,734	-
T M Trade Corporation	187,185	-
Lucky Textile Engineering	485,050	-
Galua Trade Center	12,500	-
Nurab Ltd.	30,303	-
Bismillah Textile Engineering	243,214	-
SMH Corporation	25,440	-
TAMIM TRADERS	61,000	-
National Trading Services	275,000	-
M/S TYRE LAND	509,000	-
Eskander Engineering works	84,660	-
BD.Venture	261,835	-
Bearing Sales Corporation	283,115	-
Hera Electric Stores	101,710	-
Nazrul Islam Mizan	590,750	-
AK Printers	211,900	-
S.S Corporation	44,650	-
Lipika	383,120	-
Electric Power	103,200	-
Delcot Limited	188,630	-
New Diamond Plastic And Engineering Works	268,250	-
Peoples Mills Store	13,049	-
Flash Point	103,200	-
Maa Baering & Machiners	123,570	-
Amina Traders	8,362	-
Maintance Soluations	21,600	-
EURO-TEX International	461,000	-
Lube Asia	457,100	-
USTER TECHNOLOGIES, INC.	130,098	-
Jamal Yarn Trading	-	14,739,777
Local Supplier	-	1,191,230
Sub Total of Liabilities Against local Materials	6,039,057	15,931,007
Liabilities Against capital machinery		
Trutzschler	170,239	5,064,339
Kanai Juyo Kogyo co Ltd	3,860,268	8,626,301
Sub Total of Liabilities Against capital machinery	4,030,507	13,690,640
Grand Total	728,861,386	578,857,803



Saiham Textile Mills Ltd.

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