

ANNUAL REPORT 2022-2023



SAIHAM COTTON MILLS LTD.
সায়হাম কটন মিলস্ লিমিটেড

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LETTER OF TRANSMITTAL

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

Sub: Annual Report for the year ended June 30, 2023.

Dear Sir(s) / Madam(s),

We are pleased to enclose a copy of the Annual Report containing Directors' Report and Auditors' Report along with the Audited Financial Statements Comprising Financial Position as at June 30, 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year ended June 30, 2023 together with notes thereon of Saiham Cotton Mills Ltd. for your kind information and record.

Thanking You

Yours Sincerely,



(Md. Sahinur Kabir, FCS)
Company Secretary

N.B.: The Annual Report 2022-2023 is also available in the Company's Website at www.saihamcotton.com

SNAPSHOT OF 21ST AGM



22 December, 2022, Thursday at 11.00 AM (Digital Platform)

AWARDS AND RECOGNITION

Saiham Cotton Mills Ltd. Won ICMAB Best Corporate Award - 2015



Engr. Syed Ishtiaq Ahmed, Managing Director of Saiham Cotton Mills Ltd.
receiving the award from
Honorable Finance Minister Mr. Abul Maal Abdul Muhith



Engr. Syed Ishtiaq Ahmed, Managing Director of Saiham Cotton Mills Ltd.
Receiving Highest Taxpayer Award from State Minister of Finance
M.A. Mannan on behalf of Saiham Cotton Mills Ltd.

CERTIFICATIONS

IS ACREDITATED
BY THE FOLLOWING
CERTIFICATING AGENCIES



CERTIFICATE OF REGISTRATION

No.: Y – 46/2023
We herewith register

SAIHAM COTTON MILLS LTD.

House # 34, Road No # 136, Gulshan-1, Dhaka-1212

Factory: Siahm Nagor, Noyapara, Madhabpur

Habigonj/Bangladesh

as official supplier of “Cotton made in Africa” **Mass Balance** yarns produced in compliance with the Chain of Custody Guidelines issued by the Aid by Trade Foundation. Herewith it is given permission to sell yarns **via SCOT** Tracking System to/for **licensed** CmiA brands/retail partners.

This registration is valid until: 31.12.2023*

Tina Stridde
Managing Director
Aid by Trade Foundation

Christian Barthel
Managing Director
ATAKORA Fördergesellschaft GmbH

*Final validity of each CmiA-certificate available online:
<https://cottonmadeinafrica.org/wp-content/uploads/Spinning-Mills-Fabric-Producers-CmiA.xlsx>



GCL INTERNATIONAL LTD
Level 1, Devonshire House, One Mayfair Place, London, W1 J 8AJ, United Kingdom.

Scope Certificate

Scope Certificate Number GCL-301814-RCS-2023

GCL INTERNATIONAL LTD
certifies that

Saiham Cotton Mills Ltd.
License Number 301814
House -34, Road -136,
Gulshan-1, 1212
Dhaka, Bangladesh

has been audited and found to be in conformity with the

RECYCLED CLAIM STANDARD (Version2.0)

Product categories mentioned below (and further specified in the product appendix) conform with the standard(s):

Dyed Yarns (PC0029); Greige Yarns (PC0030)

Process categories carried out under responsibility of the above mentioned company for the certified products cover:

Spinning (PR0027); Warehousing, Distribution (PR0031)

*The processes marked with an asterisk may be carried out by subcontractors.

This Certificate is valid until: **2024-09-18**

Audit criteria: Recycled Claim Standard(V2.0); Content Claim Standard V3.1 ; Textile Exchange Standards Claims Policy V1.2

Place and Date of Issue
London, 2023-10-30
Last Updated: 2023-10-30

Certification Body

Standard Logo

Mahmut Sogukpinar



Certification Body Licensed by: Textile Exchange ; Licensing Code: CB-GCL
Certification Body Accredited by: IOAS Inc ; Accreditation Number: 125
Inspection Body:GCL INTERNATIONAL LTD

This Scope Certificates provides no proof that any goods delivered by its holder are RCS certified. Proof of RCS certification of goods delivered is provided by a valid Transaction Certificate (TC) covering them.

The issuing body may withdraw this certificate before it expires if the declared conformity is no longer guaranteed.
To authenticate this certificate, please visit www.TextileExchange.org/Certificates.

To confirm this certificate, please scan the QR code located on the top right corner. The domain you see should be "": <https://ssl.gcl-intl.com>"
License No. **301814**



GCL INTERNATIONAL LTD
Level 1, Devonshire House, One Mayfair Place, London, W1 J 8AJ, United Kingdom.

Scope Certificate

Scope Certificate Number GCL-301814-GRS-2023

GCL INTERNATIONAL LTD
certifies that

Saiham Cotton Mills Ltd.
License Number 301814
House -34, Road -136,
Gulshan-1, 1212
Dhaka, Bangladesh

has been audited and found to be in conformity with the

GLOBAL RECYCLED STANDARD (Version4.0)

Product categories mentioned below (and further specified in the product appendix) conform with the standard(s):

Dyed Yarns (PC0029); Greige Yarns (PC0030)

Process categories carried out under responsibility of the above mentioned company for the certified products cover:

Spinning (PR0027); Warehousing, Distribution (PR0031)

*The processes marked with an asterisk may be carried out by subcontractors.

This Certificate is valid until: **2024-10-30**

Audit criteria: Global Recycled Standard(V4.0); Content Claim Standard V3.1 ; Textile Exchange Standards Claims Policy V1.2

Place and Date of Issue
London, 2023-10-31
Last Updated: 2023-10-31

Certification Body

Standard Logo

Mahmut Sogukpinar



Certification Body Licensed by: Textile Exchange ; Licensing Code: CB-GCL
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To confirm this certificate, please scan the QR code located on the top right corner. The domain you see should be "": <https://ssl.gcl-intl.com>"
License No. **301814**

Saiham Cotton Mills Ltd.
House # 34, Road # 136, Gulshan
Dhaka - 1212, BANGLADESH



Hohenstein Textile Testing Institute
GmbH & Co. KG
74357 Bönningheim
Germany

Certificate

OEKO-TEX® STANDARD 100

Saiham Cotton Mills Ltd.

is granted the OEKO-TEX® STANDARD 100 certification
and the right to use the trademark.

SCOPE

Raw yarns made of 100 % cotton (proveniences: Greece, Spain and USA) and in blends with polyester, carded and combed, in raw white; partly produced by using materials certified according to OEKO-TEX® STANDARD 100.

PRODUCT CLASS

I (baby articles) - Annex 6



This certificate 13.HBD.32811 is valid until
31.01.2024.

SUPPORTING DOCUMENTS

- ✓ Test report : 23.0.52841
- ✓ Declaration of conformity in accordance with EN ISO 17050-1 as required by OEKO-TEX®
- ✓ OEKO-TEX® Terms of Use (ToU)

Dipl.-Ing. (FH) Ivonne Schramm
Head of Certification Body OEKO-TEX®

Further compliance information (REACH, SVHC, POP, GB18401 etc.) can be found on oeko-tex.com/en/faq.

The certificate is based on the test methods and requirements of the OEKO-TEX® STANDARD 100 that were in force at the time of evaluation.

Boennigheim, 2023-03-30

OEKO-TEX Service GmbH Genferstrasse 23, CH-8002 Zurich



CERTIFICATE OF MEMBERSHIP



This certificate attests that

Saiham Cotton Mills Ltd.

is an official member of the U.S. Cotton Trust Protocol.

USCTP ID **CKMER7QP**
MEMBER SINCE **2021-12-27**

The U.S. Cotton Trust Protocol provides mills and manufacturers critical assurances they need to prove to their customers that they are an approved supply chain partner for brands and retailers who are sourcing more sustainably grown cotton.

ISSUE DATE
2023-08-01

EXPIRATION DATE
2024-07-31

Gary Adams
President, U.S. Cotton Trust Protocol

CKMER7QP

CERTIFICATE OF REGISTRATION



PEERS QUALITY ASSURANCE LTD

This is to certify that

Saiham Cotton Mills Ltd.

Of

Manufacturing Complex: Saiham Nagar, Madhabpur, Hobigonj, 3333, Bangladesh

Saiham Tower, House # 34, Road # 136, Block # SE (C) 1, Gulshan-1, Dhaka, 1212, Bangladesh

Operates a Quality Management System which has been assessed as conforming to:

ISO 9001:2015

For the Scope of activities:

Manufacturing Complex: Manufacturing and delivery of export quality yarn. Head Office: Procurement of materials, Sales & Marketing, Export of cotton & non-cotton yarn.

Certificate Number: **BGD/6/4496484894**

Date of Initial Assessment: **26/10/2021**

Date of Registration: **03/11/2021**

Date Re-Issued: **12/10/2022**

Date of Expiry: **03/11/2024**

Certificate approved by:

Chris McMillan - Managing Director

Peers Quality Assurance Limited

This Certificate remains the property of

Peers Quality Assurance Limited

Suite 2, Austin Court

Walsall Road

Four Oaks

Sutton Coldfield

B74 4QY England

www.pqal.co.uk

For verification of this certificate, please contact the PQAL UK Office





Government of the People's Republic of Bangladesh

Bangladesh Energy Regulatory Commission

DHAKA, BANGLADESH



Bangladesh Energy Regulatory Commission is pleased to issue this Licence for generation of **8.0 MW** (gas based) electricity by Captive Power Plant (CPP) at Saiham Nagar, Nayapara, Madhabpur, Habiganj as per sections 27 & 28 of the Bangladesh Energy Regulatory Commission Act, 2003 and regulation 3 & 16 of the Bangladesh Energy Regulatory Commission Licence Regulations, 2006 in favour of

Saiham Cotton Mills Ltd.

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

This Licence will remain valid from **16 August 2022 to 15 August 2024** under the terms and conditions incorporated in the reference number: **28.01.0000.015.02.020.20/ CPP-815; Dated 15 November 2022 (attached).**



Sector: Power
License No.: CPP-815
Issue Date: 15 November 2022
Scan the QR code to verify the license
Powered by TechnoVista

Barrister Md. Khalilur Rahman Khan
Secretary

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2023/143



Date of issue: February 23, 2023

Renewed Certificate

This is to certify that

SAIHAM COTTON MILLS LIMITED

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

This certificate remains current until 31st December 2023.



[Signature]
Secretary General

BTMA Form 0001



BANGLADESH TEXTILE MILLS ASSOCIATION (BTMA)

বাংলাদেশ টেক্সটাইল মিলস এসোসিয়েশন (বিটিএমএ)

Unique Trade Centre (Level 8), 8, Panthapath, Karwan Bazar, Dhaka-1215, Bangladesh, Phone : 9101508, 48116358, 58156619
Fax: +88 02 48113312, E-mail : btmasg@gmail.com, btma2@yahoo.com, Website: www.btmadhaka.com

MEMBERSHIP CERTIFICATE

Membership No : 001-0084-0600

Date : 4-1-2023

We are pleased to admit M/S Saiham Cotton Mills Ltd.

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

as a General/an Associate member of this registered Trade Association in the category of Yarn Manufacture

The member-mill possesses 80016 spindles & 0 Rotors for yarn productions, 0 number of Shuttleless Loom,
0 No of Shuttle loom & 0 Knitting machines for fabric production. The annual capacity of the mill in

(i) Cotton/ Polyester/Texterised Yarn/Wool/Acrylic wool manufacturing is 13720000 kgs.

(ii) Woven/ Knit / Towel / Garments/Fabric / Socks/Sweater manufacturing is 0 metres
0 kgs, 0 Pcs.

(iii) Dyeing printing finishing is 0 meters 0 kgs.

This certificate shall remain valid up to January2023-December2023

[Signature]
Additional Director & CEO (In Charge)

CREDIT RATING REPORT

CREDIT RATING AGENCY OF BANGLADESH LIMITED



Ref: AGL/RCM/210933/2023- 4783

30 March, 2023

Engr. Syed Ishtiaq Ahmed
Managing Director
Saiham Cotton Mills Limited
House 34, Road 136, Block #SE (C) -1,
Dhaka 1212, Bangladesh.

Dear Sir,

Subject: Credit Rating (Surveillance) - Saiham Cotton Mills Limited.

We are pleased to inform that the Credit Rating Agency of Bangladesh Ltd. (CRAB) has assigned the following rating to Saiham Cotton Mills Limited:

Particular	Rating	Remark
Saiham Cotton Mills Limited	A ₁	-
BDT 645.85 million aggregate Long Term Outstanding (LTO)	A ₁ (Lr)	
USD 2.54 million Fund based limits	A ₁ (Lr)	Vide Appendix-1
BDT 1,648.33 million aggregate Fund based limits	ST-3	
BDT 6,002.07 million aggregate Non-Fund based limits	ST-3	
Outlook	Stable	

Lr-Loan Rating; ST-Short Term

This rating is valid up to 31 March, 2024. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or financials of Saiham Cotton Mills Limited.

We hope this rating, which will be followed by a detailed report, will serve the intended purpose of your organization.

Yours Sincerely,

Mohammed Zubair Wafa
Managing Director

Attachment: Appendix - 1

Navana-DH Tower, Level-15, Plot-06, Panthapath, Tejgaon, Dhaka-1215; E-mail :info@crab.com.bd, Web: www.crab.com.bd, www.crabrating.com
■ +88-02-55013678, 55013679, 55013681, 55013682, 55013683. (Fax)55013684



Notice of The 22nd Annual General Meeting

SAIHAM COTTON MILLS LTD.

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

Notice of The 22nd Annual General Meeting

Notice is hereby given that, the 22nd Annual General Meeting of Saiham Cotton Mills Ltd. will be held on December 28, 2023 at 12:00 Noon through Digital Platform in accordance with the Bangladesh Securities and Exchange Commission (BSEC) Order No. SEC/SRMIC/94-231/91 dated 31 March, 2021 to transact the following businesses:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023 together with the Reports of the Directors' and the Auditors' thereon.
2. To Declare Dividend for the year ended June 30, 2023.
3. To elect/ re-elect Directors.
4. To re-appoint Statutory Auditors of the company for the year 2023-2024 and fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors for the year 2023-2024 and fix their remuneration.
6. To authorize the Management/Board of Directors to allow transaction with sister companies.

By order of the Board



(Mr. Md. Sahinur Kabir, FCS)
Company Secretary

Dated: Dhaka
October 28, 2023

Notes

1. The Shareholder's whose name will appear in the Depository Register of CDBL as on record date, November 21, 2023 will be entitled to attend and vote at the 22nd AGM through Digital Platform.
2. A member entitled to attend/participate and vote in the 22nd Annual General Meeting, may appoint a proxy in his/her stead. Scanned copy of the proxy form, duly stamped must be mailed to the email at info@saihamcotton.com at least 48 hours before the meeting.
3. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of Annual Report (2022-2023) will be sent to the Member's respective email addresses which is available with us. The Annual Report (2022-2023) will be available in the Company's website www.saihamcotton.com.
4. AGM Notice, link for joining in the Digital Platform (audio-visual meeting) and detail login process will be mailed to the respective Member's email address available with us.
5. Member's whose email address updated/changed subsequently, are requested to email us at info@saihamcotton.com referring their full name, BO ID and email address to get the digital platform meeting invitation.

CORPORATE DIRECTORY

Board of Directors

Chairman	Statutory Auditor
Mr. S.M. Faisal	Rahman Mostafa Alam & Co. Chartered Accountants
Managing Director	Corporate Governance Auditor
Engr. Syed Ishtiaq Ahmed	Khan Wahab Shafique Rahman & Co. Chartered Accountants
Directors	Legal Adviser
Mrs. Yasmin Faisal	Mr. Md. Shamsul Haque
Mr. Syed Shafqat Ahmed, MBA	
Independent Director	Dhaka Office
Mr. Mohammed Nazmul Hussain, FCA	Saiham Tower, House # 34, (11th Floor) Road # 136, Gulshan-1, Dhaka-1212 Telephone: 02-2222-62284, 02-2222-63323 Fax: 02-2222-94607
Company Secretary	Factory
Mr. Md. Sahinur Kabir, FCS	Noyapara, P.O: Saiham Nagar, U.Z: Madhabpur Dist: Habiganj-3333
Audit Committee	Bankers
Mr. Mohammed Nazmul Hussain, FCA, Chairman	HSBC Limited
Mrs. Yasmin Faisal, Member	Bank Asia Limited
Mr. Syed Shafqat Ahmed, MBA, Member	Bank Alfalah Limited
Mr. Md. Sahinur Kabir, FCS, Secretary	Prime Bank Limited
Nomination & Remuneration Committee	Insurance Company's
Mr. Mohammed Nazmul Hussain, FCA, Chairman	Green Delta Insurance Company Limited
Mrs. Yasmin Faisal, Member	Prime Insurance Company Limited
Mr. Syed Shafqat Ahmed, MBA, Member	Karnaphuli Insurance Company Limited
Mr. Md. Sahinur Kabir, FCS, Secretary	Islami Insurance Bangladesh Limited
Chief Financial Officer	Registered Office
Mr. Syed Rakibul Hasan	Noyapara, P.O: Saiham Nagar, U.Z: Madhabpur Dist: Habiganj-3333
Head of Internal Audit & Compliance	
Mr. Md. Alamgir Hossain	

MISSION AND VISION

Mission:

To export high quality and cost competitive cotton carded and combed yarn products all over the world through formation of mutually beneficial relationships with buyers and suppliers based on moral and ethical long-term business values and to enhance the image of Bangladeshi made products to make Bangladesh a part of the global community of peace-loving nations.



Vision:

To sustain and enhance the high quality image of Saiham Cotton Mills Ltd. through development and marketing of our own designs, packaging, special finishes, branding using creativity and ingenuity to enhance the value of our product for customers and shareholders.

CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors of Saiham Cotton Mills Limited (SCML) is adopting the following code of conduct for all directors and key management personnel of the Company.

Purpose of Code of Conduct

The Board adopts this 'Code of Conduct' to reflect its commitment to the highest standard of ethical and business conduct and to comply with the laws and regulations of the Regulatory Authorities and also Memorandum and Articles of Association of the company.

Applicability and Scope

The Code of Conduct is applicable to all directors of Saiham Cotton Mills Limited. Members are expected to comply with the following standards to enhance and maintain the reputation of the company.

Objective and Underlying Principles

The code of conduct for Directors of Saiham Cotton Mills Limited intends to establish highest level of business/professional ethics to be followed for establishing a fair and transparent. In discharging the functions, the directors shall adhere to the following fundamental principles:

Fairness and Transparency in dealing with matters relating to the company;
Compliance with all laws /rules/regulations laid down by the DSE, CSE and BSEC;
Exercising due diligence in the performance of duties; and
Avoidance of conflict of interest between self-interests of Directors and interests of the company and its shareholders.

Code of Conduct

a. Meetings & Minutes

Meeting of the Board of Directors and General Meetings, notices, agenda, minutes of the meetings shall be in accordance with the Companies Act-1994. In the event that a Director is of the view that his dissenting note has not been satisfactorily recorded in the minutes of a meeting of the Board, he may refer the matter to the Company Secretary. The relevant Director may require the note to be appended to the minutes during confirmation of the minutes.

Director(s) shall not participate in the discussion on a matter in which any conflict of interest exists or arises, whether pecuniary or otherwise, and in such cases the same shall be disclosed and recorded in the minutes of the meeting.

b. Regulatory Compliances

The Directors shall ensure that the company abides by existing laws, rules & regulations prevailing in the land, applicable to the company. Any case of noncompliance with applicable law may subject a Director to disciplinary action.

The Directors shall ensure compliance at all levels so that the regulatory system does not suffer any breaches.

The Directors shall not support any decision in the meeting of the Board which may adversely affect the interest of Shareholders and the Managing Director shall report forthwith any such decision to Regulatory Authorities.

c. General Responsibilities

The Directors shall ensure performing activities of the company to uphold the best interests of the shareholders and the company, its management authorities, shareholders and other stakeholders through operating with the highest level of honesty and integrity.

The Directors shall remain properly informed about the business and affairs of SCML. Directors should review and devote appropriate time to studying Board related laws and issues, the international best practices, their fiduciary obligations & code of conduct etc.

The Directors shall make inquiries about potential problems that come to their attention and follow up until they are reasonably satisfied that management is addressing them appropriately.

The Directors shall carry out their fiduciary duties with a sense of objective judgment and independence in the best interests of the company and shareholders.

The Directors shall submit necessary disclosures/statement of holdings and required by the existing laws from time to time as per their rules, regulations and bye-laws.

Members shall be judicious about their entitlement of benefit/privileges as per Companies Act-1994 and shall be willing to produce supporting documents, if required.

Directors should protect the Company's assets and ensure their efficient use for legitimate business purposes related to the company.

Directors may not own, either directly or indirectly, a substantial interest in any business entity that does or seeks to do business.

The Directors shall perform their duties in an independent and objective manner and avoid activities that may impair, or may appear to impair, their independence or objectivity or official responsibilities.

The Directors shall not, in any way, interfere in the activities of the management of the company.

d. 'Inside Information' and Securities Trading

It is prohibited to trade securities or to disseminate others to trade securities of Saiham Cotton Mills Limited or other companies on the basis of material information before it is made publicly available to ordinary investors through appropriate media.

Members shall comply with provisions of the Memorandum & Articles of Association while making sale-buy of Company's share and shall refrain from making such transaction without formal declaration.

e. Avoidance of Conflict of Interest

The Directors shall not take improper advantage of the position as a director. Any situation that creates or appears to create a conflict of interest must be avoided. Some of the more common conflicts, which directors must avoid, are set out below.

i. Relationship of Company with third-parties

Directors may not receive a personal benefit from a person or firm which is seeking to do business or to retain business with the Company, unless such a relationship is fully disclosed by the interested director and approved by the Board of Directors.

ii. Gifts, Favors and Entertainment

No gift, favor, or entertainment should be accepted or provided, in the role as a Director of Saiham Cotton Mills Limited from any persons or entities who deal with the Company where any such gifts are being made in order to influence the directors' actions as a member of the Board.

iii. Compensation from non-Company sources

Directors may not accept compensation (in any form) for services performed by the Director for the Company from any source other than the Company.

iv. Family Members and Close Personal Relationships

A conflict of interest may arise when doing business with or competing with organizations that employ or are partially owned by family members or close personal friends. Family members includes spouse, son, daughter, father, mother, brother, sister, son-in-law, and daughter-in-law alongside the dependents of the aforesaid person. Directors should disclose any such relationships to the Chairman of the Board and to the Secretary to determine the best course of action.

v. Disclosure

With many issues, the best way to avoid embarrassing conflict of interest situations is to disclose any that have the potential to be misinterpreted by others, including other directors, employees, customers, suppliers and the public. Questions about potential conflict of interest situations and disclosure of these situations as they arise should be directed to the Chairman of the Board.

f. Protecting Confidential Information

Confidential information acquired by the Board of Directors in the course of exercise of directorial duties shall remain the property of the company and it will be improper to disclose or allow it to be disclosed, for personal benefit or to benefit persons or entities outside the Company, except with the expressed or implied consent of the Board or as required by law.

g. Competitive Information

Information about competitors & customers is a valuable asset in the highly competitive markets in which Saiham Cotton Mills Limited operates. Board of Directors ensures, on behalf of SCML, to obtain such kind of information legally. Theft of proprietary information, inducing

disclosures by a competitor's past or present employees and any actions that could create an appearance of an improper agreement with competitors is prohibited.

Waiver of any provision of the Code of Conduct

Waiver of any provision of the Code of Conduct can only be made by the Board of Directors, and shall be granted only in very exceptional circumstances which are not opposed to the law of the land.

If any Director believes that an act prohibited in the Code of Conduct has occurred, then he or she will promptly report the same to the Chairman of the Board. In this regard, the decision of the Board will be final.

DIRECTOR'S PROFILE



Mr. S.M. Faisal, Chairman

Date of Appointment : May 30,2002

Length of Service in Saiham Cotton Mills Ltd. : 21 years

Date of Last Re-election : December 30,2020

Membership in Board Committee : Nil

Age : 82 years

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

Presently Mr. Faisal is holding the following business organization:

Directorship	Position in the Board
Saiham Cotton Mills Ltd	Chairman
Saiham Textile Mills Ltd.	Managing Director
Faisal Spinning Mills Ltd	Director
Saiham Knit Composite Ltd	Director



Engr. Syed Ishtiaq Ahmed, Managing Director

Date of Appointment : May 30,2002

Length of Service in Saiham Cotton Mills Ltd. : 21 years

Date of Last Re-election : April 17,2021

Membership in Board Committee : Nil

Age : 50 years

Engineer Syed Ishtiaq Ahmed, son of Mr. Syed Md. Faisal, is the Managing Director of Saiham Cotton Mills Ltd. He has graduated in Engineering from Michigan, USA and is also an MBA with a major in Finance from Institution of Business Administration (IBA), University of Dhaka. He has participated in a training on "Industry and Management" in Prato, Italy sponsored by Ministry of Foreign Trade, Italy. He is one of

the members of the Board of Directors of BTMA. He has represented BTMA on a high level mission on Garment Technology and Textile Processing to IMB Cologne in Germany and also visited the London College of Fashion under University of the Arts London sponsored by United Nations Industrial Development Organizations (UNIDO). He has vast experience in technical, marketing and financial aspects of business.

Currently he is associated with the following business concerns:

Directorship	Position in the Board
Saiham Cotton Mills Ltd	Managing Director
Saiham Textile Mills Ltd	Chairman
Faisal Spinning Mills Ltd	Director
Saiham Knit Composite Ltd	Director
Saiham Software Ltd	Director
Saiham Denims Ltd.	Managing Director

Mrs. Yasmin Faisal, Director

Date of Appointment: January 29,2020
Length of Service in Saiham Cotton Mills Ltd: 3.5 years
Date of Last Re-election: Nil
Membership in Board Committee: NRC & AC
Age: 77 years

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



Presently She is holding the following business organization:

Directorship	Position in the Board
Saiham Cotton Mills Ltd	Director
Saiham Textile Mills Ltd	Director
Faisal Spinning Mills Ltd	Managing Director
Saiham Knit Composite Ltd	Director

Mr. Syed Shafqat Ahmed, Director

Date of Appointment : May 30,2002
Length of Service in Saiham Cotton Mills Ltd :
Date of Last Re-election: December 12,2021
Membership in Board Committee: NRC & AC
Age: 49 years

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



Currently he is associated with the following business concerns:

Directorship	Position in the Board
Saiham Cotton Mills Ltd	Director
Saiham Textile Mills Ltd	Director
Faisal Spinning Mills Ltd	Director
Saiham Knit Composite Ltd	Managing Director

Mr. Mohammed Nazmul Hussain FCA, Independent Director

Date of Appointment: January 31,2021
Length of Service in Saiham Cotton Mills Ltd: 2.5 years
Date of Last Re-election: Nil
Membership in Board Committee: NRC & AC
Age: 66 years

Mr. Mohammed Nazmul Hussain, FCA is the Independent Director of Saiham Cotton Mills Limited. Mr. Mohammed Nazmul Hussain, FCA is a Chartered Accountant and more than 38 years' professional experience. He is a Chief Financial Officer of BGMEA University of Fashion & Technology. He is also a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He has long experience financial accounting, management & cost accounting, statutory audit, special audit, internal audit, internal control, income tax, VAT, company law banking insurance and other business services. Previously, he was the Head of Finance of BOC Bangladesh Limited.



FACTORY HIGHLIGHTS



MESSAGE FROM THE CHAIRMAN

Dear Shareholders

AssalamuAlaikum,

I, on behalf of the Members of the Board of Directors have the pleasure to welcome all our esteemed shareholders on this occasion of the 22nd Annual General Meeting of Saiham Cotton Mills Ltd (SCML). We are, as always, encouraged at your enthusiastic participation in this Annual General Meeting. Your participation in this virtual platform reflects your confidence in the management and in the Company as a whole. I would like to once again thank you all for your continued support.

It is my pleasure to place the Annual Report of Saiham Cotton Mills Limited along with the Audited Financial Statements and Auditor' Report thereon for the year ended June 30, 2023. I believe you will get a comprehensive view from the Directors' Report and would be able to assess the real financial position of the Company. Even though the financial report does not reflect the full objectives and purposes that we thrive for, it would however, represent the performance of the company during this financial year. I would like to thank the entire SCML team for their tireless effort to manage the business in spite of huge challenges posed by high inflation, higher energy cost, rising interest rate, sudden fall of yarn prices during this period. We assure you that we shall always be with you and In-Sha-Allah your investment will be protected with our utmost sincerity.

Financial Year 2022-23 was not a very encouraging year for the textile and clothing business. Though started with a positive outlook, the business gradually started facing huge challenges with higher raw material costs along with low sales price of the product of the company. The high inflation, specially inflationary living expenses all over the world has contributed towards lower demand. In addition, disruption in energy supply, unexpected hike of energy cost of our captive power generation, has eaten up a very significant portion of the profit of the company. Nonetheless, I would like to express my profound gratitude to the management and staff, valued shareholders, regulatory bodies, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Jalalabad Gas Transmission and Distribution System Ltd, Financial/Non-Financial Institutions, Customers, specially Gildan Activewear Bangladesh (GAB), Suppliers, Registrar of Joint Stock Companies and Firms who extended their cooperation in this challenging time through their suggestions & guidance in running the business successfully. I once again would like to thank you all for your support and attendance today, as we hope to meet you physically in the coming days with full- normal situation.

Thank you, take care and stay safe.



(S.M. Faisal)
Chairman

DIRECTORS' REPORT TO THE SHAREHOLDERS

Bismillahir Rahmanir Rahim

Dear Shareholders

AssalamuAlaikum,

It is my great pleasure to welcome you at the 22nd Annual General Meeting of Saiham Cotton Mills Ltd. I, on behalf of the Board of Directors, have the pleasure to present before you the report for the year ended June 30, 2023 along with the audited financial statements and auditors' report thereon.

BACKGROUND

Saiham Spinning Mills Limited was incorporated on May 30, 2002 as a Private Limited Company vide incorporation No.C-459289(2401)/2002 and with effect from April 16, 2003 the name of the company has been changed to Saiham Cotton Mills Ltd. It has been converted into a public Limited Company on March 25, 2010. The Authorized capital of the company is Tk. 2,000 million and paid up capital is Tk. 1,487 million. The company was listed with the Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd and share trading started in both the houses on June 24, 2012.

Industry outlook and possible future developments in the industry

The year 2022-23 started on a positive note with the vaccination program of Covid 19 starting at its full swing and life returning to normalcy. The consumer confidence in Europe and in America along with other developed nations reached at the pick and with the surplus money from the support measures offered by the governments of these countries people started spending on buying consumer products, apparel etc. On the other hand, Bangladesh received abundant garments orders with their exceptional performance of delivery of apparels during the pandemic. As such the gap between high demand and lower supply generated higher business growth and profit for the yarn manufacturing businesses. However, the trend failed to continue from last financial year as the Ukraine war erupted out of nowhere and the whole Global supply chain collapsed. Bangladesh being dependent on Ukraine for grain import and the enhanced price of all commodities including oil put the overall country's balance of trade in a precarious position. The central bank was planning to mitigate the negative trade balance and soon the country ran into foreign currency depletion resulting in hampering of normal business.

Not only Bangladesh the whole world economy suffered due to the Ukraine-Russia war and suddenly a blooming apparel business for Bangladesh started evaporating as orders started reducing and EU, USA showing signs of constraints economic trends. Though it is difficult to predict any possible future outcome at this point of time because of Russia-Ukraine war and US Economic situation, yet it is clear that most of the large economies are now going through recession, which may continue or even could be worsen till end of 2023 and beyond. The severity and duration of the ongoing recession and war in Europe would surely play crucial role in our future business.

TURNOVER

The financial year 2022-2023 which started with high potential soon dived into severe financial constrain. The overall normal business environment was affected. Business was severely downtrend and high raw material cost along with utility price hiking was starting to play its role as the profitability suffered greatly. In this challenging time the company took a pragmatic decision in arranging direct export of yarn to overcome the financial constraints. Hence, SCML could achieve an annual turnover of BDT 5,512 million versus BDT 4,085 million which is BDT 1,427 million higher than that of previous year. The increase in turnover does not suffice the effort put behind by the all corners of the SCML team, but only proves the core strength of the team "Saiham Cotton."

Segment-wise or product-wise performance

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

Risks and the concerns

Risk: The current main risk factors of the yarn business in Bangladesh are additional yarn manufacturing capacity created in SAARC counties during last couple of years, higher inflation from increased cost of fuel, less stable labor management relation, and most significantly, recession and its possible severity. All natural and Man Made Fibers used as textile raw material along with the market of other commodities is still somewhat volatile. In addition, opening LCs for raw materials and spare parts has become a challenge in recent days because of the restriction arises from the concern of declining foreign currency reserve.

Opportunities, Threats and Concern:

Being an export oriented unit, our produced yarn market condition is determined by the situation prevailing in our apparel business in countries like USA, EU, Far East and some other non-traditional market. We strongly believe that Bangladesh being one of the competitive apparel sourcing countries along with graduation of China from apparel manufacturing to other value added businesses, we have bright future. However, the market stability is probably more important than any other factors at the moment. Because of the continued disruption in the transportation sector the company makes all efforts to have best possible inventory management to avoid any possible shortage. This includes an effective internal control and management reporting system.

As our business is based on export, the exchange rate plays an important role for us. The value of Bangladeshi Taka and corresponding value of competitors' currency determines the extra advantage a country might enjoy on a short time basis and on a long time to certain extend. After almost 3 years of stable currency exchange rates more recently we could see huge devaluation, which would favor us but may create further challenge in managing monetary and fiscal policy of the government.

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

During the year unrealized loss BDT 174,798,556 incurred due to change of foreign exchange rate.

Related party transactions

The Company enters into transactions with related parties as defined in the "International Accounting Standards 24: Related Party Disclosures". The name of the related parties, nature of business and their value have been set out in note 28 of the notes to the financial statements.

Utilization of Proceeds from public issues:

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

Quarterly Financial Statement and Annual Financial Statements

Particulars	Q1	Q2	Q3	Annual Total
Turnover in BDT	1,153,811,534	1,223,924,019	1,232,948,722	5,512,530,629
Net profit after tax in BDT	53,632,697	5,846,941	(44,441,218)	45,016,131

Remuneration to Directors

This information is incorporated in the Notes 22 & 28 of the notes to the financial statements with reference to the “Directors Remuneration” mentioning figures concerning the remuneration of the Managing Director.

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with International Accounting Standard (IAS)/ International Financial Reporting Standard (IFRS), Companies Act 1994 and Securities and Exchange Rules 2020. These statements present fairly the Company’s 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’s Corporate Governance Code 2018, the Chief Executive Officer/MD and the Chief Financial Officer have given their declarations about the fairness of the financial statements which is shown on page # 52 of the report.

Proper Books of Accounts

Proper books of accounts of the Company have been maintained.

Accounting Policies

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

Application of IAS/IFRS

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.

Adequacy of Internal Control System

Saiham Cotton Mills Limited has a well-established internal control system to support smoothly business operations and statutory compliance. Suitable internal checks have been built in to cover all financial and non-financial transactions with proper delineation of authority, which provides transparency at every stage of operation. The Board of Directors assures its Shareholders that the Company has a risk management process to ensure that the systems of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present. The company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that controls that are in place are adequate to address these risks.

Minority Shareholders

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

Credit Rating:

The company achieved single – A in long term rating and ST-3 for short term with stable outlook which is rated by Credit Rating Agency of Bangladesh Limited (CRAB) and will be expired on March 31, 2024.

Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of existing business. There are no significant doubts about the Company's ability to continue as a going concern.

Significant deviations from last year's operating results.

The detail about significant deviation from the last years operating results and the reasons behind deviations are discussed in "Management discussion & Analysis" on page # 31 of the annual report.

Key operating and financial data

The key operating and financial data of the last 5 (five) years is set out in page # 51 of the annual report.

Dividend

The Board of Directors at their board meeting held on October 28, 2023 recommended to the shareholders No dividend for the year ended June 30, 2023.

Interim Dividend

No stock dividend has been declared as interim dividend for the year June 30, 2023.

Contribution to the National Economy

Saiham Cotton Mills Limited is one of the largest corporate tax payers of the country. The Company contributed Tk. 59.54 million during 2022-2023 to the National Economy of Bangladesh. Last five years comparative data are as follows:

(Taka in Million)

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Tax,VAT,Duty & Others	59.54	48.38	35.99	26.58	21.49

Board Meetings and Attendance

During the year total 06 (six) board meeting were held. Details of the board meetings are shown in the Page # 40. The managing Director who is an Ex Officio, CFO and Company Secretary were present in all board meetings.

Pattern of Shareholding

The pattern of shareholding (along with name wise details) of parent/subsidiary/associate companies and other related parties, Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Auditor and their spouse and minor children, executives, shareholders holding 10% or more voting interest in the Company as at 30 June 2023 are duly stated in the following report.

- a) Parent/Subsidiary/Associated Companies and other related parties: Nil.
- b) Chairman, Managing Director and their spouse and minor children (name wise details) as on June 30,2023:

Name of Directors	Position	No. of Shares held	%	Spouse or Minor Children	%
Mr. S. M. Faisal	Chairman	63,87,500	4.29%	Nil	Nil
Engr. Syed Ishtiaq Ahmed	Managing Director	1,29,59,017	8.71%	Nil	Nil
Mr. Syed Shafqat Ahmed	Director	1,89,59,017	12.74%	Nil	Nil
Mrs. Yasmin Faisal	Director	1,33,96,240	9.00%	Nil	Nil
Mr. S.F.A.M. Shahjahan	Sponsor	42,90,000	2.88%	Nil	Nil
Mr. Mohammed Nazmul Hussain, FCA	Independent Director	Nil	-	Nil	Nil
Mrs. Tasmina Ahmed	Sponsor	5,41,612	0.36%	Nil	Nil
Mrs. Natasha Ahmed	Sponsor	65,41,612	4.40%	Nil	Nil

- c) Chief Operating Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and compliance as on June 30,2023: Nil
- d) Shareholders holding ten percent (10%) or more votes interest in the company (name wise details) as on June 30,2023: Nil
- e) Shareholding of Senior Executive (Top Five salaried executive other than the Directors, CEO, CS, CFO & HIAC) : Nil

Directors appointment or re appointment

In terms of Article 108 of the Articles of Association of the Company, **Mr.S. M. Faisal**, Director retire by rotation from the Board in the 22nd Annual General Meeting. Being eligible under Article 110 of the Articles of Association of the Company, the retiring Director have offered themselves for re-appointment. The brief profile of the Director is given below :

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

Mr. S.M. Faisal – Chairman/Director

Mr. S. M. Faisal, son of Late Syed Sayeed Uddin Ahmed, is currently the Chairman of Saiham Cotton Mills Ltd. He is an MA as well as an LLB from The University of Dhaka. As a visionary entrepreneur, he is the founder of Saiham Group. He set up one of the most sophisticated textile mills - Saiham Textile Mills Ltd, in the early 1980s in one of the remotest and least developed areas in Bangladesh i.e. Noyapara, Hobiganj. Within 20 years the same area has been transformed into an industrial region and now boasts more than Tk. 20000 million of investment and employment generation of over 12,000 people. Mr. Faisal is the Managing Director of Saiham Textile Mills Ltd and the Chairman of Saiham Knit Composite Limited, and

Faisal Spinning Mills Ltd. He is ex-Director of Bangladesh Textile Mills Association (BTMA), the apex body of textile sector in Bangladesh and also an ex-Director of National Tea Company Limited. He was the Chairman of Saiham Cement Industries Limited, a cement manufacturing plant in Mongla. He is well renowned for his philanthropic work in the locality.

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

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

Appointment of Independent Director

As per BSEC notification for Corporate Governance Code, Ref. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, the Board of Directors appointed Mr. **Mohammed Nazmul Hussain, FCA** as Independent Director for the three years term and will be expired on January 2024.

Disclosure of information of the Independent Director

Mr. Mohammed Nazmul Hussain, FCA is a Chartered Accountant and more than 45 years’ professional experience. He is a Chief Financial Officer of BGMEA University of Fashion & Technology. He is also a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He has long experience financial accounting, management & cost accounting, statutory audit, special audit, internal audit, internal control, income tax, VAT, company law banking insurance and other business services. Previously, he was the Head of Finance of BOC Bangladesh Limited.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In compliance with the condition no. 5(xxv) of the Corporate Governance Code as issued by BSEC vide its notification dated 3 June 2018, a brief Management Discussion and Analysis is given on the following issues:

Accounting policies and estimation for preparation of financial statements

The financial statements of the company have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh. The financial statements of the company have been prepared assuming Going Concern basis based on the accrual basis except interest on FDR of accounting following under the historical cost convention except property, plant and equipment (PPE), investment in shares and investment in FDR.

Accounting policies and estimation for preparation of financial statements are also disclosed in notes # 2 of the financial statements on page # 74.

Changes in accounting policies and estimation

During the year 2022-2023, there was no changes in accounting policies and estimation in the Financial Statements.

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

Taka in Million

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Turnover	5,512	4,085	3,648	3,007	3,165
Gross Profit	492	684	484	149	347
Profit before Tax	77	286	113	(62)	206
Net Profit After Tax	45	188	53	(94)	169
Total Assets	10,943	9,400	9,722	9,212	9,176
Total Current Assets	5,244	3,435	3,571	3,534	3,369
Total Current Liabilities	4,592	2,795	3,437	3,072	2,894
Shareholders' Equity	5,351	5,456	5,401	5,352	5,578

Turnover

Turnover increased by BDT. 1427 Million in 2022-2023 Compared to last year due to increase in Sale volume.

Cost of Goods sold, Gross Profit Margin and Net Profit Margin.

	June 30, 2023	June 30, 2022
Cost of goods sold	5,020,361,795	3,401,578,550
Gross profit for the year	492,168,834	684,298,904
Net profit for the year	45,016,131	188,221,580

In the year 2022-2023, the cost of goods sold has increased by BDT. 1619 Million compared to 2021-2022 mainly due to increase in raw materials price. Cost of Goods Sold (COGS) has increased by 47.60 % in the year 2022-2023 over pervious year due to increase in sales price.

In the Financial Year 2022-2023 cost of goods sold stood at 91.07% of turnover whereas it was 83.25% of last year's turnover. The gross profit stood at BDT 492 Million in FY 2022-2023 compared to BDT 684 Million in FY 2021-2022 which is 8.92% and 16.74% of Turnover respectively.

CASH FLOW

Taka in Million

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Net Cash Flows from operating activities	(780)	691	486	34	131
Net Cash used in investing activities	(23)	301	(780)	(238)	(71)
Net Cash flows from financing activities	624	(884)	323	214	(127)
Net Increase/decrease in cash and cash equivalents	(179)	108	30	11	(66)
Opening cash and cash equivalents	205	89	56	37	106
Closing cash and cash equivalents	26	205	89	56	37
Net Operating Cash Flow Per Share (NOCFPS)	(5.25)	4.65	3.27	0.23	0.89

Compare financial performance or results and financial position as well as cash flows with the peer industry scenario

Particulars	Saiham Cotton	Malek Spinning	Maksons Spinning	Aman Cotton	Saiham Textile
EPS	0.30	(1.14)	(3.93)	(0.94)	(0.49)
NAV	35.97	46.77	16.11	34.50	41.84
NOCFPS	(5.25)	1.96	0.24		(10.22)
Dividend	Nil	Nil	Nil	10% Cash	Nil

Risks and concerns issues related to the financial statements

Risk: The current main risk factors of the yarn business in Bangladesh are additional yarn manufacturing capacity created in SAARC countries during last couple of years, higher inflation from increased cost of fuel, less stable labor management relation, and most significantly, recession and its possible severity. All natural and Man Made Fibers used as textile raw material along with the market of other commodities is still somewhat volatile. In addition, opening LCs for raw materials and spare parts has become a challenge in recent days because of the restriction arises from the concern of declining foreign currency reserve.


Opportunities, Threats and Concern: Being an export oriented unit, our produced yarn market condition is determined by the situation prevailing in our apparel business in countries like USA, EU, Far East and some other non-traditional market. We strongly believe that Bangladesh being one of the competitive apparel sourcing countries along with graduation of China from apparel manufacturing to other value added businesses, we have bright future. However, the market stability is probably more important than any other factors at the moment. Because of the continued disruption in the transportation sector the company makes all efforts to have best possible inventory management to avoid any possible shortage. This includes an effective internal control and management reporting system.

As our business is based on export, the exchange rate plays an important role for us. The value of Bangladeshi Taka and corresponding value of competitors' currency determines the extra advantage a country might enjoy on a short time basis and on a long time to certain extend. After almost 3 years of stable currency exchange rates more recently we could see huge devaluation, which would favor us but may create further challenge in managing monetary and fiscal policy of the government

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;

From the Covid shock developed countries have started to re-align with the new reality as soon as successful vaccination program was executed throughout the world. The consumer confidence in Europe and in America along with other developed nations reached at the pick and with the surplus money from the support measures offered by the governments of these countries people started spending on buying consumer products, apparel etc. On the other hand, Bangladesh was loaded with garments orders since the country handled Covid situation better than that of other competing nations like India, Pakistan, Vietnam etc. As such the gap between high demand and lower supply generated higher business growth and profit for the yarn manufacturing businesses.

Though it is difficult to predict any possible future outcome at this point of time because of Russia-Ukraine war and US Economic situation, yet it is clear that most of the large economies are now going through recession, which may continue or even could be worsen till end of 2024 and beyond. The severity and duration of the ongoing recession and war in Europe would surely play crucial role in our future business.



(Engr. Syed Ishtiaq Ahmed)
Managing Director

Declaration or certification by the MD and CFO

Declaration or certification by the MD and CFO has been given on page # 52 of annual report.

Report on Compliance of the corporate Governance Code

The company maintained a good Corporate Governance practices as described to page # 53 to 63 of the annual report.

Appointment of Statutory Auditors

The Auditors of the Company M/s. Rahman Mostafa Alam & Co, Chartered Accountants have completed their Second year audit of the company and eligible for re-appointment M/s Rahman Mostafa Alam & Co, Chartered Accountants have expressed their willingness to be re-appointed as the statutory auditor of the company for the year 2023-2024 in accordance with the provision of BSEC Order No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018 And Regulation Number 15(3) of Stock Exchange (Listing) Regulations 2015.

The Audit Committee reviewed the proposal for re-appointment and recommended to the Board for reappointment of M/s. Rahman Mostafa Alam & Co, Chartered Accountants at a remuneration of Tk. 400,000 (four lacs) only including tax but excluding VAT as the auditors of the company for the year 2023-2024 to hold office for the period until conclusion of the next (23rd) Annual General Meeting of the company for auditing the accounts for the year ended June 30, 2024.

The appointment of auditor to be placed before 22nd Annual General Meeting for shareholders' approval.

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

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

In this regard, many Chartered Accountants/Chartered Secretaries firm offered for appointment to issue "Corporate Governance Compliance Certificate". The Board recommended the proposal for appointment of Khan Wahab Shafique Rahman & Co., Chartered Accountants to issue "Corporate Governance Compliance Certificate" of Saiham Cotton Mills Limited for the year June 30, 2024 at a remuneration of Tk. 40,000 (forty thousand) only excluding VAT subject to approval of the shareholders of the company in the 22nd Annual General Meeting.

Appointment of Independent Scrutinizer

The Board of Directors in its board meeting appointed Shafiq Basak & Co. Chartered Accountants as an Independent Scrutinizer to observe the 22nd AGM. The due process of election and detailed information of voting results shall be authenticated by him.

Acknowledgement

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

For and on behalf of the Board of Directors.



.....
(S. M. Faisal)
Chairman

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Saiham Cotton Mills Limited (SCML) has been operating not only as a business entity but also trying to perform of the Corporate Social responsibility that is bestowed upon it. The said set up of the industry in a remote village more than 20 years back and the economic development achieved by the locality and its resident eventually culminating into a small township only summarized the success story of SCML. Having over 200 years of relationship with the ancestors of the locality and the entrepreneurs it was always social responsibility first rather than the business perspective that was prevalent. Following are some of the major Corporate Social Responsibilities of SCML and its sponsors to mention a few activities:

Women Empowerment:

Women in this locality were confined within the boundaries of their house and were concentrated to only household work. The dark reality was that they were never financially and socially independent. The teenage girls forced to be married in their early teens due to social taboo were in most cases divorced few years later, probably with the responsibility of the new born children on their shoulder. For security and social pressure, they would marry again only to face the same destiny in most of the cases. Presently the women comprise of almost 65% of the work force of SCML. These steps gave dividends as these women were no longer bounded by the social force of getting married in early ages and having children, rather the women started determining their own fate of marrying or remarrying as they are financially independent now. A small dream with a little effort and courage has transformed the entire socio-economic situation of the area for which SCML really can claim to be the initiator.

Development of the locality:

Setting up industry in a remote village far away from the Capital city was an initiative not supported by business elites at that time. With no or limited infra structure, every corner including few financial institutions requested of reevaluation of the decision to set up the industry in such remote village. Almost 2 decades on, and with the success story of SCML and its other sister concerns of the group, the area has turned out to be the most sought after industrial area in the country.

Free Eye Camp:

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

COVID 19:

During the pandemic COVID 19, realising the severity of the situation the company not only ensured that all its workers are retained and taken care of properly with timely payment of their salary and bonuses, the company took up one of the largest Food Distribution Program in the district in distributing free essential food items among the thousands of distressed locals. With the help of the local administration free PPE and face masks were distributed and an strong campaign was launched within the factory premises to educate the workers of the social distancing, hygiene, hand wash and ways to avoid the transmission of COVID 19.

Patrons:

SCML realises the fact that education is the back bone of the society and believes education as a primal tool for social change. The contribution of SCML towards the educational sectors to enhance the leadership skill to prepare the new upcoming generations for the real world can be seen in their whole hearted participation of almost all educational institution of the locality. Not only that, the entity is maintaining a complete chain of educational institutes starting from primary school, high school, Colleges, and Universities. S.M. Faisal Primary School, Syed Sayeeduddin Ahmed School and College, Syed Sayeeduddin Ahmed University and College are some of the institutions to name which are being looked after by SCML. SCML has also expanded their philanthropic hand in the local Madrasha, namely Itakhola Aliya Madrasha. Not only with financial help, they have gone limit in constructing buildings with their own fund. There are instances when the salaries of the teachers were also paid from these institutions, as it awaited Government recognition. All the educational institutions are well reputed and have high respect among nearby locality for their quality of education.

Financial Independence:

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

Contribution to Religious Institutions

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

Warm Clothes Distribution

The area Noyapara, Saihamnagar is situated in the North East of Dhaka among the lush green tea garden area. As such the weather here is extremely intriguing. The temperature during the winter times comes down very much. Even though it lasts for several weeks yet extreme cold along with severe fog makes life unbearable. May it be adults, children or elderly persons living in the village home, sleeping at night becomes impossible due to wet like cold floor and chilling air blowing through. The sponsors/SCML comes up for the help of this distressed people. Every year on a routing wise schedule they distribute blankets familywise and sweaters and warm clothes to individual for free. The biggest satisfaction observed during this distribution is that after 2/3 years of distribution it was observed that major people are covered with this hot clothing and can survive the initial spell of cold weather the subsequent year.

Law and Order Situation

The village of Saihamnagar has transformed into an industrialized area and along with it has transformed the citizens staying there. As already mentioned, everyone values time and realized his or her contribution

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

Sewerage and Drainage Problem Solution

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

Environmental Aspect

SCML is an environment conscious entity. Though today's textile industry is one of the biggest sources of water and air pollution on Earth, but spinning operation is creating least problem. Co-generation or Combined Heat and Power (CHP) is the simultaneous generation of both electricity and heat from the same fuel, for useful purposes and one of the bigger solution for reducing the carbon emission. The average global efficiency of fossil-fuelled power generation has remained stagnant for decades at about 40%. Technologies already exist today to bring the generation fleet closer to 45% efficiency. Even though not essential for SCML yet SCML has ventured into the co-generation arena, out of their responsibility towards the environment and Mother Nature. As such not only production wise, SCML has set up one of the **largest co-generation system in Bangladesh** in spinning sector where the polluted exhaust gas of the Generators are recycled into a close system to produce chilled water, instead of releasing them in the open air thus utilizing almost over 70% of utilized energy. The recycled exhaust is then used as a chilled water to reduce the internal temperature of the manufacturing floor. The whole process is a complete closed chamber and saves the environment of the polluted discharge of the generator sets and thus contributing to the Carbon Footprint.

SCML has set up an own grid of 50 Kwh solar electricity plant. The electricity is generated and is used for the day-to-day non-production related work, thus contributing to the reduction of Carbon Footprint. A master plan is underway where SCML plans to harvest the rainwater in recycling the water for its various internal use mainly gardening and toilet flushing by the end of year 2023.

Tree plantation

Trees are immense to protect our climate. Without trees, the whole world can be a desert. Trees provide oxygen to live. Trees are being planted around our homes, on roads, in parks, in gardens, along railroads, and in fallow lands, and in any vacant lot. Plants are very essential for our environment. The importance of tree plantation can't be ignored any more. To protect our environment and to maintain ecological balance Saiham Cotton Mills Limited has been arranging tree plantation programs continuously with its local people indifferent places intended to offset the carbon emission in the country.

STATEMENT OF CORPORATE GOVERNANCE

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

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

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

Statement of Compliance

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

As Saiham Cotton Mills Limited is listed with Stock Exchanges in Bangladesh, we comply the BSEC's notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018. For the year ended June 30, 2023, we have complied with the relevant provisions set out in Annexure-C of this report. In addition, to established standards of Corporate Governance, the company also considered best governance practices in its activities.

Board Composition

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

Retirement and Re-election of Directors

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

Independent Director

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to appointment of independent Director to the Board. Saiham Cotton Mills Limited has 01 (one) Independent Director namely Mr. Mohammed Nazmul Hussain, FCA.

Chairman of the Board of Directors and Managing Director or Chief Executive Officer of the Company is different person

The position of the Chairman of the Board and the Managing Director of Saiham Cotton Mills Limited were filled by two different individuals. The Chairman was elected from among the non-Executive Directors of the company. The Managing Director was also appointed from the board members. The Board of Directors has clearly defined roles and responsibilities of the Chairman and Managing Director of the company.

Roles and Responsibilities of the Board of Directors

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

- ◆ Reviewing and adopting a strategic plan for the company;
- ◆ Overseeing the conduct of the company's business to evaluate whether the business is being properly managed;
- ◆ Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- ◆ Succession planning, including appointing, training, fixing the compensation and where appropriate, replacing senior management;
- ◆ Developing and implementing an investor relations program or shareholder communications policy for the company;
- ◆ Reviewing the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, and regulations, rules, directives and guidelines;
- ◆ Approving the financial statements and accounting policies of the company;
- ◆ Approving changes in the policy;
- ◆ Recommending dividend for declaration in AGM;
- ◆ Establishing committees including the Audit Committee & Nomination and Remuneration Committee (NRC);
- ◆ Receiving and reviewing reports from committees of the Board;
- ◆ Establishing and monitoring compliance with the company's standards of business conduct and other policies of the company;
- ◆ Establishing appropriate systems of corporate governance in the company;
- ◆ Considering and approving other matters specially reserved for the attention of the Board; and
- ◆ Constantly guide and assist the company in external stakeholder management.

Chairman of the Board

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

Role of the Chairman

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

Role of the Managing Director

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

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

Board Meetings

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

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

Number of Board Meeting held in for the year June 30, 2023

The Board of Directors of Saiham Cotton Mills Limited during the year 2022-23, 06 (six) meetings were held & the attendance records are as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. S. M. Faisal	Chairman	6	6
Engr. Syed Ishtiaq Ahmed	Managing Director	6	6
Mrs. Yasmin Faisal	Director	6	6
Mr. Syed Shafqat Ahmed	Director	6	6
Mr. Mohammed Nazmul Hossain, FCA	Independent Director	6	6

Role of Company Secretary

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

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

Role of Chief Financial Officer (CFO)

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

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

Role of the Head of Internal Audit and Compliance

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

Secretarial Standards

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

Board Committees

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

Audit Committee

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

Composition of Audit Committee

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

Mr. Mohammed Nazmul Hussain, FCA, Chairman, Audit Committee

Mrs. Yasmin Faisal, Member, Audit Committee

Mr. Syed Shafqat Ahmed, Member, Audit Committee

Mr. Md. Sahinur Kabir, FCS, Secretary, Audit Committee

Chairman of the Audit Committee

The committee headed by Mr. Mohammed Nazmul Hussain, FCA with 42 years of knowledge and experience in the field of financial accounting, management & cost accounting, statutory audit, special audit, internal audit, internal control, income tax, VAT, company law banking insurance and other business services.

Meeting of the Audit Committee

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

Role of Audit Committee

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

- ◆ Oversee the Financial Reporting Process;
- ◆ Monitor choice of Accounting Policies and Principles;
- ◆ Monitor Internal Audit and Compliance Process;
- ◆ Oversee hiring and performance of External Auditors;
- ◆ Hold meeting with the external or Statutory Auditors for review of the Annual Financial Statements before submission to the Board for approval;
- ◆ Review along with management, the quarterly and half yearly Financial Statements before submission to the Board for approval;
- ◆ Review the internal audit function;
- ◆ Any other matters as per terms of reference of the audit committee as per notification of the BSEC.

Reporting of Audit Committee

The audit committee directly reports to the Board of Directors.

Nomination and Remuneration Committee (NRC)

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

Composition of Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee consists of three Directors including one Independent Director. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC. The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee (NRC). The Nomination and Remuneration committee consists of the following members:

Mr. Mohammed Nazmul Hussain, FCA, Chairman
 Mrs. Yasmin Faisal, Member
 Mr. Syed Shafqat Ahmed, Member
 Mr. Md. Sahinur Kabir, FCS, Secretary

Chairman of Nomination and Remuneration Committee (NRC)

Mr. Mohammed Nazmul Hussain, FCA, Independent Director is the Chairman of the Nomination and Remuneration Committee.

Meeting of Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) of the Board met 01 (one) time during the year 30 June, 2023.

Role of the Nomination and Remuneration Committee (NRC)

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

Price Sensitive Information (PSI)

The Board of Saiham Cotton Mills Limited through the Company Secretary always ensures to inform all Price Sensitive Information (PSI) within 30 minutes of the decision or immediately upon getting such information to the BSEC and the Stock Exchanges and also ensure immediate publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English

and one in online news site. The communication is done through Fax, E-mail, by special messenger and through courier service in special cases.

Dividend Distribution Policy

Introduction

This Policy has been formulated by Saiham Cotton Mills Limited pursuant to Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021.

Statutory and Regulatory Compliance

The Company shall declare dividend only after ensuring compliance with the regulatory guidelines on dividend declaration.

Financial Parameters

Availability of profits;
Company's liquidity position and future cash flow requirements for operation;
Profits earned during the financial year.

Internal Factors

Growth rate of past earnings;
Earnings stability;
Accumulated reserves;
History of dividends distributed by the company; and
Working capital requirements.

External Factors

Shareholders' expectations;
Industry outlook for the future years;
Changes in the government policies or changes in regulatory provisions; and
Other relevant factors that the Board may deem fit.

Entitlement of Dividend

The company shall determine the record date of members. Members whose names shall appear in the Members'/Depository Register on the Record date will be eligible to receive dividend.

Approval Procedure

The dividend proposal placed before the Board for its recommendation shall be in term of this policy;

The recommendation of the Board should be placed before the Annual General Meeting for final approval of the Shareholders.

Dividend Distribution

1. Company shall pay off the dividend the entitled shareholders within 30 days of approval.
2. Equivalent amount of cash dividend shall be kept in a dedicated separate Bank Account.
3. Company shall pay off cash dividend to the bank account of the entitled shareholder are available in the BO account maintained with the Depository Participant(DP) or the Bank Account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer

Network (BEFTN) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

4. In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, company shall issue cash dividend warrant and shall send it by post to the shareholder;
5. Company shall credit stock dividend directly to the BO account of the entitled shareholder, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL); and
6. If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the company to the fund as directed or prescribed by the Commission.

Information and disclosure of unpaid or unclaimed dividend

Company shall maintain detailed information of unpaid or unclaimed dividend as per BO account number-wise or name-wise or folio number-wise of the shareholder and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/Annually) as a separate line item 'Unclaimed Dividend Account'.

Compliance report to the Commission and Stock Exchanges

The company shall submit a compliance report to the Commission and the Exchanges in a specified format in respect of the provisions of clause (2), (3), (4) and (5) of the Directive No. BSEC/CMRRCD/2021-386/03; dated: January 14, 2021 within 7 (Seven) working days of the completion of dividend distribution and publish the compliance report in its website.

Statement of Internal Control

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

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

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

Control Environment

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

Control Activities

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

Information and Communication

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

Monitoring

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

Statement of Risk Management

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

Statements of Directors Responsibilities on Financial Statements

The Directors are responsible for preparing the annual report and financial statements in accordance with the Companies Act 1994, Securities and Exchange Rules 2020, Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

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

The Directors are also required to ensure that the financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) and BFRS as applicable in Bangladesh and provided as required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 2020 and the regulations of the Dhaka/Chittagong Stock Exchanges Ltd. They are also responsible for taking reasonable measures to safeguard the assets of the company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to preventing and detecting fraudulent activities and other irregularities.

The Directors are of the view that these financial statements have been prepared under the generally accepted accounting principles and in accordance with the International Accounting Standards.

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

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

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

Communications and Relationship with Shareholders

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

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

Website

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

Shareholders Queries

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

Shareholders can contact No.: +88 02 222262284 or mail: info@saihamcotton.com to Saiham Cotton Mills Limited Share Office for any queries and/or grievances.

UNPAID OR UNCLAIMED DIVIDEND STATEMENT

As on June 30,2023

Financial Year	Cash Dividend (Taka)	Stock Dividend (No of Shares)
2017-2018	12,18,393	Nil
2018-2019	16,00,472	Nil
2020-2021	13,57,712	Nil
2021-2022	14,47,554	Nil
Total	56,24,131	

AUDIT COMMITTEE REPORT

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

The Committee is a sub-committee of the Board which is appointed by and responsible to the Board of Directors. The Audit Committee was constituted by the Board consisting of the following members:

Sl. No.	Name	Status in the Board	Status in the committee
01.	Mr. Mohammed Nazmul Hussain, FCA	Independent Director	Chairman
02.	Mrs. Yasmin Faisal	Director	Member
03.	Mr. Syed Shafqat Ahmed, MBA	Director	Member
04.	Mr. Md. Sahinur Kabir, FCS	Company Secretary	Secretary

During the financial year ended on June 30, 2023 , the Audit Committee held 04 (four) meetings in which , the following issues , among others were reviewed and discussed :

- ◆ Reviewed the Quarterly, Half Yearly and Annual Financial Statements of the Company before submission to the board for their approval.
- ◆ Reviewed the internal controls and internal audit function.
- ◆ Met with the external auditors and had discussion on the audit of Financial Statements of the company.
- ◆ The Committee reviewed the Audit Plan for the year 2023-2024.
- ◆ The Committee reviewed the performance and appointment of external auditors
- ◆ The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the Company and didn't find any material deviation, discrepancies or any adverse finding/ observation in the area of reporting.

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

On behalf of the Audit Committee



(Mohammed Nazmul Hussain, FCA)
Chairman, Audit Committee

NOMINATION AND REMUNERATION COMMITTEE (NRC) REPORT

The Board of Directors of Saiham Cotton Mills Limited has duly constituted a Nomination and Remuneration Committee (NRC), as per the requirements of the BSEC Code of Corporate Governance. The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top level executives. The NRC also assists the Board to formulate policy for formal and continued process of considering remuneration/honorarium of Directors and top-level executives.

The Report of Nomination and Remuneration Committee (NRC) is prepared according to the requirements of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). This Report covers nomination and remuneration policies, evaluation criteria and activities of NRC.

TOP LEVEL EXECUTIVE SELECTION AND REMUNERATION POLICY

The Company follows nomination and remuneration policies, as on standards and recognizable in the market context and sufficient to meet the current and future needs of the Company. The broad criteria in that respect for Directors and top-level executives and all other employees of the Company are as follows:

a) Nomination Criteria:

- i. Observe with the Company policies as well as guidelines and applicable country regulations
- ii. Ensure a selection process that is transparent in all respects.
- iii. Following a process which is compatible to standards on best practices.
- iv. Recognize core competencies of the respective personnel for the different level of management and employees of the Company
- v. Consider diversity in age, maturity, qualification, expertise and gender disciplines.

b) Recruitment and Selection Guidelines:

The NRC draws a broad outline of the Company needs for employees at different levels, as ascertained by the management. The recruitment and selection of Directors, top-level executives and other employees of the Company are made according to the following guidelines:

Director(s): The NRC recommends the candidate(s) for Director(s), based on company Laws, BSEC guidelines, rules and regulations. The Board of Directors appoints the Director(s) upon nomination and recommendation of the NRC and subject to approval by the shareholders in General Meeting.

Independent Director: The Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contribution to the business. The Independent Director should have competence relevant to the sector in which the Company operates, and necessarily should have the qualifications as required by the regulations of BSEC. The Board of Directors appoints Independent Director upon nomination and recommendation of the NRC, which is then approved by shareholders at the Annual General Meeting of the Company.

Top-level executives: The NRC identifies and recommends candidate(s) for top-level executives upon thorough scrutiny by the Managing Director and Human Resources Department (HRD), considering

relevant qualifications, experience, skills and leadership, as required for the respective positions based on the Company's internal selection process.

Explanation: 'Top-level executives' of the Company include Managing Director, Chief Financial Officer, Head of Human Resources, Chief Production Officer, Company Secretary, Head of Internal Audit & Compliance, and same level/ ranked/ salaried officials of the Company.

Other Employees: The NRC sets a guideline to identify the Company's need for employees at different levels and empowers the relevant management of the Company's HRD for selection, transfer, replacement and promotion of respective employees based on the HR policy of the Company.

c) Remuneration Criteria

i. The structure, scale and composition of remuneration/ honorarium are reasonable and sufficient to attract, retain and motivate suitable Directors, top-level executives and other employees to run the Company efficiently and successfully;

The context of packages, including remuneration/ benefits monthly, yearly and in the long run for all the employees are categorically laid down and meets the appropriate performance benchmarks;

ii. There is a clear balance in benefits between fixed and incentive pay of the Directors and senior management, reflecting short and long term performance goals and objectives of the Company;

iii. The remuneration, including bonuses, compensation, benefits (or in whatever form) payable to the Directors, top-level executives and other employees are determined by the NRC based on the respective Company HR policies and guidelines, which shall be ratified by the Board as and when required;

iv. The remuneration to be paid to the Directors is in accordance with the Company's HR policies and guidelines;

v. Increments (if any) to the existing structure of remuneration are determined by the NRC based on the Company's HR policies and guidelines, which are ratified by the Board as and when required;

vi. The NRC will recommend the Board meeting attendance fees, honorarium, including incidental expenses, if any; and

vii. No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than attendance fees or honorarium from the Company.

EVALUATION CRITERIA

a) Independent Director & Non-Executive Director

The evaluation of performance of the Independent Directors (IDs) and Non-Executive Directors are carried out at least once a year by the Board of Directors, according to the following criteria:

a) Attendance at the Board meetings and Committee meetings

- b) Participation in the Board meetings and committee meetings
- c) Contribution to improving the corporate governance practices of the Company

b) Top-level Executives & other Employees

The respective line authority of top-level executives and other employees sets the performance measurement criteria based on the respective roles and responsibilities to achieve people and business objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document (half-year and year end). The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria.

COMPOSITION AND MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE

Formation of NRC Committee and its Meetings

The Committee is appointed by and responsible to the Board of Directors. The present NRC was constituted by the Board consisting of the following members:

SL #	Name	Status in the Board	Status in the Committee
01.	Mr. Mohammed Nazmul Hussain, FCA	Independent Director	Chairman
02.	Mrs. Yasmin Faisal	Director	Member
03.	Mr. Syed Shafqat Ahmed, MBA	Director	Member
04.	Md. Sahinur Kabir, FCS	Company Secretary	Secretary

In 2022-23, the Committee met once. Mr. Mohammad Nazmul Hossain, FCA, presided as the Chairman of the Committee.

MAJOR ACTIVITIES OF NRC

Major activities of the NRC during the year were as follows:

- i. Reviewed the goals and successes of the Managing Director/CEO against the operating activities for the year 2022-2023.
- ii. Reviewed the terms of reference of NRC.
- iii. Formulated a policy relating to the remuneration of the Directors, top-level executives and all employees of the Company.
- iv. Formulated the criteria for determining qualifications, positive attributes and independence of a Director.
- v. Formulated the criteria for evaluation of performance of Independent Directors and the Board Members.
- vi. Identified criteria for selection, transfer or replacement and promotion at different levels of the Company.
- vii. Reviewed the HR Policy of the company.

For and on behalf of the Nomination and Remuneration Committee



Mr. Mohammed Nazmul Hussain, FCA
Chairman

Nomination and Remuneration Committee

THE KEY OPERATING AND FINANCIAL DATA

Annexure: I

Financial Highlights

Taka in Million

Particulars	2022-2023	2021-2022	2020-2021 Restated	2019-2020	2018-2019
Turnover	5,513	4086	3,648	3,007	3,165
Gross profit	492	677	484	149	347
Net profit after tax	45	188	160	(95)	169
Net cash operating activities	(781)	691	487	35	131

Table: Summary of Balance Sheet

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Authorized capital	2,000	2,000	2,000	2,000	2,000
Paid-up capital	1,488	1,488	1,488	1,488	1,488
Reserve and surplus	1,727	1,750	1,610	1,442	1,569
Shareholders' equity	5,352	5,456	5,401	5,352	5,579
Non-current liabilities	1,000	1,149	884	788	704
Current liabilities	4,593	2,795	3,437	3,072	2,895
Total Liabilities	5,592	3,944	4,321	3,860	3,599
Non-current Assets	5,699	5,965	6,151	5,678	5,808
Current Assets	5,245	3,435	3,572	3,535	3,370
Total Assets	10,944	9,400	9,723	9,213	9,178
Net Assets	5,352	5,456	5,402	5,353	5,579
Book value per share	10	10	10	10	10
Earning per share	0.30	1.27	0.36	(0.64)	1.14
Dividend per share :					
Cash	-	11%	10%	-	10%
Stock	-	-	-	-	-
Number of shareholders	12,106	11,588	11,554	9,748	9,699

Table : Ratios

Particulars	2022-2023	2021-2022	2020-2021 Restated	2019-2020	2018-2019
Debt to Equity Ratio	1.04	0.72	0.8	0.06	0.65
Current Ratio	1.14	1.23	1.04	1.74	1.16
Gross profit/Sales (%)	8.93%	16.75%	13.27%	4.95%	10.98%
Operating profit/Sales (%)	4.13%	10.38%	2.18%	-4.15%	4.76%
Profit after tax/Sales (%)	0.82%	4.61%	1.48%	-3.15%	5.36%
Return on Asset (%)	0.76%	2.99%	1.20%	-0.68%	2.25%
Return on Equity (%)	1.43%	5.27%	2.11%	-1.16%	5.22%

The Board of Directors

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

Sub: Declaration or Certification on Financial Statements for the year ended June 30, 2023.

Dear Sir(s)

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

1. The Financial Statements of Saiham Cotton Mills Limited for the year ended on June 30, 2023 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, 2023 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Engr. Syed Ishtiaq Ahmed)
Managing Director
Date: October 18, 2023



(Syed Rakibul Hasan)
Chief Financial Officer
Date: October 18, 2023

Khan Wahab Shafique Rahman & Co.

CHARTERED ACCOUNTANTS

SINCE 1968



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of independent audit, tax, accounting and consulting firms

Report to the shareholders of Saiham Cotton Mills Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Saiham Cotton Mills Limited** for the year ended on 30 June 2023. This Code relates to the Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80** dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

Place: Dhaka

Dated: 29 NOV 2023




Md. Tanjilur Rahman FCA
Partner
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

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Tel : 02333320056, E-mail: kwsrctg@gmail.com

STATUS OF COMPLIANCE

Annexure -C

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80, dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 9.00)

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (in any)
		Complied	Not complied	
Board of Directors				
1(1)	Board Size: The number of the board member shall not be less than 05 (Five) and more than 20 (Twenty)	✓		Board comprised of 5 (Five) 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.	✓		There are 1(One) Independent Director namely Mohammed Nazmul Hussain, FCA
Independent Directors				
1(2)(b)(i)	Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up.	✓		Does not hold any shares
1(2)(b)(ii)	Independent Director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	✓		Independent Director is not connected to the company
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		Complied
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		Independent Director have no relationship
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange?	✓		Complied
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;	✓		Complied
1(2)(b)(vii)	Independent Director is not a partner or an executive or was not a Partner or and executive during the preceding 3(three) years of the concerned company's statutory audit firm	✓		Complied
1(2)(b)(viii)	Independent Director shall not be an independent director in more than 5 (Five) listed companies	✓		Complied
1(2)(b)(ix)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non-Bank financial Institution (NBFi)	✓		Complied
1(2)(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude	✓		Complied
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		The independent director was appointed at company's 20 th AGM

1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days	√		There has been no vacancy in the position of Independent Director
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.	√		Complied
	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory and corporate laws and can make meaningful contribution to business.	√		Sufficiently Knowledgeable
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of taka 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; or	√		Mr. Mohammed Nazmul Hussain, FCA is a CFO of BGMEA University of Fashion & Technology
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th grade of the national pay scale, who has at list educational background of bachelor degree in economics or commerce or business or law; or	N/A		-
1(3)(b)(iv)	University Teacher who has educational background in economics or commerce or business studies or law; or	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 & Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	N/A		-
1(3)(c)	The Independent director shall have a at least 10 (Ten) years of experience in any field mentioned in clause (b);	√		-
1(3)(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.	N/A		-
1(4)(a)	The position of the Chairperson of the board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		Yes
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;	√		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 & responsibilities of the Chairperson and the Managing Director and/ or Chief Executive Officer;	√		Complied

1(4)(e)	In the absence of the Chairperson of the board, the remaining members may elect one of themselves from executive directors as Chairperson for those particulars. Boards Meeting; the Reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		Complied
The Directors' Report to Shareholders				
1(5)(i)	An Industry outlook and possible future developments in the industry;	√		Complied
1(5)(ii)	The segment-wise or product-wise performance;	√		Complied
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		Complied
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		Complied
1(5)(v)	Discussion on Continuity of any Extra-Ordinary gain or loss	√		Complied
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;	√		Complied
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any others 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)	If significant variance occurs between Quarterly financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		Exchange gain / loss
1(5)(x)	Remuneration to directors including independent directors	√		No Remuneration
1(5)(xi)	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	√		Mentioned in "MD and CFO Declaration"
1(5)(xii)	Proper books of account of the issuer company have been maintained	√		Do
1(5)(xiii)	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	√		Do
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 there from has been adequately disclosed;	√		Do
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		Do
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;	√		Do
1(5)(xvii)	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;	√		Yes
1(5)(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		Yes
1(5)(xix)	Key operating and financial data of at least preceding 5(five) years shall be summarized	√		Complied

1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year	√		Complied
1(5)(xxi)	Board's statement of the effect that no bonus share or stock dividend has been or shall be or declared as interim dividend;	√		Complied
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		6 (Six) board meeting has conducted in the year 2022-23
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties(name wise details)	√		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)	√		Complied
1(5)(xxiii)(c)	Executives; and	√		Complied
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		Complied
1(5)(xxiv)(a)	A brief resume of the director	√		Complied
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas	√		Complied
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		Complied
1(5)(xxv)(a)	Accounting Policies and estimation for preparation of financial statements;	√		Complied
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		Complied
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 years with immediate preceding Five years explaining reasons thereof;	√		Complied
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		Complied
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		Complied
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		Complied
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 ;	√		Complied
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; and	√		Complied
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	√		Complied
1 (6)	The company shall conduct its board meeting 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) in so far as those standards are not inconsistent with any condition of this code.	√		Complied

1 (7)(a)	The board shall lay down a code of conduct, based on the recommendation of the Nomination & Remuneration committee (NRC) at Condition No-6, For the Chairperson of the board, other board members and chief executive officer of the company;	√		There is a written Code of Conduct
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, employee, customers and suppliers ; and independency.	√		The Code of Conduct is available on the website of the company
	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the compositions of the Board of Directors of the subsidiary company	N/A		–
2 (b)	At least 1(one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors 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		–
	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)(a)	The board shall appoint a Managing Director (MD) or Chief Executive officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and Head of internal Audit and Compliance (HIAC)	√		Complied
3(1)(b)	The Position 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'	√		Complied
3(1)(c)	The MD and CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		Complied
3(1)(d)	The board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		In practice
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 stocks Exchange(s)	√		In practice
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meeting of the board. Provided that the CS, CFO and/ or the HIAC shall not attend such part of a meeting of the board which involves consideration of an agenda item relating to their personal matters.	√		Complied
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; and	√		Complied
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;	√		Complied

3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transaction 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.	√		Complied
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the annual report.	√		Complied
Board of Directors' Committee				
4(i)	Audit Committee; and	√		Complied
4(ii)	Nomination and Remuneration committee.	√		Complied
Audit Committee				
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board	√		Audit Committee is established as per BSEC guidelines
5(1)(b)	The Audit Committee shall assist the Board 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	√		Complied
5(1)(c)	The Audit Committee shall be responsible to the Board, the duties of the Audit Committee shall be clearly set forth in writing	√		Complied
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members	√		Audit Committee comprised of 3 (Three) members
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		Non-Executive Directors are appointed by the board
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.	√		Complied
5(2)(d)	When the term of service of any committee member expires or there any circumstance causing any committee member to be unable to hold office before 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 shall appoint the new committee member to fill up the vacancy immediately or not later than 1 (One) month from the date of vacancy in the committee to ensure continuity of the performance of work of the audit committee ;	√		The Board appointed AC member in due time and no vacancy occurred.
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		Complied
5(2)(f)	The quorum of the Audit Committee meeting shall not constituted without at least 1(one) independent director	√		Complied
5(3)(a)	The Board of Directors shall select 1(one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	√		The Chairman of the Audit Committee is an Independent Director
5(3)(b)	In the absence of the chairpersons of the audit committee, the remaining members may elect on of themselves as chairpersons for that particulars meeting, in that case there shall be no problem of constituting a quorum as required under condition No-5(4)(b) and the reason of absence the regular chairperson shall be duly recorded in the minutes.			No such issue occurred

5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		In practice
5(4)(a)	The Audit committee shall conduct at least its four meetings in a financial year	√		There are 4(Four) meetings held during the year
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.	√		Complied
5(5)(a)	Oversee the Financial reporting process	√		Audit Committee performs as per BSEC guidelines
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;	√		Complied
5(5)(d)	Oversee hiring and performance of external auditors	√		Complied
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.	√		Complied
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval	√		Complied
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		Complied
5(5)(h)	Review the adequacy of internal audit function	√		Complied
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		Complied
5(5)(j)	Review statement of all related party transactions submitted by the management	√		Complied
5(5)(k)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	√		Complied
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; and	√		Complied
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 IPO/RPO/Rights issue was made in the financial year
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		Complied
5(6)(a)(ii)(a)	Report on conflicts of interests;			No such issue occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such issue occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such issue occurred
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such issue occurred

5(6)(b)	Reporting to the Authorities :If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such issue occurred
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		Audit Committee report incorporated in the annual report
Nomination and Remuneration Committee (NRC)				
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		NRC is established as per BSEC guidelines
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;	√		Complied
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).	√		Complied
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		Complied
6(2)(b)	All members of the Committee shall be non-executive directors;	√		Complied
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		Complied
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		Complied
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such issue occurred
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 occurred
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		Complied
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		Complied
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		Complied

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;	√		Complied
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 occurred
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		Complied
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		Complied
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		No such case happened in the reporting year
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);	√		Complied
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.	√		Complied
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		Complied
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;	√		Complied
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		Complied
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;	√		Complied
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		Complied
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;	√		Complied
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		Complied
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		Complied
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		Complied
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.	√		Complied

External or Statutory Auditors				
7.1	The issuer company shall not engage its external or statutory auditors to perform the following service of the company, namely			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		Complied
7(1)(ii)	Financial information systems design and implementation;	√		Complied
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		Complied
7(1)(iv)	Broker-dealer services;	√		Complied
7(1)(v)	Actuarial services;	√		Complied
7(1)(vi)	Internal audit services or special audit services;	√		Complied
7(1)(vii)	Any service that the Audit Committee determines;	√		Complied
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		Complied
7(1)(ix)	Any other service that creates conflict of interest.	√		Complied
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;	√		Complied
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.	√		Complied
Maintaining a website by the Company				
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		Complied
8(2)	The company shall keep the website functional from the date of listing.	√		Complied
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).	√		Complied
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.	√		Complied
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.	√		Khan Waheb Shafique Rahman & Co provide the certificate of CGC
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		Complied

**Independent Auditor’s Report
To the Shareholders
of
Saiham Cotton Mills Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of **Saiham Cotton Mills Limited** (the “Company”), which comprise the statement of financial position as at June 30, 2023, and the statement 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 summary of significant accounting policies and other explanatory information disclosed in notes 1 to 39 & Annexure-A to D.

In our opinion, the accompanying financial statements presents fairly in all material respects the financial position of the Company as at June 30, 2023, 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 2020 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 Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

1. We were not provided Trust Deed copy of gratuity fund.
2. We have sent balance confirmation letter to confirm Advances Deposits and prepayments, Cash at Bank, and Trade and other Payables among those we didn't receive reply from few letters:

Particulars	Confirmation Sent (BDT)	Confirmation not receipt (BDT)
Trade and other Payables	14,083,011	2,600,000
Advances, Deposits and prepayments	17,310,300	835,300

1. FDRs lien status were not confirmed:

FDR No.	Tk.
UNICAP,0311	20,522,050
UNICAP,2015 08 211	64,668,680
UNICAP,2015 08 232	17,211,859

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 year. 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.

Risk	Our response to the risk
Turnover	
<p>The Company has made net sales of Tk. 5,512,530,629 during the year. In the process of recovering from epidemic, their sales have been increased compared to the last year. Recognition of the revenue has been considered complex to sever types of contracts based mainly on export sales, as well as high sales volume comparing to the last few years' performance.</p> <p>This matter is considered a key matter due to the level of judgment required to determine the timing of revenue recognition and measurement.</p>	<p>Our procedure includes:</p> <ol style="list-style-type: none"> 1. Reviewing the director's assessment of selecting the major customer, ensuring the veracity of the data presented and assessing management's consideration of this process; 2. Assessing completeness and accuracy of the data used for recognition of revenue; 3. Reviewing the company's revenue recognition policies, accounting guidelines and disclosures to assess conformity with IFRS 15 "Revenue from Contracts with Customers". 4. Evaluating the appropriateness of the notes related to the company's revenue; and
Refer "Turnover" of the Financial Statements.	

Acquisition of Property, Plant & Equipment	
<p>At the end of the year the company recorded total Property, Plant & Equipment Tk. 5,154,764,307 (Carrying Amount). Which is 47.1% of total assets.</p> <p>There are a number of areas where management's judgment impacts the carrying value of PPE and the related value of depreciation and this includes.</p> <ol style="list-style-type: none"> 1. Determine which costs meet the criteria for capitalization. 2. The estimation of economically useful lives and residual values assigned to property, plant, and equipment. 	<p>Our audit procedures to assess the carrying value of PPE included the followings:</p> <ol style="list-style-type: none"> 1. Assessing the design, implementation, and operating effectiveness of key internal controls over the completeness, existence, and accuracy of property plant and equipment, including the key internal controls over the estimations of useful economic lives and residual values. 2. Assessing, on a sample basis, the costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements & invoices, and assessing whether the costs capitalized met the relevant criteria for the capitalization; and 3. Evaluating management estimations of useful

<p>We identified the carrying value of property, plant, and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<p>economic lives and residual values by considering our knowledge of the business.</p>
<p>Refer note no. 3 to the Statement of financial position.</p>	

<p style="text-align: center;">Long Term Loan</p>	
<p>Long term loans were taken from HSBC Ltd. and Prime Bank Ltd.</p>	<p>Our procedure includes:</p> <ol style="list-style-type: none"> 1. Testing the effectiveness of the company's control around the recording of loan, interest, and repayments; 2. Obtaining supporting documents of loan taken, utilization of loan, bank statements, and transaction recorded either side of the year and credit notes issued after the year-end to determine whether the amount recorded in the correct period; 3. Test interest rates application, calculation, and repayments for carrying amount and current and non-current distinguish; 4. Considering the adequacy of the company's disclosure regarding the Loan; and <p>The result of our testing is satisfactory and we considered the carrying amount of the loan recognized to be acceptable and recorded correctly.</p>
<p>Refer note no. 14 to the Statement of financial position.</p>	

<p style="text-align: center;">Inventory</p>	
<p>The company had inventory 3,484,687,194 at June 30, 2023 held in the factory, godown 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.</p>	<p>Our procedure includes:</p> <ol style="list-style-type: none"> 1. Evaluating the design and implementation of key inventory controls operating across the company, including stock in the factory and in the godowns; 2. Checking the management's inventory count sheet and reconciling the count result to the inventory listing to test the completeness of data;

	3. 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;
Refer note no. 6 to the Statement of Financial Position.	

Unrealized Gain / (Loss) for change in exchange rate of foreign Currency	
Total unrealized loss for change in exchange rate of foreign currency is Tk. (174,798,556) during this period. This is mainly because of EDF, Long Term and Short Term Loan.	Our procedure includes: 1. We reviewed the appropriateness of the calculation and the treatment of loss made in the Income Statement. 2. We have checked the balance of Foreign Currency loan balance and Currency rate.
Refer “Unrealized Gain / (Loss) for change in exchange rate of foreign Currency” of the Financial Statements.	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors’ report thereon. The directors are responsible for the other information.

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 International Financial Reporting Standards (IFRSs), the Companies Act 1994 other applicable laws and regulation and the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation 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.

Auditors' 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 consolidated and separate 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

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

Firms' Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature : 

Auditor's Name : Md. Anwaruzzaman FCA, Partner/Enr No.: 1268

Date : November 09, 2023

Place : Dhaka

DVC :2311091268AS814615

Saiham Cotton Mills Limited
Statement of Financial Position
As at June 30, 2023

Particulars	Notes	Amount in Taka	
		June 30, 2023	June 30, 2022
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3.00	5,154,764,307	5,422,505,387
Capital Work In Progress	4.00	18,326,119	6,403,843
Investment	5.00	526,038,579	535,726,239
Total Non-Current Assets		5,699,129,005	5,964,635,469
Current Assets:			
Inventories	6.00	3,484,687,194	1,867,976,830
Trade and Other Receivables	7.00	1,654,280,011	695,533,611
Sundry Receivables	8.00	-	-
Advance, Deposits and Pre-payments	9.00	79,672,018	666,413,361
Cash and Cash Equivalents	10.00	26,047,302	205,488,696
Total Current Assets		5,244,686,525	3,435,412,498
Total Assets		10,943,815,530	9,400,047,967
EQUITY AND LIABILITIES:			
Shareholder's Equity:			
Share Capital	11.00	1,487,750,000	1,487,750,000
Share Premium		751,750,000	751,750,000
Revaluation Surplus	12.00	2,137,083,233	2,217,851,072
Retained Earnings		975,068,591	998,683,973
Total Shareholders' Equity		5,351,651,824	5,456,035,045
Non-Current Liabilities:			
Deferred tax liabilities	13.00	574,121,526	597,568,352
Long Term Loan	14.00	425,504,635	551,257,396
Total Non-Current Liabilities		999,626,161	1,148,825,748
Current Liabilities:			
Short Term Loan	15.00	3,696,359,791	2,348,519,187
Term Loan Current Maturity	14.00	217,789,641	190,696,620
Liability against Capital Machinery	16.00	18,360,693	120,732,050
Trade & Other Creditors	17.00	537,156,082	13,040,562
Income tax provision	18.00	4,026,397	27,722,594
Payable and Accruals	19.00	113,220,810	89,849,572
Unclaimed Dividend	20.00	5,624,131	4,626,588
Total Current Liabilities		4,592,537,545	2,795,187,174
Total Liabilities		5,592,163,706	3,944,012,922
Total Equity and Liabilities		10,943,815,530	9,400,047,967
Net Assets Value per Share	27.00	35.97	36.67

The annexed notes 1 to 39 and annexure A to D form an integral part of these financial statements.



Syed Ishtiaq Ahmed
Managing Director
Saiham Cotton Mills Ltd.



S.M. Faisal
Director
Saiham Cotton Mills Ltd.




Md. Sahinur Kabir, FCS
Company Secretary
Saiham Cotton Mills Ltd.

Date : October 28, 2023
Place : Dhaka

Signed in terms of our separate report of even date.

Firms' Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : 

Auditor's Name : Md. Anwaruzzaman FCA, Partner/Enr No.: 1268
Date : November 09, 2023
Place : Dhaka
DVC : 2311091268AS814615

Saiham Cotton Mills Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended on June 30, 2023

Particulars	Notes	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
Turnover		5,512,530,629	4,085,877,455
Cost of goods sold	21.00	(5,020,361,795)	(3,401,578,550)
Gross Profit		492,168,834	684,298,904
Administrative and marketing expenses	22.00	(101,296,454)	(121,140,935)
Financial expenses	23.00	(163,319,644)	(139,026,676)
Operating Profit/(Loss)		227,552,736	424,131,293
Non-operating income	24.00	11,956,099	906,608
Other income	25.00	16,580,211	20,993,350
Unrealised Gain / (loss) on marketable securities		120,239	(718,181)
Unrealized gain/(loss) for change in exchange rate of foreign currency		(174,798,556)	(144,966,307)
Operating Profit Before WPPF		81,410,729	300,346,763
Expenses for WPPF		(3,876,701)	(14,302,227)
Profit before Tax		77,534,028	286,044,536
Tax Expenses		(32,517,897)	(97,822,956)
Current Tax	18.00	(41,724,935)	(49,678,816)
Deferred Tax	13.1.1	9,207,038	(48,144,140)
Net Profit after Tax		45,016,131	188,221,580
Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Income for the year		45,016,131	188,221,580
Earnings Per Share (EPS)	26.00	0.30	1.27

The annexed notes 1 to 39 and annexure A to D form an integral part of these financial statements.



Syed Ishtiaq Ahmed
Managing Director
Saiham Cotton Mills Ltd.



S.M. Faisal
Director
Saiham Cotton Mills Ltd.



Md. Sahinur Kabir, FCS
Company Secretary
Saiham Cotton Mills Ltd.

Date : October 28, 2023

Place : Dhaka

Signed in terms of our separate report of even date.

Firms' Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : 

Auditor's Name : Md. Anwaruzzaman FCA, Partner/Enr No.: 1268

Date : November 09, 2023

Place : Dhaka

DVC : 2311091268AS814615

Saiham Cotton Mills Limited
Statement of Changes in Equity

For the year ended on June 30, 2023

Particulars	Share capital	Share premium	Revaluation surplus	Retained earnings	Total equity
Balance as at July 01, 2022	1,487,750,000	751,750,000	2,217,851,072	998,683,973	5,456,035,045
Net Profit after Tax	-	-	-	45,016,131	45,016,131
Adjustment for depreciation on revalued assets	-	-	(95,020,987)	95,020,987	-
Adjustment for revaluation of P.P.E and deferred tax	-	-	14,253,148	-	14,253,148
Cash Dividend paid for the year (2021-2022)	-	-	-	(163,652,500)	(163,652,500)
Balance as at June 30, 2023	1,487,750,000	751,750,000	2,137,083,233	975,068,591	5,351,651,824

Particulars	Share capital	Share premium	Revaluation surplus	Retained earnings	Total equity
Balance as at July 01, 2021	1,487,750,000	751,750,000	2,304,009,109	857,874,997	5,401,384,106
Net Profit after Tax	-	-	-	188,221,580	188,221,580
Adjustment for depreciation on revalued assets	-	-	(101,362,396)	101,362,396	-
Adjustment for revaluation of P.P.E and deferred tax	-	-	15,204,359	-	15,204,359
Cash Dividend paid for the year (2020-2021)	-	-	-	(148,775,000)	(148,775,000)
Balance as at June 30, 2022	1,487,750,000	751,750,000	2,217,851,072	998,683,973	5,456,035,045



Syed Ishtiaq Ahmed
Managing Director
Saiham Cotton Mills Ltd.



S.M. Faisal
Director
Saiham Cotton Mills Ltd.



Md. Sahinur Kabir, FCS
Company Secretary
Saiham Cotton Mills Ltd.

Saiham Cotton Mills Limited
Statement of Cash Flows
For the year ended on June 30, 2023

Particulars	Notes	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
A. Cash Flows From Operating Activities			
Collection from customers & others	36.00	4,573,833,070	4,890,965,315
Collection from non-operating income		11,956,099	906,608
Collection from other income		16,580,211	20,993,350
Payment for cost and expenses	37.00	(5,317,815,325)	(4,187,385,563)
Income tax paid		(65,421,132)	(34,356,576)
Net cash flows in operating activities		(780,867,076)	691,123,133
B. Cash Flows From Investing Activities			
Acquisition of property, plant and equipment		(21,463,267)	(97,451,054)
Capital Work In Progress		(11,922,276)	(6,403,843)
Fire Claim Received from Green Delta Insurance Co.		-	420,264,114
Sale of property, plant and equipment		-	432,000
Investment in shares of listed company		140,490	(553,314)
Investment in FDR		9,680,769	(14,868,355)
Net cash flows from investing activities		(23,564,284)	301,419,548
C. Cash Flows From Financing Activities			
Short-term loan		1,245,964,922	(430,973,757)
Liability against capital machinery		(102,129,964)	(427,766,422)
Long term loan		(192,079,058)	262,456,494
Interest paid on borrowings		(163,319,644)	(139,026,676)
Dividend paid		(163,652,500)	(148,775,000)
Net cash flows from financing activities		624,783,756	(884,085,361)
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)			
Cash & Cash Equivalents at beginning of the year		205,488,696	89,102,562
Effects of exchange rate changes		206,209	7,928,814
Cash & Cash Equivalents at end of the year		26,047,302	205,488,696
Net Operating Cash Flow Per Share (NOCFPS)	38.00	(5.25)	4.65



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Saiham Cotton Mills Limited
Notes to the Financial Statements
As at and for the year ended June 30, 2023

1. Reporting Entity

1.1. Background of the Entity

Saiham Cotton Mills Limited (SCML) was incorporated on May 30, 2002 as a Private Limited Company under the Company Act, 1994 and subsequently it was converted as a Public Limited Company in April, 2010. The registered office of the company is situated at Noyapara, P.O: Saiham Nagar, U.Z: Madhabpur, Habiganj, while Dhaka office is situated at House # 34(11th floor), Road # 136, Gulshan – 1, Dhaka – 1212.

SCML had floated its 4,75,00,000 shares of Tk. 10/- each at Tk. 20/- each including premium of Tk. 10/- per share to general public through Initial Public Offering (IPO) after obtaining consent from Securities and Exchange Commission (SEC) vide their letter no. SEC/CI/IPO-159/2011/898 dated December 18, 2011.

1.2. Nature of Business

The company operates as industrial spinning plant having one of the largest and modern cotton mill for 100% export oriented industries in Bangladesh. The Company manufactures auto coned electronically cleared cotton carded and combed grey yarn.

2. Basis of preparation and Presentation of financial statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, Securities and Exchange Rules 2020 and other relevant local laws as applicable.

2.2 Basis of Preparation

The financial statements of the company have been prepared assuming Going Concern basis based on the accrual basis except interest on FDR of accounting following under the historical cost convention except property, plant and equipment (PPE), investment in shares and investment in FDR.

2.3 Basis of Reporting

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

2.4 Reporting period:

These financial statements covered 12 (twelve) months from July 01, 2022 to June 30, 2023.

2.5 Comparative Figure:

Comparative information has been disclosed in respect of the year ended June 30, 2022 for all numerical information in the financial statements and also the narrative, descriptive

and restated where it is relevant for understanding of the current year's financial statements.

2.6 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Companies complied, as per Para 12 of Securities & Exchange Rule 2020, with the following International Accounting Standards (IASs) 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 08	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
05	IAS 10	Events after the Reporting Period	Complied
06	IAS 12	Income Taxes	Complied
07	IAS 16	Property, Plant & Equipment	Complied
08	IAS 19	Employee Benefits	Complied
09	IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
10	IAS 23	Borrowing Costs	Complied
11	IAS 24	Related Party Disclosures	Complied
12	IAS 33	Earnings per Share	Complied
13	IAS 36	Impairment of Assets	Complied
14	IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
15	IFRS 09	Financial Instruments	Complied
16	IFRS 13	Fair Value Measurement	Complied
17	IFRS 15	Revenue from Contracts with Customers	Complied

2.7 Use of estimates and judgments:

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

2.8 Going concern Review

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

2.9 Components of the Financial Statements:

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

- i) Statement of Financial Position as at June 30, 2023;
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2023;
- iii) Statement of Changes in Equity for the year ended June 30, 2023;
- iv) Statement of Cash Flows for the year ended June 30, 2023; and
- v) Accounting Policies and explanatory notes to the financial statements for the year ended June 30, 2023.

2.10 Regulatory and Legal Compliance:

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

- i) The Companies Act ,1994;
- ii) The Income Tax Act, 2023;
- iii) Securities and Exchange Rules, 2020;
- iv) The VAT Act,1991; and
- v) Labour Act, 2006;
- vi) Other applicable rules and regulations.

2.11 Property, Plant and Equipments (PPE):

Property, plant and equipment are stated at their cost / revalued value less accumulated depreciation in accordance with IAS- 16: “Property, plant and equipment”. Cost represents cost of acquisition or construction and includes purchase price and other directly attributable cost of bringing the asset to working conditions for its intended use. Expenditure on repairs and maintenance of property, plant and equipment is treated as expenses when incurred, subsequent expenditure on property, plant and equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

Depreciation of Property, Plant and Equipments

No depreciation has been charged on Land and Land development considering the unlimited useful life. Depreciation has been charged from the date when the assets became available for use. The rates of depreciation at the following rates are applied from the use of commercial production. Depreciation has been charged on PPE under diminishing balance method.

Name of assets	Rates
Building and Others Construction	5.00%
Plant and Machineries	7.50%
Furniture and Fixtures	10.00%
Motor Vehicles	15.00%
Office Equipments	10.00%
Sundry Assets	10.00%

2.12 Investment in Shares:

Investment in marketable ordinary shares has been shown at market price and classified as Fair value through other comprehensive income (FVOCI) financial instruments. Any adjustment for diminution in value of share as on closing of the year on an individual investment basis is made in the financial statement which is reflected in the other comprehensive income statement.

2.13 Inventories:

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

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

2.14 Revenue Recognition:

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

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

- i) the enterprise has transferred to the buyer the significant risk and rewards of ownership of the goods;
- ii) the enterprise retains neither continuing managerial involvement to the degree usually associated with ownership of the goods;
- iii) the amounts of revenue can be measured reliably;

- iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- v) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

2.15 Functional and Presentation Currency and level of precision:

These financial statements are presented in Bangladeshi Taka (Taka/Tk./BDT) which is both functional currency and presentation currency of the Company.

2.16 Earnings per Share (EPS):

Earnings per share (EPS) are calculated in accordance with the IAS – 33 “Earnings per share” which has been shown on the face of statement of Profit or Loss and other comprehensive income.

i) Basic Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the ordinary shareholders by the number of shares outstanding during the year.

ii) Diluted Earnings Per Share

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

2.17 Cash & Cash Equivalent

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

2.18 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with IAS – 7 “Statement of cash flows” and in the cash flows the operating activities have been presented in direct method as prescribed by Bangladesh Securities and Exchange Rule 2020.

2.19 Provision, Accruals and Other Payables

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

2.20 Foreign Currency Translation

Transactions in foreign currencies are translated in to BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated in to BDT at the rate of exchange ruling at the financial position date. Gain or losses resulting from foreign currency transactions are taken to the Comprehensive Income statement complying with IAS- 21: “The Effects of Changes in Foreign Exchange Rates”.

2.21 Borrowing costs:

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

2.22 Revaluation Reserve

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

2.23 Taxation:

Current Tax:

Current tax provision has been made as per Income Tax Act 2023.

Deferred Tax:

Deferred tax is recognized on difference between the carrying amount of assets and a liability in the financial statements and the corresponding tax based used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liability are generally recognized for all taxable temporary difference and deferred tax assets are recognized to the extent that it is probable that the profit will be available against which deductible temporary difference, unused tax loses or unused tax credits can be 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".

2.24 Trade Debtors:

Trade debtors for export of yarn are stated at their real value and trade receivable has mostly arisen from export sales which are usually received within the tenure under LC terms.

2.25 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 Labour Act 2006 and is payable to workers as delivered in the said Act.

2.26 Responsibility for Preparation and Presentation of Financial Statement:

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

2.27 Related Party Disclosures:

As per IAS- 24: "Related Party Disclosures" parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other

party in making financial and operating decisions. The company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

2.28 Event after the reporting period:

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

2.29 Approval of the financial statement:

These financial statements have been approved by the Board of Directors on October 28, 2023.

2.30 Reclassification:

The Company invested in secondary share market for trading purpose. Hence as per the requirement of Para 5.75 of IFRS 9, related unrealized gain / (loss) charged in the Profit or Loss Statements instead of other comprehensive income.

2.31 Significant Event

EPS has decreased significantly from Tk. 1.27 to Tk. 0.30 mainly increase in cost of goods sold due to significantly increase in raw materials cost, power cost, finance cost as well as other costs. Besides this, Net Operating Cash Flow Per Share (NOCFPS) also decreased due to increase payment for cost and expenses and decrease in sales proceeds collection.

2.32 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) Previous year's figures have been rearranged if necessary, to conform to current year's presentation.

Notes	Particulars	Amount in Tk.	
		June 30, 2023	June 30, 2022
9.00	Advance, Deposits and Prepayments		
	Security Deposit with Jalalabad Gas	24,561,636	21,219,533
	Security Deposit with Hobigonj Palli Biddut	283,005	283,005
	Security deposit with CDBL	500,000	500,000
	Advance against salary & wages	1,608,345	259,019
	Advance against local suppliers	24,213,223	19,406,694
	Advance against L/C Margin and commission	28,505,809	624,745,110
	Advance Income Tax	-	-
		79,672,018	666,413,361
9.01	Security Deposit with Jalalabad Gas		
	Opening Balance as at July 01, 2022	21,219,533	21,219,533
	Add: Addition during the year	3,342,103	-
		24,561,636	21,219,533
	Less: Adjustment made during the year	-	-
	Closing Balance as on June 30, 2023	24,561,636	21,219,533
9.02	Advance Income Tax		
	Opening Balance	-	-
	Advance tax paid during the year:		
	Tax at source on Export	37,162,465	24,606,756
	Tax at source on FDR	3,310,047	2,125,651
	Tax at source on Transport	254,000	341,000
	Tax at source on Trade License	-	3,000
	Tax at source on Import	3,949,407	2,847,348
	Tax at source on Bank Interest	1,638	388
	Tax at source on cash Incentive	1,172,890	-
	Tax at source on dividend Income	15,638	-
	Advance Income Tax for the assessment year 2023-24	2,000,000	3,500,000
	AIT Paid during the year	47,866,085	33,424,142
	Total Advance tax paid	47,866,085	33,424,142
	Less: Adjustment with Current Year Tax	(47,866,085)	(33,424,142)
	Closing Balance	-	-

(a) All the advances and deposits amount are considered good and recoverable;

(b) Advance due from staffs and workers are regularly being realized through their salaries;

(c) There is no amount due from Directors or Officers of the Company under any agreement;

(d) Advance against suppliers due mainly to advances given to suppliers for packing materials, spare parts etc.

(e) L/C Margin deposit against various import L/C represent margin and commission of Raw cotton, Spare Parts, Packing Materials.

10.00 Cash and Cash Equivalents

This consists of :

Cash in Hand	10.01	2,059,512	471,784
Cash at Banks	10.02	23,987,790	205,016,912
		26,047,302	205,488,696
10.01 Cash in Hand			
Head office		566	255,803
Factory Office		2,058,947	215,981
		2,059,512	471,784

Notes	Particulars				Amount in Tk.	
					June 30, 2023	June 30, 2022
10.02	Cash at Banks					
	Name of Banks	Branches	Account Type	Currency		
	Janata Bank	Motijheel	CD A/C # 023733012107	BDT	-	80,876
	Janata Bank	Noyapara	CD A/C # 0210005125	BDT	82,862	419,693
	Janata Bank Ltd.	Noyapara	SND A/C # 145	BDT	99,673	98,691
	Dhaka Bank	Islami	CD A/C # 2015	BDT	1,769	105,449
	SCB	Gulshan	CA-A/C # 01-1183017-01	BDT	-	14,116
	HSBC	Gulshan	MDA # 001 234608-095	BDT	10,567	10,567
	HSBC	Dhaka HO	DA # 001 234608-905	BDT	1,218,393	1,231,088
	HSBC	Dhaka HO	DA # 001 234608-906	BDT	1,600,472	1,738,282
	HSBC	Dhaka HO	DA # 001 234608-907	BDT	1,357,712	1,657,218
	HSBC	Dhaka HO	DA # 001 234608-908	BDT	1,447,554	-
	HSBC	Dhaka HO	CD A/C # 001234608-013	BDT	-	412
	HSBC	Dhaka HO	CD A/C # 001234608-014	BDT	5,361	5,361
	Bank Al Falah	Gulshan	STD A/C # 0702 03700151	BDT	35,819	36,279
	Premier Bank Ltd.	Gulshan	A/C #1021311869	BDT	-	378
	Mutual Trust Bank	Gulshan	SND A/C # 599	BDT	-	78,212
	Prime Bank	Gulshan	CD A/C # 144	BDT	142,647	297,763
	Bkash DM -417			BDT	283,439	328,387
	Dutch Bangla Bank	Habiganj	A/C # 19259	BDT	123,722	57,479
	Dutch Bangla Bank	Gulshan	A/C # 8072	BDT	457,311	69,959
	Eastern Bank	Gulshan	A/C # 72879	BDT	208,932	60,750
	BRAC Bank	Gulshan	A/C # 1501201985342002	BDT	-	35
	Foreign Currency Accounts					
	HSBC	Gulshan	FC Account # 001234608-047	USD	3,044,298	32,365,079
	HSBC	Gulshan	Margin A/C # 001234608-091	USD	264,503	121,204,005
	HSBC	Gulshan	Offshore A/C # 005	USD	11,052,229	19,413,082
	Bank Asia	Dhanmondi	\$ Margin A/C # 21047000002	USD	60,394	7,548,872
	Bank Asia	Dhanmondi	ERQ A/C # 20142000005	USD	477,089	12,099,413
	Bank Al Falah	Gulshan	Margin A/C # 0702 4502202	USD	307,534	145,366
	Prime Bank	Gulshan	BTB A/C # 19110	USD	1,705,511	5,950,098
					23,987,790	205,016,912
11.00	Share Capital					
	This represents:					
	Authorized capital					
	200,000,000 Ordinary shares of Tk.10 each				2,000,000,000	2,000,000,000
	Issued, subscribed and paid up capital :					
	35,000,000 Ordinary Shares @ Tk. 10 each fully paid up				350,000,000	350,000,000
	17,500,000 Ordinary Shares @ Tk 10 each fully paid up other than cash				175,000,000	175,000,000
	15,000,000 Ordinary Shares @ Tk.10 each fully paid up				150,000,000	150,000,000
	20,250,000 Ordinary Shares @ Tk.10 each fully paid up Other than cash				202,500,000	202,500,000
	47,500,000 Ordinary Shares @ Tk.10 each fully paid up				475,000,000	475,000,000
	13,525,000 Ordinary Shares @ Tk.10 each fully paid up Other than cash				135,250,000	135,250,000
	148,775,000 Ordinary Shares				1,487,750,000	1,487,750,000

Date of Issue	Type of Issue	Nos. of Shares	Amount in BDT	Amount in BDT
21.06.2004	Cash	35,000,000	350,000,000	350,000,000
30.03.2005	Other than cash	17,500,000	175,000,000	175,000,000
16.05.2010	Cash	15,000,000	150,000,000	150,000,000
07.07.2011	Other than cash	20,250,000	202,500,000	202,500,000
04.03.2013	Cash	47,500,000	475,000,000	475,000,000
28.10.2015	Other than cash	13,525,000	135,250,000	135,250,000
Total		148,775,000	1,487,750,000	1,487,750,000

Percentage of shareholding position of different shareholders are as follows:

Name of the Shareholders	30.06.2023		30.06.2022	
	No. of shares	% of holding	No. of shares	% of holding
Sponsors	63,074,998	42.40	63,074,998	42.40
Institutions	16,296,361	10.95	20,966,662	14.09
General Public	69,403,641	46.65	64,733,340	43.51
Total	148,775,000	100.00	148,775,000	100.00

Notes	Particulars	Amount in Tk.	
		June 30, 2023	June 30, 2022

Classification of Shareholders by holding:

The number of shareholders and shareholding position as at June 30, 2023 are given below:

Range of holding	No. of shareholding	No. of shareholders	No. of shareholders
Upto 500 shares	1,589,179	6,450	6,409
501 to 5,000 shares	7,923,394	3,898	3,416
5,001 to 10,000 shares	5,566,323	710	694
10,001 to 20,000 shares	7,260,633	491	481
20,001 to 30,000 shares	4,967,575	194	209
30,001 to 40,000 shares	3,167,332	82	87
40,001 to 50,000 shares	3,167,552	67	72
50,001 to 100,000 shares	8,479,856	121	118
100,001 to 1,000,000 shares	19,288,328	78	87
Over 1,000,000 shares	87,364,828	15	15
Total	148,775,000	12,106	11,588

12.00 Revaluation Surplus

This calculation is arrived as follows:

Opening Balance	2,217,851,072	2,304,009,109
Less: Adjustment for provision of deferred tax	14,253,148	15,204,359
Adjustment for depreciation on revalued assets	(95,020,987)	(101,362,396)
Closing Balance	2,137,083,233	2,217,851,072

The revaluation of assets of Saiham Cotton Mills Limited was made on 28 April, 2019 by Ata Khan & Co., Chartered Accountants, an Independent Qualified Valuer, on Land and Land Development, Factory Building and Other Construction, Building Office Space and Plant and Machineries. The revaluation surplus for which comes at Tk. 2,562,422,452. The result of such revaluation was incorporated in these financial statements from its effective date which is 01 May, 2019. The surplus arising from the revaluation was transferred to revaluation reserve. Effect of deferred tax on the revaluation has been shown under Note 13.00 "Deferred Tax Liabilities".

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

13.00 Deferred tax Liabilities

This is arrived as follows:

Opening Balance	597,568,352	564,708,369
Add: Deferred Tax expenses for the year	13.1.1 (9,207,038)	48,144,140
Add: Deferred tax on Revalued Asset	(14,253,148)	(15,204,359)
Add: Deferred Tax expenses on unrealized gain	13,360	(79,798)
	574,121,526	597,568,352
Adjustment for depreciation of revalued assets	-	-
Closing Balance	574,121,526	597,568,352

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

A. Property, plant and equipment

Carrying amount	2,531,247,067	2,712,777,158
Tax base amount	1,192,338,117	1,307,305,109
Taxable temporary difference	1,338,908,949	1,405,472,050
Tax rate	15%	15%
Deferred tax liability	200,836,342	210,820,807

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

Revalued value of land	1,021,866,807	1,021,866,807
Revalued value of other than land	1,492,348,760	1,587,369,748
Tax Rate		
On land	15%	15%
On other than land	15%	15%
Deferred tax liabilities		
For land	153,280,021	153,280,021
For other than land	223,852,314	238,105,462
	377,132,335	391,385,483

Notes	Particulars	Amount in Tk.	
		June 30, 2023	June 30, 2022
	C. Deferred Tax on unrealized gain/ (loss)		
	Opening balance of deferred tax liability for unrealized gain	801,676	881,474
	Addition during the year	13,360	(79,798)
		815,036	801,676
	D. Deferred Tax on Gratuity Provision		
	Provision for Gratuity as at June 30, 2023	31,081,254	30,251,460
	Company tax rate	15%	15%
	Deferred tax asset	(4,662,188)	(4,537,719)
	E. Deferred Tax on Bad Debt Provision		
	Provision for Bad Debt Provision	-	6,012,642
	Company tax rate	15%	15%
	Deferred tax asset	-	(901,896)
	Total (A+B+C+D)	574,121,526	597,568,352
	Calculation of deferred tax:		
	Deferred tax liability as on June 30, 2023	574,121,526	597,568,352
	Deferred tax liability as on June 30, 2022	597,568,352	564,708,369
	Deferred tax increased during the year	(23,446,826)	32,859,982
13.1.1	Deferred tax liability other than revalued assets as at June 30, 2023	200,836,342	210,820,807
	Deferred tax liability other than revalued assets as at June 30, 2022	210,820,807	158,543,224
	Net increased in deferred tax expenses for other than revalued assets for the year	(9,984,465)	52,277,584
	Net increase in deferred tax for Unrealized Gain	13,360	(79,798)
	Deferred tax asset on gratuity provision as at June 30, 2023	(4,662,188)	(4,537,719)
	Deferred tax liability on gratuity provision as at June 30, 2022	(4,537,719)	(1,306,172)
	Net increase/(decrease) in deferred tax expenses for gratuity provision	(124,469)	(3,231,548)
	Deferred tax asset on bad debt provision as at June 30, 2023	-	(901,896)
	Deferred tax liability on bad debt provision as at June 30, 2022	(901,896)	-
	Net increase/(decrease) in deferred tax expenses for gratuity provision	901,896	(901,896)
	Total deferred expenses for the year	(9,207,038)	48,144,140
	Adjustment of revaluation surplus for deferred tax		
	Deferred tax liability for revaluation as on June 30, 2023	377,132,335	391,385,483
	Deferred tax liability for revaluation as on June 30, 2022	391,385,483	406,589,843
	Adjustment of revaluation surplus for deferred tax	(14,253,148)	(15,204,359)
		(23,446,826)	32,859,983
14.00	Long Term Loan		
	This is arrived as follows:		
	Opening Balance as on July 01, 2022	741,954,016	416,318,726
	Addition during the year	-	419,533,611
		741,954,016	835,852,336
	Adjusted/Payment during the year	(192,079,058)	(157,077,117)
		549,874,958	678,775,220
	Unrealized gain/loss for change in exchange rate of foreign currency	93,419,318	63,178,796
	Closing Balance as on June 30, 2023	643,294,276	741,954,016
	Less: Long Term Loan Current Maturity	217,789,641	190,696,620
		425,504,635	551,257,396

Repayment terms:

HSBC Ltd.

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

These long term loan are repayable in 16-20 equal installments and interest rate is SOFR +4.10% per annum. Repayment of these loan started in between May 2014 to July 2016 and have been completed by 20.12.2021 & for addition during the year interest rate is SOFR+3.25 % per annum and repayment of these loan to be started on July 2020 and will be completed by 08.02.2027.

Security details:

HSBC Ltd.

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

Notes	Particulars	Amount in Tk.	
		June 30, 2023	June 30, 2022
	Prime Bank Ltd.		
	Out of total Tk. 643,294,277 Taka 27,041,791 has been taken and accounted for as long term loan against corporate office floor purchase and are repayable in 75 equal installments. Repayment of these loan started from January, 2018 and will be completed in December, 2025.		
	The loan from Prime Bank Ltd. is secured by the Registered Mortgage of corporate office floor space, personal guarantee of all the directors, Insurance coverage and others related charge documents.		
15.00	Short Term Loan		
	Bank Loan and Overdraft	15.01	
		3,696,359,791	2,348,519,187
		3,696,359,791	2,348,519,187
15.01	Bank Loan and Overdraft		
	This consists of as follows:		
	Cash Credit (Hypo) Bank Asia Ltd.	306,046,037	270,649,524
	Cash Credit (Hypo) Bank Al Falah	142,259,013	145,745,404
	Overdraft A/c-Prime Bank Ltd.	42,481,695	49,544,444
	HSBC CD A/C # 001234608-011	50,919,354	41,118,209
	IDBP-HSBC	175,046,358	-
	IDBP-Prime Bank Ltd	44,478,466	-
	Short Term Loan - HSBC	150,000,000	60,000,000
	Short Term Loan -Bank Alfalah	100,000,000	-
	L/C liabilities under EDF	2,685,128,868	1,781,461,607
		3,696,359,791	2,348,519,187
	The cash credit facilities secured by the hypothecation of stock of raw cotton, work in process, finished goods, trade debtors and Directors personal security.		
16.00	Liability against Capital Machinery :		
	This consists of as follows:		
	HSBC-Import Loan-Machinery	18,360,693	90,904,715
	Bank Asia-Import Loan-Machinery	-	1,968,770
	Prime Bank -Import Loan-Machinery	-	27,858,564
		18,360,693	120,732,050
17.00	Trade & Other Creditors		
	This is arrived as follows:		
	Local supplier	537,156,082	13,040,562
		537,156,082	13,040,562
	Details of Trade & Other Creditors has been shown in Annexure- C.		
18.00	Income Tax Provision		
	Opening Balance	27,722,594	12,400,354
	Add: Provision made during the year	18.01 41,724,935	49,678,816
		69,447,529	62,079,170
	Less: Income Tax Paid for Last Year	(17,555,047)	(932,434)
	Less: Adjusted with advance income tax	(47,866,085)	(33,424,142)
	Closing Balance	4,026,397	27,722,594
18.01	Current Tax	18.02 & 18.03	
		41,724,935	49,678,816
18.02	Tax on Business income (Higher of i, ii, iii)		
	i) Regular Tax		
	Profit before Tax	77,534,028	286,044,536
	Accounting Depreciation	289,204,346	304,263,563
	Capital Allowance	(127,620,258)	(265,628,332)
	Other income	(16,502,021)	(20,947,509)
	Non operating income	(12,096,590)	(906,608)
	Dividend income	(78,190)	(45,841)
	Income/(loss) from business	210,441,315	302,779,810
	Tax on Business income 15%	31,566,197	45,416,971
	ii) Minimum tax U/S-82C(2)		
	Tax deducted at source	37,162,465	24,606,756
	iii) Minimum tax U/S-82C(4)		
	Turnover 0.45%	24,806,388	18,386,449
		24,806,388	18,386,449

Notes	Particulars	Amount in Tk.	
		June 30, 2023	June 30, 2022
18.03	Tax on Non operating & other income:		
	Tax on Non operating income:	-	-
	Tax Int. of FDR against BG & term loan	20%	70,937
	Tax on Interest of STD A/C	20%	2,601
	Tax on Cash Incentive	10%	1,172,890
	Tax on Gain on Sale of Capital Assets	20%	-
	Tax on Other income:	-	-
	Tax on dividend income	20%	15,638
	Tax on Interest of FDR	20%	3,300,404
	Total tax liability		4,562,470
			4,261,845
19.00	Payable and Accruals		
	This is arrived as follows:		
	Salary and wages		14,407,750
	Directors Remuneration		157,500
	Gas Charges		30,654,839
	Audit Fees		494,500
	Utility Bill		26,930
	Telephone bill		1,739
	Financial Expenses		13,165,577
	Provident Fund(Head Office)		159,472
	Provident Fund(Factory Office)		457,096
	Unpaid share money deposit		35
	Tax Deducted at Source		78,759
	VAT expenses		-
	Provision For C & F Charge		299,706
	Provision For Truck Rent		5,903,500
	Provision For IT Expense		-
	WPPF	19.01	16,332,154
	Gratuity Provision	19.02	31,081,254
			113,220,810
			89,849,572
19.01	Workers Profit Participation Fund (WPPF)		
	This is arrived as follows:		
	Opening Balance		24,042,814
	Provision for Interest		1,284,643
	Provision made during the year		3,876,701
			29,204,159
	Payment made during the year		(12,872,005)
	Closing Balance		16,332,154
			24,042,814
	Note: Interest was calculated as per section 240(3) of Bangladesh Labour Act, 2006. (24,042,814-12,872,005)*11.5%= Tk 1,284,643		
19.02	Provision for Gratuity Fund		
	This is arrived as follows:		
	Opening Balance		30,251,460
	Provision made during the year		2,480,721
			32,732,181
	Payment made during the year		(1,650,927)
	Closing Balance		31,081,254
			30,251,460

The company maintained gratuity provision on a lump sum basis in prior years. During this year management calculated the actual liability and decided to make provision accordingly.

20.00 Unclaimed Dividend
This is arrived as follows:

Name of Dividend Account	Account Type	Year of Dividend		
HSBC # 001 234608-905	Current Account	2017-2018	1,218,393	1,231,088
HSBC # 001 234608-906	Current Account	2018-2019	1,600,472	1,738,282
HSBC # 001 234608-907	Current Account	2020-2021	1,357,712	1,657,218
HSBC # 001 234608-908	Current Account	2021-2022	1,447,554	-
Total Unclaimed Dividend			5,624,131	4,626,588

Subsequent dated 16.07.2023 the company has already transferred unclaimed dividend of taka 12,18,392.95 for 2017-18 to the Capital Market Stabilization Fund (CMSF) account no .SND a/c 00110311521301 as per circular of BSEC reference no SEC/SRMIC/165-2020/part-1/166 dated July 06,2021.

Notes	Particulars	Amount in Tk.							
		June 30, 2023	June 30, 2022						
21.00 Cost of Goods Sold									
	This is made up as follows:								
	Materials Consumption								
	Raw Cotton 21.01	4,445,174,266	2,999,211,635						
	Packing Materials 21.02	68,211,493	52,364,094						
	Stores and Spares 21.03	112,531,339	121,669,528						
	Total materials consumption	4,625,917,098	3,173,245,257						
	Direct Wages and Salaries	150,218,046	139,369,330						
	Prime cost	4,776,135,144	3,312,614,587						
	Add : Factory Overhead 21.04	578,890,520	509,523,202						
	Total manufacturing cost	5,355,025,664	3,822,137,788						
	Add : Opening Work-in-process	40,632,786	35,266,695						
	Cost of goods available for use	5,395,658,450	3,857,404,483						
	Less : Closing Work-in-process	46,427,064	40,632,786						
	Cost of Production	5,349,231,386	3,816,771,697						
	Add : Opening Stock of Finished Goods	595,209,438	180,016,291						
	Cost of goods available for sales	5,944,440,824	3,996,787,989						
	Less : Closing Stock of Finished Goods	924,079,029	595,209,438						
	Cost of Goods Sold	5,020,361,795	3,401,578,550						
21.01 Raw Cotton									
	This is arrived as follows:								
	Opening Stock of Raw Cotton	617,676,546	801,538,845						
	Add : Purchase during the year	5,253,633,648	2,805,781,042						
	Less : Short Weight Claim	(4,568,811)	(19,862,886)						
	Less : Insurance Claim	(1,605,535)	-						
	Add : (Gain)/Loss on dollar fluctuation	288,940,369	29,431,180						
	Raw Cotton available for use	6,154,076,217	3,616,888,181						
	Less : Closing Stock of Raw Cotton	1,708,901,951	617,676,546						
	Consumption during the year	4,445,174,266	2,999,211,635						
21.02 Packing Materials									
	This is arrived as follows:								
	Opening Stock of Packing Materials	1,750,732	4,154,184						
	Add : Purchase during the year	66,844,316	49,960,642						
	Packing Materials available for use	68,595,048	54,114,826						
	Less : Closing Stock of Packing Materials	383,554	1,750,732						
	Consumption during the year	68,211,493	52,364,094						
21.03 Stores and Spares									
	This is arrived as follows :								
	Opening Stock of Spare Parts	73,024,659	45,251,138						
	Add : Purchase during the year	155,690,464	149,443,048						
	Stores and Spares available for use	228,715,123	194,694,186						
	Less : Closing Stock of Spare Parts	116,183,784	73,024,659						
	Consumption during the year	112,531,339	121,669,528						
21.04 Factory Overhead									
	This consists of as follows:								
	Gas Charges	263,821,539	200,770,545						
		<table border="1"> <thead> <tr> <th colspan="2">Quantity and Average rate of gas charges</th> </tr> <tr> <th>June 30, 2023</th> <th>June 30, 2022</th> </tr> </thead> <tbody> <tr> <td>13,913,763 CM3, Tk. 18.96/per CM3</td> <td>16,253,366 ,CM3, Tk. 12.36/per CM3</td> </tr> </tbody> </table>		Quantity and Average rate of gas charges		June 30, 2023	June 30, 2022	13,913,763 CM3, Tk. 18.96/per CM3	16,253,366 ,CM3, Tk. 12.36/per CM3
Quantity and Average rate of gas charges									
June 30, 2023	June 30, 2022								
13,913,763 CM3, Tk. 18.96/per CM3	16,253,366 ,CM3, Tk. 12.36/per CM3								
	Fuel and Lubricants	3,824,488	4,056,222						
	Insurance Premium	4,785,417	6,566,545						
	Covered Van and Lorry expenses	470,968	447,050						
	Factory Repair & Maintenances of Capital Assets	26,592,228	4,235,942						
	Staff Quarter exp	1,420,320	1,443,469						
	Misc. Expenses	20,000	6,030						
	Depreciation (Annexure- A)	277,955,560	291,997,399						
		578,890,520	509,523,202						

Notes	Particulars	Amount in Tk.	
		June 30, 2023	June 30, 2022
22.00	Administrative and Marketing Expenses		
	This consists of as follows:		
	Directors Remuneration	2,100,000	2,100,000
	Salary and Allowances	39,058,877	36,014,636
	Festival Bonus	3,271,890	3,974,579
	Provident Fund Expenses	1,686,249	1,598,085
	Rest house Exp.	26,400	91,000
	Staff Quarter Exp	10,799	37,680
	Gratuity	2,480,721	23,114,071
	Entertainment	1,371,611	1,311,927
	Rent a car	1,584,620	1,549,900
	Fuel & Lubricant	3,851,639	5,686,432
	Fees, Forms, and others	3,261,330	3,709,655
	Board Meeting Fees	82,500	68,750
	Maintenance of Vehicles	4,990,701	1,841,535
	IT Expenses	3,447,630	1,957,993
	Insurance Premium	21,563	21,563
	Printing & Stationery	1,872,997	560,105
	Donation and Subscription	192,210	276,101
	Miscellaneous Expenses	754,100	915,193
	Office Maintenance	818,272	409,338
	Traveling and Conveyance	369,110	431,151
	Telephone and Mobile Expenses	310,436	332,007
	Utility expenses	273,945	266,772
	Audit fees	483,000	494,500
	Credit Rating Fee	54,651	161,250
	CSR Activities	230,000	102,000
	Uniform and Upkeep	522,804	357,230
	Medical and Welfare	4,100	119,000
	Postage and Stamp	30,085	32,325
	Selling & Distribution Exp.	1,000	27,000
	Business Development Exp	614,440	2,853,680
	Export Expense	46,155	1,318,398
	Advertisement	448,857	432,976
	Carriage Outward	13,852,502	7,724,380
	VAT Exp.	358,912	1,383,900
	AGM Expenses	89,446	115,900
	Professional Fee	23,000	20,000
	Annual Listing Fee	1,451,116	1,451,116
	Bad Debt	-	6,012,642
	Depreciation (Annexure- A)	11,248,787	12,266,165
		101,296,454	121,140,935
23.00	Financial Expenses		
	This consists of as follows:		
	Interest on Cash Credit Hypo (BA)	24,455,274	10,676,628
	Interest Exp. ON C.C.(SP) -BA	-	855,640
	Interest on Cash Credit Hypo (Bank Alfalah)	12,517,688	8,823,619
	Interest on Loan (SP) - B. ALFALH LTD	-	290,477
	Interest on OD (Prime Bank)	4,167,551	2,164,336
	Interest on CC Hypo (HSBC Ltd.)	3,654,224	2,449,063
	Interest on Term Loan (HSBC)	40,842,543	23,101,359
	Interest on Term Loan (Prime Bank)	2,977,171	3,965,360
	Interest on HSBC Ltd.	3,685,879	21,610,409
	Interest on Prime Bank	-	34,532
	Bank Charges,Commission & Discripenses	4,368,782	7,434,995
	Overdue Interest	7,791	5,075
	Interest on WPPF of Govt. Portion	1,284,643	-
	Interest on Import Loan	65,358,097	57,615,182
		163,319,644	139,026,676
24.00	Non operating income		
	Interest on FDR against bank guarantee and term loan	354,684	308,999
	Interest on STD A/C	13,006	3,876
	Cash Incentive	11,728,900	-
	Overdue Interest Reimbursement - Income	-	37,419

Notes	Particulars	Amount in Tk.	
		June 30, 2023	June 30, 2022
	Realised gain/(loss) on marketable securities	(140,490)	553,314
	Gain on Sale of Capital Assets	-	3,000
		11,956,099	906,608
25.00	Other income		
	Dividend Income	78,190	45,841
	Interest on FDR	16,502,021	20,947,509
		16,580,211	20,993,350
26.00	Earnings per share (EPS)		
	The computation of EPS is given below:		
	Net profit after tax	45,016,131	188,221,580
	Number of total outstanding shares	148,775,000	148,775,000
	Earnings per share (EPS)	0.30	1.27
27.00	Net Assets value (NAV) per share		
	Total assets	10,943,815,530	9,400,047,967
	Total outside liabilities	5,592,163,706	3,944,012,922
	Net assets	5,351,651,825	5,456,035,045
	Divided by number of ordinary shares	148,775,000	148,775,000
	Net assets value (NAV) per share	35.97	36.67

28.00 Related Party Transactions

During the year under review, the company carried out a number of transactions with related party in the normal course of business. The name of the related parties, nature of business and their value have been set out below in accordance with the provisions of IAS 24 "Related Party Disclosures".

Name of Party	Nature of Transaction	Relationship	30.06.2023	30.06.2022
Faisal Spinning Mills Ltd	Trade and Other Creditors/Receivables	Group Company	266,973,818	176,786,466
Saiham Knit Composite Ltd.	Trade and Other Receivables	Group Company	143,818,700	5,678,298
Saiham Textile Mills Ltd.	Trade and Other Creditors/Receivables	Group Company	242,867,849	176,144,831
Director's Remuneration	Remuneration	MD/Director	2,100,000	2,100,000
Md Rezaul Haque	Salary and Allowance	General Manager	2,260,600	2,022,826
Md Sahinur Kabir, FCS	Salary and Allowance	D.G.M & Company Secretary	1,574,000	1,424,000
Md Arifur Islam	Salary and Allowance	Senior AGM	1,223,350	1,072,300
Farid Ahmed	Salary and Allowance	Senior AGM	1,144,770	974,200
Mojammel Hossen Chowdhury	Salary and Allowance	A.G.M	1,170,000	1,072,500
Board meeting fess	Meeting fee	MD/Director	82,500	68,750

To comply with BSEC notification No. SEC/CMRRCD/2008-183/Admin/03-30 dated June 1, 2009 the company has taken approval in its 20th AGM dated 12th December 2021 for supply of goods and materials amounting 1% or above of the revenue for the immediate preceding financial year with its related parties.

Faisal Spinning Mills Ltd

This is arrived as follows:

Opening balance as on July 01, 2022
Addition during the year

Adjusted/Payment during the year
Closing balance as on June 30, 2023

176,786,466	111,411,488
441,012,173	881,966,015
617,798,639	993,377,503
884,772,457	816,591,036
(266,973,818)	176,786,466

Saiham Knit Composite Ltd.

This is arrived as follows:

Opening balance as on July 01, 2022
Addition during the year

Adjusted/Payment during the year
Closing balance as on June 30, 2023

5,678,298	56,876,125
406,359,850	684,087,317
412,038,148	740,963,442
268,219,448	735,285,144
143,818,700	5,678,298

Saiham Textile Mills Ltd.

This is arrived as follows:

Opening balance as on July 01, 2022
Addition during the year

Adjusted/Payment during the year
Closing balance as on June 30, 2023

176,144,831	66,642,242
13,349,030	109,718,350
189,493,861	176,360,592
432,361,710	215,761
(242,867,849)	176,144,831

Notes	Particulars	Amount in Tk.	
		June 30, 2023	June 30, 2022

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

Attendance Status of Board Meeting of Director

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

The attendance status of all meeting is as follows :

Name of Director	Position	2022-2023		2021-2022
		Meeting Held	Attended	Attended
Mr. S. M. Faisal	Chairman	6	6	5
Mr. Syed Ishtiaq Ahmed	Managing Director	6	6	5
Mrs. Yasmin Faisal	Director	6	6	5
Mr. Syed Shafqat Ahmed	Director	6	6	5
Mr.Mohammed Nazmul Hossain, FCA	Independent Director	6	6	5

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

A. Disclosure as per requirement of schedule XI, part II, Note 5 of Para 3

Number of Employees for the period ended June 30,2023

Salary Range (Monthly)	Officer & Staff		Worker	Total Employees
	Head Office	Factory		
Below 4,100	-	-	-	-
Above 4,100	22	254	1,244	1,520
Total	22	254	1,244	1,520

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

Name	Designation	Amount in Taka	
		June 30, 2023 Remuneration	June 30, 2022 Remuneration
Mr. S. M. Faisal	Chairman	-	-
Mr. Syed Ishtiaq Ahmed	Managing Director	2,100,000	2,100,000
Mrs. Yasmin Faisal	Director	-	-
Mr. Syed Shafqat Ahmed	Director	-	-
Total		2,100,000	2,100,000

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

Details of production capacity & utilization

Year	Installed capacity p.a in kgs	Actual Production p.a in kgs	% of Capacity Utilization	%of Shortage
30-Jun-23	16,685,000	13,754,555	82.44	17.56
30-Jun-22	16,685,000	13,782,793	82.61	17.39

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

Value of Raw Cotton, Packing Materials and Stores and Spares for the period ended June 30,2023.

Particulars	Local Purchase	Import	Total purchase	Consumption
Raw Cotton	23,688,592	5,229,945,056	5,253,633,648	4,445,174,266
Packing Material	66,844,316	-	66,844,316	68,211,493
Spares parts	29,976,712	125,713,752	155,690,464	112,531,339

Schedule XI, Part II, Para 8(b) & para 8(d) Foreign currencies remitted during the period :

During this period, the company did not remit any amount as dividend, technical know-how, royalty, professional consultation fees, interest and other matters either its shareholder or others.

31.00 Contingent Liability

Nature of contingent liability

Bank Guarantee - Jalalabad Gas T & D System Ltd.	899,745	899,745
Bank Guarantee - Jalalabad Gas T & D System Ltd.	1,831,701	1,831,701
Bank Guarantee - Jalalabad Gas T & D System Ltd.	1,354,412	1,354,412
Bank Guarantee - Jalalabad Gas T & D System Ltd.	3,729,071	3,729,071
Bank Guarantee - Jalalabad Gas T & D System Ltd.	27,303	27,303
Bank Guarantee - Jalalabad Gas T & D System Ltd.	2,564,947	2,564,947
Bank Guarantee - Jalalabad Gas T & D System Ltd.	4,105	4,105
Bank Guarantee - Jalalabad Gas T & D System Ltd.	10,379,877	10,379,877
Bank Guarantee - Jalalabad Gas T & D System Ltd.	4,753	4,753
Bank Guarantee - Jalalabad Gas T & D System Ltd.	3,128,862	3,128,862
Bank Guarantee - Jalalabad Gas T & D System Ltd.	10,504,034	10,504,034
Bank Guarantee - Jalalabad Gas T & D System Ltd.	13,692	13,692
Bank Guarantee - Jalalabad Gas T & D System Ltd.	7,965,062	-
Bank Guarantee - Jalalabad Gas T & D System Ltd.	6,575,385	-
Bank Guarantee - Jalalabad Gas T & D System Ltd.	5,965	-
Bank Guarantee - Jalalabad Gas T & D System Ltd.	83,958	-
Bank Guarantee - Commissioner of Custom, Chattogram	5,697,981	5,697,981
	54,770,853	40,140,483

Notes	Particulars	Amount in Tk.	
		June 30, 2023	June 30, 2022
32.00 Contingent Assets			
	There was no Contingent Assets as on June 30, 2023.		
33.00 Claim against the Company			
	There was no claim against the company which is to be acknowledged as debt as on June 30, 2023.		
34.00 Event after reporting period			
	The Board of Directors at their board meeting held on October 28, 2023 recommended to the shareholders no dividend for the year ended June 30, 2023. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).		
	Except the facts stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statement or notes thereto.		
35.00 Reconciliation of cash flows from operating activities under indirect method			
	Profit before Tax	77,534,028	286,044,536
	Adjustment to Reconcile Profit before Tax provided by operating activities:		
	Add: Depreciation	289,204,346	304,263,563
	Add: Finance Expenses	163,319,644	139,026,676
	Add/(Less): Unrealised Gain / (loss) on marketable securities	(120,239)	718,181
	Add/(Less): Unrealized gain/(loss) for change in exchange rate of foreign currency	174,798,556	144,966,307
	Gain on Sale of Vehicle	-	-
	Changes in current assets and liabilities:		
	(Increase) / Decrease Inventories	(1,616,710,364)	(499,685,490)
	(Increase) / Decrease Advance, deposits & prepayments	586,741,343	(455,642,904)
	Income Tax Paid	(65,421,132)	(34,356,576)
	(Increase) / Decrease Trade & Other Receivable	(938,697,558)	805,087,860
	Increase/ (Decrease) In trade creditors	524,115,520	(12,968,353)
	Increase / (Decrease) payables & Accruals	23,371,237	21,374,764
	Increase / (Decrease) unpaid dividend	997,543	(7,705,431)
	Net cash flow from operating activities	(780,867,076)	691,123,133
36.00 Collection from customers & others			
	Opening receivable	695,533,611	1,483,441,037
	Add : Sales during the year	5,512,530,629	4,085,877,455
		6,208,064,240	5,569,318,492
	Less : Closing Receivable	(1,654,280,011)	(695,533,611)
	Add/(Less):Unrealized Gain/(Loss)	20,048,842	17,180,434
	Collection from sales	4,573,833,070	4,890,965,315
37.00 Payment for cost and expenses			
	Cost of Goods Sold	(5,020,361,795)	(3,409,302,930)
	Operating expenses	(101,296,454)	(113,416,555)
	Depreciation	289,204,346	304,263,563
	Inventories	(1,616,710,364)	(499,685,490)
	Advances, deposits and pre-payments	586,741,343	(455,642,904)
	WPPF	(3,876,701)	(14,302,227)
	Payables & Accruals	23,371,237	21,374,764
	Unclaimed Dividend	997,543	(7,705,431)
	Trade & Other Creditors	524,115,520	(12,968,353)
		(5,317,815,325)	(4,187,385,563)
38.00 Net Operating Cash Flow Per Share			
	The computation of NOCFPS is given below:		
	Net cash flow from operating activities	(780,867,076)	691,123,133
	Divided by number of ordinary shares	148,775,000	148,775,000
	Net Operating Cash Flow Per Share (NOCFPS)	(5.25)	4.65
39.00 General Comments & Observations			
	(a) There was no preference share issued by the company.		
	(b) The company has not incurred any expenditure in foreign currency against royalties and technical fees.		
	(c) Auditors are paid only statutory audit fees.		
	(d) No foreign exchange remitted to the any shareholders during the period.		
	(e) No amount of money was expended by the company for compensating any members of the Board for special service rendered.		

Saiham Cotton Mills Limited
Property, plant and equipment
As at June 30, 2023

Annexure - A1

Particulars	Cost			Depreciation				W.D.V. as at 30.06.2023
	Balance as at 01.07.2022	Addition during the year	Balance as at 30.06.2023	Rate %	Balance as at 01.07.2022	Charge during the year	Adjustment during the year	
Land and Land Development	100,491,673	8,810,000	109,301,673	-	-	-	-	109,301,673
Factory Building & Other Construction	634,055,052	4,775,084	638,830,136	5%	222,336,081	20,605,845	-	242,941,926
Office Building	126,361,395	-	126,361,395	5%	23,868,091	5,124,665	-	28,992,756
Plant and Machineries	3,398,362,777	2,997,141	3,401,359,918	7.50%	1,296,932,431	157,626,008	-	1,454,558,439
Furniture & Fixtures	23,092,344	2,219,692	25,312,036	10%	10,210,471	1,306,685	-	11,517,156
Motor Vehicles	45,225,139	1,708,800	46,933,939	15%	23,913,306	3,218,135	-	27,131,441
Office Equipments	27,474,612	675,195	28,149,807	10%	12,193,170	1,533,771	-	13,726,941
Sundry Assets	97,215,416	277,355	97,492,771	10%	49,556,026	4,768,250	-	54,324,276
Sub - Total	4,452,278,408	21,463,267	4,473,741,675		1,639,009,577	194,183,359	-	1,833,192,936
								2,640,548,740

Revaluation of property, plant and equipment

Particulars	Cost			Depreciation				W.D.V. as at 30.06.2023
	Balance as at 01.07.2022	Addition during the year	Balance as at 30.06.2023	Rate %	Balance as at 01.07.2022	Charge during the year	Adjustment during the year	
Land and Land Development	1,021,866,807	-	1,021,866,807	-	-	-	-	1,021,866,807
Building & Other Construction	1,199,507,520	-	1,199,507,520	5%	236,927,158	48,129,018	-	285,056,176
Plant and Machineries	1,047,257,309	-	1,047,257,309	7.50%	422,904,796	46,826,438	-	489,731,235
Motor Vehicles	3,150,093	-	3,150,093	15%	2,713,220	65,531	-	2,778,751
Sub - Total	3,271,781,729	-	3,271,781,729		662,545,174	95,020,987	-	757,566,162
								2,514,215,567
Grand Total	7,724,060,137	21,463,267	7,745,523,404		2,301,554,751	289,204,346	-	2,590,759,097
								5,154,764,307

Allocation of depreciation:

Cost of Production
Administrative and Marketing Expenses

277,955,560	
11,248,787	
289,204,346	

Saiham Cotton Mills Limited
Property, plant and equipment
As at June 30, 2022

Annexure - A1

Particulars	Cost			Rate %	Depreciation			W.D.V. as at 30.06.2022
	Balance as at 01.07.2021	Addition during the year	Adjustment during the year		Balance as at 30.06.2022	Charge during the year	Adjustment during the year	
Land and Land Development	100,766,673	157,000	(432,000)	-	-	-	-	100,491,673
Factory Building & Other Construction	612,607,625	21,447,427	-	5%	201,701,406	20,634,675	-	411,718,970
Office Building	126,361,395	-	-	5%	18,473,707	5,394,384	-	102,493,304
Plant and Machineries	3,324,788,206	73,574,571	-	7.50%	1,132,014,567	164,917,864	-	2,101,430,346
Furnitures & Fixtures	22,781,944	310,400	-	10%	8,810,766	1,399,704	-	12,881,873
Motor Vehicles	45,225,139	-	-	15%	20,152,395	3,760,912	-	23,913,306
Office Equipments	26,847,536	627,076	-	10%	10,559,101	1,634,069	-	15,281,442
Sundry Assets	95,880,836	1,334,580	-	10%	44,396,467	5,159,558	-	47,659,390
Sub - Total	4,355,259,354	97,451,054	(432,000)		1,436,108,410	202,901,167	-	2,813,268,831

Revaluation of property, plant and equipment

Particulars	Cost				Rate %	Depreciation				W.D.V. as at 30.06.2022
	Balance as at 01.07.2021	Addition during the year	Adjustment during the year	Balance as at 30.06.2022		Balance as at 01.07.2021	Charge during the year	Adjustment during the year	Balance as at 30.06.2022	
Land and Land Development	1,021,866,807	-	-	1,021,866,807	-	-	-	-	1,021,866,807	
Building & Other Construction	1,199,507,520	-	-	1,199,507,520	5%	186,265,033	50,662,124	-	962,580,362	
Plant and Machineries	1,047,257,309	-	-	1,047,257,309	7.50%	372,281,619	50,623,177	-	624,352,513	
Motor Vehicles	3,150,093	-	-	3,150,093	15%	2,636,125	77,095	-	436,873	
Sub - Total	3,271,781,729	-	-	3,271,781,729		561,182,778	101,362,396	-	2,609,236,555	
Grand Total	7,627,041,083	97,451,054	(432,000)	7,724,060,137		1,997,291,188	304,263,563	-	5,422,505,387	

Allocation of depreciation:

Cost of Production
Administrative and Marketing Expenses

291,997,399
12,266,165
304,263,563

Saiham Cotton Mills Limited
Statement of Trade and Other Receivables
As at June 30, 2023

Annexure - B

Name of Party	June 30, 2023	June 30, 2022
Abanti Colour Tex Ltd	85,073,560	44,956,341
Ahana Knit Composite Ltd.	53,500,000	-
Alim Knit (BD) Ltd	12,572,500	-
Appollo Knitwear (BD) Ltd.	19,265,350	-
Comptex Bangladesh Limited	-	4,884,000
Crossline Factory (Pvt.) Ltd.	2,646,378	-
Crossline Knit Fabrics Ltd.	4,624,005	-
Cs Lee Knit Composite Ltd	22,852,793	-
Epyllion Fabrics Ltd.	4,601,000	-
Esquire Knit Composite Ltd.	13,845,640	-
Fabrica Knit Composite Ltd.	35,019,588	4,627,424
Falcon International Knit Composite	528,580	-
Fariha Knit Tex Ltd.	1,118,150	-
Flamingo Fashions Ltd.	-	38,029,951
Future Knit Composite Ltd.	13,482,803	-
G.A.B Limited	508,837,597	108,660,490
Gramtech Knit Dyeing Finishing & Garments Ind. Ltd	14,354,050	-
Gulf Knitting & Textile Limited	25,037,997	-
Hasan Style & Design Ltd.	6,092,580	-
HK Knit Fashion	1,157,740	-
IFS Texwear (Pvt) Ltd.	1,516,725	-
Impress- Newtex Composite Textiles Ltd	2,039,955	4,845,150
Kaizer Knitwears Ltd	54,064,104	-
Knit City Ltd.	-	31,443,132
Knit Valley Fashion Limited	-	1,823,638
Kushiara Composite Knit Ind. Ltd.	54,512,488	59,681,000
Lantabur Apparels Ltd.	22,964,608	4,362,008
Libas Knitwear Ltd.	5,808,495	-
Liberty Knitwear Ltd.	25,650,682	3,082,868
Link Tex Sportswear Ltd	7,605,025	-
Mars Classic Wear Ltd.	7,116,570	-
Maven Design Limited.	10,721,400	-
Mawna Fashions Ltd	20,561,088	-
Mondol Fabrics Ltd.	890,775	-
Moonlux Composite Knit Garments Ltd.	23,122,700	-
Muazuddin Knit Fashion Ltd	979,050	22,431,250
Multifabs Limited.	6,527,000	-
Network Apparel Ltd	43,648,101	3,968,250
Nirzhor Knitwear Ltd	26,242,702	-
NRN Knitting & Garments Ltd.	-	4,128,516
Oishi Designs Ltd.	1,313,158	-
Pacific Cotton Ltd.	2,278,833	-
Polo Composite Knit Industry Limited	48,008,760	-
Raz Apparels	21,721,000	-
Riger Fashion Ltd.	2,805,005	-
RT Fashion	20,991,795	-
Starlet Apparels Limited	47,882,500	-
Sublime Greentex Ltd.	7,848,450	-
Tamai Knit Fashion Ltd	1,601,790	-
Taqwa Fabrics Ltd.	48,920,400	-
Total Fashion Ltd	136,109,350	-
TSS Fashion	10,240,435	-
Unifill Composite Dyeing Mills Ltd.	4,805,335	-
Unique Designers Ltd.	2,586,725	-
Zaheen Knitwears Ltd	14,766,000	-
Faisal Spinning Mills Ltd.	-	176,786,466
Saiham Textile Mills Ltd.	-	176,144,831
Saiham Knit Composite Ltd.	143,818,700	5,678,298
Total	1,654,280,011	695,533,611

Saiham Cotton Mills Limited
Statement of Trade & Other Creditors
As at June 30, 2023

Annexure - C

Name of Party	Supplier Type	June 30, 2023	June 30, 2022
A One Fire Fighting	Local supplier	-	500
A. K. Enterprise	Local supplier	11,200	15,400
AEG Engineering	Local supplier	118,650	118,650
Al-Fatiha Electric	Local supplier	46,200	-
Al-Hasan Trade International	Local supplier	181,729	-
Al-Modina Library	Local supplier	1,950	-
Amina Traders	Local supplier	207,710	86,100
Anan Pack (BD) Ltd.	Local supplier	2,932,459	-
Arafat Enterprise	Local supplier	-	1,692
Assl Textile	Local supplier	4,826	4,826
Azam Enterprise	Local supplier	69,350	-
B D.Venture	Local supplier	140,000	-
Babul Electronics	Local supplier	1,360	-
Barakah Industrial Mart	Local supplier	19,050	-
Bearing Sales Corporation	Local supplier	199,610	138,545
Belting Roots Technology	Local supplier	30,470	-
Bengal Roots	Local supplier	26,052	-
Berger Paints Bangladesh Ltd.	Local supplier	112,095	17,518
Bestair Engineering	Local supplier	50,000	-
Bismillah Textile Engineering	Local supplier	264,725	27,050
Bright Electric Store	Local supplier	44,950	41,530
Btech Automation Engineering Ltd.	Local supplier	31,950	-
Central Hardware & Tools	Local supplier	-	133,070
Chatro Bondhu Library	Local supplier	1,260	-
Chowdhury & Company	Local supplier	8,970	-
Citizen Cables Ltd.	Local supplier	216,462	1,015,068
Citizen Marketing Ltd.,	Local supplier	1,008,676	-
Crown Machinery Co. Ltd.	Local supplier	-	65,000
Delcot Limited	Local supplier	1,306,135	59,337
Dot Printing & Packages	Local supplier	10,800	-
Eastern Tools & Machineries	Local supplier	24,606	77,960
Electric Power	Local supplier	72,680	80,805
Eskander Engineering Works	Local supplier	-	34,760
F S Trade Corporation	Local supplier	40,530	27,800
Faithness Limited.	Local supplier	116,000	223,980
Farabi Enterprise	Local supplier	-	18,670
Farjana Electric	Local supplier	91,240	-
Firoza Hardware & Packaging	Local supplier	41,000	41,000
Flash Point	Local supplier	112,500	18,000
FML Trade International	Local supplier	9,210	-
G.S. Enterprise	Local supplier	92,500	79,500
Gete International	Local supplier	-	865,000
Ha-Meem Corporation	Local supplier	48,411	51,306
Hazrat Shah Poran (R) Enterprise	Local supplier	66,164	-
Hera Electric Store	Local supplier	107,650	76,800
Hi-Tech Power	Local supplier	186,115	186,115
Hitech Professionals	Local supplier	52,625	12,400
Iconic Engineering & Trading Company	Local supplier	1,100,000	-
Ifad Motors Ltd.	Local supplier	35,400	-
Imtinan Trading	Local supplier	-	73,000
Irfan & Alif Electronics	Local supplier	-	6,970
Islam Enterprise	Local supplier	9,500	9,500
Janata Machineries	Local supplier	52,580	4,100
Kaltimex Energy Bangladesh (Pvt.) Ltd.	Import	463,207	-
Kamary Trade Center	Local supplier	-	150,305
Kamary Trade Centre	Local supplier	23,700	212,530

Annexure - C

Name of Party	Supplier Type	June 30, 2023	June 30, 2022
Kansai Nerolac Paints (Bangladesh) Limited	Local supplier	57,324	-
Khandaker Enterprise	Local supplier	27,575	-
Khorshed Electric Company.	Local supplier	154,470	-
Kushal Traders	Local supplier	36,000	46,900
Lipika	Local supplier	468,825	396,450
Louhojong Hardware Store	Local supplier	24,600	80,600
Lube Asia	Local supplier	367,944	622,160
Lucky Textile Engineering.	Local supplier	-	111,120
M H Printing House	Local supplier	-	44,000
M R Corporation	Local supplier	6,235,742	1,503,250
M/S Gopal Hardware Store	Local supplier	3,200	-
M/S Mizan Enterprise	Local supplier	1,760	-
M/S Modina Paints & Sanitary	Local supplier	1,020	-
M/S Mohonpur Filling Station	Local supplier	16,350	-
M/S Murshid Khan Verities Store	Local supplier	1,080	-
M/S Salem Enterprise.	Local supplier	29,000	29,000
M/S Satota Enterprise	Local supplier	55,390	-
M/S Siddiq Hardware And Tools	Local supplier	9,240	-
M/S Sohag Hardware Store	Local supplier	14,541	-
M/S Victor Corporation	Local supplier	58,094	-
Maa Bearing And Machineries	Local supplier	122,510	73,350
Maintenance Chemical Agencies Ltd.	Local supplier	7,000	-
Maks Line Engineering.	Local supplier	-	69,520
Mamun Enterprise	Local supplier	10,130	-
Mamun Enterprise, Gulshan-2	Local supplier	-	12,160
Marium International	Local supplier	33,060	33,060
Marium Trade Centre	Local supplier	75,852	-
Maysa Enterprise	Local supplier	61,000	61,000
MJL Bangladesh Limited	Local supplier	162,240	-
Monir Biddut Bitan	Local supplier	93,433	37,500
Monir Enterprise	Local supplier	66,000	66,000
Mr. Burma(Saurer Schlafhorst)	Local supplier	65,000	65,000
Multitech Safety & Security	Local supplier	-	14,000
N R Bearing & Machineries	Local supplier	64,900	-
Nafis Enterprise	Local supplier	31,300	-
Nashat Enterprise	Local supplier	90,000	-
National Polymer Industries Ltd.	Local supplier	162,379	-
New Ali Tyre	Local supplier	-	22,900
New Diamond Plastic & Engineering Works	Local supplier	129,940	37,200
New Meem Enterprise	Local supplier	13,320	-
New Shapla Traders	Local supplier	-	40,210
New Siam Paint & Hardware	Local supplier	4,990	-
Noor Light House	Local supplier	143,340	-
People'S Mill Store	Local supplier	-	17,880
PNL Holding Ltd.	Local supplier	45,090	-
Power Line	Local supplier	29,500	73,991
Prime Trading	Local supplier	-	7,110
Progressive Engineering Corporation	Local supplier	25,000	-
Rabby Hardware & Tools	Local supplier	-	6,970
Rafat Enterprise	Local supplier	30,500	30,500
Rohan Electric	Local supplier	-	41,670
Rotation Engineering Ltd.	Local supplier	989,230	989,230
S J Traders	Local supplier	-	34,000
S. Alif Electronics	Local supplier	70,160	-
S.S Trade Link	Local supplier	582,280	40,000
Satata Tools & Machineries	Local supplier	3,664	-
Schlafhorst	Import	612,460	-
Shabbir Automation Technologies	Local supplier	1,500,000	558,724
Sharif Bearing & Machineries	Local supplier	-	27,700
Shohag Tyre Syndicate	Local supplier	318,490	-

Annexure - C

Name of Party	Supplier Type	June 30, 2023	June 30, 2022
Shuvam Enterprise	Local supplier	10,000	-
Siam Enterprise	Local supplier	41,085	-
Siam Lubrication Engineering	Local supplier	502,600	249,800
Simantoo Lighting House	Local supplier	7,810	-
SMH Corporation	Local supplier	127,680	117,920
Spares Parts Trade	Local supplier	54,800	-
SS Printers	Local supplier	104,272	-
Standard Electric Store	Local supplier	118,870	2,600
Star Trade Connection	Local supplier	223,450	240,700
Sun Electronics	Local supplier	705,520	456,100
Sutex International	Local supplier	541,380	-
T M Trade Corporation.	Local supplier	-	22,310
Tamim Traders	Local supplier	134,090	221,070
Tanha Electronics	Local supplier	25,730	25,730
Tanvir Boiler Mart	Local supplier	21,455	218,195
Technaf Engineering Pvt. Ltd.	Local supplier	288,530	66,000
Tex Solutions Bd	Local supplier	-	1,392,400
Texmark Associates Ltd.	Local supplier	31,500	31,500
Texus International	Local supplier	437,375	437,375
The Confidence Associates	Local supplier	46,000	-
TNS Engineering Ltd.	Local supplier	24,304	24,304
Triangle Engineering	Local supplier	-	190,000
Unique Bearing & Machinerics	Local supplier	3,668	-
United Engineering & Power Services Ltd	Local supplier	16,805	16,805
United Trade Center	Local supplier	834,200	-
Universe Equipment Limited	Local supplier	-	105,300
Zahi Computer	Local supplier	28,111	36,511
Zahid Traders & Technology	Local supplier	88,000	18,000
Faisal Spinning Mills Ltd.	Group Company	266,973,818	-
Saiham Textile Mills Ltd.	Group Company	242,867,849	-
Total		537,156,082	13,040,562



SAIHAM COTTON MILLS LTD.

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

PROXY FORM

Revenue
Stamp
Tk. 20.00

I/We.....

of.....

being a Shareholder of Saiham Cotton Mills Ltd. hereby appoint

Mr./Ms.

of.....

as my proxy in my/our absence to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on December 28, 2023 at 12:00 at noon through Digital Platform and/or at any adjournment thereof.

As witness my/our hand this.....day of December 2023.

Signature of Proxy.....

Signature of Shareholder

BO ID No.

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SAIHAM COTTON MILLS LTD.

Dhaka Office : Saiham Tower, House # 34 (11th Floor), Road # 136

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