

2012
*Annual
Report*



SAIHAM COTTON MILLS LTD.



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Transmittal Letter

To
All Shareholders
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 April 30, 2012

Dear Sir

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Balance Sheet as at April 30, 2012 Income Statement, Cash Flow Statement and Statement of Changes in Equity for the year ended April 30, 2012 along with notes thereon and related consolidated financial statements for your record/necessary measures.

Yours Sincerely

Sd/
(Md.Sahinur Kabir)
Company Secretary

Event Highlights



Director attending the 10th Annual General Meeting



View of Lottery for Allotment of IPO Share

Board
Of
Directors



S. M. Faisal
Chairman



Engr. Syed Ishtiaq Ahmed
Managing Director



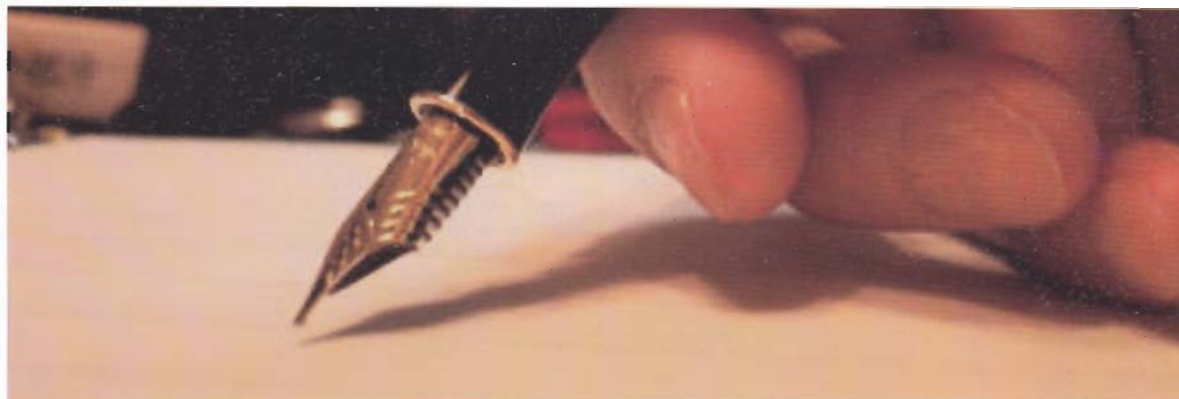
Syed Shafqat Ahmed, MBA
Director



S. F. A. M. Shahjahan
Director



Mostafa Moin
Independent Director



SAIHAM COTTON MILLS LTD.

House # 2, Road # 55 Gulshan-2, Dhaka.

Notice of the 11th Annual General Meeting

Notice is hereby given that the 11th Annual General Meeting (AGM) of the shareholders of the Company shall be held on Thursday, 04 October 2012 at 11.00 A.M. at Mill premises, Noyapara, P.O.Saiham Nagar, U.Z.-Madhabpur, Dist-Habiganj to transact the following businesses:

1. To consider the audited financial statements of the Company for the year ended 30 April 2012 together with auditors' and directors' reports thereon.
2. To declare dividend.
3. To elect directors.
4. To appoint auditors and fix their remuneration.
5. To approve appointment of the Independent Director.
6. Miscellaneous.

By order of the Board

Dated: Dhaka
August 30, 2012

Sd/-
(Md.Sahinur Kabir)
Company Secretary

Notes

1. The shareholders whose names will appear in the Share Register of the Company and/or Depository Register of CDBL as on record date, i.e. September 12, 2012 will be entitled to attend the AGM and receive dividend.
2. Attendance to the AGM will be on production of the Attendance Slip sent with this Notice.
3. The Proxy Form, sent with this Notice, affixed with requisite revenue stamp of Tk.10/- must be deposited at the Company's Registered Office at least 48 hours prior to the AGM.



Management Apparatus

Board Of Directors

S. M. Faisal - Chairman
Engr. Syed Ishtiaq Ahmed - Managing Director
Syed Shafqat Ahmed, MBA - Director
S. F. A. M. Shahjahan - Director
Mostafa Moin - Independent Director

Audit Committee

Mostafa Moin - Chairman
Syed Shafqat Ahmed, MBA - Member
S. F. A. M. Shahjahan - Member

Company Secretary

Md. Sahinur Kabir



Registered Office	:	House # 2, Road # 55, Gulshan-2, Dhaka - 1212
Telephone	:	9862284,9863323, 9887441
Fax	:	9864607, 8826254
E-mail	:	siahmed@saiham.com
Website	:	www.saihamcotton.com
Auditors	:	Rahman Mostafa Alam & Co. Chartered Accountants Box Culvert Road 65/2/1, Purana Paltan, Dhaka-1000
Legal Advisor	:	Md. Shamsul Haque Flat # 9 B, (10 th Floor) Fayanaz Property 37/2, Purana Paltan, Dhaka-1000
Tax Advisor	:	Jasim Chowdhury Paramount Heights Box Culvert Road 65/2/1, Purana Paltan, Dhaka-1000
Principal Banker's	:	Janata Bank Limited Motijheel Corporate Branch 48, Motijheel C/A, Dhaka-1000 Bank Asia Limited Dhanmondi Branch, Dhaka-1205 HSBC Limited Main Branch, Dhanmondi, Dhaka-1205 Dhaka Bank Limited Sara Tower, Motijheel, Dhaka-1000 Standard Chartered Bank Limited Gulshan Branch, Dhaka-1212
Insurance Company's	:	Green Delta Insurance Company Limited 2, Dilkusha C/A, Dhaka-1000 Karnaphuli Insurance Company Limited 64, Motijheel C/A, Dhaka-1000 Islami Insurance Bangladesh Limited Malibagh Branch, Dhaka-1217 Prime Insurance Company Limited 36, Dilkusha, Dhaka-1000
Factory	:	Noyapara, P. O : Saiham Nagar U. Z : Madhabpur, Dist : Hobiganj Post Code : 3333

Factory Highlights



Chairman's statement

Dear Shareholders,
Assalamu Alaikum,

Respected members of the Board of Directors and the dedicated employees and worker's of the Saiham Cotton Mills Limited.

It is my pleasure to welcome you on behalf of the Board of Directors on this First Annual General with you after completion of IPO, though it is the 11th Annual General Meeting of the company and to present you with the Annual Report for the year ended on 30th April 2012. It gives me more immense pleasure because just after around six months to completion of IPO work, we get the opportunity to meet with all of you, discuss on the performance of the concerned year of the Company and sharing the views of each other, I assumed that to the changed situation more obligations has been created on us on behalf of the valued shareholder in respect of last ten AGM and to offer them assurance of our sincerity in maintaining operational results up to their expectations at present as well in future.

We have successfully completed the Initial Public Offering (IPO) of the company. We have received tremendous response from the public at a time when the share market was passing through the greatest crisis period.

During the year under review, you may have known that Textile sector had gone through the most difficult times in its era. The effect of Global Recession on the EU economy and last but not the least the skyrocketing of the raw cotton and subsequent fall of raw cotton price left the whole textile world in a dilemma. Yet in this crucial period due to the sound and prudent management and effort of all concerned in the company we had been able to avoid the calamity successfully and survive during the uncertain situation.

I would like to assure you that, our hard efforts to increase the shareholders' equity will continue as before. Our efficient management and skilled labour stands the main driving force of the Company. We are confident of our ability and team spirit, it is due to this prudent management we had decided to expand our capacity to cater a bigger market. On top of this, the Company is trying to increase export by applying latest machineries and ensuring quality which we believe is our main motto.

I would like to show my sincere gratitude to all of the respectable valued investors, Stakeholders and shareholders for extending their continuous support and confidence in the Board of Directors of our company. I also would like to put on testimony my honest admiration to the Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository Bangladesh Limited, Banks and Financial institutions for their whole hearted support.

I embrace your support and seek your co-operation by all means for a brighter future for all.

Thanking you all

Wishing you all the best.

Regards

Sd/-
(S.M.Faisal)
Chairman

Directors' report to the shareholders

Dear Shareholders
Assalamu Alaikum,

I, on behalf of the Board of Directors, have the pleasure to present before you the report for the year ended April 30, 2012 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 Limited. 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. 1,352 million. The company received consent for raising capital through IPO from Securities and Exchange Commission on December 18, 2011. On completion of the IPO compliance, 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.

It may be mentioned that the Company had floated its 4,75,00,000 shares of Tk. 20/- each including premium of Tk. 10/- per share to raise Tk. 95 crores from general public through Initial Public Offering (IPO) which was oversubscribed.

REVENUE

As you are aware that the Company is a manufacturer of 100% export-oriented cotton yarn and has 30,960 spindles. The sale proceeds from cotton yarn stood at 1,727 million. As the raw material of yarn is raw cotton and is traded in commodity exchange, the volatility of the price has a direct affect on the Revenue. During the year under review the raw cotton price was on a free falling spree as such the whole industry worldwide faced great problem in adjusting the the ever changing scenario. Yet the efficient and coercive effort of all concerned has helped the company to take advantage of the Falling price of cotton to maintain the Revenue trend.

Financial Result and Appropriation of Profit:

Particulars	2012	2011
Net Profit for the year (after tax)	225,948,826	203,633,645
Add: Adjustment for revaluation of P.P.E and deferred tax	43,105,649	46,396,408
Less: Unrealized loss on sale of financial assets	(9,861,588)	(3,718,337)
Add: Previous year's surplus	180,050,513	12,946,580
Profit available for appropriation	439,243,400	259,258,296
Recommended for appropriations:		
Tax holiday reserve	82,461,706	79,207,782
Cash Dividend @ 10%	135,250,000	67,500,000
Stock Dividend @ 30%		202,500,000
Un-appropriated profit carried forward		
Total	221,531,694	89,949,486

Segment-wise or product-wise performance

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

Industry outlook and possible future developments in the industry

The company works as a Primary Textile Sector (PTS) for the export oriented Garments Industries. SCML produces high quality export yarn and delivers to the Knitting and/or Garments industries for them to convert to garments and exports. As such we are treated as "deemed exporter." The company holds good reputation for its quality, commitment and delivery in time. As such more and more buyers are approaching and the demand of SCML yarn is rising. It is to cater this extra demand the Board of Directors had decided to set up a brand new 100% export oriented spinning unit and the proposition of public fund was preferred to Bank Loan, and the company went for IPO with the approval from SEC.

SAIHAM COTTON MILLS LTD.

With the Global Apparel Outlook giving a gloomy picture initially, yet the company is confident of their ability as such is going ahead with their expansion work. Hopefully we will be able to start the production of our new unit by early next year, which will not only double our capacity but also contribute to the profitability of the company as well. We believe in spite of the Global crisis in EU and USA, the market share of Bangladeshi apparels will not be affected but rather increase to a certain point. We believe Bangladesh catering the niche market in the Global Apparel Market, and SCML being located in the vicinity of the Natural Gas Area of Habiganj, will be able to utilize on this country opportunity and gain as a company.

Risks and concerns

SCML being a deemed exporter, there is always a risk associated with the Global scenario. However, with the experience of the last three years and Bangladesh becoming predominantly a powerful apparel market in the Global arena and producing the basis apparels we believe that no matter what the demand for basis garments will sustain and Bangladesh will enjoy its share as a basic apparels supplier without any hindrance.

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

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

Particulars	April 30, 2012	April 30, 2011
Cost of goods sold	1,348,112,726 (78.03%)	1,553,568,407 (81.34%)
Gross profit	379,538,154 (21.97%)	356,292,896 (18.66%)
Net profit for the year	225,948,826 (13.08%)	260,257,781 (13.63%)

Cost of goods sold decreased due to reduce of raw material price. But gross profit increased due to efficient management of the volatility of the raw material and Yarn selling price

Discussion on continuity of any Extra-Ordinary gain or loss

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

Related party transactions

The Company has transactions with its Associate Companies which have been disclosed in related party transaction under section 26 of the notes to the financial statements.

DIRECTORS

In terms of Article 127 of the Articles of Association of the Company, Syed Md. Faisal and Engr. Syed Ishtiaq Ahmed Directors retire by rotation from the Board in the 11th Annual General Meeting. Being eligible under Article 128 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

Mr. Mostafa Moin has been appointed as Independent Director subject to approval of forthcoming AGM.

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

Mr. S. M. Faisal, Chairman

Mr. S.M.Faisal M.A. L.L.B from Dhaka University set up one of the most sophisticated textile Mill Saiham Textile Mills Ltd in the early 1980s in one of the remotest and most non-developed areas in Bangladesh i.e. Noyapara, Hobiganj. Within 20 years the same area has been transformed into an industrial region and now boasts more than Tk. 60000 million of investment and employment generation of over 8000 people. He is ex-Director of Bangladesh Textile Mills Association (BTMA), the apex body of textile sector in Bangladesh and also an ex-Director of National Tea Company Limited. He was the Chairman of Saiham Cement Industries Limited, a cement manufacturing plant in Mongla. He is well renowned for his philanthropic work in the locality.

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

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

Engr. Syed Ishtiaq Ahmed, Managing Director

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

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

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

INDEPENDENT DIRECTOR

In compliance of the SEC Regulations on Good Governance, the Board of Directors as empowered by the Regulations, appointed Mr. Mostafa Moin, B.B.A California State University, USA having over 17 years of experience in Bangladesh and in USA. Currently he holds the Directorship of Doreen Power Generations And Systems Ltd. It is expected that his expertise would help to contribute the Company affairs as well as to protect the interest of all investors in general and smaller investors in particular.

BOARD MEETINGS

In accordance with directives of the regulatory authorities, the Board supervises, study and review the activities of the Company and make business decisions etc. During the year, 12 (twelve) board meetings were held.

BOARD MEETINGS FEES

The Director of the Company is receiving a sum of Taka 3,000/- (Three Thousand) as board meetings fee.

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

Name of Directors	Number of Board Meeting held during the financial year ended 30.04.2012	Number of Board Meeting attended	Remarks
Mr. S. M. Faisal	12	12	
Mr. S. F.A. M. Shahjahan	12	12	
Mr. Syed Ishtiaq Ahmed	12	12	
Mr. Syed Shafqat Ahmed	12	12	

DIVIDEND

The Board of Directors has recommended 10% cash dividend for the shareholders for the year ended 30 April 2012 (subject to the approval in the forthcoming AGM) whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date, i.e., 12 September, 2012.

REPORT OF THE AUDIT COMMITTEE

The Audit committee consists of the following members:

- Mr. Mostafa Moin, Independent Director : Chairman
- Mr. S.F.A.M. Shahjahan, Director : Member
- Mr. Syed Shafqat Ahmed, Director : Member

Scope of work of Audit Committee

The Committee is authorised to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the Group and co-opt any resources (including external professional assistance) it sees fit in order to fulfill its duties. However, the Committee has no

SaiHAM COTTON MILLS LTD.

executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit. The Committee presents a summary of its activities to shareholders and other interested parties by means of this report, and the committee Chairman attends all general meetings of the Company's shareholders to answer any questions on the committee's activities.

Review of financial statements by the Audit Committee

Audit Committee reviewed the annual financial statements for the year April 30, 2012 and placed its recommendation to the Board of Directors.

External audit

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

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

Independence of External Auditor

As a policy, the Committee would not allow the external auditors to perform any work that they may subsequently need to audit, or which might otherwise create a conflict of interests. The Committee also monitors the balance between audit and non-audit related functions to ensure that auditor independence can be shown to be maintained. The Chief Financial Officer is permitted to engage the external auditors on matters that do not create such conflicts. The Audit Committee appraised the expertise, resources, independence and objectivity of external auditor and also reviewed their effectiveness as external auditors before reaching the recommendation to the Board that their re-election should be proposed to shareholders.

Resolutions of the Audit Committee meeting:

The Committee met Two times during last financial year 2011-12 to carry out the following tasks:

- o The Audit Committee reviewed the financial statements for the year ended April 30, 2012;
- o Reviewed and discussed the Management Letter, by external auditor M/s Rahman Mostafa Alam & Co. for the year ended April 30, 2012 on the annual audit on financial statements of Saiham Cotton Mills Ltd;
- o The expression of interest sent by the audit firm was reviewed by the Audit Committee and recommended M/s Rahman Mostafa Alam & Co. Chartered Accountants, as auditor of the Company for the year to be ended April 2013;
- o Reviewed various reports of Internal Control & Compliance Department on operational and financial procedures.

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

Report from the Audit Committee

Dated: August 30, 2012.

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

Audit Committee Report

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observations in their reports on the draft financial statements of the Company initiated by the auditors for the year ended 30 April 2012. The Committee found the statements adequate arrangement to present a true and fair view of the financial status of the Company; and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting and disclosures.

Sd/-

(**Md. Mostafa Moin**)

Chairman

Audit Committee

Saiham Cotton Mills Ltd

ENVIRONMENTAL ROLE

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

APPOINTMENT OF AUDITORS

The Board of Directors of the Company recommend M/s. Rahman Mostafa Alam & Co., Chartered Accountants to be appointed as auditors of the Company for the year ending 30.04.2013 for onward approval by shareholders in AGM.

CORPORATE & FINANCIAL REPORTING:

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

- a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) 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.
- d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- e) The systems of internal control are sound and have been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There are no significant deviations in operating result of the business of the company compared to last year.
- h) The key operating and financial data for the last five years is annexed.

Pattern of Shareholding

Name wise details	No. of Shares held
a) Parent/Subsidiary/Associated Companies and other related parties Faisal Spinning Mills Ltd	Nil
b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children: Mr. S.M.Faisal-Chairman Engr Syed Ishtiaq Ahmed - Managing Director Mr. Shafqat Ahmed - Director Mr.S.F.A.M.Shahjahan - Director Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:	3,41,25,000 1,17,80,925 1,17,80,925 39,00,000
c) Executives	Nil
d) Shareholders holding ten percent (10%) or more voting interest in the Company:	Nil

Key operating and financial data

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

Corporate Governance Compliance Report

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

On behalf of the Board of Directors

Sd/-
(Engr.Syed Ishtiaq Ahmed)
Managing Director

August 30, 2012

JAIHAM COTTON MILLS LTD.

Annexure : 1

The Key Operating and Financial Data:

Financial Highlights

(Taka in million)

Particulars	2012	2011	2010	2009	2008
Turnover	1,727	1,909	1,101	1,074	1,083
Gross profit	379	356	204	185	210
Net profit after tax	225	260	103	47	71
Net cash operating activities	94	104	(67)	28	183

Table: Summary Balance Sheet

Particulars	2012	2011	2010	2009	2008
Authorized capital	2,000	2,000	1,250	500	500
Paid-up capital	1,352	675	350	350	350
Reserve and surplus	1393	1035	860	196	149
Shareholders' equity	3,093	2,002	1,386	547	499
Deferred Tax liabilities	125	115	-	-	-
Non-current liabilities	125	115	289	285	325
Current liabilities	1,029	1,179	1,105	563	482
Fixed Assets	1,273	1,351	1,327	628	635
Other Non-current Assets	230	181	109	88	79
Total Non-current Assets	1,503	1,532	1,436	716	714
Current Assets	2,745	1,764	1,344	680	586
Book value per share	10	10	10	10	10
Earnings per share	2.48	3.24	2.95	1.35	2.04
Dividend per share					
Cash	10%	10%			
Stock		30%	50%		
Numbers of shareholders	1,43,722	324	7	7	7

Table: Ratios

Particulars	2012	2011	2010	2009	2008
Debt to Equity Ratio	0.37	0.65%	0.83	1.28	1.42
Current Ratio	2.7	1.50	1.22	1.21	1.22
Gross profit/Sales (%)	21.94%	18.64%	18.52%	17.22%	19.39%
Operating profit/Sales (%)	13.67%	10.89%	9.72%	5.68%	7.57%
Profit after tax/Sales (%)	13%	13.61%	9.35%	4.37%	6.55%
Return on Asset (%)	5.96%	6.76%	4.94%	3.51%	5.72%
Return on Equity (%)	8.83%	12.22%	10.67%	9.05%	15.37%

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No. SEC/CMRRC/2006-158/229/ Admin/43 : dated 3rd July, 2012

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Directors:			
1.2 (i)	One fifth (1/5) of the total number of directors	✓		
1.2(ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares	✓		
1.2 (ii) b)	Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship	✓		
1.2 (ii) c)	Does not have any relationship, whether pecuniary or otherwise, with the company or its subsidiary /associated companies	✓		
1.2 (ii) d)	Not a member, director, officer of any stock exchange	✓		
1.2 (ii) e)	Not a member, director, officer of any stock exchange or an intermediary of the capital market	✓		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm	✓		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies	✓		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBF1	✓		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM		Not Complied	complied within 31.12.2012
1.2 (iv)	Not remain vacant for more than 90 (ninety) days	✓		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	✓		
1.2 (vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3	Qualification of independent Director (ID)	✓		
1.3 (i)	Knowledge of independent Directors	✓		
1.3 (ii)	Background of Independent Directors	✓		
1.3 (iii)	Special cases for qualifications	✓		
1.4	Individual Chairman of the Board and CEO	✓		
1.5	The Directors Report to Shareholders:			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		

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

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

SAIHAM COTTON MILLS LTD.

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



Rahman Mostafa Alam & Co.

Chartered Accountants



Auditors' Report To The Shareholders of Saiham Cotton Mills Ltd.

We have audited the accompanying Financial Statements of **Saiham Cotton Mills Ltd. (SCML)** which comprise the statement of Financial Position as at April 30, 2012, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) and the Companies Act, 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion:

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of **Saiham Cotton Mills Ltd. (SCML)** as at April 30, 2012 and of the company prepared in accordance with the Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the its financial performance and its cash flows for the year then ended and comply with the applicable sections of the Companies Act 1994, the Securities and Exchange Rule, 1987 and other applicable laws and regulations.

We also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of these books;
- the statement of Financial Position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- the expenditure incurred was for the purpose of the company's business.

Dated: Dhaka
August 30, 2012

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountant

SAIHAM COTTON MILLS LTD.
Statement of Financial Position
As at April 30, 2012

	Notes	Amount in Taka	
		April 30, 2012	April 30, 2011
ASSETS :			
Non current assets :			
Property, plant and equipment	3.0	1,273,769,861	1,351,164,332
Capital working Progress unit-2		20,497,177	-
Investment in shares (figure of 2011 restated)	4.0	208,849,861	181,521,232
Total non-current assets		1,503,116,899	1,532,685,564
Current Assets :			
Inventories	5.0	590,102,147	463,252,332
Short Term Loan to Faisal Spinning Mills Ltd.	6.0	17,552,700	107,867,756
Trade debtors	7.0	966,213,671	1,072,048,705
Advance, deposits and pre-payments	8.0	97,569,923	50,939,963
Cash and cash equivalents	9.0	1,074,500,578	70,711,469
Total current assets		2,745,939,019	1,764,820,225
Total Assets		4,249,055,918	3,297,505,789
EQUITY AND LIABILITIES:			
Shareholders equity :			
Share capital	10.0	1,352,500,000	675,000,000
Share premium	11.0	751,750,000	291,000,000
Tax holiday reserve	12.0	235,715,999	153,254,293
General reserve		60,400,000	60,400,000
Revaluation surplus	13.0	549,537,750	586,177,552
Retained earnings (figure of 2011 restated)	14.0	143,405,830	236,674,649
Total shareholders equity		3,093,309,579	2,002,506,494
Non-current liabilities :			
Deferred tax liabilities	15.0	125,834,637	115,335,770
Total non-current liabilities		125,834,637	115,335,770
Current Liabilities :			
Bank loan and overdraft	16.0	576,465,375	566,473,854
Income tax provision	17.0	4,734,566	2,297,546
Liability for expenses and other finance	18.0	23,880,070	26,999,215
Trade Creditors	19.0	424,831,691	583,892,909
Total current liabilities		1,029,911,702	1,179,663,524
Total liabilities		1,155,746,339	1,294,999,294
Total equity and liabilities		4,249,055,918	3,297,505,789
Net assets value per share	25.0	22.87	29.67

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Dated : Dhaka
August 30, 2012

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

SAIHAM COTTON MILLS LTD.
Statement of Comprehensive Income
For the year ended April 30, 2012

Particulars	Notes	Amount in Taka	
		April 30, 2012	April 30, 2011
Turnover		1,727,650,880	1,909,861,303
Cost of goods sold	20.0	(1,348,112,726)	(1,553,568,407)
Gross profit		379,538,154	356,292,896
Administrative and marketing expenses	21.0	(43,615,934)	(29,152,697)
Financial expenses	22.0	(99,781,880)	(118,718,004)
Operating profit		236,140,340	208,422,195
Provision for WPPF		(11,244,778)	(10,402,740)
Operating profit after WPPF (figure of 2011 restated)		224,895,562	198,019,455
Non operating income	23.0	4,881,578	10,035,345
Share of income of Associate Company (figure of 2011 restated)		17,275,626	56,624,136
Profit before tax		247,052,766	264,678,936
Provision for tax		(21,103,940)	(4,421,155)
Current tax	17.1	(4,139,225)	(2,297,546)
Deferred tax	15.1	(16,964,715)	(2,123,610)
Net profit after tax		225,948,826	260,257,781
Tax holiday reserve	12.1	(82,461,706)	(79,207,782)
Net profit after tax holiday reserve		143,487,120	181,049,999
Other Comprehensive Income :		(9,861,588)	(3,718,337)
Unrealized loss on available for sale financial assets		(9,861,588)	(3,718,337)
Total Comprehensive Income for the year		133,625,532	177,331,662
Earnings per share (EPS)	24.0	2.48	3.24

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Dated : Dhaka
August 30, 2012

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

SAIHAM COTTON MILLS LTD.

Statement of Cash Flows

For the year ended April 30, 2012

Particulars	Amount in Taka	
	April 30, 2012	April 30, 2011
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from sales	1,833,485,914	1,492,059,465
Payment for cost and expenses	(1,649,646,518)	(1,329,686,745)
Interest paid on borrowings	(99,781,880)	(118,718,004)
Collection from non operating income (figure of 2011 restated)	12,295,615	62,941,144
Income tax paid	(1,702,205)	(2,297,546)
Net cash provided by operating activities	94,650,927	104,298,314
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Fixed Asset	(11,592,588)	(111,116,956)
Investment in shares (figure of 2011 restated)	(27,328,629)	(72,208,788)
Net cash used by investing activities	(38,921,217)	(183,325,744)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan paid/received	-	(215,611,589)
Current maturity of long term loan	-	(73,570,000)
Loan received from bank	9,991,521	(299,708,884)
Loan to sister concern	-	127,400,000
Short Term Loan to Faisal Spinning Mills Ltd.	90,315,056	121,553,424
Capital working Progress unit-2	(20,497,177)	-
Share premium	460,750,000	291,000,000
Increase in share capital	475,000,000	150,000,000
Dividend Paid	(67,500,000)	-
Net cash provided by financing activities	948,059,400	101,062,951
D. Increase in Cash & Cash Equivalents (A+B+C)	1,003,789,109	22,035,521
Cash & Cash Equivalents at beginning of the year	70,711,469	48,675,948
Cash & Cash Equivalents at ending of the year	1,074,500,578	70,711,469
Net Operating Cash Flow Per Share (NOCFPS)	0.54	1.55

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

SAIHAM COTTON MILLS LTD.
Statement of Changes in Equity
 For the year ended April 30, 2012

Particulars	Share capital	Proposed stock dividend	Share premium	Tax holiday reserve	General reserve	Revaluation surplus	Retained earnings	Total equity
Balance as at May 01, 2010	350,000,000	175,000,000	-	74,046,511	60,400,000	736,017,058	12,946,580	1,408,410,149
Adjustment for restatement	-	-	-	-	-	(110,402,559)	-	(110,402,559)
Restated balance as at May 01, 2010	350,000,000	175,000,000	-	74,046,511	60,400,000	625,614,499	12,946,580	1,298,007,590
Net profit for the year (figure of 2011 restated)	-	-	-	-	-	-	260,257,781	260,257,781
Adjustment for depreciation on revalued assets	-	-	-	-	-	(39,436,947)	-	(39,436,947)
Adjustment for revaluation of P.P.E and deferred tax	-	-	-	-	-	-	46,396,408	46,396,408
Unrealized loss on available for sale financial assets	-	-	-	-	-	-	(3,718,337)	(3,718,337)
Reserved made during the year	-	-	-	79,207,782	-	-	-	79,207,782
Transfer from Tax Holiday Reserve	-	-	-	-	-	-	(79,207,782)	(79,207,782)
Proposed Stock Dividend	175,000,000	(175,000,000)	-	-	-	-	-	-
Pre-placement of Shares	150,000,000	-	291,000,000	-	-	-	-	150,000,000
Share Premium	-	-	-	-	-	-	-	291,000,000
Balance as at April 30, 2011	675,000,000	-	291,000,000	153,254,293	60,400,000	586,177,552	236,674,650	2,002,506,494
Balance as at May 01, 2011	675,000,000	-	291,000,000	153,254,293	60,400,000	586,177,552	236,674,650	2,002,506,494
Net profit for the year	-	-	-	-	-	-	225,948,826	225,948,826
Adjustment for depreciation on revalued assets	-	-	-	-	-	(36,639,802)	-	(36,639,802)
Issuance of Share Capital	475,000,000	-	460,750,000	-	-	-	-	935,750,000
Adjustment for revaluation of P.P.E and deferred tax	-	-	-	-	-	-	43,105,649	43,105,649
Unrealized loss on available for sale financial assets	-	-	-	-	-	-	(9,861,588)	(9,861,588)
Reserved made during the year	-	-	-	82,461,706	-	-	(82,461,706)	-
Issue of Bonus Share for the prior year (2011)	202,500,000	-	-	-	-	-	(202,500,000)	-
Dividend paid for the prior year (2011)	-	-	-	-	-	-	(67,500,000)	(67,500,000)
Balance as at April 30, 2012	1,352,500,000	-	751,750,000	235,715,999	60,400,000	549,537,750	143,405,830	3,093,309,579

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

SAIHAM COTTON MILLS LTD. (SCML)

Notes to the Financial Statements

As at and for the year ended April 30, 2012

1. Corporate Information and Nature of Business Activities

1.1. Corporate Information

Saiham Cotton Mills Ltd. (SCML) was incorporated on May 30, 2002 as a Private Limited Company under the Company Act, 1994 and subsequently it was converted as a Public Limited Company in April, 2010. The registered office of the company is situated at Asset Rose Dale, House # 02(4th floor), Road # 55, Gulshan - 2, Dhaka - 1212 while the factory is situated at Noyapara, Saihamnagar, Hobigonj.

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

1.2. Nature of Business Activities:

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. Significant Accounting Policies and basis of preparation of the financial statements:

2.1 Statement of Compliance

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

2.2 Basis of Preparation:

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

2.3 Basis of Reporting

Financial statements are prepared and presented for external users by the enterprise in accordance with identified reporting framework. Presentation has been made in compliance with the standards adopted by the ICAB for reporting, BAS - 1 Presentation of Financial Statements and BAS - 34 Interim Financial Reporting.

2.4 Use of estimates and judgments

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

2.5 Going concern

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

2.6 Components of the Financial Statement:

According to the BAS - 1 "Presentation of Financial Statements" the complete set of the financial statements includes the following components:

- i) The Statement of Financial Position as at April 30, 2012;
- ii) The Statement of Comprehensive Income for the year ended April 30, 2012;
- iii) Statement of Changes in Equity for the year ended April 30, 2012;
- iv) The Statement of Cash Flows for the year ended April 30, 2012; and
- v) Accounting Policies and explanatory notes the financial statements for the year ended April 30, 2012.

2.7 Regulatory and Legal Compliance

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

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

2.8 Property, Plant and Equipments (PPE)

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

Expenditure on repairs and maintenance of property, plant and 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. 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%

SAIHAM COTTON MILLS LTD.

Revaluation of property, plant and equipment

Basis of valuation:

Land and land development: To determine the basis of valuation of land which is 135 k. m. away from capital of Bangladesh by Dhaka - Sylhet highway from Madhabpur upa-zilla in Noyapara Union it is a very developed area surrounded by Tea gardens. The area has developed into an industrial zone with Textile, Spinning, Jute, Power station, Gremmenphone Tower, Tea industries already existing. Moreover the Hobiganj Gas field is available with in five minutes of drive and SahajiBazer Power Station is located within 10 minutes of locality. The Government Mouza rate Tk. 13,434.46 per decimal.

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

Plant and machinery: Here the deprecation is applied from the year of 2005 as per supplied documents stated the industries stated commercial production from the year of 2005. Deduction due depreciation from the new cost of the plant and machineries on the following basis the valuer have arrived at present valuation of same.

Vehicles and transport: The value of the vehicles and transports were considered their blue book and other record, purchase cost, date of purchase type and make of the vehicles and also present realizable condition. The market values of the vehicles are determined considering price escalation on the basis of professional judgment.

Date of Revaluation: December 20, 2010.

Date of incorporation of the valuation in the financial statements December 31, 2010.

Valuer : Vigilant Survey Associates

2.09 Investment in Shares

Investment in marketable ordinary shares has been shown at market price and classified as available for sale financial instruments as per BAS - 39. 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.

2.10 Inventories:

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

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

2.11 Revenue Recognition:

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

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

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

2.12 Functional and Presentation Currency and level of precision

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

2.13 Earnings per Share (EPS):

Earnings per share (EPS) are calculated in accordance with the BAS - 33 "Earning per share" which has been shown on the face statement of comprehensive income.

i) Basic Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the ordinary shareholders by the weighted average 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.

2.14 Cash & Cash Equivalent:

According to BAS - 7 "Statement of Cash Flows" cash comprises of cash in hand and cash at bank and demand deposits (FDR) which is convertible with 3 month. Considering the provisions of BAS - 7 cash in hand and bank balances and FDRs have been considered as cash and cash equivalents.

2.15 Cash Flow Statement:

Cash Flow Statement is prepared principally in accordance with BAS - 7 "Statement cash flows" and in the cash flows the operating activities have been presented in direct method as prescribed by the Securities and Exchange Rule 1987.

2.16 Liabilities for Expenses:

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

2.17 Foreign Currency Translation:

Transactions in foreign currencies are translated in to BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated in to BDT at the rate of exchange ruling at the financial position date. Gain or losses resulting from foreign currency transactions are taken to the Comprehensive Income statement complying with BAS 21,

2.18 Borrowing cost:

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

JAIHAM COTTON MILLS LTD.

2.19 Revaluation Reserve

When an assets carrying amount is increased as a result of a revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus /reserve as per BAS-16: Property, Plant and Equipment. The company revalued the assets of land and land development, Building & Civil Engineering, Plant and Machinery and vehicle & Transport during the year December 31, 2009 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 statement as per BAS-12: Income Taxes.

2.20 Taxation:

Current Tax:

The Company has been enjoying Tax Holiday from 01.04.2005 and expired on 31.03.2012. However, the company made a current tax provision in the financial statements on profit before tax holiday other than non-operating income for 1 (one) month

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 BAS- 12 " Income Taxes ".

As per BAS -8, "Accounting Policies, Changes in accounting Estimates and Errors" Provision for Deferred tax liability has been rearranged in previous year on the basis of balance sheet liability method which is shown in note. 18.

2.21 Trade Debtors

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

2.22 Provision for Worker's Profit Participation Fund

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

2.23 Responsibility for Preparation and Presentation of Financial 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).

2.24 Related Party Disclosures:

As per BAS 24 parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related parties are stated their nominal value which is reflected in note nos. 4 and 6.

2.25 Reporting period:

These financial statements cover the period from May 01, 2011 to April 30, 2012.

2.26 Comparative Figure:

Comparative information has been disclosed in respect of the year 2011 for all numerical information in the financial statements and also the narrative and descriptive where it is relevant for understanding of the current year's financial statements. Figures of the year 2011 have been rearranged whenever considered necessary to ensure comparability with the current year.

2.27 Event after the reporting period:

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

2.28 Approval of the financial statement

The financial statements were approved by the Board of Directors on August 30, 2012.

2.29 General:

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

SAIHAM COTTON MILLS LTD.

Amount in Taka	
April 30, 2012	April 30, 2011

3.0 Property, plant and equipment:

This is arrived of as follows:

Cost	1,718,628,686	1,707,036,098
Less: Accumulated depreciation	444,858,825	355,871,766
Written down value	1,273,769,861	1,351,164,332

- An elaborate Schedule of PPE has been shown in Annexure - A;
- Depreciation has not been charged on Land & Land Development;
- Depreciation has been charged on revalued value of PPE under diminishing balance method;
- Fractions have been avoided in calculating Depreciation of PPE;
- Allocation of Depreciation- Depreciation has been allocated 98.50% as Factory Overhead and 1.50% as Administrative Expenses.

4.0 Investment in shares :

This is arrived of as follows:

Faisal Spinning Mills Ltd.	4.1	146,812,262	129,536,636
Investment in Ordinary Shares (Publicly Traded Company) (figure of 2011 restated)	4.2	41,687,599	31,634,595
Saiham Knit Composite Ltd.	4.3	20,350,000	20,350,000
		208,849,861	181,521,232

4.1 Faisal Spinning Mills Ltd.

Opening Balance	129,536,636	72,912,500
Share of income of Associate company (figure of 2011 restated)	17,275,626	56,624,136
	146,812,262	129,536,636

4.2 Investment in ordinary shares (Publicly Traded Company)

Investment in ordinary shares comprises of shares of various listed company's shares .

Name of the Company	No. of shares	Rate	April 30, 2012		April 30, 2011
			Cost	Market Value	Cost
Asia Insurance	7,000	177.14	1,239,965	401,100	850,500
BEXIMCO	54,950	191.30	10,511,840	5,747,770	8,849,250
BSC	2,250	498.50	1,121,621	948,375	-
Bextex	-	-	-	-	3,174,000
BSRM STEEL	38,000	153.12	5,818,568	3,933,000	3,427,800
Green Delta F. Services Ltd. BO- 1203620023711436	-	-	4,954,465	4,954,465	-
STML	800,000	25.00	20,000,000	20,000,000	
Jamuna Oil	-	-	-	-	1,154,400
MTBL	400	50.02	20,007	11,160	1,495,575
NHFIL	-	-	-	-	449,763
Padma oil	1,000	812.72	812,718	733,200	1,099,800
PLFSL	31,237	50.65	1,582,191	1,611,829	3,645,854
Pragati Life	-	-	-	-	3,394,500
Prime Bank	186	34.68	6,451	6,715	15,917
Singer	11,000	297.54	3,272,983	2,200,000	1,037,313
Squarepharma	-	-	-	-	1,665,125
Unioncap	25,850	85.43	2,208,378	1,139,985	1,374,800
Total			51,549,187	41,687,599	31,634,595

4.3 Saiham Knit Composite Ltd.

Investment in shares of Saiham Knit Composite Ltd. for 203,500 shares @Tk. 100 each was made at cost price.

5.0 Inventories :

This represents as follows:

	April 30, 2012		April 30, 2011
	Quantity in kg	Amount in Tk.	Amount in Tk.
Raw Materials	2,046,676	462,855,759	316,848,008
Work in Process	37,500	9,450,000	5,434,800
Finished Goods	237,926	65,948,924	106,268,750
Stores & Spare Parts		49,892,965	33,408,978
Oil & Lubricants		1,244,670	-
Packing Materials		709,829	1,291,796
		<u>590,102,147</u>	<u>463,252,332</u>

- Inventories are valued at lower of cost or net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale .
- Inventories are physically verified by the Management team .

6.0 Short Term Loan to Faisal Spinning Mills Ltd.

This has been arrived at :

Opening Balance	107,867,756	229,421,180
Addition during the year	391,669,187	17,677,284
	<u>499,536,943</u>	<u>247,098,464</u>
Adjusted during the year	481,984,243	139,230,708
Closing balance	<u>17,552,700</u>	<u>107,867,756</u>

- This amount has been paid to Faisal Spinning Mills Ltd. (FSML) a private limited company for their working capital. This is the balance amount stands receivable as on 30.04.2012 for the transaction made with the company which are being adjustable in due course.

7.0 Trade debtors :

Opening Balance	1,072,048,705	654,246,867
Add: Addition during the year	966,213,671	1,072,048,705
	<u>2,038,262,376</u>	<u>1,726,295,572</u>
Less: Adjusted during the year	1,072,048,705	654,246,867
Closing balance	<u>966,213,671</u>	<u>1,072,048,705</u>

- Details of trade debtors shown in Annx. - 'B & C'.
- The above amount is receivable from debtors against export L/C ;
- This is considered as good;

8.0 Advance, deposits and prepayments :

Security Deposit with Jalalabad Gas Transmission System Ltd.	6,205,438	6,205,438
Other Advances and Deposits	8.1 91,254,266	44,565,425
Advance income tax (AIT) on export bills	71,809	-
Advance income tax (AIT) on dividend income	38,410	169,100
	<u>97,569,923</u>	<u>50,939,963</u>

JAIHAM COTTON MILLS LTD.

Amount in Taka	
April 30, 2012	April 30, 2011

8.1 Other advances and deposits

Advance against salary	960,750	118,212
Advance against suppliers	1,154,274	1,456,681
Advance against import of L/C Margin and commission	89,116,742	42,990,532
Deposit to SEC against forfeiting share money	22,500	-
	91,254,266	44,565,425

- All the advances and deposits amount are considered good and recoverable;
- Advance due from staffs and workers are regularly being realized through their salaries;
- There is no amount due from Directors or Officers of the Company under any agreement;
- Advance against suppliers due mainly to advances given to suppliers for packing materials, spare parts etc.
- There is no amount due from Directors or Officers of the Company under any agreement ;
- There is no amount due from any associate undertaking and related parties as on April 30, 2012 ;
- No amount was due by the directors (including managing director), managing agent, managers of the company and any of them severally or jointly with any other person, except as security and other deposits stated above.
- L/C Margin deposit against L/C No. 001, 988, 129, 024, 116, 159, 306, 003, 006, 038, 641, 002, 003, 039 represent margin and commission of Raw cotton, Spare Parts, Packing Materials.

9.0 Cash and cash equivalents :

This consists of :

Cash in hand	9.1	675,830	483,149
Cash at bank	9.2	1,073,824,748	70,228,320
		1,074,500,578	70,711,469

- Cash in hand stands for cash balance only
- Bank balances were confirmed and reconciled with Bank statements.

9.1 Cash in hand

Head office	100,612	109,739
Factory Office	575,218	373,410
	675,830	483,149

9.2 Cash at bank

Janata Bank, Motijheel Branch - CD A/C # 023733012107	7,173	51,658
Janata Bank, Noyapara Branch - CD A/C # 0210005125	507,746	1,637,688
Dhaka Bank, Local Office - CD A/C # 020110000010671	1,837	343,937
Dhaka Bank, Islami Branch- CD A/C # 2015	6,632,060	9,596
Habib Bank, Gulshan Branch- CD A/C # 1446	-	16,436
Citi Bank NA CD Account G010000200063015	-	169,104
Bank Asia SND A/C # 02 1336000210	-	6,280,950
Standard Chartered Bank, Gulshan Branch, CD A/C # 63015	-	13,831
HSBC CD A/C # 001234608-011	7,020,478	4,200,452
HSBC Margin Account # 001234608-091	100,017,194	50,089,679
HSBC BDT Margin Account # 001 234608-095	29,739	31,739
HSBC FC Account # 001234608-047	641,820	1,148,726
BRAC Bank Ltd. A/C # 2001	-	5,453
Bank Asia \$ Margin A/C # 11047000002	2,747,630	-
HSBC Dividend Account # 001 234608-012	(10,000)	-
BRAC Bank Ltd. IPO BDT A/C #	879,755,000	-
BRAC Bank Ltd. IPO EURO A/C #	890,045	-
BRAC Bank Ltd. IPO USD A/C #	67,574,819	-
BRAC Bank Ltd. IPO Pound A/C #	1,780,137	-
Fixed Deposit Receipts	6,229,071	6,229,071
	1,073,824,748	70,228,320

- Fixed Deposit Receipts are lien with bank against bank guarantee.

Amount in Taka	
April 30, 2012	April 30, 2011

10.0 Share capital

This represents :

Authorized capital

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

2,000,000,000	2,000,000,000
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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	-
47,500,000 Ordinary Shares @ Tk. 10 each fully paid up	475,000,000	-
135,250,000 Ordinary Shares	1,352,500,000	675,000,000

Percentage of shareholding position of different shareholders are as follows :

Name of the shareholder	30.04.2012		30.04.2011	
	No. of shares	% of holding	No. of shares	% of holding
Sponsors	68,250,000	50.46	52,500,000	77.78
Financial Institutions	67,000,000	49.54	2,350,000	3.48
Employees	-	-	202,500	0.3
General Public	-	-	12,447,500	18.44
	135,250,000	100	67,500,000	100

Classification of Shareholders by holding :

The number of shareholders and shareholding position as at April 30, 2012 are given below :

Range of holding	No. of shareholding	No. of shareholders	% of shareholding
Less than 500 shares	35,773,250	143,013	26
501 to 5,000 shares	381,100	188	0
5,001 to 10,000 shares	907,450	132	1
10,001 to 20,000 shares	2,341,000	169	2
20,001 to 30,000 shares	1,518,650	60	1
30,001 to 40,000 shares	1,192,800	33	1
40,001 to 50,000 shares	580,500	13	0
50,001 to 100,000 shares	4,191,300	56	3
100,001 to 1,000,000 shares	11,539,800	55	9
Over 1,000,000 shares	76,824,150	8	57
Total	135,250,000	143,727	100

11.0 Share Premium :

Opening Balance	291,000,000	-
Add: Share premium from issue of 47,500,000 shares	475,000,000	300,000,000
	766,000,000	300,000,000
Less : Tax Deducted at Sources @ 3%	14,250,000	9,000,000
	751,750,000	291,000,000

Amount in Taka	
April 30, 2012	April 30, 2011

12.0 Tax Holiday Reserve :

This is arrived as follows :

Opening Balance		153,254,293	74,046,511
Reserve made during the year	12.1	<u>82,461,706</u>	<u>79,207,782</u>
Closing Balance		<u>235,715,999</u>	<u>153,254,293</u>

- This is the statutory reserve made at the rate of 40% of net profit before tax as per Income Tax Ordinance, 1984 for Tax Holiday.

12.1 Tax Holiday Reserve :

Profit before tax		224,895,562	198,019,455
Tax holiday reserve (40%)		<u>82,461,706</u>	<u>79,207,782</u>

Tax holiday period is completed on 31 March, 2012 thus tax holiday reserve made for 11 month on net profit

13.0 Revaluation Surplus :

This calculation is arrived as follows :

Opening Balance		586,177,552	625,614,499
Adjustment for depreciation on revalued assets		<u>(36,639,802)</u>	<u>(39,436,947)</u>
Closing Balance		<u>549,537,750</u>	<u>586,177,552</u>

14.0 Retained Earnings :

This is arrived as follows :

Opening Balance		236,674,649	12,946,580
Net profit after Tax (figure of 2011 restated)		<u>225,948,826</u>	<u>260,257,781</u>
		462,623,475	273,204,360
Transfer to tax holiday reserve	12.1	<u>(82,461,706)</u>	<u>(79,207,782)</u>
		380,161,769	193,996,578
Adjustment for revaluation of P.P.E and deferred tax		43,105,649	46,396,408
Issue of Bonus share for the prior year		<u>(202,500,000)</u>	-
Unrealized loss on available for sale of Financial Assets		(9,861,588)	(3,718,337)
Dividend paid for the prior year		<u>(67,500,000)</u>	-
Closing Balance		<u>143,405,830</u>	<u>236,674,649</u>

15.0 Deferred tax Liabilities

This is arrived as follows :

Opening Balance		115,335,770	120,171,621
Add : Amount provided for the year	15.1	<u>16,964,715</u>	<u>2,123,610</u>
		132,300,485	122,295,231
Adjustment for depreciation of revalued assets		<u>(6,465,848)</u>	<u>(6,959,461)</u>
Closing Balance		<u>125,834,637</u>	<u>115,335,770</u>

Amount in Taka	
April 30, 2012	April 30, 2011

15.1 Calculation of Deferred Tax

Particulars	Accounting Base	Tax Base	Temporary Difference Taxable / (Deductible)
Property, plant and equipment as on 30.04.2011			
W.D.V	661,543,682	535,862,788	125,680,894
Revaluation	689,620,650	-	689,620,650
Total	1,351,164,332	535,862,788	815,301,544
Tax Rate			15%
Deferred Tax Liability as on 30.04.2011			122,295,232
Property, plant and equipment as on 30.04.2012			
W.D.V	627,254,860	443,903,231	183,351,629
Revaluation	646,515,001	-	646,515,001
Total	1,273,769,861	443,903,231	829,866,630
Tax Rate			15%
Deferred Tax Liability as on 30.04.2012			124,479,995
Add: Share of income of Associate company			14,779,952
Total			139,259,947
Deferred Tax expenses for the year			16,964,715

- As per BAS-16" Property, Plant and Equipment" deferred tax has been calculated for revaluation surplus. Deferred tax has been rearranged in previous year on the basis of balance sheet liability method.

16.0 Bank Loan and Overdraft :

This consists of as follows :

Cash Credit (Hypo) from Janata Bank Ltd	274,691,811	279,931,517
Cash Credit (Hypo) from Bank Asia Ltd.	193,776,884	170,346,462
IDBP Loan - HSBC	64,696,680	116,195,875
Dhaka Bank Ltd.	43,300,000	-
	576,465,375	566,473,854

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

17.0 Income Tax Provision

Opening Balance		2,297,546	-
Add : Provision made during the year	17.1	4,139,225	2,297,546
		6,436,771	2,297,546
Less : Payment for last year		1,702,205	-
Closing Balance		4,734,566	2,297,546

17.1 Provision made during the year

Non operating income other than dividend income		4,689,528	4,707,678
Income tax provision (27.5%)		1,289,620	1,765,379
Non operating income (Share Income)		-	5,321,667
Income tax provision (10%)		-	532,167
Dividend Income		192,050	-
Income Tax Provision(20%)		38,410	-
Operating profit after WPPF for 1 month		18,741,297	-
Income tax provision (15%)		2,811,195	-
Total Income Tax Provision		4,139,225	2,297,546

- The company has been enjoying tax holiday since 01.04.2005 and expired on 31.03.2012.
- Income Tax Provision has been made @ 27.5% on the non operating income as per Income Tax Ordinance, 1984.
- Income Tax Provision has been Made @ 15% on the profit after tax holiday for 1 month as per Income Tax Ordinance, 1984.

SAIHAM COTTON MILLS LTD.

Amount in Taka	
April 30, 2012	April 30, 2011

18.0 Liabilities for Expenses & Other Finance :

This is arrived as follows :

Liabilities against lease Asset (Dhaka Bank Ltd.)		4,119,668	6,530,000
Salary and wages		2,586,757	2,580,595
Gas Charges		1,636,856	1,910,950
Directors Remuneration		330,000	330,000
Audit Fees		52,500	50,000
Consultancy Fees		15,000	-
Office Rent		40,000	-
Telephone Bill		3,891	-
Professional fees for placement (Lankabangla Finance)		-	5,175,000
Sundry payable		3,850,621	-
WPPF	18.1	11,244,777	10,422,671
		23,880,070	26,999,216

18.1 Works Profit Participation Fund (WPPF)

This is arrived as follows :

Opening Balance		10,422,671	5,145,118
Provision made during the year		11,244,778	10,402,740
		21,667,448	15,547,858
Payment made during the year		(10,422,671)	(5,125,187)
Closing Balance		11,244,777	10,422,671

19.0 Trade Creditors

This is arrived as follows :

Import of raw cotton		423,546,522	543,593,725
Capital Machinery		-	39,979,724
Local purchases		1,285,169	319,460
		424,831,691	583,892,909

20.0 Cost of Goods Sold :

This is made up as follows :

Materials Consumption

Raw Cotton	20.1	1,121,525,933	1,422,209,615
Packing Materials	20.2	11,165,942	11,263,952
Stores and Spares	20.3	23,790,386	19,201,796
Total materials consumption		1,156,482,261	1,452,675,363
Direct Wages and Salaries		29,708,006	27,481,900
Prime cost		1,186,190,267	1,480,157,263
Add. Factory Overhead	20.4	125,617,833	127,473,004
Total manufacturing cost		1,311,808,100	1,607,630,267
Add. Opening Work-in-process		5,434,800	16,552,650
Cost of goods available for use		1,317,242,900	1,624,182,917
Less. Closing Work-in-process		9,450,000	5,434,800
Cost of Production		1,307,792,900	1,618,748,117
Add. Opening Stock of Finished Goods		106,268,750	41,089,040
Cost of goods available for sales		1,414,061,650	1,659,837,157
Less. Closing Stock of Finished Goods		65,948,924	106,268,750
Cost of Goods Sold		1,348,112,726	1,553,568,407

JAIHAM COTTON MILLS LTD.

Amount in Taka	
April 30, 2012	April 30, 2011

20.1 Raw Cotton

This is arrived as follows :

Opening Stock of Raw Cotton	316,848,008	198,344,920
Add. Purchase during the year	1,267,533,684	1,540,712,703
Raw Cotton available for use	1,584,381,692	1,739,057,623
Less. Closing Stock of Raw Cotton	462,855,759	316,848,008
Consumption during the year	1,121,525,933	1,422,209,615

20.2 Packing Materials

This is arrived as follows :

Opening Stock of Packing Materials	1,291,796	470,500
Add. Purchase during the year	10,583,975	12,085,248
Packing Materials available for use	11,875,771	12,555,748
Less. Closing Stock of Packing Materials	709,829	1,291,796
Consumption during the year	11,165,942	11,263,952

20.3 Stores and Spares

This is arrived as follows :

Opening Stock of Spare Parts	33,408,978	22,235,625
Add. Purchase during the year	40,274,373	30,375,149
Stores and Spares available for use	73,683,351	52,610,774
Less. Closing Stock of Spare Parts	49,892,965	33,408,978
Consumption during the year	23,790,386	19,201,796

20.4 Factor Overhead

Gas Charges	18,806,762	21,897,994
Fuel and Lubricants	5,987,539	4,097,557
Insurance Premium	5,785,676	6,766,474
Covered Van and Lorry expenses	4,212,080	5,265,460
Factory Maintenances	3,540,606	3,264,320
Staff Quarter exp	155,411	-
Depreciation	87,129,759	86,181,199
	125,617,833	127,473,004

21.0 Administrative and Marketing Expenses :

This consists of as follows :

Directors Remuneration	3,960,000	3,660,000
Salary and Allowances	7,882,495	5,879,481
Festival Bonus	461,546	408,086
Office Rent	240,000	240,000
Incentive Bonus	1,560,570	1,022,450
Entertainments	527,778	690,215
Electric Bill	95,699	74,847
Fuel & Lubricants	780,560	675,450
Paper and Periodicals	45,324	50,937
Fees, Forms, and others	1,001,063	925,555
Board Meeting Fees	144,000	144,000
Maintenance of Vehicles	1,495,677	322,575
Information Technology Expenses	913,393	913,450
Insurance Premium	303,596	538,761
Printing	202,588	360,600
Stationery	125,630	173,652
Donation and Subscription	162,370	614,383

JAIHAM COTTON MILLS LTD.

	Amount in Taka	
	April 30, 2012	April 30, 2011
Miscellaneous Expenses	382,640	190,850
Office Maintenance	471,079	555,635
Traveling and Conveyance	537,789	906,545
Telephone and Mobile Expenses	111,691	182,083
Audit fees	146,550	265,000
Professional fees for placement	-	5,175,000
Uniform and Upkeep	201,694	452,400
Medical and Welfare	650,652	875,900
Postage and Stamp	22,550	17,850
Selling & Distribution Exp.	2,022,450	2,245,650
Advertisement	590,732	278,650
AGM Expenses	197,631	-
IPO Expenses	16,520,888	-
Depreciation	1,857,299	1,312,692
	43,615,934	29,152,697

22.0 Financial Expenses :

The above amount comprise of as follows -

Interest on Project Loan - Janata Bank	-	17,905,914
Interest on Project Loan - Sonali Bank	-	10,265,170
Interest on Cash Credit (Hypo)	74,626,319	85,669,326
Bank Charges and Commission	4,738,543	3,750,731
Interest on Citi NA	1,554,559	-
Interest on Bank Asia	10,566,982	-
Interest on HSBC	5,986,519	-
Overdue Interest	1,390,790	-
Payment collection charge	228,210	148,030
Interest on Lease Assets	689,958	978,833
	99,781,880	118,718,004

23.0 Non operating income

Interest on FDR	134,500	4,617,314
Interest on STD A/C	109,088	90,364
Gain on Investment in shares	-	5,321,667
Quality Claim	4,445,940	-
Dividend Income	192,050	6,000
	4,881,578	10,035,345

24.0 Earnings per share

The computation of EPS is given below :

Net profit after tax (figure of 2011 restated)	225,948,826	260,257,781
Number of total share (weighted average) (figure of 2011 restated) 24.1	91,133,562	80,250,000
Earnings per share (EPS)	2.48	3.24

24.1 Weighted average number of shares outstanding:

Date of outstanding	Shares outstanding	Days	Weighted average number of shares
01.05.2011 to 30.04.2012	87,750,000	365	87,750,000
05.04.2012 to 30.04.2012	47,500,000	26	3,383,562
			91,133,562
Weighted average number of shares outstanding 2011			
Closing Balance			60,000,000
New issue of Share			20,250,000
			80,250,000

- Earnings per share (EPS) has been calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year as at April 30, 2012 in terms of BAS-33.

Amount in Taka	
April 30, 2012	April 30, 2011

25.0 Net asset value (NAV) per Share

Total assets (figure of 2011 restated)	4,249,055,918	3,297,505,789
Total outside liabilities (figure of 2011 restated)	1,155,746,339	1,294,999,294
Net assets	3,093,309,579	2,002,506,495
Divided by number of ordinary shares	135,250,000	67,500,000
Net assets value (NAV) per share	22.87	29.67

26.0 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 BAS 24 "Related Party Disclosure".

Name of the Party	Nature of Transaction	Type of Relationship	Transaction Value
Faisal Spinning Mills Ltd.	Sale of Raw Cotton	Associate Company	359,893,255
Saiham Textile Mills Ltd.	Sale of Raw Cotton	Investor	78,876,401
Saiham Knit Composite Ltd.	Sale of Raw Cotton	Investor	8,792,794

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

Attendance Status of Board Meeting of Director

During the year ended April 30, 2012 twelve Board Meeting were held. The attendance status of all meeting is as follows :

Name of Director	Position	Meeting Held	Attended
Mr. S. M. Faisal	Chairman	12	12
Mr. Syed Ishtiaq Ahmed	Managing Director	12	12
Mr. S. F. A. M. Shahjahan	Director	12	12
Mr. Syed Shafqat Ahmed	Director	12	12

28.0 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

Salary Range (Monthly)	Officer & Staff		Worker	Total Employees
	Head Office	Factory		
Below 3,000	-	-	31	31
Above 3,000	15	77	435	527
Total	15	77	466	558

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

Name	Designation	Remuneration	Festival Bonus	Total
Mr. S. M. Faisal	Chairman	600,000	Nil	600,000
Mr. Syed Ishtiaq Ahmed	Managing Director	1,200,000	Nil	1,200,000
Mr. S. F. A. M. Shahjahan	Director	600,000	Nil	600,000
Mr. Syed Shafqat Ahmed	Director	1,200,000	Nil	1,200,000
Mrs. Yasmin Faisal	Executive Director	360,000	Nil	360,000
		3,960,000	Nil	3,960,000

Amount in Taka	
April 30, 2012	April 30, 2011

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

Details of Production Capacity Utilization

Particulars	Installed Capacity per annum in kgs	Actual production in kgs	% of Capacity Utilization	% of Excess / (Shortfall)
Yarn	6,480,000	4,754,243	73	(27)

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

Value of Raw Cotton, Packing Materials and Stores and Spares.

Particulars	Local Purchase	Import	Total purchase	Consumption	% of consumption
Raw Cotton	253,506,737	1,014,026,947	1,267,533,684	1,121,525,933	88
Packing Material	10,583,975	-	10,583,975	11,165,942	105
Spares parts	16,109,749	24,164,624	40,274,373	23,790,386	59

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.

29.0 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
	<u>7,814,929</u>	<u>7,814,929</u>

30.0 Contingent Assets:

There was no Contingent Assets as on April 30, 2012.

31.0 Claim against the Company:

There was no claim against the company which is to be acknowledged as debt as on April 30, 2012

32.0 Event after reporting period

The Board of directors at their board meeting held on August 30,2012 recommended to the shareholders 10% Cash Dividend for the year ended April 30,2012. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).

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

33.0 General Comments & Observations :

- All shares have been fully called and paid up .
- There was no preference share issued by the company .
- The company has not incurred any expenditure in foreign currency against royalties and technical fees .
- Auditors are paid only statutory audit fees .
- No foreign exchange remitted to the any shareholders during the period.
- No amount of money was expended by the company for compensating any members of the Board for special service rendered.

Saiham Cotton Mills Ltd.
Property, plant and equipment
 As at April 30, 2012

Annexure - A

Particulars	Cost			Rate %	Depreciation			W.D.V as at 30.04.2012
	Balance as on 01.05.2011	Addition during the year	Total as on 30.04.2012		Balance as on 01.05.2011	Charged during the year	Balance as on 30.04.2012	
Land and Land Development	16,581,832	7,162,898	23,744,730	-	-	-	23,744,730	
Building & Other Construction	164,029,467	2,630,000	166,659,467	5.00	34,513,064	6,475,820	125,670,583	
Plant and Machineries	769,473,544	1,488,000	770,961,544	7.50	267,553,228	37,644,024	465,764,292	
Furnitures & Fixtures	2,112,066	-	2,112,066	10.00	1,021,325	109,074	981,667	
Motor Vehicles	12,638,000	-	12,638,000	15.00	4,456,963	1,227,156	6,953,881	
Office Equipments	1,974,306	308,490	2,282,796	10.00	779,985	119,432	1,383,379	
Sundry Assets	4,209,825	3,200	4,213,025	10.00	1,150,794	305,903	2,756,328	
Sub - Total	971,019,040	11,592,588	982,611,628		309,475,359	45,881,409	627,254,860	

Revaluation of property, plant and equipment

Particulars	Cost			Rate %	Depreciation			W.D.V as at 30.04.2012
	Balance as on 01.05.2011	Revaluation surplus during the year	Total as on 30.04.2012		Balance as on 01.05.2011	Charged during the year	Balance as on 30.04.2012	
Land and Land Development	60,705,668	-	60,705,668	-	-	-	60,705,668	
Building & Other Construction	179,528,126	-	179,528,126	5.00	8,976,406	8,527,586	162,024,134	
Plant and Machineries	492,633,171	-	492,633,171	7.50	36,947,488	34,176,426	421,509,257	
Motor Vehicles	3,150,093	-	3,150,093	15.00	472,514	401,637	2,275,942	
Sub - Total	736,017,058	-	736,017,058		46,396,408	43,105,649	646,515,001	
Grand Total	1,707,036,098	11,592,588	1,718,628,686		355,871,766	88,987,058	1,273,769,861	

Allocation:

Cost of Production
 Administrative and Marketing Expenses

87,129,759
 1,857,299
88,987,058

**Saiham Cotton Mills Ltd
Trade Debtors Schedule
As at April 30, 2012**

Annexure - B

Name of Party	L/C #	Amount in BDT
Sawftex Ltd.	40600	801,900
Pattarumadathil	40610	1,395,225
Seacotex Fabrics	41063-1	2,879,550
Seacotex Fabrics	41063-2	3,159,000
Seacotex Fabrics	41063-3	3,310,875
Base Textiles Ltd.	41282-1	6,824,250
Base Textiles Ltd.	41282-2	6,824,250
Alema Textile Ltd.	421688	2,793,285
Sawftex Ltd.	40003	765,450
Mim Design Ltd.	40005	534,600
Rafiul Knit Garments Ltd.	40023	2,939,895
Santo Dip Fashion Ltd.	40003	3,565,620
Base Textiles Ltd.	41282 Amnd-1	5,459,400
Base Textiles Ltd.	41282 Amnd-2	5,459,400
James Appareles	40019	4,698,000
James Appareles	40020-1	3,912,300
James Appareles	40020-2	3,912,300
Fab in Apparels	40005-1	6,034,500
Bay Creation	40003-1	7,411,500
Bay Creation	40003-2	6,423,300
Bay Creation	40003-3	6,176,250
Bay Creation	40003-4	6,176,250
Pretom Fashion	40021-1	3,645,000
Pretom Fashion	40021-2	3,645,000
Pretom Fashion	40021-3	3,645,000
Beget Knitwear	90001	733,253
James Appareles	40022	5,973,750
Jas Knit wear Ltd	40001	4,779,000
Sarada Knitwear	40009	6,635,520
Beget Knitwear	990020	1,611,900
Beget Knitwear	990021	340,200
Ambia Knitting & Dyeing	40328	4,825,778
Seacotex Fabrics	40210	1,449,900
Base Textiles Ltd.	40171	1,855,710
Knit Softwear	40259	2,731,725
Mim Design Ltd.	40628	1,399,680
Knit Softwear	40261	3,991,275
Sincere Knit Garments	40375	1,213,785
Roshowa Fabrics	40339	2,147,513
Fulpur Knit & Garments	40930	1,397,250
Trams Composite Ltd.	40914	769,905
Trams Composite Ltd.	40916	1,556,010
Knit Softwear	40359	637,875
Sub Total		146,442,128

JAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in BDT
Knit Softwear	40360	607,500
Base Textiles Ltd.	40593-3 Amnd	3,201,525
Alema Textile Ltd.	420760-1	3,442,500
Alema Textile Ltd.	420760-2	4,673,700
Asrotex Ltd.	41410	1,869,278
Base Textiles Ltd.	41238	2,444,175
James Appareles	40030-1	4,698,000
James Appareles	40030-2	4,698,000
James Appareles	40030-3	4,698,000
James Appareles	40030-4	4,698,000
Muazuddin knit	40065-1	4,779,000
Muazuddin knit	40065-2	4,779,000
Muazuddin knit	40065-3	4,779,000
Muazuddin knit	40065-4	4,779,000
Muazuddin knit	40065-5	4,779,000
Sawftex Ltd.	40041	836,730
Alema Textile Ltd.	401046	779,828
Alema Textile Ltd.	401050	1,426,410
Seacotex Fabrics	40060-1	3,078,000
Seacotex Fabrics	40060-2	2,462,400
Seacotex Fabrics	40060-3	2,778,300
Muazuddin Textile Ltd.	40140-1	4,779,000
Muazuddin Textile Ltd.	40140-2	4,779,000
Muazuddin Textile Ltd.	40140-3	4,779,000
Muazuddin Textile Ltd.	40140-4	4,779,000
Muazuddin Textile Ltd.	40140-5	4,779,000
Beget Knitwear	990008	1,933,065
Base Textiles Ltd.	40049	2,997,000
Base Textiles Ltd.	40051-1	4,957,200
Base Textiles Ltd.	40051-2	4,957,200
Seacotex Fabrics	40076-1	3,159,000
Seacotex Fabrics	40076-2	3,159,000
Seacotex Fabrics	40076-3	3,422,250
Shariyar Fabrics	BBCDAK200849-1	8,626,500
Shariyar Fabrics	BBCDAK200849-2	8,626,500
Shariyar Fabrics	BBCDAK200849-3	8,626,500
Shariyar Fabrics	BBCDAK200849-4	8,626,500
Shariyar Fabrics	BBCDAK200849-5	8,626,500
Shariyar Fabrics	BBCDAK200849-6	8,626,500
Shariyar Fabrics	BBCDAK200849-7	5,751,000
Seacotex Dyeing	40107	2,632,500
Base Textiles Ltd.	40070-1	2,997,000
Base Textiles Ltd.	40070-2	2,997,000
Base Textiles Ltd.	40070-3	2,997,000
Base Textiles Ltd.	40072-1	2,997,000
Base Textiles Ltd.	40072-2	2,997,000
Shariyar Fabrics	201391-1	8,748,000
Sub Total		202,642,560

JAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in BDT
Shariyar Fabrics	201391-2	8,748,000
Shariyar Fabrics	201391-3	8,748,000
Shariyar Fabrics	201391-4	8,748,000
Shariyar Fabrics	201391-5	8,748,000
Shariyar Fabrics	201391-6	8,748,000
Shariyar Fabrics	201391-7	5,832,000
Seacotex Fabrics	40214-1	3,632,850
Seacotex Fabrics	40214-2	2,025,000
Shirt Makers Limited	404208	1,846,800
Shariyar Fabrics	202300-1	8,577,900
Shariyar Fabrics	202300-2	8,577,900
Shariyar Fabrics	202300-3	11,437,200
Shariyar Fabrics	202300-4	8,820,900
Shariyar Fabrics	202300-5	8,820,900
Shariyar Fabrics	202300-6	8,820,900
Shariyar Fabrics	202300-7	8,820,900
Shariyar Fabrics	202300-8	8,820,900
Shariyar Fabrics	202300-9	8,820,900
Shariyar Fabrics	202300-10	8,820,900
Shariyar Fabrics	202300-11	8,820,900
Uttara Knitting & Dyeing Ltd.	40587	936,360
Fariha Knit	40344	894,240
ZAF Sweater & Garments	40220-1	2,997,000
ZAF Sweater & Garments	40220-1	2,997,000
Base Textiles Ltd.	40349	3,146,850
Muazuddin knit	40531-1	5,248,800
Muazuddin knit	40531-2	5,248,800
Muazuddin knit	40531-3	4,665,600
Base Textiles Ltd.	40345	1,594,080
Knit Syndicate	40077	442,260
Dresden Textile Ltd.	40673	1,528,470
Base Textiles Ltd.	40200	3,487,050
Uttara Knitting & Dyeing Ltd.	40702-1	2,097,900
Uttara Knitting & Dyeing Ltd.	40702-2	2,007,990
BG Collection	40562-1	2,547,450
Base Textiles Ltd.	40202	1,087,830
Base Textiles Ltd.	40382	4,819,500
BG Collection	40562-2	2,397,600
Dresden Textile Ltd.	40673 Amnd-01	857,790
Roksana Knit Composite	41052	2,326,968
Interstoff Apparels Ltd.	40355	4,212,000
Base Fashion	40500	415,935
Base Fashion	40502	1,093,500
Alema Textile Ltd.	406894	899,100
Alema Textile Ltd.	406899	1,092,690
Sariha Knit	40503	886,950
Sub Total		216,166,563

SAIHAM COTTON MILLS LTD.

Name of Party	L/C #	Amount in BDT
Snow White Cotton	41092-1	4,556,250
Snow White Cotton	41092-2	4,556,250
Snow White Cotton	41092-3	4,738,500
Alema Textile Ltd.	406612	1,377,810
Alema Textile Ltd.	406899 Amnd-01	3,248,910
Seacotex Fabrics	40351-1	2,858,895
Seacotex Fabrics	40351-2	2,525,175
Seacotex Fabrics	40360-1	2,502,900
Seacotex Fabrics	40360-2	2,502,900
Green Fashion (Pvt) Ltd.	40034	1,195,155
Base Fashion	40559	1,640,250
Dresden Textile Ltd.	40773	4,563,135
Mercantile Mode	41919	688,500
Pattarumadathil	40372	1,763,775
KAS Knitwear Ltd.	40433	615,600
Saiham Knit	40418	3,779,096
Alema Textile Ltd.	420098	3,256,200
Saiham Knit	40438	1,498,500
Saiham Knit	40418	786,105
Eon Knit Composite	40002	486,000
Saiham Knit	40029	77,760
Saiham Knit	40070	1,271,498
Saiham Knit	40095	524,475
Saiham Knit	40137	855,360
Multifabs Limited	41416	2,997,000
Eon Knit Composite	40042	738,923
Eon Knit Composite	40043	1,138,860
Tean-T-Shirt	40210-1	2,997,000
Tean-T-Shirt	40210-2	3,159,000
International Classic	40612	1,982,880
Tean-T-Shirt	40263-1	2,997,000
Tean-T-Shirt	40263-2	2,997,000
Advance goods delivery		36,879,132
Faisal Spinning Mills Ltd.		213,080,993
10% proceeds with Janata Bank		1,249,234
saiham Textile Mills Ltd.		78,876,401
Sub Total		400,962,421
Grand Total		966,213,671

**Saiham Cotton Mills Ltd
Trade Debtors Schedule
As at April 30, 2011**

		Annexure - C
Name of Party	L/C No	Value in BDT
Magpie Composite	41021	2,496,900
Base Textiles	41035-5	4,515,000
Base Textiles	41035-10	3,045,000
Base Textiles	40658-1	2,618,700
Base Textiles	40658-2	3,501,750
Base Textiles	40658-3	2,368,800
Adury Knit Composite	40991	1,338,750
Adury Knit Composite	40083-1	1,785,000
Adury Knit Composite	40083-2	2,826,250
Shariyar Fabrics	44773-4	7,787,500
Shariyar Fabrics	44773-7	7,787,500
Shariyar Fabrics	44773-8	7,787,500
Shariyar Fabrics	44773-10	7,787,500
KDS Textile	40166-1	7,140,000
KDS Textile	40166-2	7,140,000
KDS Textile	40166-3	3,605,000
KDS Textile	40166-4	7,350,000
Abir Fashion	40595	1,732,500
Silk International Ltd.	40125	1,946,700
Silk International Ltd.	40127	2,034,900
Pattarumadathil	40352	2,979,200
Pattarumadathil	40357	2,646,000
Abir Fashion	40675-1	2,082,500
Abir Fashion	40675-2	2,499,000
Tean-T-Shirt	40534-1	3,717,000
Tean-T-Shirt	40534-2	3,717,000
Tean-T-Shirt	40534-3	4,130,000
Tean-T-Shirt	40535	4,375,000
Magpie Composite	42772	458,500
Tean-T-Shirt	40539-1	4,165,000
Tean-T-Shirt	40539-2	4,165,000
Tean-T-Shirt	40539-3	2,082,500
Adury Apparels	40176	4,279,275
Adury Knit Composite	40003-1	4,095,000
Adury Knit Composite	40003-2	4,095,000
Adury Knit Composite	40003-3	4,095,000
Adury Knit Composite	40003-4	4,095,000
Adury Knit Composite	40003-5	4,095,000
Adury Knit Composite	40003-6	5,405,400
Smart Knitwear Ltd.	40032	3,237,150
Nakshi Knit Composite	40061	2,354,800
Garland Fashion	40098-1	3,446,100
Garland Fashion	40098-2	3,446,100
Saiham Knit	40011	336,000
S.M Knitwear Ltd.	40147-1	6,441,120
S.M Knitwear Ltd.	40147-2	5,555,235
S.M Knitwear Ltd.	40147-3	5,555,235
S.M Knitwear Ltd.	40147-4	5,555,235
S.M Knitwear Ltd.	40147-5	5,595,345
Muazuddin Textile Ltd.	40263-1	7,560,000
Muazuddin Textile Ltd.	40263-2	7,560,000
C/F		210,413,945

Name of Part	L/C No	Value in BDT
B/F		210,413,945
Muazuddin Textile Ltd.	40263-3	7,560,000
Muazuddin Textile Ltd.	40263-4	7,560,000
Muazuddin Textile Ltd.	40263-5	7,560,000
S.M Knitwear Ltd.	40158-1	7,320,075
S.M Knitwear Ltd.	40158-2	7,320,075
KDS Textile	40019-1	3,990,000
KDS Textile	40019-2	3,990,000
KDS Textile	40019-3	3,990,000
KDS Textile	40019-4	3,990,000
Tean-T-Shirt	40056-1	3,780,000
Tean-T-Shirt	40056-2	1,890,000
Tean-T-Shirt	40058	1,890,000
Samrat & Company	40039	4,060,000
Saiham Knit	40027	3,758,825
Tean-T-Shirt	40068	3,811,500
Nakshi Knit Composite	40151	1,535,100
Base Textiles	40232-1	4,676,000
Base Textiles	40232-2	4,676,000
Base Textiles	40232-3	4,676,000
Base Textiles	40246	5,313,000
Dal Knitwear	40320-1	5,425,000
Dal Knitwear	40320-1	5,425,000
Eon Knit Composite	40032	4,221,000
Muazuddin knit	40712	9,170,000
Muazuddin knit	40712	9,170,000
Muazuddin knit	40712	9,170,000
Muazuddin knit	40712	9,170,000
Muazuddin knit	40712	9,170,000
Saiham Knit	40072	217,525
R.R Knit Wear	40215	2,667,000
Eon Knit Composite	40043	3,969,000
Abir Fashion	40184	1,761,200
Marp Knit Composite	40127	1,834,000
Comptex Bangladesh	40225-1	5,731,250
Comptex Bangladesh	40225-2	5,731,250
KDS Textile	40019 Amnd-1	2,240,000
Comptex Bangladesh	40226-1	5,731,250
Comptex Bangladesh	40226-2	5,731,250
Nar Sweater Ltd.	40117-1	2,003,050
Nar Sweater Ltd.	40117-2	2,063,250
Saiham Knit	40099-1	3,896,025
Saiham Knit	40099-2	2,163,000
Base Textiles	40430	2,341,500
Base Textiles	40432-1	5,005,000
Base Textiles	40432-2	1,280,300
Base Textiles	40432-3	4,060,000
Base Textiles	40432-4	3,085,600
Base Textiles	40432-5	1,680,000
Zyantex Ltd.	40338	1,950,900
Zyantex Ltd.	40341	308,000
Base Fashion	40335	3,046,400
Base Fashion	40336	462,000
C/F		433 640 270

SAIHAM COTTON MILLS LTD.

Name of Party	L/C No	Value in BDT
B/F		433,640,270
Zyantex Ltd.	40342	2,533,300
Oli Knitting Fabrics	41190-1	3,750,600
Oli Knitting Fabrics	41190-2	3,520,300
Oli Knitting Fabrics	41190-3	3,520,300
Oli Knitting Fabrics	41190-4	3,745,000
Oli Knitting Fabrics	41190-5	2,958,550
Beget Knitwear	40128	426,300
Base Textile	40432 Amnd-01	1,925,000
York Composite Ltd	42196-2	2,975,000
York Fashion Ltd	42207	1,522,500
Base Textiles	41041-1	4,515,000
Base Textiles	41041-2	4,515,000
York Fashion Ltd	42700	1,134,000
Pattarumadathil	40333	1,414,000
Shariyar Fabrics	45414	9,537,500
Esex Limited	24226	861,000
International Classic	40104	5,775,000
KDS Textile	40018-1	3,990,000
KDS Textile	40018-2	3,990,000
Life Textile	40134-1	5,031,250
Life Textile	40134-2	5,031,250
Naz Knitwear Ltd.	40082-1	5,827,500
Naz Knitwear Ltd.	40082-2	5,827,500
Abir Fashion	40077	1,689,625
Beget Knitwear	40048	2,712,325
Beget Knitwear	40049	738,150
KDS Textile	40024-1	7,980,000
Naz Knitwear Ltd.	40092	6,993,000
Oli Knitting Fabrics	40367-1	3,885,000
Oli Knitting Fabrics	40367-2	2,331,000
Oli Knitting Fabrics	40367-3	4,749,500
Oli Knitting Fabrics	40367-4	4,749,500
Oli Knitting Fabrics	40367-5	1,920,450
Muazuddin Textile Ltd.	40420-1	7,840,000
Muazuddin Textile Ltd.	40420-2	7,840,000
Muazuddin Textile Ltd.	40420-3	7,840,000
Muazuddin Textile Ltd.	40420-4	7,840,000
Muazuddin Textile Ltd.	40420-5	7,840,000
Tean-T-Shirt	40072-1	3,815,000
Tean-T-Shirt	40072-2	2,030,000
Magpie Composite	40473-1	6,615,000
Magpie Composite	40473-2	6,615,000
Magpie Composite	40473-3	6,174,000
Tua-Ha Textiles	40026	1,396,500
Eon Knit Composite	40025	1,641,500
Dal Knitwear	40318-1	5,425,000
Dal Knitwear	40318-1	5,425,000
Dal Knitwear	40319-1	5,425,000
Dal Knitwear	40319-2	5,425,000
Cute Dress Industry	403396	1,988,000
Seacotex Fabrics	40281	4,016,250
Robintex Bangladesh	40618-1	4,585,000
C/F		655 490 920

Name of Party	L/C No	Value in BDT
B/F		655,490,920
Robintex Bangladesh	40618-2	4,585,000
Robintex Bangladesh	40619-1	4,550,000
Robintex Bangladesh	40619-2	4,550,000
Robintex Bangladesh	40620	4,550,000
Seacotex Fabrics	40297	1,814,400
Seacotex Fabrics	40307	2,973,250
Scandex Textile	40065-1	4,812,500
Scandex Textile	40065-2	4,812,500
Seacotex Fabrics	40370-1	5,775,000
Seacotex Fabrics	40370-2	5,775,000
Seacotex Fabrics	40371-1	1,895,250
Seacotex Fabrics	40371-2	5,775,000
Seacotex Fabrics	40371-3	5,775,000
Seacotex Fabrics	40371-4	5,005,000
Seacotex Fabrics	40373	3,696,000
Eon Knit Composite	40057	525,000
Capitol International	40122	2,246,300
Orvi Fashion Ltd.	40633-2	4,495,750
Marp Knit Composite	40440	3,948,000
Abir Fashion	40643-1	2,415,000
Abir Fashion	40643-2	2,093,000
Abir Fashion	40643-3	1,932,000
Silk International Ltd.	40126	2,391,900
Beget Knitwear	40407	3,769,325
Dal Knitwear	42480-1	4,060,000
Dal Knitwear	42480-2	4,060,000
Dal Knitwear	42481-1	4,060,000
Dal Knitwear	42481-2	4,060,000
Naab Fashion Ltd.	40253	2,165,800
Naab Fashion Ltd.	40254	2,499,000
Adury Apparels	40002-1	3,685,500
Adury Apparels	40002-2	3,685,500
Knit Syndicate	40002	787,500
Beget Knitwear	40010	3,993,535
Abir Fashion	40007	1,023,750
Garland Fashion	40023	4,914,000
Adury Knit Composite	40993	892,500
Abir Fashion	40524-2	1,911,000
Abir Fashion	40524-3	1,911,000
Jas Knit wear Ltd	40115-1	4,777,500
Jas Knit wear Ltd	40115-1	945,000
Jas Knit wear Ltd	40116	2,852,500
Magpie Composite	42518	1,019,200
Magpie Composite	42552	3,258,325
Pattarumadathil	40349	1,400,000
York Fashion Ltd	42701	3,370,500
Dal Knitwear	42479-1	4,060,000
Dal Knitwear	42479-2	4,060,000
Beget Knitwear	40014	2,038,225
Tean-T-Shirt	40027	3,248,000
Wave Tex	40059-1	4,536,000
Wave Tex	40059-2	3,433,500
C/F		828,358,930

JAIHAM COTTON MILLS LTD.

Name of Party	L/C No	Value in BDT
B/F		828,358,930
Muazuddin Textile Ltd.	40262-1	7,560,000
Muazuddin Textile Ltd.	40262-2	7,560,000
Muazuddin Textile Ltd.	40262-3	7,560,000
Muazuddin Textile Ltd.	40262-4	7,560,000
Muazuddin Textile Ltd.	40262-5	7,560,000
Abir Fashion	40046	3,242,750
Abir Fashion	40047	3,242,750
Abir Fashion	40048	2,310,000
Abir Fashion	40049	2,289,000
Abir Fashion	40050	2,289,000
Samsons Knit	40116-1	6,842,500
Samsons Knit	40116-2	7,630,000
Silk International Ltd.	40017	3,780,000
V-Teac Fashion	401741-1	9,502,500
V-Teac Fashion	401741-2	9,502,500
Muazuddin knit	40262-1	7,840,000
Muazuddin knit	40262-2	7,840,000
Muazuddin knit	40262-3	7,840,000
Muazuddin knit	40262-4	7,840,000
Muazuddin knit	40262-5	7,840,000
Karnaphuli Knit	40108-1	9,450,000
Karnaphuli Knit	40108-2	9,450,000
Karnaphuli Knit	40108-3	9,450,000
Karnaphuli Knit	40108-4	5,670,000
Karnaphuli Knit	40108-5	3,780,000
Samrat & Company	40034-1	4,060,000
Samrat & Company	40034-2	4,060,000
Abir Fashion	40065	2,116,800
Abir Fashion	40066-1	2,415,000
Abir Fashion	40066-2	2,817,500
Eon Knit Composite	40017	2,212,700
Samsons Knit	40127-1	8,050,000
Samsons Knit	40127-2	7,630,000
S.M Knitwear Ltd.	40199-1	5,851,825
S.M Knitwear Ltd.	40199-2	2,936,325
S.M Knitwear Ltd.	40170	2,005,500
Samrat & Company	40045-1	10,150,000
Samrat & Company	40045-2	10,150,000
Samrat & Company	40046	8,120,000
Waltz Fashion Ltd.	40243	2,362,500
Muazuddin Textile Ltd.	40687	1,421,350
Muazuddin Textile Ltd.	40688	1,899,275
Total		1,072,048,705

SAIHAM COTTON MILLS LTD.



PROXY FORM

I/ Weof.....
.....being a shareholder of **Saiham Cotton Mills Limited**
and entitled to vote hereby appoint Mr. /Mrs. / Miss
as my/ our proxy to attend and vote for me / us and on my/ our behalf at the 11th ANNUAL GENERAL MEETING of
the Company to be held on the October 4, 2012 and /or at any adjustment thereof.
As witness my/ our hand this.day of2012

(Signature of the Shareholder)

(Signature of Proxy)

AFFIX
TEN TKA
REVENUE
STAMP

Folio No. / BO ID No.

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No. of Shares held

Dated.....

Note:

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



ATTENDANCE SLIP

I / we hereby record my / our attendance at the 11th ANNUAL GENERAL MEETING of the Company being held on
Thursday, October 4, 2012 at 11.00A.M. at Factory Premises, Noyapara, Saiham Nagar, Madhabpur, Habiganj

Folio No. / BO ID No.

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No. of Shares held

Dated.....

(Signature of Proxy)

(Signature of the Shareholder)

Date

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



Head Office : House # 02, Road # 55, Gulshan-2, Dhaka-1212, Bangladesh
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E-mail : siahmed@saiham.com