



Ref: SCML/04/12/2018

Dated: Dhaka
January 30, 2018

The Chairman

Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
Plot # E-6/C, Agargaon
Sher-e-Bangla Nagar
Dhaka- 1207.

Sub: Submission of un-audited Second Quarter Financial Statements of Saiham Cotton Mills Ltd.

Dear Sir,

As per regulation in 17(2) of DSE Listing Regulations 2015, we are pleased to enclose herewith the un-audited Second Quarter Financial Statements for the period ended December 31, 2017 of Saiham Cotton Mills Ltd. The above un-audited Second Quarter Financial Statements are also available in the website of the Company.

The website of Saiham Cotton Mills Ltd. is www.saihamcotton.com

Thanking you,

Yours faithfully,

(Md. Sahinur Kabir)
Company Secretary

CC to:

- 1) **The Managing Director**
Dhaka Stock Exchange Ltd.
9/F, Motijheel C/A.
Dhaka-1000.
- 2) **The Managing Director**
Chittagong Stock Exchange Ltd.
Eunoos Trade Centre (Level – 15)
52-53, Dilkusha C/A
Dhaka – 1000.



SAIHAM COTTON MILLS LTD.

quality . commitment . great Value

Ref: SCML/04/22 /2018

Dated: Dhaka
January 30, 2018

The Chairman

Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
Plot # E-6/C, Agargaon
Sher-e-Bangla Nagar
Dhaka- 1207.

Subject: **Price Sensitive Information**

Dear Sir,

This is for kind information of all concerned that the Board of Directors of Saiham Cotton Mills Ltd. in its Board Meeting held on January 29, 2018 at 3.30 P.M. at its Dhaka Office has taken the following price sensitive decision regarding the Un-audited Second Quarter Financial Statements for the period ended December 31, 2017.

SL No.	Particulars	July,2017 To December,2017	July,2016 To December,2016	October,2017 To December, 2017	October,2016 To December, 2016
01	Profit before Tax	8,11,47,263	10,53,57,287	3,23,83,001	5,70,59,962
02	Profit after Tax	6,39,13,001	8,64,29,740	2,37,82,237	4,75,02,442
03	Earnings Per Share (EPS)	0.43	0.58	0.16	0.32
04	NAV Per Share	23.26	23.28		
05	Net Operating Cash Flow Per Share (NOCFPS)	0.40	1.05		

Thanking you

Yours faithfully

(Md. Sahinur Kabir)
Company Secretary

- Copy to: (i) **The Managing Director**
Dhaka Stock Exchange Ltd.
9/F, Motijheel C/A, Dhaka – 1000.
- (ii) **The Managing Director**
Chittagong Stock Exchange Ltd.
Eunoos Trade Centre (Level-15)
52-53, Dilkusha C/A, Dhaka – 1000.



SAIHAM COTTON MILLS LTD.

quality - commitment - great Value

Saiham Cotton Mills Ltd. Statement of Financial Position As at December 31, 2017

Particulars	Amount in Taka		
	December 31, 2017	June 30, 2017	
Assets :			
Non Current Assets :			
Property, plant and equipment	2.00	2,543,663,440	2,605,234,086
Investment	3.00	632,072,241	809,004,454
Total Non-current Assets		3,175,735,681	3,414,238,540
Current Assets :			
Trade and other receivables		1,102,342,066	1,106,416,158
Inventories		1,097,675,811	1,108,561,348
Advance, deposits and pre-payments		169,776,086	70,102,419
Cash and cash equivalents	4.00	55,311,775	82,503,433
Total Current Assets		2,425,105,738	2,367,583,358
Total Assets		5,600,841,420	5,781,821,898
Equity and Liabilities :			
Shareholders Equity :			
Share capital		1,487,750,000	1,487,750,000
Share premium		751,750,000	751,750,000
Tax holiday reserve		100,715,999	100,715,999
Revaluation surplus		386,118,440	397,705,914
General reserve		60,400,000	60,400,000
Retained earnings		662,576,076	585,030,753
AFS Reserve		11,369,959	11,421,414
Total Shareholders Equity		3,460,680,475	3,394,774,080
Non-current Liabilities :			
Deferred tax liabilities		183,121,894	176,550,299
Term Loan	5.00	477,822,503	380,046,716
Total Non-current Liabilities		660,944,397	556,597,015
Current Liabilities :			
Short Term Loan	6.00	1,275,282,842	1,489,595,923
Term Loan Current Maturity		136,965,874	259,758,224
Trade creditors		10,413,164	31,371,243
Income tax provision		5,883,635	8,680,043
Payable and accruals		50,671,032	41,045,370
Total Current Liabilities		1,479,216,547	1,830,450,803
Total Liabilities		2,140,160,944	2,387,047,818
Total Equity and Liabilities		5,600,841,420	5,781,821,898
Net Assets Value per Share		23.26	22.82

Managing Director

Director

Chairman

Chief Financial Officer

Company Secretary



SAIHAM COTTON MILLS LTD.

quality . commitment . great Value

Saiham Cotton Mills Ltd.

Statement of profit or Loss and Other Comprehensive Income
For the period ended December 31,2017

Particulars	Notes	Amount in Taka			
		July 01,2017 to December 31,2017	July 01,2016 to December 31,2016	October,2017 to December,2017	October,2016 to December,2016
Turnover		1,573,719,731	1,616,778,441	858,272,442	861,117,647
Cost of goods sold		(1,470,088,004)	(1,472,579,503)	(806,962,991)	(769,958,784)
Gross Profit		103,631,727	144,198,938	51,309,451	91,158,863
Administrative and marketing expenses	7.00	(33,881,738)	(31,276,950)	(18,781,221)	(16,137,093)
Financial expenses	8.00	(38,686,822)	(37,890,465)	(28,279,992)	(27,480,682)
Operating Profit		31,063,168	75,031,523	4,248,239	47,541,088
Non operating income	9.00	49,255,459	35,593,628	29,753,913	12,371,872
Other income	10.00	4,886,000	-	-	-
Operating Profit before WPPF		85,204,627	110,625,151	34,002,152	59,912,960
Provision for WPPF		(4,057,363)	(5,267,864)	(1,619,150)	(2,852,998)
Profit Before Tax		81,147,263	105,357,287	32,383,001	57,059,962
Provision for Tax		(17,234,262)	(18,927,548)	(8,600,764)	(9,557,520)
Current Tax		(8,609,819)	(9,822,266)	(4,464,337)	(5,139,765)
Deferred Tax		(8,624,443)	(9,105,282)	(4,136,427)	(4,417,755)
Net Profit After Tax		63,913,001	86,429,740	23,782,237	47,502,442
Other Comprehensive Income/(Loss) :		(51,455)	2,156,436	(640,383)	3,200,126
Total Comprehensive Income for the year		63,861,546	88,586,176	23,141,854	50,702,568
Earnings Per Share (EPS)		0.43	0.58	0.16	0.32

Managing Director

Director

Chairman

Chief Financial Officer

Company Secretary

Saiham Cotton Mills Ltd.
Statement of Changes in Equity
For the period ended December 31, 2017

Particulars	Share capital	Share premium	Tax holiday reserve	General reserve	Revaluation surplus	AFS Reserve	Retained earnings	Total equity
Balance as at July 01, 2016	1,487,750,000	751,750,000	100,715,999	60,400,000	422,841,932	-	549,071,422	3,372,529,353
Total Comprehensive Income during the year	-	-	-	-	(12,458,182)	-	88,586,176	88,586,176
Adjustment for depreciation on revalued assets	-	-	-	-	-	-	-	(12,458,182)
Adjustment for revaluation of P.P.E and deferred tax	-	-	-	-	-	-	14,656,685	14,656,685
Balance as at December 31, 2016	1,487,750,000	751,750,000	100,715,999	60,400,000	410,383,750	-	652,314,283	3,463,314,031
Balance as at July 01, 2017	1,487,750,000	751,750,000	100,715,999	60,400,000	397,705,914	11,421,414	585,030,753	3,394,774,080
Total Comprehensive Income during the year	-	-	-	-	(11,587,474)	(51,455)	63,913,001	63,861,546
Adjustment for depreciation on revalued assets	-	-	-	-	-	-	-	(11,587,474)
Adjustment for revaluation of P.P.E and deferred tax	-	-	-	-	-	-	13,632,322	13,632,322
Balance as at December 31, 2017	1,487,750,000	751,750,000	100,715,999	60,400,000	386,118,440	11,369,959	662,576,076	3,460,680,475


Managing Director


Director

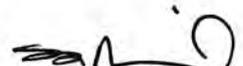

Chairman


Chief Financial Officer


Company Secretary

Saiham Cotton Mills Ltd.
Statement of Cash Flows
For the period ended December 31,2017

Particulars	Amount in Taka	
	July 01,2017 to December 31,2017	July 01,2016 to December 31,2016
A. Cash Flows From Operating Activities		
Collection from customer	1,577,793,823	1,280,013,850
Payment for cost and expenses	(1,521,594,844)	(1,109,688,802)
Collection from non operating income	49,255,459	35,593,628
Collection from other income	4,886,000	-
Interest paid on borrowings	(38,686,822)	(37,890,465)
Income tax paid	(11,406,228)	(12,461,774)
Net cash from operating activities	60,247,389	155,566,438
B. Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(24,990,161)	(194,025,056)
Investment in Unquoted company (SKCL)	-	20,350,000
Investment in shares of listed company	6,880,758	-
Investment in FDR	170,000,000	17,622,935
Liability against capital machinery	-	(10,482,290)
Net cash used in investing activities	151,890,597	(166,534,411)
C. Cash Flows From Financing Activities		
Short term loan	(214,313,081)	(62,937,508)
Term Loan	(25,016,563)	72,933,657
Net cash provided by financing activities	(239,329,644)	9,996,149
D. Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(27,191,658)	(971,824)
Cash & Cash Equivalents at beginning of the period	82,503,433	59,628,913
Cash & Cash Equivalents at ending of the period	55,311,775	58,657,089
Net Operating Cash Flow Per Share (NOCFPS)	0.40	1.05


Managing Director


Director


Chairman


Chief Financial Officer


Company Secretary



Notes to the Financial Statements

As at and for the period ended December 31, 2017

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 Noyapara, P.O: Saiham Nagar, U.Z: Madhabpur, Habiganj. while Dhaka office is situated at Asset Rose Dale, House # 02(4th floor), Road # 55, Gulshan – 2, Dhaka – 1212 .

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.

1.3 Earnings per Share (EPS):

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

Basic Earning per share

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

1.4 Cash & Cash Equivalent:

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

1.5 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 Bangladesh Securities and Exchange Rule 1987.

1.6 Provision for Worker's Profit Participation Fund:

The company has charged @ 5% of net profit before tax after charging the contribution to WPPF.





1.7 Comparative Figure: Comparative information has been disclosed in respect of the year/period 2016 for all numerical information in the financial statements and also the narrative and descriptive where it is relevant for understanding of the current year's financial statements.

1.8 Disclosure of key management personnel compensation:

During the period from October, 2017 to December, 2017 the company has paid to Managing Director as a remuneration amount in Tk. 5, 25,000.

1.9 Components of the Financial Statements:

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

- i) The Statement of Financial Position as at December 31, 2017;
- ii) The Statement of Profit or Loss and Other Comprehensive Income for the period ended December 31, 2017;
- iii) Statement of Changes in Equity for the period ended December 31, 2017;
- iv) The Statement of Cash Flows for the period ended December 31, 2017; and
- v) Accounting Policies and explanatory notes to the financial statements As at and for the period ended December 31,2017

1.10 Borrowing costs:

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

1.11 General:

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



		Amount in Taka	
		December 31, 2017	June 30, 2017
2.00	Property, Plant and Equipment		
	This is arrived of as follows:		
	Cost	3,732,492,804	3,707,502,643
	Less: Accumulated depreciation	1,188,829,364	1,102,268,557
	Written down value	2,543,663,440	2,605,234,086
3.00	Investment		
	Investment in Unquoted company (FSML)	60,499,400	60,499,400
	Investment in shares of listed company	24,073,096	31,005,309
	Investment in FDR	547,499,745	717,499,745
		632,072,241	809,004,454
4.00	Cash and cash equivalents		
	This consists of		
	Cash in hand	4.01 6,618,549	3,560,843
	Cash at banks	4.02 48,693,226	78,942,590
		55,311,775	82,503,433
	▶ Cash in hand stands for cash balance only.		
	▶ Bank balances were confirmed and reconciled with Bank statements.		
4.01	Cash in hand		
	Head office	353,304	152,344
	Factory Office	6,265,245	3,408,499
		6,618,549	3,560,843
4.02	Cash at banks		
	Janata Bank, Motijheel Branch - CD A/C # 023733012107	46,852	10,702
	Janata Bank, Nayapara Branch - CD A/C # 0210005125	1,357,581	997,959
	Janata Bank Ltd. SND A/C # 145	1,380,143	517,568
	Dhaka Bank, Islami Branch- CD A/C # 2015	256,866	264,941
	Standard Chartered Bank, A/C # 01-1183017-01	27,635	164,960
	HSBC CD A/C # 001234608-011	(6,987,294)	598,289
	HSBC Margin Account # 001234608-091	2,687,850	15,634,602
	HSBC BDT Margin Account # 001 234608-095	10,568	10,568
	HSBC FC Account # 001234608-047	3,362,728	3,161,885
	HSBC Dividend Account # 001 234608-012	1,791,305	1,791,305
	HSBC Dividend Account # 001 234608-015	1,853,488	1,853,488
	HSBC Dividend Account # 001 234608-901	2,264,348	2,264,348
	HSBC Dividend Account # 001 234608-902	844,917	919,929
	HSBC Dividend Account # 001 234608-903	1,187,572	1,187,350
	HSBC CD A/C # 001234608-013	412	412
	HSBC CD A/C # 001234608-014	134,361	133,307
	HSBC Offshore A/C # 005	5,864,918	6,936,854
	Bank Asia \$ Margin A/C # 11047000002	25,193,413	36,852,234
	Bank Asia ERQ A/C # 11042000002	1,681,902	1,618,498
	Bank Al Falah STD A/C # 0702 03700151	39,873	40,448
	Bank Al Falah Margin A/C # 0702 4502202	216,406	1,431,474
	Premier Bank Ltd. A/C #1021311869	322,487	55,898
	Mutual Trust Bank A/C # 599	5,279	5,854
	Prime Bank CD A/C # 44026	-	140,194
	Prime Bank Margin A/C # 19110	42,599	-
	Dutch Bangla Bank A/C # 19259	3,163,722	437,111
	Bkash DM # 417	31,083	-
	BRAC Bank A/C # 1501201985342002	1,912,412	1,912,412
		48,693,226	78,942,590
5.00	Term Loan		
	This is arrived as follows -		
	Opening Balance as on July 01, 2017	639,804,940	617,478,316
	Addition during the year	100,000,000	236,705,403
		739,804,940	854,183,719
	Adjusted/Payment during the year	(125,016,563)	(214,378,779)
	Closing Balance as on December 31, 2017	614,788,377	639,804,940
	Less: Term Loan Current Maturity	136,965,874	259,758,224
		477,822,503	380,046,716
6.00	Short Term Loan		
	Bank Loan and Overdraft	6.01 1,275,282,842	1,489,595,923
		1,275,282,842	1,489,595,923
6.01	Bank Loan and Overdraft		
	This consists of as follows:		
	Cash Credit (Hypo) Bank Asia Ltd.	247,884,159	183,224,214
	Cash Credit (Hypo) Bank Al Falah	(196,106)	130,507,768
	Short Term Loan - Al Falah	100,000,000	-
	U/C liabilities under EDF/UPAS	523,150,161	1,072,643,955
	IDBP Loan - Bank Asia Ltd	260,979,724	-
	IDBP Loan - HSBC Ltd.	143,464,904	103,219,987
		1,275,282,842	1,489,595,923





SAIHAM COTTON MILLS LTD.

quality - commitment - great Value

7.00 Administrative and Marketing Expenses

July 01,2017 to December 31,2017	July 01,2016 to December 31,2016	October,2017 to December,2017	October,2016 to December,2016
--	--	-------------------------------------	-------------------------------------

This consists of as follows :

Directors Remuneration	1,050,000	1,050,000	525,000	525,000
Salary and Allowances	13,734,609	11,554,971	7,475,129	5,970,322
Festival Bonus	795,870	658,150	-	-
Provident Fund Expenses	691,756	-	347,108	-
Office Rent	345,000	345,000	230,000	230,000
Rest house Exp.	373,850	-	355,850	-
Staff Quarter Exp	9,120	-	5,920	-
Incentive Bonus	-	2,775,000	-	1,850,000
Grauity	668,580	1,069,600	89,600	-
Entertainments	823,513	1,479,697	370,147	685,061
Electric Bill	136,065	175,356	71,529	97,780
Rent a car	812,955	1,031,750	438,355	513,740
Fuel & Lubricants	2,446,121	1,354,325	1,255,718	520,333
Fees, Forms, and others	1,071,406	555,255	684,752	408,110
Maintenance of Vehicles	936,214	871,130	936,214	624,531
IT Expenses	1,243,396	1,377,528	577,093	575,328
Insurance Premium	856,445	142,967	552,443	79,793
Printing & Stationery	642,419	495,373	414,990	289,435
Donation and Subscription	188,613	1,065,785	31,379	903,595
Miscellaneous Expenses	367,240	398,250	188,520	236,570
Office Maintenance	1,033,364	551,404	339,556	293,956
Traveling and Conveyance	239,956	222,681	147,291	124,851
Transportation cost	85,575	33,390	27,500	33,390
Telephone and Mobile Expenses	99,892	73,576	51,892	39,118
Audit fees	57,500	57,500	28,750	28,750
Uniform and Upkeep	100,460	49,870	95,260	48,370
Medical and Welfare	160,100	589,889	54,950	71,120
Postage and Stamp	11,720	43,729	2,912	30,789
Selling & Distribution Exp.	963,116	953,400	930,000	835,000
Business Development Exp	21,110	157,919	-	13,440
Advertisement	166,620	172,150	139,620	131,000
AGM Expenses	957,250	-	957,250	-
Depreciation	2,791,903	1,971,305	1,456,493	977,711
	33,881,738	31,276,950	18,781,221	16,137,093

8.00 Financial Expenses

The above amount comprise of as follows -

Interest on Cash Credit (Hypo)	9,750,214	13,247,942	4,840,002	6,422,407
Interest on Term Loan	21,139,043	13,423,990	17,373,272	13,423,990
Interest on Bank Asia Ltd.	1,067,020	1,661,546	837,178	948,102
Interest on HSBC Ltd.	3,201,484	5,875,544	3,201,484	5,466,395
Interest on Bank Al Falah	-	1,663,515	-	-
Interest on Prime Bank	234,680	-	234,680	-
Bank Charges and Commission	3,293,118	2,017,928	1,792,113	1,219,788
Overdue Interest	1,263	-	1,263	-
	38,686,822	37,890,465	28,279,992	27,480,682

9.00 Non operating income

Interest on FDR against bank guarantee and term loan	22,231,200	24,744,589	6,778,500	4,097,250
Interest on STD A/C	1,737	61,786	1,737	61,786
Insurance claim	2,324,700	975,772	2,324,700	-
Short weight claim	8,813,653	2,255,242	6,712,855	724,377
Overdue Interest	378,675	15,530	119,534	-
Gain on dollar fluctuation	21,617,981	4,567,943	13,791,501	4,567,943
Realised gain/loss on marketable securities	(6,137,573)	-	-	-
Incentive	-	868,811	-	868,811
Dividend Income	25,086	2,103,955	25,086	2,051,705
	49,255,459	35,593,628	29,753,913	12,371,872

10.00 Other income

Dividend Income	25,000	-	-	-
Interest on FDR	4,861,000	-	-	-
	4,886,000	-	-	-

