



Ref: SCML/04/379 /2020

Dated: Dhaka
November 14, 2020

The Chairman

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

Subject: **Price Sensitive Information**

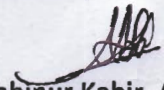
Dear Sir,

This is for kind information of all concerned that the Board of Directors of Saiham Cotton Mills Ltd. in its Board Meeting held on November 14, 2020 at 3.00 P.M. at its Dhaka Office has taken the following Price Sensitive decision regarding the Un-audited First Quarterly Financial Statements for the period from July 01, 2020 to September 30, 2020.

Sl. No.	Particulars	July 01, 2020 to September 30, 2020	July 01, 2019 to September 30, 2019
01	Profit before Tax	3,22,52,807	5,22,04,776
02	Profit after Tax	2,20,94,570	3,84,81,170
03	Earnings Per Share (EPS)	0.15	0.26
04	NAV Per Share	36.17	37.78
05	Net Operating Cash Flow Per Share (NOCFPS)	2.00	0.44

Thanking you

Yours faithfully


(Md. Sahinur Kabir, ACS)
Company Secretary

- Copy to: (i) **The Managing Director**
Dhaka Stock Exchange Ltd.
DSE Tower, Plot # 46, Road # 21
Nikunja-02, North Airport Road
Dhaka-1229.
- (ii) **The Managing Director**
Chittagong Stock Exchange Ltd.
Eunoos Trade Centre (Level-15)
52-53, Dilkusha C/A , Dhaka-1000.



Ref: SCML/04/378/2020

Dated: Dhaka
November 14, 2020

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 First Quarterly Financial Statements of Saiham Cotton Mills Ltd.

Dear Sir,

As per regulation in 17(1) of DSE Listing Regulations 2015, we are pleased to enclose herewith the un-audited First Quarterly Financial Statements for the period from July 01, 2020 to September 30, 2020 of Saiham Cotton Mills Ltd. The above un-audited First Quarterly 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, ACS)
Company Secretary

Copy to: (i) The Managing Director
Dhaka Stock Exchange Ltd.
DSE Tower, Plot # 46, Road # 21
Nikunja-02, North Airport Road
Dhaka-1229.

(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 September 30, 2020

Particulars	Notes	Amount in Taka	
		September 30, 2020	June 30, 2020
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3.00	5,574,112,250	5,152,105,158
Investment	4.00	527,071,802	525,488,190
Total Non-Current Assets		6,101,184,052	5,677,593,348
Current Assets:			
Inventories	5.00	1,805,094,195	2,151,227,203
Trade and Other Receivables	6.00	1,351,246,193	1,196,234,014
Advance, Deposits and Pre-payments	7.00	134,807,536	130,790,676
Cash and Cash Equivalents	8.00	76,307,108	56,535,390
Total Current Assets		3,367,455,031	3,534,787,282
Total Assets		9,468,639,084	9,212,380,629
EQUITY AND LIABILITIES:			
Shareholder's Equity:			
Share Capital	09.00	1,487,750,000	1,487,750,000
Share Premium		751,750,000	751,750,000
Revaluation Surplus	10.00	2,394,812,479	2,418,070,423
Retained Earnings		739,948,969	690,492,112
FVOCI Reserve		7,369,358	3,958,612
Total Shareholders Equity		5,381,630,806	5,352,021,148
Non-Current Liabilities:			
Deferred tax liabilities	11.00	575,949,991	576,254,554
Liability against Capital Machinery	12.00	536,691,776	137,517,861
Long Term Loan	13.00	222,738,211	211,620,466
Total Non-Current Liabilities		1,335,379,978	925,392,880
Current Liabilities:			
Short Term Loan	14.00	2,573,422,266	2,706,258,308
Long Term Loan Current Maturity	12.00	94,087,715	106,344,792
Trade & Other Creditors	15.00	30,177,072	69,416,912
Income tax provision	16.00	(7,179,290)	(9,063,871)
Payable and Accruals	17.00	61,120,536	62,010,461
Total Current Liabilities		2,751,628,300	2,934,966,602
Total Liabilities		4,087,008,278	3,860,359,482
Total Equity and Liabilities		9,468,639,084	9,212,380,629
Net Assets Value per Share	24.00	36.17	35.97

Managing Director

Director

Chairman

Chief Financial Officer

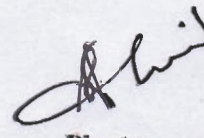
Company Secretary

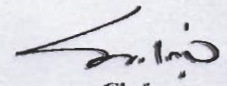


Saiham Cotton Mills Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the period ended September 30, 2020

Particulars	Notes	Amount in Taka	
		July 01, 2020 to Sept 30, 2020	July 01, 2019 to Sept 30, 2019
Turnover		978,062,565	618,521,426
Cost of goods sold	18.00	(876,848,152)	(559,962,139)
Gross Profit		101,214,413	58,559,286
Administrative and marketing expenses	19.00	(19,107,996)	(20,713,399)
Financial expenses	20.00	(45,129,365)	(31,113,697)
Operating Profit		36,977,053	6,732,190
Non-operating income	21.00	(2,515,485)	12,895,970
Other income	22.00	8,386,504	31,594,041
Operating Profit Before WPPF & WWF		42,848,072	51,222,201
Expenses for WPPF & WWF		(2,040,384)	(2,610,239)
Unrealized gain/(loss) for change in exchange rate of foreign		(8,554,881)	3,592,813
Profit before Tax		32,252,807	52,204,776
Provision for Tax		(10,158,237)	(13,723,606)
Current Tax	16.00	(6,737,428)	(10,429,890)
Deferred Tax	11.1.1	(3,420,809)	(3,293,717)
Net Profit after Tax		22,094,570	38,481,170
Other Comprehensive Income/(Loss)		7,515,089	3,473,625
Adjustment for unrealized gain/(loss) on marketable securities		3,789,717	(1,006,160)
Deferred tax adjustment		(378,972)	100,616
Revaluation gain on PPE		-	-
Deferred Tax Adjustment		4,104,343	4,379,169
Total Comprehensive Income for the period		29,609,658	41,954,796
Earnings Per Share (EPS)	23.00	0.15	0.26


Managing Director


Director


Chairman


Chief Financial Officer

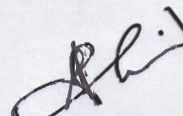

Company Secretary

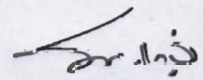


Saiham Cotton Mills Ltd.
Statement of Cash Flows
For the period ended September 30, 2020

Particulars	Amount in Taka	
	July 01, 2020 to Sept 30, 2020	July 01, 2019 to Sept 30, 2019
A. Cash Flows From Operating Activities		
Collection from customers	822,982,935	716,967,996
Payment for cost and expenses	(526,441,828)	(685,663,801)
Collection from non-operating income	(2,280,902)	12,423,327
Collection from other income	8,386,504	31,594,041
Income tax paid	(4,852,848)	(10,429,890)
Net cash used in operating activities	297,793,861	64,891,672
B. Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(492,009,996)	(6,861,484)
Sale of property, plant and equipment	200,000	650,000
Investment in shares of listed company	3,295,601	301,514
Investment in FDR	(1,089,496)	(38,876,294)
Net cash flows from investing activities	(489,603,891)	(44,786,264)
C. Cash Flows From Financing Activities		
Short-term loan	(141,323,394)	68,766,654
Liability against capital machinery	399,173,915	(20,075,630)
Long Term Loan	(1,139,345)	(47,696,128)
Interest paid on borrowings	(45,129,365)	(31,113,697)
Net cash flows from financing activities	211,581,812	(30,118,801)
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	19,771,783	(10,013,393)
Cash & Cash Equivalents at beginning of the period	56,535,390	37,076,890
Effects of exchange rate changes	(65)	-
Cash & Cash Equivalents at end of the period	76,307,108	27,063,497
Net Operating Cash Flow Per Share (NOCFPS)	2.00	0.44


Managing Director


Director


Chairman


Chief Financial Officer


Company Secretary



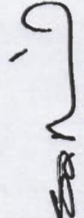
Saiham Cotton Mills Ltd.

Statement of Changes in Equity


For the period ended September 30, 2020


Particulars	Share capital	Share premium	Revaluation surplus	FVOCI Reserve	Retained earnings	Total equity
Balance as at July 01, 2020	1,487,750,000	751,750,000	2,418,070,423	3,958,612	690,492,112	5,352,021,147
Net Profit after Tax	-	-	-	3,410,746	22,094,570	22,094,570
Unrealized gain on marketable securities	-	-	-	-	-	3,410,746
Adjustment for depreciation on revalued assets	-	-	(27,362,287)	-	27,362,287	-
Adjustment for revaluation of P.P.E and deferred tax	-	-	4,104,343	-	-	4,104,343
Balance as at September 30, 2020	1,487,750,000	751,750,000	2,394,812,479	7,369,358	739,948,969	5,381,630,806

Particulars	Share capital	Share premium	Revaluation surplus	FVOCI Reserve	Retained earnings	Total equity
Balance as at July 01, 2019	1,487,750,000	751,750,000	2,517,331,588	4,767,343	817,148,198	5,578,747,129
Net Profit after Tax	-	-	-	(905,544)	38,481,170	37,575,625
Adjustment for depreciation on revalued assets	-	-	(29,194,460)	-	29,194,460	-
Adjustment for revaluation of P.P.E and deferred tax	-	-	4,379,169	-	-	4,379,169
Balance as at September 30, 2019	1,487,750,000	751,750,000	2,492,516,297	3,861,798	884,823,828	5,620,701,923


Managing Director


Director


Chairman


Chief Financial Officer


Company Secretary



Saiham Cotton Mills Ltd.
Notes to the Financial Statements
As at and for the year ended September 30, 2020

1. Reporting Entity

1.1. Background of the Entity

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 House # 34(11th floor), Road # 136, Gulshan – 1, Dhaka – 1212.

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

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

2. Basis of preparation and Presentation of financial statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASS) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, Securities and Exchange Rules 1987 and other relevant local laws as applicable.

2.2 Basis of Preparation

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

2.3 Basis of Reporting

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

2.4 Reporting period:

These financial statements covered 03 (three) months from July 01, 2020 to September 30, 2020.

2.5 Comparative Figure:

Comparative information has been disclosed in respect of the year ended June 30, 2020 for Statement of Financial Position sheet item and 30 September 2019 for Income Statement information in the financial statements and also narrative and descriptive where it is relevant for understanding of the current year's financial statements.



2.6 Compliance with Financial Reporting Standards as applicable in Bangladesh

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

Sl. No.	Standard Number	Title of Standards	Compliance Status
01	IAS 01	Presentation of Financial Statements	Complied
02	IAS 02	Inventories	Complied
03	IAS 07	Statement of Cash Flows	Complied
04	IAS 10	Events after the Reporting Period	Complied
05	IAS 12	Income Taxes	Complied
06	IAS 16	Property, Plant & Equipment	Complied
07	IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
08	IAS 24	Related Party Disclosures	Complied
09	IAS 33	Earnings per Share	Complied
10	IFRS 09	Financial Instruments	Complied
11	IFRS 13	Fair Value Measurement	Complied
12	IFRS 15	Revenue from Contracts with Customers	Complied

2.7 Use of estimates and judgments:

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

2.8 Going concern Review

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

2.9 Components of the Financial Statements:

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

- i) Statement of Financial Position as at September 30, 2020;
- ii) Statement of Profit or Loss and Other Comprehensive Income for the period ended September 30, 2020;
- iii) Statement of Changes in Equity for the period ended September 30, 2020;
- iv) Statement of Cash Flows for the period ended September 30, 2020; and
- v) Accounting Policies and explanatory notes to the financial statements for the period ended September 30, 2020.



2.10 Regulatory and Legal Compliance:

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

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

2.11 Property, Plant and Equipments (PPE):

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

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

Depreciation of Property, Plant and Equipments

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

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

Revaluation of property, plant and equipment

Basis of valuation:

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

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



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

Valuation of the subject Assets and properties was carried out on the basis of following applicable standards and guidelines:

- A) The valuation was undertaken in accordance with International Accounting Standard (IAS-16), International Financial Reporting Standards (IFRS-13) and International Valuation Standards (IVS).
- B) The valuation was undertaken in accordance with the Bangladesh Securities and Exchange Commission (BSEC) Guideline vide reference no. SEC/CMRRCD/2009-193/150/Admin/.... Dated August 18, 2013.
- C) The subject assets were revalued at fair value as per the standards for revaluation of those assets. The definition of 'fair value' is reproduced below:
"Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction".
- D) The valuation exercise was undertaken after considering five Fundamental Principles of Ethical Conduct namely Integrity, Objectivity, Competence, Confidentiality and Professional Behavior.

Date of 1st Revaluation Report: December 20, 2010.

Date of 2nd Revaluation Report: April 28, 2019.

Date of incorporation of the 1st valuation in the financial statements December 31, 2010.

Date of incorporation of the 2nd valuation in the financial statements May 1, 2019.

1st Valuer : Vigilant Survey Associates

2nd Valuer : ATA Khan & Co. Chartered Accountants

2.12 Investment in Shares:

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

2.13 Inventories:

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

Raw Cotton	At lower of weighted average cost or net realizable value
Stores & Spares	At lower of weighted average cost or net realizable value
Packing Materials	At lower of weighted average cost or net realizable value



Work-in-Process	100% Materials plus portion of labour charges, Gas charges.
Finished Goods (Yarn)	At lower of weighted average cost or net realizable value

2.14 Revenue Recognition:

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

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

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

2.15 Functional and Presentation Currency and level of precision:

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

2.16 Earnings per Share (EPS):

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

i) Basic Earning per share

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

ii) Diluted earnings per share

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution during the year under review.

2.17 Cash & Cash Equivalent

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

2.18 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with IAS – 7 "Statement 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.



2.19 Provision, Accruals and Other Payables

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

2.20 Foreign Currency Translation

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

2.21 Borrowing costs:

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

2.22 Revaluation Reserve:

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

2.23 Taxation:

Current Tax:

Current tax provision has been made as per Income Tax Ordinance, 1984.

Deferred Tax:

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

2.24 Trade Debtors:

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



2.25 Provision for Worker's Profit Participation Fund:

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

2.26 Responsibility for Preparation and Presentation of Financial Statement:

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

2.27 Related Party Disclosures:

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

2.28 Event after the reporting period:

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

2.29 Significant Event:

During the period net profit after tax has been decreased as compared to previous year same period due to decrease in selling price and increase in financial expenses, EPS has been decreased.

During the period Net Operating Cash Flow per Share increased due to increase in export collection in compared to export credit sales.

2.30 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.

quality . commitment . great Value

3.00 Property, Plant and Equipment

This is arrived as follows:

Balance as on July 01, 2020

Addition during the period

Adjustment during the period

Total as on September 30, 2020

Accumulated Depreciation

Depreciation value

Depreciation charge during the period

Depreciation Adjustment during the period

Written down value as on September 30, 2020

Amount in Taka	
Sept 30, 2020	June 30, 2020
6,886,316,847	6,735,829,563
492,009,996	155,067,284
(2,626,500)	(4,580,000)
7,375,700,343	6,886,316,847
(1,734,211,689)	(1,463,891,574)
5,641,488,654	5,422,425,273
(69,568,321)	(274,722,759)
2,191,918	4,402,644
5,574,112,250	5,152,105,158

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

(b) The assets have been revalued on 28 April, 2019.

4.00 Investment

Investment in Unquoted company (FSML)

Investment in shares of listed company

Investment in FDR

4.01	60,499,400	60,499,400
4.02	4,691,822	4,197,706
4.03	461,880,580	460,791,084
	527,071,802	525,488,190

4.01 Investment in Unquoted company (FSML)

60,499,400	60,499,400
60,499,400	60,499,400

4.02 Investment in Shares of Listed Company

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

Name of the company	No. of Shares	September 30, 2020		June 30, 2020
		Cost	Market Value	Market Value
AIL	-	-	-	26,200
BRACBANK	10,000	438,748	407,000	-
CITYGENINS	-	-	-	462,220
CNATEX	75,000	583,131	285,000	142,500
ESQUIRENIT	-	-	-	109,500
FARCHEM	57,999	769,555	574,190	470,390
FASFIN	-	-	-	36,000
FEDERALINS	-	-	-	61,200
FINEFOODS	4,000	352,682	362,800	-
FUANGFOOD	-	-	-	150,800
GSPFINANCE	5,747	137,082	119,538	67,100
HAKKANIPUL	3,900	376,169	318,630	-
IBP	-	-	-	247,200
KTL	-	-	-	162,750
MONNOCERA	2,001	284,980	278,139	-
NFML	18,000	203,210	167,400	113,100
PLFSL	10,000	292,722	30,000	30,000
PROVATINS	8,501	417,429	396,997	-
QUASEMIND	6,000	253,209	235,800	-
RAKCEAMIC	2,550	138,801	70,380	66,300
SAIFPOWER	-	-	-	369,538
SHURWID	5,000	115,460	108,500	-
SONARBAINS	-	-	-	387,447
UNITEDAIR	410,000	3,385,431	902,000	854,000
USMANIAGL	1,000	65,562	56,500	-
Green Delta F. Services Ltd. BO-1203620023711436	-	37,123	37,123	214,566
ICB	2,640	405,858	263,208	180,576
WALTONHL	20	5,040	15,142	-
BRAC EPL BALANCE TK.	-	63,476	63,476	46,318
Total		8,325,666	4,691,822	4,197,706



SAIHAM COTTON MILLS LTD.

quality . commitment . great Value

		Sept 30, 2020	June 30, 2020
4.03 Investment in FDR	Purpose		
Dhaka Bank, 0010720	Bank Guarantee	1,054,596	1,040,549
Bank Asia(0048960/1858)	Bank Guarantee	4,293,324	4,236,136
UNICAP,0311		18,126,424	17,884,977
UFIL, 1516		-	24,796,432
UFIL, 2916		23,462,930	23,150,399
UNICAP,2015 08 211	Term Loan	61,177,470	60,362,575
UNICAP,2015 08 232		24,468,760	24,142,832
UFIL, 19918	Term Loan	54,970,213	54,238,000
UFIL, 19818	Term Loan	54,970,213	54,238,000
IDLC Finance, 38927		65,735,610	64,860,000
IDLC Finance, 38928		65,735,610	64,860,000
UFIL, 6919		66,505,870	65,620,000
BAnk Asia,02155011152/0363017	Bank Guarantee	532,660	525,565
Bank Asia, 02155011224/19	Bank Guarantee	846,900	835,619
DBH, 71000190556		20,000,000	-
		461,880,580	460,791,084

Out of total Tk. 461,880,580 Tk. 6,727,480 Fixed Deposit Receipts are under lien with various banks against bank guarantee and Taka 168,838,575 Fixed Deposit Receipts are lien marked with HSBC Ltd. against term loan.

5.00 Inventories				
This represents as follows:		Quantity	Amount in Tk.	Amount in Tk.
Raw Materials		21,888,412 LBS	1,532,189,540	1,674,319,509
Work in Process		139,428 Kgs	22,253,374	30,480,302
Finished Goods		1,035,346 Kgs	197,243,174	400,251,784
Stores & Spare Parts		N/A	51,098,103	43,127,572
Oil & Lubricants		N/A	156,987	182,119
Packing Materials		N/A	2,153,017	2,865,917
			1,805,094,195	2,151,227,203

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.

6.00 Trade and other receivables			
Aging of Trade Debtors			
Trade debtors aged upto 90 days		439,641,457	283,124,477
Trade debtors aged upto 180 days		869,958,739	831,232,470
Other receivables		41,645,997	81,877,067
		1,351,246,193	1,196,234,014

a) Trade receivable has mostly arisen from export sales which are usually received within the tenure under LC terms. As such, no expected credit loss has arisen during the period.

b) There is no such debt due by or to directors or other officers of the Company.

I. Receivable considered good in respect of which the company is fully secured.	1,179,373,808	1,034,982,433
II. Receivable considered good in respect of which the company holds no security other than	-	-
III. Receivable considered doubtful or bad.	-	-
IV. Receivable due by any director or other officer of the company.	-	-
V. Receivable due by common management.	171,872,385	161,251,581
VI. The maximum amount of receivable due by any director or other officer of the company.	-	-
Total	1,351,246,193	1,196,234,014

7.00 Advance, Deposits and Prepayments			
Security Deposit with Jalalabad Gas	7.01	17,221,252	17,221,252
Security Deposit with Hobigonj Palli Biddut		283,005	283,005
Security deposit with CDBL		500,000	500,000
Advance against salary & wages		186,019	231,619
Advance against local suppliers		4,017,951	3,686,601
Advance against LC Margin and commission		112,599,309	108,868,200
		134,807,536	130,790,676



SAIHAM COTTON MILLS LTD.

quality . commitment . great Value

	Sept 30, 2020	June 30, 2020
7.01 Security Deposit with Jalalabad Gas		
Opening Balance as at July 01, 2020	17,221,252	15,072,839
Add: Addition during the period	-	5,258,864
	17,221,252	20,331,703
Less: Adjustment made during the period	-	(3,110,451)
Closing Balance as on September 30, 2020	17,221,252	17,221,252

- (a) All the advances and deposits amount are considered good and recoverable;
 (b) Advance due from staffs and workers are regularly being realized through their salaries;
 (c) There is no amount due from Directors or Officers of the Company under any agreement;
 (d) Advance against suppliers due mainly to advances given to suppliers for packing materials, spare parts etc.
 (e) L/C Margin deposit against various import L/C represent margin and commission of Raw cotton, Spare Parts, Packing Materials.

8.00 Cash and Cash Equivalents

This consists of:

Cash in Hand	8.01	6,562	204,125
Cash at Banks	8.02	76,300,546	56,331,265
		76,307,108	56,535,390

8.01 Cash in Hand

Head office		5,546	79
Factory Office		1,016	204,046
		6,562	204,125

8.02 Cash at Banks

Janata Bank Motijheel Branch - CD A/C # 023733012107		85,256	85,256
Janata Bank, Noyapara Branch - CD A/C # 0210005125		117,888	831,668
Janata Bank Ltd. SND A/C # 145		95,227	95,227
Dhaka Bank, Islami Branch- CD A/C # 2015		102,129	102,129
Standard Chartered Bank, A/C # 01-1183017-01		24,840	24,840
HSBC BDT Margin Account # 001 234608-095		10,568	10,568
HSBC Dividend Account # 001 234608-012		1,786,305	1,783,805
HSBC Dividend Account # 001 234608-015		1,754,719	1,755,064
HSBC Dividend Account # 001 234608-901		2,163,783	2,164,128
HSBC Dividend Account # 001 234608-902		764,594	764,939
HSBC Dividend Account # 001 234608-903		1,080,328	1,080,673
HSBC Dividend Account # 001 234608-904		1,577,294	1,577,639
HSBC Dividend Account # 001 234608-905		1,467,857	1,468,202
HSBC Dividend Account # 001 234608-906		1,816,520	1,816,865
HSBC (SFCAM) A/C # 016		-	-
HSBC CD A/C # 001234608-013		412	412
HSBC CD A/C # 001234608-014		5,361	5,361
Bank Al Falah STD A/C # 0702 03700151		36,854	37,199
Premier Bank Ltd. A/C # 1021311869		2,569	23,846
Mutual Trust Bank A/C # 599		78,249	78,249
Prime Bank CD A/C # 44026		176,713	-
Bkash DM -417		48,312	899,708
Dutch Bangla Bank A/C # 19259		1,087,393	763,710
Eastern Bank A/C # 72879		421,506	3,676,131
BRAC Bank A/C # 1501201985342002		1,993,821	1,993,821
Foreign Currency Accounts			
HSBC Margin Account # 001234608-091		14,893,235	17,514,012
HSBC FC Account # 001234608-047		2,494,717	2,125
HSBC Offshore A/C # 005		8,255,949	6,395,914
Bank Asia \$ Margin A/C # 11047000002		27,176	27,176
Bank Asia \$ Margin A/C # 21047000002		27,532,992	907,581
Bank Asia ERQ A/C # 11042000002		1,730,428	1,730,428
Bank Asia ERQ A/C # 21047000005		3,245,774	6,368,798
Bank Al Falah Margin A/C # 0702 4502202		910,763	910,763
Prime Bank BTB A/C # 19110		511,015	1,435,030
		76,300,546	56,331,265



09.00 Share Capital

This represents:

Authorized capital

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

Sept 30, 2020 June 30, 2020

Issued, subscribed and paid up capital :

	Sept 30, 2020	June 30, 2020
35,000,000 Ordinary Shares @ Tk. 10 each fully paid up	350,000,000	350,000,000
17,500,000 Ordinary Shares @ Tk 10 each fully paid up other than cash	175,000,000	175,000,000
15,000,000 Ordinary Shares @ Tk.10 each fully paid up	150,000,000	150,000,000
20,250,000 Ordinary Shares @ Tk.10 each fully paid up Other than cash	202,500,000	202,500,000
47,500,000 Ordinary Shares @ Tk.10 each fully paid up	475,000,000	475,000,000
13,525,000 Ordinary Shares @ Tk.10 each fully paid up Other than cash	135,250,000	135,250,000
148,775,000 Ordinary Shares	1,487,750,000	1,487,750,000

Percentage of shareholding position of different shareholders are as follows:

Name of the Shareholders	30.09.2020		30.06.2020	
	No. of shares	% of holding	No. of shares	% of holding
Sponsors	63,074,998	42.40	63,074,998	42.40
Institutions	20,481,402	13.77	21,274,102	14.30
General Public	65,218,600	43.83	64,425,900	43.30
	148,775,000	100.00	148,775,000	100.00

Classification of Shareholders by holding:

The number of shareholders and shareholding position as at September 30, 2020 are given below:

Range of holding	No. of shareholding	No. of shareholders	No. of shareholders
Upto 500 shares	1,842,411	7,242	7,144
501 to 5,000 shares	5,965,698	2,641	1,558
5,001 to 10,000 shares	5,628,480	711	369
10,001 to 20,000 shares	7,160,286	474	255
20,001 to 30,000 shares	5,551,696	215	123
30,001 to 40,000 shares	3,320,618	91	56
40,001 to 50,000 shares	3,344,146	72	33
50,001 to 100,000 shares	8,887,819	117	83
100,001 to 1,000,000 shares	22,590,805	102	108
Over 1,000,000 shares	84,483,041	17	19
Total	148,775,000	11,682	9,748

10.00 Revaluation Surplus

This calculation is arrived as follows:

Opening Balance	2,418,070,423	2,517,331,588
Add: Revaluation gain during the period	-	-
Less: Adjustment for provision of deferred tax	4,104,343	17,516,676
Adjustment for depreciation on revalued assets	(27,362,287)	(116,777,841)
Closing Balance	2,394,812,479	2,418,070,423

11.00 Deferred tax Liabilities

This is arrived as follows:

Opening Balance	576,254,554	580,863,000
Add: Deferred Tax expenses for the period	3,420,809	12,998,089
Add: Deferred tax on Revalued Asset	(4,104,343)	(17,516,676)
Add: Deferred Tax expenses on unrealize gain	378,972	(89,859)
	575,949,991	576,254,554
Adjustment for depreciation of revalued assets	-	-
Closing Balance	575,949,991	576,254,554

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

A. Property, plant and equipment

Carrying amount	2,756,685,805	2,307,316,426
Tax base amount	1,736,721,918	1,310,157,930
Taxable temporary difference	1,019,963,888	997,158,496
Tax rate	15%	15%
Deferred tax liability	152,994,583	149,573,774



	Sept 30, 2020	June 30, 2020
B. Calculation of deferred tax on revaluation of property, plant and equipment:		
Revalued value of land	1,021,866,807	1,021,866,807
Revalued value of other than land	1,795,559,637	1,822,921,925
Tax Rate		
On land	15%	15%
On other than land	15%	15%
Deferred tax liabilities		
For land	153,280,021	153,280,021
For other than land	269,333,946	273,438,289
	422,613,967	426,718,310
C. Deferred Tax on unrealize gain/ (loss)		
Opening balance of deferred tax liability for unrealized gain	439,846	529,705
Addition during the period	378,972	(89,859)
	818,818	439,846
D. Deferred Tax on Gratuity Provision		
Provision for Gratuity as at September 30, 2020	3,182,510	3,182,510
Company tax rate	15%	15%
Deferred tax asset	(477,377)	(477,377)
	575,949,991	576,254,554
Calculation of deferred tax:		
Deferred tax liability as on September 30, 2020	575,949,991	576,254,554
Deferred tax liability as on June 30, 2020	576,254,554	580,863,000
Deferred tax increased/(Decrease) during the period	11.1.1 (304,563)	(4,608,447)
11.1.1 Deferred tax liability other than revalued assets as at September 30, 2020	152,994,583	149,573,774
Deferred tax liability other than revalued assets as at June 30, 2020	149,573,774	136,248,309
Net increased in deferred tax expenses for other than revalued assets for the period	3,420,809	13,325,465
Net increase in deferred tax for Unrealized Gain	378,972	(89,859)
Deferret tax asset on gratuity provision as at September 30, 2020	(477,377)	(477,377)
Deferret tax liability on gratuity provision as at June 30, 2020	(477,377)	150,000
Net increase/(decrease) in deferred tax expenses for gratuity provision	0	(327,377)
Total deferred expenses for the period	3,420,809	12,998,089
Adjustment of revaluation surplus for deferred tax		
Deferred tax liability for revaluation as on September 30, 2020	422,613,967	426,718,310
Deferred tax liability for revaluation as on June 30, 2020	426,718,310	444,234,986
Adjustment of revaluation surplus for deferred tax	(4,104,343)	(17,516,676)
	(304,562)	(4,608,446)
12.00 Liability against Capial Machinery :		
This consists of as follows:		
HSBC-IMPORT LOAN-MACHINERY	498,733,490.60	111,623,680
BANK ASIA-IMPORT LOAN-MACHINERY	37,958,285.15	25,894,181
	536,691,776	137,517,861
13.00 Long Term Loan		
This is arrived as follows:		
Opening Balance as on July 01, 2020	317,965,258	238,815,851
Addition during the period	42,251,986	178,075,061
	360,217,244	416,890,911
Adjusted/Payment during the period	(43,391,331)	(97,923,671)
	316,825,913	318,967,241
Unrealized gain/loss for change in exchange rate of foreign currency	13	(1,001,983)
Closing Balance as on September 30, 2020	316,825,927	317,965,258
Less: Long Term Loan Current Maturity	94,087,715	106,344,792
	222,738,211	211,620,466



Sept 30, 2020

June 30, 2020

Repayment terms:

HSBC Ltd.

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

These long term loan are repayable in 16-20 equal installments and interest rate is LIBOR +4.5% per annum. Repayment of these loan started in between May 2014 to July 2016 and will be completed by 20.12.2021 & for addition during the period interest rate is LIBOR+3.25 % per annum and repayment of these loan to be started on July 2020 and will be completed by 29.09.2025.

Security details:

HSBC Ltd.

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

Prime Bank Ltd.

Out of total Tk. 316,825,927 Taka 56,807,791 has been taken and accounted for as long term loan against corporate office floor purchase and are repayable in 75 equal installments. Repayment of these loan started from January, 2018 and will be completed in December, 2025.

The loan from Prime Bank Ltd. is secured by the Registered Mortgage of corporate office floor space, personal guarantee of all the directors, Insurance coverage and others related charge documents.

14.00 Short Term Loan			
Bank Loan and Overdraft	13.01	2,573,422,266	2,706,258,308
		<u>2,573,422,266</u>	<u>2,706,258,308</u>
14.01 Bank Loan and Overdraft			
This consists of as follows:			
Cash Credit (Hypo) Bank Asia Ltd.		299,518,180	292,644,387
Cash Credit (Hypo) Bank Al Falah		149,241,579	152,986,494
Overdraft A/c-Prime Bank Ltd.		49,755,044	48,090,291
HSBC CD A/C # 001234608-011		21,773,167	49,095,544
Short Term Loan - Prime Bank Ltd.		15,000,000	-
Short Term Loan - HSBC		45,000,000	100,000,000
Short Term Loan - Bank Alfalah		95,000,000	95,000,000
Demand Loan Bank Loan		70,000,000	-
L/C liabilities under EDF		1,763,452,854	1,814,916,478
IDBP Loan - Prime Bank Ltd.		7,981,381	19,969,058
IDBP Loan - Bank Asia Ltd.		-	133,556,055
IDBP Loan - HSBC Ltd.		56,700,061	-
		<u>2,573,422,266</u>	<u>2,706,258,308</u>
The cash credit facilities secured by the hypothecation of stock of raw cotton, work in process, finished goods, trade debtors and Directors personal security.			
15.00 Trade & Other Creditors			
This is arrived as follows:			
Local supplier		30,177,072	69,416,912
		<u>30,177,072</u>	<u>69,416,912</u>
16.00 Income Tax Provision			
Opening Balance		(9,063,871)	4,910,114
Add: Provision made during the period		6,737,428	13,506,665
		<u>(2,326,442)</u>	<u>18,416,779</u>
Less: Income Tax paid		4,852,848	27,480,650
Advance Income Tax (2020-21)		43,000	-
Advance Income Tax (2019-2020)		-	5,261,124
Tax Paid for 2018-2019		-	4,910,114
Tax deducted at source on FDR interest		939,151	5,473,091
Tax deducted at source u/s 82C		3,870,697	11,836,321
Closing Balance		<u>(7,179,290)</u>	<u>(9,063,871)</u>



SAIHAM COTTON MILLS LTD.

quality . commitment . great Value

			Sept 30, 2020	June 30, 2020
16.01 Current Tax			6,737,428	13,506,665
(Higher of i, ii, iii)				
i) Regular Tax				
Profit before Tax			32,252,807	(62,295,205)
Accounting Depreciation			69,568,321	274,722,759
Capital Allowance			(65,011,426)	(246,781,354)
Other income			(8,386,504)	(37,278,619)
Non operating income			2,515,485	(16,725,550)
Dividend income			-	(28,116)
Income/(loss) from business			30,938,683	(88,386,085)
Tax on business income @ 15%			4,640,802	-
Tax on dividend income @ 20%			-	5,623
Tax on Non operating income @ 25%			-	4,181,388
Tax on Other income @ 25%			2,096,626	9,319,655
Total tax liability			6,737,428	13,506,665
ii) Minimum tax U/S-82C(2)				
Tax deducted at source			4,852,848	11,836,321
iii) Minimum tax U/S-82C(4)				
Turnover	0.36%	978,062,565	3,521,025	10,827,491
Non-operating income	0.36%	(2,515,485)	(9,056)	60,212
Other income	0.60%	8,386,504	50,319	223,840
			3,562,289	11,111,544
17.00 Payable and Accruals				
This is arrived as follows:				
Salary and wages			9,925,103	9,477,539
Gas Charges			15,821,993	15,934,362
Audit Fees			543,250	434,000
Utility Bill			30,332	34,415
Telephone bill			1,800	1,594
Gratuity Provision			3,182,510	3,182,510
Financial Expenses			4,440,902	4,440,902
Provident Fund(Head Office)			59,320	69,320
Provident Fund(Factory Office)			196,037	185,855
Unclaimed dividend			12,411,399	12,411,314
Unpaid share money deposit			1,993,821	1,993,821
Tax Deducted at Source			720,252	920
VAT expenses			-	8,750
Provision For C & F Charge			1,100,000	5,181,726
WPPF	17.01		10,693,817	8,653,433
			61,120,536	62,010,461
17.01 Workers Profit Participation Fund (WPPF)				
This is arrived as follows:				
Opening Balance			8,653,433	17,855,034
Provision made during the period			2,040,384	-
			10,693,817	17,855,034
Payment made during the period			-	(9,201,601)
Closing Balance			10,693,817	8,653,433



SAIHAM COTTON MILLS LTD.

quality . commitment . great Value

Amount in Taka	
July 01,2020 to Sept 30,2020	July 01,2019 to Sept 30,2019

18.00 Cost of Goods Sold			
This is made up as follows:			
Materials Consumption			
Raw Cotton	18.01	512,111,963	512,634,634
Packing Materials	18.02	8,822,345	9,199,050
Stores and Spares	18.03	595,349	14,277,801
Total materials consumption		521,529,657	536,111,485
Direct Wages and Salaries		27,736,835	30,982,734
Prime cost		549,266,492	567,094,219
Add. Factory Overhead	18.04	116,346,121	111,913,820
Total manufacturing cost		665,612,613	679,008,039
Add. Opening Work-in-process		30,480,302	26,427,960
Cost of goods available for use		696,092,915	705,435,999
Less. Closing Work-in-process		22,253,374	25,480,551
Cost of Production		673,839,541	679,955,448
Add. Opening Stock of Finished Goods		400,251,784	437,170,961
Cost of goods available for sales		1,074,091,325	1,117,126,409
Less. Closing Stock of Finished Goods		197,243,174	557,164,270
Cost of Goods Sold		876,848,152	559,962,139
18.01 Raw Cotton			
This is arrived as follows:			
Opening Stock of Raw Cotton		1,674,319,509	1,598,984,728
Add. Purchase during the period		373,544,600	554,331,321
Less: Short Weight Claim		(470,630)	-
Add: (Gain)/Loss on dollar fluctuation		(3,091,976)	-
Raw Cotton available for use		2,044,301,503	2,153,316,050
Less. Closing Stock of Raw Cotton		1,532,189,540	1,640,681,416
Consumption during the period		512,111,963	512,634,634
18.02 Packing Materials			
This is arrived as follows:			
Opening Stock of Packing Materials		2,865,917	884,485
Add. Purchase during the period		8,109,445	9,088,059
Packing Materials available for use		10,975,362	9,972,544
Less. Closing Stock of Packing Materials		2,153,017	773,494
Consumption during the period		8,822,345	9,199,050
18.03 Stores and Spares			
This is arrived as follows :			
Opening Stock of Spare Parts		43,127,572	69,280,074
Add. Purchase during the period		8,565,880	17,000,164
Stores and Spares available for use		51,693,452	86,280,238
Less. Closing Stock of Spare Parts		51,098,103	72,002,437
Consumption during the period		595,349	14,277,801
18.04 Factory Overhead			
Gas Charges		45,825,448	41,444,006
Fuel and Lubricants		962,538	681,387
Insurance Premium		410,726	-
Covered Van and Lorry expenses		2,118,322	1,521,565
Factory Repair & Maintenances of Capital Assets		460,528	2,821,199
Staff Quarter exp		150,920	87,577
Ladies Quarter exp		-	261,260
Misc. Expenses		39,435	-
Depreciation (Annexure- A)		66,378,204	65,096,826
		116,346,121	111,913,820



SAIHAM COTTON MILLS LTD.

quality . commitment . great Value

Amount in Taka	
July 01,2020 to Sept 30,2020	July 01,2019 to Sept 30,2019

19.00 Administrative and Marketing Expenses

This consists of as follows:

Directors Remuneration	525,000	525,000
Salary and Allowances	6,409,463	8,274,225
Festival Bonus	1,008,844	804,188
Provident Fund Expenses	351,284	361,961
Entertainment	196,904	492,021
Rent a car	377,600	420,400
Fuel & Lubricants	2,051,115	1,303,352
Fees, Forms, and others	1,840,952	1,317,455
Board Meeting Fees	27,500	14,375
Maintenance of Vehicles	479,313	568,322
IT Expenses	748,460	860,784
Insurance Premium	-	137,839
Printing & Stationery	156,964	385,724
Donation and Subscription	84,400	89,000
Miscellaneous Expenses	96,100	318,675
Office Maintenance	219,775	183,909
Traveling and Conveyance	135,398	117,940
Transportation cost	-	550
Telephone and Mobile Expenses	67,427	80,020
Utility expenses	48,795	62,900
Audit fees	109,250	100,625
CSR Activities	-	100,000
Uniform and Upkeep	-	6,534
Medical and Welfare	108,500	669,005
Postage and Stamp	10,400	2,560
Selling & Distribution Exp.	35,350	29,784
Advertisement	48,000	44,300
VAT Exp.	781,084	62,512
Depreciation (Annexure- A)	3,190,117	3,379,439
	19,107,996	20,713,399

20.00 Financial Expenses

The above amount comprise of as follows:

Interest on Cash Credit Hypo (BA)	6,460,388	7,725,783
Interest on Cash Credit Hypo (Bank Alfalah)	3,435,765	2,960,500
Interest on OD (Prime Bank)	1,143,590	1,330,016
Interest on CC Hypo (HSBC Ltd.)	1,073,920	604,871
Interest on Term Loan (HSBC)	2,647,731	2,280,871
Interest on Term Loan (Prime Bank)	1,432,491	2,244,878
Interest on Bank Asia Ltd.	3,026,219	5,386,832
Interest on HSBC Ltd.	2,760,695	5,428,177
Interest on Bank Al Falah	4,271,597	-
Interest on Prime Bank	354,067	355,738
Bank Charges,Commission & Discripenses	1,870,588	2,795,782
Overdue Interest	5,542	250
Interest on Import Loan	16,646,771	-
	45,129,365	31,113,697

The financial expenses have been increased during the period due to increase of EDF loan facility for import of raw materials.

21.00 Non operating income

Interest on FDR against bank gurantee and term loan	1,005,007	11,037,134
Interest on STD A/C	9,692	-
Overdue Interest	-	111,296
Gain on dollar fluctuation	-	1,274,896
Realised gain/(loss) on marketable securities	(3,295,601)	-
Gain/(Loss) on Sale of Capital Assets	(234,582)	472,644
	(2,515,485)	12,895,970



	Amount in Taka	
	July 01,2020 to Sept 30,2020	July 01,2019 to Sept 30,2019
22.00 Other income		
Dividend Income	-	1,960
Interest on FDR	8,386,504	31,592,081
	8,386,504	31,594,041
23.00 Earnings per share (EPS)		
The computation of EPS is given below:		
Net profit after tax	22,094,570	38,481,170
Number of total outstanding shares	148,775,000	148,775,000
Earnings per share (EPS)	0.15	0.26
24.00 Net Assets value (NAV) per share		
Total assets	9,468,639,084	9,212,380,629
Total outside liabilities	4,087,008,278	3,860,359,482
Net assets	5,381,630,806	5,352,021,147
Divided by number of ordinary shares	148,775,000	148,775,000
Net assets value (NAV) per share	36.17	35.97

25.00 Related Party Transactions

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

Name of Party	Nature of Transaction	Relationship	30.09.2020	30.06.2020
Faisal Spinning Mills Ltd	Trade receivables	Group Company	41,645,997	81,877,067
Saiham Knit Composite Ltd.	Trade receivables	Group Company	130,226,388	79,374,515
Saiham Textile Mills Ltd.	Payable	Group Company	22,796,292	46,416,405
Director's Remuneration	Remuneration	MD/Director	525,000	2,100,000
Board meeting fess	Meeting fee	MD/Director	27,500	96,250

To comply with BSEC notification No. SEC/CMRRCD/2008-183/Admin/03-30 dated June 1, 2009 the company has taken approval in its 18th board meeting dated 12th December 2019 for supply of goods and materials amounting 1% or above of the revenue for the immediate preceding financial period with its related parties.

26.00 Event after reporting period

On 15 October 2020, the raw material stock godown of Saiham Cotton Mills Ltd. were damaged by fire, and the stock of raw materials kept in the godown has been burnt. The insurance is fully covered of the warehouse including the stock. As the accident occurred after the reporting period, this has been treated as non-adjusting event and therefore there is no financial impact on the financial statements for the period ended on 30 september, 2020.

27.00 Reconciliation of cash flows from operating activities under indirect method

Profit before Tax	32,252,807	52,204,776
Adjustment to Reconcile Profit before Tax provided by operating activities:		
Add: Depreciation	69,568,321	68,476,265
Add: Finance Expenses	45,129,365	31,113,697
Less: Unrealized gain/(loss) for change in exchange rate of foreign currency	8,554,881	(3,592,813)
Add/(Less): Realized Loss/Gain on dollar fluctuation	-	-
Gain/Loss on Sale of Vehicle	234,582	(472,644)
Changes in current assets and liabilities:		
(Increase) / Decrease Inventories	346,133,008	(163,281,327)
(Increase) / Decrease Advance, deposits & prepayments	(4,016,860)	(13,608,708)
Income Tax Paid	(4,852,848)	(10,429,890)
(Increase) / Decrease Trade Receivable	(155,079,630)	98,446,570
Increase/ (Decrease) In trade credits	(39,239,840)	15,116,828
Increase / (Decrease) payables & Accruals	(889,925)	(9,081,082)
Net cash flow from operating activities	297,793,861	64,891,672



SAIHAM COTTON MILLS LTD.

quality • commitment • great Value

Saiham Cotton Mills Ltd. Property, plant and equipment As at September 30, 2020

Annexure - A

Particulars	Cost				Rate %	Depreciation			W.D.V. as at 30.09.2020
	Balance as at 01.07.2020	Addition during the period	Adjustment during the period	Balance as at 30.09.2020		Balance as at 01.07.2020	Charge during the period	Adjustment during the period	
Land and Land Development	97,400,668	1,150,000		98,550,668	-	-		-	98,550,668
Factory Building & Other Construction	599,461,438	9,799,559		609,260,997	5%	5,226,690		189,819,453	419,441,544
Office Building	126,361,395			126,361,395	5%	1,419,575		14,214,982	112,146,413
Plant and Machineries	2,579,077,262	481,057,337		3,060,134,599	7.50%	32,433,434		1,042,080,006	2,018,054,593
Furnitures & Fixtures	22,781,944			22,781,944	10%	388,088		7,646,502	15,135,442
Motor Vehicles	44,404,578		(2,626,500)	41,778,078	15%	975,148	(2,191,918)	17,183,862	24,594,216
Office Equipments	24,385,286			24,385,286	10%	384,631		9,384,691	15,000,595
Sundry Assets	94,004,766	3,100		94,007,866	10%	1,378,468		40,245,531	53,762,335
Sub - Total	3,587,877,336	492,009,996	(2,626,500)	4,077,260,832		42,206,034	(2,191,918)	1,320,575,027	2,756,685,805

Revaluation of property, plant and equipment

Particulars	Cost				Rate %	Depreciation			W.D.V. as at 30.09.2020
	Balance as at 01.07.2020	Addition during the period	Adjustment during the period	Balance as at 30.09.2020		Balance as at 01.07.2020	Charge during the period	Adjustment during the period	
Land and Land Development	1,021,866,807	-		1,021,866,807	-	-		-	1,021,866,807
Building & Other Construction	1,226,165,301			1,226,165,301	5%	13,657,672.60		147,209,165	1,078,956,136
Plant and Machineries	1,047,257,309			1,047,257,309	7.50%	13,681,939.65		331,235,800	716,021,509
Motor Vehicles	3,150,093			3,150,093	15%	22,675.06		2,568,100	581,993
Sub - Total	3,298,439,510	-	-	3,298,439,510		27,362,287	-	481,013,066	2,817,426,444
Grand Total	6,886,316,846	492,009,996	(2,626,500)	7,375,700,342		69,568,321	(2,191,918)	1,801,588,092	5,574,112,250

Allocation of depreciation:
Cost of Production
Administrative and Marketing Expenses

66,378,204
3,190,117
69,568,321