



Ref: SCML/04/128 /2017

Dated: Dhaka
April 27, 2017

The Chairman

Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
Plot: E-6/C, Agargaon
Sher-e-Bangla Nagar
Dhaka-1217.

Subject: **Submission of Un-audited Third Quarterly Financial Statements of Saiham Cotton Mills Ltd.**

Dear Sir,

As per regulation in 17(3) of DSE Listing Regulations 2015, we are pleased to enclosed herewith the Un-audited Third Quarterly Financial Statements for the period ended March 31, 2017 of Saiham Cotton Mills Ltd. The above Un-audited Third 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)
Company Secretary

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

** The accounting year of Saiham Cotton Mills Ltd. has been changed from April 30,2016 to June 30,2016 as per Section 9 of the Finance Act,2015. As such the comparison figure of 3rd Quarterly financial statements as on March 31,2017 has not be given as per clarification # 12 of minutes of the meeting amongst BSEC, DSE and CSE held on April 28,2016 regarding uniform income year.



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Statement of Financial Position As at March 31,2017

Particulars	Amount in Taka		
	March 31,2017	June 30, 2016	
Assets :			
Non Current Assets :			
Property, plant and equipment	2.00	2,592,267,591	2,472,160,291
Investment	3.00	788,614,256	947,805,721
Total Non-current Assets		3,380,881,847	3,419,966,012
Current Assets :			
Trade and other receivables		1,048,464,269	655,561,289
Inventories		844,755,274	1,310,867,694
Advance, deposits and pre-payments		89,478,096	70,650,867
Cash and cash equivalents	4.00	52,191,335	59,628,913
Total Current Assets		2,034,888,974	2,096,708,763
		5,415,770,821	5,516,674,775
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		404,317,422	422,841,932
General reserve		60,400,000	60,400,000
Retained earnings		555,599,559	549,071,422
Total Shareholders Equity		3,360,532,980	3,372,529,353
Non-current Liabilities :			
Deferred tax liabilities		171,171,387	160,510,750
Term Loan	5.00	521,651,606	428,333,086
Total Non-current Liabilities		692,822,993	588,843,836
Current Liabilities :			
Short Term Loan	6.00	1,149,578,337	967,272,466
Term Loan Current Maturity		120,622,856	189,145,230
Trade creditors		33,136,939	315,025,922
Liabilities against capital machinery		13,440,548	28,201,158
Income tax provision		3,110,722	17,188,731
Payable and accruals		42,525,447	38,468,080
Total Current Liabilities		1,362,414,849	1,555,301,586
Total Liabilities		2,055,237,842	2,144,145,422
Total Equity and Liabilities		5,415,770,821	5,516,674,775
Net Assets Value per Share		22.59	22.67

Managing Director

Director

Chairman

Chief Financial Officer

Company Secretary





Statement of Profit or Loss and Other Comprehensive Income
For the third quarter ended March 31,2017

Figures in Taka

Particulars		July 01,2016	January 01,2017
		to March 31,2017	to March 31,2017
Turnover		2,298,120,088	681,341,647
Cost of goods sold		(2,088,417,513)	(615,838,010)
Gross Profit		209,702,575	65,503,637
Administrative and marketing expenses	7.00	(53,663,478)	(22,386,527)
Financial expenses	8.00	(55,700,436)	(17,809,971)
Operating Profit		100,338,661	25,307,139
Non operating income	9.00	68,627,490	33,033,862
Operating Profit before WPPF		168,966,151	58,341,001
Provision for WPPF		(8,046,007)	(2,778,143)
Profit Before Tax		160,920,144	55,562,858
Provision for Tax		(31,192,273)	(12,264,725)
Current Tax		(17,262,605)	(7,440,339)
Deferred Tax		(13,929,668)	(4,824,386)
Net Profit After Tax		129,727,871	43,298,133
Other Comprehensive Income/(Loss) :		3,781,725	1,625,289
Adjustment for unrealized loss/(gain) on marketable securities		3,781,725	1,625,289
Total Comprehensive Income for the year		133,509,596	44,923,422

Earnings Per Share (EPS)

0.87

0.29


Managing Director


Director


Chairman


Chief Financial Officer


Company Secretary



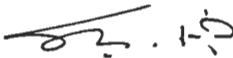
Statement of Cash Flows
For the third quarter ended March 31, 2017

Figures in Taka

Particulars	July 01,2016 to March 31,2017
A. Cash Flows From Operating Activities	
Collection from sales	1,905,217,108
Payment for cost and expenses	(1,856,314,545)
Interest paid on borrowings	(55,700,436)
Collection from non operating income	68,627,490
Income tax paid	(31,340,615)
Net cash from operating activities	30,489,003
B. Cash Flows From Investing Activities	
Acquisition of property, plant and equipment	(244,466,178)
Investments	162,973,190
Liability against capital machinery	(14,760,610)
Net cash used in investing activities	(96,253,598)
C. Cash Flows From Financing Activities	
Short term loan	182,305,871
Term Loan	24,796,146
Dividend paid	(148,775,000)
Net cash provided by financing activities	58,327,017
D. Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(7,437,578)
Cash & Cash Equivalents at beginning of the year	59,628,913
Cash & Cash Equivalents at ending of the year	52,191,335
Net Operating Cash Flow Per Share (NOCFPS)	0.20


Managing Director


Director


Chairman


Chief Financial Officer


Company Secretary



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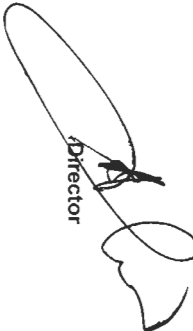
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Statement of Changes in Equity For the third quarter ended March 31, 2017

Figures in Taka

Particulars	Share Capital	Share Premium	Tax holiday	General Reserve	Revaluation surplus	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
Net profit for the period	-	-	-	-	-	133,509,596	133,509,596
Adjustment for depreciation on revalued assets	-	-	-	-	(18,524,510)	-	(18,524,510)
Adjustment for revaluation of P. P. E. and deferred	-	-	-	-	-	21,793,541	21,793,541
Dividend paid (2015-2016)	-	-	-	-	-	(148,775,000)	(148,775,000)
Balance as at March 31, 2017	1,487,750,000	751,750,000	100,715,999	60,400,000	404,317,422	555,599,559	3,360,532,980


Managing Director


Director


Chairman


Chief Financial Officer


Company Secretary



Notes to the Financial Statements

As at and for the period ended March 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: The accounting year of Saiham Cotton Mills Ltd. has been changed from April 30,2016 to June 30,2016 as per Section 9 of the Finance Act,2015. As such the comparison figure of 3rd Quarter financial statements as on March 31,2017 has not be given as per clarification # 12 of minutes of the meeting amongst BSEC, DSE and CSE held on April 28,2016 regarding uniform income year.

1.8 Disclosure of key management personnel compensation:

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

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





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2.00 Property, Plant and Equipment:

This is arrived of as follows:

	Amount in Taka	
	March 31,2017	June 30,2016
Cost	3,653,593,468	3,409,127,290
Less: Accumulated depreciation	1,061,325,877	936,966,999
Written down value	2,592,267,591	2,472,160,291

- ▶ 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 value of PPE under diminishing balance method;
- ▶ Fractions have been avoided in calculating Depreciation of PPE.

3.00 Investment

Investment in Unquoted company (FSML)	60,499,400	60,499,400
Investment in shares of listed company	30,615,111	26,833,386
Investment in Unquoted company (SKCL)	-	20,350,000
Investment in FDR	697,499,745	840,122,935
	788,614,256	947,805,721

4.00 Cash and cash equivalents :

This consists of :

Cash in hand	4.01	3,123,102	1,974,321
Cash at banks	4.02	49,068,233	57,654,592
		52,191,335	59,628,913

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

4.01 Cash in hand:

Head office	226,591	172,893
Factory Office	2,896,511	1,801,428
	3,123,102	1,974,321

4.02 Cash at banks:

Janata Bank, Motijheel Branch - CD A/C # 023733012107	11,872	21,327
Janata Bank, Noyapara Branch - CD A/C # 0210005125	588,909	5,431,838
Janata Bank Ltd. SND A/C # 145	249,536	4,892,189
Dhaka Bank, Local Office - CD A/C # 020110000010671	1	1
Dhaka Bank, Islami Branch- CD A/C # 2015	2,399,385	88,919
Standard Chartered Bank, A/C # 01-1183017-01	164,960	166,610
HSBC CD A/C # 001234608-011	4,606,732	2,407,638
HSBC Margin Account # 001234608-091	5,068,457	2,237,832
HSBC BDT Margin Account # 001 234608-095	10,568	10,568
HSBC FC Account # 001234608-047	1,776,403	7,110,761
HSBC Dividend Account # 001 234608-012	1,791,305	1,792,805
HSBC Dividend Account # 001 234608-015	1,853,488	1,925,188
HSBC Dividend Account # 001 234608-901	2,266,898	2,348,298
HSBC Dividend Account # 001 234608-902	920,779	981,451
HSBC Dividend Account # 001 234608-903	1,395,586	-
HSBC CD A/C # 001234608-013	412	412
HSBC CD A/C # 001234608-014	401,592	306,887
HSBC Offshore A/C # 005	2,619,724	4,097,099
Bank Asia \$ Margin A/C # 11047000002	5,573,468	17,067,631
Bank Asia ERQ A/C # 11042000002	1,801,982	1,632,711
Bank Al Falah STD A/C # 0702 03700151	40,448	41,598
Bank Al Falah Margin A/C # 0702 4502202	7,276,354	-
Premier Bank Ltd. A/C #1021311869	36,810	1,758,071
Mutual Trust Bank A/C # 599	6,429	1,469,657
Prime Bank Ltd. CD A/C # 11811010044026	5,500,000	-
Dutch Bangla Bank Ltd. A/C #	817,371	-
BRAC Bank A/C # 1501201985342002 (Restated 2015)	1,888,764	1,865,101
	49,068,233	57,654,592





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5.00 Term Loan

This is arrived as follows :

Opening Balance as on July 01,2016

Addition during the period/year

Adjusted/Payment during the period/year

Closing Balance as on March 31,2017

Less: Term Loan Current Maturity

Amount in Taka	
March 31,2017	June 30,2016
617,478,316	637,729,956
180,173,800	15,402,514
797,652,116	653,132,470
(155,377,654)	(35,654,154)
642,274,462	617,478,316
120,622,856	189,145,230
521,651,606	428,333,086

6.00 Short Term Loan

Bank Loan and Overdraft

Share Loan

6.01	1,149,578,337	967,272,466
	-	-
	1,149,578,337	967,272,466

6.01 Bank Loan and Overdraft :

This consists of as follows :

Cash Credit (Hypo) Bank Asia Ltd.

Cash Credit (Hypo) Bank Al Falah

Short Term Loan - HSBC

Short Term Loan - Bank Al Falah Ltd.

Short Term Loan - Prime bank Ltd.

L/C liabilities under EDF

IDBP Loan - HSBC Ltd.

IDBP Loan - Bank Asia Ltd.

1,445,328	305,550,684
(34,449,632)	39,746,233
150,000,000	155,000,000
100,000,000	-
300,000,000	-
572,922,755	377,592,891
59,659,886	89,382,658
-	-
1,149,578,337	967,272,466

7.00 Administrative and Marketing Expenses :

This consists of as follows :

Directors Remuneration

Salary and Allowances

PF Expenses

Festival Bonus

Office Rent

Incentive Bonus

Grauity

Entertainments

Electric Bill

Rent a car

Fuel & Lubricants

Fees, Forms, and others

Maintenance of Vehicles

IT Expenses

Insurance Premium

Printing & Stationery

Donation and Subscription

Miscellaneous Expenses

Office Maintenance

Traveling and Conveyance

Transportation cost

Telephone and Mobile Expenses

Audit fees

AGM Expenses

Uniform and Upkeep

Medical and Welfare

Postage and Stamp

Selling & Distribution Exp.

Business Development Exp

Advertisement

Depreciation

01.07.2016 to 31.03.2017	01.01.2017 to 31.03.2017
1,575,000	525,000
18,225,336	6,670,365
92,990	92,990
658,150	-
460,000	115,000
4,625,000	1,850,000
1,069,600	-
2,144,780	665,083
269,972	94,616
1,491,025	459,275
2,554,642	1,200,317
2,779,025	2,223,770
1,955,953	1,084,823
2,100,504	722,976
166,530	23,563
1,521,115	1,025,742
1,452,487	386,702
579,814	181,564
865,568	314,164
329,817	107,136
73,040	39,650
118,739	45,163
86,250	28,750
934,758	934,758
310,108	260,238
1,403,819	813,930
172,094	128,365
2,122,400	1,169,000
177,319	19,400
305,250	133,100
3,042,392	1,071,087
53,663,478	22,386,527





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Amount in Taka

01.07.2016 to 31.03.2017	01.01.2017 to 31.03.2017
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8.00 Financial Expenses :

The above amount comprise of as follows -

Interest on Cash Credit (Hypo)	19,096,493	5,848,551
Interest on Term Loan	21,996,627	8,572,637
Interest on Bank Asia Ltd.	2,379,687	718,141
Interest on HSBC Ltd.	6,415,066	539,522
Interest on Prime Bank Ltd.	684,990	684,990
Interest on Bank Al Falah	1,663,515	-
Bank Charges and Commission	3,464,058	1,446,130
	55,700,436	17,809,971

9.00 Non operating income :

Interest on FDR	44,264,483	19,519,894
Interest on STD A/C	61,786	-
Insurance claim	1,674,822	699,050
Short weight claim	2,817,174	561,932
Overdue Interest	89,465	73,935
Gain on dollar fluctuation on export	16,259,235	11,691,292
Realised gain/loss on marketable securities	-	-
Cash incentive	868,811	-
Dividend Income	2,591,714	487,759
	68,627,490	33,033,862

