

# 2014

Quarterly Report  
March



A Siddiqsons Group Company



A Commitment to Prime Quality !  
**SIDDIQSONS**  
TIN PLATE LIMITED

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## COMPANY INFORMATION

### Board of Directors:

Mr. Tariq Rafi	CEO / Chairman
Mr. Abdur Rahim	Director
Mr. Ibrahim Shamsi	Director
Mr. Naeem-ul-Hasnain Mirza	Director
Mr. Fazl-e-Rabbi	Director
Mr. Saturo Nishi	Director
Mr. Jean Pierre Gugenheim	Director

### Audit Committee:

Mr. Ibrahim Shamsi	Chairman
Mr. Abdur Rahim	Member
Mr. Saturo Nishi	Member
Mr. Murtaza Ahmed	Secretary

### Human Resource & Remuneration Committee:

Mr. Ibrahim Shamsi	Chairman
Mr. Abdur Rahim	Member
Mr. Naeem-ul-Hasnain Mirza	Member

### Chief Financial Officer

Mr. Rashid Khaleeqe

### Company Secretary

Mr. Murtaza Ahmed

### Internal Auditor

Mr. Furrukh Sadiq

### Auditors

**M. Yousuf Adil Saleem  
& Company**  
Chartered Accountants

### Legal Advisor

Awan Law Associates  
1st Floor, Burhani Terrace,  
Bohri Road,  
Opp. Customs House  
Karachi - 74000

### Bankers

Dubai Islamic Bank Limited | Habib Metropolitan Bank Limited  
Habib Bank Limited | MCB Bank Limited | Meezan Bank Limited  
National Bank of Pakistan | Soneri Bank Limited |  
The HSBC Middle East Limited |  
The Industrial & Commercial Bank of China (ICBC)

### Shares Registrar

THK Associates (Private) Limited  
Ground Floor, State Life Building # 3  
Dr. Ziauddin Ahmed Road,  
Karachi - 75530  
UAN # 111 000 322

### Registered Office

Siddiqsons Tower  
7th Floor, Plot # 3, J.C.H., Society  
Block 7 & 8, Main, Shahrah-e-Faisal,  
Karachi.

### Plant

Special Industrial Zone  
Winder, Baluchistan

### Web Presence

[www.siddiqsonstinplate.com](http://www.siddiqsonstinplate.com)

## DIRECTORS' REVIEW

### Dear Shareholders

It is my pleasure to present on behalf of the Board of Directors unaudited financial statements of the company for the third quarter ended March 31, 2014, along with an update on the company's performance for the nine months.

### Operating and Financial Results:

#### Sales performance

Sales revenue for the third quarter is Rs.486.54 million as compared to Rs.692.89 million during the same period last year, which is 29.78% lower than previous year. The cumulative net sales for the nine months is Rs.1,457.24 million as compared to Rs.2,096.59 million, which is 30.49% lower than previous period.

#### Gross Margin

Gross margin of the Company for the period is Rs.59.966 million which is 3.90% of sales revenue as compared to Rs.72.28 million which was 3.44% in corresponding period last year. The increase in gross profit as compared to same period last year is due to efficient inventory management.

#### Net Margin

The net results showed loss after taxation of Rs.78.01 million during the period under review as compared to loss of Rs.88.748 million in the corresponding period last year. This reduction in loss was achieved by implementing stringent cost measures.

Under review period was almost similar to the last year which was also a very difficult year due to unstable economic, political and law & order situation, for all business houses and as such our Company was no exception. Country's unstable economic condition was the major obstacle for low sales.

Economic challenges and Industrial low output due to power shortage in the country were also considerable factors for low sales. Under invoicing from importers' also hits our profit margin because it increases our production cost due to underutilization of production capacity.

As majority of our raw material is imported from various countries so instability of exchange rate also adversely affected our cost of doing business and it increases our exchange loss amount.

A huge amount has been blocked in the head of sales tax and income tax refundable due to Governmental taxation policies which also affected our cash flow and resultantly increased financial cost.

#### Loss per share

The loss per share was Rs.0.99 as compared to Rs.1.13 in corresponding period last year.

#### Future Outlooks

Your company has developed a new management strategy which aims at maintaining an efficient level of working capital and reducing overall cost structure through implementing more efficient SOPs. These efforts have already begun to reap its fruits and the management of your Company is optimistic about the more improved results.



**Siddiqsons Tin Plate Limited**  
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The company is also exploring opportunities to start export and it is expected that these efforts will bring positive results in coming days.

**Acknowledgement**

The Directors of the Company would like to record its gratitude to its shareholders, Partners, customers, Government authorities, financial institutions for their cooperation and continued support.

The Directors are also pleased to record their appreciation of the valuable and untiring efforts and services rendered by the staff of the Company.

**On behalf of the Board**

Tariq Rafi  
Chairman  
Karachi: April 29, 2014

## BALANCE SHEET

AS AT March , 2014

	Note	Unaudited Mar-14 .....(Rupees).....	Audited Jun-13
<b>NON-CURRENT ASSETS</b>			
Property , Plant and equipment	4	718,723,047	748,939,040
Long-term deposits		11,193,147	11,193,147
		<u>729,916,194</u>	<u>760,132,187</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		20,988,218	18,791,815
Stock-in-trade		518,771,446	1,063,548,827
Trade debts		331,110,726	539,043,249
Loans and advances		96,034,823	158,554,424
Trade deposits and short-term prepayments		8,279,223	8,088,572
Other receivables		-	759,712
Other financial assets		342,839	353,403
Income tax refundable		128,479,409	98,641,739
Cash and bank balances		31,744,058	30,487,079
		<u>1,135,750,742</u>	<u>1,918,268,820</u>
		<u>1,865,666,936</u>	<u>2,678,401,007</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized 1,200,000,000 (2009 : 1,200,000,000) ordinary shares of Rs. 10/- each		<u>1,200,000,000</u>	<u>1,200,000,000</u>
Issued, subscribed and paid-up		785,201,270	785,201,270
Unappropriated profits		72,248,294	150,262,731
		<u>857,449,564</u>	<u>935,464,001</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Liability		32,980,078	60,342,751
<b>CURRENT LIABILITIES</b>			
Trade and other payables		103,859,618	109,118,992
Interest / mark-up accrued		26,339,306	31,140,442
Short-term advances		1,700,000	-
Short-term borrowings		828,765,969	1,542,334,820
Taxation		14,572,402	-
		<u>975,237,294</u>	<u>1,682,594,254</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	5	<u>1,865,666,936</u>	<u>2,678,401,007</u>

The annexed notes form an integral part of these financial statements

\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR



Siddiqsons Tin Plate Limited  
A Siddiqsons Group Company

## PROFIT AND LOSS ACCOUNT

FOR THE 3RD QUARTER ENDED MARCH 31, 2014

Note	..... Nine Months .....		..... Three Months .....	
	March 31	March 31	March 31	March 31
	2014	2013	2014	2013
	(July - March)		(Jan - March)	
	.....(Rupees).....			
Sales - net	1,457,240,181	2,096,591,136	486,537,815	692,893,882
Cost of goods sold	6 (1,400,273,927)	(2,024,305,117)	(469,255,911)	(683,475,506)
<b>Gross profit</b>	<b>56,966,254</b>	<b>72,286,019</b>	<b>17,281,904</b>	<b>9,418,376</b>
Other operating income	2,235,078	7,037,223	1,492,351	2,830,295
	<b>59,201,332</b>	<b>79,323,242</b>	<b>18,774,255</b>	<b>12,248,671</b>
Distribution cost	(8,541,176)	(8,717,316)	(1,028,746)	(1,483,894)
Administrative expenses	(33,563,251)	(49,059,811)	(6,446,809)	(15,300,624)
Other operating expenses	(25,994,709)	(25,054,339)	-	2,197,891
Finance cost	(81,906,904)	(96,891,496)	(24,321,122)	(28,914,751)
Profit before taxation	(90,804,708)	(100,399,720)	(13,022,422)	(31,252,707)
Provision for taxation	12,790,271	11,651,165	(4,829,439)	(3,465,000)
Loss for the period	(78,014,437)	(88,748,555)	(17,851,861)	(34,717,707)
<b>Loss per share - Basic and Diluted</b>	<b>(0.99)</b>	<b>(1.13)</b>	<b>(0.23)</b>	<b>(0.44)</b>

The annexed notes form an integral part of these financial statements

\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE 3RD QUARTER ENDED MARCH 31, 2014

	...Nine Months ended...	
	March 2014	March 2013
	(July - March)	
	.....(Rupees).....	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	<b>(90,804,709)</b>	(100,399,720)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	<b>27,412,934</b>	30,247,584
Gain on disposal of property plant & equipment	-	(1,337,926)
Unrealized (gain)/ loss on investments	-	(42,912)
Advance written off	-	1,653,769
Finance cost	<b>81,906,904</b>	121,945,835
Profit on remeasurement of investment at market value	<b>10,564</b>	-
Operating cash flows before movement in working capital	<b>18,525,693</b>	52,066,630
<b>Changes in Working Capital (Increase) / decrease in current assets</b>		
Stores, spares and loose tools	<b>(2,196,403)</b>	461,547
Stock in trade	<b>544,777,380</b>	295,767,466
Trade debts	<b>207,932,523</b>	91,774,675
Loans and advances	<b>(1,287,608)</b>	(5,663,569)
Trade deposits and short-term prepayments and other receivables	<b>569,061</b>	(34,488,962)
Sales/income tax refundable	<b>(29,837,670)</b>	35,224,506
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	<b>(5,259,374)</b>	(54,486,639)
Cash generated from operations	<b>733,223,602</b>	380,655,654
Tax refunds	-	98,550,501
Income taxes paid	<b>63,807,209</b>	(52,906,200)
Interest / markup paid	<b>(86,708,040)</b>	(100,303,913)
<b>Net cash from operating activities</b>	<b>710,322,771</b>	325,996,042
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(2,445,918)</b>	(2,275,927)
Proceeds from disposal of property, plant and equipment	<b>5,248,978</b>	531,356
<b>Net cash (used in) / from investing activities</b>	<b>2,803,060</b>	(1,744,571)



...Nine Months ended...

**March**      **March**  
**2014**      **2013**

(July - March)

.....(Rupees).....

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Short term borrowing obtained / (repaid) -net	<b>(708,701,053)</b>	(218,893,017)
Short term advance - net	<b>1,700,000</b>	(55,037,480)
Net cash from / (used in) financing activities	<b>(707,001,053)</b>	(273,930,497)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<b>6,124,778</b>	50,320,974
Cash and cash equivalents at July 1	<b>(449,022,904)</b>	(489,036,247)
Cash and cash equivalents at March 31	<b>(442,898,126)</b>	(438,715,273)
<b>Cash and cash equivalents</b>		
Cash and bank balances	<b>31,744,058</b>	27,691,690
Short term running finance	<b>(474,642,184)</b>	(466,406,963)
	<b>(442,898,126)</b>	(438,715,273)

The annexed notes form an integral part of these financial statements

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DIRECTOR**

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 3RD QUARTER ENDED MARCH 31, 2014

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	.....(Rupees).....		
Balance at June 30, 2012	785,201,270	214,917,838	1,000,119,108
<b>Total Comprehensive Income</b>			
Loss for the period ended March 31, 2013	-	(88,748,555)	(88,748,555)
Other comprehensive income - net of tax	-	-	-
	-	(88,748,555)	(88,748,555)
Balance at March 31, 2013	<u>785,201,270</u>	<u>126,169,283</u>	<u>911,370,553</u>
<b>Total Comprehensive Income</b>			
Loss for the period ended June 30, 2013	-	24,093,448	24,093,448
Balance as at June 30, 2013	785,201,270	150,262,731	935,464,001
<b>Comprehensive Income</b>			
Loss for the period March 31, 2014	-	(78,014,437)	(78,014,437)
Other comprehensive income - net of tax	-	-	-
	-	(78,014,437)	(78,014,437)
Balance at March 31, 2014	<u><u>785,201,270</u></u>	<u><u>72,248,294</u></u>	<u><u>857,449,564</u></u>

The annexed notes form an integral part of these financial statements

\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR



**Siddiqsons Tin Plate Limited**  
A Siddiqsons Group Company

## **NOTES TO FINANCIAL STATEMENTS**

FOR THE 3RD QUARTER ENDED MARCH 31, 2014

### **1. GENERAL INFORMATION**

- 1.1** Siddiqsons Tin Plate Limited (the Company) was incorporated in Pakistan on January 29, 1996 as public company limited by shares under Companies Ordinance 1984. The shares of the Company are listed at Karachi Stock Exchange. Registered office of the company is situated at D-53, Textile Avenue, S.I.T.E, Karachi in the province of Sindh and the plant is located at Winder Industrial Estate in the province of Balochistan. During the year, the company started production of cans. The canning plant is located at B-26, Textile Avenue, S.I.T.E. Karachi in the province of Sind. The principal activity of the company is manufacturing and sale of tin plates, canes, and other steel products.
- 1.2** The financial statements are presented in Pak. Rupee which is the company's functional and presentation currency.
- 1.3** The condensed interim financial information have been prepared under the historical cost convention modified by, certain financial instruments at fair value.
- 1.4** These condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 1.5** The accounting policies and methods of computation followed in the preparation of the nine month condensed interim financial information are the same as those of the published annual audited financial statements for the year ended June 30, 2013. These condensed interim financial information do not include all of the information required for annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2013.
- 1.6** The comparative balance sheet presented has been extracted from annual audited financial statements for the year ended June 30, 2013, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the nine months ended March 31, 2013.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

### 3. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2013.

### 4. PROPERTY, PLANT AND EQUIPMENT

	<b>Un-audited March,31 2014 Rupees</b>	<b>Audited June 30 2013 Rupees</b>
4.1 Operating fixed assets	<b>715,279,200</b>	741,995,193
Capital work in progress	<b>3,443,847</b>	6,943,847
	<b>718,723,047</b>	<b>748,939,040</b>
<b>4.2 Allocation of depreciation</b>		
Cost of goods sold	<b>24,993,533</b>	35,212,777
Administration expenses	<b>2,419,402</b>	4,453,558
	<b>27,412,935</b>	<b>39,666,335</b>
<b>4.3 Capital work in progress</b>		
Machinery and equipment	<b>3,443,847</b>	6,943,847
	<b>3,443,847</b>	<b>6,943,847</b>

### 5. CONTINGENCIES AND COMMITMENTS

#### 5.1 Contingency

There is no change in contingency as disclosed in the annual audited financial statements for the year ended June 30, 2013.

#### 5.2 Commitments

	<b>Un-audited March,31 2014 Rupees</b>	<b>Audited June 30 2013 Rupees</b>
Letters of credit for raw material imports	<b>98,437,000</b>	21,213,160



	..... Nine Months .....		..... Three Months .....	
	March,31 2014 (July - March)	March,31 2013	March,31 2014 (January - March)	March,31 2013
.....(Rupees).....				
<b>6 COST OF GOODS SOLD</b>				
Cost of goods manufactured	<b>1,254,544,770</b>	2,029,359,075	<b>418,758,434</b>	713,269,417
Finished stocks				
Opening stock	<b>381,748,201</b>	349,330,234	<b>286,516,521</b>	335,049,081
Purchases		13,575,470		3,116,670
Closing Stock	<b>(236,019,044)</b>	(367,959,662)	<b>(236,019,044)</b>	(367,959,662)
	<b>145,729,157</b>	(5,053,958)	<b>50,497,477</b>	(29,793,911)
	<b>1,400,273,927</b>	2,024,305,117	<b>469,255,911</b>	683,475,506

#### 6.1 Cost of good manufactured

Raw materials consumed	<b>1,081,132,797</b>	1,867,565,065	<b>371,251,972</b>	666,770,754
Salaries, wages and benefits	<b>71,991,302</b>	61,417,169	<b>17,188,240</b>	15,426,465
Stores and spares consumed	<b>8,785,852</b>	7,669,147	<b>2,727,200</b>	2,153,885
Fuel and power	<b>40,296,693</b>	41,022,816	<b>10,750,740</b>	10,438,880
Insurance	<b>4,237,135</b>	2,033,272	<b>1,412,378</b>	500,000
Repair and maintenance	<b>1,236,061</b>	1,567,560	<b>190,258</b>	280,071
Vehicle running expenses	<b>729,524</b>	1,362,737	<b>237,531</b>	268,073
Communication	<b>176,712</b>	232,677	<b>20,940</b>	46,799
Traveling and conveyance	<b>2,938,757</b>	2,139,097	<b>1,229,854</b>	441,752
Entertainment	<b>206,571</b>	279,647	<b>48,475</b>	84,450
Depreciation	<b>24,993,531</b>	26,430,143	<b>8,331,177</b>	8,856,043
Fabrication & printing	<b>188,944</b>	174,330	-	67,140
Canning expenses / Printing	<b>5,008,384</b>	2,175,412	<b>1,512,041</b>	(498,674)
Other manufacturing expenses	<b>5,535,070</b>	2,931,987	<b>1,277,184</b>	236,159
	<b>1,254,544,770</b>	2,029,359,075	<b>418,758,434</b>	713,269,417

#### 7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, directors of the company, key management personnel and post employment benefit plans. The significant transactions with related parties are as follows: -

Relationship with the Company	Nature of Transactions	.... Nine months ended ....		.... Quarter ended ....	
		March 31 2014 Rupees (July - March)	March 31 2013 Rupees	March 31 2014 Rupees (January - March)	March 31 2013 Rupees
Associated companies	Sales of goods	271,306	-	-	-
	Short-term advances obtained	90,000,000	-	-	-
	Short-term advances paid	1,485,338	352,967,859	-	114,146,732
	Markup accrued on borrowing	-	849,315	-	-
Key management personnel	Short-term employee benefit	9,471,757	12,538,386	3,452,044	4,749,853
	Post-employment benefit	567,103	430,645	170,501	180,187
Others	Post-employment benefit	-	1,848,321	-	-

#### 8. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved and authorized for issue by the Board of Directors of the Company on April 29, 2014.

#### 9. GENERAL

Figures have been rounded off to the nearest Rupee.



**Siddiqsons Tin Plate Limited**  
A Siddiqsons Group Company



2014

[www.siddiqsonstinplate.com](http://www.siddiqsonstinplate.com)

**Registered Office:**

Siddiqsons Tower, 7th Floor, Plot # 3, J.C.H.,  
Society, Block 7 & 8, Main, Shahrah-e-Faisal, Karachi.  
Tel: +9221-34325193-95, Fax: +9221-34301652

**Plant:**

Plot # 5, Special Industrial Zone, Winder,  
Distt. Lasbela, LIEDA,  
Baluchistan.

CORPORATE