

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

HALF YEARLY  
REPORT  
DECEMBER  
**2014**



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## COMPANY INFORMATION

### Board of Directors:

Mr. Tariq Rafi	Chairman
Mr. Abdur Rahim Tariq	CEO
Mr. Ibrahim Shamsi	Director
Mr. Salman Hussain	Independent Director
Mr. Naeem ul Hasnain Mirza	Director
Mr. Saturo Nishi	Director
Mr. Jean Pierre Gugenheim	Director

### Audit Committee:

Mr. Ibrahim Shamsi	Chairman
Mr. Salman Hussain	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

Mr. Kashif Nazeer  
A/2, G-23, Park lane,  
Block-5, Clifton, Karachi

### 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)

### 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)

**Dear Shareholders**

The Directors of your Company are pleased to present the reviewed financial statements of the Company for the half year ended December 31, 2014.

**Operating and Financial Results:****Sales performance**

During the period under review, sales in quantitative terms are 10,312 Metric tons as compared to 9,492 Metric tons during corresponding period last year. In other words the sales volume has increased by 8.6%. In terms of amount the sales is recorded at Rs. 1,083 million as compared to Rs. 970 million in corresponding period, which represents sales growth of 11.6%, as compared to same period last year.

**Gross Margin**

Gross margin of the Company remained at Rs. 103.22 million which is 9.5% of the sales revenue as compared to Rs. 39.68 million which was 4.08% in corresponding period last year. It means that the gross margin ratio has substantially improved, due to effective pricing, optimum working capital management and efficient review of cost structure.

**Net Profit**

The net results showed profit after taxation of Rs. 13.04 million during the period under review as compared to loss of Rs. 60.16 million in the corresponding period last year.

With effective management, your company has succeeded in reducing the operational cost from Rs. 118 million in last period to Rs. 77.93 million in current period, thereby recording an overall reduction of 34%. The period under review was almost similar to the last year which was also a very difficult year due to unstable economic, political and law & order situation and abnormal currency fluctuation for all business houses and as such your Company was no exception.

Economic challenges and Industrial low output due to power shortages in the country were also considerable factors for low sales. Under invoicing from importers also hits our sales volume. As maximum of our raw material is imported from various countries so instability of exchange rate also adversely affects our cost of doing business. A huge amount has been blocked in the head of sales tax refundable due to Governmental taxation policies which also affected our cash flow and resultantly it increased financial cost.

**Earnings/Loss per share**

The earning per share was Re. 0.17 as compared to loss per share of Re. 0.77 in corresponding period last year.

**Future Outlooks**

We are confident that your company has potential and committed to remain market leader and would be able to sustain all external and internal pressures.

In particular, we would like place on record the spectacular step of the Government of Pakistan for having imposed 5% Regulatory Duty (RD) on imported Electrolytic Tin Plate (ETP). We anticipate that the imposition of RD would discourage the import and will improve the business scenario in coming months. However, your Company will also face the same level of RD on its raw material.

**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 of Directors

**Tariq Rafi**  
Chairman

Karachi  
February 26, 2015



**CONDENSED INTERIM BALANCE SHEET**

AS AT DECEMBER 31, 2014

	Note	(Un-Audited) December 31, 2014 .....(Rupees).....	(Audited) June 30, 2014
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	670,150,549	708,816,754
Long-term deposits		10,497,538	10,490,038
		<b>680,648,087</b>	<b>719,306,792</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		14,594,616	16,712,755
Stock-in-trade	6	589,505,798	470,995,275
Trade debts		426,481,032	400,405,421
Loans and advances		118,550,126	129,691,403
Trade deposits and short-term prepayments		5,659,861	5,707,411
Other receivables		45,509,010	45,509,010
Other financial assets		596,013	533,551
Sales tax refundable		29,863,732	29,095,158
Cash and bank balances		12,449,691	12,744,866
		<b>1,243,209,879</b>	<b>1,111,394,850</b>
<b>Total assets</b>		<b>1,923,857,966</b>	<b>1,830,701,642</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		785,201,270	785,201,270
Unappropriated profit / accumulated loss		11,040,809	(1,997,513)
		<b>796,242,079</b>	<b>783,203,757</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation		3,351,473	-
<b>CURRENT LIABILITIES</b>			
Trade and other payables		98,806,548	109,048,198
Interest / mark-up accrued on borrowings		19,494,530	16,632,069
Short-term borrowings	7	1,005,963,336	921,817,618
		<b>1,124,264,414</b>	<b>1,047,497,885</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
<b>Total equity and liabilities</b>		<b>1,923,857,966</b>	<b>1,830,701,642</b>

The annexed notes form an integral part of this condensed interim financial information

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

Note	Six months period ended		Three months period ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	.....(Rupees).....			
Sales - net	1,083,014,205	970,702,366	667,286,819	371,577,800
Cost of goods sold	9 (979,795,899)	(931,018,016)	(588,663,578)	(398,704,442)
<b>Gross profit</b>	<b>103,218,306</b>	<b>39,684,350</b>	<b>78,623,241</b>	<b>(27,126,642)</b>
Other income	1,965,146	742,727	781,180	596,522
	105,183,452	40,427,077	79,404,421	(26,530,120)
Distribution cost	(5,287,508)	(7,512,430)	(3,347,166)	(3,626,928)
Administrative expenses	(18,895,362)	(27,116,442)	(9,974,415)	(13,341,864)
Other operating expenses	(11,552,311)	(25,994,709)	(4,706,141)	(15,513,247)
Finance cost	(42,195,575)	(57,585,782)	(21,264,745)	(33,495,083)
	(77,930,756)	(118,209,363)	(39,292,467)	(65,977,122)
Profit / (loss) before taxation	27,252,696	(77,782,286)	40,111,954	(92,507,241)
Taxation	(14,214,374)	17,619,710	(10,057,100)	23,610,956
<b>Profit / (loss) for the period</b>	<b>13,038,322</b>	<b>(60,162,576)</b>	<b>30,054,854</b>	<b>(68,896,285)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>13,038,322</b>	<b>(60,162,576)</b>	<b>30,054,854</b>	<b>(68,896,285)</b>
<b>Earnings per share - basic and diluted</b>	<b>0.17</b>	<b>(0.77)</b>	<b>0.38</b>	<b>(0.88)</b>

The annexed notes form an integral part of this condensed interim financial information

CHIEF EXECUTIVE OFFICER

DIRECTOR

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

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

	Six months period ended	
	December 31 2014	December 31 2013
	.....Rupees.....	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	27,252,696	(77,782,286)
<b>Adjustments for</b>		
Depreciation of property, plant and equipment	16,995,574	18,549,261
Loss / (gain) on disposal of property, plant and equipment	5,564,119	(334,022)
Unrealized gain on investment	(62,462)	(145,457)
Provision against slow moving stores	1,034,785	-
Finance cost	42,195,575	57,585,782
	<b>92,980,287</b>	<b>(2,126,721)</b>
<b>Changes in working capital</b>		
<b>Decrease / (increase) in current assets</b>		
Stores and spares	1,083,354	(803,106)
Stock-in-trade	(118,510,523)	156,210,823
Trade debts	(26,075,611)	132,360,333
Loans and advances	26,677,019	(1,224,972)
Trade deposits and short-term prepayments	47,550	751,536
Other receivables	-	759,712
Sales tax refundable	(768,574)	48,401,144
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(10,241,650)	12,324,875
	<b>(127,788,435)</b>	<b>348,780,346</b>
<b>Cash flow from operations</b>	<b>(34,808,148)</b>	<b>346,653,625</b>
Tax paid	(26,398,643)	(22,591,471)
Finance cost paid	(39,333,114)	(64,187,742)
<b>Net cash (used in) / generated from operating activities</b> A	<b>(100,539,906)</b>	<b>259,874,412</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	24,358,974	5,583,000
Purchase of property, plant and equipment	(8,252,462)	(2,281,360)
Long-term deposit paid	(7,500)	583,784
<b>Net cash generated from investing activities</b> B	<b>16,099,012</b>	<b>3,885,424</b>

	Six months period ended	
	December 31 2014	December 31 2013
	.....Rupees.....	
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings obtained / (repaid) - net	<b>234,026,170</b>	(401,061,426)
Short-term advance obtained	<b>35,000,000</b>	122,900,000
Short-term advance paid	<b>(35,000,000)</b>	(1,485,338)
<b>Net cash generated from / (used in) financing activities</b>	<b>234,026,170</b>	(279,646,764)
	C	
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>149,585,276</b>	(15,886,928)
	(A+B+C)	
<b>Cash and cash equivalents at beginning of the period</b>	<b>(432,921,365)</b>	(449,022,904)
<b>Cash and cash equivalents at end of the period</b>	<b>(283,336,089)</b>	(464,909,832)
<b>Cash and cash equivalents</b>		
Cash and bank balances	<b>12,449,691</b>	8,074,074
Short term running finances	<b>(295,785,780)</b>	(472,983,906)
	<b>(283,336,089)</b>	(464,909,832)

The annexed notes form an integral part of this condensed interim financial information

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

\_\_\_\_\_  
DIRECTOR



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

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

	Issued, subscribed and paid-up capital	Unappropriated profit / (Loss)	Total
	.....(Rupees).....		
Balance at July 1, 2013	785,201,270	150,262,731	935,464,001
<b>Total Comprehensive Income</b>			
Loss for the period ended December 31, 2013	-	(60,162,576)	(60,162,576)
Other comprehensive income - net of tax	-	-	-
	-	(60,162,576)	(60,162,576)
Balance at December 31, 2013	<u>785,201,270</u>	<u>90,100,155</u>	<u>875,301,425</u>
<b>Total Comprehensive Income</b>			
Loss for the period ended June 30, 2014	-	(92,097,668)	(92,097,668)
Other comprehensive income - net of tax	-	-	-
	-	(92,097,668)	(92,097,668)
Balance at June 30, 2014	<u>785,201,270</u>	<u>(1,997,513)</u>	<u>783,203,757</u>
<b>Total Comprehensive Income</b>			
Profit for the period ended December 31, 2014	-	13,038,322	13,038,322
Other comprehensive income - net of tax	-	-	-
	-	13,038,322	13,038,322
Balance at December 31, 2014	<u>785,201,270</u>	<u>11,040,809</u>	<u>796,242,079</u>

The annexed notes form an integral part of this condensed interim financial information

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

## I. LEGAL STATUS AND OPERATIONS

Siddiqsons Tin Plate Limited (the Company) was incorporated in Pakistan on January 29, 1996 as public company limited by shares under the Companies Ordinance 1984. The shares of the Company are listed at Karachi Stock Exchange. Registered office of the Company is situated at Siddiqsons Tower, 7th Floor, Plot # 3, J.C.H. Society, Block 7 & 8, Main Shahrah-e-Faisal, Karachi in the province of Sindh and the tin plate plant is located at Winder Industrial Estate in the province of Balochistan. The canning plant is located at Malir, Karachi in the province of Sindh. The principal activity of the company is manufacturing and sale of tin plates, cans and other steel products.

## 2. STATEMENT OF COMPLIANCE

- 2.1** This condensed interim financial information of the Company for the half year ended December 31, 2014 has 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. These condensed interim financial information do not include all of the information required for the full financial statements and, therefore, these should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2014.
- 2.2** The condensed interim financial information has been prepared under historical cost convention except other financial assets which are valued at fair value.
- 2.3** The condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional and presentational currency and figures presented in the condensed interim financial information have been rounded off to the nearest rupee.
- 2.4** These condensed interim financial information is unaudited. However, a limited scope review of these condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of Clause (xix) of the Code of Corporate Governance. This condensed interim financial information is being submitted to shareholders as required by section 245 of the Companies Ordinance 1984.
- 2.5** The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2014, 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 half year and quarter ended December 31, 2013.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2014.



#### 4 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, 2014.

#### 5 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During the period following additions and disposals were made

	December 31, 2014		December 31, 2013	
	Additions	Disposals (W.D.V)/ transferred*/charged	Additions / Transfer	Disposals/transfer (W.D.V)
	.....(Rupees).....			
<b>Operating fixed assets</b>				
Plant and machinery	-	(29,923,093)	-	-
Office equipment	334,734	-	434,160	-
IT equipment	1,295,440	-	-	-
Furniture and fixtures	-	-	61,200	-
Vehicles	-	-	1,786,000	(1,748,978)
	<u>1,630,174</u>	<u>(29,923,093)</u>	<u>2,281,360</u>	<u>(1,748,978)</u>
<b>Capital work in progress</b>				
Advance for capital expenditure	6,622,288	-	-	-
	<u>6,622,288</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### 6 STOCK-IN-TRADE

	(Unaudited) December 31, 2014 Rupees	(Audited) June 30, 2014 Rupees
Raw materials		
- in hand	139,558,487	123,785,539
- in bonded warehouse	19,718,746	93,181,840
- in transit	179,217,393	101,696,965
Finished goods		
- tin	236,039,227	151,023,629
- cans	14,405,471	418,800
- scrap	566,474	888,502
	<u>589,505,798</u>	<u>470,995,275</u>

<b>7 SHORT-TERM BORROWINGS</b>	<b>(Unaudited) December 31, 2014 Rupees</b>	<b>(Audited) June 30, 2014 Rupees</b>
<b>SECURED</b>		
From banking companies		
Finance against imports - foreign currency	<b>532,221,923</b>	476,151,386
Finance against imports - local currency	<b>177,955,633</b>	-
Running finances under markup arrangements	<b>295,785,780</b>	445,666,232
	<b><u>1,005,963,336</u></b>	<u>921,817,618</u>

Facilities for import finance and running finance are available from various banks upto Rs. 2.18 billion (June 30, 2014: Rs. 1.96 billion). The terms and conditions of the short-term borrowings including markup rates and securities have not materially changed from June 30, 2014.

## **8 CONTINGENCIES AND COMMITMENTS**

### **8.1 Contingency**

There is no material change in contingency as disclosed in the annual audited financial statements for the year ended June 30, 2014.

<b>8.2 Commitments</b>	<b>Note</b>	<b>(Unaudited) December 31, 2014 Rupees</b>	<b>(Audited) June 30, 2014 Rupees</b>
Letters of credit for raw material import		<b>478,281,417</b>	288,977,063
Plant and machinery		<b>8,369,494</b>	-
Bank guarantee in favour of Excise and Taxation department	8.2.1	<b>68,000,000</b>	68,000,000

**8.2.1** This represent bank guarantee related to infrastructure cess amounting to Rs. 68 million (June 30, 2014: Rs. 68 million) against which provision amounting to Rs. 62.03 million (June 30, 2014: 60.15 million) has been made.



Note	Six months period ended		Three months period ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	----- (July - December) -----		----- (October - December) -----	
	.....(Rupees).....			

## 9 COST OF GOODS SOLD

Cost of goods manufactured	9.1	1,075,210,154	835,786,336	544,766,950	392,144,895
Finished stocks					
Opening stock		152,330,931	381,748,201	292,897,487	293,076,068
Purchase of finished goods		3,265,986	-	2,010,313	-
Closing Stock		(251,011,172)	(286,516,521)	(251,011,172)	(286,516,521)
		(95,414,255)	95,231,680	43,896,628	6,559,547
		<b>979,795,899</b>	<b>931,018,016</b>	<b>588,663,578</b>	<b>398,704,442</b>

### 9.1 Cost of goods manufactured

Raw material	959,592,166	715,064,873	484,350,265	316,478,340
Salaries, wages and benefits	47,129,924	54,257,050	21,106,737	41,104,391
Stores and spares	2,793,468	6,058,652	2,468,568	3,966,517
Packing material	3,340,584	588,993	934,374	(563,349)
Power and fuel	32,065,566	29,545,953	18,384,929	17,482,097
Insurance	2,396,379	2,824,757	2,061,379	2,427,559
Repairs and maintenance	708,573	1,045,803	558,573	585,784
Rent, rates and taxes	984,000	918,000	984,000	918,000
Vehicles running and maintenance	531,468	491,993	218,789	257,767
Communication	103,071	155,772	67,401	105,181
Travelling and conveyance	2,085,532	1,708,903	1,805,332	970,528
Entertainment	52,391	158,096	52,391	158,096
Depreciation	15,453,558	16,662,354	7,575,653	6,748,486
Provision for slow moving stores	1,034,785	-	1,034,785	-
Other manufacturing overheads	6,938,689	6,305,137	3,163,774	1,505,498
	<b>1,075,210,154</b>	<b>835,786,336</b>	<b>544,766,950</b>	<b>392,144,895</b>

## 10 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: -

### 10.1 Details of Transactions with related parties are as follows:

		Six months period ended		Three months period ended	
		December 31, 2014 (July - December)	December 31, 2013	December 31, 2014 (October - December)	December 31, 2013
.....(Rupees).....					
Relationship with the Company	<b>Nature of Transactions</b>				
Associated Company	Expenses paid	918,839	271,306	918,839	271,306
	Short-term advances obtained	35,000,000	90,000,000	35,000,000	90,000,000
	Short-term advances paid	35,000,000	1,485,338	35,000,000	1,485,338
Key management personnel	Short-term employee benefit	8,646,129	6,019,713	8,646,129	3,011,163
	Post-employment benefit	477,602	396,602	477,602	198,038

## 11 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved and authorized for issue by the Board of Directors of the Company on February 26, 2015.

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

\_\_\_\_\_  
DIRECTOR



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

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: +9221-34390140

Plant:  
Plot # 5, Special Industrial Zone, Winder, Distt. Lasbela, LIEDA, Baluchistan.  
[www.siddiqsonstinplate.com](http://www.siddiqsonstinplate.com)