



A Commitment to Prime Quality!

QUARTERLY
REPORT
MARCH 31,
2017



Siddiqsons Tin Plate Limited
A Siddiqsons Group Company

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COMPANY INFORMATION

Board of Directors:

| | |
|----------------------------|----------|
| Mr. Tariq Rafi | Chairman |
| Mr. Abdur Rahim | CEO |
| Mr. Ibrahim Shamsi | Director |
| Mr. Naeem ul Hasnain Mirza | Director |
| Mr. Muneer Qureshi | Director |
| Mr. Jean Pierre Gugenheim | Director |
| Mr. Salman Hussain | Director |

Audit Committee:

| | |
|--------------------|-----------|
| Mr. Ibrahim Shamsi | Chairman |
| Mr. Salman Hussain | Member |
| Mr. Muneer Qureshi | Member |
| Mr. Muhammad Haris | Secretary |

Human Resource & Remuneration Committee:

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

Chief Financial Officer

Mr. Furrugh Sadiq

Company Secretary

Mr. Muhammad Haris

Internal Auditor

Mr. Murtaza Ahmed

Auditors

Deloitte Yousuf Adil
Chartered Accountants

Legal Advisor

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

Bankers

JS Bank Limited | Habib Metropolitan Bank Limited
Habib Bank Limited | MCB Bank Limited | Meezan Bank Limited
National Bank of Pakistan | Soneri Bank Limited |
Allied Bank Limited | Bank Al-Habib 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

DIRECTORS' REVIEW

Dear Shareholders

On behalf of the Board of Directors, I would like to present the unaudited financial statements of the company for the nine months ended March 31, 2017.

Operating and Financial Results: Sales performance

During the period under review, Sales revenue was recorded at Rs. 1,828 million as compared to Rs. 1,627 million during the same period last year. The sales growth is recorded at 12%, however, due to rising prices of steel products and increased sales volume, internationally, the margins were increased from 7% to 13%. This rise in GP margins is mainly due to efficient procurement of raw material and vigorous adjustments in pricing of finished products.

Net Profit

The net results showed a profit after taxation of Rs. 110 million during the period as compared to the loss of Rs. 20 million in the last corresponding period. Your company has continued to maintain an effective cost controls on various operational areas and one of the major contributors is the financial cost which has reduced by 21% over the corresponding period.

The past two years, was proved to be the major turned around for your Company and "Alhumdolillah" it has now turned into a profitable venture. The share price has increased to Rs. 22/share as compared to Rs. 8/share two years back.

The key dimensions addressed by your company during the recent past are the greater focus on exports. The export of ETP has now started materializing into regular orders from KSA and UAE. The management views the future prospects of profitability in export markets.

The global steel market during the period has witnessed a level of stability with respect to price levels and rationalization in world steel production capacity. However, a recent trend is showing a declining trend in the steel prices.

The National Tariff Commission (NTC), on January 19, 2017 has levied the final anti-dumping duty @ 19%, on the import of all sizes and gauges of CRC being imported from China and Ukraine. Since the type of CRC/TMBP as required by STPL is of specialized nature and is not manufactured locally and is primarily sourced from China, this anti-dumping duty will have a negative effect on the cost structure of the Company. Till date we have filed an appeal into the NTC Appellate Tribunal with the prayer to save the only ETP plant of Pakistan, by exempting it from the levy of 19% anti-dumping duty. The management is hopeful about the favorable outcome of the case.

An amount of Rs. 161 million is blocked in the head of sales tax and income tax refundable due to Governmental taxation policies which also affected our cash flow and burdened your company with extra financial cost.

Earnings per share

The earnings per share are Rs. 1.40 as compared to losses per share of Re. 0.26 in corresponding period.

Future Outlooks

In view of the stable international steel market conditions, your company looks forward to sustain its profitable position. The confidence of our customers is essence to our success and your company aims to maintain this confidence by providing prime quality tinplate at competitive prices. Besides that we are also actively working to penetrate into the export markets and have started getting commercial orders. This will aid in increasing capacity utilization and overall profitability of the company. Moreover the management of your company continues to strive for more stringent cost controls and efficient pricing policies and aims to improve its operational performance.

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 27, 2017

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2017

| | Note | March 31, 2017 (Un-Audited) | June 30, 2016 (Audited) |
|---|------|-----------------------------------|-------------------------------|
|(Rupees)..... | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property , Plant and equipment | 5 | 600,530,016 | 619,963,639 |
| Long-term deposits | | 10,490,038 | 10,492,538 |
| | | 611,020,054 | 630,456,177 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 12,741,393 | 14,260,282 |
| Stock-in-trade | | 735,044,549 | 495,414,184 |
| Trade debts | | 419,887,765 | 300,923,441 |
| Loans and advances | | 129,593,221 | 98,740,154 |
| Trade deposits and short-term prepayments | | 35,082,681 | 17,857,835 |
| Other receivables | | 29,061,626 | 46,736,566 |
| Other financial assets | | 640,350 | 495,573 |
| Sales tax refundable | | 40,804,392 | 40,679,591 |
| Cash and bank balances | | 18,246,803 | 4,823,701 |
| | | 1,421,102,780 | 1,019,931,327 |
| | | 2,032,122,834 | 1,650,387,504 |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized 300,000,000 (2016 : 300,000,000) ordinary shares of Rs.10/- each | | 3,000,000,000 | 3,000,000,000 |
| Issued, subscribed and paid-up | | 785,201,270 | 785,201,270 |
| Unappropriated profits | | 116,282,614 | 36,720,044 |
| | | 901,483,884 | 821,921,314 |
| NON-CURRENT LIABILITIES | | | |
| Deferred Liability | | - | - |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 135,910,519 | 121,352,424 |
| Interest / mark-up accrued | | 8,262,314 | 7,431,529 |
| Short-term borrowings | | 986,466,117 | 699,682,237 |
| | | 1,130,638,950 | 828,466,190 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 6 | - | - |
| | | 2,032,122,834 | 1,650,387,504 |

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

| | Nine Months | | Three Months | |
|--|-------------------------|---------------------|--------------------------|---------------------|
| | March 31 2017 | March 31 2016 | March 31 2017 | March 31 2016 |
| | (July - March) | | (January - March) | |
| Note |(Rupees)..... | | | |
| Sales - net | 1,828,421,077 | 1,627,482,591 | 605,051,141 | 509,921,586 |
| Cost of goods sold | 7 (1,592,418,384) | (1,520,420,534) | (533,236,963) | (495,317,144) |
| Gross profit | 236,002,693 | 107,062,057 | 71,814,178 | 14,604,442 |
| Other operating income | 799,201 | 717,843 | - | - |
| | 236,801,894 | 107,779,900 | 71,814,178 | 14,604,442 |
| Distribution cost | (15,262,058) | (6,705,918) | (3,598,919) | (745,488) |
| Administrative expenses | (47,441,846) | (43,597,007) | (12,527,710) | (17,613,280) |
| Other operating expenses | (10,346,957) | (16,318,866) | (4,188,506) | 840,561 |
| Finance cost | (35,368,400) | (44,960,986) | (13,539,588) | (13,315,075) |
| Profit/(Loss) before taxation | 128,382,633 | (3,802,877) | 37,959,455 | (16,228,840) |
| Provision for taxation | (18,284,211) | (16,274,826) | (2,116,205) | (5,127,737) |
| Profit/(Loss) for the period | 110,098,422 | (20,077,703) | 35,843,250 | (21,356,577) |
| Earnings/(Losses) per share - Basic and Diluted | 1.40 | (0.26) | 0.46 | (0.27) |

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

| | July 1st to March 31st | |
|---|------------------------|--------------------|
| | 2017 | 2016 |
| | Rupees | |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation | 128,382,633 | (3,802,877) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 22,431,541 | 23,873,470 |
| Finance cost | 35,368,400 | 44,960,986 |
| Provision against other receivables | 17,674,940 | - |
| Provision against slow moving stores | 1,034,785 | - |
| Profit on remeasurement of investment at market value | (144,777) | - |
| Operating cash flows before movement in working capital | 204,747,522 | 65,031,579 |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | 484,105 | 1,225,319 |
| Stock in trade | (239,630,366) | 171,132,710 |
| Trade debts | (118,964,322) | 91,595,568 |
| Loans and advances | (4,503,484) | (16,136,083) |
| Trade deposits and short-term prepayments | (17,224,846) | (10,071,729) |
| Sales/income tax refundable | (124,801) | 32,101,326 |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 14,558,095 | 3,514,453 |
| Cash (used in) / generated from operations | (160,658,097) | 338,393,143 |
| Income taxes paid | (44,633,794) | (5,547,039) |
| Interest / markup paid | (34,537,615) | (50,296,669) |
| Dividend paid | (30,535,852) | - |
| Long term deposits paid | 2,500 | 7,500 |
| Net cash (used in) / from operating activities | (270,362,858) | 282,556,935 |

| | July 1st to March 31st | |
|---|-----------------------------|-----------------------------|
| | 2017 | 2016 |
| | Rupees | |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (2,997,918) | (4,194,823) |
| Net cash (used in) investing activities | <u>(2,997,918)</u> | <u>(4,194,823)</u> |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Short term borrowing obtained / (repaid) -net | 297,945,356 | (306,754,789) |
| Net cash from / (used in) financing activities | <u>297,945,356</u> | <u>(306,754,789)</u> |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 24,584,580 | (28,392,677) |
| Cash and cash equivalents at July 1 | <u>(304,559,375)</u> | <u>(221,880,380)</u> |
| Cash and cash equivalents at March 31 | <u><u>(279,974,795)</u></u> | <u><u>(250,273,057)</u></u> |
| Cash and cash equivalents | | |
| Cash and bank balances | 18,246,803 | 12,568,346 |
| Short term running finance | <u>(298,221,598)</u> | <u>(262,841,403)</u> |
| | <u><u>(279,974,795)</u></u> | <u><u>(250,273,057)</u></u> |

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

| | Issued, subscribed and paid up capital | Unappropriated profit | Total |
|--|---|--------------------------|--------------------|
| |(Rupees)..... | | |
| Balance at July 1, 2015 | 785,201,270 | (22,168,215) | 763,033,055 |
| Comprehensive Income | | | |
| Loss for the period ended March 31, 2016 | - | (20,077,703) | (20,077,703) |
| Other comprehensive income - net of Tax | - | - | - |
| Balance at March 31, 2016 | 785,201,270 | (42,245,918) | 742,955,352 |
| Balance at June 30, 2016 | 785,201,270 | 36,720,044 | 821,921,314 |
| Comprehensive Income | | | |
| Profit for the period ended March 31, 2017 | - | 110,098,422 | 110,098,422 |
| Other comprehensive income - net of Tax | - | - | - |
| | 785,201,270 | 146,818,466 | 932,019,736 |
| Transaction with owner | | | |
| Final Dividend for the year end June 30, 2016 @ 5% i.e. Rs. 0.5 per share | - | (30,535,852) | (30,535,852) |
| | - | (30,535,852) | (30,535,852) |
| Balance at March 31, 2017 | 785,201,270 | 116,282,614 | 901,483,884 |

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

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 Pakistan Stock Exchange (Formerly Karachi Stock Exchange). The 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 and trading of refined chromite.

2 STATEMENT OF COMPLIANCE

- 2.1** This condensed interim financial information of the Company for the nine months period ended March 31, 2017 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, 2016.
- 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 presentation currency and figures presented in the condensed interim financial information have been rounded off to the nearest rupee.
- 2.4** This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of clause 5.19.13(b) of Rule Book of Pakistan Stock Exchange Limited. This condensed interim financial information is being submitted to shareholders as required by Section 245 of Companies Ordinance, 1984.
- 2.5** The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2016, 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 period and quarter ended March 31, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgement made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2016, Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2016, which do not have any impact on condensed interim financial information.

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, 2016.

5 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During the period following additions and disposals were made

| | March 31, 2017 | | March 31, 2016 | |
|--|--------------------|-----------|------------------|-----------|
| | Additions | Disposals | Additions | Disposals |
| |(Rupees)..... | | | |
| Operating fixed assets | | | | |
| Plant and machinery | 2,153,345 | - | 2,551,371 | - |
| Office equipment | 758,574 | - | 427,522 | - |
| Data processing equipment (IT equipment) | 5,999 | - | 119,934 | - |
| Factory Equipment | 80,000 | - | 1,095,996 | - |
| | <u>2,997,918</u> | <u>-</u> | <u>4,194,823</u> | <u>-</u> |

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no change in status of the contingency relating to the customer counterclaim as disclosed in the annual audited financial statements for the year ended June 30, 2016.

| | Note | March 31, 2017 (Un-audited) | June 30, 2016 (Audited) |
|---|-------|-----------------------------------|-------------------------------|
| 6.2 Commitments | | |(Rupees)..... |
| Letters of credit for raw material import | | 498,298,723 | 154,352,364 |
| Bank guarantee in favour of Excise and Taxation department | 6.2.1 | 68,000,000 | 68,000,000 |

6.2.1 This represent bank guarantee related to infrastructure cess amounting to Rs. 68 million (June 30, 2016: Rs. 68 million) against which a provision amounting to Rs. 68 million (June 30, 2016: 68 million) has been recorded under trade and other payables in line with the Order of High Court of Sindh.

| | Note | March 31, 2017 | March 31, 2017 |
|------------------------------|------|----------------------|--------------------|
| 7. COST OF GOODS SOLD | | |(Rupees)..... |
| Cost of goods manufactured | 7.1 | 1,287,714,415 | 1,446,840,050 |
| Finished stocks | | 269,824,005 | 293,139,130 |
| Opening stock | | 374,774,956 | - |
| Purchases | | (339,894,992) | (219,558,646) |
| Closing Stock | | 304,703,969 | 73,580,484 |
| | | 1,592,418,384 | 1,520,420,534 |

7.1 Cost of good manufactured

| | | |
|---------------------------------------|----------------------|---------------|
| Raw materials consumed | 1,128,301,448 | 1,276,512,264 |
| Packing materials | 2,786,638 | 3,814,238 |
| Salaries, wages and benefits | 75,310,849 | 78,160,163 |
| Fuel and power | 33,223,063 | 45,076,220 |
| Stores and spares consumed | 5,047,776 | 5,539,212 |
| Sorting, slitting and cutting charges | 1,811,116 | 2,080,828 |
| Repair and maintenance | 2,392,987 | 1,622,728 |
| Printing and stationery | 133,863 | 126,386 |
| Insurance | 2,434,092 | 2,434,092 |
| Communication | 274,224 | 262,378 |
| Traveling and conveyance | 2,424,979 | 2,424,979 |
| Transportation | 4,155,793 | 1,194,665 |
| Canning expenses / Printing | 5,633,200 | 3,434,224 |
| Depreciation | 20,580,868 | 21,670,490 |
| Provision for slow moving stock | 1,034,785 | - |
| Other manufacturing expenses | 2,168,734 | 2,487,183 |
| | 1,287,714,415 | 1,446,840,050 |

8 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: -

8.1 Details of transactions with related parties are as follows:

| Relationship with the Company | Nature of Transactions | Nine months ended | | Quarter ended | |
|-------------------------------|---------------------------------|-------------------|---------------|-------------------|---------------|
| | | March 31 2017 | March 31 2016 | March 31 2017 | March 31 2016 |
| | | (July - March) | | (January - March) | |
|(Rupees)..... | | | | | |
| Associated Company | Expenses paid | - | 2,435,114 | - | 66,149 |
| | Purchases of goods and Services | 448,932 | - | 61,855 | - |
| Key management personnel | Short-term employee benefit | 17,335,790 | 14,421,570 | 5,754,861 | 4,801,373 |
| | Post-employment benefit | 825,098 | 554,977 | 280,086 | 184,992 |

9 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 April 27, 2017.

10 GENERAL

Figures have been rounded off to the nearest Rupee.

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