

2013

Quarterly Report
September



A Siddiqsons Group Company



A Commitment to Prime Quality !
SIDDIQSONS
TIN PLATE LIMITED

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COMPANY INFORMATION

Board of Directors:

Mr. Abdullah Rafi	Chief Executive Officer/ Chairman
Mr. Tariq Rafi	Director
Mr. Abdur Rahim	Director
Mr. Ibrahim Shamsi	Director
Mr. Sanaullah Abdullah	Director
Mr. Saturo Nishi	Director
Mr. Jean Pierre Gugenheim	Director

Audit Committee:

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

Human Resource & Remuneration Committee:

Mr. Ibrahim Shamsi	Chairman
Mr. Abdur Rahim	Member
Mr. Sanaullah Abdullah	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

D-53, Textile Avenue
S.I.T.E., Karachi - 75700

Plant

Special Industrial Zone
Winder, Baluchistan

Web Presence

www.siddiqsonstinline.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 first quarter ended September 30, 2013, along with an update on the company's performance for the three months.

Operating and Financial

Results: Sales performance

Sales revenue for the first quarter is Rs.599.12 million as compared to Rs.755.86 million during the same period last year, which is 20.74% lower than previous year.

Gross Margin

Gross margin of the Company is Rs.66.81 million which is 11.15% of sales revenue as compared to Rs.60.80 million which was 8.05% in corresponding period last year. It means that there is 10% increase in gross profit as compared to same period last year due to efficient inventory management and more stringent controls on manufacturing cost.

Net Profit

The net results showed profit after taxation of Rs.8.73 million during the period under review as compared to profit of Rs.6.69 million in the corresponding period last year.

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 foreign exchange losses.

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 it increased financial cost.

Earnings per share

The earning per share was Re.0.11 as compared to Re.0.09 in corresponding period last year.

Future Outlooks

Your company still looks forward to sustain its position as a market leader while maintaining a strict focus on its quality policy. Through stringent cost controls and efficient pricing policies it aims to improve its operational performance.

The company is also exploring opportunities to start export and it is expected that these efforts will bring positive results in future.

Subsequent to the reporting period, the casual vacancies have arisen in the Board of the Company due to resignation of two of its directors which also give rise to the vacation of offices of Chairman and Chief Executive, the corporate and legal formalities for filling up these vacancies are underway.

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

Abdullah Rafi
Chairman
Karachi: October 29, 2013



Siddiqsons Tin Plate Limited
A Siddiqsons Group Company

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2013

	Note	Unaudited Sep-13	Audited Jun-13
.....(Rupees).....			
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and equipment	4	736,305,345	748,939,040
Long-term deposits		11,193,147	11,193,147
		747,498,492	760,132,187
CURRENT ASSETS			
Stores, spares and loose tools		19,631,812	18,791,815
Stock-in-trade		690,269,567	1,063,548,827
Trade debts		494,594,397	539,043,249
Loans and advances		170,200,153	158,554,424
Trade deposits and short-term prepayments		6,312,085	8,088,572
Other receivables		-	759,712
Other financial assets		342,839	353,403
Taxes refundable		47,908,073	98,641,739
Cash and bank balances		25,419,173	30,487,078
		1,454,678,099	1,918,268,819
TOTAL ASSETS		2,202,176,591	2,678,401,006
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized 1,200,000,000 (2013 : 1,200,000,000) ordinary shares of Rs.10/- each		1,200,000,000	1,200,000,000
Issued, subscribed and paid-up		785,201,270	785,201,270
Unappropriated profits		158,996,441	150,262,731
		944,197,711	935,464,001
NON-CURRENT LIABILITIES			
Deferred Liability		60,342,751	60,342,751
CURRENT LIABILITIES			
Trade and other payables		112,452,268	109,118,992
Interest / mark-up accrued		33,134,689	31,140,442
Short-term advances		5,500,000	-
Short-term borrowings		1,046,549,174	1,542,334,820
		1,197,636,129	1,682,594,254
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		2,202,176,591	2,678,401,006

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

Quarterly Report 2013

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2013

	Note Three Months	
		September 30 2013 (July - September)	September 30 2012
Sales - net		599,124,566	755,859,678
Cost of goods sold	6	(532,313,574)	(695,050,202)
Gross profit		66,810,992	60,809,476
Other operating income		146,205	932,975
		66,957,197	61,742,451
Distribution cost		(3,885,502)	(3,146,155)
Administrative expenses		(13,774,578)	(14,771,985)
Other operating expenses		(10,481,462)	(4,686,694)
Finance cost		(24,090,699)	(28,659,190)
Profit before taxation		14,724,955	10,478,428
Provision for taxation		(5,991,246)	(3,779,298)
Profit for the year		8,733,710	6,699,128
Earnings per share - Basic and Diluted		0.11	0.09

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR



Siddiqsons Tin Plate Limited
A Siddiqsons Group Company

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2013

	July 1st to September 30th	
	2013 Rupees	2012 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,724,955	10,478,428
Adjustments for:		
Depreciation of property, plant and equipment	10,922,196	9,878,486
Finance cost	24,090,699	28,659,191
Profit on remeasurement of investment at market value	10,564	(17,052)
Operating cash flows before movement in working capital	49,748,414	48,999,053
(Increase) / decrease in current assets		
Stores, spares and loose tools	(839,997)	350,528
Stock in trade	373,279,259	304,741,977
Trade debts	44,448,852	28,089,581
Loans and advances	(1,299,967)	(10,027,710)
Trade deposits and short-term prepayments	1,776,487	8,189,721
Other receivables	759,712	-
Sales tax refundable	50,733,666	86,367,217
Increase / (decrease) in current liabilities		
Trade and other payables	(2,657,941)	(11,034,673)
Sales tax payable	-	-
Cash (used in) / generated from operations	515,948,485	455,675,694
Income taxes paid	(10,345,792)	(19,361,850)
Interest / markup paid	(22,096,452)	(34,497,827)
Long term deposits paid	-	-
Net cash (used in) / from operating activities	483,506,241	401,816,017
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of operating assets	3,500,000	-
Purchase of property, plant and equipment	(1,788,500)	-
Net cash (used in) / from investing activities	1,711,500	-

CONDENSED INTERIM CASH FLOW STATEMENT

	July 1st to September 30th	
	2013 Rupees	2012 Rupees
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowing obtained / (repaid) -net	(486,938,124)	(190,659,174)
Short term advance - net	5,500,000	(44,702,284)
Net cash from / (used in) financing activities	(481,438,124)	(235,361,458)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	3,779,617	166,454,559
Cash and cash equivalents at July 1	(449,022,904)	(489,036,251)
Cash and cash equivalents at September 30	(445,243,287)	(322,581,692)
Cash and cash equivalents		
Cash and bank balances	25,419,173	25,688,589
Short term running finance	(470,662,460)	(348,270,281)
	(445,243,287)	(322,581,692)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR



Siddiqsons Tin Plate Limited
A Siddiqsons Group Company

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

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2013

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
(Rupees).....		
Balance at July 01, 2012	785,201,270	214,917,838	1,000,119,108
Comprehensive Income			
Profit for the period ended September 30, 2012	-	6,699,128	6,699,128
Balance at September 30, 2012	<u>785,201,270</u>	<u>221,616,966</u>	<u>1,006,818,236</u>
Balance at July 01, 2013	785,201,270	150,262,731	935,464,001
Comprehensive Income			
Profit for the period ended September 30, 2013	-	8,733,710	8,733,710
Balance at September 30, 2013	<u>785,201,270</u>	<u>158,996,441</u>	<u>944,197,711</u>

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2013

1. INTRODUCTION

- 1.1 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. The registered office of the Company is situated at D-53, Textile Avenue, S.I.T.E, Karachi in the province of Sindh and the tin plate plant is located at Winder Industrial Estate in the province of Baluchistan. 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.
- 1.2 The condensed interim financial information 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 six 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 three months ended September 30, 2012.

2. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended June 30, 2013.



Siddiqsons Tin Plate Limited
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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.

	Unaudited Sept,30 2013	Audited June 30 2012
(Rupees).....	
4. PROPERTY, PLANT AND EQUIPMENT		
4.1. Operating fixed assets	732,861,498	741,995,193
Capital work in progress	3,443,847	6,943,847
	<u>736,305,345</u>	<u>748,939,040</u>
4.2. Allocation of depreciation		
Cost of goods sold	9,913,868	35,212,777
Administration expenses	1,008,328	4,453,558
	<u>10,922,196</u>	<u>39,666,335</u>
4.3. Capital work in progress		
Machinery and equipment	3,443,847	6,943,847
Civil work	-	-
Advance for capital expenditure	-	-
	<u>3,443,847</u>	<u>6,943,847</u>

5. CONTINGENCIES AND COMMITMENTS

5.1. Contingency

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

	Unaudited Sept,30 2013	Audited June 30 2012
(Rupees).....	
5.2. Commitments		
Letters of credit for import of raw material	<u>438,661,750</u>	<u>21,213,160</u>

 Three Months	
	September 30 2013	September 30 2012
	(July - September)	
6. COST OF GOODS SOLD		
Cost of goods manufactured	443,641,442	657,582,050
Finished stocks		
Opening stock	381,748,201	349,330,234
Closing Stock	(293,076,068)	(311,862,082)
	88,672,133	37,468,152
	532,313,574	695,050,202
6.1 Cost of good manufactured		
Raw materials consumed	398,586,533	608,624,689
Packing materials	1,152,342	1,757,082
Salaries, wages and benefits	13,152,659	12,442,761
Fuel and power	12,063,856	13,738,497
Stores and spares consumed	2,092,135	1,523,447
Sorting, slitting and cutting charges	706,070	767,811
Repair and maintenance	460,019	869,548
Printing and stationery	70,944	87,940
Insurance	397,198	397,198
Communication	50,591	38,810
Traveling and conveyance	234,226	836,495
Transportation	738,375	599,372
Canning expenses / Printing	3,881,113	6,669,685
Depreciation	9,913,868	8,783,586
Other manufacturing expenses	141,513	445,129
	443,641,442	657,582,050
6.1.1 Raw material consumed		
Opening stock	680,581,700	448,295,577
Purchase and purchase expenses	115,198,331	565,939,328
	795,780,031	1,014,234,905
Closing stock	(397,193,498)	(405,610,216)
	398,586,533	608,624,689

7. EARNINGS PER SHARE - Basic and diluted

There is no dilutive effect of the basic earnings per share of the Company, which is computed as under:



	July to Sep 2013	July to Sep 2012
Profit for the 1st Quarter (Rupees)	8,733,710	6,699,128
Weighted average number of ordinary shares outstanding at the year end	78,520,127	78,520,127
Earnings per share (Rupees)	0.11	0.09

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: -

	 Quarter ended	
		September 30 2013 Rupees	September 30 2012 Rupees
		(July - September)	
Relationship with the company	Nature of Transactions		
Associated Company	Purchase of goods & services	-	496,775
	Short-term advances repaid	-	44,702,284
Key management personnel	Short-term employee benefit	3,008,550	4,192,203
	Post-employment benefit	198,564	250,458
Others	Loan from Director	5,500,000	-

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 October 29, 2013.

9. GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR



2013

www.siddiqsonstinplate.com

Registered Office:

D-53, Textile Avenue, S.I.T.E., Karachi-75700, Pakistan.
Tel: +9221-32577480-9, +9221-34301660, +9221-34301651
Fax: +9221-34301656, +9221-34301652

Plant:

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

CORPORATE