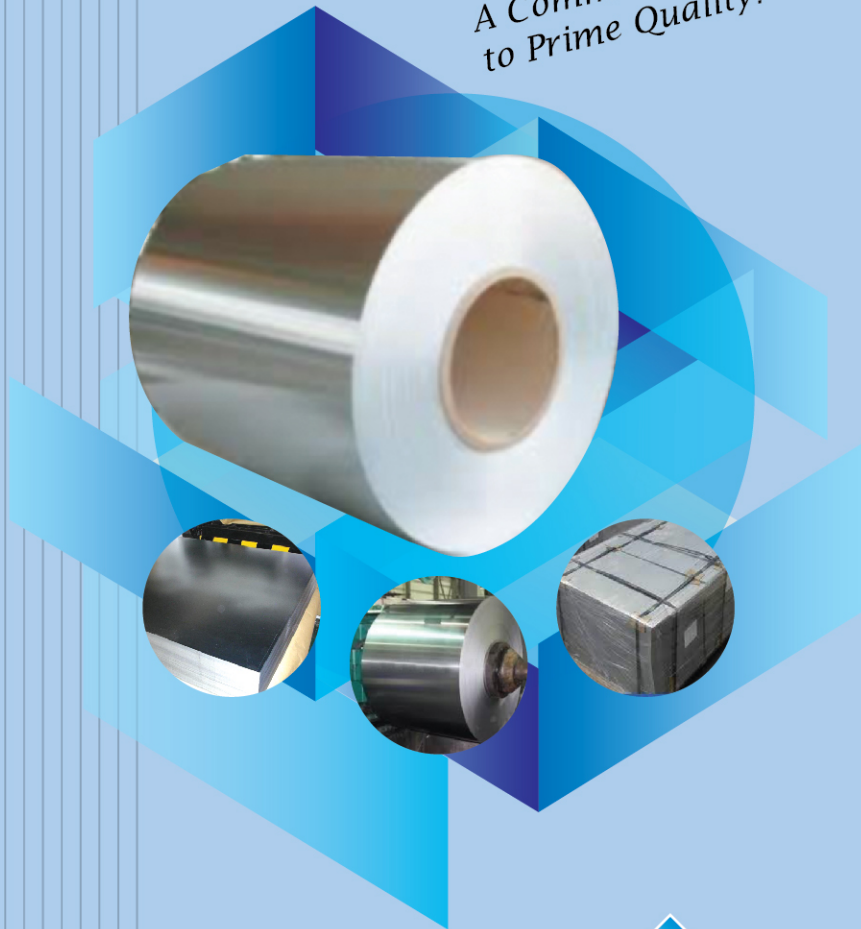


Quarterly Report | **2021**  
March 31,

*A Commitment  
to Prime Quality!*



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

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## COMPANY INFORMATION

### Board of Directors

Mr. Tariq Rafi	Chairman
Mr. Munir Qureshi	CEO
Mr. Ibrahim Shamsi	Non Executive Director
Ms. Alia Sajjad	Non Executive Director
Mr. Ashraf Mehmood Wathra	Independent Director
Mr. Abdul Wahab	Independent Director
Mr. Naeem-ul-Hasnain Mirza	Executive Director

### Audit Committee

Mr. Ashraf Mehmood Wathra (Chairman)  
(Independent Director)

Mr. Ibrahim Shamsi (Member) (Non-Executive)

Ms. Alia Sajjad (Member) (Non-Executive)

Mr. Muhammad Haris (Secretary)

### Human Resource & Remuneration Committee

Ms. Alia Sajjad (Chairman) (Non-Executive)

Mr. Munir Qureshi (Member) (Executive)

Mr. Abdul Wahab (Independent Director)

Mr. Muhammad Haris (Secretary)

### Technical Committee

Mr. Tariq Rafi	Chairman
Mr. Munir Qureshi	Member
Mr. Naeem-ul-Hasnain Mirza	Member

### Executive Management Team

Mr. Naeem-ul-Hasnain Mirza	COO
Mr. Mahir Abbas	Dir. Commercial
Mr. Rashid Khaleeqe	DCCO
Mr. Furrakh Sadiq	CFO
Mr. Shahzad Shabbir	GM Commercial
Mr. Muhammad Jawaid Abbasi	GM Marketing

### Chief Financial Officer

Mr. Furrakh Sadiq

### Company Secretary

Mr. Muhammad Haris

### Auditors

Yousuf Adil  
Chartered Accountants

### Legal Advisor

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

M/s. ABS & Co.  
Head Office: 9-Fane Road, Lahore - Pakistan.

### Bankers

National Bank of Pakistan  
Habib Bank Limited  
MCB Bank Limited  
Soneri Bank Limited  
Habib Metropolitan Bank Limited  
Faysal Bank Limited  
Meezan Bank Limited  
JS Bank Ltd  
Al Baraka Bank (Pakistan) Ltd  
MCB Islamic Bank Limited  
Allied Bank Limited  
The Industrial & Commercial Bank of China (ICBC)  
United Bank Limited  
Bank Alfalah Limited  
Askari Bank Limited  
Samba Bank Limited  
Dubai Islamic Bank Pakistan Limited

### Shares Registrar

THK Associates (Pvt.) Limited,  
1st Floor, 40-C Block-6,  
P.E.C.H.S, Shahrah e Faisal,  
Karachi.,  
UAN # 111 000322

### Registered Office

Ocean Tower, 27th Floor,  
G-3, Block 9, Scheme # 5,  
Main Clifton Road, Karachi.  
Tel : +9221-35 166571-4

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

### Web Presence

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



## DIRECTORS' REVIEW

Dear Shareholders

The Directors of your company would like to present the unaudited condensed interim financial statements of the Company for the nine months ended March 31, 2021.

### Operational overview

The Sales revenue was recorded at Rs.4,479 million as compared to Rs.2,531 million during the same period last year, thus recording an increase of 77%. In quantitative terms, a total of 26436 mtn. were sold as compared to 16150 mtn. This increase is witnessed at both local as well as on export fronts. The local sales has increased by 55% while the growth in export sales is recorded at 103%. The local market share has been increased from 20% to 30% and this is in addition to the increase in export sales as highlighted above. The period under review was faced with various uncertainties which includes unprecedentedly upward price trend and negative impacts of COVID-19. However, the management of your company, through effective operational strategies, has managed to increase its local market share and exports.

### Net Result

The net results showed a profit after taxation of Rs.131.85 million during the period as compared to a loss of Rs.16.96 million during the same period last year.

### Earnings per share

The earnings per share are Re.0.58, as compared to Re. (0.08) in the corresponding period.

### Market Overview

The international market continues with increasing price trend and is expected to continue during the current quarter as well, since China, being the world's biggest producer and exporter of Steel has withdrawn export rebates on 146 steel products including Electrolytic Tin Plate. We are of the view that the local industry will have an advantage after this withdrawal, since the Chinese steel products may not be as competitive in the local market. The business activities are expected to affect negatively, due to recent spread of 3rd wave of COVID-19. Since the ban on large social gatherings, marriages, restaurants etc. will affect the consumption of edible oils which ultimately affects the demand for ETP.

### Future Outlooks

There is a fear and distress in business and economic outlook due to the spread of 3rd wave of COVID-19. However, the recent uptake in business activities and stable economic indicators are still promising. The management aims to increase its market share through competitive pricing and by ensuring the availability of those specifications of ETP needed in the market. Withdrawal of export rebates by China, as explained above, will also support your company in increasing its market share in local and export markets.

The focus on export sales will remain the prime concern for the management and additional destinations were also explored, and trial consignments had been sent.



**Acknowledgement**

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

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

On behalf of the Board



**Munir Qureshi**  
Chief Executive



**Tariq Rafi**  
Chairman

Karachi: April 29, 2021



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
AS AT MARCH 31, 2021

	Note	March 31, 2021 (Un-audited) .....(Rupees).....	June 30, 2020 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	2,242,866,099	2,015,982,881
Long-term deposits		7,179,250	7,179,250
Long term advance		450,047,144	408,440,343
		<b>2,700,092,493</b>	<b>2,431,602,474</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		16,845,218	18,448,870
Stock-in-trade	7	782,523,117	1,535,131,890
Trade debts		391,876,406	472,090,319
Advance income tax		170,791,945	104,843,690
Loans and advances		128,909,335	76,351,668
Trade deposits and prepayments		34,004,342	29,262,107
Term deposit certificates	8	165,564,407	165,564,407
Sales tax refundable		400,366,016	243,314,331
Cash and bank balances		43,005,043	155,839,449
		<b>2,133,885,829</b>	<b>2,800,846,731</b>
<b>Total assets</b>		<b>4,833,978,322</b>	<b>5,232,449,205</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 300,000,000 (June 30, 2020: 300,000,000) ordinary shares of Rs. 10 each		<b>3,000,000,000</b>	<b>3,000,000,000</b>
Share capital	9	2,292,787,700	2,292,787,700
Share premium		301,517,286	301,517,286
Unappropriated profit		232,113,737	100,268,811
		<b>2,826,418,723</b>	<b>2,694,573,797</b>
<b>NON-CURRENT LIABILITY</b>			
Long term finance		141,663,405	16,509,114
Deferred government grant		1,943,800	909,746
Deferred taxation		-	-
		<b>143,607,205</b>	<b>17,418,860</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		303,562,318	303,182,130
Contract liabilities		704,499	113,796,576
Due to director	10	47,439,760	360,000,000
Interest / mark-up accrued on borrowings		30,551,438	20,123,145
Short-term borrowings	11	1,433,662,311	1,705,988,090
Current portion of long term finances		38,926,912	10,983,226
Current portion of deferred government grant		4,227,537	1,505,762
Unpaid dividend		2,918,918	2,918,918
Unclaimed dividend		1,958,701	1,958,701
		<b>1,863,952,394</b>	<b>2,520,456,548</b>
<b>Total equity and liabilities</b>		<b>4,833,978,322</b>	<b>5,232,449,205</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

CHIEF FINANCIAL OFFICER

DIRECTOR

CHIEF EXECUTIVE OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

Note	Nine months ended		Quarter ended		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
.....(Rupees).....					
Revenue from contract with customers - net	13	4,478,777,257	2,530,796,845	1,288,129,450	1,226,304,163
Cost of goods sold	14	(3,983,738,998)	(2,344,860,955)	(1,089,354,313)	(1,185,596,354)
Gross profit		495,038,259	185,935,891	198,775,137	40,707,810
Other income		9,121,158	84,568,659	3,325,088	11,159,646
		504,159,417	270,504,550	202,100,225	51,867,456
Distribution cost		(72,721,740)	(23,874,120)	(23,612,163)	(7,958,040)
Administrative expenses		(105,837,815)	(57,647,748)	(46,612,605)	(19,215,920)
Other operating expenses		(33,722,826)	(1,287,631)	(4,828,320)	2,128,695
Finance cost		(99,397,331)	(169,349,308)	(39,816,512)	(49,783,103)
		(311,679,712)	(252,158,807)	(114,869,600)	(74,828,368)
Profit before taxation		192,479,705	18,345,743	87,230,625	(22,960,913)
Taxation	15	(60,634,779)	(35,306,326)	(18,693,484)	(17,179,036)
Profit after taxation		131,844,926	(16,960,583)	68,537,141	(40,139,948)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>131,844,926</b>	<b>(16,960,583)</b>	<b>68,537,141</b>	<b>(40,139,948)</b>
<b>Earnings per share - basic and diluted</b>	16	<b>0.58</b>	<b>(0.08)</b>	<b>0.30</b>	<b>(0.18)</b>

The annexed notes 1, to 20 form an integral part of these condensed interim financial statements.

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine months ended	
	March 31, 2021	March 31, 2020
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	192,479,705	18,345,743
<b>Adjustments for</b>		
Depreciation of property, plant and equipment	21,961,600	23,348,420
(Gain) on remeasurement of investment at market value	-	45,339
Finance cost	99,397,331	169,349,308
	<b>313,838,636</b>	<b>211,088,810</b>
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	1,603,652	(1,032,297)
Stock-in-trade	752,608,773	(191,319,015)
Trade debts	80,213,913	156,101,513
Loans and advances	(52,557,667)	(39,371,834)
Trade deposits and prepayments	(4,742,235)	11,490,164
Other receivables	-	(2,330,137)
Sales tax refundable	(157,051,685)	(31,567,795)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(112,711,889)	140,816,063
Due to director	(312,560,240)	160,000,000
	<b>194,802,622</b>	<b>202,786,662</b>
<b>Net cash generated from operations</b>	<b>508,641,258</b>	<b>413,875,472</b>
Income tax paid	(126,583,034)	(15,013,514)
Interest / markup paid	(88,969,037)	(148,811,862)
<b>Net cash generated from operating activities</b>	<b>293,089,187</b>	<b>250,050,096</b>





	Nine months ended	
	March 31, 2021	March 31, 2020
	-----Rupees-----	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(11,319,497)	(5,941,061)
Addition in capital work in progress	(237,551,187)	(313,832,367)
Proceed from disposal of property, plant and equipment	25,866	-
Advance paid against letter of credit	(41,606,801)	(540,423,346)
Term deposit certificates	-	98,197,349
Net cash (used in) investing activities	(290,451,619)	(761,999,425)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	156,853,806	-
Short term borrowings obtained	81,367,814	550,522,650
Net cash generated from financing activities	238,221,620	550,522,650
Net increase in cash and cash equivalents	240,859,188	38,573,321
Cash and cash equivalents at beginning of the period	(394,725,119)	(344,595,939)
Cash and cash equivalents at end of the period	<u>(153,865,931)</u>	<u>(306,022,618)</u>
<b>Cash and cash equivalents</b>		
Cash and bank balances	43,005,044	112,394,964
Short term running finances	(196,870,975)	(418,417,582)
	<u>(153,865,931)</u>	<u>(306,022,618)</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Issued, subscribed and paid up capital	Share Premium	Unappro- priated profit	Total
	.....(Rupees).....			
Balance as at July 1, 2019	2,292,787,700	301,517,286	123,412,379	2,717,717,365
<b>Total Comprehensive income</b>				
Loss for the nine months ended March 31, 2020	-	-	(16,960,583)	(16,960,583)
Other comprehensive income - net of tax	-	-	-	-
	-	-	(16,960,583)	(16,960,583)
Balance at March 31, 2020	<b>2,292,787,700</b>	<b>301,517,286</b>	<b>106,451,796</b>	<b>2,700,756,782</b>
<b>Total Comprehensive income</b>				
Loss for the year ended June 30, 2020	-	-	(6,182,985)	(6,182,985)
Other comprehensive income - net of tax	-	-	-	-
	-	-	(6,182,985)	(6,182,985)
<b>Balance at June 30, 2020</b>	<b>2,292,787,700</b>	<b>301,517,286</b>	<b>100,268,811</b>	<b>2,694,573,797</b>
<b>Total Comprehensive income</b>				
Profit for the nine months ended March 31, 2021	-	-	131,844,926	131,844,926
Other comprehensive income - net of tax	-	-	-	-
	-	-	131,844,926	131,844,926
<b>Balance at March 31, 2021</b>	<b>2,292,787,700</b>	<b>301,517,286</b>	<b>232,113,737</b>	<b>2,826,418,723</b>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

### 1. 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 repealed Companies Ordinance, 1984 now Companies Act, 2017 (the Act). The registered office of the Company is located at Ocean Tower, 27th Floor, Plot # G-3, Block # 9, Near II Talwar, Clifton, Karachi, Province of Sindh, Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of tin plates, cans and other steel products.

### 2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

Following are the geographical locations and addresses of all business units of the Company:

#### Registered Office:

Ocean Tower, 27th Floor, Plot # G-3, Block # 9, Near II Talwar, Clifton, Karachi, Province of Sindh, Pakistan.

#### Manufacturing Facility:

- a) Tin Plate plant is located at Plot No. 5, Special Industrial Zone, Winder, Distt, Lasbella, L.I.E.D.A, Province of Balochistan, Pakistan.
- b) Canning plant is located at Plot # 221-222, Near Jamia Millia College, Jamia Millia Road, Malir City, Karachi, Province of Sindh, Pakistan.

#### Project Site:

TMBP project site is located at Plot No. 272 & 273 Hub City, Mouza Beroot Peerkas Road, District Lasbella, Hub Balochistan, Pakistan.

### 3. STATEMENT OF COMPLIANCE

- 3.1 These condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:



- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 3.2** The condensed interim financial statements have been prepared under historical cost convention except other financial assets which are valued at fair value.
- 3.3** The condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional and presentation currency and figures presented in the condensed interim financial statements have been rounded off to the nearest rupee.
- 3.4** These condensed interim financial statements are unaudited. However, a limited scope review of these condensed interim financial statements have been performed by the external auditors of the Company in accordance with the requirements of clause (26) of Listed Companies (Code of Corporate Governance) Regulations, 2017. These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Companies Act 2017.
- 3.5** These condensed interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2020. The comparative statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2020, whereas comparative condensed statement of profit or loss, condensed statement of cash flows and condensed statement of changes in equity are stated from the unaudited condensed interim financial statements for the half year and quarter ended December 31, 2019.

#### **4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgements 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, 2020.



## 5 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, 2020.

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
.....(Rupees).....			
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	<b>700,294,658</b>	710,962,627
Capital work-in progress	6.2	<b>1,542,571,441</b>	1,305,020,254
		<b><u>2,242,866,099</u></b>	<u>2,015,982,881</u>

### 6.1 Operating fixed assets

	March 31, 2021				
	Opening WDV as at 01-Jul-20	Additions	Disposals (W.D.V)	Depreciation for the period	Closing WDV as at 31-Mar-21
.....(Rupees).....					
Leasehold land	7,533,750	-	-	-	7,533,750
Freehold land	167,401,427	-	-	-	167,401,427
Buildings on leasehold land	19,630,294	-	-	1,472,272	18,158,022
Plant and machinery	458,578,111	8,555,000	-	13,843,810	453,289,301
Power and other installations	13,969,515	-	-	1,047,714	12,921,801
Factory equipment	7,083,759	1,196,510	-	583,137	7,697,132
Generators	2,533,289	-	-	189,997	2,343,292
Office equipment	5,806,068	80,282	94	437,059	5,449,197
Data processing equipment	1,540,761	696,016	-	464,865	1,771,912
Furniture and fixtures	1,330,328	279,275	-	109,681	1,499,922
Vehicles	25,555,325	512,414	25,772	3,813,066	22,228,901
	<b><u>710,962,627</u></b>	<b><u>11,319,497</u></b>	<b><u>25,866</u></b>	<b><u>21,961,600</u></b>	<b><u>700,294,658</u></b>
<b>June 30, 2020</b>	<b><u>733,369,405</u></b>	<b><u>8,781,905</u></b>	<b><u>-</u></b>	<b><u>(31,188,683)</u></b>	<b><u>710,962,627</u></b>



	Note	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
.....(Rupees).....			
<b>6.2 Capital work-in progress</b>			
Civil works	6.2.1	<b>1,542,571,441</b>	<b>1,305,020,254</b>

**6.2.1** The Company is establishing Tin Mill Black Plate (TMBP) project for manufacturing of Tin Mill Black Plates with an annual production capacity of 175,000 mtn per annum. The budgeted capital expenditure for the project is Rs. 8.5 billion. The project would be financed through equity and debt in the ratio of 35:65.

	Note	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
.....(Rupees).....			
<b>7 STOCK-IN-TRADE</b>			
Raw material - Tinplate			
in hand		<b>157,202,546</b>	179,588,076
in bond		-	25,214,269
in transit		<b>115,049,908</b>	371,043,929
Finished goods - Tinplate			
tin		<b>492,917,191</b>	934,425,844
cans		<b>1,705,976</b>	2,267,454
scrap		<b>15,647,496</b>	22,592,318
		<b>510,270,663</b>	959,285,616
Chromite			
Raw material		<b>16,389,080</b>	16,389,080
Finished goods		<b>12,682,410</b>	12,682,410
Provision for obsolete stock of chromite		<b>(29,071,490)</b>	(29,071,490)
		<b>-</b>	-
		<b>782,523,117</b>	1,535,131,890
<b>8 TERM DEPOSIT CERTIFICATES</b>			
Investment in term deposit certificates	8.1	<b>165,564,407</b>	165,564,407



**8.1** This represents investment in term deposit certificates which carries markup at the rate of 6.00 % to 6.50% per annum for the periods of six and twelve months.

## 9 SHARE CAPITAL

An associated undertaking, Siddiqsons Limited holds 34,816,601 (2020: 34,816,601) ordinary shares at the period end.

The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The Company has not reserved shares under options and sales contracts.

	Note	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
<b>10 DUE TO DIRECTOR</b>			.....(Rupees).....
Loan from director	10.1	<b>47,439,760</b>	<b>360,000,000</b>

**10.1** This represents an interest free and payable on demand loan from director obtained for the purpose of fulfilling the payment of LC for CRM project purpose as disclosed in note 6.2.1.

	Note	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
<b>11 SHORT-TERM BORROWINGS</b>			.....(Rupees).....
<b>SECURED</b>			
<b>From banking companies</b>			
Export refinance	11.2	-	499,881,593
Finance against imports	11.2	<b>1,236,791,336</b>	1,155,423,522
Running finances under markup arrangements	11.3	<b>196,870,975</b>	50,682,975
		<b>1,433,662,311</b>	<b>1,705,988,090</b>



- 11.1** The aggregate unavailed-short term borrowing facilities amounts to Rs. 1,737 million (June 30, 2020: Rs. 1,465 million) as of the reporting date.
- 11.2** These are secured against hypothecation on fixed assets, stock-in-trade, trade debts and charge on present and future current assets of the Company and lien on import documents. This includes local currency loan. These loans are subject to mark-up based on LIBOR, KIBOR and SBP ERF rate ranging between 3.00% to 9.26% (June 30, 2020: 3.00% to 9.26%) per annum.
- 11.3** These are secured against charge on fixed assets, stock-in-trade, trade debts and present and future current assets of the Company and are subject to the mark-up ranging between 9.51% to 13.47% (June 30, 2020:9.51% to 13.47%) per annum.

## **12 CONTINGENCIES AND COMMITMENTS**

### **12.1 Contingencies**

- 12.1.1** The Company imports material i.e. Tin Mill Black Plate / CRC steel sheets / coils from various countries which is used for producing Tin Plate for exportation under manufacturing bond facility and local supply for home consumption on payment of leviable duty and taxes against Goods Declarations. The imported materials are warehoused in the manufacturing bond premises without payment of duty and taxes for in-house consumption in manufacturing of exportable products. Company is availing the manufacturing bond facility since 2011, huge quantity of finished product manufactured by the company was exported adding considerable forex to the national exchequer. However during process of renewal of the Company's manufacturing bond warehousing license, a team of Regulatory Collectorate MCC-Gawadar, Camp office, Customs House, Gaddani, visited the bonded warehouse for stock taking and reconciliation of imports vis-à-vis exports documentation and records. Based on a faulty reconciliation audit conducted by the regulatory Collectorate, a purported shortage of 1055 MT of the imported materials i.e. CRC / Tin Mill Black Plate was arbitrarily pointed out despite the fact that the aforesaid quantity was fully accounted for.

During the course of quasi-judicial proceedings before the learned Adjudication Authority, all the charges leveled in the Show Cause Notice were duly rebutted through submission of detailed written reply and rejoinder and despite the fact that the purported shortage of 1055 MT was duly accounted for, the learned Adjudicating Authority, based on misreading and non-reading of evidence adduced by the Petitioner before the Adjudication Authority, passed the Order-in-Original No. 334 / 2019 dated 07.11.2019, on the behest of the department, for recovery of purported evaded amount of duty and taxes amounting to Rs.64,192,547/- on purported removal of 1055 MT of CRC / Tin Mill Black Plate from Manufacturing bond. While being aggrieved of the aforesaid Order-in-Original No. 334 / 2019, Company preferred an appeal bearing No. K-1298 / 2019, under section 194A of the Customs Act, 1969,





before the learned Customs Appellate Tribunal, Karachi. Pending the appeal preferred before the learned Customs Appellate Tribunal, Karachi, the Petitioner also moved to the Hon'ble High Court of Sindh, at Karachi vide Constitutional Petition No. D-7820 / 2019, assailing the demand notice for recovery of purported evaded amount of duty and taxes amounting to Rs 64,192,547/- issued in pursuance of Order-in-Original No. 334 / 2019.

Company submitted application dated 3rd August, 2019 by the Petitioner for temporary de-blocking of the license to import raw materials and export finished products which was granted.

The Hon'ble High Court, vide interim Order dated 05.12.2019, directed the Respondents not to enforce recovery of impugned Demand Notice which is subject matter of appeal pending before the Customs Appellate Tribunal, Karachi, till next date of hearing. However, after hearing the parties at length, the Hon'ble High Court of Sindh, at Karachi vide order dated 19.12.2019, disposed of the above petition, with the directions to the Respondents not to enforce recovery of impugned Demand Notice, being the subject matter of appeal, and further directed the Petitioner to file urgent application before the concerned bench of Customs Appellate Tribunal, Karachi.

Since Company was deprived of the reasonable opportunity of being heard and despite Application dated 26.11.2019 for adjournment of hearing in the case and Application dated 30.11.2019 requesting the Additional collector custom for issuing date of hearing to the Petitioner, ADC arbitrarily passed the Order-in-Original dated July 1, 2019 for cancellation of Manufacturing Bond License of the Petitioner in haste, without informing the Petitioner of the fate of the aforesaid applications.

Management, based on the legal advice is expecting a favorable decision, therefore no provision is made in the condensed interim financial statements.

However, the manufacturing bond license was renewed subsequently.

- 12.1.2** An application was filed in the National Tariff Commission of Pakistan (NTC), by Cold Rolled Coils (CRC) manufacturers in Pakistan, to impose anti-dumping duty on import of CRC from selected countries, which happened to be the raw material of the Company. The NTC imposed an anti-dumping duty at the rate of 19.5% on such imports from selected countries. The Company challenged the decision of the Commission in the Appellate Tribunal of the Commission (Tribunal) as well as in the High Court of Sindh. The court had granted stay order against decision of the Commission and directed the Company to issue 100% cash margin guarantee for the anti-dumping duty. Considering this recent development and on a prudent basis the company has recognised 75% of the provision in respect of accumulated amount of import duty. The Tribunal later on, has upheld the imposition of Anti-dumping Duty. The Company then challenged the decision of the Tribunal in the Islamabad High Court. The case is pending litigation.



**12.1.3** In April 2018, the Company signed a contract with M/s. New Metallurgy Hi-Tech Group Co. Ltd. (the Supplier) of about PKR 3,200 million, for setting up a Cold Rolling Mills Complex and Acid Regeneration Plant in Hub, Baluchistan. As per the contract, the shipment of Plant and Machinery was required to be completed by 30th April, 2020 and the Cold Rolled Coil Unit had to start production by December, 2020.

The Company has already invested more than PKR 2,000 million on Land, Building, Infrastructure, Plant & machinery and civil construction of Site including foundations duly completed as per specific drawings given by the Supplier, for laying Machinery. The Company has also paid 33% advance for design, engineering and shipment of the plant, amounting to RMB 40 million. As stipulated under the contract, majority of the component of plant, machinery and equipment had to be shipped in February 2020 and the remaining consignments by 30th April 2020. However, the Supplier failed to ship the plant machinery and equipment within the stipulated timeline. Meanwhile, the Bank Guarantees issued by the Supplier were expiring in April 2020. The Supplier besides delaying shipment did not extend Bank Guarantees beyond its expiry date in April, 2020. These bank guarantees covered the consignments to be shipped by 30th April 2020, since the consignments were not shipped it left no option for the Company but to call for the encashment of Bank Guarantees to secure itself.

On 27th August 2020 the supplier filed a case in Singapore International Arbitration Centre (SIAC) and appointed the arbitrator, contesting the case of encashment of above described Bank Guarantees. The Supplier claimed the right to retain the payments already made as an advance by the Company amounting to RMB 19.517 million. The Supplier also claimed for the damages and losses of RMB 35.857 million.

The Company has also appointed the arbitrator and a lawyer to defend its position. The Company has counter claimed PKR 2,117 million (USD 12.65 million) with a detailed response on 17th September 2020 against the failure to make the delivery of goods within agreed timeline by the Supplier.

The management in consultation with its legal advisor is of the view that the outcome of the arbitration will most likely be favorable to the Company.

Besides above, the matter for repatriation of the mobilisation advance amounting to Rs. 237 million (RMB 12.330 million), paid to the above mentioned supplier, is under consideration with the State Bank of Pakistan (SBP). Since the shipments under the contract could not have been effected, within the stipulated time, as allowed by SBP, the Company has requested SBP to extend the time line for repatriation of advance till the finalization of arbitration award and waiver of the penalty.



12.1.4 Tax assessments of the Company has been amended for the tax years 2003, 2005, 2006 and 2008 under Section 122 of the Ordinance by the tax department. The Company contested the levy of tax by department on the ground that the Company was enjoying exemption under Clause 126 of Part I of Second Schedule to the Ordinance as levy of minimum tax is not applicable on the Company. Appeals are pending before Sindh High Court, Income Tax Appellate Tribunal (ITAT) and CIT (Appeals) respectively. The Company is confident that outcome will be in its favour. However, as a matter of prudence, tax provision of Rs. 7,791,094, Rs. 17,654,223, Rs. 15,710,252 and Rs. 18,472,182 for the respective tax years has been made in the financial statements under Section 113 of the Ordinance.

**March 31,  
2021  
(Un-audited)**      June 30,  
2020  
(Audited)

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

## 12.2 Commitments

Letters of credit for import of raw material	<b>363,107,273</b>	627,968,401
Bank guarantee in favor of Excise and Taxation department relating to anti-dumping and infrastructure cess	<b>165,052,651</b>	165,052,651
Letter of credit for import of plant and machinery	<b>2,391,599,653</b>	2,391,599,653

Note	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	.....(Rupees).....			

## 13 REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Local sales	<b>3,565,844,528</b>	2,297,640,037	<b>1,309,304,118</b>	1,117,278,502
Export sales	<b>1,309,375,894</b>	531,125,419	<b>125,691,390</b>	243,105,275
	<b>4,875,220,422</b>	2,828,765,456	<b>1,434,995,508</b>	1,360,383,777
Less: Sales tax	<b>396,443,165</b>	297,968,611	<b>146,866,058</b>	134,079,614
	<b>4,478,777,257</b>	2,530,796,845	<b>1,288,129,450</b>	1,226,304,163

13.1 This includes exports to Middle East region amounting to Rs.1,231.75 million (2019: Rs.278.78 million).



Note	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	.....(Rupees).....			
<b>14 COST OF GOODS SOLD</b>				
Tinplate				
Cost of goods manufactured	14.1 <b>3,534,724,045</b>	2,458,921,480	<b>2,060,751,777</b>	907,367,035
<b>Finished stocks</b>				
Opening stock	<b>959,285,616</b>	591,737,804	<b>1,151,527,428</b>	984,027,648
Purchase of finished goods	-	-	-	-
Closing stock	<b>(510,270,663)</b>	(705,798,329)	<b>(752,637,092)</b>	(705,798,329)
	<b>449,014,953</b>	(114,060,525)	<b>398,890,336</b>	278,229,319
	<b>3,983,738,998</b>	2,344,860,955	<b>2,459,642,113</b>	1,185,596,354

**14.1 Cost of goods manufactured**

Raw material consumed	<b>3,274,336,742</b>	2,240,806,058	<b>1,978,716,994</b>	828,005,742
Salaries, wages and benefits	<b>109,250,810</b>	99,526,934	<b>42,206,198</b>	33,175,645
Stores and spares consumed	<b>14,039,719</b>	14,599,454	<b>3,509,930</b>	4,866,485
Packing material	<b>14,827,164</b>	5,459,297	<b>3,881,504</b>	1,819,766
Fuel and power	<b>75,027,188</b>	55,307,450	<b>21,957,801</b>	21,769,150
Sorting, slitting and cutting charges	<b>2,616,960</b>	5,549,574	<b>928,728</b>	3,849,858
Insurance	<b>3,573,055</b>	4,426,592	<b>697,799</b>	1,475,531
Repairs and maintenance	<b>3,662,212</b>	2,684,176	<b>330,586</b>	1,561,392
Rent, rates and taxes	<b>1,601,467</b>	1,767,690	<b>483,150</b>	889,230
Vehicles running and maintenance	<b>2,126,280</b>	2,680,811	<b>58,440</b>	1,226,937
Printing and stationery	<b>177,545</b>	178,655	<b>72,905</b>	59,552
Communication	<b>509,537</b>	423,474	<b>194,227</b>	141,158
Traveling and conveyance	<b>410,395</b>	3,184,094	<b>202,220</b>	1,061,365
Entertainment	<b>308,146</b>	462,164	<b>122,686</b>	154,055
Depreciation	<b>17,035,674</b>	18,078,103	<b>5,678,558</b>	6,352,853
Transportation	<b>3,133,323</b>	1,381,875	<b>967,546</b>	460,625
Canning	<b>40,328</b>	23,460	<b>13,443</b>	7,820
Other manufacturing overheads	<b>12,047,501</b>	2,381,622	<b>729,063</b>	489,874
	<b>3,534,724,045</b>	2,458,921,480	<b>2,060,751,777</b>	907,367,035



## 15 TAXATION

Provision for current taxation is based on turnover tax rate.

## 16 EARNING PER SHARE

### - Basic and diluted

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

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	.....(Rupees).....			
Profit for the period (Rupees)	131,844,926	23,179,365	68,537,141	(40,139,948)
<b>Basic earning per share</b>				
Weighted average number of ordinary shares outstanding during the period	229,278,770	220,007,919	229,278,770	220,007,919
Basic earning per share (Rupee)	0.58	0.11	0.30	(0.18)

## 17 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:

### 17.1 Details of outstanding balances with related parties are as follows:

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	.....(Rupees).....			
<b>Relationship with the Company</b>				
<b>Nature of transactions</b>				
Associated company - Siddiqsons Limited				
Purchases of goods & Services	1,372,336	1,372,336	1,372,336	-
Key management personnel				
Short-term employee benefit	37,647,648	37,509,944	11,970,719	13,188,047
Post-employment benefit	1,507,798	1,484,558	474,601	524,113
Loan from director - obtained	240,000,000	180,000,000	100,000,000	80,000,000
Loan from director - repaid	552,560,240	20,000,000	298,000,000	-



## 18 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of all the financial instruments reported in the financial statements approximates their fair value as the items are short term in nature.

### Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1 and 2 in the period.

Other financial assets are classified as fair value through profit or loss and are classified as level 1 securities.

## 19 COMPARATIVE INFORMATION

Corresponding figures have been rearranged and regrouped where necessary for the purpose of comparison. However, no significant changes have been made.

## 20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been approved and authorized for issue by the Board of Directors of the Company on April 29, 2021.

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_  
DIRECTOR

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



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

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