



*A Commitment
to Prime Quality!*

Siddiqsons Tin Plate Limited
A Siddiqsons Group Company



■ Quarterly Report ■
September 30,
2018

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COMPANY INFORMATION

Board of Directors

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

Audit Committee

Mr. Ibrahim Shamsi (Chairman) (Non-Executive)
 Mrs. Alia Sajjad (Member) (Non-Executive)
 Mr. Ashraf Mehmood Wathra (Member) (Independent Director)
 Mr. Muhammad Haris (Secretary)

Human Resource & Remuneration Committee

Mrs. 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. Rashid Khaleeqe	DCOO
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

Deloitte Yousuf Adil
 Chartered Accountants

Legal Advisor

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

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)

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 : +9221-35166571-4

Plant: Plot # 5, Special Industrial Zone,
 Winder, Distt. Lasbela, LIEDA,
 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 first quarter ended September 30, 2018.

Operating and Financial Results: Sales performance

During the period under review, Sales revenue was recorded at Rs.561 million as compared to Rs.537 million during the same period last year. The sales growth is recorded at 5%, however, this increase is due to increase in price while the quantity sold remains distressed as compared to last year and shown the reduction of 16% in terms of volume. The GP margins however almost remained at the same level.

The reduction in sales volume is mainly due to high competition being faced with ETP importers who continued to enjoy imported ETP from China at dumped prices on a reduced rate of import duties as compared to CRC/TMBP, since there is no anti-dumping duty imposed on import of ETP, while the import of TMBP/CRC attracts the anti-dumping duty of 19%. This anomaly in tariff structure gives an unfair advantage to the importers of ETP over local manufacturer.

Net Profit

The net results showed a profit after taxation of Rs.15.7 million during the period as compared to the profit of Rs.20 million in the corresponding period.

The key dimensions being focused by your company are the greater focus on exports and establishment of CRC plant to feed the existing ETP plant. The CRC plant, being a backward integration project will aim to provide high quality uninterrupted supplies of raw material which will ensure smooth supply chain for our customers and will also greatly facilitate in entering the 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 slight declining trend in the steel prices.

An amount of Rs.240 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.0.07 as compared to 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. However, the increasing markup rates and Pak Rupee devaluation seems to be a great challenge, since it will greatly impact the cost of doing business, and affect the competitive position of your Company in local as well as in export market. The key focus areas for your Company are the timely completion of CRC Complex and the strong penetration in export markets. 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: October 26, 2018



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT SEPTEMBER 30, 2018

	Note	September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
ASSETS			
NON-CURRENT ASSETS			
.....(Rupees).....			
Property, plant and equipment	5	746,809,021	589,679,088
Long-term deposits		7,179,250	7,179,250
		753,988,271	596,858,338
CURRENT ASSETS			
Stores, spares and loose tools		17,666,867	18,281,794
Stock-in-trade		883,672,249	830,796,437
Trade debts		473,860,525	523,859,123
Advance income tax		153,570,108	155,755,763
Loans and advances		109,674,250	74,302,615
Trade deposits		38,602,311	31,105,730
Term deposit certificates		1,028,400,000	20,650,000
Other receivables		4,110,181	4,110,181
Other financial assets		444,163	405,877
Sales tax refundable		87,024,914	79,947,561
Cash and bank balances		161,939,383	22,551,605
		2,958,964,951	1,761,766,686
Total assets		3,712,953,222	2,358,625,024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	2,292,787,700	785,201,270
Share Premium		271,258,681	-
Unappropriated profit		82,497,132	66,780,479
		2,646,543,513	851,981,749
NON-CURRENT LIABILITY			
Deferred taxation		-	-
CURRENT LIABILITIES			
Trade and other payables		156,317,288	151,049,830
Interest / mark-up accrued on borrowings		11,591,033	24,799,494
Short-term borrowings	7	892,849,994	1,325,142,557
Unclaimed dividend		5,651,394	5,651,394
		1,066,409,709	1,506,643,275
CONTINGENCIES AND COMMITMENTS			
8			
Total equity and liabilities		3,712,953,222	2,358,625,024

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


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Note	Quarter ended	
		September 30, 2018	September 30, 2017
		-----Rupees-----	
Sales - net		561,016,480	536,569,521
Cost of goods sold	9	(504,862,856)	(476,847,145)
Gross profit		56,153,624	59,722,376
Distribution cost		(3,915,643)	(2,448,822)
Administrative expenses		(13,741,032)	(12,219,770)
Other operating expenses		(5,243,806)	(6,689,085)
Finance cost		(11,224,533)	(11,319,162)
Other income		700,749	-
		(33,424,265)	(32,676,839)
Profit before taxation		22,729,359	27,045,537
Taxation		(7,012,706)	(6,707,119)
Profit for the period		15,716,653	20,338,418
Other comprehensive income		-	-
Total comprehensive income for the period		15,716,653	20,338,418
Earnings per share - basic and diluted		0.07	0.26

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


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter ended	
	September 30, 2018	September 30, 2017
	-----Rupees-----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,729,359	27,045,537
Adjustments for		
Depreciation of property, plant and equipment	6,964,861	7,043,978
(Gain) / Loss on remeasurement of investment at market value	(38,286)	84,909
Provision for other receivable	-	15,316,566
Provision for Sindh Workers Profit Participation Fund	1,200,142	-
Gain on disposal of property, plant and equipment	(388,952)	-
Finance cost	11,224,533	11,319,161
	41,691,657	60,810,151
Changes in working capital		
(Increase)/ decrease in current assets		
Stores and spares	614,927	257,032
Stock-in-trade	(52,875,812)	(298,391,109)
Trade debts	49,998,598	77,574,580
Loans and advances	(35,371,635)	(32,106,933)
Trade deposits	(7,496,581)	(1,215,500)
Term deposit certificates	(1,007,750,000)	(1,250,000)
Sales tax refundable	(7,077,353)	(34,844,226)
Increase/ (decrease) in current liabilities		
Trade and other payables	5,267,458	12,182,841
	(1,054,690,398)	(277,793,314)
Net cash used in operations	(1,012,998,741)	(216,983,163)
Tax paid	(4,827,051)	(19,160,032)
Finance cost paid	(24,432,994)	(13,157,415)
Net cash used in operating activities	(1,042,258,786)	(249,300,610)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,581,500)	(1,251,250)
Addition in capital work in progress	(161,707,453)	(2,154,000)
Proceed from disposal of property, plant and equipment	500,000	-
Net cash used in investing activities	(163,788,953)	(3,405,250)

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	Quarter ended	
	September 30, 2018	September 30, 2017
	-----Rupees-----	
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds against issue of right shares	1,507,586,430	-
Proceeds against premium on right shares - net	271,258,681	-
Short term borrowings (paid) / obtained - net	(231,116,811)	155,808,343
Net cash generated from financing activities	1,547,728,300	155,808,343
Net increase / (decrease) in cash and cash equivalents (A+B+C)	341,680,561	(96,897,517)
Cash and cash equivalents at beginning of the period	(290,621,350)	(107,880,339)
Cash and cash equivalents at end of the period	51,059,211	(204,777,856)
Cash and cash equivalents		
Cash and bank balances	161,939,383	28,325,281
Short term running finances	(110,880,173)	(233,103,137)
	51,059,211	(204,777,856)

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


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER



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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Issued, subscribed and paid up capital	Share Premium	Unappro- priated profit	Total
(Rupees).....			
Balance at July 1, 2017	785,201,270	-	134,513,820	919,715,090
Total Comprehensive income				
Profit for the quarter ended September 30, 2017	-	-	20,338,418	20,338,418
Other comprehensive income - net of tax	-	-	-	-
	-	-	20,338,418	20,338,418
Balance at September 30, 2017	785,201,270	-	154,852,238	940,053,508
Balance at July 1, 2018	785,201,270	-	66,780,479	851,981,749
Transaction with owners:				
Issuance of right shares during the period	1,507,586,430	271,258,681		1,778,845,111
Total Comprehensive income				
Profit for the quarter ended September 30, 2018	-	-	15,716,653	15,716,653
Other comprehensive income - net of tax	-	-	-	-
	-	-	15,716,653	15,716,653
Balance at September 30, 2018	2,292,787,700	271,258,681	82,497,132	2,646,543,513

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


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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, Repealed by the Companies Act, 2017. The shares of the Company are listed at Pakistan Stock Exchange. Registered office of the Company is situated at Ocean Tower, 27th Floor, Plot#G-3, Block-9, Near II Talwar, Clifton, 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.

The geographical locations and addresses of all business units of the Company are same as disclosed in annual audited financial statements as at and for the year ended June 30, 2018

The financial statements are presented in Pak Rupee which is the Company's functional and presentation currency.

2. Statement of compliance

- 2.1** This condensed interim financial information of the Company for the quarter ended September 30, 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and the provisions and directives issued under the Companies Act 2017.
- 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** The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2018, 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 quarter ended September 30, 2017



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, 2018, Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2018, 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, 2018.

	Note	September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
	(Rupees).....	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	565,224,203	569,801,723
Capital Work-in Progress		181,584,818	19,877,365
		746,809,021	589,679,088

5.1 Operating fixed assets

	September 30, 2018				
	Opening WDV 01-Jul-18	Additions	Disposals (W.D.V)	Depreciation for the period	Closing WDV 30-Sep-18
(Rupees).....				
Leasehold land	7,533,750	-	-	-	7,533,750
Buildings on leasehold land	24,234,930	-	-	(605,873)	23,629,057
Plant and machinery	497,250,667	-	-	(4,972,507)	492,278,160
Power and other installations	17,246,314	-	-	(431,158)	16,815,156
Factory equipment	3,526,267	-	-	(88,157)	3,438,110
Generators	3,127,518	-	-	(78,188)	3,049,330
Office equipment	4,715,852	-	-	(117,896)	4,597,956
Data processing equipment	1,269,628	-	-	(104,744)	1,164,884
Furniture and fixtures	1,233,074	-	-	(30,827)	1,202,247
Vehicles	9,663,723	2,581,500	(111,818)	(617,852)	11,515,553
	569,801,723	2,581,500	(111,818)	(7,047,202)	565,224,203
June 30, 2018	591,281,345	7,966,766	(218,420)	(29,227,968)	569,801,723

6. SHARE CAPITAL

During the period, the Company has allotted 150,758,643 ordinary shares through right issue in ratio of 1:1.92 shares in the Company, as approved by the Board of Directors of the Company in their meeting held on April 30, 2018. The shares were issued at an exercise price of PKR 12/- per shares inclusive of a premium of PKR 2/- per share. The total amount raised through the right issue is PKR 1,809,103,716/- including premium of PKR 301,517,286/-. The transaction cost of PKR 30,258,605/- pertaining to this right issue has been adjusted with the subscription money i.e. the share premium account in terms of S.81 of the Companies Act, 2017. Hence, the subscription money has been shown at a net amount of PKR 1,778,845,111/-.

	Note	September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
	(Rupees).....	
7. SHORT-TERM BORROWINGS			
SECURED			
From banking companies			
Finance against imports	7.1 & 7.2	781,969,821	1,011,969,602
Running finances under markup arrangements	7.2	110,880,173	313,172,955
		892,849,994	1,325,142,557

7.1 The aggregate unavailed short term borrowing facilities amounts to Rs. 1,513 million (June 2018: Rs. 1,068.06 million) as of the balance sheet date.

7.2 These are secured against hypothecation on fixed assets, stock in trade, stores and spares, trade debts, promissory notes and charge on present and future current assets of the Company and lien on import documents. Foreign currency loan are subject to markup based on LIBOR ranging between 2.75% to 5% (June 2018: 2.75% to 5%) per annum and PKR loans are subject to markup ranging between 7.15% to 8.92% (June 2018: 7.15% to 8.92%) per annum.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There is no change in the status of contingencies as disclosed in the audited financial statements as at and for the year ended June 30, 2018.



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	Note	September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
8.2 Commitments			
	(Rupees).....	
Letters of credit for import of raw material		1,401,142,502	344,727,908
Bank guarantee in favour of Excise and Taxation department.		118,100,000	118,100,000

Quarter ended	
September 30 2018	September 30 2017
.....(Rupees).....	

9 COST OF GOODS SOLD

Cost of goods manufactured - Tinplate	9.1	544,664,652	575,637,642
Finished stocks			
Opening stock		529,527,483	330,764,379
Purchase of finished goods		103,982,877	54,082,911
Closing Stock		(673,312,156)	(483,637,787)
		(39,801,796)	(98,790,497)
		504,862,856	476,847,145
Cost of goods manufactured - Chromite		-	-
Finished stocks			
Opening stock		5,414,538	9,960,221
Closing stock		(5,414,538)	(9,960,221)
		-	-
		-	-
		504,862,856	476,847,145

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Quarter ended	
September 30 2018	September 30 2017

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

9.1 Cost of goods manufactured - Tinplate

Raw material consumed	488,708,468	520,007,564
Salaries, wages and benefits	28,609,666	28,867,883
Stores and spares consumed	821,953	67,166
Packing material	407,965	211,720
Fuel and power	12,749,289	14,654,023
Sorting, slitting and cutting charges	472,642	723,721
Insurance	647,445	335,000
Repairs and maintenance	216,891	382,576
Rent, rates and taxes	439,230	180,530
Vehicles running and maintenance	431,280	210,380
Printing and stationery	3,570	40,885
Communication	209,981	157,404
Travelling and conveyance	1,504,329	1,427,605
Entertainment	34,903	-
Depreciation	6,175,882	6,511,474
Transportation	1,148,032	251,372
Canning expenses	1,510,570	1,438,882
Fees and subscription	6,000	-
Other manufacturing overheads	566,556	169,457
	544,664,652	575,637,642



10. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison and to reflect the substance of the transactions. No significant rearrangements or reclassifications were made in these interim financial statements except the following:

Description	From	Reclassified To	September 30 2017
Rent, rates and taxes	Other manufacturing overheads	Rent, rates and taxes	180,530
Vehicle running & maintenance	Other manufacturing overheads	Vehicle running & maintenance	210,380

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 October 26, 2018.


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER

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Siddiqsons Tin Plate Limited
A Siddiqsons Group Company

Registered Office: Ocean Tower, 27th Floor,
G-3, Block 9, Scheme # 5,
Main Clifton Road, Karachi.
Tel : +9221-35166571-4

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

www.siddiqsonstinplate.com

CORPORATE