

A Commitment to Prime Quality!

Quarterly Report  
September 30,

2010



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



## CONTENTS

	<b>Page</b>
Company Information	02
Directors' Review	03
Condensed Interim Balance Sheet	05
Condensed Interim Profit and Loss Account	06
Condensed Interim Cash Flow Statement	07
Condensed Interim Statement of Changes in Equity	09
Notes to the Condensed Interim Financial Statements	10

## COMPANY INFORMATION

### Board of Directors

Mr. Abdullah Rafi  
Mr. Tariq Rafi  
Mr. S. Waliullah Shah  
Mr. Ibrahim Shamsi  
Mr. Sanullah Abdullah  
Mr. Saturo Oki  
Mr. Jean Pierre Gugenheim

Chairman  
Chief Executive Officer  
Director  
Director  
Director  
Director  
Director

### Audit Committee

Mr. Ibrahim Shamsi  
Mr. Abdullah Rafi  
Mr. Sanullah Abdullah  
Mr. Saturo Oki  
Mr. M. Javid Ansari

Chairman  
Member  
Member  
Member  
Secretary

### Chief Financial Officer

Mr. Rashid Khaleeqe

### Company Secretary

Mr. M. Javid Ansari

### Bankers

Allied Bank Limited  
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 Hong Kong Shanghai Banking Corporation Limited

### Auditors

M. Yousuf Adil Saleem & Company  
Chartered Accountants

### Legal Advisor

Awan Law Associates  
1st Floor, Burhani Terrace,  
Bohi Road, Opp. Customs House  
Karachi - 74000

### Shares Registrar

THK Associates (Private) Limited  
Ground Floor, State Life Building # 3  
Dr. Ziauddin Ahmed Road  
UAN # 111 000 322  
Karachi - 75530

### Registered/Head Office

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

### Factory

Special Industrial Zone  
Winder, Baluchistan

### Web Presence

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





## DIRECTORS' REVIEW

On behalf of the Board of Directors of your Company, I have pleasure to present the financial statements of the Company for the first quarter ended September 30, 2010.

Operating and Financial Performance:

### Sales performance

During the period under review, sales revenue were recorded at Rs.848 million as compared to Rs.888 million during the same period last year. There is decrease in sale revenue by Rs.40 million which is 4.5% lower as compared to the same period last year. This was mainly due to late arrival of TMBP, due to which dispatches remained slow. However, Inshallah this phenomena will be reversed in the next quarter.

### Gross profit

Gross profit of the Company was Rs.83.6 million which was 9.86% of sales revenue as compared to Rs.94.7 million which was 10.66% in corresponding period last year. Its means that there is 11.7% downfall in gross profit as compared to same period last year.

### Net results

Although the bottom line and net results still showed net profit after taxation of Rs.17.5 million during the period under review as compared to net profit of Rs.52.5 million in the corresponding period. It means that there is 66.7% decrease in net profit after taxation as compared to the same period last year, mainly due to:

- In the corresponding period last year we had stock of raw material where we had duty exemptions till June 30, 2009. This resulted in more margin in that quarter as against the quarter under review.
- Losses of Rs.0.68 million on re-measurement of investment at market value as compared to gain of Rs.27 million in the corresponding period last year.
- Exchange losses of Rs.7.9 million as compared to Rs.2.2 million in the same period of previous year.

The earning per share was Rs. 0.22 as compared to Rs.0.67 in corresponding period last year.

### Future Outlooks

We are confident that your company has the potential to remain market leader and would be able to sustain all external and internal pressures by maintaining its history of achieving good results even in the most challenging circumstances.



## DIRECTORS' REVIEW

Management has devotedly made following strategical decisions which are being implemented and monitored periodically for achieving our goals in the forthcoming years, in addition to getting antidumping duty and ITP valuation successfully implemented on the basis of cascading of duty for our raw material as industrial importer.

- Canning division has been established and we are cautiously moving forward.
- Focusing on exploration of new markets in Middle East.
- To arrange sufficient quantity of all grades of material as per requirement of customers.
- To give preference to those customers who give us advance orders.
- To analyze market demand and evolve policies accordingly.
- To make all-out efforts to get curtailed import of under-invoiced material by application of correct ITP and imposition of antidumping duty.

### Acknowledgement

The Board of Directors of the Company would like to place on record its gratitude to its shareholders, partners, customers, Government authorities, financial institutions whose co-operation & continued support has always been there. Board also acknowledges untiring efforts of the staff in keeping this Company in good shape despite all the odds.

On behalf of the Board of Directors

### ABDULLAH RAFI

Chairman

Karachi: October 22, 2010



**CONDENSED INTERIM BALANCE SHEET (Unaudited)**  
**AS AT SEPTEMBER 30, 2010**

	Unaudited September 30, 2010	Audited June 30, 2010
.....(Rupees).....		
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	828,767,137	845,464,711
Long-term deposits	7,459,155	7,459,155
	<u>836,226,292</u>	<u>852,923,866</u>
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	15,145,206	14,758,873
Stock-in-trade	1,667,548,707	1,085,090,844
Trade debts	475,587,756	308,973,520
Loans and advances	330,178,687	292,699,500
Trade deposits and short-term prepayments	5,729,781	6,588,582
Other receivables	1,692,625	5,312,051
Other financial assets	11,782,472	32,181,079
Sales tax refundable	57,679,709	12,267,966
Cash and bank balances	36,491,259	35,604,420
	<u>2,601,836,202</u>	<u>1,793,476,837</u>
<b>Total Assets</b>	<u>3,438,062,494</u>	<u>2,646,400,703</u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized		
120,000,000 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 profit	430,352,960	471,757,931
	<u>1,215,554,230</u>	<u>1,256,959,201</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred liability	150,714,482	144,689,314
<b>CURRENT LIABILITIES</b>		
Trade and other payables	41,171,896	35,880,251
Interest / mark-up accrued	48,913,894	37,586,625
Short-term advances	130,000,000	262,000,000
Short-term borrowings	1,683,898,871	804,605,196
Taxation - income tax	108,919,027	104,680,116
Dividend payable	58,890,095	-
	<u>2,071,793,782</u>	<u>1,244,752,188</u>
<b>Total Equity and Liabilities</b>	<u>3,438,062,494</u>	<u>2,646,400,703</u>

**CONTINGENCY AND COMMITMENT**

2

The annexed notes form an integral part of these financial statements

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

05 \_\_\_\_\_

\_\_\_\_\_  
DIRECTOR

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Note	..... Three Months .....	
		September 30 2010	September 30 2009
		( July - September )	
		.....(Rupees).....	
Sales - net		<b>847,782,125</b>	888,128,837
Cost of goods sold	3	<b>(764,176,207)</b>	(793,430,261)
Gross profit		<b>83,605,918</b>	94,698,577
Distribution cost		<b>(4,711,655)</b>	(4,109,053)
Administrative expenses		<b>(15,502,069)</b>	(15,169,436)
Other operating expenses		<b>(9,976,210)</b>	(7,002,109)
Finance cost		<b>(28,022,476)</b>	(32,194,475)
Other operating income / (loss)		<b>2,364,791</b>	28,959,083
Profit / (loss) before taxation		<b>27,758,299</b>	65,182,586
Provision for taxation		<b>(10,273,175)</b>	(12,678,226)
Profit / (loss) after taxation		<b>17,485,124</b>	52,504,360
Other comprehensive Income		-	-
Total comprehensive income/(loss) for the year		<b>17,485,124</b>	52,504,360
Earnings per share - Basic and diluted		<b>0.22</b>	0.67

The annexed notes form an integral part of these financial statements

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

\_\_\_\_\_  
DIRECTOR



## CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)

### FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	..... Three Months .....	
	2010	2009
	(July - September)	
	UnAudited	
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>27,758,299</b>	65,182,586
Adjustments for:		
Depreciation of property, plant and equipment	<b>13,410,273</b>	10,058,987
Finance cost	<b>28,022,476</b>	32,194,475
Provision for doubtful debts	-	-
Provision for slow moving and obsolete items	-	-
(Gain) / loss on disposal of property, plant and equipment	-	-
Dividend income	<b>(429,405)</b>	(653,175)
Gain on sale of investments	<b>(2,341,281)</b>	-
Profit and loss on remeasurement of investment at market value	<b>681,195</b>	(27,262,025)
Operating cash flows before movement in working capital	<b>67,101,557</b>	79,520,848
(Increase) / decrease in current assets		
Stores, spares and loose tools	<b>(386,333)</b>	(983,577)
Stock in trade	<b>(582,457,863)</b>	664,646,003
Trade debts	<b>(166,614,236)</b>	(34,513,527)
Loans and advances	<b>(747,634)</b>	15,028,573
Trade deposits and short-term prepayments	<b>858,801</b>	(5,420,336)
Other receivables	<b>3,619,426</b>	914,003
Sales tax refundable	<b>(45,411,743)</b>	-
Increase / (decrease) in current liabilities		
Trade and other payables	<b>5,291,645</b>	(345,175,761)
Sales tax payable	-	(5,232,699)
Cash (used in) / generated from operations	<b>(718,746,379)</b>	368,783,527
Income taxes paid	<b>(36,731,553)</b>	(17,701,691)
Interest / markup paid	<b>(16,695,207)</b>	(36,677,487)
Net cash (used in) / from operating activities	<b>(772,173,139)</b>	314,404,349



..... Three Months .....  
**2010**                      2009  
 (July - September)  
 UnAudited  
 ----- Rupees -----

**B. CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from disposal of property, plant and equipment	<b>3,287,301</b>	-
Proceeds from disposal of investment	<b>22,058,693</b>	-
Purchase of property, plant and equipment	-	(506,998)
Other financial assets - investments - net	-	-
Dividends income	<b>429,405</b>	653,175
Net cash (used in) / from investing activities	<b>25,775,399</b>	146,177

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Short term borrowing obtained / (repaid) -net	<b>561,310,200</b>	(356,552,266)
Short term advance -net	<b>(132,000,000)</b>	-
Net cash from / (used in) financing activities	<b>429,310,200</b>	(356,552,266)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<b>(317,087,540)</b>	(42,001,740)
Cash and cash equivalents at July 1	<b>24,580,034</b>	(462,735,443)
Cash and cash equivalents at September 30	<b>(292,507,506)</b>	(504,737,183)
<b>Cash and cash equivalents</b>		
Cash and bank balances	<b>36,491,259</b>	55,848,547
Short term finance	<b>(328,998,765)</b>	(560,585,730)
	<b>(292,507,506)</b>	(504,737,183)

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 YEAR ENDED SEPTEMBER 30, 2010**

	Issued, subscribed and paid-up capital	Unappropriated Profit	Total
	.....(Rupees).....		
Balance at July 01, 2009 - restated	785,201,270	512,126,007	1,297,327,277
Final cash dividend for the year ended June 30, 2009 @ Rs.1/- per share	-	(78,520,127)	(78,520,127)
Profit for the year ended June 30, 2010	-	38,152,051	38,152,051
Balance at June 30, 2010	<u>785,201,270</u>	<u>471,757,931</u>	<u>1,256,959,201</u>
Final cash dividend for the year ended June 30, 2010 @ Rs.0.75/- per share	-	(58,890,095)	(58,890,095)
Profit for the period ended September 30, 2010	-	17,485,124	17,485,124
	<u><u>785,201,270</u></u>	<u><u>430,352,960</u></u>	<u><u>1,215,554,230</u></u>

The annexed notes form an integral part of these financial statements

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

\_\_\_\_\_  
**DIRECTOR**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010

### I. GENERAL INFORMATION

- 1.1 Siddiqsons Tin Plate Limited (the Company) was incorporated in Pakistan on January 29, 1996 as public company limited by shares under Companies Ordinance 1984. The shares of the Company are listed at Karachi Stock Exchange. Registered office of the Company is situated at D-53, Textile Avenue, S.I.T.E, Karachi in the province of Sindh and the plant is located at Winder Industrial Estate in the province of Balochistan. The canning plant is located at B-26, Textile Avenue, S.I.T.E. Karachi in the province of Sind. The principal activity of the Company is manufacturing and sale of tin plates, cans, and other steel products.
- 1.2 The financial statements are presented in Pak Rupee which is the Company's functional and presentation currency.

### 2 CONTINGENCY AND COMMITMENT

#### 2.1 Contingency

Excise and tax department has levied Sindh Development and Infrastructure Fee and Duty on imports made by the Company, which are not acknowledged. The case is pending in the Sindh High Court. A bank guarantee has been issued for Rs. 110,000,000/- as per the order of the High Court. Management is confident of favorable outcome.

	Note	September 30,2010 Unaudited .....(Rupees).....	June 30,2010 Audited
<b>2.2 Commitment</b>			
Letters of credit for import of raw materials		<b>134,482,367</b>	553,449,027
		<b>September 30,2010 Unaudited .....(Rupees).....</b>	<b>September 30,2009 Unaudited</b>
<b>3 COST OF GOODS SOLD</b>			
Cost of goods manufactured	3.1	<b>958,424,360</b>	979,380,950
Finished stocks		<b>464,756,614</b>	684,791,847
Opening stock		<b>16,323,214</b>	-
Purchase of finished goods		<b>(675,327,981)</b>	(870,742,536)
Closing Stock		<b>(194,248,153)</b>	(185,950,689)
		<b>764,176,207</b>	793,430,261



	Note	2010 Rupees Unaudited .....(July - September)..... .....(Rupees).....	2009 Rupees Unaudited
<b>3.1 Cost of goods manufactured</b>			
Raw materials consumed	3.1.1	<b>893,393,612</b>	916,791,919
Packing materials		<b>2,378,851</b>	1,913,069
Salaries, wages and benefits		<b>16,352,457</b>	15,010,239
Fuel and power		<b>18,198,995</b>	24,462,865
Stores and spares consumed		<b>1,507,172</b>	797,125
Sorting, slitting and cutting charges		<b>438,754</b>	1,745,530
Rent, rates and taxes		-	196,350
Repair and maintenance		<b>717,397</b>	152,775
Printing and stationery		<b>48,681</b>	96,829
Insurance		<b>1,041,934</b>	669,015
Communication		<b>58,730</b>	43,815
Traveling and conveyance		<b>636,551</b>	396,998
Transportation		<b>45,600</b>	602,888
Canning expenses		<b>7,369,947</b>	6,336,818
Printing Machine expense		<b>2,061,620</b>	-
Entertainment		<b>5,195</b>	27,388
Depreciation		<b>12,511,695</b>	9,269,795
Other manufacturing expenses		<b>1,657,169</b>	867,532
		<b>958,424,360</b>	979,380,950
<b>3.1.1 Raw material consumed</b>			
Opening stock		<b>109,703,422</b>	844,634,094
Purchase and related expenses		<b>965,015,905</b>	158,958,091
		<b>1,074,719,327</b>	1,003,592,185
Closing stock		<b>(181,325,715)</b>	(86,800,266)
		<b>893,393,612</b>	916,791,919

#### 4 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 Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties and key management personnel, if any, are shown under receivables and payables. Other significant transactions with related parties are as follows:

Relationship with the Company	Nature of Transactions	September	June
		30, 2010 Unaudited	30, 2010 Audited
		.....(Rupees).....	
Associated company	Purchase of goods and services	-	41,070
	Payment of dividend	-	8,878,369
	Short-term advance obtained from Siddiqsons Limited	-	220,000,000
	Short-term advance repaid to Siddiqsons Limited	-	88,000,000
	Markup on borrowing from Siddiqsons Limited	-	951,362
Key management personnel	Short-term employee benefits	5,091,976	17,169,839
	Post-employment benefits	833,137	2,653,667
Other related parties	Short term borrowings obtained from WPF	130,000,000	130,000,000
	Short term borrowings paid to WPF	-	-
	Markup on borrowing from WPF	4,471,074	16,853,699
	Sales of property, plant and equipment	-	1,432,050

#### 5 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorized for issue by the Board of Directors of the Company on October 22, 2010.

#### 6 GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR



**Registered/Head Office:**

D – 53, Textile Avenue  
S.I.T.E., Karachi – 75700, Pakistan.  
Tel: 92-21-32477480-9  
32572841, 32578012  
Fax: 92-21-32572879, 32572839

**Factory:**

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

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