

A Commitment to Prime Quality!

Half Yearly Report
December 31,

2010

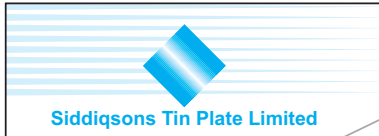


Siddiqsons Tin Plate Limited
A Siddiqsons Group Company



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COMPANY INFORMATION

Board of Directors

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

Chairman
Chief Executive Officer
Director
Director
Director
Director

Audit Committee

Mr. Ibrahim Shamsi
Mr. Abdullah Rafi
Mr. Sanauallah 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

Head of Internal Auditors

Mr. Murtaza Ahmad

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
HSBC Bank Middle East 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





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 December 31, 2010.

Operating and Financial Performance:

Sales performance

During the period under review, sales in quantitative terms is 18,800 M/Tons as compared to 21,000 M/tons during corresponding period last year. In other words sales quantity is 10% lower than the corresponding period last year. However, sales revenue are recorded at Rs.1,730 million as compared to Rs.1,622 million during the same period last year. That means your Company achieved a growth of 6.6% in sales revenue as compared to same period last year.

Gross profit

Gross profit of the Company is Rs.170 million which is 9.8% of sales revenue as compared to Rs.139 million which was 8.6% of sales revenue in corresponding period last year. Its means that there is 21% increase in gross profit as compared to same period last year.

Net results

Net profit before taxation is Rs.39 million as compared to Rs.32 million during the same period last year. There is 20% increase in net profit before taxation. However, the bottom line and net results are showed net profit after taxation of Rs.8.4 million during the period under review as compared to Rs.19 million in the corresponding period. As the tax authorities have doubled the turn over tax from 0.5% to 1% , so the Company has to take provision for taxation Rs.30.9 million, which includes Rs.17.8 million as turn over tax and remaining as deferred tax for the period under review, as compared to Rs.13 million for the corresponding period last year.

Earning per share

The earnings per share is Rs.0.11 as compared to Rs 0.25 in corresponding period last year solely due to increase in the rate of turnover tax.

Future Outlooks

Management of the Company is continuously devoting its best efforts for achieving better results. We are confident that your company has the potential to remain market leader and would be able to achieve 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: February 22, 2011





AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of SIDDIQSONS TIN PLATE LIMITED (the Company) as at December 31, 2010, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof, for the six-months period then ended (here-in-after referred to as "the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed profit and loss account for the quarters ended December 31, 2010 and December 31, 2009 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2010 and December 31, 2009.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the company". A review of interim financial information consists of making inquiries, primarily of the persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Karachi

Dated: February 22, 2011

CONDENSED INTERIM BALANCE SHEET (Unaudited) AS AT DECEMBER 31, 2010

		Unaudited December 31, 2010	Audited June 30, 2010
.....(Rupees).....			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	832,723,641	845,464,711
Long-term deposits		7,430,405	7,459,155
CURRENT ASSETS			
Stores, spares and loose tools		16,894,123	14,758,873
Stock-in-trade		1,366,308,102	1,085,090,844
Trade debts		550,290,910	308,973,520
Loans and advances		348,138,814	292,699,500
Trade deposits and short term prepayments		4,753,891	6,588,582
Other receivables		2,021,025	5,312,051
Other financial assets	3	6,113,736	32,181,079
Sales tax refundable		38,304,866	12,267,966
Cash and bank balances		19,034,647	35,604,420
		<u>2,351,860,114</u>	<u>1,793,476,837</u>
TOTAL ASSETS		<u>3,192,014,160</u>	<u>2,646,400,703</u>
EQUITIES AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital 120,000,000 Ordinary shares of Rs. 10/- each		<u>1,200,000,000</u>	<u>1,200,000,000</u>
Issued, subscribed and paid-up capital		785,201,270	785,201,270
Unappropriated profit		421,298,119	471,757,931
		<u>1,206,499,389</u>	<u>1,256,959,201</u>
NON-CURRENT LIABILITY			
Deferred liability - taxation		157,692,145	144,689,314
CURRENT LIABILITIES			
Trade and other payables		43,986,595	35,880,251
Interest / mark-up accrued		75,355,631	37,586,625
Short-term advances		130,000,000	262,000,000
Short-term borrowings	4	1,455,950,790	804,605,196
Taxation - income tax		122,529,610	104,680,116
		<u>1,827,822,626</u>	<u>1,244,752,188</u>
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITIES AND LIABILITIES		<u>3,192,014,160</u>	<u>2,646,400,703</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE HALF YEARLY ENDED DECEMBER 31, 2010

Note	..... Six Months .....		..... Three Months	
	December 31, 2010 (July - December)	December 31, 2009	December 31, 2010 (October - December)	December 31, 2009
.....(Rupees).....				
Sales - net	1,730,300,210	1,622,967,603	882,518,085	734,838,766
Cost of goods sold	(1,559,954,816)	(1,483,261,521)	(795,778,610)	(689,831,260)
Gross profit	170,345,394	139,706,082	86,739,475	45,007,506
Other operating income / (loss)	4,906,479	25,868,403	2,541,688	(3,090,680)
	175,251,873	165,574,485	89,281,163	41,916,826
Distribution cost	10,032,896	7,737,349	5,321,241	3,628,296
Administrative expenses	32,216,753	25,506,084	16,714,684	10,336,648
Other operating expenses	9,287,905	21,555,666	(688,305)	14,553,557
Finance cost	84,431,711	78,034,187	56,409,235	45,839,712
	(135,969,265)	(132,833,286)	(77,756,855)	(74,358,213)
Profit / (loss) before taxation	39,282,608	32,741,199	11,524,308	(32,441,387)
Provision for taxation	(30,852,325)	(13,472,420)	(20,579,150)	(794,194)
Profit / (loss) for the period	8,430,283	19,268,779	(9,054,842)	(33,235,581)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	8,430,283	19,268,779	(9,054,842)	(33,235,581)
Earnings per share - basic and diluted	0.11	0.25	(0.12)	(0.42)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)

FOR THE HALF YEARLY ENDED DECEMBER 31, 2010

	..... Six Months	
	December 31, 2010 (July - December)	December 31, 2009
	----- Rupees -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	39,282,608	32,741,199
Adjustments for:		
Depreciation of property, plant and equipment	20,702,009	20,692,334
Gain on disposal of property, plant and equipment	-	(444,168)
Unrealized gain on investments	(566,332)	(18,766,270)
Dividend income	(371,295)	(2,717,500)
Gain on sale of investments	(3,186,102)	(877,979)
Finance cost	84,431,711	78,034,187
Operating cash flows before movement in working capital	140,292,599	108,661,803
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,135,250)	(443,226)
Stock-in-trade	(252,640,294)	620,459,407
Trade debts	(241,317,390)	(48,148,014)
Loans and advances	(22,282,964)	(33,580,856)
Trade deposits and short term prepayments	1,834,691	(5,735,778)
Other receivables	2,178,901	11,355
Sales tax refundable	(26,036,900)	-
Increase / (decrease) in current liabilities		
Trade and other payables	8,106,343	(460,676,634)
	(532,292,863)	71,886,254
Cash (used in) / generated from operations	(392,000,264)	180,548,057
Taxes paid	(61,733,314)	(67,886,272)
Finance cost paid	(46,662,703)	(68,538,111)
Net cash (used in) / generated from operating activities	(500,396,281)	44,123,674

..... Six Months

December 31, 2010	December 31, 2009
(July - December)	
----- Rupees -----	

B. CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposal of property, plant and equipment	-	931,516
Purchase of property, plant and equipment	(7,960,939)	(60,207,218)
Purchase of investments	(3,456,105)	-
Disposal of investments	33,275,882	3,496,171
Long term deposits paid	28,750	-
Dividend received	1,483,420	795,750
Net cash generated from / (used in) investing activities	23,371,008	(54,983,781)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Short term bank borrowings obtained - net	182,952,804	24,598,474
Dividend paid	(58,890,094)	(78,550,472)
Net cash generated from / (used in) financing activities	124,062,710	(53,951,998)
Net decrease in cash and cash equivalents (A+B+C)	(352,962,563)	(64,812,105)
Cash and cash equivalents at beginning of the period	24,580,034	(462,735,443)
Cash and cash equivalents at end of the period	(328,382,529)	(527,547,548)
CASH AND CASH EQUIVALENT		
Cash and bank balances	19,034,647	80,892,001
Running finance	(347,417,176)	(608,439,549)
	(328,382,529)	(527,547,548)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEARLY ENDED DECEMBER 31, 2010**

	Issued, subscribed and paid-up capital	Unappropriated Profit	Total
	.....(Rupees).....		
Balance at July 1, 2009	785,201,270	512,126,007	1,297,327,277
Cash dividend for the year ended June 30, 2009 @ Re 1/- per share	-	(78,520,127)	(78,520,127)
Profit for the period ended December 31, 2009	-	19,268,779	19,268,779
Other comprehensive income	-	-	-
Balance at December 31, 2009	<u>785,201,270</u>	<u>452,874,659</u>	<u>1,238,075,929</u>
Profit for the period ended June 30, 2010	-	18,883,272	18,883,272
Other comprehensive income	-	-	-
Balance at June 30, 2010	<u>785,201,270</u>	<u>471,757,931</u>	<u>1,256,959,201</u>
Cash dividend for the year ended June 30, 2010 @ Re 0.75/- per share	-	(58,890,095)	(58,890,095)
Profit for the period ended December 31, 2010	-	8,430,283	8,430,283
Other comprehensive income	-	-	-
Balance at December 31, 2010	<u><u>785,201,270</u></u>	<u><u>421,298,119</u></u>	<u><u>1,206,499,389</u></u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR





NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEARLY ENDED DECEMBER 31, 2010

I. INTRODUCTION

- I.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 plant is located at Winder Industrial Estate in the province of Baluchistan. The canning plant is located at B-26, Textile Avenue, S.I.T.E. Karachi in the province of Sindh. The principal activity of the company is manufacturing and sale of tin plates, cans and other steel products.
- I.2** The interim financial information are presented in Pak Rupee which is the company's functional and presentation currency.
- I.3** The interim financial information have been prepared under the historical cost convention modified by, certain financial instruments at fair value.
- I.4** These interim financial information are unaudited but subject to limited scope review by external auditors of the company in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and also presented in accordance with the listing Regulations of Karachi Stock Exchange. These interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.
- I.5** The accounting policies and methods of computation followed in the preparation of the six month interim financial information are the same as those of the published annual audited financial statements for the year ended June 30, 2010. These condensed interim financial information do not include all of the information required for annual audited financial statements and therefore should be read in conjunction with the annual audited financial statements of the company for the year ended June 30, 2010.

In the current period, the Company has adopted following Standards issued by the IASB and notified by the Securities and Exchange Commission of Pakistan that are relevant to its operations and effective for Company's accounting period beginning on July 01, 2010.

	Effective for accounting period beginning on or after
- Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	January 01, 2010
- Amendments to IAS 7 - Statement of Cash Flows	January 01, 2010
- Amendments to IAS 17 - Leases	January 01, 2010
- Amendments to IAS 24 - Related Party Disclosures	January 01, 2010

Adoption of above mentioned standards will have no material impact on the company's financial information.

2. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During the period following additions and disposals were made: -

	December 31, 2010		December 31, 2009	
	Additions	Transfer	Additions	Disposals (W.D.V)
.....(Rupees).....				
Operating fixed assets				
Building on leasehold land	-	-	75,844	-
Plant and machinery	48,327,604	-	15,533,744	-
Factory equipment	69,390	-	172,754	-
Office equipment	120,700	-	71,900	-
Data processing equipment	447,500	-	97,277	-
Furniture and fixtures	282,020	-	637,165	-
Vehicles	58,200	-	6,697,245	(487,348)
	<u>49,305,414</u>	<u>-</u>	<u>23,285,929</u>	<u>(487,348)</u>
Capital work in progress				
Machinery and equipment	-	(44,010,041)	35,606,452	-
Advance for capital expenditure	2,665,567	-	1,314,837	-
	<u>2,665,567</u>	<u>(44,010,041)</u>	<u>36,921,289</u>	<u>-</u>

3. OTHER FINANCIAL ASSETS

Investments

Fair value through profit and loss- held for trading

In quoted companies

Ordinary shares of Rs.10/- each

June 30 2010	December 31 2010		Market Value	
			December 31 2010	June 30, 2010
-----No. of Shares-----			.....(Rupees).....	
206,865	27,000	National Bank of Pakistan	2,074,139	13,260,047
427,500	-	Fauji Fertilizer Bin Qasim Limited	-	11,132,101
		Pakistan Telecommunication Company Limited	-	4,005,000
225,000	-	Summit Bank Limited	2,959,097	2,788,231
776,666	776,666	Artistic Denim Mills Limited	822,500	714,700
35,000	35,000	JS Bank Limited	258,000	281,000
100,000	100,000		<u>6,113,736</u>	<u>32,181,079</u>

December 31, 2010
June 30, 2010
.....(Rupees).....

4. SHORT-TERM BORROWINGS**Secured**

From banking companies		
Finances against imports	1,137,104,282	407,363,642
Running finances under markup arrangements	318,846,508	11,024,386
Facility for payment of letters of credit	-	386,217,168
	1,455,950,790	804,605,196

5. CONTINGENCIES AND COMMITMENTS**5.1 Contingencies**

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. 130 (June 2010: Rs. 110) million as per the order of the High Court. Management is confident of favorable outcome.

5.2 The Company has filed legal suit against a supplier in the Ontario Superior Court of Justice in Canada for quality claim amounting to Rs. 119 million. The case is in its initial stages and the management is confident of a favorable outcome.

December 31, 2010
June 30, 2010
.....(Rupees).....

5.3 Commitments

Letters of credit outstanding for raw material import	401,213,792	553,449,027
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 Six Months Three Months	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Note	(July - December)		(October - December)	
	.....(Rupees).....			

6. COST OF GOODS SOLD

Cost of goods manufactured 6.1	1,758,587,461	1,405,201,953	800,163,102	425,821,003
Finished stocks				
Opening stock	464,756,614	684,791,847	675,327,981	870,742,536
Purchase of finished goods	25,451,919	-	9,128,705	-
Closing Stock	(688,841,178)	(606,732,279)	(688,841,178)	(606,732,279)
	(198,632,645)	78,059,568	(4,384,492)	264,010,257
	1,559,954,816	1,483,261,521	795,778,610	689,831,260

Note	..... Six Months .....		..... Three Months	
	December 31, 2010 (July - December)	December 31, 2009	December 31, 2010 (October - December)	December 31, 2009
	.....(Rupees).....			
6.1 Cost of goods manufactured				
Raw material	1,626,757,308	1,291,648,182	733,363,696	374,856,263
Salaries, wages and benefits	42,308,584	31,477,099	20,853,216	15,504,547
Stores and spares	4,642,080	4,988,044	1,464,093	3,242,670
Packing material	4,427,780	4,374,220	1,994,529	2,292,001
Power and fuel	49,919,153	34,530,660	31,487,704	10,067,795
Insurance	1,838,021	2,301,384	796,087	1,632,369
Repairs and maintenance	1,764,073	2,198,097	391,205	1,338,449
Rent, rates and taxes	158,120	196,350	158,120	-
Vehicles running and maintenance	445,084	705,765	383,820	705,765
Communication	125,815	128,124	66,885	75,299
Traveling and conveyance	2,368,959	3,114,806	1,680,803	2,114,920
Entertainment	30,305	45,460	24,410	18,072
Depreciation	18,465,601	18,808,502	5,953,906	9,538,707
Fabrication and printing	842,835	3,853,683	86,652	1,810,030
Other manufacturing overheads	4,493,743	6,831,577	1,457,976	2,624,116
	1,758,587,461	1,405,201,953	800,163,102	425,821,003

7. It includes gain on remeasurement of investment at market value amounting Rs.0.566 (Dec 31, 2009 : Rs.18.77) million.

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, directors of the company, key management personnel and post employment benefit plans. The significant transactions with related parties are as follows: -

Relationship with the Company	Nature of Transactions	..... Six Months	
		December 31, 2010 (July - December)	December 31, 2009
		.....(Rupees).....	
Associated Company	Payment of dividend	9,423,251	8,878,369
	Purchase of goods and services	-	41,070
	Purchase of property, plant and equipment	-	3,735,975
Key management personnel	Short-term employee benefits	7,815,321	8,205,400
	Post-employment benefits	381,667	422,965
Others	Short term borrowings obtained from Workers Participation Fund	-	130,000,000
	Markup on borrowings from Workers Participation Fund	-	-
		11,659,513	-



9. DATE OF AUTHORIZATION FOR ISSUE

These interim financial information have been approved and authorized for issue by the Board of Directors of the Company on February 22, 2011.

10. 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.siddiqsonstinline.com