

A Commitment to Prime Quality!

Quarterly Report
March 31,

2011



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. Sanaullah 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. Sanaullah 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 third quarter ended March 31, 2011.

Operating and Financial Performance:

Sales performance

During the period under review, sales revenue are recorded at Rs.2,714 million as compared to Rs.2,618 million during the same period last year. That means your Company achieved a slight growth of 4% in sales revenue as compared to same period last year.

Gross profit

Gross profit of the Company is Rs.236 million as compared to Rs.241 million in corresponding period last year. Its means that there is 2.3% decrease in gross profit as compared to same period last year.

The reason of the decline in gross profit is higher cost of goods sold. Which is rationally justified as in the corresponding period last year, cost of goods sold was low because it partly included duty exempted stock which was purchased before the expiry of the tax holiday period ended June 30, 2009. However, in the period under review all the stock includes effect of import duties, which increased the cost of goods sold and ultimate resultant is decrease in gross profit.

Net results

Net profit before taxation is Rs.60 million as compared to Rs.111 million during the same period last year. This means a decline of Rs.51 million or 46% as compared to the corresponding period last year. Line item analysis reveals the fact that net profit before taxation in the corresponding period last year of Rs.111 million includes 54 million of other income, means net profit from operational activities was Rs.57 million.

On the other hand net profit before taxation is Rs.60 million for the period under review which includes only Rs.6 million of other income. Hence net profit from operational activities is Rs.54 million. Therefore the actual decline in net profit before taxation from operational activities during the period under review is Rs.3 million or 5% as compared to the corresponding period last year.

Further the tax authorities have doubled the turn over tax from 0.5% to 1% in this financial year. This compelled Company to take provision for taxation of Rs.40 million, on account of Rs.27 million turn over tax and balance for deferred tax for the period under review, as compared to Rs.21 million for the corresponding period last year.

From the above facts and figures, the bottom line is that net profit after taxation during the period under review is Rs.20 million as compared to Rs.83 million in the corresponding period last year.



DIRECTORS' REVIEW

Earning per share

The earnings per share is Rs.0.26 as compared to Rs.1.06 in corresponding period last year due to the above mentioned reasons.

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.

Management has therefore made following strategical decisions which are being implemented and will be monitored periodically for achieving our goals:

- Canning division and Printing line have been established.
- Focusing on exploration of new markets in Middle East.
- To make all-out efforts to get curtailed import of under-invoiced material by application of correct ITP, removal of anomalies in duty structures and imposition of antidumping duty.
- To arrange sufficient quantity of all grades of material as per requirement of customers.
- To give preference to those customers who have been purchasing exclusively from us.
- To analyze market demand and evolve policies accordingly.

Acknowledgement

We are greatly depressed and feel sorrow on the devastating Sonami and earth-quake Japan has been beset with due to which there were heavy loss of lives and properties. At this trying moment we are with our Japanese brothers and pray to Almighty to bring solace to the people of Japan. We know Japanese are very brave and industrious people and hope that they will overcome soon this natural calamity and rebuild Japan to emerge as more robust and exemplary economy.

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: April 23, 2011

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2011

| | Note | Un-Audited 31-Mar-11(Rupees)..... | Audited 30-Jun-10 |
|---|------|---|----------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 3 | 823,742,290 | 845,464,711 |
| Long-term deposits | | 7,459,155 | 7,459,155 |
| | | 831,201,445 | 852,923,866 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 20,429,782 | 14,758,873 |
| Stock-in-trade | | 1,217,617,771 | 1,085,090,844 |
| Trade debts | | 409,038,411 | 308,973,520 |
| Loans and advances | | 341,537,684 | 292,699,500 |
| Trade deposits and short-term prepayments | | 8,206,583 | 6,588,582 |
| Other receivables | | 2,322,077 | 5,312,051 |
| Other financial assets | 4 | 4,762,138 | 32,181,079 |
| Sales tax adjustable | | 23,514,397 | 12,267,966 |
| Cash and bank balances | | 31,878,548 | 35,604,420 |
| | | 2,059,307,391 | 1,793,476,837 |
| Total Assets | | 2,890,508,836 | 2,646,400,703 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| 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 | | 432,966,277 | 471,757,931 |
| | | 1,218,167,547 | 1,256,959,201 |
| NON-CURRENT LIABILITIES | | | |
| Deferred liability | | 157,691,752 | 144,689,314 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 45,174,777 | 35,880,251 |
| Interest / mark-up accrued | | 64,268,774 | 37,586,625 |
| Short-term advances | | 130,000,000 | 262,000,000 |
| Short-term borrowings | | 1,143,379,124 | 804,605,196 |
| Taxation - income tax | | 131,826,862 | 104,680,116 |
| | | 1,514,649,537 | 1,244,752,188 |
| Total Equity and Liabilities | | 2,890,508,836 | 2,646,400,703 |
| CONTINGENCY AND COMMITMENT | | | |
| | 5 | | |
| The annexed notes form an integral part of these financial statements | | | |

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE NINE MONTHS ENDED MARCH 31, 2011

| Note | Nine Months | | Three Months | |
|--|-------------------------|------------------|--------------------------|------------------|
| | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 |
| | (July - March) | | (January- March) | |
| |(Rupees)..... | | | |
| Sales - net | 2,714,674,580 | 2,618,238,809 | 984,374,370 | 995,271,206 |
| Cost of goods sold | 2,479,156,302 | 2,377,173,867 | 919,201,486 | 893,912,346 |
| Gross profit | 235,518,278 | 241,064,942 | 65,172,884 | 101,358,860 |
| Other operating income | 6,484,890 | 54,403,737 | 1,578,411 | 28,535,334 |
| | 242,003,168 | 295,468,679 | 66,751,295 | 129,894,194 |
| Distribution cost | 12,435,452 | 11,477,279 | 2,402,556 | 3,739,930 |
| Administration expenses | 41,931,491 | 39,273,694 | 9,714,738 | 13,767,610 |
| Other operating expenses | 8,184,530 | 27,245,528 | (1,103,375) | 5,689,862 |
| Finance cost | 119,203,677 | 105,901,535 | 34,771,966 | 27,867,348 |
| | (181,755,150) | (183,898,036) | (45,785,885) | (51,064,750) |
| Profit before taxation | 60,248,018 | 111,570,644 | 20,965,410 | 78,829,445 |
| Provision for taxation | (40,149,577) | (28,064,653) | (9,297,252) | (14,592,233) |
| Profit/(loss) for the period | 20,098,441 | 83,505,990 | 11,668,158 | 64,237,211 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income/(loss) | - | - | - | - |
| Profit for the period | 20,098,441 | 83,505,990 | 11,668,158 | 64,237,211 |
| Earnings per share - Basic and diluted | 0.26 | 1.06 | 0.15 | 0.82 |

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)

FOR THE NINE MONTHS ENDED MARCH 31, 2011

| | Nine Months | |
|--|-----------------------------|-----------------------------|
| | March 31, 2011 Rupees | March 31, 2010 Rupees |
| | (July - March) | |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 60,248,018 | 111,570,644 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 31,268,508 | 32,893,892 |
| Gain on disposal of property, plant and equipment | - | (444,168) |
| Unrealized gain on investments | 493,213 | (37,282,955) |
| Dividend income | (927,964) | (14,784,925) |
| Gain on sale of investments | (1,907,622) | (877,979) |
| Finance cost | 119,203,677 | 105,901,535 |
| Operating cash flows before movement in working capital | 208,377,830 | 196,976,044 |
| Changes in working capital | | |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (5,670,909) | (2,213,151) |
| Stock-in-trade | (132,526,926) | 1,026,052,598 |
| Trade debts | (100,064,891) | (35,196,462) |
| Loans and advances | 41,370,342 | 21,842,816 |
| Trade deposits and short term prepayments | (1,618,001) | 378,295 |
| Other receivables | 2,199,062 | 1,534,035 |
| Sales tax refundable | (11,246,431) | - |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 9,294,526 | (310,315,181) |
| Sales tax payable | - | (26,059,624) |
| | (198,263,227) | 676,023,326 |
| Cash (used in) / generated from operations | 10,114,603 | 872,999,370 |
| Taxes paid | (90,208,919) | (75,882,782) |
| Finance cost paid | (92,521,528) | (99,825,226) |
| Net cash (used in) / generated from operating activities | (172,615,844) | 697,291,362 |

..... Nine Months

| March 31, 2011 Rupees | March 31, 2010 Rupees |
|-----------------------------|-----------------------------|
| (July - March) | |

B. CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|--|--------------------|--------------|
| Proceeds from disposal of property, plant and equipment | - | 1,139,317 |
| Purchase of property, plant and equipment | (9,546,087) | (64,120,708) |
| Purchase of investments | (3,456,105) | - |
| Disposal of investments | 33,275,882 | 3,496,171 |
| Dividend received | 732,450 | 6,745,875 |
| Net cash generated from / (used in) investing activities | 21,006,140 | (52,739,345) |

C. CASH FLOWS FROM FINANCING ACTIVITIES

| | | |
|--|----------------------|---------------|
| Short term bank borrowings obtained - net | (305,134,584) | (185,116,534) |
| Dividend paid | (58,890,095) | (78,520,127) |
| Net cash generated from / (used in) financing activities | (364,024,679) | (263,636,661) |

| | | |
|---|----------------------|-------------|
| Net decrease in cash and cash equivalents (A+B+C) | (515,634,384) | 380,915,356 |
|---|----------------------|-------------|

| | | |
|--|-------------------|---------------|
| Cash and cash equivalents at beginning of the period | 24,580,034 | (462,735,443) |
|--|-------------------|---------------|

| | | |
|--|----------------------|--------------|
| Cash and cash equivalents at end of the period | (491,054,350) | (81,820,088) |
|--|----------------------|--------------|

CASH AND CASH EQUIVALENT

| | | |
|------------------------|----------------------|---------------|
| Cash and bank balances | 31,878,548 | 75,560,225 |
| Running finance | (522,932,898) | (157,380,313) |
| | (491,054,350) | (81,820,088) |

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 NINE MONTHS ENDED MARCH 31, 2011

| | 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 | 785,201,270 | 452,874,659 | 1,238,075,929 |
| Profit for the period ended December 31, 2010 | - | 18,883,272 | 18,883,272 |
| Other comprehensive income | - | - | - |
| Balance at June 30, 2010 | 785,201,270 | 471,757,931 | 1,256,959,201 |
| 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 March 31, 2011 | - | 20,098,441 | 20,098,441 |
| Other comprehensive income | - | - | - |
| Balance at March 31, 2011 | 785,201,270 | 432,966,277 | 1,218,167,547 |

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2011

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. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During the period following additions and disposals were made: -

| | March 31, 2011 | | March 31, 2010 | |
|---------------------------------|-------------------|---------------------|-------------------|------------------|
| | Additions | Transfer | Additions | Disposal (WDV) |
|(Rupees)..... | | | | |
| Operating fixed assets | | | | |
| Building on leasehold land | - | - | 100,407 | - |
| Plant and machinery | 48,981,849 | - | 18,634,915 | - |
| Factory equipment | 132,190 | - | 131,254 | - |
| Office equipment | 280,700 | - | 260,528 | - |
| Data processing equipment | 502,423 | - | 165,649 | - |
| Furniture and fixtures | 341,220 | - | 773,143 | - |
| Vehicles | 58,200 | - | 8,096,885 | 1,169,624 |
| | <u>50,296,582</u> | <u>-</u> | <u>28,162,781</u> | <u>1,169,624</u> |
| Capital work in progress | | | | |
| Machinery and equipment | 2,764,938 | (44,010,041) | 35,869,359 | - |
| Advance for capital expenditure | 653,660 | - | 36,317 | - |
| | <u>3,418,598</u> | <u>(44,010,041)</u> | <u>35,905,676</u> | <u>-</u> |

4 OTHER FINANCIAL ASSETS

- Investments

Financial value through profit and loss - held for trading

In quoted companies
Ordinary shares of Rs. 10/- each

| 31-Mar-11 Rupees | 30-Jun-10 Rupees | No. of shares | | Market Value | |
|---------------------|---------------------|---------------|--|---------------------|---------------------|
| | | | | 31-Mar-11 Rupees | 30-Jun-10 Rupees |
| 27,000 | 206,865 | | National Bank of Pakistan | 1,539,540 | 13,260,047 |
| - | 427,500 | | Fauji Fertilizer Bin Qasim Limited | - | 11,132,101 |
| - | 225,000 | | Pakistan Telecommunication Company Limited | - | 4,005,000 |
| 776,666 | 776,666 | | Summit Bank Limited (formerly Arif Habib Bank Limited) | 2,260,098 | 2,788,231 |
| 35,000 | 35,000 | | Artistic Denim Mills Limited | 682,500 | 714,700 |
| 100,000 | 100,000 | | JS Bank Limited | 280,000 | 281,000 |
| | | | | 4,762,138 | 32,181,079 |

5 CONTINGENCY AND COMMITMENT

5.1 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 the Sindh High Court. A bank guarantee has been issued for Rs. 130 million (June 2010 : Rs. 110) million as per order of the High Court. Management is confident of favorable outcome.

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 favorable outcome.

5.2 Commitment

| | Un Audited 2011 March Rupees | Audited 2010 June Rupees |
|---|---|-----------------------------------|
| Letters of credit for import of raw materials | 548,373,291 | 553,449,027 |

..... Nine Months

| March ,31 2011 | March ,31 2010 |
|---------------------------|-------------------|
|---------------------------|-------------------|

(July - March)

6 COST OF GOODS SOLD

| | | | |
|----------------------------|-----|----------------------|---------------|
| Cost of goods manufactured | 6.1 | 2,593,605,616 | 2,096,527,446 |
| Finished stocks | | | |
| Opening stock | | 461,199,861 | 684,791,847 |
| Purchase of finished goods | | 16,285,197 | |
| Closing Stock | | (591,934,372) | (404,145,426) |
| | | (114,449,314) | 280,646,421 |
| | | 2,479,156,302 | 2,377,173,867 |

6.1 Cost of goods manufactured

| | | | |
|---------------------------------|-----|----------------------|---------------|
| Raw materials consumed | 6.2 | 2,405,126,088 | 1,926,783,210 |
| Salaries, wages and benefits | | 45,941,253 | 41,261,492 |
| Stores and spares consumed | | 5,406,722 | 5,999,302 |
| Packing material consumed | | 7,458,351 | 6,364,918 |
| Power & Fuel | | 63,507,874 | 51,994,815 |
| Insurance | | 3,643,172 | 3,452,076 |
| Repair and maintenance | | 2,377,036 | 2,286,903 |
| Rent, rates and taxes | | 551,250 | 177,016 |
| Vehicle Running and maintenance | | 585,457 | 982,843 |
| Communication | | 231,824 | 187,230 |
| Travelling and conveyance | | 3,519,118 | 1,790,730 |
| Entertainment | | 162,766 | 55,055 |
| Canning Expense | | 19,726,454 | 19,687,469 |
| Depreciation | | 28,125,181 | 28,694,760 |
| Other manufacturing overheads | | 7,243,070 | 6,809,627 |
| | | 2,593,605,616 | 2,096,527,446 |

6.2 Raw material consumed

| | | |
|-------------------------------|----------------------|---------------|
| Opening stock | 103,351,025 | 844,634,094 |
| Purchase and related expenses | 2,424,078,379 | 1,165,365,110 |
| | 2,527,429,404 | 2,009,999,204 |
| Closing stock | (122,303,316) | (83,215,995) |
| | 2,405,126,088 | 1,926,783,209 |

7 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The 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 Transaction | March ,31 2011 | March ,31 2010 |
|---------------------------------|---|--------------------------------------|-------------------|
| | |(Rupees)..... (July - March) | |
| Associated company | | | |
| | Purchase of goods and services | - | 41,070 |
| | Purchase of property plant & Equipment | - | 3,735,975 |
| | Payment of Dividend | 9,423,251 | 8,878,369 |
| Key management personnel | | | |
| | Short term employee benefits | 11,769,087 | 12,290,542 |
| | Post employment benefits | 572,501 | 536,805 |
| Other related parties | | | |
| | Short term borrowings obtained/ (repaid) from WPPF-net | - | 130,000,000 |

8 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorized for issue by the Board of Directors of the Company on 23, April 2011.

9 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