

Quarterly Report March

2012

Siddiqsons Tin Plate Limited
A Siddiqsons Group Company



Quarterly Report March,
2012

A Commitment to Prime Quality !

CONTENTS

	Page
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	Chairman / Chief Executive
Mr. Tariq Rafi	Director
Mr. Abdur Rahim	Director
Mr. Ibrahim Shamsi	Director
Mr. Sanaullah Abdullah	Director
Mr. S. Waliullah Shah	Director
Mr. Saturo Nishi	Director
Mr. Jean Pierre Gugenheim	Director

Audit Committee

Mr. Ibrahim Shamsi	Chairman
Mr. Abdur Rahim	Member
Mr. Sanaullah Abdullah	Member
Mr. Saturo Nishi	Member
Mr. M. Javid Ansari	Secretary

Chief Financial Officer

Mr. Rashid Khaleeque

Company Secretary

Mr. M. Javid Ansari

Internal Auditor

Mr. Murtaza Ahmed

Auditors

M. Yousuf Adil Saleem & Company
Chartered Accountants

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 HSBC Middle East Limited

Legal Advisor

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

Shares Registrar

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

Registered Office

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

Plant

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, 2012.

Operating and Financial Performance:

Sales performance

During the period under review, sales in quantitative term was 19,984 M/tons as compared to 29,166M/tons respectively during corresponding period last year. Resultant sales revenue was recorded at Rs.1,878million as compared to Rs.2,715 million during the same period last year. In other words sales quantity and sales revenue were remained lower 31% and 30% respectively as compared to corresponding period last year.

Gross profit

Gross profit of the Company was Rs. 98.5million which was 5.2% of sales revenue as compared to Rs.235 million which was 8.7% in corresponding period last year. Its means that there is 58% downfall in gross profit as compared to same period last year due to higher fixed cost per unit as production decreased by 31% due to power and energy crises & strikes of Oil & Ghee mills which ultimately effected our production and operation.

Net results

The bottom line and net results showed net loss after taxation of Rs.70 million during the period under review as compared to net profit of Rs.20million in the corresponding period last year.

Under review quarter was similar to the last year which was also a very difficult year due to unstable economical, political and law & order situation, for all business houses and as such our Company was no exception. Country's unstable economical condition was the major obstacle for low sales.

Economic challenges and Industrial low output due to power shortage in the country were also considerable factors for low sales.

As majority of our raw material is imported from various countries so instability of exchange rate also adversely affected our cost.

Misdeclared tinplate especially from Iran via land route under the garb of scrap, paying no duties at all due to this market is flooded with cheap tinplate hampering our sales badly. However, Company is making all-out efforts to get curtailed import of under-invoiced and misdeclared tinplate.

A huge amount has been blocked in the head of sales tax and income tax refundable due to Governmental taxation policies which also affected our cash flow and resultantly it increased financial cost.

The loss per share was Rs. (0.89) as compared to earning per share Rs. 0.26 in corresponding period last year is due to above reasons.



Siddiqsons Tin Plate Limited
A Siddiqsons Group Company

03

3rd Quarterly Report
March 2012

DIRECTORS' REVIEW

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.

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

- Focusing on exploration of new markets in Middle East.
- To make all-out efforts to get curtailed import of under-invoiced material
- Removal of anomalies in duty structures and imposition of antidumping duty to allow level playing field.
- To arrange sufficient quantity of all grades of material as per requirement of customers to service their requirement.

Acknowledgement

The Directors of the Company would like to take the opportunity to thank the Securities and Exchange Commission of Pakistan, Shareholders, Partners, Customers, Government Authorities, Autonomous bodies and the Financial Institutions for their co-operation & 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 of Directors

ABDULLAH RAFI

Chairman/CEO

Karachi: April 27, 2012



BALANCE SHEET

AS AT MARCH 31, 2012

	Note	Unaudited March 31, 2012	Audited June 30, 2011
.....(Rupees).....			
NON-CURRENT ASSETS			
Property, plant and equipment	3	812,773,583	819,626,981
Long-term deposits		10,705,090	7,559,155
		823,478,673	827,186,136
CURRENT ASSETS			
Stores, spares and loose tools		15,837,617	18,191,429
Stock-in-trade		1,156,771,977	1,309,838,815
Trade debts		355,964,530	377,254,399
Loans and advances		100,735,460	152,483,213
Trade deposits and short-term prepayments		20,184,875	13,234,647
Other receivables		603,788	59,727,759
Other financial assets		278,052	342,839
Income tax refundable		72,595,105	48,819,731
Sales tax adjustable		109,709,013	-
Cash and bank balances		12,325,277	11,304,883
		1,845,005,693	1,991,197,715
TOTAL ASSETS		2,668,484,366	2,818,383,851
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 profits		268,194,990	364,188,578
		1,053,396,260	1,149,389,848
NON-CURRENT LIABILITIES			
Deferred Liability		141,514,496	147,440,916
CURRENT LIABILITIES			
Trade and other payables		76,962,056	105,984,282
Interest / mark-up accrued		26,763,670	42,481,532
Short-term advances		-	187,697,068
Short-term borrowings		1,356,823,813	1,182,617,964
Taxation - income tax		13,024,071	-
- sales tax		-	2,772,241
		1,473,573,610	1,521,553,087
Contingencies and Commitments	4		
TOTAL EQUITES AND LIABILITIES		2,668,484,366	2,818,383,851

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR



05

3rd Quarterly Report
March 2012

PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS ENDED MARCH 31, 2012

 Nine Months Three Months	
	March 31	March 31	March 31	March 31
	2012	2011	2012	2011
Note	(July - March)		(January - March)	
(Rupees).....			
Sales - net	1,895,052,171	2,714,674,580	564,250,885	984,374,370
Cost of goods sold	5 (1,796,524,687)	(2,479,156,302)	(538,146,984)	(919,201,486)
Gross profit	98,527,484	235,518,278	26,103,901	65,172,884
Other operating income	8,446,665	6,484,890	2,557,124	1,578,411
	106,974,149	242,003,168	28,661,025	66,751,295
Distribution cost	(10,474,858)	(12,435,452)	(2,278,872)	(2,402,556)
Administrative expenses	(51,368,525)	(41,931,491)	(14,874,349)	(9,714,738)
Other operating expenses	(24,183,865)	(8,184,530)	(101,532)	1,103,375
Finance cost	(78,659,068)	(119,203,677)	(25,097,312)	(34,771,966)
(Loss)/Profit before taxation	(57,712,167)	60,248,018	(13,691,040)	20,965,410
Provision for taxation	(13,024,101)	(40,149,577)	(5,658,404)	(9,297,252)
(Loss)/Profit for the period	(70,736,268)	20,098,441	(19,349,444)	11,668,158
(Loss)/Earnings per share - Basic and Diluted	(0.89)	0.26	(0.25)	0.15

The annexed notes form an integral part of these financial statements



CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2012

	July 1st to March 31st	
	2012 Rupees	2011 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(57,712,167)	60,248,018
Adjustments for:		
Depreciation of property, plant and equipment	31,479,399	31,268,508
Finance cost	78,659,068	119,203,677
Doubtful debts written off	711,968	
Gain on disposal of property, plant and equipment	(4,354,249)	
Unrealized gain on investment	-	493,213
Liabilities written back	(640,000)	
Dividend income	-	(927,964)
Gain on sale of investments	64,786	(1,907,622)
Loss on remeasurement of investment at market value	-	-
Operating cash flows before movement in working capital	48,208,805	208,377,830
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,353,812	(5,670,909)
Stock in trade	153,066,838	(132,526,926)
Trade debts	21,289,869	(100,064,891)
Loans and advances	26,985,030	41,370,342
Trade deposits and short-term prepayments	(6,950,228)	(1,618,001)
Other receivables	59,123,971	2,199,062
Sales tax refundable	(109,709,013)	(11,246,431)
Increase / (decrease) in current liabilities		
Trade and other payables	(29,022,226)	9,294,526
Sales tax payable	(2,772,241)	-
Cash (used in) / generated from operations	162,574,618	10,114,602
Income taxes paid	(4,939,100)	(90,208,919)
Interest / markup paid	(94,376,930)	(92,521,528)
Long term deposits paid	(3,145,935)	-
Net cash (used in) / from operating activities	60,112,653	(172,615,845)



	July 1st to March 31st	
	2012 Rupees	2011 Rupees
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	5,240,000	-
Proceeds from disposal of investment	-	33,275,882
Purchase of property, plant and equipment	(25,583,720)	(9,546,087)
Other financial assets - investments - net	-	(3,456,105)
Dividends income	-	732,450
Net cash (used in) / from investing activities	(20,343,720)	21,006,140
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowing obtained / (repaid) -net	100,334,778	(305,134,584)
Dividend paid	(25,257,320)	(58,890,075)
Short term advance - net	(187,697,068)	-
Net cash from / (used in) financing activities	(112,619,610)	(364,024,659)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(72,850,677)	(515,634,364)
Cash and cash equivalents at July 1	(268,275,182)	24,580,034
Cash and cash equivalents at March 31 2012	(341,125,859)	(491,054,330)
Cash and cash equivalents		
Cash and bank balances	12,325,277	31,878,548
Short term running finance	(353,451,135)	(522,932,898)
Book overdraft	-	-
	(341,125,858)	(491,054,350)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR



STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2012

	Issued, subscribed and paid-up capital	Unapprop riated Profit	Total
(Rupees).....		
Balance at July 1, 2010	785,201,270	471,757,931	1,256,959,201
Final cash dividend for the year ended June 30, 2010 @ Rs. 0.75/- per share	-	(58,890,095)	(58,890,095)
Loss for the year ended June 30, 2011	-	(48,679,258)	(48,679,258)
Balance at June 30, 2011	<u>785,201,270</u>	<u>364,188,578</u>	<u>1,149,389,848</u>
Final cash dividend for the year ended June 30, 2011 @ Rs .75/- per share	-	(25,257,320)	(25,257,320)
Loss for the period ended March 31, 2012	-	(70,736,268)	(70,736,268)
Balance at March 31, 2012	<u><u>785,201,270</u></u>	<u><u>268,194,990</u></u>	<u><u>1,053,396,260</u></u>

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2012

1. 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, canes ,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.

	Un-audited March 31 2012	Audited June 30, 2011
(Rupees).....	
3. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	794,118,385	801,334,588
Capital work in progress	18,655,198	18,292,393
	812,773,583	819,626,981

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingency

There is no change in contingency as disclosed in the annual audited financial statements for the year ended June 30, 2011.

4.2 Commitment

Letters of credit for raw material imports	512,427,688	319,647,808
--	--------------------	-------------



	Un-audited March 31 2012	Audited June 30, 2011
(Rupees).....	
5. COST OF GOODS SOLD		
Cost of goods manufactured	1,839,397,767	2,593,605,616
Finished stocks		
Opening stock	464,159,881	461,199,861
Purchase of finished goods		16,285,197
Closing Stock	(507,032,961)	(591,934,372)
	(42,873,080)	(114,449,314)
	1,796,524,687	2,479,156,302
5.1 Cost of good manufactured		
Raw materials consumed	1,680,883,640	2,405,126,088
Packing materials	4,409,315	7,458,351
Salaries, wages and benefits	44,189,659	45,941,253
Fuel and power	39,551,719	63,507,874
Stores and spares consumed	7,300,286	5,406,722
Sorting, slitting and cutting charges	2,014,524	-
Repair and maintenance	2,793,869	2,377,036
Printing and stationery	151,154	-
Insurance	2,240,538	3,643,172
Communication	294,139	231,824
Traveling and conveyance	727,399	3,519,118
Transportation	3,216,415	585,457
Canning expenses / Printing	21,922,375	19,726,454
Entertainment	-	162,766
Depreciation	28,047,491	28,125,181
Other manufacturing expenses	1,655,244	7,794,320
	1,839,397,767	2,593,605,616
6. TRANSACTIONS WITH RELATED PARTIES		
<p>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:</p>		

Relationship with the Company	Nature of Transactions Nine Months	
		March 31, 2012 Rupees	March 31, 2011 Rupees
	(Rupees).....	
Associated Company	Purchase of goods & services	2,336,854	-
	Sale of property, plant and equipment	5,000,000	-
	Payment of dividend	-	9,423,251
	Short-term advances obtained	38,406,377	-
	Short-term advances repaid	226,103,445	-
	Markup accrued on borrowing	1,767,987	-
	Markup paid on borrowing	6,465,808	-
	Key management personnel	Short-term employee benefits	13,086,999
Post-employment benefits		552,956	572,501
Others	Markup charged on advance from Workers' Participation Fund	-	11,659,513
	Markup paid on advance from Workers' Participation Fund	16,900,000	-

7. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been approved and authorized for issue by the Board of Directors of the Company on April 27, 2012.

8. GENERAL

Figures have been rounded off to the nearest Rupee.



Head Office:

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

Tel: +9221-32577480-9
+9221-34301658-60

Fax: +9221-34301656
+9221-34301650

Plant:

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

<http://www.sididiqsonstinplate.com>