

Quarterly Report Sep

2011



Siddiqsons Tin Plate Limited
A Siddiqsons Group Company



Quarterly Report September
2011

A Commitment to Prime Quality !

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COMPANY INFORMATION

Board of Directors

Mr. Abdullah Rafi
Mr. S. Waliullah Shah
Mr. Tariq Rafi
Mr. Ibrahim Shamsi
Mr. Sanallah 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. Sanallah 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

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 first quarter ended September 30, 2011.

Operating and Financial Performance:

Sales performance

During the period under review, sales revenue were recorded at Rs.734 million as compared to Rs.847 million during the same period last year. There is decrease in sale revenue by Rs.113 million which is 13.33% lower as compared to the same period last year. This was mainly due to 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. Economic challenges and Industrial low output due to power shortage in the country are also considerable factors for low sales. Over and above this substitution of plastic as packaging material has also taken its toll.

Gross profit

Gross profit of the Company was Rs.50.6 million which was 6.89% of sales revenue as compared to Rs.83.6 million which was 9.86.6% in corresponding period last year. It means that there is 11.7% downfall in gross profit as compared to same period last year due to higher fixed cost per unit as production decreased.

Net results

Although the bottom line and net results still showed net profit after taxation of Rs.2.08 million during the period under review as compared to net profit of Rs.17.48 million in the corresponding period. It means that there is 88% decrease in net profit after taxation as compared to the same period last year, mainly because of low sales due to misdeclared tinplate from Iran and substitution of plastic as packaging material. In addition tax authorities have also doubled the turn over tax from 0.5% to 1%, this compelled Company to take a higher provision for taxation.

Further under review quarter is 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. The Company has also been facing different challenges domestic as well as international.

The earning per share was Rs. 0.03 as compared to Rs.0.22 in corresponding period last year is due to above reasons.

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.



Siddiqsons Tin Plate Limited
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DIRECTORS' REVIEW

Management has therefore made following strategical 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.
- Application of correct ITP.
- 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.
- Inventory turnover days has been reduced and it would further improve in coming months which would decrease financial cost.

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

Karachi: October 27, 2011



CONDENSED INTERIM BALANCE SHEET (Unaudited)
AS AT SEPTEMBER 30, 2011

	Unaudited September 30, 2011	Audited June 30, 2011
(Rupees).....	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	812,773,583	819,626,981
Long-term deposits	7,556,655	7,559,155
	<u>820,330,238</u>	<u>827,186,136</u>
CURRENT ASSETS		
Stores, spares and loose tools	20,862,301	18,191,429
Stock-in-trade	956,190,260	1,309,838,815
Trade debts	422,740,298	377,254,399
Loans and advances	120,694,418	152,483,213
Trade deposits and short-term prepayments	11,914,449	13,234,647
Other receivables	783,000	59,727,759
Other financial assets	342,839	342,839
Income tax refundable	48,819,731	48,819,731
Sales tax adjustable	25,948,821	-
Cash and bank balances	7,951,524	11,304,883
	<u>1,616,247,641</u>	<u>1,991,197,715</u>
Total Assets	<u>2,436,577,878</u>	<u>2,818,383,851</u>
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 profits	341,016,249	364,188,578
	<u>1,126,217,519</u>	<u>1,149,389,848</u>
NON-CURRENT LIABILITIES		
Deferred Liability	147,440,916	147,440,916
CURRENT LIABILITIES		
Trade and other payables	102,846,607	105,984,282
Interest / mark-up accrued	41,548,876	42,481,532
Short-term advances	-	187,697,068
Short-term borrowings	985,918,884	1,182,617,964
Dividend Payable	25,257,320	-
Taxation - income tax	7,347,756	-
- sales tax	-	2,772,241
	<u>1,162,919,442</u>	<u>1,521,553,087</u>
Total Equity and Liabilities	<u>2,436,577,878</u>	<u>2,818,383,851</u>

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR



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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

	Note Three Months	
		September 30 2011	September 30 2010
(July - September)(Rupees).....			
Sales - net	2	734,778,551	847,782,125
Cost of goods sold	3	(684,167,391)	(764,176,207)
Gross profit		50,611,160	83,605,918
Other operating income		3,180,809	2,364,791
		53,791,969	85,970,709
Distribution cost		(2,990,762)	(4,711,655)
Administrative expenses		(16,811,720)	(15,502,069)
Other operating expenses		(2,017,973)	(9,976,210)
Finance cost		(22,538,737)	(28,022,476)
Profit before taxation		9,432,777	27,758,299
Provision for taxation		(7,347,786)	(10,273,175)
Profit for the year		2,084,991	17,485,124
Earnings per share - Basic and Diluted	4	0.03	0.22

The annexed notes form an integral part of these financial statements

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Quarterly Report
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Siddiqsons Tin Plate Limited
 A Siddiqsons Group Company

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2011

..... Three Months

September 30 2011	September 30 2010
(July - September)	
.....(Rupees).....	

A. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	9,432,777	27,758,299
Adjustments for:		
Depreciation of property, plant and equipment	10,216,204	13,410,273
Finance cost	22,538,737	28,022,476
Dividend income	-	(429,405)
Gain on sale of investments	-	(2,341,281)
Loss on remeasurement of investment at market value	-	681,195
Operating cash flows before movement in working capital	42,187,718	67,101,557
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,670,872)	(386,333)
Stock in trade	353,648,555	(582,457,863)
Trade debts	(45,485,899)	(166,614,236)
Loans and advances	28,265,582	(747,634)
Trade deposits and short-term prepayments	1,320,198	858,801
Other receivables	58,944,759	3,619,426
Sales tax refundable	(25,948,821)	(45,411,743)
Increase / (decrease) in current liabilities		
Trade and other payables	(3,137,675)	5,291,645
Sales tax payable	(2,772,241)	-
Cash (used in) / generated from operations	404,351,304	(718,746,380)
Income taxes paid	3,523,184	(36,731,553)
Interest / markup paid	(23,471,393)	(16,695,207)
Long term deposits paid	2,500	-
Net cash (used in) / generated from operating activities	384,405,595	(772,173,140)

..... Three Months

September 30	September 30
2011	2010
(July - September)	
.....(Rupees).....	

B. CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposal of property, plant and equipment	-	3,287,301
Proceeds from disposal of investment	-	22,058,693
Purchase of property, plant and equipment	(3,362,805)	-
Other financial assets - investments - net	-	-
Dividends income	-	429,405
Net cash (used in) / generated from investing activities	(3,362,805)	<u>25,775,399</u>

C. CASH FLOWS FROM FINANCING ACTIVITIES

Short term borrowing obtained / (repaid) -net	(53,128,800)	561,310,200
Short term advance - net	(187,697,068)	(132,000,000)
Net cash from (used in) generated from financing activities	(240,825,868)	<u>429,310,200</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	140,216,922	(317,087,541)
Cash and cash equivalents at July 1	(268,275,182)	24,580,034
Cash and cash equivalents at September 30	(128,058,260)	<u>(292,507,507)</u>
Cash and cash equivalents		
Cash and bank balances	7,951,524	36,491,259
Short term running finance	(136,009,784)	(328,998,765)
	(128,058,260)	<u>(292,507,506)</u>

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 PERIOD ENDED SEPTEMBER 30, 2011

	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)
Profit for the period ended September 30, 2011	-	2,084,991	2,084,991
Balance at September 30, 2011	<u><u>785,201,270</u></u>	<u><u>341,016,249</u></u>	<u><u>1,126,217,519</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, 2011

I. GENERAL INFORMATION

I.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.

I.2 The financial statements are presented in Pak. Rupee which is the company's functional and presentation currency.

	Note Three Months	
		September 30 2011	September 30 2010
		(July - September)	
	(Rupees).....	
2. SALES - NET			
Sales - Tinplate		766,292,933	942,024,738
Cannes		-	39,239,309
- Side cuts, end cuts, damaged cuts, etc.		-	34,405,218
		766,292,933	1,015,669,265
Less : Commission and discount		(2,529,840)	(3,014,036)
Sales returns		(28,984,542)	(20,403,772)
Sales tax		-	(144,469,332)
		(31,514,382)	(167,887,140)
		734,778,551	847,782,125
3. COST OF GOODS SOLD			
Cost of goods manufactured	3.1	691,935,753	958,424,360
Finished stocks			
Opening stock		456,466,077	464,756,614
Purchase of finished goods		-	16,323,214
Closing Stock		(464,234,439)	(675,327,981)
		(7,768,362)	(194,248,153)
		684,167,391	764,176,207



	Note Three Months	
		September 30 2011	September 30 2010
		(July - September)	
	(Rupees).....	
3.1 Cost of goods manufactured			
Raw materials consumed	3.1.1	643,745,677	893,393,612
Packing materials		1,223,385	2,378,851
Salaries, wages and benefits		14,633,237	16,352,457
Fuel and power		11,551,942	18,198,995
Stores and spares consumed		797,125	1,507,172
Sorting, slitting and cutting charges		480,753	438,754
Repair and maintenance		796,005	717,397
Printing and stationery		18,600	48,681
Insurance		1,244,743	1,041,934
Communication		116,750	58,730
Traveling and conveyance		992,254	636,551
Transportation		15,000	45,600
Canning expenses / Printing		6,898,679	9,431,567
Entertainment		-	5,195
Depreciation		9,044,040	12,511,695
Other manufacturing expenses		377,563	1,657,169
		691,935,753	958,424,360
3.1.1 Raw material consumed			
Opening stock		117,006,373	109,703,422
Purchase and purchase expenses		619,815,622	965,015,905
		736,821,995	1,074,719,327
Closing stock		(93,076,318)	(181,325,715)
		643,745,677	893,393,612

4. EARNINGS PER SHARE -Basic and diluted

There is no dilutive effect of the basic earnings per share of the Company, which is computed as under:

	July to Sep 2011	July to Sep 2010
Profit for the 1st Quarter (Rupees)	2,084,991	17,485,124
Weighted average number of ordinary shares outstanding at the period end	78,520,127	78,520,127
Earnings per share (Rupees)	0.03	0.22

5. 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	Unaudited September 30, 2011 Rupees	Audited June 30, 2011 Rupees
Associated Company	Sale of goods and services	-	-
	Purchase of goods and services		2,339,716
	Short term advance obtained from Siddiqsons Limited		220,000,000
	Short term advance paid to Siddiqsons Limited	187,697,068	164,302,932
	Payment of dividend		7,067,438
	Markup on Short term loan from Siddiqsons Limited	2,959,589	6,408,489
Director	Funds received on behalf of the sponsors		
Key management personnel	Short-term employee benefits	6,875,562	23,591,058
	Post-employment benefits	487,067	1,820,814
Other related parties	Short term borrowings obtained / (repaid) from WPPF - net		130,000,000
	Markup on borrowing from WPPF		16,900,000

6. 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 27, 2011.

CHIEF EXECUTIVE OFFICER

DIRECTOR



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Plant:

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Winder, Distt. Lasbela, LIEDA,
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<http://www.siddiqsonstinplate.com>