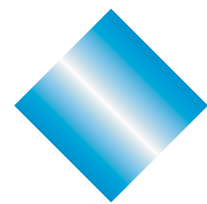


A Commitment to Prime Quality!

2010
Annual Report



Siddiqsons Tin Plate Limited
A Siddiqsons Group Company

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Siddiqsons Tin Plate Limited

a Siddiqsons Group Company



Annual Report

A Commitment to Prime Quality !



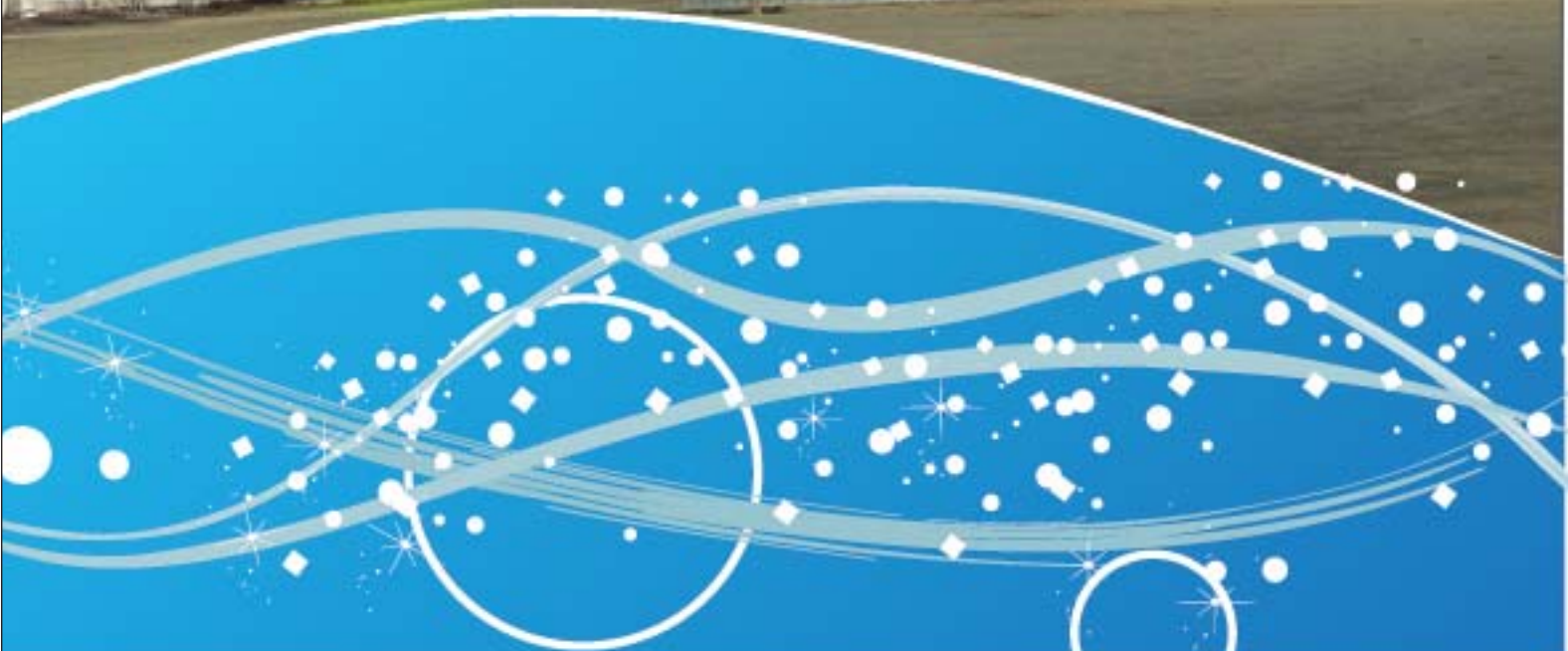
WELCOME TO
SIDDIQSONS TIN PLATE LTD
THE FIRST EVER
ELECTROLYTIC
TINNING LINE
IN PAKISTAN

A JOINT VENTURE OF



{ company
outlook }





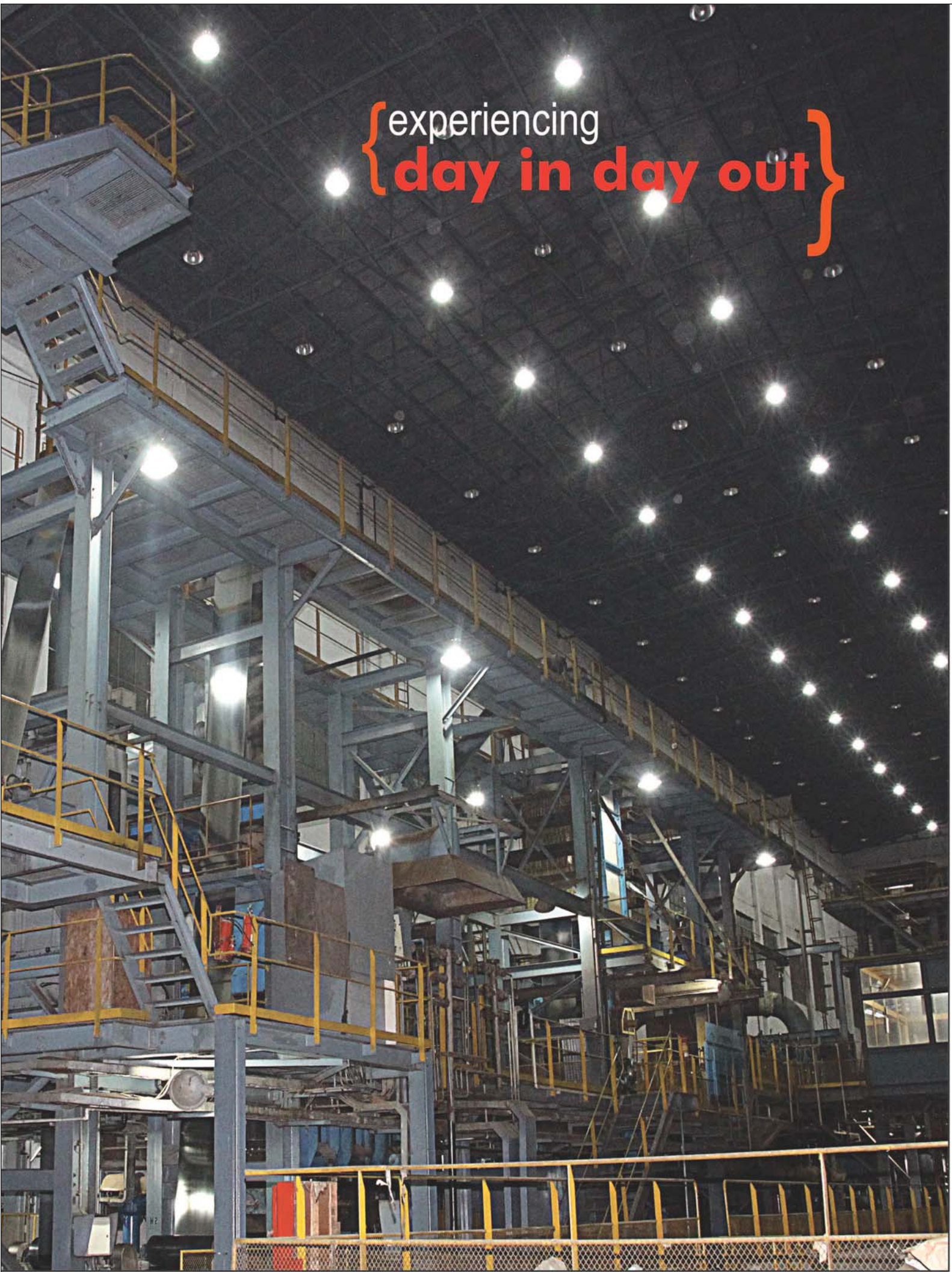
2010 progressive unit



{ we are the best
at our work }



experiencing
day in day out



{ board of directors }

Mr. Abdullah Rafi, Chairman

Mr. Abdullah Rafi is the Chairman of the Company. He is also the former chairman of APTPMA and SITE Association and has served as the Director on the Board of Karachi Electricity Supply Corporation (KESC), Sindh Industrial Trade Estate Limited, MCB Limited & First Leasing Corporation. He joined Siddiqsons Tin Plate Limited Board since inception of the Company.



Mr. Tariq Rafi, Chief Executive

Mr. Tariq Rafi is the Chief Executive of the Company (STPL) as well as Siddiqsons Limited (Formerly Siddiqsons Denim Mills Limited and "The Mall Clifton". He is also serving his responsibilities as the Directors on the Board of MCB Bank Limited and Central Depository of Pakistan Limited (CDC). He possesses Young Businessmen Leader Award from Institute of Business Administration (IBA) and Best Businessmen Award for the year 1999 from Federation of Chamber of Commerce & Industries. He is honorary Consul General of Republic Serbia in Pakistan. He is also recipient of "Sitara-e-Imtiaz". He joined Siddiqsons Tin Plate Limited Board since inception of the Company.



Mr. S. Waliullah Shah, Director

Mr. S. Waliullah Shah is Director of the Company. He is also Director on the Board of MCB Assets Management Company Limited and hold key positions in Siddiqsons Group. Mr. Shah holds Post Graduate Economic Degree from Karachi University. He also possesses Banking Diploma from Institute of Bankers in Pakistan. He has 32 years wide experience in banking sector. He joined the Siddiqsons Tin Plate Limited Board in 2005.



Mr. Ibrahim Shamsi, Director

Mr. Ibrahim Shamsi is the Director of the Company. He has good experience of modern management and effective control management. He is Chief Executive of Aladin Water & Amusement Park, Karachi and Joyland, Lahore and also Chairman of Cotton Web (Pvt) Limited. He is also serving his responsibilities as the Director on the Board of Adamjee Insurance Company Limited the largest insurance company of Pakistan. By qualification Mr. Shamsi is MBA from LUMS. He joined Siddiqsons Tin Plate Limited since inception.



Mr. Sanaullah, Director

Mr. Sanaullah started his business career in the late 90s and joined the Board in 2008. He has vast experience in textile and has extensively traveled to different regions of the world for sales and marketing of textile and other products. He is also a director in Siddiqsons Industries (Pvt) Limited and Siddiqsons Agro and Food Ltd. He is MBA from LUMS.



Mr. Saturo Oki, Director

Mr. Saturo Oki is a nominee Director of M/s Metal One Corporation of Japan. Metal One Corporation is a subsidiary company of Mitsubishi Corporation. Mr. Oki joined Steel Export Department of Mitsubishi Corp. in April, 1982 since then he has been holding key positions in Mitsubishi Corporation. Presently he is discharging his responsibilities as General Manager, Steel International Department of M/s Steel One Corporation. By qualification he is Graduate from Tokyo University. He joined the Siddiqsons Tin Plate Limited Board in 2004.



Mr. Jean Pierre Gugenheim, Director

Mr. Jean Pierre Gugenheim is a nominee Director of M/s Arcelor Packaging International of France. Mr. Gugenheim has huge experience in the marketing field & also possesses very dynamic personality. He joined the Siddiqsons Tin Plate Limited Board in 1998.





 **Siddiqsons Tin Plate Limited**

{ company
information }

Audit Committee

Mr. Ibrahim Shamsi	Chairman
Mr. Abdullah Rafi	Member
Mr. Sanaullah Abdullah	Member
Mr. Saturo Oki	Member
Mr. M. Javid Ansari	Secretary

Chief Financial Officer

Mr. Rashid Khaleeque

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

Shares Registrar

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

Legal Advisor

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

Registered/Head Office

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

Plant

Special Industrial Zone
Winder, Baluchistan

Web Presence

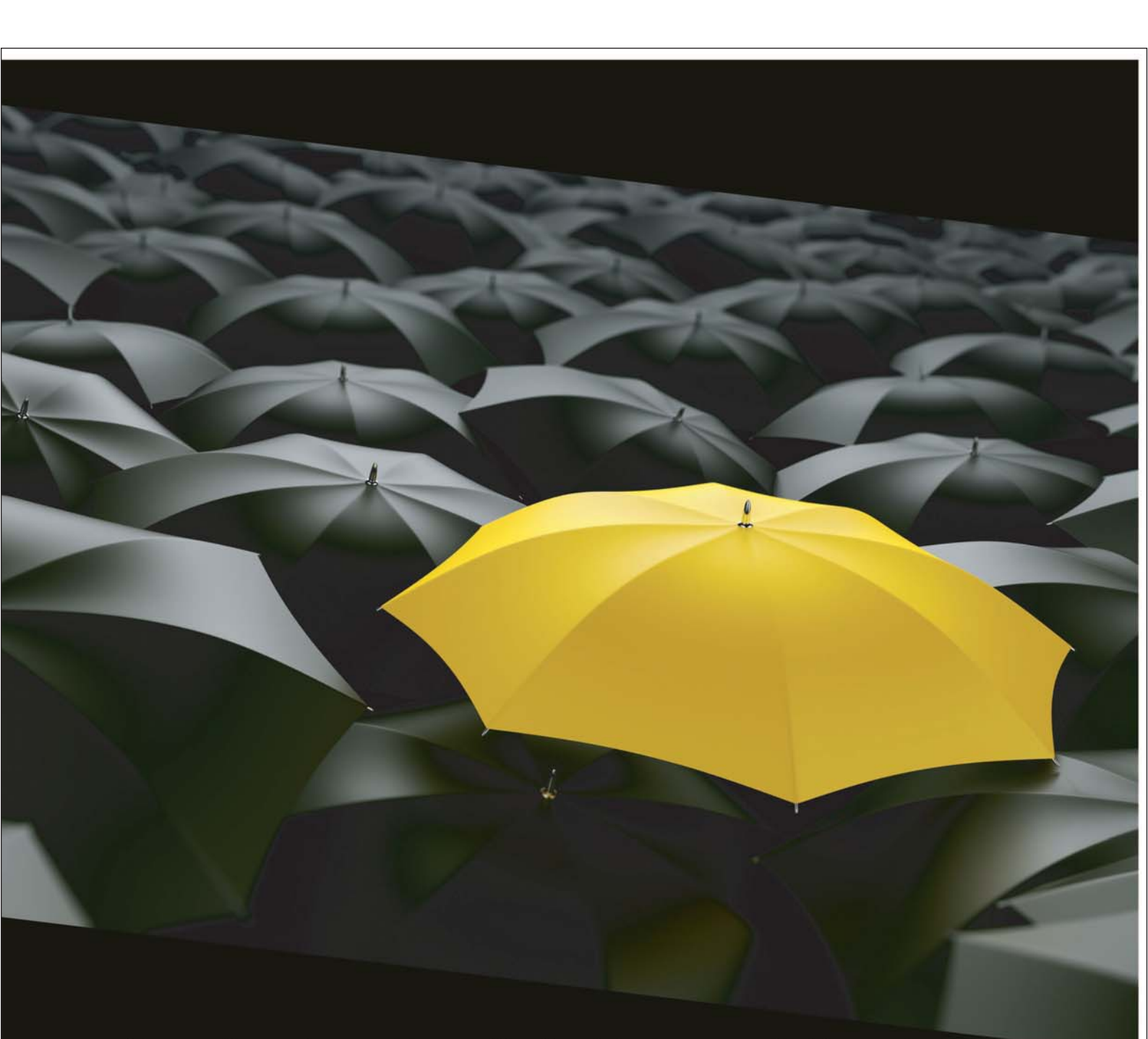
www.siddiqsonstinplate.com



To become a professionally managed, fully integrated, customer focused prime quality Tin Plate producer, offering value added quality tin plate products to our customers within and outside Pakistan meeting International Standard.

this is our vision





To continuously provide quality tin plate to our valuable customers at affordable price, build strong and permanent relation with domestic and international patrons under the umbrella of quality, reliability and affordability, focused to our customers and always put our customers on first priority. Our mission is going to be the course chart and radar of our ship so that every time we move we check our parameters to comply and follow our mission and do not deviate from it.

{ these are the parts of our **mission** }

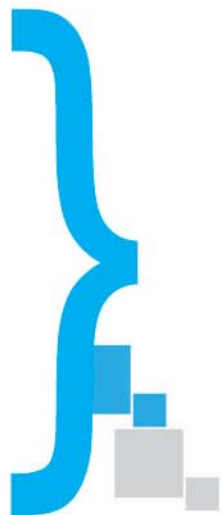
{ crossing
miles stones }



To enable STPL a modest tin plate company with global acceptability, to attain new heights of success with the help of Al-mighty Allah, we plan to further expand our business network and penetrate in global tin industry through joint venture with different neighboring countries and contribute to generate robust foreign reserve for our country.

Our objective is to successfully deliver quality products and services to our customers and enlighten the awareness of tin plate for food packaging industry in the country.

this is our **corporate
strategy**



NOTICE is hereby given that the 15th Annual General Meeting of M/s. Siddiqsons Tin Plate Limited will be held on Wednesday, October 27, 2010 at 10:30 a.m. at registered office situated at D-53, Textile Avenue, S.I.T.E., Karachi, to transact the following ordinary business:

ORDINARY BUSINESS

1. To confirm the Minutes of the Annual General Meeting held on October 26, 2009.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2010, together with the Auditors' Directors' Report thereon.
3. To appoint auditors of the Company for the year ending June 30, 2011 and fix their remuneration. The present auditors M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants are retiring and have offered themselves for reappointment. However, the directors being the shareholders of the Company recommended to consider appointment of some other auditors in place of retiring auditors.
4. To consider and approve the payment of cash dividend for the year ended June 30, 2010 at Rs. 0.75 per ordinary share i.e 7.5%, as recommended by the Board of Directors of the Company.

SPECIAL BUSINESS

5. Subject to the approval of Securities and Exchange Commission of Pakistan (SECP), to discuss and approve some changes in the Memorandum of Association of the Company to incorporate the businesses of manufacturing, import, export, warehousing, distribution, sale, purchase and dealers (both wholesale and retail) in all kinds of Canning, Cans printing, Fishing, Marble Cutting and Polishing, Cement plant and Mining and Real Estate development, by pass the following resolution as a Special Resolution:

"RESOLVED that subject to approval from the Securities and Exchange Commission of Pakistan (SECP), the addition of the following objects as object clause III (15) of the Memorandum of the Association be and are hereby approved:

"To carry on the business of manufacturing, import, export, warehousing, distribution, sale, purchase and dealers (both wholesale and retail) in all kinds of Canning, Cans printing, Fishing, Marble Cutting and Polishing, Cement plant and Mining and Real Estate development."

6. To consider and approve an investment up to Rs.100 million in Kingdom of Saudi Arabia as recommended by the board of directors, to obtain trade license from the ministry of Saudi Arabia or incorporate a firm, corporation or company for the business of manufacturing, import, export, warehousing, distribution, sale, purchase and dealers (both wholesale and retail) in all kinds of Canning, Cans printing, tin plates, tempered cold rolled sheets, black plates and steel sheets, by pass the following resolution as a Special Resolution:

"RESOLVED that the Company be and is hereby authorized to make an investment up to Rs. 100 million in Kingdom of Saudi Arabia to obtain trade license from the ministry of Saudi Arabia or incorporate a firm, corporation or company for the business of manufacturing, import, export, warehousing, distribution, sale, purchase and dealers (both wholesale and retail) in all kinds of Canning, Cans printing, tin plates, tempered cold rolled sheets, black plates and steel sheets."

7. To transact any other business with the permission of the Chair.

By order of the Board

Karachi
October 04, 2010

M. Javid Ansari
Company Secretary

{ notice of the 15th annual
general meeting



NOTES:

1. The Share Transfer Books of the Company will remain closed from October 20, 2010 to October 27, 2010 (both days inclusive).
2. A member entitled to attend, and vote a Meeting is entitled to appoint another member as a proxy to attend, speak and vote on his/her behalf. A corporation being a member may appoint as its proxy any of its official or any other person whether a member of the company or otherwise.
3. An instrument of proxy and a Power of Attorney or other authority (if any) under which it is signed, or notarized copy of such Power of Attorney must be valid and deposited at the Share Register of the Company M/s. THK Associates (Private) Limited, Ground Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi-75530, not less than 48 hours before the time of the Meeting.
4. Those shareholders, whose shares are deposited with Central Depository Company of Pakistan Ltd. (CDC) are requested to bring their original Computerized National Identity Card (CNIC) along with participant's ID number and their account/sub-account numbers in CDC to facilitate identification at the time of Annual General Meeting. In case of Proxy, attested copies of proxy's CNIC or passport, Account and Participation's I.D. numbers must be deposited alongwith the Form of Proxy with our Share Registrar as per paragraph No. 3 above. In case of Proxy for corporate members, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless it has been provided earlier to the Share Register).
5. Shareholders are requested to notify the Company of the change in their address, if any, to our Share Registrar M/s. THK Associates (Pvt.) Limited.

Statement of Material Facts under Section 160 (1) (b) of the Companies Ordinance, 1984 relating to said Special Business.

- i. For diversification of Company's core business and to increase Company's profitability, the Board of Directors of the Company has proposed some changes in the Memorandum of Association of the Company to incorporate the businesses of manufacturing, import, export, warehousing, distribution, sale, purchase and dealers (both wholesale and retail) in all kinds of Canning, Cans printing, Fishing, Marble Cutting and Polishing, Cement plant and Mining and Real Estate development, as object clauses in the Memorandum of Association of the Company, subject to the approval by Securities and Exchange Commission of Pakistan (SECP).
- ii. As Kingdom of Saudi Arabia is one of the largest markets for Tin plates and Canning industries. The Board of directors has also recommended for making an investment up to Rs. 100 million in Kingdom of Saudi Arabia to obtain trade license from the ministry of Saudi Arabia or incorporate a firm, corporation or company for the business of manufacturing, import, export, warehousing, distribution, sale, purchase and dealers (both wholesale and retail) in all kinds of Canning, Cans printing, tin plates, tempered cold rolled sheets, black plates and steel sheets.
- iii. This statement sets out the material facts concerning the Special Business (given agenda # 5 & 6) to be transacted at the 15th Annual General Meeting of the members of Siddiqsons Tin Plate Limited to be held on October 27th , 2010.
- iv. The interest of the Director and Chief Executive Officer in the above special business is only to the extent of their being the shareholders and Directors/Chief Executive.
- v. Relevant documents are available for inspection at the registered office of the Company during office hours upto October 19, 2010.



SIX YEARS AT A GLANCE

DESCRIPTION	2010	2009	2008	2007	2006	2005
Rupees in "000"						
TRADING RESULTS						
Net Turnover	3,247,871	2,639,940	2,397,536	3,383,978	3,042,064	3,485,488
Gross Profit	252,636	227,413	372,789	408,314	493,486	730,729
Operating Profit	197,880	21,339	240,599	328,249	417,114	642,975
Profit / (Loss) before tax	66,611	(118,165)	181,137	266,026	355,762	579,107
Profit / (Loss) after tax	38,152	(119,824)	160,596	249,097	340,218	561,603
Dividend	58,890	78,520	117,780	117,780	71,382	253,802
BALANCE SHEET						
Share Capital	785,201	785,201	785,201	785,201	713,819	713,819
Unappropriated profit	471,757	512,126	749,730	873,368	731,035	389,688
Total Assets	2,646,401	3,387,484	2,978,353	2,227,728	2,605,366	2,304,931
INVESTORS INFORMATION						
Gross Profit in percent of sales	7.78	8.61	15.55	12.07	16.22	20.96
Earnings Per Share	0.49	(1.53)	2.05	3.17	4.33	7.17
Profit / (Loss) before tax in percent of sales	2.05	(4.48)	7.56	7.86	11.69	16.61
Profit / (Loss) after tax in percent of sales	1.17	(4.54)	6.70	7.36	11.18	16.11
Inventory Turnover (times)	2.11	1.73	3.40	4.81	2.50	2.72
Debtor turnover (times)	9.03	7.36	4.75	6.79	11.30	18.23
Break-up value per share (Rs)	16.01	16.52	19.55	20.66	20.24	15.48
Market Value Per Share (Rs)	10.01	8.51	19.32	32.35	33.25	10.00
Price earnig Ratio	20.60	(5.58)	9.45	10.20	7.67	1.39
Dividend per share (Rs)	0.75	1.00	1.50	1.50	1.00	3.56
Dividend yield ratio (%)	7.49	11.75	7.76	4.64	3.01	35.56
Dividend Payout Ratio (%)	154.36	-	73.34	47.28	20.98	45.19
Return on capital employed (%)	3.04	(9.24)	10.46	15.35	23.55	50.83
Debt : Equity ratio	0.99	1.51	0.85	0.37	0.80	1.09
Current Ratio	1.44	1.31	1.63	2.22	1.42	1.12
Interest cover (times)	1.51	0.15	4.05	5.28	6.80	10.07

* Post balance sheet event

{ Code of Ethics }

and Business Practices

Honesty, integrity and strong commitment to high standards of ethical, moral and lawful conducts are among the most important traditions. This dedication is critical to meet our commitment to the shareholders, customers, suppliers and employees.

Ethical behaviour is an individual responsibility. Behaviour reflecting- high ethical standards are expected of all executives and employees regardless of their position or location. Our businesses and customs vary, and each individual who works for the Company is unique, however, we have certain standards and responsibilities to share wherever we do

Code of Ethics

Management Commitment to Ethics

1. We, the management of the enterprise are committed to the following principles:
 - ethical management practices
 - recognition of merits
 - empowerment of employees- respect of employees, suppliers, clients, and shareholders
 - respect of basic human rights
 - avoidance of conflicts of interest

Managerial Responsibilities

2. Managers are expected to set the highest standards of ethical business conduct and are encouraged to discuss the ethical and legal implications of business decisions. It is their responsibility to create and sustain work environment in which employees, consultants and contract workers know that ethical and legal behaviour is expected of them. Managers must be diligent in looking for indications that unethical or illegal conduct has occurred, and take appropriate action on regular basis to address any situation that seem to be in conflict with the law or the Code.

Employee Commitment to Ethics

4. All employees should have the opportunity to contribute, learn, grow and advance based on merit.

Ethical principles which employees must follow include:

- Honesty
- Fulfilment of their promises
- Integrity and loyalty
- Feeling of belongingness

Code, Policies and Applicable Laws

5. It is management's responsibility to ensure compliance with the Code, Company's policies and all prevailing applicable laws in conducting business within the country and around the globe.

Confidentiality

6. We safeguard confidential information by keeping it secure, avoiding discussion in public areas and limiting access to those who have to know for execution of their duties.
7. Information that is not generally disclosed and is helpful to the company must be protected.

Conflict of Interest

8. Actions must be based on sound business judgement, and not motivated by personal interest or gain. Any situation that creates or appears to create a conflict of interest between personal interests and the interests of the Company will be avoided.

Protecting Company Assets

9. All employees are entrusted with numerous company assets, and have a special responsibility to protect them.
10. Company's resources should 'be used only to conduct company's business or for purposes authorized by management.
11. Unauthorized copying of software, tapes; books and other legally protected work, is a misuse of asset and may expose the company to legal liability.
12. Any act by Company's employee that involves theft, fraud, embezzlement, or misappropriation of any property/asset is prohibited.

Favours and Benefits

13. Employees should not misuse their position to influence vendors, subordinates or any other person to provide any undue favour or benefits, whether financial or otherwise, to themselves or others.
14. Employees shall not provide or offer to provide any favours or benefits to government departments or engage in any activities, which could influence the business decisions and violate the law. Offering or providing bribes or kickbacks is prohibited in all circumstances.



15. Gifts and entertainment may be used in developing business relationships and not be lavish or in excess of the generally accepted business practices of industry.

Competitive Information

16. The Company will always obtain information regarding customers; suppliers and competitors legally and ethically. Theft of proprietary information, inducing disclosures by a competitor's past or present employees is prohibited.

Business Conduct

Customers

1. The Company ensure that its products and services meet customer requirements ~ and product specification.
2. Labelling of products will be complete, fair and honest. Only claims, which can be substantiated and fulfilled, are made by the company, its employees and its agent.

Shareholders

3. We ensure shareholders' participation and respect their rights to information while protecting the interests of other stakeholders.
4. The Company respects the right of shareholders to submit proposals for vote and to ask questions at the meeting.
5. Shareholders are informed about significant and material violations of corporate policies (including codes of conduct) and any decisions by tribunals or courts which are unfavourable of the company.

Employees

6. The Company values its employees and their contributions towards its operations.
7. The Company pays adequate wages to enable employees, to meet the basic needs for themselves and their families.
8. The Company will not make any discrimination in its policies of employment and remuneration, whether by race, age, gender, disability or religion.
9. Each worker should be employed on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.
10. Training, development, promotion and advancement opportunities within the Company are available to all employees.
11. The Company recognizes the need for supporting and/or providing the essential social infrastructure and community services to its workers.
12. All those who work within and on the Company's premises, whether permanent, temporary or contractual, shall receive equal protection especially in provision of equipment and information concerning their health and safety at work:

Suppliers / Subcontractors

13. The Company accepts its responsibility to use its purchasing power to encourage good corporate organizations among its suppliers.
14. The Company is careful in its negotiations and contractual arrangements with other companies. This includes fair dealing, prompt payment and the avoidance of corrupt practices, bribes and questionable payment.
15. The Company seeks out supplies that meet the same quality standards on environmental and social grounds as the Company sets for its own products.
16. The Company will not enter into contracts with suppliers who use any form of forced or bonded labour.

Accuracy of Business Records

17. Employees throughout the Company are responsible for recording any kinds of information properly, honestly and accurately.
18. All financial books, records and accounts accurately reflect transactions and events, and conform both to generally accepted accounting principles and to Company's system of internal controls.

Working Hours

19. Working hours in accordance with local standards are followed at all sites and offices of the Company.

Wages and Benefits

20. We ensure that wages and social benefits are in accordance with laws in force or prevailing wage practice in the country.

Health, Safety and Environment

21. The Company is committed to provide a safe and healthy work environment to its employees. Each facility is required to have a safety program in place that includes appropriate training programs. The Company will meet applicable laws and government regulations as well as Company's own standards.
22. Each employee is responsible for observing the safety and health rules and practices that apply to his or her job. Employees are also responsible for taking precautions necessary to protect themselves & and their co-workers, including reporting accidents, injuries, and unsafe practices or conditions. Appropriate and timely action will be taken to correct known unsafe conditions.

Child Labour

Company discourages for employment of Child Labour.

{sailing around
the world}



SAILING AROUND THE WORLD...

in order to ensure that the specified needs
are fully satisfied, STPL's products are
produced in a customized fashion.



{ directors' }

report to the shareholders }

The Board of Directors of Siddiqsons Tin Plate Limited is pleased to present 5th Annual Report after listing with Karachi Stock Exchange (Guarantee) Limited, and Audited Financial Statements of the Company together with Auditor's Report thereon for the year ended June 30, 2010.

General

The principal activity of the Company is manufacturing and sale of tin plates, cans and other steel products. The installed production capacity of Tin Plate and Cans plant are 120,000 metric tons and 4 million no. of units per annum respectively. The Tin Plate plant is located at Winder Industrial Estate in the province of Balochistan and the Canning plant is located at B-26, Textile Avenue, S.I.T.E., Karachi in the province of Sind

Operating and Financial Performance

Tin plate actual production was 34,121 metric tons as compared to 36,810 metric tons during the same period last year. Canning plant actual production was 2,712,015 units as compared to 24,280 units during the same period last year. Under utilization of available capacity of Tin plate plant was due to the lack of demand caused by dumping of tin plate from European and other countries, misdeclaration and substitution of plastic as packaging material.

Sales performance

The year under review was a very difficult year for all business houses and as such our Company was no exception. The Company has also been facing different challenges domestic as well as international. Despite that accumulative net sale of your company during the year has been higher as compared to the last year's sales. Your Company has recorded net sales of Rs.3,248 million as compared to Rs.2,640 million during the same period of previous year which means there is an increase in sale revenue by Rs.608 million which is 23% higher as compared to the last year.

Gross profit

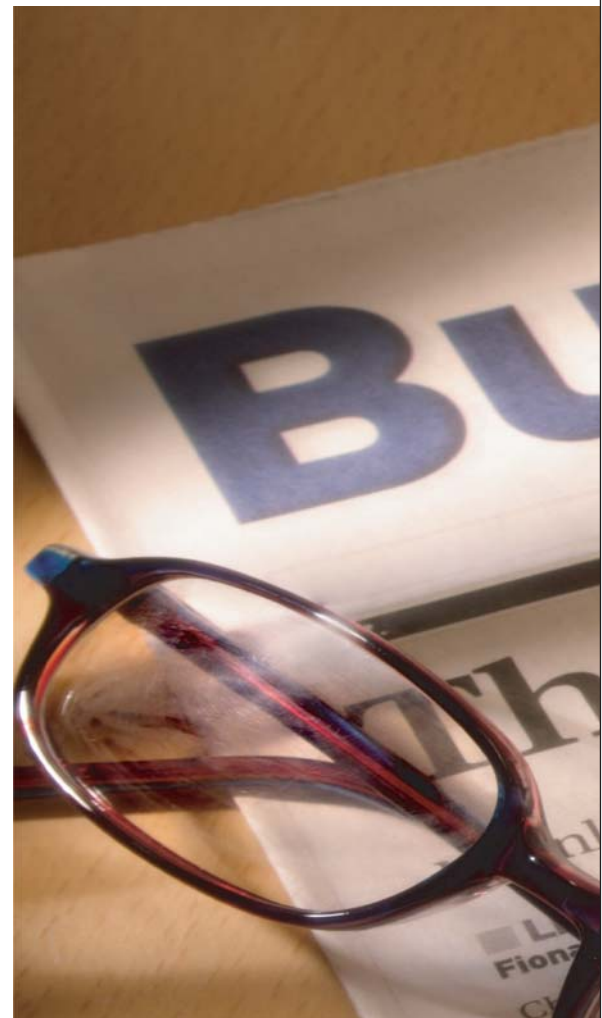
The gross profit of the Company recorded for this year is Rs.253 million which is 7.8% of the sales revenue of the current year as compared to Rs.227 million which was 8.6% of the sales revenue of the last year which means there is an increase of Rs.26 million.

Net results

The bottom line and net results were good which still showed net profit after taxation of Rs.38 million during the period under review as compared to net loss of Rs.119 million in the corresponding period. It means that there is 132% increase in net profit after taxation as compared to the same period last year.

Earning per share

The earnings per share is Rs.0.49 as compared to loss per share of Rs. (1.59) in corresponding period last year.



Dividend

As you are aware that we have been quite liberal in giving cash dividends as well as stock dividends during the last six years which could be seen from the following:

	2004	2005	2006	2007	2008	2009
Cash Dividend	12.5%	40%	10%	15%	15%	10%
Stock Dividend	34%	12.5%	10%	-	-	-

The board of directors have proposed a final cash dividend for the year ended June 30, 2010 at Rs.0.75 per share, i.e, 7.5%, after taking into consideration current situation without denting financial health of the Company and with resolve to do better next year to earn better dividends.

Following is the comparative financial results for previous three years.

Rupees in Million	2010		2009 (Restated)		2008 (Restated)	
	Rs.	% of Sales	Rs.	% of Sales	Rs.	% of Sales
Sales	3,248	100	2,639	100	2,398	100
Gross Profit	253	7.8	227	8.61	373	15.55
Profit/(Loss) before tax	67	2.05	(118)	4.48	181	7.55
Profit/(Loss) after tax	38	1.17	(125)	4.73	169	7.06
EPS/(LPS) (Rupees)	0.49		(1.59)		2.15	





Provident Fund

The value of investment of Provident Fund based on its respective audited accounts as on June 30, 2009 was Rs. 16.63 million.

Future outlook

The year under review was a bad year for steel industry due to which we could not achieve set goals. However, 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 devotedly made following strategies 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 gives us advance orders.
- To analyze market demand and evolve policies accordingly.
- To make all out efforts to curtail imports of under-invoiced material by correct ITP and imposition of antidumping duty.

Auditors

The present auditors M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants are retiring and have offered themselves for reappointment. The present auditors M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants are retiring and have offered themselves for reappointment. However, the directors being the shareholders of the Company recommended to consider appointment of some other auditors in place of retiring auditors.

Compliance with the Code of Corporate Governance

The requirement of the Code of Corporate Governance set out by the Karachi Stock Exchange in their Listing Regulations, relevant for the year ended June 30, 2010 have been adopted by the Company and have been duly complied with. A separate statement of compliance with the Code of Corporate Governance has been signed by the Chief Executive Officer and is included in this report.

Statement of ethics and business practices

The Board has adopted the statement of Ethics and Business Practices. All employees have been informed of this statement and are required to observe these rules of conduct in relation to customers, suppliers and regulations.

Corporate and financial reporting frame work

- The financial statements together with the notes thereon have been drawn up by the management in conformity with the Companies Ordinance, 1984. These Statements present fairly Company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards / International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- Significant diversion from last year's operating results has been disclosed in the Directors' Report.
- The key operating and financial data for the last six (6) years is summarized and annexed with this report.

Board of directors' meetings

During the year under report, the Board of Directors met four (4) times. The numbers of meetings attended by each director during the year is shown below:

Name of Directors	No. of Meeting Attended
Mr. Abdullah Rafi	4
Mr. Tariq Rafi	4
Mr. S. Walliullah Shah	3
Mr. Sanaulah Abdullah	3
Mr. Ibrahim Shamsi	4
Mr. Satoru Oki	4
Mr. Jean Peirre Gugenheim	0

Overseas directors attended the meetings either in person or through alternate directors. Leave of absence was granted to Directors who could not attend the Board meetings.

Audit Committee and internal audit control system

The management of your Company believes in good corporate governance, implemented through a well defined and efficiently applied system of check and balance, and the provision of transparent, accurate and timely financial information. The board of directors establishes a system of sound internal control, which is effectively implemented at all level within the Company.

The Audit Committee comprises of four (4) members, most of them are non-executive directors including the chairman of the Committee. The Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations.

Corporate Social Responsibility

During the year under review the Company is continuing support society in the areas of education and health care particularly in Winder-Balochistan.

Pattern of shareholding

The total number of Company's shareholders as at June 30, 2010 were 3,097. The pattern of shareholding as at June 30, 2010 along-with necessary disclosures as required under the Code of Corporate Governance is annexed with this report.

Disclosure of shares trading by the Directors, CEO, CFO and Company Secretary:

The directors, CEO, CFO, Company Secretary and their spouses or minor children did not carry put any trade in the shares of the Company during the year except disclosed as under:

	Purchased	Sold
- Mr. Tariq Rafi (Chief Executive)	141,000	-
- Mr. Ibrahim Shamsi (Director)	-	137,728
- Mrs. Nighat Tariq	685,116	155,000

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.

ABDULLAH RAFI

Chairman

Karachi, September 27, 2010



{ analysing
for better tomorrow }



What is Tin Plate

tin plate is a material widely used for making Cans and Containers etc, due to its pleasing hygienic surface, combined with excellent corrosion and rust resistance, soldering & printing ability and quality. We have the most advanced production technology. Electrolytic Tin plant supplied by I.T.A.M, USA.

{ lines up
to deliver }





STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi Stock Exchanges (Guarantee Limited) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner: -

1. The Company encourages the representation of independent non- executive Directors on its Board of Directors (the Board). At present, the Board includes four (4) non- executive directors. The company encourages representing of minority shareholders on the Board, however, none of the minority shareholder offered himself for election.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-banking Financial Institution. None of the directors of the Company are members of any Stock Exchange.
4. No casual vacancy occurred in the Board during the year.
5. The Company has adopted a 'Statement of Ethics and Business Practices', which has been signed by all the resident directors and key employees of the Company.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), have been taken by the Board.
8. The related party transactions and pricing methods have been placed before the audit committee and approved by the Board with necessary justification for pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions.
9. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board met at-least once in every quarter. Written notices of the Board meetings were circulated at least seven days before the meetings. Agenda and working papers were also circulated before the meetings. The minutes of the meetings were appropriately recorded and circulated.
10. The directors are conversant with the relevant laws applicable to the Company including the Companies Ordinance, 1984, Listing Regulations, Code of Corporate Governance, Company Memorandum and Articles of Association and other relevant rules and regulations and are aware of their duties and responsibilities. During the year orientation courses were arranged for the resident directors of the board.



11. The Board has already approved the appointment of Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
12. The Directors' report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The CEO and CFO duly endorsed the financial statements of the Company before approval of the Board.
14. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholdings.
15. The Company has complied with all the corporate and financial reporting requirements of the Code.
16. The Board has formed an Audit Committee. It comprises of four (4) members, three (3) of them are non-executive directors including the chairman of the committee.
17. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the committee have been determined and approved by the Board of Directors and advised to the committee for compliance.
18. The company has appointed an Internal Auditor who is considered suitably qualified and experience for the purpose.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. We confirm that all other material principles contained in the Code have been complied with.

Karachi:
September 27, 2010

Chairman

Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **SIDDIQSONS TIN PLATE LIMITED** ("the Company") to comply with the Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement of internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Listing Regulations of the Stock Exchange where the Company is listed, require the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2010.

Chartered Accountants

Dated: September 27, 2010

Place: Karachi

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of SIDDIQSONS TIN PLATE LIMITED as at June 30, 2010 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a. in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b. in our opinion :
 - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in note 2.2 to these financial statements with which we concur:
 - ii. the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c. in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required, and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2010 and of the profit, its cash flows and changes in equity for the year then ended; and
- d. in our opinion, zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the company and deposited in the central Zakat Fund established under section 7 of that ordinance.

Chartered Accountants

Engagement Partner
Mushtaq Ali Hirani

Karachi
Dated: September 27, 2010

**BALANCE SHEET**

AS AT JUNE 30, 2010

	Note	2010 Rupees	2009 Rupees (Restated)	2008 Rupees (Restated)
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3	845,464,711	811,502,146	843,555,294
Long-term deposits	4	7,459,155	7,556,655	7,546,655
		<u>852,923,866</u>	<u>819,058,801</u>	<u>851,101,949</u>
CURRENT ASSETS				
Stores, spares and loose tools	5	14,758,873	14,057,340	14,556,382
Stock-in-trade	6	1,085,090,844	1,755,818,486	1,031,817,214
Trade debts	7	308,973,520	410,320,032	306,646,926
Loans and advances	8	292,699,500	185,958,069	280,435,099
Trade deposits and short-term prepayments	9	6,588,582	4,960,288	9,793,242
Other receivables	10	5,312,051	1,644,035	14,621,761
Other financial assets	11	32,181,079	112,486,995	210,324,260
Sales tax refundable	12	12,267,966	206,834	206,834
Cash and bank balances	13	35,604,420	82,972,632	258,849,410
		<u>1,793,476,837</u>	<u>2,568,424,711</u>	<u>2,127,251,128</u>
Total Assets		<u>2,646,400,703</u>	<u>3,387,483,512</u>	<u>2,978,353,077</u>
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized 120,000,000 ordinary shares of Rs.10/- each		<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Issued, subscribed and paid-up	14	785,201,270	785,201,270	785,201,270
Unappropriated profit		471,757,931	512,126,007	749,730,357
		<u>1,256,959,201</u>	<u>1,297,327,277</u>	<u>1,534,931,627</u>
NON-CURRENT LIABILITIES				
Deferred liability	15	144,689,314	133,976,127	139,005,354
CURRENT LIABILITIES				
Trade and other payables	16	35,880,251	37,876,118	44,602,084
Interest / mark-up accrued	17	37,586,625	35,912,030	16,471,566
Short-term advances	18	262,000,000	-	5,600,000
Short-term borrowings	19	804,605,196	1,757,168,363	1,115,541,339
Taxation - income tax		104,680,116	86,934,382	80,245,630
- sales tax		-	38,289,215	41,955,477
		<u>1,244,752,188</u>	<u>1,956,180,108</u>	<u>1,304,416,096</u>
Total Equity and Liabilities		<u>2,646,400,703</u>	<u>3,387,483,512</u>	<u>2,978,353,077</u>
CONTINGENCY AND COMMITMENT	20			

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR





PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010 Rupees	2009 Rupees Restated
Sales - net	21	3,247,870,962	2,639,940,126
Cost of goods sold	22	(2,995,234,874)	(2,412,526,658)
Gross profit		252,636,088	227,413,468
Distribution cost	23	(21,072,606)	(17,362,607)
Administrative expenses	24	(54,102,598)	(54,276,343)
Other operating expenses	25	(32,187,247)	(45,650,695)
Finance cost	26	(131,269,067)	(139,503,213)
Other operating income / (loss)	27	52,606,402	(88,785,245)
Profit / (loss) before taxation		66,610,972	(118,164,635)
Provision for taxation	28	(28,458,921)	(1,659,525)
Profit / (loss) after taxation		38,152,051	(119,824,160)
Other comprehensive Income		-	-
Total comprehensive income/(loss) for the year		38,152,051	(119,824,160)
Earnings per share - Basic and diluted	29	0.49	(1.53)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR





CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

	2010 Rupees	2009 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	66,610,972	(118,164,635)
Adjustments for:		
Depreciation on property, plant and equipment	42,041,876	42,869,135
Finance cost	123,023,017	128,946,511
(Reversal of provision) / provision for doubtful debts	(2,027,955)	400,379
(Reversal of provision) / provision for doubtful other receivables	(2,194,334)	2,194,334
Provision for doubtful sales tax refundable	206,834	-
Provision for slow moving and obsolete items	-	303,179
Balances written off - Advances	-	2,133,110
Gain on disposal of property, plant and equipment	(985,258)	(336,697)
Dividend income	(15,398,744)	(9,585,850)
Gain on sale of investments	(26,243,343)	-
Loss on remeasurement of investment at market value	435,929	102,976,381
Operating cash flows before movement in working capital	<u>185,468,994</u>	<u>151,735,847</u>
(Increase) / decrease in current assets		
Stores, spares and loose tools	(701,533)	195,863
Stock-in-trade	670,727,642	(724,001,272)
Trade debts	103,374,467	(104,073,485)
Loans and advances	(3,497,033)	102,187,389
Trade deposits and short-term prepayments	(1,528,294)	4,832,954
Other receivables	108,943	10,893,392
Sales tax refundable	(12,267,966)	-
Increase / (decrease) in current liabilities		
Trade and other payables	(1,862,681)	451,626,306
Sales tax payable	(38,289,214)	(3,666,262)
Cash flow generated from / used in operations	<u>901,533,324</u>	<u>(110,269,268)</u>
Income taxes paid	(102,412,573)	(9,843,480)
Interest / markup paid	(121,348,422)	(109,506,047)
Long term deposits paid	(2,500)	(10,000)
Net cash flows generated from / used in operating activities	<u>677,769,829</u>	<u>(229,628,795)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1,894,516	429,750
Purchase of property, plant and equipment	(77,745,526)	(10,909,040)
Purchase of investments	(63,137,981)	(5,139,105)
Proceeds from disposal of investments	169,251,311	-
Dividends received	13,816,119	9,475,850
Net cash flows generated from / used in investing activities	<u>44,078,439</u>	<u>(6,142,545)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	(417,879,478)	80,328,995
Short term advances obtained	350,000,000	-
Short term advances paid	(88,000,000)	-
Dividend paid	(78,653,313)	(117,638,523)
Net cash used in financing activities	<u>(234,532,791)</u>	<u>(37,309,528)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	487,315,477	(273,080,868)
Cash and cash equivalents at beginning of the year	(462,735,443)	(189,654,575)
Cash and cash equivalents at end of the year	<u>24,580,034</u>	<u>(462,735,443)</u>
Cash and cash equivalents		
Cash and bank balances	35,604,420	82,972,632
Short term running finance	(11,024,386)	(545,708,075)
	<u>24,580,034</u>	<u>(462,735,443)</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2010

	Issued, subscribed & paid up capital	Unappropriated profit	Total
	-----Rupees -----		
Balance at July 1, 2008	785,201,270	888,735,711	1,673,936,981
Effect of prior year errors (note 15.2.1)	-	(139,005,354)	(139,005,354)
Balance at July 1, 2008 - restated	785,201,270	749,730,357	1,534,931,627
Final cash dividend for the year ended June 30, 2008 @ Rs.1.5/- per share	-	(117,780,190)	(117,780,190)
Loss for the year ended June 30, 2009	-	(119,824,160)	(119,824,160)
Balance at June 30, 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>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 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. 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.

2.2 Adoption of new International Financial Reporting Standards

In the current year, the Company has adopted all new Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and as 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, 2009. The adoption of these new Standards and Interpretations has resulted in changes to the Company's accounting policies in the following areas:

IAS I (revised) - Presentation of Financial Statements January 01, 2009

The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. Further, under revised standard, an entity may present the components of profit or loss either as part of a single statement of comprehensive income or in a separate income statement. The Company has opted to present the components of profit or loss as part of a single statement of comprehensive income (profit and loss account) as permitted under revised IAS I.



The Company does not have any items of income and expenses representing other comprehensive income. Accordingly, the adoption of the above standard does not have any significant impact on the presentation of the Company's financial statements and does not require the restatement or reclassification of comparative information. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

In addition, the revised Standard has required the presentation of a third statement of financial position at June 30, 2008, because the Company has restated its financial retrospectively as reflected in note 15.2.

IFRS 8 - Operating Segments January 01, 2009

IFRS 8 replaces IAS 14 and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Under IFRS 8, operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board, through the Chief Executive has identified as the CODM. The Company considers itself as a single operating segment company and the Company's performance is evaluated on an overall basis. The adoption of this standard has therefore resulted in some additional entity wide disclosures as given in note 32 to these financial statements.

IFRS 7 Financial Instruments: Disclosures January 01, 2009

The amendments to IFRS 7 expands the disclosures required in respect of fair value measurements and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Company has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

2.2.1 New accounting standards and IFRS interpretations that are not yet effective

The following International Financial Reporting Standards and Interpretations as notified by the Securities and Exchange Commission of Pakistan are only effective for accounting periods, beginning on or after the date mentioned against each of them :

	Effective from accounting period beginning on or after
IFRS 9 - Financial Instruments	January 01, 2013
Amendments to IFRS 2 - Share based Payment	January 01, 2010
IAS 24 (revised) - Related Party Disclosures	January 01, 2010
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



2.2.2 Interpretations to existing standards that are effective and not relevant for the company's operations

The following interpretation to existing standards has been published and is mandatory for the company's accounting year beginning on July 01, 2008 but is not relevant for the company's operations:

IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance January 01, 2009

IAS 40 - Investment Property January 01, 2009

IFRS 2 - Share-based Payment : Vesting Conditions and Cancellations January 01, 2009

IFRS 3 - Business Combinations (Revised) and IAS 27 - Consolidated and Separate Financial Statements (Amended) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39 July 01, 2009

IAS 38 - Intangible Assets January 01, 2009

IAS 39 - Financial Instruments : Recognition and Measurement - Eligible Hedged Items July 01, 2009

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations July 01, 2009

IAS 32- Financial Instruments : Presentation and IAS 1 Puttable Financial Instruments and Obligations arising on Liquidation January 01, 2009

IFRIC 9 - Remeasurement of Embedded derivatives and IAS 39 Financial Instruments : Recognition and Measurement July 01, 2009

IFRIC 15 - Agreements for the Construction of Real Estate January 01, 2009

IFRIC 17 - Distributions of Non-cash Assets to Owners July 01, 2009

IFRIC 18 - Transfer of Assets from Customers July 01, 2009

IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments July 01, 2010

2.3 Basis of preparation

The financial statements have been prepared under the historical cost convention except that certain financial instruments are stated at fair value.

The principal accounting policies adopted are set out below:

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment in value, if any.

Assets residual values, if significant and their useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation is charged using reducing balance method over its estimated useful life at the rates specified in note 3.1. Depreciation is charged from the month in which asset is available for use and up to the month preceding the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains or losses on disposal of property, plant and equipment, if any, are recognized as and when incurred, to profit and loss account.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

2.5 Stores, spares and loose tools

These are valued at the cost. The cost is determined on moving average basis less allowance for obsolete and slow moving items. Stores and spares in transit are stated at invoice values plus other charges incurred thereon up to balance sheet date.

2.6 Stock in trade

Stock-in-trade are valued at the lower of cost and net realizable value on the following basis: -

Raw material	At weighted average cost
Raw material in transit	At cost accumulated up to the date of balance sheet
Finished goods	At average manufacturing cost
Waste	At net realizable value

Average cost signifies, in relation to finished goods, the average manufacturing cost including related direct overheads.

Net realizable value signifies the estimated selling prices in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

2.7 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.



2.8 Investment

The Company classifies the financial assets in the following categories

Financial assets at fair value through profit or loss

These include investments held for trading and those that are designated at fair value through profit or loss at inception. Investments are classified as held for trading if they are acquired for the purpose of selling in the near term. They are initially measured at fair value and changes on re-measurement are taken to profit and loss account.

Available for sale investment

Investment securities held by the Company which may be sold in response to needs for liquidity or changes in interest rates or equity prices are classified as available for sale. These investments are initially recognized at fair value plus transaction cost and subsequently re-measured at fair value. The investments for which quoted market price is not available, are measured at costs as it is not possible to apply any other valuation methodology. Gains and losses arising from re-measurement at fair value is recognized directly in the equity under fair value reserve until sold, collected, or otherwise disposed off at which time, the cumulative gain or loss previously recognized in equity is included in profit and loss account.

Held to maturity

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity. Held to maturity investments are initially recognized at cost inclusive of transaction cost and are subsequently carried at amortized cost using effective interest rate method.

Regular way purchase or sale of investment

All purchases and sales of investment are recognized using trade date accounting. Trade date is the date that the Company commits to purchase or sell the investment.

Derecognition

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks and short-term running finance under mark-up arrangements.

2.10 Employee benefit cost

Defined Contribution Plan

The Company operates an approved funded contributory provident fund scheme for all its employees eligible for benefit. Equal monthly contributions are made both by the Company and its employees at the rate of 10% per annum of the basic salary plus cost of living allowance. The Company's contribution to the fund is charged to profit and loss account for the year.

2.11 Trade and other payables

Liabilities for trade and other amounts payable are recognised initially at fair value and are subsequently measured at amortised cost.



2.12 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.13 Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Non-financial Assets

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

2.14 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

Other particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

2.15 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet, if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.16 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sales of goods are recognized when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.



Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Capital gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which the transaction takes place.

Unrealized capital gain / (losses) arising on mark to market of investment classified as 'financial assets at fair value through profit and loss - held for trading' are included in the Income Statement in the year in which they arise.

2.17 Taxation

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebate and exemption available, if any, or minimum taxation at the rate of half percent of the turnover which ever is higher. However, for income covered under final tax regime, taxation is based on applicable tax rate under such regime.

Deferred

Deferred income tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of Institute of Chartered Accountants of Pakistan.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

2.18 Foreign Currencies

Transactions in currencies other than Pak. Rupees are recorded at the rates of exchange prevailing on the dates of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

2.19 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.20 Dividend and other appropriations

The dividend is recognized as liability in the year in which it is approved. Appropriations of profit are reflected in the statement of changes in equity in the year in which such appropriations are made.

2.21 Critical accounting estimates and judgments in applying the Company's accounting policies

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revision to accounting estimates are recognized in the period in which estimates are revised and in any future period affected. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Classification of investments (note 11);
- Provision for doubtful debt and receivable (note 7 and 10);
- Useful lives and residual values of property and equipment (note 3); and
- Taxation (note 28).

	Notes	2010 Rupees	2009 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	786,209,014	793,961,761
Capital work in progress	3.4	59,255,697	17,540,385
		<u>845,464,711</u>	<u>811,502,146</u>

3.1 Operating fixed assets

	Cost at July 01, 2009	Additions / (disposals)	Cost at June 30, 2010	Accumulated depreciation at July 01, 2009	Depreciation for the year (depreciation on disposal)	Accumulated depreciation at June 30, 2010	Carrying value at June 30, 2010	Dep. Rate %
Owned:								
Leasehold land	7,533,750	-	7,533,750	-	-	-	7,533,750	-
Buildings on leasehold land	133,057,528	121,530	133,179,058	82,898,903	5,026,001	87,924,904	45,254,154	10
Plant and machinery	994,426,640	23,240,186	1,017,666,826	330,319,299	27,201,423	357,520,722	660,146,104	4
Power and other installations	87,828,425	-	87,828,425	43,312,676	4,451,575	47,764,251	40,064,174	10
Factory equipment	14,406,244	166,854	14,573,098	8,407,046	613,803	9,020,849	5,552,249	10
Generators	13,238,548	-	13,238,548	8,810,467	442,808	9,253,275	3,985,273	10
Office equipment	5,865,126	290,439	6,155,565	2,605,218	336,386	2,941,604	3,213,961	10
Data processing equipment	2,905,417	186,236	3,091,653	1,943,750	352,360	2,296,110	795,543	33.33
Furniture and fixtures	2,805,528	718,799	3,524,327	1,913,191	144,512	2,057,703	1,466,624	10
Vehicles	28,586,455	10,474,343	34,986,583	16,481,350	3,473,008	16,789,401	18,197,182	20
		(4,074,215)			(3,164,957)			
2010	1,290,653,661	35,198,387	1,321,777,833	496,691,900	42,041,876	535,568,819	786,209,014	
		(4,074,215)			(3,164,957)			

Rupees

A Commitment to Prime Quality !

3.1.1 Canning plant costing to Rs. 11,893,502/- has been installed on the land and building of associated company. No rent is charged by the associated company.

For comparative period

	Cost at July 01, 2008	Additions / (disposals) June 30, 2009	Cost at June 30, 2009	Accumulated depreciation at July 01, 2008	Depreciation for the year (depreciation on disposal)	Accumulated depreciation at June 30, 2009	Carrying value at June 30, 2009	Dep. Rate %
-----Rupees-----								
Owned:								
Leasehold land	7,533,750	-	7,533,750	-	-	-	7,533,750	
Buildings on leasehold land	130,006,832	3,050,696	133,057,528	77,591,728	5,307,175	82,898,903	50,158,625	10
Plant and machinery	990,954,747	3,471,893	994,426,640	302,745,650	27,573,649	330,319,299	664,107,341	4
Power and other installations	87,828,425	-	87,828,425	38,366,479	4,946,197	43,312,676	44,515,749	10
Factory equipment	14,113,433	292,811	14,406,244	7,772,670	634,376	8,407,046	5,999,198	10
Generators	13,238,548	-	13,238,548	8,318,458	492,009	8,810,467	4,428,081	10
Office equipment	5,859,526	5,600	5,865,126	2,239,007	366,211	2,605,218	3,259,908	10
Data processing equipment	2,730,917	174,500	2,905,417	1,516,918	426,832	1,943,750	961,667	33.33
Furniture and fixtures	2,474,628	330,900	2,805,528	1,832,878	80,313	1,913,191	892,337	10
Vehicles	29,505,155	41,000 (959,700)	28,586,455	14,305,624	3,042,373 (866,647)	16,481,350	12,105,105	20
2009	1,284,245,961	7,367,400 (959,700)	1,290,653,661	454,689,412	42,869,135 (866,647)	496,691,900	793,961,761	



3.2 Allocation of depreciation	Notes	2010 Rupees	2009 Rupees
Cost of goods sold	22.1	37,735,610	38,953,406
Administrative expenses	24	4,306,266	3,915,729
		<u>42,041,876</u>	<u>42,869,135</u>

3.3 The following assets were disposed off during the year:

Depreciation	Cost	Accumulated Depreciation	Written Down value	Sale proceed	Mode of disposal	Particulars of Buyer
----- Rupees -----						
Vehicle	842,050	632,349	209,701	405,517	Negotiation	Mr. Naeem A. Sheikh 106 Macca Heights C.P. Berar Society, Karachi
Vehicle	590,000	443,068	146,932	289,999	Negotiation	Mr. Syed Khalid Shafiq H # 4/7 Gloden Town, Karachi
Vehicle	688,275	582,424	105,851	200,000	Negotiation	Mr. Shakeel Ahmed A-37, Sector 11-H North Karachi, Karachi
Vehicle	596,890	469,105	127,785	430,000	Negotiation	Mr. Shahzad Ahmed House # 1732/302 Baldia Town # 3, Karachi
Vehicle	37,000	12,136	24,864	36,000	Insurance	Adamjee Insurance 6th Floor Adamjee Insurance Building I.I. chundrigar Road, Karachi
Vehicle	1,320,000	1,025,875	294,125	533,000	Insurance	Adamjee Insurance 6th Floor Adamjee Insurance Building I.I. chundrigar Road, Karachi
2010	<u>4,074,215</u>	<u>3,164,957</u>	<u>909,258</u>	<u>1,894,516</u>		
2009	<u>959,700</u>	<u>866,647</u>	<u>93,053</u>	<u>429,750</u>		

3.4 Capital work in progress	Notes	2010 Rupees	2009 Rupees
Machinery and equipment		48,373,339	4,808,661
Civil work		2,170,222	2,074,022
Advance for capital expenditure		8,712,136	10,657,702
		<u>59,255,697</u>	<u>17,540,385</u>
4. LONG TERM DEPOSITS			
For electricity	4.1	7,179,250	7,179,250
Others		279,905	377,405
		<u>7,459,155</u>	<u>7,556,655</u>

4.1 This represents interest-free security deposits paid to Karachi Electric Supply Corporation (KESC).



	Notes	2010 Rupees	2009 Rupees
5. STORES, SPARES AND LOOSE TOOLS			
Stores, spares & loose tools		23,876,425	23,174,892
Less: Provision for slow-moving and obsolete items	5.1	<u>(9,117,552)</u>	<u>(9,117,552)</u>
		<u>14,758,873</u>	<u>14,057,340</u>
5.1 Provision for slow moving and obsolete items			
Opening balance		9,117,552	8,814,373
Additions during the year		-	303,179
Closing balance		<u>9,117,552</u>	<u>9,117,552</u>
6. STOCK-IN-TRADE			
Raw materials (including in transit Rs.510,630,788/- (2009: Rs. 226,392,545/-))		620,334,230	1,071,026,639
Finished goods		450,338,778	678,748,925
Scrap		14,417,836	6,042,922
		<u>1,085,090,844</u>	<u>1,755,818,486</u>
7. TRADE DEBTS			
Export			
Unsecured - considered good		-	3,485,984
Local			
Secured- considered good	7.1	15,159,152	15,374,649
Unsecured-considered good		293,814,368	391,459,399
		308,973,520	406,834,048
Unsecured-considered doubtful		2,193,488	4,221,443
Trade debts - gross		311,167,008	414,541,475
Less: Provision for doubtful debts	7.4	<u>(2,193,488)</u>	<u>(4,221,443)</u>
Trade debts - net		<u>308,973,520</u>	<u>410,320,032</u>
7.1 These are secured against local letter of credit maturing within 45 to 90 days.			
7.2 Trade debts are non-interest bearing and are generally on 30 to 90 days terms.			
7.3 The Company has provided all trade debts over 2 years because historical experience is such that receivables that are past due beyond 2 years are generally not recoverable.			
7.4 Movement in provision for doubtful debts			
Opening Balance		4,221,443	3,821,064
Addition during the year		-	400,379
Recovered during the year		<u>(2,027,955)</u>	-
Closing balance		<u>2,193,488</u>	<u>4,221,443</u>





7.4.1 In determining the recoverability of a trade debt, the Company considers any change in the credit quality of the trade debt from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

7.4.2 Included in the provision for doubtful debts are individually impaired trade debt with a balance of Rs. 2,193,488 (2009: Rs.4,221,443). The impairment recognized represent the difference between carrying amount of these trade receivable and the present value of the expected proceeds. The Company does not hold any collateral over these balances.

7.5 Included in the Company's trade debts balance are debtors with a carrying amount of Rs 4.17 million (2009: Rs 8.45 million) which are past due at the reporting date for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

	2010 Rupees	2009 Rupees
7.5.1 Ageing of past due but not impaired		
1-30 days	231,938,601	231,165,798
31-45 days	46,808,829	83,820,961
46-60 days	2,479,012	59,684,034
61-90 days	23,574,009	27,198,152
Above 90 days	4,173,069	8,451,086
	<u>308,973,520</u>	<u>410,320,031</u>

7.6 The average age of receivables is 150 days (2009: 150 days).

8. LOANS AND ADVANCES

Loans - considered good		
to executives	800,138	1,138,090
to employees	315,200	312,118
	<u>1,115,338</u>	<u>1,450,208</u>
Advances - considered good		
to suppliers	54,726,076	37,279,702
against expenses	2,033,549	1,785,541
Income tax	229,801,516	127,388,943
Letters of credit fee and expenses	5,023,021	18,053,675
	<u>291,584,162</u>	<u>184,507,861</u>
	<u>292,699,500</u>	<u>185,958,069</u>

9. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Security deposits	6,330,390	3,543,330
Short term prepayments	258,192	1,416,958
	<u>6,588,582</u>	<u>4,960,288</u>

	Note	2010 Rupees	2009 Rupees
10. OTHER RECEIVABLES			
- Considered good			
Receivable against sale of securities		-	97,582
Dividend receivable		1,692,625	110,000
Others		3,619,426	1,436,453
		<u>5,312,051</u>	<u>1,644,035</u>
- Considered doubtful			
Others		-	2,194,334
Less: Provision for doubtful other receivables	10.1	-	(2,194,334)
		<u>5,312,051</u>	<u>1,644,035</u>

10.1 The movement in provision for doubtful other receivables is as follows:

Movement in provision for doubtful other receivables

Opening Balance	2,194,334	-
Addition during the year	-	2,194,334
Recovered during the year	(2,194,334)	-
Closing balance	<u>-</u>	<u>2,194,334</u>

11. OTHER FINANCIAL ASSETS

- Investments in equity securities
- financial assets at fair value through profit or loss

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

2010 -----No. of shares-----	2009		Market Value	
			2010	2009
			-----Rupees-----	
206,865	1,125,600	National Bank of Pakistan	13,260,047	75,448,979
427,500	1,161,000	Fauji Fertilizer Bin Qasim Limited	11,132,101	20,538,090
225,000	410,500	Pakistan Telecommunication Company Limited	4,005,000	7,077,020
776,666	776,666	Summit Bank Limited (formerly Arif Habib Bank Limited)	2,788,231	5,428,895
-	24,000	Habib Bank Limited	-	2,065,440
35,000	35,000	Artistic Denim Mills Limited	714,700	786,100
100,000	100,000	JS Bank Limited	281,000	603,000
-	40,900	Century Paper & Board Mills Limited	-	539,471
			<u>32,181,079</u>	<u>112,486,995</u>



	Notes	2010 Rupees	2009 Rupees
12. SALES TAX REFUNDABLE			
- Considered good			
Sales tax refundable		12,267,966	-
- Considered doubtful			
Sales tax refundable		206,834	206,834
Provision for doubtful sales tax refundable		(206,834)	-
		-	206,834
		<u>12,267,966</u>	<u>206,834</u>
13. CASH AND BANK BALANCES			
Cash in hand		277,450	145,355
Balances with banks:			
- Current accounts			
- local currency		29,347,985	11,350,810
- foreign currency		34,553	32,861
		29,382,538	11,383,671
- Saving accounts	13.1 & 13.2	5,944,432	71,443,606
		<u>35,604,420</u>	<u>82,972,632</u>

13.1 This include Rs. 1.25 million (2009 : Rs. 51.25 million) in respect of margin against guarantee issued by a banking company to Excise and Taxation Department.

13.2 Effective mark-up rate in respect of saving accounts, range from 7.5% to 11% (2009 : 7.5% to 12%) per annum.

14. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2009	2010		2010 Rupees	2009 Rupees
		Number of Shares		
47,351,200	47,351,200	Ordinary shares of Rs. 10/-each	473,512,000	473,512,000
31,168,927	31,168,927	fully paid in cash	311,689,270	311,689,270
<u>78,520,127</u>	<u>78,520,127</u>	Issued as fully paid bonus shares	<u>785,201,270</u>	<u>785,201,270</u>

14.1 There were no movements in share capital during the year.

14.2 An associated undertaking, Siddiqsons Limited (formerly Siddiqsons Denim Mills Limited) held 9,403,194 (2009: 6,455,717) ordinary shares at the year end.

14.3 The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14.4 The Company has no reserved shares under options and sales contracts.



	Notes	2010 Rupees	2009 Rupees Restated
15. DEFERRED LIABILITY			
Deferred taxation	15.1	144,689,314	133,976,127
15.1 Deferred taxation			
This comprises the following: -			
Deferred tax liabilities on taxable temporary differences arising in respect of : Accelerated depreciation rates		156,984,224	149,624,030
Deferred tax assets on deductible temporary difference arising in respect of :			
Unabsorbed tax losses		8,263,654	10,211,238
Provision for doubtful debts		767,721	1,477,505
Provision for doubtful receivables		-	768,017
Provision for doubtful sales tax refundable		72,392	
Provision for slow moving stores		3,191,143	3,191,143
		(12,294,910)	(15,647,903)
		144,689,314	133,976,127

15.2 The income of the company was exempt from tax up to June 2009 under clause 126 of second schedule of the Income Tax Ordinance 2001, therefore upto last year, no defer tax has been provided. Since from July 2009 the income of the company is taxable under normal tax regime, therefore the provision for deferred tax has been reconginze during the year and prior years errors. The management has accounted for these a prior years errors and made the adjustments with retrospective effect and the comparative information has been restated in accordance with the treatment specified in IAS 8 " Accounting Policies, Changes in Accounting Estimates and Error". Accordingly, following lines items in the financial statements for the year ended June 30, 2009 and June 30, 2008 have been restated:

15.2.1 The effect of retrospective restatement on Balance sheet for 2009 and 2008 is given below:

	June 30, 2009 Rupees As earlier reported	June 30, 2009 Rupees Restated Amount	June 30, 2008 Rupees As earlier reported	June 30, 2008 Rupees Restated Amount
Net deferred tax liability	-	133,976,127	-	139,005,354
Unappropriated profit	646,102,134	512,126,007	888,735,711	749,730,357

15.2.2 The effect of retrospective restatement on profit and loss account for 2009 and 2008 is given below:

	June 30, 2009 Rupees As earlier reported	June 30, 2009 Rupees Restated Amount	June 30, 2008 Rupees As earlier reported	June 30, 2008 Rupees Restated Amount
Deferred tax reversal / (charge) for the year	-	5,029,227	-	(8,551,437)
(Loss) / profit after taxation for the year	(124,853,387)	(119,824,160)	169,147,856	160,596,419
Earnings per share - Basic and diluted	(1.59)	(1.53)	2.15	2.05





	Notes	2010 Rupees	2009 Rupees
16. TRADE AND OTHER PAYABLES			
Creditors	16.1	14,245,167	19,380,056
Accrued liabilities		5,418,966	3,254,864
Advance from customers		192,038	3,220,405
Employees Provident Fund		28,000	-
Workers' Profit Participation Fund	16.2	3,577,388	-
Workers' Welfare Fund		10,698,237	9,338,829
Withholding tax payable		410,010	529,001
Unclaimed dividend		779,089	912,275
Others	16.3	531,356	1,240,688
		<u>35,880,251</u>	<u>37,876,118</u>

16.1 This includes Rs. 2,953,523 (2009: Rs. 3,077,900) payable to related party M/s. Siddiqsons Services (Private) Limited. Trade payables are non-interest bearing and are normally settled on thirty day terms.

16.2 Workers' participation fund

Balance as at July 01,		-	10,813,299
Interest on funds utilized in the Company's business	16.2.1	-	449,715
		-	11,263,014
Payment made to the Fund during the year		-	(11,263,014)
		-	-
Allocation for the year		3,577,388	-
Balance as at June 30,		<u>3,577,388</u>	<u>-</u>

16.2.1 No interest has been charged during the year (2009: 16.5% p.a.), as there were no outstanding balance as on June 30, 2009.

16.2.2 The management is of the view that the Federation of Pakistan declared the area of Winder Baluchistan as special Industrial Zone (SIZ) and free from applicability of labour laws for the period of ten years expiring on December 31, 2009. In view of the above scheme, Workers Participation Fund Act was not applicable in the case of the Company, therefore, not required to form any fund, allocate amounts and/or distribute amongst the workers and/or make payments to the Federation of Pakistan along with any details and accounts as factory of the Company is situated in the said SIZ. The matter is pending for initial hearing after passing of ad interim order restraining the Federation of Pakistan from taking any coercive action against the Company. However as a matter of prudence the Company has already established Worker Participation Fund Trust.

The legal advisor of the Company is confident that the Company has good arguable case on merits and the Company is likely to succeed in obtaining relief claim and as such may not suffer any loss on account of this litigation.

16.3 This include deposits for car loan of Rs. 531,356 (2009: Rs. 1,218,188) from employees.

	Note	2010 Rupees	2009 Rupees
17. INTEREST / MARK-UP ACCRUED			
Mark-up on short term borrowings		11,902,442	27,081,546
Mark-up on loan from Worker's Participation Fund		<u>25,684,183</u>	<u>8,830,484</u>
		<u>37,586,625</u>	<u>35,912,030</u>
18. SHORT-TERM ADVANCES			
Unsecured - related party			
Loan from Worker's Participant Fund	18.1	130,000,000	-
Loan from Siddiqsons Limited (formerly Siddiqson Denim Mills Limited)	18.1	132,000,000	-
		<u>262,000,000</u>	<u>-</u>

18.1 The Company has borrowed from related parties, i.e. Worker's Participation Fund and Siddiqsons Limited (formerly Siddiqson Denim Mills Limited), for working capital needs at a markup @ 13% (2009: 13.14%) per annum.

19. SHORT-TERM BORROWINGS

Secured

From banking companies			
Finances against imports	19.2	407,363,642	752,966,349
Running finances under markup arrangements	19.3	11,024,386	545,708,075
Facility for payment of letters of credit	19.4	<u>386,217,168</u>	<u>458,493,939</u>
		<u>804,605,196</u>	<u>1,757,168,363</u>

19.1 The aggregate unavailed-short term borrowing facilities amounts to Rs. 882.17 million (2009 : Rs. 332.26 million) as of the balance sheet date.

19.2 This represent facilities obtained from banking companies for the purpose of imports and are secured against hypothecation on fixed assets, stock in trade, stores and spares, trade debts, promissory notes and charge on present and future current assets of the Company and import documents and are subject to mark-up based on LIBOR ranging between 3.49% to 7.77% (2009: 3.82% to 7.77%) per annum payable on maturity.

19.3 These are secured against charge on fixed assets, stock, stores and spares, trade debts and present and future current assets of the company and are subject to the mark-up ranging between 13.84% to 15.29% (2009 : 13.37% to 17.18%) per annum. The purchase prices are payable on various dates by October 12, 2010

19.4 This represent facility for letters of credit for payment of import of raw materials and are due for payment with in 120 days. These are secured by way of hypothecation on fixed assets, stock in trade, stores and spares, trade debts and present and future current assets of the company.

**20. CONTINGENCY AND COMMITMENT****20.1 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/- (2009: Rs. 90,000,000/-) as per the order of the High Court. Management is confident of favorable outcome.

	Note	2010 Rupees	2009 Rupees
20.2 Commitment			
Letters of credit for import of raw materials		553,449,027	108,129,000
21. SALES - NET			
Sales			
Local			
Tinplate		3,613,219,193	3,055,647,324
Cans		129,727,537	-
Side cuts, end cuts, damaged cuts, etc.		118,121,031	183,220,727
		<u>3,861,067,761</u>	<u>3,238,868,051</u>
Export - Tinplate		-	10,725,290
- Cans		3,796,423	3,485,984
		<u>3,864,864,184</u>	<u>3,253,079,325</u>
Less : Commission and discounts		(21,156,980)	(24,500,479)
Sales returns		(62,319,325)	(173,121,237)
Sales tax		(533,516,917)	(415,517,483)
		<u>(616,993,222)</u>	<u>(613,139,199)</u>
		<u>3,247,870,962</u>	<u>2,639,940,125</u>
22. COST OF GOODS SOLD			
Cost of goods manufactured	22.1	2,773,136,651	2,544,525,600
Finished stocks			
Opening stock		684,791,847	467,956,962
Purchase of finished goods		2,062,990	84,835,943
Closing Stock		(464,756,614)	(684,791,847)
		<u>222,098,223</u>	<u>(131,998,942)</u>
		<u>2,995,234,874</u>	<u>2,412,526,658</u>



	Note	2010 Rupees	2009 Rupees
22.1 Cost of goods manufactured			
Raw materials	22.1.1	2,547,335,873	2,333,731,328
Salaries, wages and benefits	22.1.2	59,059,407	50,847,466
Fuel and power		71,563,290	72,170,552
Packing materials		8,309,059	13,771,618
Cans printing charges		8,830,001	-
Fabrication expenses		3,915,194	179,981
Stores and spares		8,481,094	14,010,032
Sorting, slitting and cutting		4,921,233	6,368,305
Rent, rates and taxes		205,217	2,289,600
Repair and maintenance		5,221,148	1,429,272
Insurance		4,167,740	2,676,060
Transportation		1,761,264	959,246
Traveling and conveyance		4,324,791	2,527,438
Printing and stationery		388,927	477,548
Fees and subscription		79,977	149,712
Communication		241,477	466,521
Entertainment		94,396	129,400
Depreciation	3.2	37,735,610	38,953,406
Provision for slow moving stores		-	303,179
Other manufacturing cost		6,500,953	3,084,936
		<u>2,773,136,651</u>	<u>2,544,525,600</u>
22.1.1 Raw material consumed			
Opening stock		844,634,094	383,232,760
Purchase and related expenses		1,812,405,221	2,795,132,662
		<u>2,657,039,315</u>	<u>3,178,365,422</u>
Closing stock		(109,703,442)	(844,634,094)
		<u>2,547,335,873</u>	<u>2,333,731,328</u>

22.1.2 This includes employees' retirement benefits of Rs. 1,147,803 (2009 : Rs.1,076,621).

23. DISTRIBUTION COST

Salaries and benefits	23.1	11,092,036	8,801,494
Traveling		4,316,788	1,839,547
Transportation		1,608,910	1,742,209
Advertisement		593,219	999,995
Sales promotion		740,082	974,101
Rent, rates and taxes		1,236,715	1,162,240
Others		1,484,856	1,843,021
		<u>21,072,606</u>	<u>17,362,607</u>

23.1 This includes employees' retirement benefits amounting to Rs. 472,667 (2009 : Rs.357,970).





	Note	2010 Rupees	2009 Rupees
24. ADMINISTRATIVE EXPENSES			
Salaries and benefits	24.1	27,166,074	24,686,070
Traveling and conveyance		5,547,663	3,677,314
Vehicles running and maintenance		4,798,415	4,175,320
Depreciation	3.2	4,306,266	3,915,729
Communication		3,054,016	2,229,583
Printing and stationery		1,239,374	1,106,953
Repair and maintenance		1,034,440	798,754
Entertainment		993,951	694,478
Auditors' remuneration	24.2	985,000	985,000
Insurance		1,774,943	2,318,627
Fees and subscription		841,693	989,186
Charity and donations	24.3	802,205	767,873
Others		571,637	662,538
Rent, rates and taxes		482,050	927,120
Legal and professional		298,037	1,613,975
Provision for doubtful sales tax refundable	12	206,834	-
Balances written off - Advances		-	2,133,110
Provision for doubtful debts	7.4	-	400,379
Provision for doubtful receivables	10.1	-	2,194,334
		<u>54,102,598</u>	<u>54,276,343</u>

24.1 This includes employees' retirement benefits of Rs. 1,003,260 (2009 : Rs. 818,224).

24.2 Auditor's remuneration

Annual audit	500,000	500,000
Half yearly accounts review	200,000	200,000
Review of compliance of Code of Corporate governance	30,000	30,000
CDC certification	10,000	10,000
Tax and other services	200,000	200,000
Out of pocket expenses	45,000	45,000
	<u>985,000</u>	<u>985,000</u>

24.3 None of the director or his spouse has any interest in the donees' fund.

25. OTHER OPERATING EXPENSES

Workers Profit Participation Fund	16.2	3,577,388	-
Workers' Welfare Fund		1,359,408	-
Exchange loss		<u>27,250,451</u>	<u>45,650,695</u>
		<u>32,187,247</u>	<u>45,650,695</u>

26. FINANCE COST

Interest / mark-up on:			
Short-term borrowings	26.1	105,217,956	117,544,145
Short-term advances		17,805,061	10,952,651
Workers' participation fund		-	449,715
Bank charges and commission		8,246,050	10,556,702
		<u>131,269,067</u>	<u>139,503,213</u>





26.1 Includes mark up of Rs. 16,853,699 on advance from WPF and Rs. 951,362 on advance from Siddiqsons Limited (formerly Siddiqson Denim Mills Limited).

	Note	2010 Rupees	2009 Rupees
27. OTHER OPERATING INCOME / (LOSS)			
Income from financial assets			
Profit on bank deposits		6,188,849	4,261,118
Dividend income		15,398,744	9,585,850
Loss on remeasurement of investment at market value		(435,929)	(102,976,381)
Gain on sale of investments		26,243,343	-
Reversal of provision for doubtful debts	7.4	2,027,955	-
Reversal of provision for doubtful other receivables	10.1	2,194,334	-
Income from assets other than financial assets			
Gain on sale of property plant and equipment		985,258	336,697
Others		3,848	7,471
		<u>52,606,402</u>	<u>(88,785,245)</u>
28. PROVISION FOR TAXATION			
Current for the year		17,745,734	-
for the prior years		-	6,688,752
Deferred taxation		10,713,187	(5,029,227)
		<u>28,458,921</u>	<u>1,659,525</u>

28.1 The income of the Company was exempt from tax up to June 30, 2009 under Clause 126 of Second Schedule to the Income Tax Ordinance 2001 (the Ordinance). From July 2009, the income of the Company is taxable under normal tax regime, therefore the provision for current and deferred tax has been recognized during the year.

Tax assessments of the Company have been amended for the tax years 2003 and 2005 under Section 122 of the Ordinance by the tax department. The Company contested the levy of tax by department on the ground that the Company is enjoying exemption under Clause 126 of Part I of Second Schedule to the Ordinance so no minimum tax levied on the Company. Appeals are pending for hearing before Sind High Court for the tax year 2003 and at Income Tax Appellate Tribunal (ITAT) for the tax year 2005. The Company is confident that the outcome will be in its favour. However, as a matter of prudence, tax provision has been made in the financial statements for these year under Section 113 of the Ordinance.

For the tax year 2008, the tax department amended the deemed assessment under section 122(5A) of the Ordinance by levying tax liability of Rs. 18,472,182 on account of minimum tax, interest and dividend income etc. The Company has filed an appeal before CIT (Appeal) which is pending for decision. However, as a matter of prudence, the Company made provision of Rs. 18,472,182 in the books of account in the prior years. The management of the Company is confident for a favorable outcome.





28.2 Relationship between tax expense and accounting profit:

The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the total income of the Company attracts minimum tax under Section 113 of the Income Tax Ordinance, 2001 and its export sales fall under final tax regime.

29. 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:

	Note	2010 Rupees	2009 Rupees Restated
Profit / (loss) for the year (Rupees)		38,152,051	(119,824,160)
Weighted average number of ordinary shares outstanding at the year end		78,520,127	78,520,127
Earnings per share (Rupee)		0.49	(1.53)

30. 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. Remuneration of directors and key management personnel is disclosed in note 31. Other significant transactions with related parties are as follows:

Relationship with the Company	Nature of Transactions	2010	2009
Associated company	Purchase of goods and services	41,070	105,707,949
	Payment of dividend	8,878,369	7,596,755
	Short-term advance obtained from Siddiqsons Limited	220,000,000	-
	Short-term advance repaid to Siddiqsons Limited	88,000,000	-
Key management personnel	Markup on borrowing from Siddiqsons Limited	951,362	-
	Short-term employee benefits	17,169,839	14,111,880
Other related parties	Post-employment benefits	2,653,667	709,244
	Short term borrowings obtained from WPF	130,000,000	117,000,000
	Short term borrowings paid to WPF	-	122,600,000
	Markup on borrowing from WPF	16,853,699	10,952,651
	Sales of property, plant and equipment	1,432,050	-

31. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive	Directors	Executives	Total	
	-----Rupees '000-----			2010	2009
Remuneration	1,200,000	2,200,000	5,945,936	9,345,936	7,873,948
House rent	480,000	880,000	2,378,374	3,738,374	3,149,579
Bonus	-	125,000	1,053,938	1,178,938	645,307
Retirement benefits	-	125,000	2,528,667	2,653,667	709,244
Vehicle running	-	346,669	1,625,328	1,971,997	1,602,739
Utilities	120,000	220,000	594,594	934,594	840,307
	<u>1,800,000</u>	<u>3,896,669</u>	<u>14,126,837</u>	<u>19,823,506</u>	<u>14,821,124</u>
Number of persons	<u>1</u>	<u>2</u>	<u>7</u>		

31.1 In addition, the chief executive officer, directors and few executives are provided with free use of Company maintained cars.

32. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment due to following reasons; Sales from Tin Plates represents 96.46% (2009: 99.86%) of total revenue of the Company. Out of total sales 99.88% (2009: 99.86%) sales made to customers in Pakistan. All non-current assets of the Company as at June 30, 2010 are located in Pakistan."

33. FINANCIAL INSTRUMENTS BY CATEGORY

The Company finance its operation through equity, borrowings and management of working capital with a view to maintaining an approximate mix between various sources of finance to minimise risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments.

	Note	2010 Rupees	2009 Rupees
Financial assets as per balance sheet			
Loan and receivable			
Long-term deposits		7,459,155	7,556,655
Trade debts		308,973,520	410,320,032
Loans and advances		1,115,338	1,450,208
Trade deposits and short-term prepayments		6,330,390	3,543,330
Other receivables		5,312,051	1,644,035
Cash and bank balances		35,365,375	82,972,632
At fair value through profit and loss account			
Other financial assets		<u>32,181,079</u>	<u>112,486,995</u>
		<u>396,736,909</u>	<u>619,973,887</u>



	Note	2010 Rupees	2009 Rupees
Financial liabilities as per balance sheet			
Financial liabilities measured at amortised cost			
Trade and other payables		35,880,251	37,876,118
Interest / mark-up accrued		37,586,625	35,912,030
Short-term borrowings		804,605,196	1,757,168,363
		<u>878,072,072</u>	<u>1,830,956,511</u>

34. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loan and advances, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The company also holds investment held for trading .

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews these policies periodically.

34.1 Credit risk and concentration of credit risk

The Company is exposed to credit risk from its operating activities (primarily for trade receivables, advances and loan) and from its financing activities, including deposits with banks.

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties to the financial instruments fails to perform as contracted. Out of the total financial assets of Rs.396,736,908/- (2009 : Rs.619,973,887/-), the financial assets which are subject to credit risk amounted to Rs.364,517,424/- (2009 : Rs.507,341,537/-). The Company believe that it is not exposed to major concentration of credit risk. The management monitors and limits the Company's exposure to credit risk through monitoring of clients credit exposure review and conservative estimates of provision for doubtful receivable. The management is of the view that it is not exposed to significant concentration of credit risk.

The maximum exposure to credit risk as at June 30, 2010, along with comparative is tabulated below:

	2010 Rupees	2009 Rupees
Financial assets		
Long-term deposits	7,459,155	7,556,655
Trade debts	308,973,520	410,320,032
Loans and advances	1,115,338	1,450,208
Trade deposits and short-term prepayments	6,330,390	3,543,330
Other receivables	5,312,051	1,644,035
Cash and bank balances	35,326,970	82,827,277
	<u>364,517,425</u>	<u>507,341,537</u>

34.1.1 Credit risk related to receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on past experience with the customer. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit.

At June 30, 2010, the Company has approximately 7 customers (2009: 8 customers) that owed more than Rs. 10 million each and accounted for approximately 26% (2009: 45%) of all trade debt. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets mentioned in Note 7.

The Company does not hold collateral as security.

34.1.2 Credit risk related to financial instruments and cash deposits

Credit risk on balances with banks is managed by management in accordance with the Company's policy. Excess funds are placed in deposits with reputable banks and financial institutions.

34.2 Liquidity Risk Management

Liquidity risk reflects the company's inability in raising funds to meet commitments. Management closely monitors the company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 18.1 is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

Financial Liabilities in accordance with their contractual maturities are presented below.

	Interest/markup Bearing			Non-Interest/markup Bearing			Total
	Maturity within one year	Maturity after one year	Sub-total	Maturity within one year	Maturity after one year	Sub-total	
June 30, 2010							
----- Rupees -----							
Financial Liabilities							
Trade and other payables	-	-	-	35,880,251	-	35,880,251	35,880,251
Interest / mark-up accrued	-	-	-	37,586,625	-	37,586,625	37,586,625
Short-term borrowings	680,388,028	-	680,388,028	386,217,168	-	386,217,168	1,066,605,196
	<u>680,388,028</u>	<u>-</u>	<u>680,388,028</u>	<u>459,684,044</u>	<u>-</u>	<u>459,684,044</u>	<u>1,140,072,072</u>
June 30, 2009							
----- Rupees -----							
Financial Liabilities							
Trade and other payables	-	-	-	37,876,118	-	37,876,118	37,876,118
Interest / mark-up accrued	-	-	-	35,912,030	-	35,912,030	35,912,030
Short-term borrowings	1,298,674,424	-	1,298,674,424	458,493,939	-	458,493,939	1,757,168,363
	<u>1,298,674,424</u>	<u>-</u>	<u>1,298,674,424</u>	<u>532,282,087</u>	<u>-</u>	<u>532,282,087</u>	<u>1,830,956,511</u>



34.3 Market Risk Management

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

34.3.1 Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term debt obligations having floating interest rates.

34.3.1.1 Interest Rate Sensitivity

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's profit/(loss) before taxation for the year ended June 30, 2010 would (decrease)/increase by Rs. 5,697,264 (2009: Rs. 22,795,807) . This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

The Company's sensitivity to interest rates has decreased during the current year mainly due to the decrease in borrowings and variable rate debts.

34.3.2 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. As at June 30, 2009, the total foreign currency risk exposure was Nil (2009: Rs. 3,492,494) in respect of foreign trade debts. However, Rs. 793,580,809 (2009: Rs. 879,221,428) were payable in respect of foreign currency bill and foreign currency borrowing.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

34.3.2.1 Foreign Currency Sensitivity Analysis

At June 30, 2010, if the Rupee had strengthen/weakened by 5% against the US dollar and Euro with all other variables held constant, profit/(loss) before taxation for the year would have been increase/(decrease) by Rs. 39,679,040 (2009: Rs.43,784,800) mainly as a result of foreign exchange gains on translation of US dollar-denominated trade receivables and foreign exchange losses on translation of US dollar and Euro-denominated bill payable. Profit is less sensitive to movement in Rupee/US dollar and Rupee/Euro exchange rates in 2010 than 2009.

34.3.3 Equity Price Risk Management

The Company is exposed to equity price risks arising from equity investments. Equity investment are held for trading purpose.

34.4 Determination of fair values

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

34.5 Fair Value estimation

The Company has adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This amendment requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measured fair value of financial instruments.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The Company has no items to report in this level.
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company has only other financial assets at fair value of Rs. 32,181,079 (2009: Rs.112,486,995) which is valued under level 1 valuation method. The Company does not have any investment in level 2 or level 3 category.

35. CAPITAL DISCLOSURE

The Company's objectives, policies and processes for managing capital are as follows:

- The Company is not subject to any externally imposed capital requirements.
- The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
- Consistently with others in the industry, the company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e., share capital and unappropriated profit).
- The Company's strategy is to maintain its debt-to-adjusted capital ratio between 40% to 60%. The debt-to-adjusted capital ratios at June 30, 2010 and June 30, 2009 were as follows:



	2010 Rupees	2009 Rupees (Restated)
Total debt	1,055,580,810	1,211,460,288
Add: Cash and cash equivalents	(24,580,034)	462,735,443
Net debt	<u>1,031,000,776</u>	<u>1,674,195,731</u>
Total equity	<u>1,256,959,201</u>	<u>1,297,327,277</u>
Adjusted capital	<u>2,287,959,977</u>	<u>2,971,523,008</u>
Debt-to-adjusted capital ratio	<u>0.45</u>	<u>0.56</u>

36. PLANT CAPACITY AND ACTUAL PRODUCTION

	2010 (Metric tons)	2009
Tin Plate		
Installed capacity	<u>120,000</u>	<u>120,000</u>
Actual production	<u>34,121</u>	<u>36,810</u>
	2010 (Number per annum)	2009
Cans		
Installed capacity of various sizes	<u>4,015,000</u>	<u>4,015,000</u>
Actual production of various sizes	<u>2,712,015</u>	<u>24,280</u>

36.1 Under utilization of available capacity was due to lack of demand caused by dumping of tin plate from European countries.

37. EVENT AFTER BALANCE SHEET DATE

In respect of current year, the directors have proposed to pay final cash dividend of Rs. 58,890,095/- (2009: Rs. 78,520,127/-) @ Rs. 0.75 (2009: Rs. 1) per ordinary share of Rs.10/- each for approval of the shareholders at the forthcoming Annual General Meeting. Financial effect of the proposed dividend has not been taken in these financial statements and will be accounted for subsequently in the year of approval.

38. RECLASSIFICATION

Facility for payment of letters of credit amounting to Rs. 458,493,939 is reclassified from trade and other payables to short-term borrowings.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorized for issue by the Board of Directors of the Company on September 27, 2010.

40. GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR



PATTERN OF HOLDING OF SHARESHELD BY THE SHAREHOLDERS as at June 30, 2010

No. of Shareholders	From	Share Holding To	Total Shares Held	Percentage %
599	1	100	31430	0.0400
344	101	500	136773	0.1742
1181	501	1000	721948	0.9194
723	1001	5000	1557853	1.9840
102	5001	10000	755439	0.9621
33	10001	15000	403799	0.5143
21	15001	20000	373446	0.4756
11	20001	25000	254181	0.3237
7	25001	30000	194532	0.2477
7	30001	35000	238395	0.3036
6	35001	40000	234651	0.2988
4	40001	45000	168600	0.2147
8	45001	50000	381130	0.4854
2	50001	55000	107906	0.1374
2	55001	60000	119256	0.1519
1	60001	65000	63600	0.0810
2	65001	70000	137889	0.1756
1	70001	75000	74020	0.0943
1	85001	90000	89050	0.1134
1	90001	95000	92736	0.1181
4	95001	100000	396949	0.5055
2	130001	135000	269500	0.3432
1	140001	145000	144800	0.1844
1	145001	150000	149934	0.1910
1	180001	185000	184000	0.2343
1	185001	190000	189000	0.2407
1	265001	270000	268900	0.3425
1	305001	310000	308150	0.3924
1	355001	360000	359648	0.4580
1	365001	370000	370000	0.4712
2	370001	375000	745390	0.9493
3	415001	420000	1260000	1.6047
2	425001	430000	857036	1.0915
1	455001	460000	459616	0.5853
2	515001	520000	1037918	1.3218
1	590001	595000	592565	0.7547
1	620001	625000	621870	0.7920
1	940001	945000	942917	1.2009
1	1140001	1145000	1140430	1.4524
1	1490001	1495000	1490788	1.8986
1	1540001	1545000	1541825	1.9636
1	1550001	1555000	1551000	1.9753
1	1875001	1880000	1878389	2.3922
1	3100001	3105000	3102887	3.9517
1	3140001	3145000	3142888	4.0027
1	3220001	3225000	3224672	4.1068
1	3675001	3680000	3676493	4.6822
2	7295001	7300000	14594590	18.5871
1	8090001	8095000	8092515	10.3063
1	9350001	9355000	9353194	11.9118
1	10435001	10440000	10435629	13.2904
3097	Company	Total	78520127	100.0000



CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2010

Shareholder Category	Number of Shareholders	Number of Shares Held	Percentage
Directors, CEO and their Spouse and minor Children	11	43,093,568	54.88
Executives	3	38,014	0.05
Associated Companies	2	9,403,194	11.98
Bank, DFI & NBF	3	44,100	0.06
Modarabas & Mutual Fund	3	43,050	0.05
General Public (Local)	3,027	22,697,932	28.91
General Public (Foreign)	11	1,590,724	2.03
Foreign Companies	3	1,009,611	1.29
Other	34	599,934	0.76
COMPANY IN TOTALITY	3,097	78,520,127	100.00

INFORMATION AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE
As at June 30, 2010

Shareholder's Category	Number of Shares held	Percentage
Associated Companies, Undertaking and Related Parties		
Siddiqsons Denim Mills Limited	9,403,194	11.98
NIT and ICP		
NIL		
Directors, CEO and their spouse and minor children		
Mr. Tariq Rafi (CEO)	10,435,629	13.29
Mr. Abdullah Rafi (Chairman)	8,092,515	10.31
Mr. S.Waliullah Shah	65,756	0.08
Mr. Sanauallah Abdullah	372,695	0.47
Mr. Ibrahim Shamsi	1,140,430	1.45
Mr. Saturo Oki	7,297,295	9.29
Mr. Jean Pierre Gugenheim	7,297,295	9.29
Mrs. Naheed Abdullah W/o. Mr. Abdullah Rafi	1,490,788	1.90
Mrs. Nighat Tariq W/o. Mr. Tariq Rafi	3,676,493	4.68
Mrs. Rahma Ibrahim W/o. Mr. Ibrahim Shamsi	3,224,672	4.11
Executives		
38,014 0.05		
Public sector Companies and Corporations		
NIL		
Banks, DFIs, NBFIs, Insurance Companies, Modaraba & Mutual Fund		
87,150 0.11		
Shareholders holding ten percent or more		
Mr. Tariq Rafi (CEO)	10,435,629	13.29
Siddiqsons Denim Mills Limited	9,403,194	11.98
Mr. Abdullah Rafi (Chairman)	8,092,515	10.31
Trading in share by Directors, CEO, CFO & Company Secretary		
	Shares Purchased	Shares Sold
Mr. Tariq Rafi (CEO)	141,000	-
Mr. Ibrahim Shamsi (Director)	-	137,728
Mrs. Nighat Tariq W/o. Mr. Tariq Rafi	685,106	155,000

Packing

Siddiqsons pays close attention to the packaging of its products to ensure that they withstand rough handling and long distance transportation and remain free from rusting, scratching and, abrasion.

Marking

STPL normally labelled or stencilled on the package product names, specification number, coating weight, product size, temper, number of sheets, net & gross weight, product number, production date, Made in Pakistan and Siddiqsons trade mark. In addition a service card carrying the same items marked on the package will remain inside. Any other marking requirement can be complied with as per buyers' requirements.

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PROXY FORM

15th Annual General Meeting

I/We _____ of

being a member of **SIDDIQSONS TIN PLATE LIMITED** (the Company)

holding _____ ordinary shares, hereby appoint(s)

Mr. / Mrs. / Miss. _____

of _____ who is

also a member of the Company, to be my/our proxy and to vote for me/us at the 15th Annual General Meeting of the Company to be held on Wednesday, October 27, 2010 at 10:30 a.m. at D-53 Textile Avenue, S.I.T.E., Karachi or at any adjournment thereof.

Signed this _____ day of _____ 2010

Folio No. _____

CDC A/c No. _____

Sub A/c. No. _____

No. of Shares held _____



Member's Signature
(Signature should agree with the specimen signature registered with the Company)

Witness 1

Witness 2

Signature _____

Signature _____

Name _____

Name _____

CNIC No/Passport No. _____

CNIC No/Passport No. _____

Address _____

Address _____

Notes:

1. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her. A corporation being a member may appoint as its proxy any of its official of any other person whether a member of the Company or otherwise.
2. An instrument of proxy and a Power of Attorney or other authorized (if any) under which it is signed, or notarized copy of such Power of Attorney must be valid and deposited at the Share Registrar of the Company M/s. THK Associates (Private) Limited, Ground Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi-75530 not less than 48 hours before the time of the Meeting.
3. In case of proxy for an individual beneficial owner of CDC, attested copy of beneficial owner's National Identity Card, Account and Participant's ID numbers must be deposited alongwith the form of proxy with the Share Registrar. The proxy must produce his/her original identity card at the time of Meeting. In case of proxy for corporate members, he/she should bring the usual documents required for such purpose.

