

Annual Report

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Siddiqsons Tin Plate Limited
A Siddiqsons Group Company



Annual Report 2011

A Commitment to Prime Quality !



Siddiqsons Tin Plate Limited
a Siddiqsons Group Company

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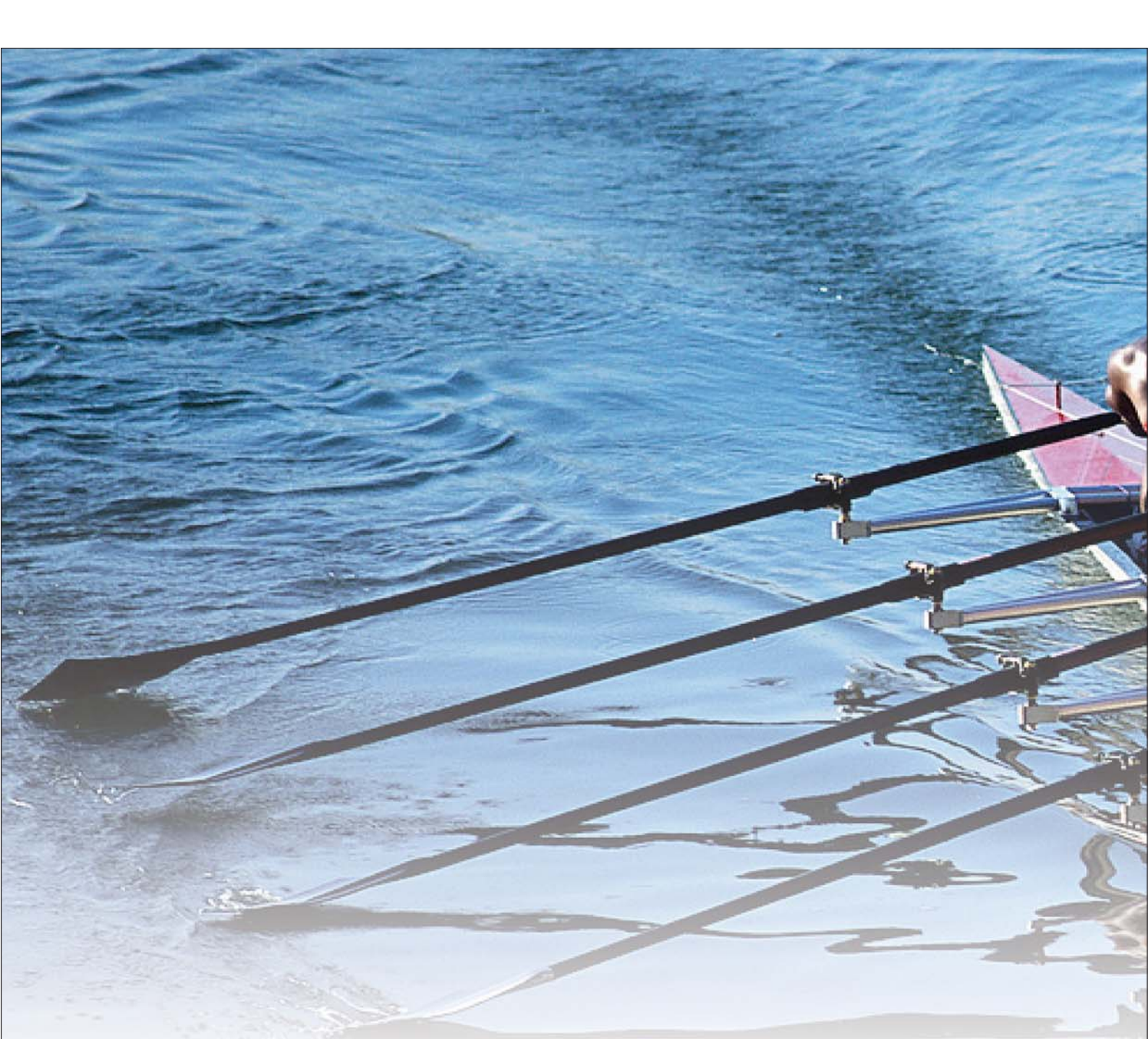


Company Processing Unit



vision

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.



mission

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.



CORPORATE STRATEGY

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.



COMPANY INFORMATION

Board of Directors

Mr. Abdullah Rafi	Chairman
Mr. S. Waliullah Shah	Chief Executive Officer
Mr. Tariq Rafi	Director
Mr. Ibrahim Shamsi	Director
Mr. Sanauallah Abdullah	Director
Mr. Saturo Oki	Director
Mr. Jean Pierre Gugenheim	Director

Audit Committee

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

Chief Financial Officer

Mr. Rashid Khaleeque

Company Secretary

Mr. M. Javid Ansari

Internal Auditor

Mr. Murtaza Ahmed

Auditors

M. Yousuf Adil Saleem & Company
Chartered Accountants

Legal Advisor

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

Shares Registrar

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

Registered Office

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

Plant

Special Industrial Zone
Winder, Baluchistan

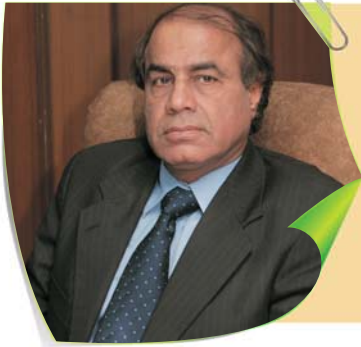
Web Presence

www.siddiqsonstinplate.com

Bankers

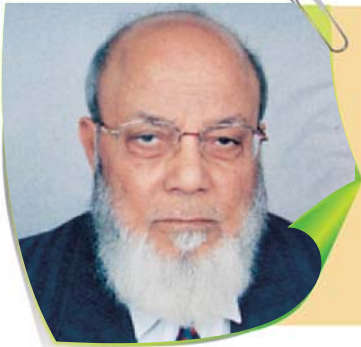
Allied Bank Limited | Dubai Islamic Bank Limited |
Habib Metropolitan Bank Limited | Habib Bank Limited |
MCB Bank Limited | Meezan Bank Limited |
National Bank of Pakistan | Soneri Bank Limited |
The HSBC Middle East Limited |

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 Bank Limited & First Leasing Corporation. He Joined Siddiqsons Tin Plate Limited Board since inception of the Company.



Mr. S. Waliullah Shah, Chief Executive

Mr. S. Waliullah Shah is the Chief Executive the Company and hold key positions in Siddiqsons Group. He has served as Director on the Board of MCB Assets Management Company Limited. 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. Tariq Rafi, Director

Mr. Tariq Rafi is Director of the Company. He is the Chief Executive of Siddiqsons 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. 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 Abdullah, 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 ArcelorMittal Packaging, 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.

experiencing
day after day



notice of the 16th annual general meeting

NOTICE is hereby given that the 16th Annual General Meeting of M/s. Siddiqsons Tin Plate Limited will be held on Thursday, October 20, 2011 at 11:30 a.m. at Imperial Lawn, Plot # 32-C, Block-6, P.E.C.H.S., Main Shahrah-e-Faisal, Karachi, to transact the following ordinary business:

1. To confirm the Minutes of the 15th Annual General Meeting held on October 27, 2010.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2011, together with the Auditors' Directors' Report thereon.
3. To appoint Auditors of the Company for the year ending June 30, 2012 and fix their remuneration. The present auditors M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants are retiring and have offered themselves for reappointment.
4. To consider and approve the payment of cash dividend for the year ended June 30, 2011 at Rs. 0.75 per ordinary share i.e 7.5%, The dividend will be paid to all shareholders EXCEPT SPONSOR DIRECTORS/ASSOCIATED COMPANY, i.e. they forego their dividend in favour of the Company, as recommended by the Board of Directors of the Company.
5. To transact any other business with the permission of the Chair.

By order of the Board

Karachi
September 17, 2011

M. Javid Ansari
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 13, 2011 to October 20, 2011 (both days inclusive). Transfer received at the Share Registrar of the Company, M/s. THK Associates (Pvt.) Ltd, Ground Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on October 12, 2010 will be treated in time for the purpose of above entitlement to the transferees.
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, 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 Share Registrar of the Company 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 Registrar).
5. Shareholders are requested to notify the Company of the change in their address, if any, to Share Registrar of the Company.

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.
3. 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

23. Company discourages for employment of Child Labour.

SIX YEARS AT A GLANCE

DESCRIPTION	2011	2010	2009	2008	2007	2006
Rupees in "000"						
TRADING RESULTS						
Net Turnover	3,305,780	3,247,871	2,639,940	2,397,536	3,383,978	3,042,064
Gross Profit	286,497	252,636	227,413	372,789	408,314	493,486
Operating Profit	145,062	197,880	21,339	240,599	328,249	417,114
Profit / (Loss) before tax	(11,516)	66,611	(118,165)	181,137	266,026	355,762
Profit / (Loss) after tax	(48,679)	38,152	(119,824)	160,596	249,097	340,218
Dividend	25,257	58,890	78,520	117,780	117,780	71,382
BALANCE SHEET						
Share Capital	785,201	785,201	785,201	785,201	785,201	713,819
Unappropriated profit	364,189	471,757	512,126	749,730	873,368	731,035
Total Assets	2,818,384	2,646,401	3,387,484	2,978,353	2,227,728	2,605,366
INVESTORS INFORMATION						
Gross Profit in percent of sales	8.67	7.78	8.61	15.55	12.07	16.22
Earnings Per Share	(0.62)	0.49	(1.53)	2.05	3.17	4.33
Profit / (Loss) before tax in percent of sales	(0.35)	2.05	(4.48)	7.56	7.86	11.69
Profit / (Loss) after tax in percent of sales	(1.47)	1.17	(4.54)	6.70	7.36	11.18
Inventory Turnover (times)	2.52	2.11	1.73	3.40	4.81	2.50
Debtor turnover (times)	9.63	9.03	7.36	4.75	6.79	11.30
Break-up value per share (Rs)	14.64	16.01	16.52	19.55	20.66	20.24
Market Value Per Share (Rs)	8.97	10.01	8.51	19.32	32.35	33.25
Price earnig Ratio	(14.47)	20.60	(5.58)	9.45	10.20	7.67
Dividend per share (Rs)	0.75	0.75	1.00	1.50	1.50	1.00
Dividend yield ratio (%)	8.36	7.49	11.75	7.76	4.64	3.01
Dividend Payout Ratio (%)	-	154.36	-	73.34	47.28	20.98
Return on capital employed (%)	(4.24)	3.04	(9.24)	10.46	15.35	23.55
Debt : Equity ratio	1.19	0.99	1.51	0.85	0.37	0.80
Current Ratio	1.31	1.44	1.31	1.63	2.22	1.42
Interest cover (times)	0.93	1.51	0.15	4.05	5.28	6.80



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of Siddiqsons Tin Plate Limited is pleased to present 6th 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, 2011.

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 Sindh.

Operating and Financial Performance

Tin plate actual production was 32,831 Metric tons as compared to 34,121 Metric tons during the same period last year. Canning plant actual production was 2,126,629 units as compared to 2,712,015 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 and misdeclaration of tinplate from European and other countries. However, main cause was misdeclared tinplate from Iran via land route under the garb of scrap, paying no duties at all due to this market is flooded with cheap tinplate hampering our sales badly. Over and above this substitution of plastic as packaging material has also taken its toll.

Sales performance

Net sale of your company during the year has been slightly higher as compared to the last year's sales. Your Company has recorded net sales of Rs.3,305 million as compared to Rs.3,248 million during the same period of previous year which means there is an increase in sale revenue by Rs.57.91 million as compared to the last year.

Gross profit

The gross profit of the Company recorded for this year is Rs.286 million which is 8.7% of the sales revenue of the current year as compared to Rs.253 million which was 7.8% of the sales revenue of the last year which means there is an increase of Rs.33 million.

Net results

The bottom line and net results showed a net loss after taxation of Rs.48 million during the period under review as compared to net profit after taxation of Rs.38 million in the corresponding period, mainly due to following reasons:

- Under review year is similar to the last year which was also a very difficult year due to unstable economical, political and law & order situation, for all business houses and as such our Company was no exception. The Company has also been facing different challenges domestic as well as international.
- County's unstable economical condition was the major obstacle for low sales due to which stock carrying cost and financial cost shot higher as compared to the correspondence period last year.
- The tax authorities have also doubled the turn over tax from 0.5% to 1% during the year under review.

- Excise and tax department has levied Sindh Development and Infrastructure Fee and Duty on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. The levy was challenged by the Company along with other companies in the High Court of Sindh through civil suits which were dismissed by the single judge of the High Court of Sindh through its decision in October 2003. On appeal filed there against, the High Court of Sindh has held through an order passed in September 2008, that the levy was imposed through Sindh Finance Act, 1994 and amended time to time was not valid till December 28, 2006, however, thereafter on account of an amendment in the Sindh Finance (Amendment) Ordinance, 2006, it had become valid and is payable by the Appealants. The company, along with other companies, filed an appeal in the Supreme Court of Pakistan against the aforementioned order of High Court of Sindh. The Supreme Court granted stay by passing an interim order on January 22, 2009. During the year the order passed by the High Court of Sindh was set aside by the Supreme Court vide its order dated May 20, 2011. Consequently a new petition has been filed in the High Court of Sindh. Through the interim order passed on May 31, 2011 the High Court of Sindh has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. The management of the Company is confident for a favorable outcome. However, as a matter of prudence, the Company has made provision of Rs.72,565,676 in the books of accounts. Out of this amount Rs. 55,058,814 pertains to prior years.

Earning per share

The losses per share is Rs.(0.62) as compared to earnings per share Rs.0.49 in corresponding period last year due to above reasons.

Dividend

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:

	2005	2006	2007	2008	2009	2010
Cash Dividend	40%	10%	15%	15%	10%	7.5%
Stock Dividend	12.5%	10%	-	-	-	-

Despite the bottom line and net results showed a net loss after taxation of Rs.48 million during the period under review. The board of directors proposed a final cash dividend for the year ended June 30, 2011 at Re 0.75 per share, i.e, 7.5%. The dividend will be paid to all shareholders EXCEPT SPONSOR DIRECTORS/ASSOCIATED COMPANY, i.e. they forego their dividend in favour of the Company.

Following is the comparative financial results for previous three years.

Rupees in Million	2011		2010 (Restated)		2009 (Restated)	
	Rs.	% of Sales	Rs.	% of Sales	Rs.	% of Sales
Sales	3,305	100	3,248	100	2,639	100
Gross Profit	286	8.7	253	7.8	227	8.61
Profit/(Loss) before tax	(12)	0.35	67	2.05	(118)	4.48
Profit/(Loss) after tax	(48)	1.47	38	1.17	(125)	4.73
EPS/(LPS) (Rupees)	(0.62)		0.49		(1.59)	



Provident Fund

The value of investment of Siddiqsons Tin Plate Limited - Staff Provident Fund based on its respective audited accounts as on June 30, 2010 was Rs. 18.55 million.

Future outlook

Management of the Company is continuously devoting its best efforts for achieving better results. We are confident that your company has the potential to remain market leader and would be able to sustain all external and internal pressures by maintaining its history of achieving good results even in the most challenging circumstances.

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

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

Auditors

The present auditors M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants are retiring and have offered themselves for reappointment. As suggested by the Audit Committee, the Board of Directors have recommended their reappointment as auditors of the company for the year ending June 30, 2012, at a remuneration to be mutually agreed.

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, 2011 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 five (5) 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. S. Waliullah Shah	5
Mr. Tariq Rafi	4
Mr. Ibrahim Shamsi	3
Mr. Sanaullah Abdullah	4
Mr. Saturo Oki	4
Mr. Jean Peirre Gugenheim	0

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, clean water and health care particularly in Winder-Balochistan.

Pattern of shareholding

The total number of Company's shareholders as at June 30, 2011 were 2,983. The pattern of shareholding as at June 30, 2011 along-with necessary disclosures as required under the Code of Corporate Governance is annexed with this report.

Appointment of new Chief Executive Officer

Mr. Tariq Rafi has ceased to be the Chief Executive of the Company w.e.f. June 29, 2011 and Mr. S. Waliullah Shah, Directors, has been appointed as Chief Executive by the Board of Directors for the remainder tenure ending December 31, 2011.

Remuneration of Mr. Shah is Rs. 125,000/- per month with a Company maintained car.



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 16, 2011

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. There was no new appointment of these officers during the year.
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 executive as 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 16, 2011

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, 2011.

Chartered Accountants

Date: September 16, 2011

Place: Karachi

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of SIDDIQSONS TIN PLATE LIMITED as at June 30, 2011 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;
 - 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, 2011 and of the loss, 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 16, 2011

BALANCE SHEET

AS AT JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	819,626,981	845,464,711
Long-term deposits	4	7,559,155	7,459,155
		<u>827,186,136</u>	<u>852,923,866</u>
CURRENT ASSETS			
Stores, spares and loose tools	5	18,191,429	14,758,873
Stock-in-trade	6	1,309,838,815	1,085,090,844
Trade debts	7	377,254,399	308,973,520
Loans and advances	8	152,483,213	292,699,500
Trade deposits and short-term prepayments	9	13,234,647	6,588,582
Other receivables	10	59,727,759	5,312,051
Other financial assets	11	342,839	32,181,079
Income tax refundable		48,819,731	-
Sales tax refundable	12	-	12,267,966
Cash and bank balances	13	11,304,883	35,604,420
		<u>1,991,197,715</u>	<u>1,793,476,837</u>
Total Assets		<u>2,818,383,851</u>	<u>2,646,400,703</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	14	785,201,270	785,201,270
Unappropriated profit		364,188,578	471,757,931
		<u>1,149,389,848</u>	<u>1,256,959,201</u>
NON-CURRENT LIABILITIES			
Deferred liability	15	147,440,916	144,689,314
CURRENT LIABILITIES			
Trade and other payables	16	105,984,282	35,880,251
Interest / mark-up accrued	17	42,481,532	37,586,625
Short-term advances	18	187,697,068	262,000,000
Short-term borrowings	19	1,182,617,964	804,605,196
Taxation - income tax		-	104,680,116
- sales tax		2,772,241	-
		<u>1,521,553,087</u>	<u>1,244,752,188</u>
CONTINGENCIES AND COMMITMENTS	20		
Total Equity and Liabilities		<u>2,818,383,851</u>	<u>2,646,400,703</u>

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR



PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
Sales - net	21	3,305,780,604	3,247,870,962
Cost of goods sold	22	(3,019,283,304)	(2,995,234,874)
Gross profit		<u>286,497,300</u>	<u>252,636,088</u>
Distribution cost	23	(20,315,643)	(21,072,606)
Administrative expenses	24	(63,590,032)	(54,102,598)
Other operating expenses	25	(62,312,739)	(32,187,247)
Finance cost	26	(156,578,155)	(131,269,067)
Other operating income	27	4,783,495	52,606,402
(Loss)/profit before taxation		<u>(11,515,774)</u>	<u>66,610,972</u>
Provision for taxation	28	(37,163,484)	(28,458,921)
(Loss)/profit after taxation		<u>(48,679,258)</u>	<u>38,152,051</u>
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u><u>(48,679,258)</u></u>	<u><u>38,152,051</u></u>
Earnings per share - Basic and diluted	29	<u>(0.62)</u>	<u>0.49</u>

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2011

	2011 Rupees	2010 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(11,515,774)	66,610,972
Adjustments for:		
Depreciation on property, plant and equipment	41,972,533	42,041,876
Finance cost	156,578,155	131,269,067
Provision / (reversal of provision) for doubtful debts	2,187,403	(2,027,955)
Provision / (reversal of provision) for doubtful receivables	1,420,364	(2,194,334)
Provision for doubtful sales tax refundable	-	206,834
Provision for slow moving stores	1,127,417	-
Gain on disposal of property, plant and equipment	-	(985,258)
Dividend income	(615,050)	(15,398,744)
Gain on sale of investments	(2,678,238)	(26,243,343)
Loss on remeasurement of investment at market value	12,248	435,929
Operating cash flows before movement in working capital	<u>188,489,058</u>	<u>193,715,044</u>
(Increase) / decrease in current assets		
Stores, spares and loose tools	(4,559,973)	(701,533)
Stock-in-trade	(224,747,971)	670,727,642
Trade debts	(70,468,282)	103,374,467
Loans and advances	20,267,370	(3,497,033)
Trade deposits and short-term prepayments	(6,646,065)	(1,528,294)
Other receivables	(56,745,697)	108,943
Sales tax refundable	12,267,966	(12,267,966)
Increase / (decrease) in current liabilities		
Trade and other payables	70,098,646	(1,862,681)
Sales tax payable	2,772,241	(38,289,214)
Cash flow (used in) / generated from operations	<u>(69,272,707)</u>	<u>909,779,374</u>
Income taxes paid	(67,962,810)	(102,412,573)
Interest / markup paid	(151,683,248)	(129,594,472)
Long term deposit paid	(100,000)	(2,500)
Net cash flows (used in) / generated from operating activities	<u>(289,018,765)</u>	<u>677,769,829</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	-	1,894,516
Purchase of property, plant and equipment	(16,134,803)	(77,745,526)
Purchase of investments	(3,456,105)	(63,137,981)
Proceed from disposal of investments	37,960,335	169,251,311
Dividend received	1,524,675	13,816,119
Net cash flows generated from investing activities	<u>19,894,102</u>	<u>44,078,439</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	109,457,089	(417,879,478)
Short term advances obtained	220,000,000	350,000,000
Short term advances paid	(294,302,932)	(88,000,000)
Dividend paid	(58,884,710)	(78,653,313)
Net cash used in financing activities	<u>(23,730,553)</u>	<u>(234,532,791)</u>
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(292,855,216)	487,315,477
Cash and cash equivalents at beginning of the year	24,580,034	(462,735,443)
Cash and cash equivalents at end of the year	<u>(268,275,182)</u>	<u>24,580,034</u>
Cash and cash equivalents		
Cash and bank balances	11,304,883	35,604,420
Short term running finance	(279,580,065)	(11,024,386)
	<u>(268,275,182)</u>	<u>24,580,034</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, 2011

	Issued, subscribed & paid up capital	Unappropriated profit	Total
	-----Rupees -----		
Balance at July 1, 2009	785,201,270	512,126,007	1,297,327,277
Transactions with owners			
Final cash dividend for the year ended June 30, 2009			
@ Re. 1/- per share	-	(78,520,127)	(78,520,127)
Comprehensive Income			
Profit for the year ended June 30, 2010	-	38,152,051	38,152,051
Other comprehensive income - net of tax	-	-	-
	-	38,152,051	38,152,051
Balance at June 30, 2010	785,201,270	471,757,931	1,256,959,201
Transactions with owners			
Final cash dividend for the year ended June 30, 2010			
@ Re. 0.75/- per share	-	(58,890,095)	(58,890,095)
Comprehensive Income			
Loss for the year ended June 30, 2011	-	(48,679,258)	(48,679,258)
Other comprehensive income - net of tax	-	-	-
	-	(48,679,258)	(48,679,258)
Balance at June 30, 2011	785,201,270	364,188,578	1,149,389,848

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, 2011

I. GENERAL INFORMATION

- 1.1 Siddiqsons Tin Plate Limited (the company) was incorporated in Pakistan on January 29, 1996 as public company limited by shares under Companies Ordinance 1984. The shares of the company are listed at Karachi Stock Exchange. Registered office of the company is situated at D-53, Textile Avenue, S.I.T.E, Karachi in the province of Sindh and the plant is located at Winder Industrial Estate in the province of Balochistan. The canning plant is located at B-26, Textile Avenue, S.I.T.E. Karachi in the province of Sindh. 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 Standards, interpretation and amendment adopted during the year

In the current period, the company has adopted all new Standards issued by 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, 2010.

- Amendments to IFRS 2 - Share based Payment
- Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations
- Amendments to IFRS 8 - Operating Segments
- Amendments to IAS 1 - Presentation of Financial Statements
- Amendments to IAS 7 - Statement of Cash Flows
- Amendments to IAS 17 - Leases
- Amendments to IAS 32 - Financial Instruments: Presentation
- Amendments to IAS 36 - Impairment of assets
- Amendments to IAS 39 - Financial Instruments: Recognition and Measurement
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

The adoption of new standards, interpretation and amendments/improvements did not have any effect on the financial statements



2.2.1 New, revised and amended standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on or after January 1, 2011. These standards are either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements;

Standard	Effective from accounting period beginning on or after
IFRS 7 - Financial Instruments Disclosures (Amendment)	January 01, 2011
IFRS 7 - Financial Instruments Disclosures (Amendment)	July 01, 2011
IAS 1 - Presentation of Financial Statements (Amendment)	January 01, 2011
IAS 1 - Presentation of Financial Statements (Amendment)	July 01, 2012
IAS 12 – Income Taxes (Amendment)	January 01, 2012
IAS 24 - Related Party Disclosures (Revised)	January 01, 2011
IAS 34 - Interim Financial Reporting (Amendment)	January 01, 2011
IFRIC 13 - Customer Loyalty Programmes (Amendment)	January 01, 2011
IFRIC 14 - Prepayment of Minimum Funding Requirement	January 01, 2011
IFRIC 14 - IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendment)	January 01, 2011

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, if any. 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
Finished goods	At average manufacturing cost
Waste	At net realizable value

Cost in relation to items in transit and in bonded warehouse represent invoice value and other charges incurred thereon upto balance sheet date.

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.

Compensated absences

The company provides for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned.

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

The carrying amounts of non-financial assets other than inventories and deferred tax asset (if any), are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. When impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss, if any, is recognised as income.

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 profit and loss account in the year in which they arise.

2.17 Taxation

Current

The charge for current taxation is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 against doubtful debts and receivables (note 7 and 10);
- Useful lives of property, plant and equipment (note 3.1); and
- Impairment in property, plant and equipment.

3. PROPERTY, PLANT AND EQUIPMENT

	Note	2011 Rupees	2010 Rupees
Operating fixed assets	3.1	801,334,588	786,209,014
Capital work in progress	3.4	18,292,393	59,255,697
		<u>819,626,981</u>	<u>845,464,711</u>



3.1 Operating fixed assets

	Cost at July 01, 2010	Additions / (disposals)	Cost at June 30, 2011	Accumulated depreciation at July 01, 2010	Depreciation for the year	Accumulated depreciation at June 30, 2011	Carrying value at June 30, 2011	Dep. Rate %
-----Rupees-----								
Owned:								
Leasehold land	7,533,750	-	7,533,750	-	-	-	7,533,750	-
Buildings on leasehold land	133,179,058	-	133,179,058	87,924,904	4,525,415	92,450,319	40,728,739	10
Plant and machinery	1,017,666,826	50,728,267	1,068,395,093	357,520,722	27,908,246	385,428,968	682,966,125	4
Power and other installations	87,828,425	-	87,828,425	47,764,251	4,006,417	51,770,668	36,057,757	10
Factory equipment	14,573,098	207,690	14,780,788	9,020,849	558,050	9,578,899	5,201,889	10
Generators	13,238,548	-	13,238,548	9,253,275	398,527	9,651,802	3,586,746	10
Office equipment	6,155,565	386,950	6,542,515	2,941,604	337,841	3,279,445	3,263,070	10
Data processing equipment	3,091,653	521,423	3,613,076	2,296,110	365,968	2,662,078	950,998	33.33
Furniture and fixtures	3,524,327	341,220	3,865,547	2,057,703	170,618	2,228,321	1,637,226	10
Vehicles	34,986,583	4,912,557	39,899,140	16,789,401	3,701,451	20,490,852	19,408,288	20
	1,321,777,833	57,098,107	1,378,875,940	535,568,819	41,972,533	577,541,352	801,334,588	

3.1.1 Canning plant costing to Rs. 64,709,043 (2010: Rs. 20,270,302) has been installed on the land and building of an associated company. No rent is charged by the associated company.

For comparative period

	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 %
-----Rupees -----								
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 (4,074,215)	34,986,583	16,481,350	3,473,008 (3,164,957)	16,789,401	18,197,182	20
	1,290,653,661	35,198,387 (4,074,215)	1,321,777,833	496,691,900	42,041,876 (3,164,957)	535,568,819	786,209,014	



3.2 Allocation of depreciation

	Note	2011 Rupees	2010 Rupees
Cost of goods sold	22.1	37,396,655	37,735,610
Administrative expenses	24	4,575,878	4,306,266
		<u>41,972,533</u>	<u>42,041,876</u>

3.3 There is no disposal of assets during the year.

3.4 Capital work in progress

Plant and equipment		7,224,845	48,373,339
Shed			
- Civil work		2,317,962	2,170,222
- Advance for capital expenditure		7,249,586	7,212,136
		9,567,548	9,382,358
Advance for land		1,500,000	1,500,000
		<u>18,292,393</u>	<u>59,255,697</u>

4. LONG TERM DEPOSITS

For electricity	4.1	7,179,250	7,179,250
Others		379,905	279,905
		<u>7,559,155</u>	<u>7,459,155</u>

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

5. STORES, SPARES AND LOOSE TOOLS

	Note	2011 Rupees	2010 Rupees
Stores, spares and loose tools		28,436,398	23,876,425
Less: Provision for slow-moving and obsolete items	5.1	(10,244,969)	(9,117,552)
		<u>18,191,429</u>	<u>14,758,873</u>

5.1 Provision for slow moving and obsolete items

Opening balance		9,117,552	9,117,552
Additions during the year		1,127,417	-
Closing balance		<u>10,244,969</u>	<u>9,117,552</u>

6. STOCK-IN-TRADE

Raw materials			
- in hand		119,015,142	109,703,442
- in bonded warehouse		389,687,651	45,941,431
- in transit		338,984,911	464,689,357
Finished goods		453,783,705	450,338,778
Scrap		8,367,406	14,417,836
		<u>1,309,838,815</u>	<u>1,085,090,844</u>

7. TRADE DEBTS

- considered good

Export - unsecured
Local - secured
- unsecured

Note

2011
Rupees

2010
Rupees

7.1

2,067,689
24,607,343
350,579,367
377,254,399

-
15,159,152
293,814,368
308,973,520

- considered doubtful

Local - unsecured
Less: Provision for doubtful debts

2,187,403
(2,187,403)

2,193,488
(2,193,488)

-
377,254,399

-
308,973,520

7.1 These are secured against local letters 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 due beyond 2 years are generally not recoverable.

7.4 Movement in provision for doubtful debts

Opening Balance
Addition during the year
Recovered during the year
Written off during the year
Closing balance

24

2,193,488
2,187,403
-
(2,193,488)
2,187,403

4,221,443
-
(2,027,955)
-
2,193,488

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.2,187,403 (2010: Rs.2,193,488). 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 against these balances.

7.5 Included in the trade debts balance are debtors with a carrying amount of Rs 0.54 million (2010: Rs 4.17 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 against these balances.



	Note	2011 Rupees	2010 Rupees
7.5.1 Ageing of past due but not impaired			
91-180 days		371,276	1,515,679
181-365 days		168,254	811,602
Above 365 days		-	1,845,444
		<u>539,530</u>	<u>4,172,725</u>
7.6 The average age of receivables is 120 days (2010: 150 days).			
8. LOANS AND ADVANCES			
Loans - considered good			
to executives		527,703	800,138
to employees		245,802	315,200
		<u>773,505</u>	<u>1,115,338</u>
Advances - considered good			
to suppliers		38,048,995	54,726,076
against expenses		2,560,127	2,033,549
Income tax - net of provision	8.1	109,852,599	229,801,516
Letters of credit fee and expenses		1,247,987	5,023,021
		<u>151,709,708</u>	<u>291,584,162</u>
		<u>152,483,213</u>	<u>292,699,500</u>
8.1 Income tax - net of provision			
Advance tax		231,376,839	229,801,516
Provision for taxation		(121,524,240)	-
		<u>109,852,599</u>	<u>229,801,516</u>
9. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits		9,815,483	6,330,390
Short term prepayments		3,419,164	258,192
		<u>13,234,647</u>	<u>6,588,582</u>
10. OTHER RECEIVABLES			
- Considered good			
Claim receivable		58,887,606	-
Dividend receivable		783,000	1,692,625
Other		57,153	3,619,426
		<u>59,727,759</u>	<u>5,312,051</u>
- Considered doubtful			
Other		1,420,364	-
Less: Provision for doubtful receivables	10.1	(1,420,364)	-
		<u>-</u>	<u>-</u>
		<u>59,727,759</u>	<u>5,312,051</u>

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

Movement in provision for doubtful receivables

	Note	2011 Rupees	2010 Rupees
Opening Balance		-	2,194,334
Addition during the year	24	1,420,364	-
Recovered during the year		-	(2,194,334)
Closing balance		<u>1,420,364</u>	<u>-</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

2011		2010		Market Value	
-----No. of shares-----				2011	2010
				-----Rupees-----	
6,750	206,865	National Bank of Pakistan		340,335	13,260,047
-	427,500	Fauji Fertilizer Bin Qasim Limited		-	11,132,101
-	225,000	Pakistan Telecommunication Company Limited		-	4,005,000
666	776,666	Summit Bank Limited		2,504	2,788,231
-	35,000	Artistic Denim Mills Limited		-	714,700
-	100,000	JS Bank Limited		-	281,000
				<u>342,839</u>	<u>32,181,079</u>

12. SALES TAX REFUNDABLE

- Considered good
- Sales tax refundable

- Considered doubtful

	Note	2011 Rupees	2010 Rupees
Sales tax refundable		-	12,267,966
Sales tax refundable		-	206,834
Provision for doubtful sales tax refundable	12.1	-	(206,834)
		-	-
		<u>-</u>	<u>12,267,966</u>



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

14.2 An associated undertaking, Siddiqsons Limited hold 10,207,842 (2010: 9,403,194) 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 dividend 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.

15. DEFERRED LIABILITY	Note	2011 Rupees	2010 Rupees
Deferred taxation	15.1	<u>147,440,916</u>	<u>144,689,314</u>
15.1 Deferred taxation			
This comprises the following: -			
Deferred tax liabilities on taxable temporary differences arising in respect of :			
Accelerated depreciation rates		162,628,336	156,984,224
Deferred tax assets on deductible temporary difference arising in respect of :			
Unabsorbed tax losses		10,350,684	8,263,654
Provision for doubtful debts		763,740	767,721
Provision for doubtful receivables		495,926	-
Provision for doubtful sales tax refundable		-	72,392
Provision for slow moving stores		3,577,070	3,191,143
		(15,187,420)	(12,294,910)
		<u>147,440,916</u>	<u>144,689,314</u>

16. TRADE AND OTHER PAYABLES

Creditors	16.1	9,764,242	14,245,167
Accrued liabilities		5,667,525	5,418,966
Advance from customers		5,841,510	192,038
Workers' Participation Fund	16.2	465,060	3,577,388
Workers' Welfare Fund		9,338,829	10,698,237
Withholding tax payable		852,410	410,010
Unclaimed dividend		784,474	779,089
Infrastructure cess	16.3	72,565,676	-
Others	16.4	704,556	559,356
		<u>105,984,282</u>	<u>35,880,251</u>

16.1 This include Rs. 2,953,523 (2010: Rs. 2,953,523) payable to a related party Siddiqsons Services (Private) Limited. Trade payables are non-interest bearing and are normally settled on thirty day terms.



16.2 Workers' participation fund

	Note	2011 Rupees	2010 Rupees
Balance at July 01,		3,577,388	-
Interest on funds utilized in the company's business	16.2.1	465,060	-
		4,042,448	-
Payment made to the Fund during the year		(3,577,388)	-
		465,060	-
Allocation for the year	25	-	3,577,388
Balance at June 30,		465,060	3,577,388

16.2.1 Interest has been charged @ 13% on outstanding balance as on June 30, 2010.

16.2.2 During the year, the management of the company has decided to withdraw the case against the Ministry of Labour and Manpower, Federation of Pakistan and settle the Workers' participation fund dispute and make arrangement for payment of the said balance in accordance with the provisions of the Companies Profits (Workers' Participation) Act, 1968 (the Act) to eligible workers as well as Workers' welfare fund (WWF). Subsequent to the year end the Siddiqsons Tin Plate Limited-Workers' Participation Fund has paid outstanding amount of the fund to the eligible workers and WWF in accordance with the Act.

16.3 Excise and tax department has levied Sindh Development and Infrastructure Fee and Duty on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. The levy was challenged by the company along with other companies in the High Court of Sindh through civil suits which were dismissed by the single judge of the High Court of Sindh through its decision in October 2003. On appeal filed there against, the High Court of Sindh has held through an order passed in September 2008, that the levy was imposed through Sindh Finance Act, 1994 and amended from time to time was not valid till December 28, 2006, however, thereafter on account of an amendment in the Sindh Finance (Amendment) Ordinance, 2006, it had become valid and is payable by the Appellants. The company, along with other companies, filed an appeal in the Supreme Court of Pakistan against the aforementioned order of High Court of Sindh.

The Supreme Court granted stay by passing an interim order on January 22, 2009. During the year the order passed by the High Court of Sindh was set aside by the Supreme Court vide its order dated May 20, 2011. Consequently a new petition has been filed in the High Court of Sindh. Through the interim order passed on May 31, 2011 the High Court of Sindh has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed.

The management of the company is confident for a favorable outcome. However, as a matter of prudence, the company has made provision of Rs. 72,565,676 in the books of accounts. Out of this amount Rs. 55,058,814 pertains to prior years.

16.4 This include deposits for car loan of Rs. 692,660 (2010: Rs. 531,356) from employees.

	Note	2011 Rupees	2010 Rupees
17. INTEREST / MARK-UP ACCRUED			
Mark-up on short term borrowings		25,581,532	11,902,442
Mark-up on loan from Worker's Participation Fund		16,900,000	25,684,183
		<u>42,481,532</u>	<u>37,586,625</u>
18. SHORT-TERM ADVANCES			
Unsecured - related party			
Loan from Siddiqsons Limited	18.1	187,697,068	132,000,000
Loan from Workers' Participant Fund	18.1	-	130,000,000
		<u>187,697,068</u>	<u>262,000,000</u>

18.1 These are subject to markup @ 13% (2010: 13%) per annum.

19. SHORT-TERM BORROWINGS

Secured

From banking companies

Finance against imports	19.2	903,037,899	407,363,642
Running finances under markup arrangements	19.3	279,580,065	11,024,386
Facility for payment of letters of credit	19.4	-	386,217,168
		<u>1,182,617,964</u>	<u>804,605,196</u>

19.1 The aggregate unavailed-short term borrowing facilities amounts to Rs. 714.91 million (2010 : Rs. 882.17 million) as of the balance sheet date.

19.2 These 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 lien on import documents. Local currency loan are subject to mark-up based on KIBOR ranging between 13.65% to 24% (2010: 14.24% to 15.52%) per annum payable on maturity and foreign currency loan are subject to mark-up based on LIBOR ranging between 3.47% to 5.50% (2010: 3.49% 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 13.65% to 16.15% (2010 : 13.84% to 15.29%) per annum.

19.4 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.



22.1 Cost of goods manufactured

	Note	2011 Rupees	2010 Rupees
Raw materials	22.1.1	2,710,421,408	2,547,335,873
Salaries, wages and benefits	22.1.2	80,492,527	59,059,407
Fuel and power		79,661,119	71,563,290
Packing materials		9,371,582	8,309,059
Cans printing		749,243	8,830,001
Fabrication		47,767	3,915,194
Stores and spares		10,630,753	8,481,094
Sorting, slitting and cutting		2,032,683	4,921,233
Rent, rates and taxes		551,250	205,217
Repairs and maintenance		4,159,778	5,221,148
Insurance		4,766,378	4,167,740
Transportation		1,610,083	1,761,264
Traveling and conveyance		4,912,205	4,324,791
Printing and stationery		324,832	388,927
Fees and subscription		86,249	79,977
Communication		314,024	241,477
Entertainment		225,667	94,396
Depreciation	3.2	37,396,655	37,735,610
Provision for slow moving stores		1,127,417	-
Other manufacturing cost		6,123,321	6,500,953
		<u>2,955,004,941</u>	<u>2,773,136,651</u>

22.1.1 Raw material consumed

Opening stock		109,703,442	844,634,094
Purchase and related expenses - net of claims		2,719,733,108	1,812,405,221
		<u>2,829,436,550</u>	<u>2,657,039,315</u>
Closing stock		(119,015,142)	(109,703,442)
		<u>2,710,421,408</u>	<u>2,547,335,873</u>

22.1.2 This includes employees' retirement benefits of Rs. 1,957,138 (2010: Rs.1,147,803).

23. DISTRIBUTION COST

Salaries and benefits	23.1	11,141,308	11,092,036
Traveling		2,969,341	4,316,788
Transportation		1,933,685	1,608,910
Advertisement		718,020	593,219
Sales promotion		734,755	740,082
Rent, rates and taxes		1,174,441	1,236,715
Others		1,644,093	1,484,856
		<u>20,315,643</u>	<u>21,072,606</u>

23.1 This includes employees' retirement benefits amounting to Rs. 451,903 (2010: Rs.472,667).



24. ADMINISTRATIVE EXPENSES

	Note	2011 Rupees	2010 Rupees
Salaries and benefits	24.1	29,476,999	27,166,074
Traveling and conveyance		3,872,061	5,547,663
Vehicles running and maintenance		5,115,166	4,798,415
Depreciation	3.2	4,575,878	4,306,266
Communication		2,928,957	3,054,016
Printing and stationery		1,254,610	1,239,374
Repairs and maintenance		2,348,316	1,034,440
Entertainment		1,509,162	993,951
Auditors' remuneration	24.2	1,050,000	985,000
Insurance		717,726	1,774,943
Fees and subscription		656,631	841,693
Charity and donation	24.3	2,845,925	802,205
Rent, rates and taxes		213,896	482,050
Legal and professional		2,455,933	298,037
Provision for doubtful sales tax refundable	12	-	206,834
Provision for doubtful debts	7.4	2,187,403	-
Provision for doubtful receivables	10.1	1,420,364	-
Others		961,005	571,637
		<u>63,590,032</u>	<u>54,102,598</u>

24.1 This includes employees' retirement benefits of Rs. 1,202,727 (2010 : Rs. 1,003,260).

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	15,000	10,000
Tax and other services	255,000	200,000
Out of pocket expenses	50,000	45,000
	<u>1,050,000</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' Participation Fund	16.2	-	3,577,388
Workers' Welfare Fund		-	1,359,408
Infrastructure cess	16.3	55,058,814	-
Exchange loss - net		7,253,925	27,250,451
		<u>62,312,739</u>	<u>32,187,247</u>

26. FINANCE COST

Interest / mark-up on:			
Short-term borrowings		122,947,471	105,217,956
Short-term advances	26.1	23,308,489	17,805,061
Workers' participation fund		465,060	-
Bank charges and commission		9,857,135	8,246,050
		<u>156,578,155</u>	<u>131,269,067</u>

26.1 Includes mark up of Rs. 16,900,000 (2010: 16,853,699) on advance from Workers' Participation Fund (WPF) and Rs. 6,408,489 (2010: 951,362) on advance from Siddiqsons Limited.

27. OTHER OPERATING INCOME	Note	2011 Rupees	2010 Rupees
Income from financial assets			
Profit on bank deposits		1,408,027	6,188,849
Dividend income		615,050	15,398,744
Loss on remeasurement of investment at market value		(12,248)	(435,929)
Gain on sale of investments		2,678,238	26,243,343
Reversal of provision for doubtful debts	7.4	-	2,027,955
Reversal of provision for doubtful receivables	10.2	-	2,194,334
Income from assets other than financial assets			
Gain on sale of property plant and equipment		-	985,258
Others		94,428	3,848
		4,783,495	52,606,402
28. PROVISION FOR TAXATION			
Current			
for the year		34,589,858	17,745,734
for the prior year		(177,976)	-
Deferred taxation			
		2,751,602	10,713,187
		37,163,484	28,458,921

28.1 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 was 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 of Rs. 7,791,094 and Rs. 17,654,223 for tax year 2003 and 2005 respectively, has been made in the financial statements under Section 113 of the Ordinance.

For the tax year 2006, the tax department levied the tax liability of Rs. 15,710,252 on account of minimum tax and other 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. 15,710,252 in the books of account in the prior year. The management of the company is confident for a favorable outcome.

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. However, as a matter of prudence, the company made provision of Rs. 18,472,182 in the books of account in 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	2011 Rupees	2010 Rupees
(Loss)/profit for the year (Rupees)		(48,679,258)	38,152,051
Weighted average number of ordinary shares outstanding during the year		78,520,127	78,520,127
Earnings per share (Rupee)		(0.62)	0.49

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	2011	2010
Associated company	Purchase of goods and services	2,339,716	41,070
	Payment of dividend	7,067,438	8,878,369
	Short-term advance obtained from Siddiqsons Limited	220,000,000	220,000,000
	Short-term advance repaid to Siddiqsons Limited	164,302,932	88,000,000
	Markup on advance from Siddiqsons Limited	6,408,489	951,362
Key management personnel	Short-term employee benefits	23,591,058	17,169,839
	Post-employment benefits	1,820,814	2,653,667
Other related parties	Short term advance obtained from Workers' Participation Fund	-	130,000,000
	Short term advance repaid to Workers' Participation Fund	130,000,000	-
	Markup charged on advance from Workers' Participation Fund	16,900,000	16,853,699
	Markup paid on advance from Workers' Participation Fund	25,684,183	-
	Sales of property, plant and equipment	-	1,432,050



31. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive	Directors	Executives	Total	
	-----Rupees '000-----			2011	2010
Remuneration	1,200,000	2,200,000	10,226,659	13,626,659	9,345,936
House rent	480,000	880,000	4,090,663	5,450,663	3,738,374
Bonus	-	125,000	1,250,169	1,375,169	1,178,938
Retirement benefits	-	125,000	1,695,814	1,820,814	2,653,667
Vehicle running	-	392,864	1,383,037	1,775,901	1,971,997
Utilities	120,000	220,000	1,022,666	1,362,666	934,594
	<u>1,800,000</u>	<u>3,942,864</u>	<u>19,669,008</u>	<u>25,411,872</u>	<u>19,823,506</u>
Number of persons	1	2	21		

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

31.2 During the year Mr. Tariq Rafi resigned as Chief Executive Officer of the company with effect from June 29, 2011 and Mr. S.Waliullah Shah has been appointed as Chief Executive Officer with effect from June 30, 2011.

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 96.7% (2010: 96.46%) of total revenue of the company. Out of total sales 99.78% (2010: 99.88%) sales made to customers in Pakistan. All non-current assets of the company as at June 30, 2011 are located in Pakistan. The company does not have transactions with any external customer which amount to 10 percent or more of the entity's revenues.

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

Financial assets as per balance sheet	2011 Rupees	2010 Rupees
Loans and receivables at amortised cost		
Long-term deposits	7,559,155	7,459,155
Trade debts	377,254,399	308,973,520
Loans and advances	773,505	1,115,338
Trade deposits and short-term prepayments	9,815,483	6,330,390
Other receivables	59,727,759	5,312,051
Cash and bank balances	11,304,883	35,604,420
At fair value through profit and loss account		
Other financial assets	342,839	32,181,079
	<u>466,778,023</u>	<u>396,975,953</u>

Financial liabilities as per balance sheet

Financial liabilities measured at amortised cost

	2011 Rupees	2010 Rupees
Trade and other payables	16,920,797	21,002,578
Interest / mark-up accrued	42,481,532	37,586,625
Short-term advances	187,697,068	262,000,000
Short-term borrowings	<u>1,182,617,964</u>	<u>804,605,196</u>
	<u>1,429,717,361</u>	<u>1,125,194,399</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 investing 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. 466,778,023 (2010 : Rs. 396,975,953), the financial assets which are subject to credit risk amounted to Rs. 466,273,040 (2010 : Rs. 364,517,424). 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, 2011, along with comparative is tabulated below:

Financial assets	2011 Rupees	2010 Rupees
Long-term deposits	7,559,155	7,459,155
Trade debts	377,254,399	308,973,520
Loans and advances	773,505	1,115,338
Trade deposits and short-term prepayments	9,815,483	6,330,390
Other receivables	59,727,759	5,312,051
Cash and bank balances	<u>11,142,739</u>	<u>35,326,970</u>
	<u>466,273,040</u>	<u>364,517,424</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.

The company is not exposed to major concentration on credit risk. At June 30, 2011, the company has approximately 10 customers (2010: 7 customers) that owed more than Rs. 10 million each and accounted for approximately 41% (2010: 26%) of all trade debt.

The company does not hold collateral as security.

34.1.2 Credit risk related to financial instruments and cash deposits

The bank balances along with credit rating are tabulated below

Credit rating		
A1+	10,456,639	16,499,869
A1	32,603	1,673
F1+	653,497	18,825,428
	<u>11,142,739</u>	<u>35,326,970</u>

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 19.1 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, 2011							
----- Rupees -----							
Financial Liabilities							
Trade and other payables	-	-	-	16,920,797	-	16,920,797	16,920,797
Interest / mark-up accrued	-	-	-	42,481,532	-	42,481,532	42,481,532
Short-term advances	187,697,068	-	187,697,068	-	-	-	187,697,068
Short-term borrowings	1,182,617,964	-	1,182,617,964	-	-	-	1,182,617,964
	<u>1,370,315,032</u>	-	<u>1,370,315,032</u>	<u>59,402,329</u>	-	<u>59,402,329</u>	<u>1,429,717,361</u>
June 30, 2010							
----- Rupees -----							
Financial Liabilities							
Trade and other payables	-	-	-	21,002,578	-	21,002,578	21,002,578
Interest / mark-up accrued	-	-	-	37,586,625	-	37,586,625	37,586,625
Short-term advances	262,000,000	-	262,000,000	-	-	-	262,000,000
Short-term borrowings	418,388,028	-	418,388,028	386,217,168	-	386,217,168	804,605,196
	<u>680,388,028</u>	-	<u>680,388,028</u>	<u>444,806,371</u>	-	<u>444,806,371</u>	<u>1,125,194,399</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 loss before taxation (2010: profit before taxation) for the year ended would (increase)/decrease (2010: (decrease)/increase) by Rs. 7,173,938 (2010: Rs. 5,697,264). 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 increased during the current year mainly due to the increase 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, 2011, the total foreign currency risk exposure was Rs. 2,067,689 (2010: Nil) in respect of foreign trade debts. However, Rs. 903,037,899 (2010: Rs. 793,580,810) were payable in respect of foreign currency bills and foreign currency borrowings.

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, 2011, if the Rupee had strengthen/weakened by 5% against the US dollar and Euro with all other variables held constant, loss before taxation (2010: profit before taxation) for the year would have been decrease/(increase) (2010: increase/(decrease)) by Rs. 45,048,511 (2010: Rs.39,679,040) 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 more sensitive to movement in Rupee/US dollar and Rupee/Euro exchange rates in 2011 than 2010.

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. At the year end company's equity investment balance is of insignificant amount.



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 I that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- 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. 342,839 (2010: Rs.32,181,079) 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 bank balances. 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, 2011 and June 30, 2010 were as follows:



	2011 Rupees	2010 Rupees
Total debts	1,370,315,032	1,066,605,196
Less: Cash and bank balances	(11,304,883)	(35,604,420)
Net debt	1,359,010,149	1,031,000,776
Total equity	1,149,389,848	1,256,959,201
Adjusted capital	2,508,399,997	2,287,959,977
Debt-to-adjusted capital ratio	0.54	0.45

36. PLANT CAPACITY AND ACTUAL PRODUCTION

	2011 (Metric tons)	2010
Tin Plate		
Installed capacity	120,000	120,000
Actual production	32,831	34,121
Cans		
Installed capacity of various sizes	4,015,000	4,015,000
Actual production of various sizes	2,126,629	2,712,015

36.1 Under utilization of available capacity was due to lack of demand.

37. EVENT AFTER BALANCE SHEET DATE

The Board of Directors have proposed a final cash dividend for its shareholders of Rs. 0.75/- per share for the year ended June 30, 2011, for approval by the members of the company in the Annual General Meeting. The dividend will be paid to all shareholders except sponsor directors/associated company, as they have foregone their dividend in favour of the company. These financial statements does not disclose this pay out as per the company's accounting policy disclosed in note 2.20.

38. 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 16, 2011.

39. GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PATTERN OF HOLDING OF SHARES HELD BY THE SHAREHOLDERS as at June 30, 2011

No. of Shareholders	Share Holding		Total Shares Held	Percentage %
	From	To		
629	1	100	31140	0.0397
323	101	500	127377	0.1622
1109	501	1000	674569	0.8591
690	1001	5000	1488100	1.8952
95	5001	10000	696267	0.8867
31	10001	15000	377124	0.4803
20	15001	20000	354342	0.4513
12	20001	25000	278080	0.3542
8	25001	30000	220280	0.2805
6	30001	35000	200292	0.2551
4	35001	40000	155201	0.1977
5	40001	45000	219965	0.2801
6	45001	50000	284986	0.3629
2	50001	55000	107906	0.1374
2	55001	60000	119256	0.1519
1	60001	65000	63600	0.0810
4	65001	70000	273644	0.3485
1	90001	95000	90411	0.1151
1	95001	100000	100000	0.1274
1	100001	105000	103199	0.1314
1	120001	125000	120250	0.1531
1	130001	135000	134500	0.1713
1	190001	195000	192000	0.2445
1	240001	245000	242561	0.3089
1	265001	270000	268900	0.3425
2	305001	310000	615444	0.7838
1	355001	360000	359648	0.4580
2	370001	375000	745390	0.9493
3	415001	420000	1260000	1.6047
2	425001	430000	857036	1.0915
1	465001	470000	466717	0.5944
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	1895001	1900000	1895113	2.4135
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	10205001	10210000	10207842	13.0003
1	10435001	10440000	10435629	13.2904
2985	Company	Total	78520127	100.0000



CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2011

Shareholder Category	Number of Shareholders	Number of Shares Held	Percentage
Directors, CEO and their Spouse and minor Children	10	43,093,568	54.88
Executives	2	37,014	0.05
Associated Companies	1	10,207,842	13.00
Bank, DFI & NBFI	2	44,000	0.06
Modarabas & Mutual Fund	3	43,050	0.05
General Public (Local)	2,930	22,275,526	28.37
General Public (Foreign)	11	1,592,374	2.03
Foreign Companies	3	1,005,707	1.28
Other	21	221,046	0.28
COMPANY IN TOTALITY	2,983	78,520,127	100.00



INFORMATION AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE As at June 30, 2011

Shareholder's Category	Number of Shares held	Percentage
Associated Companies, Undertaking and Related Parties		
Siddiqsons Limited	10,207,842	13.00
NIT and ICP		
NIL		
Directors, CEO and their spouse and minor children		
Mr. Abdullah Rafi (Chairman)	8,092,515	10.31
Mr. S.Waliullah Shah (CEO)	65,756	0.08
Mr. Tariq Rafi	10,435,629	13.29
Mr. Sanaullah Abdullah	372,695	0.47
Mr. Ibrahim Shamsi	1,140,430	1.45
Mr. Saturo Oki (Nominee Director of Metalone Corporation)	7,297,295	9.29
Mr. Jean Pierre Gugenheim (Nominee Director of ArcelorMittal Packaging)	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		
		37,014
		0.05
Public sector Companies and Corporations		
		NIL
Banks, DFIs, NBFIs, Insurance Companies, Modaraba & Mutual Fund		
		87,050
		0.11
Shareholders holding ten percent or more		
Mr. Tariq Rafi	10,435,629	13.29
Siddiqsons Limited	10,207,842	13.00
Mr. Abdullah Rafi (Chairman)	8,092,515	10.31
Trading in share by Directors, CEO, CFO & Company Secretary		
		NIL



PROXY FORM

16th 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 16th Annual General Meeting of the Company to be held on Wednesday, October 20, 2011 at 11:30 a.m. at Imerial lawn, Plot # 32-C, Block-6, P.E.C.H.S., main Shahrah-e-Faisal, Karachi, Karachi or at any adjournment thereof.

Signed this _____ day of _____ 2011

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.





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Plant:

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