

A Commitment to Prime Quality !

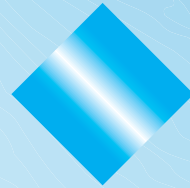
**SIDDIQSONS**

TIN PLATE LIMITED

**2014  
ANNUAL  
REPORT**







**Siddiqsons Tin Plate Limited**  
A Siddiqsons Group Company

# Annual Report 2014



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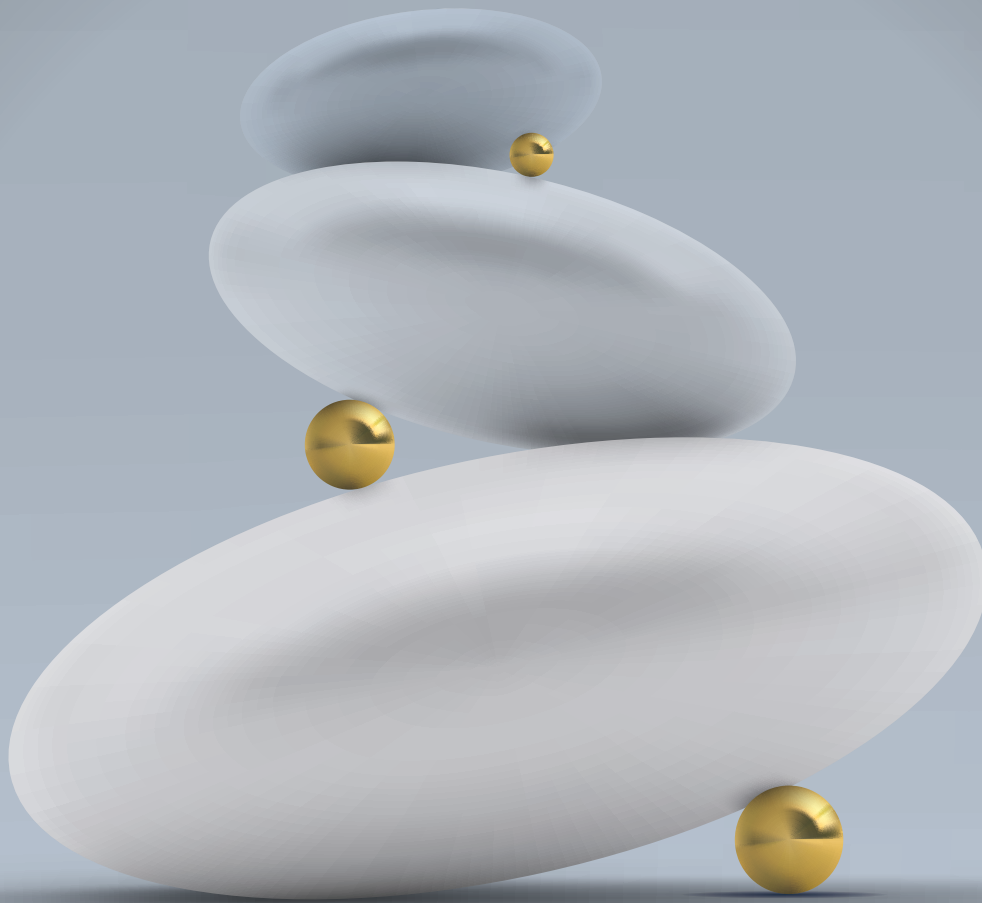
**Siddiqsons Tin Plate Limited**  
A Siddiqsons Group Company



# 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. Tariq Rafi	CEO / Chairman
Mr. Abdur Rahim	Director
Mr. Ibrahim Shamsi	Director
Mr. Naeem-ul-Hasnain Mirza	Director
Mr. Fazl-e-Rabbi	Director
Mr. Saturo Nishi	Director
Mr. Jean Pierre Gugenheim	Director

## Audit Committee

Mr. Ibrahim Shamsi	Chairman
Mr. Abdur Rahim	Member
Mr. Saturo Nishi	Member
Mr. Murtaza Ahmed	Secretary

## Human Resource & Remuneration Committee

Mr. Ibrahim Shamsi	Chairman
Mr. Abdur Rahim	Member
Mr. Naeem-ul-Hasnain Mirza	Member

## Chief Financial Officer

Mr. Rashid Khaleeqe

## Company Secretary

Mr. Murtaza Ahmed

## Chief Internal Auditor

Mr. Furrukh Sadiq

## Auditors

**M. Yousuf Adil Saleem & Company**

Chartered Accountants

## Legal Advisor

**Mr. Kashif Nazeer**

A/2, G-23, Park lane,  
Block-5, Clifton, Karachi

## Bankers

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 |  
The Industrial & Commercial Bank of China (ICBC)

## Shares Registrar

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

## Registered Office

**Siddiqsons Tower**

7th Floor, Plot # 3, J.C.H., Society, Block 7 & 8,  
Main, Shahrah-e-Faisal, Karachi.

## Plant

Special Industrial Zone  
Winder, Baluchistan

## Web Presence

[www.siddiqsonstinplate.com](http://www.siddiqsonstinplate.com)

# BOARD OF DIRECTORS



## Mr. Tariq Rafi, Chairman / CEO

Mr. Tariq Rafi is the Director of the Company, he is also serving his responsibilities as the Directors on the Board of Muslim Commercial Bank, Central Depository of Pakistan Limited (CDC), Siddiqsons Limited & Canvas Company of Pakistan (Pvt) Limited. Mr. Tariq possesses Sitara-e-Imtiaz, 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 Joined Siddiqsons Tin Plate Limited Board since inception of the Company.

## Mr. Abdur Rahim, Director

Mr. Abdur Rahim started his business career in 2003. He has vast experience in Denim fabric / garments and has extensively travelled to different regions of the world for sales and marketing of Denim Fabric /Garments. Mr.Abdur Rahim is heading various textile units in the country as its director. He is also serving as a Chief Operating Officer of Siddiqsons Limited & Director of Siddiqsons Limited as well as AR Commodities (Pvt) Ltd. He joined the Siddiqsons Tin Plate Limited board in 2011.



## Mr. Ibrahim Shamsi, Director

Mr. Ibrahim Shamsi is the Director of the Company, he has strong experience of modern management and effective control management. He is Chief Executive of Aladin Water & Amusement Park, Karachi and Joyland , Lahore and also Chariman of Cotton Web (Pvt) Limited. He is also serving his responsibilities as the Director of on the Board of Adamjee Insurance Company Limited the largest insurance company of Pakistan. By qualification Mr. Shamsi is Master of Business Administration from LUMS Lahore. He Joined Siddiqsons Tin Plate Limited Board in 1997.



## Mr. Naeem ul Hasnain Mirza, Director / C.O.O

Mr. Naeem ul Hasnain is on our Board of Directors since October, 2013. He is also serving as Chief Operating Officer. He is an Engineering graduate (BE) from NED University and started his professional career from Siddiqsons Tinsplate in 1999. During his association with STPL, he extensively served in various management positions on different operational areas of STPL including installation of Plant & Machineries then complete operations of Plant, Import of Raw material, Sales of Finished products in Local Market and Exports. He extensively travelled abroad for Import of Raw materials, Export of Tin Plate, Legal affairs and for procurement of plant & machineries.



### **Mr. Fazle Rabbi, Director**

Mr. Fazle Rabbi Joined Board of Directors in October, 2013. He is Business Graduate from Karachi University having 20 years experience of steel industry as Director Metal Agencies dealing in black plate, tinplate, can manufacturing and allied steel business. Associated with Siddiqsons Limited as General Manager Mills and appointed as Director in year 2009 overseeing Production, Marketing and Administration of Mills. Established sourcing of factory raw materials, chemicals, raw cotton, Tin Mill Black Plate, plant and machinery, consumable parts as well as sale of finished products to local and international buyers. Travelled Far East, Middle East, Europe, Africa for marketing of products and procurement of raw materials. Mr. Fazle Rabbi supervised erection, modification and commissioning of different industrial units of Siddiqsons Limited during previous 10 years including 11MW Power House natural gas based, Chillers of Hot Water and Steam Chillers, Heat Recovery Boilers, infrastructure development of sewerage and water management system, industrial construction, labor colonies etc., at various projects. Mr. Fazle Rabbi is ex-Member of Managing Committee of KCCI and worked in various committees of KCCI including Banking, Custom, Law and Order, Port & Shipping. He is also ex-General Secretary of Jamiat Punjabi Sodagaran-e-Dehli (JPSD) participating actively in social and community services.



### **Mr. Saturo Nishi, Director**

Mr. Saturo Nishi is a nominee Director of M/S Metal One Corporation of Japan. Metal One corporation is a subsidiary company of Mitsubishi Corporation.

Mr. Nishi is presently discharging his responsibilities as, G.M Global marketing department of Metal One Corporation.

He possess huge experience in marketing field and he joined the Siddiqsons Tin Plate Limited board in 2012.



### **Mr. Jean Pierre Gugenheim, Director**

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



# Growth UPWARD



## Profitable Manufacturing Growth

Technology Acceleration  
Continuous Improvement  
Sustainability  
Workforce  
Supplier Development

# Notice of the ANNUAL GENERAL MEETING



**AGM**

NOTICE is hereby given that 19th Annual General Meeting of M/s. Siddiqsons Tin Plate Limited will be held on Tuesday, October 28, 2014 at 10.00 a.m. at Pavilion End Club, Gulshan-e-Iqbal, Block-10, main Rashid Minhas Road, Karachi, to transact the following business:

## AGENDA

1. To confirm the minutes of the 18th Annual General Meeting held on October 23, 2013.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2014, together with the Auditor's and Director's Reports thereon.
3. To appoint of Auditors of the Company for the year ending June 30, 2015 and fix their remuneration. The present auditors M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants are retiring and being eligible, have offered themselves for reappointment.
4. To transact any other business with the permission of Chair.

On behalf of the Board

**Murtaza Ahmed**  
(Company Secretary)

## NOTES:

1. The Share Transfer Books of the Company will remain closed from October 22, 2014 to October 28, 2014 (both days inclusive). Transfer received at the Share Registrar of the Company, M/s. THK Associates (Pvt) Limited, Ground Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on October 21, 2014 will be treated in time for the purpose of above entitlement to the transferees.
2. A member entitled to attend and vote in the 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 Registrar of the Company not less than 48 hour before the time of the Meeting.
  4. Those shareholders whose shares are deposited with Central Depository Company of Pakistan Limited (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.1 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 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

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.



DESCRIPTION	2014	2013	2012	2011	2010	2009
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Rupees in "000"

<b>TRADING RESULTS</b>						
Net Turnover	2,092,101	2,770,787	2,509,230	3,305,780	3,247,871	2,639,940
Gross Profit	6,672	179,848	94,385	286,497	252,636	227,413
Profit / (Loss) before tax	(191,582)	(74,751)	(162,039)	(11,516)	66,611	(118,165)
Profit / (Loss) after tax	(152,260)	(64,655)	(124,013)	(48,679)	38,152	(119,824)
Dividend	-	-	-	25,257	58,890	78,520
<b>BALANCE SHEET</b>						
Share Capital	785,201	785,201	785,201	785,201	785,201	785,201
Unappropriated profit	(1,998)	150,263	214,918	364,189	471,757	512,125
Total Assets	1,830,702	2,678,401	2,830,784	2,818,384	2,646,401	3,387,484
<b>INVESTORS INFORMATION</b>						
Gross Profit in percent of sales	0.32	6.00	3.75	8.67	7.78	8.61
Earnings Per Share	(1.94)	(0.82)	(1.58)	(0.62)	0.49	(1.53)
Profit / (Loss) before tax in percent of sales	(9.16)	(2.70)	(6.46)	(0.35)	2.05	(4.48)
Profit / (Loss) after tax in percent of sales	(7.28)	(2.33)	(4.94)	(1.47)	1.17	(4.54)
Inventory Turnover (days)	134	157	187	144	172	210
Debtor turnover (days)	82	68	64	38	40	50
Break-up value Per share (Rs)	9.97	11.90	12.73	14.64	16.01	16.52
Market value Per share (Rs)	7.30	7.58	7.25	8.97	10.01	8.51
Price earning Ratio	(3.76)	(9.24)	(4.59)	(14.47)	20.60	(5.58)
Dividend per share (Rs)	-	-	-	0.75	0.75	1.00
Dividend yield ratio (%)	-	-	-	8.36	7.49	11.75
Dividend Payout Ratio (%)	-	-	-	-	154.36	73.34
Return on equity (%)	(19.40)	(6.90)	(12.40)	(4.24)	3.04	(9.24)
Debt : Equity ratio	1.34	2.00	1.59	1.19	0.99	1.51
Current Ratio	1.06	1.14	1.16	1.28	1.44	1.31
Interest cover (times)	(0.85)	0.43	(0.49)	0.93	1.51	0.15



## DIRECTORS' REPORT TO THE SHAREHOLDERS

### Dear fellow shareholders

The Directors are pleased to present the annual report of your company along with the audited financial statements for the financial year ended June 30, 2014, together with auditors' report thereon.

### Overview

The 2013-14 was a year of revamping, fundamental corrections & major business process overhauling, as clearly reflected in the working capital portion of financial statements pertaining to the year. The major vulnerabilities which persisted in the Country throughout the year, including fragile law & order situation, ever increasing inflation rate and highly unstable Pakistani Rupee parity, has affected the operational performance of the Company and reduced its gross profit.

### Financial Highlights

Pak. Rupees

	2014	2013	2012
Net Sales	2,092,100,532	2,770,786,752	2,509,230,404
Gross Margin	6,672,446	179,848,013	94,385,639
Loss before taxation	(191,581,868)	(74,750,532)	(162,039,265)
Loss after taxation	(152,260,244)	(64,655,107)	(124,013,420)
Loss per share	(1.94)	(0.82)	(1.58)

### Business Performance

The business activity during the year continues to be challenged due to overall economic slowdown coupled with other socio-economic indicators. The sale was also badly affected due to volatile law & order situation in the Country, particularly in Karachi, electricity shortages in Punjab region and availability of low priced imported ETP from China. These factors has resulted into 24% reduction in net revenue, however through efficient working capital management and cost controls, the management has succeeded in reducing its operational cost. The losses per share have also increased to Rs.-1.94, as compared to Re. -0.82 in the previous year. However, the management of the Company is actively seeking and exploring new means and certain diversification strategies are also under consideration.

### Provident Fund

The value of investment of Siddiqsons Tin Plate Limited - Staff Provident Fund based on its audited financial statements as on June 30, 2013 was Rs. 29.53 million (2012: Rs. 26.30 million).

## Future Outlook

Looking forward, your Company continues to strive as a market leader in the tin plate, while maintaining a strict focus on its quality policy. Through stringent cost controls and efficient pricing policies it aims to improve its operational performance. Furthermore it also aims to explore new means and ways of doing business. However, the achievement of performance targets are very much dependent on overall macro-economic and social indicators and law & order situation in the country, which still seems to be highly vulnerable and their future stability is a matter of high speculations.

## Auditors

The present auditors M/s. M. YousufAdilSaleem& Co., Chartered Accountants retire and being eligible have offered themselves for the reappointment. On suggestion of the Audit Committee, the Board of Directors have recommended their reappointment as auditors of the Company for the year ending June 30, 2015, 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, 2014 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 Code of Conduct

The Board has adopted the statement of Code of Conduct. 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.



## DIRECTORS' REPORT TO THE SHAREHOLDERS

- There has been no departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- Significant diversion from last year's operating results has been disclosed in the Directors' Report.
- The key operating and financial data for the last six (6) years is summarized and annexed with this report.

### Board of directors' meetings

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

Name of Directors	No. of Meeting Attended
Mr. Abdullah Rafi (Outgoing)	2
Mr. Tariq Rafi	4
Mr. Abdur Rahim	3
Mr. Ibrahim Shamsi	3
Mr. Sanaullah Abdullah (Outgoing)	2
Mr. Fazl e Rabbi	2
Mr. NaeemulHasnain	3
Mr. Satoru Nishi	NIL
Mr. Jean PeirreGugenheim	NIL

Leave of absence was granted to Directors who could not attend the Board meetings.

### Audit Committee and internal 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 sound system of internal control, which is effectively implemented at all level within the Company.

The Audit Committee comprises of three (3) members, all of whom 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, 2014 were 2771. The pattern of shareholding as at June 30, 2014 along-with necessary disclosures as required under the Code of Corporate Governance is annexed with this report.

**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.

**Tariq Rafi**

Chairman / CEO

Karachi, September 29, 2014



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

YEAR ENDED 30TH JUNE 2014

This statement is being presented to comply with the Code of Corporate Governance (Code) contained in listing regulations of Karachi Stock Exchange 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 representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

<b>Category</b>	<b>Names</b>
Executive Directors	Mr. Tariq Rafi Mr. Fazal-e-Rabbi Mr. Naeem-ul-Hasnain Mirza
Non-Executive Directors	Mr. Abdur Rahim Mr. Ibrahim Shamsi Mr. Satoru Nishi Mr. Jean Pierre Gugenheim

The condition of clause 1(b) of the Code in relation to independent director will be applicable after election of meeting Board of Directors of the Company in December 2014.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurred in the Board were filled on the same day.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures. However, the same has not been placed on the Company's website.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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) and other executive and non-executive directors, have been taken by the Board.
8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.
9. The Board members are aware of their responsibilities, rules, regulations or laws affecting the Company as they are on the Board since many years. They have been kept aware through orientation programs regarding the changes in the corporate laws particularly in the Code of Corporate Governance. However, none of the director has attended the training program conducted by an institute duly approved by Securities and Exchange Commission of Pakistan.

**STATEMENT OF COMPLIANCE WITH THE  
CODE OF CORPORATE GOVERNANCE**

10. No new appointment of CFO, Company Secretary and Head of Internal Audit was made during the year.
11. The directors' report for the year ended June 2014 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. 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.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of threemembers of whom two are non-executive directors. Chairman of the audit committee was non-executive director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and 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.
17. The Board has formed an HR and Remuneration Committee. It comprises of threemembers, of whom two members including Chairman of the committee are non-executive directors.
18. The Board has set up an effective internal audit function. The head of Internal Audit function is an experienced person for the purpose and is conversant with the policies and procedures of the Company. The management is in process of further strengthening the function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, 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 the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the Code have been complied with except for a mechanism that shall be put in place for the annual evaluation of the Board's own performance.

For and on behalf of the Board of Directors

**TARIQ RAFI**

Chairman / CEO

Karachi:

Date : September 29, 2014



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

We have reviewed the Statement of Compliance (the statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended June 30, 2014 prepared by the Board of Directors of **Siddiqsons Tinplate Limited** ("the Company") to comply with the Listing Regulations of the Karachi 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.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken 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, 2014.

### **We draw attention**

- to paragraph 9 of the statement of compliance which require that the Company shall make appropriate arrangements to provide directors' training offered by Institution that meet the criteria specified by the Securities and Exchange Commission of Pakistan.
- to the paragraph 23 regarding establishing a mechanism for the evaluation of the Board's own performance.

### **Chartered Accountants**

#### **Engagement Partner**

Talat Javed



## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **SIDDIQSONS TIN PLATE LIMITED** as at June 30, 2014 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, 2014 and of the loss, its cash flows and changes in equity for the year then ended; and
- d. in our opinion, no zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Chartered Accountants

Engagement Partner  
Talat Javed

Dated: September 29, 2014  
Multan

**BALANCE SHEET**

AS AT JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	708,816,754	748,939,040
Long-term deposits	4	10,490,038	11,193,147
		<u>719,306,792</u>	<u>760,132,187</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	5	16,712,755	18,791,815
Stock-in-trade	6	470,995,275	1,063,548,827
Trade debts	7	400,405,421	539,043,249
Loans and advances	8	129,691,403	158,554,424
Trade deposits and short-term prepayments	9	5,707,411	8,088,572
Other receivables	10	45,509,010	759,712
Other financial assets	11	533,551	353,403
Sales tax refundable		29,095,158	98,641,739
Cash and bank balances	12	12,744,866	30,487,079
		<u>1,111,394,850</u>	<u>1,918,268,820</u>
<b>Total Assets</b>		<u>1,830,701,642</u>	<u>2,678,401,007</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	13	785,201,270	785,201,270
Unappropriated profit		(1,997,513)	150,262,731
		<u>783,203,757</u>	<u>935,464,001</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation	14	-	60,342,751
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	109,048,198	109,118,992
Interest / mark-up accrued on borrowings		16,632,069	31,140,442
Short-term borrowings	16	921,817,618	1,542,334,820
		<u>1,047,497,885</u>	<u>1,682,594,254</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	17		
<b>Total Equity and Liabilities</b>		<u>1,830,701,642</u>	<u>2,678,401,007</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, 2014

	Note	2014 Rupees	2013 Rupees
Sales	18	2,092,100,532	2,770,786,752
Cost of goods sold	19	(2,085,428,086)	(2,590,938,739)
Gross profit		6,672,446	179,848,013
Distribution cost	20	(12,661,709)	(18,514,134)
Administrative expenses	21	(50,395,879)	(66,264,398)
Exchange losses - net		(33,345,939)	(42,187,707)
Finance cost	22	(103,745,664)	(130,330,092)
Other income	23	1,894,877	2,697,786
Loss before taxation		(191,581,868)	(74,750,532)
Taxation	24	39,321,624	10,095,425
Loss after taxation		(152,260,244)	(64,655,107)
Other comprehensive income		-	-
Total comprehensive loss for the year		<b>(152,260,244)</b>	<b>(64,655,107)</b>
Earnings per share - Basic and diluted	25	(1.94)	(0.82)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(191,581,868)	(74,750,532)
Adjustments for:		
Depreciation on property, plant and equipment	37,143,235	39,666,335
Finance cost	103,745,664	130,330,092
Provision for doubtful debts	1,370,190	1,334,439
Reversal of provision for slow moving stores	(391,209)	-
Gain on disposal of property, plant and equipment	(1,175,835)	(387,731)
Gain on remeasurement of investment at market value	(180,148)	(27,616)
Operating cash flows before movement in working capital	<u>(51,069,971)</u>	<u>96,164,987</u>
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,470,269	2,839,109
Stock-in-trade	592,553,552	103,091,108
Trade debts	137,267,638	(37,858,068)
Loans and advances	42,975,477	2,229,272
Trade deposits and short-term prepayments	2,381,161	3,690,098
Other receivables	(44,749,298)	23,288
Sales tax refundable	69,546,581	(17,877,993)
Increase / (decrease) in current liabilities		
Trade and other payables	(70,794)	(11,644,962)
Cash flow generated from operations	<u>751,304,615</u>	<u>140,656,839</u>
Income taxes (paid) / received - net	(35,133,583)	43,523,939
Interest / markup paid	(118,254,037)	(128,640,209)
Long term deposit received / (paid)	703,109	(262,790)
Net cash flows generated from operating activities	<u>598,620,104</u>	<u>55,277,778</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,557,919)	(4,842,660)
Proceed from disposal of property, plant and equipment	6,712,805	2,981,356
Net cash flows generated from / (used in) investing activities	<u>4,154,886</u>	<u>(1,861,304)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings (reduced) / obtained	(586,673,451)	31,299,153
Short term advances obtained	89,200,000	11,851,386
Short term advances repaid	(89,200,000)	(56,553,670)
Net cash used in financing activities	<u>(586,673,451)</u>	<u>(13,403,131)</u>
Net increase in cash and cash equivalents (A+B+C)	16,101,539	40,013,343
Cash and cash equivalents at July 01	(449,022,904)	(489,036,247)
Cash and cash equivalents at June 30	<u>(432,921,365)</u>	<u>(449,022,904)</u>
Cash and cash equivalents		
Cash and bank balances	12,744,866	30,487,079
Short term running finance	(445,666,231)	(479,509,983)
	<u>(432,921,365)</u>	<u>(449,022,904)</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, 2014

	Issued, subscribed & paid up capital	Unappropriated profit	Total
	-----Rupees -----		
Balance at July 1, 2012	785,201,270	214,917,838	1,000,119,108
<b>Comprehensive income</b>			
Loss for the year ended June 30, 2013	-	(64,655,107)	(64,655,107)
Other comprehensive income - net of tax	-	-	-
	-	(64,655,107)	(64,655,107)
Balance at June 30, 2013	785,201,270	150,262,731	935,464,001
<b>Comprehensive income</b>			
Loss for the year ended June 30, 2014	-	(152,260,244)	(152,260,244)
Other comprehensive income - net of tax	-	-	-
	-	(152,260,244)	(152,260,244)
Balance at June 30, 2014	785,201,270	(1,997,513)	783,203,757

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, 2014

### I. GENERAL INFORMATION

- I.1 Siddiqsons Tin Plate Limited (the Company) was incorporated in Pakistan on January 29, 1996 as public Company limited by shares under Companies Ordinance 1984. The shares of the Company are listed at Karachi Stock Exchange. Registered office of the Company is situated at Siddiqsons Tower, 7th Floor, Plot # 3, J.C.H. Society, Block 7 & 8, Main Shahrah-e-Faisal, Karachi in the province of Sindh and the tin plate plant is located at Winder Industrial Estate in the province of Balochistan. The canning plant is located at Malir, Karachi in the province of Sindh. The principal activity of the Company is manufacturing and sale of tin plates, cans, and other steel products.
- I.2 The financial statements are presented in Pak Rupee which is the Company's functional and presentation currency.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

#### 2.1 Statement of compliance

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

#### 2.2 Adoption of New Standards, and Amendments and Interpretations to the published approved accounting standards

The following standards, amendments and interpretations are effective for the year ended June 30, 2014. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards/Amendments/Interpretations	Effective for periods beginning on or after
IAS 1 - Presentation of Financial Statements – Clarification of Requirements for Comparative information (Amendment)	January 1, 2013
IAS 16 - Property, Plant and Equipment – Classification of servicing equipment (Amendment)	January 1, 2013
IAS 32 - Financial Instruments: Presentation – Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction (Amendment)	January 1, 2013
IAS 34 - Interim Financial Reporting – Interim reporting of segment information for total assets and total liabilities (Amendment)	January 1, 2013

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2014

<b>Standards/Amendments/Interpretations</b>	<b>Effective for periods beginning on or after</b>
IFRS 7 - Financial Instruments: Disclosures – Offsetting financial assets and financial liabilities (Amendment)	January 1, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013
IAS 19 - Ammendments to IAS 19 - Employee benefits	January 1, 2013

**2.3 Standards, interpretations and amendments to the published approved accounting standards not yet effective:**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

<b>Standards/Amendments/Interpretations beginning on or after</b>	<b>Effective for periods beginning on or after</b>
IAS 19 - Employee Benefits: Employee contributions (Amendment)	July 1, 2014
IAS 27 - Separate Financial Statements (Revised 2011) will concurrently apply with IFRS 10.	January 1, 2015
IAS 28 - Investments in Associates and Joint Ventures (Revised 2011)	January 1, 2015
IAS 32 - Financial Instruments: Presentation – Offsetting financial assets and financial liabilities (Amendment)	July 1, 2014
IAS 36 - Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	July 1, 2014
IAS 39 - Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting	July 1, 2014
IFRS 10 - Consolidated Financial Statements	January 1, 2015
IFRS 11 - Joint Arrangements	January 1, 2015
IFRS 12 - Disclosure of Interests in Other Entities	January 1, 2015
IFRS 13 - Fair Value Measurement	January 1, 2015
IFRIC 21 - Levies	July 1, 2014

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 – First Time Adoption of International Financial Reporting Standards  
 IFRS 9 – Financial Instruments  
 IFRS 14 – Regulatory Deferral Accounts  
 IFRS 15 – Revenue from Contracts with Customers

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### 2.5 The principal accounting policies adopted are set out below:

#### 2.5.1 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.

Capital work in progress (CWIP) is stated at cost less impairment loss (if any).

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.

#### 2.5.2 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.

#### 2.5.3 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 represent invoice value and other charges incurred 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.



#### 2.5.4 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortised cost less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

#### 2.5.5 Financial Assets

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 upon initial recognition as 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**

For available-for-sale financial investments, the Company besides considering the criteria mentioned above assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement - is removed from equity and recognised in the profit and loss account. Impairment losses on equity investments are not reversed through the profit and loss account; increases in their fair value after impairment are recognised directly in equity.

##### **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.

##### **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, interest accrued, other receivables and cash and bank balances in the balance sheet.

##### **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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### 2.5.6 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.

### 2.5.7 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. The Company's contribution to the fund is charged to profit and loss account for the year.

### 2.5.8 Trade and other payables

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

### 2.5.9 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.

### 2.5.10 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.

### 2.5.11 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.

### 2.5.12 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.

### 2.5.13 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 upon transfer of significant risk or rewards of ownership.

Interest income is accrued on a time apportioned 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.

### 2.5.14 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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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.

### 2.5.15 Foreign currencies

Foreign currency transactions are translated into Pak. Rupees using 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.

### 2.5.16 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.

### 2.5.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 2.5.18 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.

**2.5.19 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:

**Useful lives and depreciation rates of property, plant and equipment**

As described at 3.1, the Company reviews the estimated useful lives and depreciation rates of property, plant and equipment at the end of each balance sheet date. During the financial year, the management determined that the useful life and depreciation rates are same as reported in prior years.

- Useful lives of property, plant and equipment (note 3.1)
- Impairment in property, plant and equipment.
- Provision of stores, spares and loose tools (note 5)
- Provision against doubtful debts and receivables (note 7); and
- Classification of investments (note 10).

3. PROPERTY, PLANT AND EQUIPMENT	Note	2014 Rupees	2013 Rupees
Operating fixed assets	3.1	705,372,907	741,995,193
Capital work in progress	3.4	3,443,847	6,943,847
		708,816,754	748,939,040



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### 3.1 Operating fixed assets

	Cost at July 01, 2013	Additions / (disposals)	Cost at June 30, 2014	Accumulated depreciation at July 01, 2013	Depreciation for the year / Adjustments	Accumulated depreciation at June 30, 2014	Carrying value at June 30, 2014	Dep. Rate %
	-----Rupees-----							
Leasehold land	7,533,750	-	7,533,750	-	-	-	7,533,750	-
Buildings on leasehold land	142,200,670	-	142,200,670	101,158,603	4,104,207	105,262,810	36,937,860	10
Plant and machinery	1,072,178,407	-	1,072,178,407	439,102,397	25,323,040	464,425,437	607,752,970	4
Power and other installations	87,828,425	-	87,828,425	58,621,642	2,920,678	61,542,320	26,286,105	10
Factory equipment	15,055,488	-	15,055,488	10,584,131	447,136	11,031,267	4,024,221	10
Generators	13,576,327	-	13,576,327	8,279,845	529,648	8,809,493	4,766,834	10
Office equipment	9,351,248	395,509	9,746,757	4,137,977	544,677	4,682,654	5,064,103	10
Data processing equipments	4,278,653	315,210	4,593,863	3,486,630	338,745	3,825,375	768,488	33
Furniture and fixtures	4,421,763	61,200	4,482,963	2,597,904	188,506	2,786,410	1,696,553	10
Vehicles	38,001,470	1,786,000 (6,762,742)	33,024,728	24,461,880	2,746,598 (4,725,772)	22,482,706	10,542,022	20
	1,394,426,201	2,557,919 (6,762,742)	1,390,221,378	652,431,008	37,143,235 (4,725,772)	684,848,471	705,372,907	

3.1.1 Canning plant costing to Rs. 64,709,043 (2013: Rs. 64,709,043) has been installed on a rented premises.

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2014

### For comparative period

	Cost at July 01, 2012	Additions / (disposals)	Cost at June 30, 2013	Accumulated depreciation at July 01, 2012	Depreciation for the year / Adjustments	Accumulated depreciation at June 30, 2013	Carrying value at June 30, 2013	Dep. Rate %
	-----Rupees-----							
Leasehold land	7,533,750	-	7,533,750	-	-	-	7,533,750	-
Buildings on leasehold land	142,200,670	-	142,200,670	96,598,373	4,560,230	101,158,603	41,042,067	10
Plant and machinery	1,069,574,717	2,603,690	1,072,178,407	412,768,589	26,333,808	439,102,397	633,076,010	4
Power and other installations	87,828,425	-	87,828,425	55,376,444	3,245,198	58,621,642	29,206,783	10
Factory equipment	14,780,788	274,700	15,055,488	10,099,088	485,043	10,584,131	4,471,358	10
Generators	13,576,327	-	13,576,327	7,691,347	588,498	8,279,845	5,296,482	10
Office equipment	7,645,940	1,705,308	9,351,248	3,663,385	474,592	4,137,977	5,213,271	10
Data processing equipment	4,276,213	2,440	4,278,653	3,091,389	395,241	3,486,630	792,023	33
Furniture and fixtures	4,210,747	211,016	4,421,763	2,406,634	191,270	2,597,904	1,823,859	10
Vehicles	39,159,162	45,506 (1,203,198)	38,001,470	22,128,997	3,392,456 (1,059,573)	24,461,880	13,539,590	20
	1,390,786,739	4,842,660 (1,203,198)	1,394,426,201	613,824,246	39,666,335 (1,059,573)	652,431,008	741,995,193	

**NOTES TO FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>3.2 Allocation of depreciation</b>			
Cost of goods sold	19.1	33,324,709	35,212,777
Administrative expenses	21	3,818,526	4,453,558
		<u>37,143,235</u>	<u>39,666,335</u>

**3.3 Disposal of property, plant and equipment**

Particulars	Mode of disposal	Cost	Accumulated Depreciation	Carrying value	Sale proceed	Name and Address
----- Rupees -----						
Vehicle	Negotiation	1,912,740	1,149,684	763,056	755,000	Mr. Arsal Ahsan House no 115/1, Street no. 3, D.H.A Phase 6, Karachi
Vehicle	Negotiation	1,725,000	1,228,828	496,172	700,000	Mr. Muhammad Shaban House no D-96, Alfalah housing society, Malir halt, Karachi
Vehicle	As per Company's policy	1,318,150	1,173,666	144,484	800,000	Mr. Abdul Malik (employee) Shaheed.e.Millat road, house no. 7/7, Delhi merchantile society, Karachi.
Vehicle	Negotiation	651,610	580,440	71,170	146,000	Mr. Fawad Sadiq, House no. R-990, Sector 15/B Baferzone, North Karachi, Karachi
Vehicle	Negotiation	399,000	326,393	72,607	180,000	Mr. Syed Ahsan Islam Gulshan e Iqbal, Block I, House no. G-10, Karachi
Vehicle	Negotiation	50,890	35,576	15,314	16,805	Mr. Nadeem Flat no. F-30, KDA Flat, Phase 3, Shadman town, Karachi"
Vehicle	Insurance Claim	661,000	217,170	443,830	580,000	The Adamjee Insurance Company Ltd, 2nd Floor, Adamjee Insurance Building, I.I. Chundrigar Road, Karachi
Vehicle	Insurance Claim	44,352	14,015	30,337	35,000	--do--
		<u>6,762,742</u>	<u>4,725,772</u>	<u>2,036,970</u>	<u>3,212,805</u>	
	<b>2013</b>	<u>1,203,198</u>	<u>1,059,573</u>	<u>143,625</u>	<u>531,356</u>	

	2014 Rupees	2013 Rupees
<b>3.4 Capital work in progress</b>		
Plant and machinery	<u>3,443,847</u>	<u>6,943,847</u>



# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>4. LONG TERM DEPOSITS</b>			
For electricity	4.1	7,179,250	7,179,250
Others	4.2	3,310,788	4,013,897
		<u>10,490,038</u>	<u>11,193,147</u>
4.1 This represents interest-free security deposit paid to K-Electric.			
4.2 It includes security deposit for litigation costs amounting to Rs. 3.31 million (2013 : 3.31 million) deposited in Ontairo Superior Court of Justice in Canada.			
<b>5. STORES, SPARES AND LOOSE TOOLS</b>			
Stores, spares and loose tools		23,811,820	26,282,089
Less: Provision for slow-moving and obsolete items		<u>(7,099,065)</u>	<u>(7,490,274)</u>
		<u>16,712,755</u>	<u>18,791,815</u>
<b>5.1 Provision for slow moving and obsolete items</b>			
Opening balance		7,490,274	7,490,274
Reversal during the year		<u>(391,209)</u>	-
Closing balance		<u>7,099,065</u>	<u>7,490,274</u>
<b>6. STOCK-IN-TRADE</b>			
Raw materials			
- in hand		123,785,539	301,387,026
- in bonded warehouse		93,181,840	379,194,674
- in transit		101,696,965	1,218,926
Finished goods			
- tin plate		151,023,629	350,662,217
- cans		418,800	20,546,329
- scrap		888,502	10,539,655
		<u>470,995,275</u>	<u>1,063,548,827</u>
<b>7. TRADE DEBTS</b>			
- Considered good			
Local - unsecured		400,405,421	539,043,249
- Considered doubtful			
Local - unsecured		4,116,309	2,746,119
Less: Provision for doubtful debts	7.2	<u>(4,116,309)</u>	<u>(2,746,119)</u>
		<u>400,405,421</u>	<u>539,043,249</u>

7.1 Trade debts are non-interest bearing and are generally on 30 to 90 days terms.

7.2 The Company has made provision against all trade debts over 2 years because historical experience is such that receivables that are due beyond 2 years are generally not recoverable.



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>7.3 Movement in provision for doubtful debts</b>			
Opening Balance		2,746,119	1,738,419
Provided during the year	21	1,370,190	1,334,439
Written off during the year		-	(326,739)
Closing balance		<u>4,116,309</u>	<u>2,746,119</u>

7.3.1 Included in the provision for doubtful debts are individually impaired trade debts with a balance of Rs.4,116,309 (2013: Rs.2,746,119). 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.

7.4 Included in the trade debts balance are debtors with a carrying amount of Rs 34 million (2013: Rs 2.14 million) which are past due at the reporting date for which the Company has not made any provision 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	2014 Rupees	2013 Rupees
<b>7.4.1 Ageing of past due but not impaired</b>			
91-180 days		22,231,347	-
181-365 days		1,441,844	-
Above 365 days		10,213,038	2,135,979
		<u>33,886,229</u>	<u>2,135,979</u>

## 8. LOANS AND ADVANCES

### Considered good

Loan to employees		185,750	454,302
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### Advances

to suppliers		2,967,622	46,534,984
against expenses		499,433	183,479
Income tax - net of provision	8.1	125,359,156	111,246,700
Letters of credit fee and expenses		679,442	134,959
		<u>129,505,653</u>	<u>158,100,122</u>
		<u>129,691,403</u>	<u>158,554,424</u>

### 8.1 Income tax - net of provision

Advance tax		146,499,366	184,430,198
Provision for taxation		(21,140,210)	(73,183,498)
		<u>125,359,156</u>	<u>111,246,700</u>

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees
<b>9. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
Security deposits	5,556,685	7,789,982
Short term prepayments	150,726	298,590
	<u>5,707,411</u>	<u>8,088,572</u>

**10. OTHER RECEIVABLES**

This include advance amounting to Rs 45.5 million (2013 : 0.76 million) paid to a foreign supplier against which the Company has filed a suit in a Court in Malaysia. During the year 2013, the Court has passed the decree in favour of the Company. Lawyers have identified different alternatives for the recovery and the Company is in process of evaluating the same.

**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

2014	2013		Market Value	
-----No. of shares-----			2014	2013
			-----Rupees-----	
8,538	8,538	National Bank of Pakistan	531,320	351,851
666	666	Summit Bank Limited	2,231	1,552
			<u>533,551</u>	<u>353,403</u>

	Note	2014 Rupees	2013 Rupees
<b>12. CASH AND BANK BALANCES</b>			
Cash in hand		35,257	76,990
Balances with banks:			
- Current accounts		5,626,946	18,519,624
- local currency		34,786	34,786
- foreign currency		5,661,732	18,554,410
- Saving accounts	12.1	<u>7,047,877</u>	<u>11,855,679</u>
		<u>12,744,866</u>	<u>30,487,079</u>

12.1 Effective mark-up rate in respect of saving accounts, range from 3.25% to 7% (2013 : 6% to 9.9%) per annum.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### 13. SHARE CAPITAL

2014	2013		2014 Rupees	2013 Rupees
Number of Shares				
120,000,000	120,000,000	Authorized Ordinary shares of Rs. 10/- each	1,200,000,000	1,200,000,000
47,351,200	47,351,200	Issued, subscribed and paid up capital Ordinary shares of Rs. 10/-each fully paid in cash	473,512,000	473,512,000
31,168,927	31,168,927	Issued as fully paid bonus shares	311,689,270	311,689,270
<u>78,520,127</u>	<u>78,520,127</u>		<u>785,201,270</u>	<u>785,201,270</u>

- There were no movements in share capital during the year.
- An associated undertaking, Siddiqsons Limited hold 10,331,981 (2013: 10,240,481) ordinary shares at the year end.
- 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.
- The Company has no reserved shares under options and sales contracts.

### 14. DEFERRED LIABILITY

	Note	2014 Rupees	2013 Rupees
Deferred taxation	14.1	-	60,342,751
<b>14.1 Deferred taxation</b>			
This comprises the following: -			
Deferred tax liabilities on taxable temporary differences arising in respect of:			
Accelerated rate of depreciation		170,874,657	175,518,794
Deferred tax assets on deductible temporary difference arising in respect of:			
Unabsorbed tax losses		172,643,978	111,593,306
Provision for doubtful debts		1,440,708	961,142
Provision for slow moving stores		2,484,673	2,621,596
		(176,569,359)	(115,176,044)
		(5,694,702)	60,342,751
Deferred tax asset not recognized for future taxable profits		5,694,702	-
		-	60,342,751

Deferred tax asset is not recognized by the Company in excess of future taxable temporary differences.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>15. TRADE AND OTHER PAYABLES</b>			
Creditors	15.1	12,113,401	15,995,734
Accrued liabilities		11,159,669	6,456,535
Advance from customers and others		9,588,838	814,923
Custom duty		3,993,320	17,700,283
Workers Profit Participation Fund	15.2	714,007	626,130
Workers' Welfare Fund		9,338,829	9,338,829
Withholding tax		624,095	360,045
Unclaimed dividend		1,359,166	1,359,166
Infrastructure cess	15.3	60,156,873	55,462,347
Others		-	1,005,000
		<u>109,048,198</u>	<u>109,118,992</u>

15.1 Trade payables are non-interest bearing and are normally settled on thirty days terms.

#### 15.2 Workers Profit Participation Fund

Balance at July 01,		626,130	545,433
Interest on funds utilized in the Company's business	15.2.1	87,877	80,697
Balance at June 30,		<u>714,007</u>	<u>626,130</u>

15.2.1 Interest has been charged @ 14.04 % (2013 : 15 %) per annum.

15.3 This represents Rs. 60.16 million provision for Sindh Development and Infrastructure Fee and Duty which was levied by the Excise and Tax Department on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. The levy was initially challenged by the Company along with other companies in the High Court of Sindh after which several proceedings were held. Currently the petition is filed in the High Court and 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 is confident for a favorable outcome however, as a matter of prudence Company has paid Rs. 60.16 million (50%) of the value of infrastructure fee in cash and recorded liability for the remaining amount which is supported by a bank guarantee.



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>16. SHORT-TERM BORROWINGS</b>			
<b>Secured</b>			
From banking companies			
Finance against imports - foreign currency	16.2	476,151,386	780,591,831
Finance against imports - local currency	16.2	-	282,233,006
Running finances under markup arrangements	16.3	445,666,232	479,509,983
		<u>921,817,618</u>	<u>1,542,334,820</u>

16.1 The aggregate unavailed-short term borrowing facilities amounts to Rs. 1,032.22 million (2013 : Rs. 1,031.381 million) as of the balance sheet date.

16.2 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 10.43% to 18.35% (2013: 10.86% to 14.60%) per annum and foreign currency loan are subject to mark-up based on LIBOR ranging between 4.03% to 4.66% (2013: 3.5% to 4.3%) per annum.

16.3 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 10.59% to 12.48% (2013 : 9.19% to 13.2%) per annum.

## 17. CONTINGENCIES AND COMMITMENTS

### 17.1 Contingencies

- a) The Company has filed legal suit against a supplier in Ontario Superior Court of Justice in Canada on November 15, 2010 for quality claim amounting to Rs. 130.8 million plus interest and litigation costs. A statement of defence and counterclaim was filed by the supplier on May 13, 2011 amounting to Rs. 282.6 million plus interest and litigation costs. Security for the litigation costs has been deposited by the Company as per order of the court (Refer note-4.2). The decision of the suit is pending. Based on the view of the legal advisor, the the Management is confident that the outcome of the matter would be in the favor of the Company.

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>17.2 Commitments</b>			
Letters of credit for import of raw material		288,977,063	21,213,160
Bank guarantee in favour of Excise and Taxation department. (Refer 15.3)		68,000,000	56,000,000
<b>18. SALES</b>			
Sales			
Local			
Tin plate		2,393,600,827	3,181,983,738
Cans		107,145,814	91,422,871
Printing services		8,526,193	18,013,818
		<u>2,509,272,834</u>	<u>3,291,420,428</u>
Less : Commission and discounts		(21,920,423)	(23,816,705)
Sales return		(44,504,782)	(55,559,764)
Sales tax		(350,747,096)	(441,257,207)
		(417,172,302)	(520,633,676)
		<u>2,092,100,532</u>	<u>2,770,786,752</u>
<b>19. COST OF GOODS SOLD</b>			
Cost of goods manufactured	19.1	1,842,387,458	2,609,601,236
Finished stocks			
Opening stock		381,748,201	349,330,234
Purchase of finished goods		13,623,358	13,755,470
Closing Stock		(152,330,931)	(381,748,201)
		243,040,628	(18,662,497)
		<u>2,085,428,086</u>	<u>2,590,938,739</u>



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>19.1 Cost of goods manufactured</b>			
Raw materials	19.1.1	1,606,410,029	2,382,666,729
Salaries, wages and benefits	19.1.2	105,835,451	89,814,067
Fuel and power		59,794,035	58,037,466
Packing materials		5,671,402	6,083,695
Stores and spares		11,017,664	11,607,330
Sorting, slitting and cutting		2,725,209	4,053,962
Rent, rates and taxes		1,369,250	1,266,000
Repairs and maintenance		2,450,155	2,297,952
Insurance		3,979,914	3,543,685
Transportation		2,467,186	2,568,841
Traveling and conveyance		3,047,895	3,248,939
Printing and stationery		164,872	260,660
Fees and subscription		36,500	150,000
Communication		278,973	335,826
Entertainment		307,078	447,943
Depreciation	3.2	33,324,709	35,212,777
Other manufacturing cost		3,507,136	8,005,364
		<u>1,842,387,458</u>	<u>2,609,601,236</u>
<b>19.1.1 Raw material consumed</b>			
Opening stock		680,581,700	670,252,966
Purchase and related expenses		1,142,795,708	2,392,995,463
		<u>1,823,377,408</u>	<u>3,063,248,429</u>
Closing stock		(216,967,379)	(680,581,700)
		<u>1,606,410,029</u>	<u>2,382,666,729</u>

19.1.2 This includes employees' retirement benefits of Rs. 2,628,846 (2013: Rs.2,015,145).

## 20. DISTRIBUTION COST

Salaries and benefits	20.1	8,378,618	8,627,913
Traveling		758,708	506,833
Transportation		1,990,565	2,915,185
Advertisement		63,169	344,836
Sales promotion		259,030	386,710
Rent, rates and taxes		23,703	4,503,000
Others		1,187,916	1,229,657
		<u>12,661,709</u>	<u>18,514,134</u>

20.1 This includes employees' retirement benefits amounting to Rs. 383,517 (2013: Rs. 385,728).



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>21. ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	21.1	29,517,624	31,217,616
Traveling and conveyance		1,107,004	2,384,602
Vehicles running and maintenance		3,715,463	4,231,199
Depreciation	3.2	3,818,526	4,453,558
Communication		1,537,931	2,391,745
Printing and stationery		816,351	919,492
Repairs and maintenance		1,209,194	1,823,455
Entertainment		277,327	314,704
Auditors' remuneration	21.2	1,055,000	1,445,000
Insurance		1,839,923	1,767,710
Fees and subscription		669,453	1,874,265
Charity and donation		35,000	376,359
Rent, rates and taxes		997,827	1,245,539
Legal and professional		1,768,621	9,907,668
Provision against doubtful debts	7.3	1,370,190	1,334,439
Others		660,445	577,047
		<u>50,395,879</u>	<u>66,264,398</u>

21.1 This includes employees' retirement benefits of Rs. 1,023,205 (2013 : Rs. 1,206,953).

#### 21.2 Auditors' remuneration

Annual audit	600,000	600,000
Half yearly accounts review	200,000	200,000
Review of compliance of Code of Corporate governance	30,000	30,000
CDC certification	45,000	45,000
Tax and other services	100,000	500,000
Out of pocket expenses	80,000	70,000
	<u>1,055,000</u>	<u>1,445,000</u>

#### 22. FINANCE COST

Interest / mark-up on:		
Short-term borrowings	99,913,654	123,447,287
Short-term advances - related parties	-	712,510
Workers profit participation fund	87,877	80,697
Bank charges and commission	3,744,133	6,089,598
	<u>103,745,664</u>	<u>130,330,092</u>



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees
<b>23. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Profit on bank deposits	521,818	1,065,361
Dividend income	17,076	51,975
Gain on remeasurement of investment at market value	180,148	27,616
<b>Income from assets other than financial assets</b>		
Gain on disposal of plant and equipment	1,175,835	387,731
Others	-	1,165,103
	<u>1,894,877</u>	<u>2,697,786</u>
<b>24. TAXATION</b>		
Current		
for the year	21,140,210	13,973,017
for the prior year	(119,083)	(194,503)
Deferred	<u>(60,342,751)</u>	<u>(23,873,940)</u>
	<u>(39,321,624)</u>	<u>(10,095,425)</u>

24.1 Tax assessments of the Company has 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 as levy of minimum tax is not applicable on the Company. Appeals are pending 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 of Rs. 15,710,252 on account of minimum tax and other income etc. The Company has filed an appeal before Income Tax Appellate Tribunal (ITAT) which is pending for decision. However, as a matter of prudence, the Company has made provision in the books of account. For the tax year 2008, the tax department amended the deemed assessment under section 122(5A) of the Ordinance by levying tax of Rs. 18,472,182 on account of minimum tax, interest and dividend income etc. The Company had filed an appeal before CIT (Appeal) who reduced the tax liability to Rs. 18,108,306. The Company has filed an appeal before Income Tax Appellate Tribunal (ITAT) which is pending for decision. However, as a matter of prudence, the Company has made provision of Rs. 18,472,182 in the books of account in prior years.

The management of the Company is confident for favorable outcomes in respect of the above matters.

#### 24.2 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.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

#### 25. 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:

	2014	2013
Loss for the year (Rupees)	(152,260,244)	(64,655,107)
Weighted average number of ordinary shares outstanding during the year	78,520,127	78,520,127
Earnings per share (Rupee)	(1.94)	(0.82)

#### 26. 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 27. Other significant transactions with related parties are as follows:

Relationship with the Company Nature of Transactions		2014 Rupees	2013 Rupees
An associated company	Purchase of goods and services	3,165,270	5,546,569
	Sale of goods and services	2,881,729	-
	Short-term advance obtained	89,200,000	6,304,817
	Short-term advance repaid	89,200,000	56,553,670
	Markup on advance	-	712,510
	Markup paid on advance from Siddiqsons Limited	-	3,708,008
Chief Executive Officer	Warehouse rent	-	4,500,000
Other related parties	Markup charged on Workers Profit Participation Fund	87,877	80,697



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

#### 27. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive	Directors	Executives	Total	
				2014	2013
	-----Rupees-----				
Remuneration	400,000	2,180,000	8,920,000	11,500,000	12,241,333
House rent	160,000	512,000	3,568,000	4,240,000	4,896,533
Retirement benefits	-	128,000	892,000	1,020,000	984,133
Vehicle running	139,950	259,399	2,437,358	2,836,707	2,362,430
Utilities	40,000	172,997	1,199,498	1,412,495	1,965,853
	<u>739,950</u>	<u>3,252,396</u>	<u>17,016,856</u>	<u>21,009,202</u>	<u>22,450,282</u>
Number of persons	<u>1</u>	<u>3</u>	<u>11</u>		

27.1 The chief executive officer, directors and few executives are also provided free use of Company maintained cars.

#### 28. OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Company has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

Chief Executive Officer consider the business as a single operating segment as the company's asset allocation decisions are based on single, integrated business strategy and the company's performance is evaluated on an overall basis.

#### 29. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on latest un-audited financial statements of the Fund:

	2014 Rupees (Un-audited)		2013 Rupees (Audited)		
a) Size of the fund - Total assets		37,800,753		35,822,362	
Cost of investments made		32,326,534		29,399,173	
Fair value of investments		33,904,034		29,526,923	
Percentage of investments made (%)		89.69		82.43	
b) The breakup of Investments - at cost					
		<b>2014</b> (Un-audited)		<b>2013</b> (Audited)	
		Rupees ('000)	%	Rupees ('000)	%
Mutual Funds		-	-	3,000	10
Certificate of Islamic Investment - Meezan Bank		25,000	77	-	-
Cash deposited in PLS account		<u>7,327</u>	<u>23</u>	<u>26,399</u>	<u>90</u>
		<u>32,327</u>	<u>100</u>	<u>29,399</u>	<u>100</u>

c) The investments out of provident fund have been made in accordance with the provisions of section 227 of Companies Ordinance 1984 and the rules formulated for the purpose.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

	<b>2014</b>	<b>2013</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>30. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES</b>		
<b>30.1 Financial instruments by category</b>		
<b>Financial assets</b>		
<b>Loans and receivables</b>		
Long-term deposits	10,490,038	11,193,147
Trade debts	400,405,421	539,043,249
Loans and advances	185,750	454,302
Trade deposits	5,556,685	7,789,982
Other receivables	45,509,010	759,712
Cash and bank balances	12,744,866	30,487,079
	<u>474,891,770</u>	<u>589,727,471</u>
 <b>Investment at fair value through profit or loss</b>		
Other financial assets	533,551	353,403
	<u>475,425,321</u>	<u>590,080,874</u>
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Trade and other payables	28,625,556	42,516,718
Interest / mark-up accrued on borrowings	16,632,069	31,140,442
Short-term borrowings	921,817,618	1,542,334,820
	<u>967,075,243</u>	<u>1,615,991,980</u>

### 31. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

#### 31.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from trade debts, loans and advances, and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees
Long-term deposits	10,490,038	11,193,147
Trade debts	400,405,421	539,043,249
Loans and advances	185,750	454,302
Trade deposits	5,556,685	7,789,982
Other receivables	45,509,010	759,712
Other financial assets	533,551	353,403
Bank balances	12,709,609	30,410,089
	<u>475,390,064</u>	<u>590,003,884</u>

The trade debts are due from foreign and local customers for export and local sales respectively. Trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. As at the balance sheet date, there are no past due trade debt balances. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

#### 31.1.1 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.

In determining the recoverability of a trade debts, 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 customer base is large and unrelated and does not have credit risk concentration.

**The average age of receivables is 82 days (2013: 71 days).**

The Company is not exposed to major concentration on credit risk. At June 30, 2014, the Company has approximately 12 customers (2013: 17 customers) that owed more than Rs. 10 million each and accounted for approximately 53% (2013: 61%) of all trade debts.

**The Company does not hold collateral as security.**

#### 31.1.2 Credit risk related to financial instruments and cash deposits

The names and credit rating of major banks where the Company maintains its bank balances are as follows:

Name of bank	Credit rating		2014 Rupees	2013 Rupees
	Short-term	Long-term		
Bank Al-Habib Limited	AI +	AA +	5,591,595	7,127,871
Habib Metropolitan Bank Limited	AI +	AA +	153,271	3,495,770
Industrial and Commercial Bank of China	P-I	AI	29,021	6,779,021
MCB Bank Limited	AI +	AAA	2,263,120	2,672,953
Meezan Bank Limited	A-I +	AA	33,342	2,339,500
Soneri Bank Limited	AI +	AA-	657,559	1,185,796
United Bank Limited	A-I +	AA +	118,900	5,509,934

### 31.2 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances and availability of financing through banking arrangements, which includes short-term borrowings and discounting of foreign receivables. The following are the contractual maturities of financial liabilities, including interest payments, excluding the impact of netting agreements:

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	
<b>June 30, 2014</b>							
----- Rupees -----							
<b>Financial Liabilities</b>							
Trade and other payables	-	-	-	28,625,556	-	28,625,556	28,625,556
Interest / mark-up accrued	-	-	-	16,632,069	-	16,632,069	16,632,069
Short-term borrowings	921,817,618	-	921,817,618	-	-	-	921,817,618
	<u>921,817,618</u>	<u>-</u>	<u>921,817,618</u>	<u>45,257,625</u>	<u>-</u>	<u>45,257,625</u>	<u>967,075,243</u>
<b>June 30, 2013</b>							
----- Rupees -----							
<b>Financial Liabilities</b>							
Trade and other payables	-	-	-	42,516,718	-	42,516,718	42,516,718
Interest / mark-up accrued	-	-	-	31,140,442	-	31,140,442	31,140,442
Short-term borrowings	1,542,334,820	-	1,542,334,820	-	-	-	1,542,334,820
	<u>1,542,334,820</u>	<u>-</u>	<u>1,542,334,820</u>	<u>73,657,160</u>	<u>-</u>	<u>73,657,160</u>	<u>1,615,991,980</u>

### 31.3 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 optimising returns.

#### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit and loss account.

### Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's loss before taxation for the year ended would increase/decrease by Rs. 4,609,088 (2013: Rs. 7,711,674). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. As at June 30, 2014, there were no foreign trade debts however, Rs. 476,151,386 (2013: Rs. 1,062,824,837) 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.

### Foreign currency sensitivity analysis

At June 30, 2014, if the Rupee had strengthen/weakened by 5% against the US dollar with all other variables held constant, loss before taxation (2013: loss before taxation) for the year would have been decrease/increase by Rs. 23,807,569 (2013: 39,029,592). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in 2013.

## 31.4 Fair value estimation

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2014, short term investment was categorised in level 1 (2013: level 1).

There were no transfers between Level 1 and 2 in the year.



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

#### 32. 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 50% to 70%. The debt-to-adjusted capital ratios at June 30, 2014 and June 30, 2013 were as follows:

	2014 Rupees	2013 Rupees
Total debts	921,817,618	1,542,334,820
Less: Cash and bank balances	(12,744,866)	(30,487,079)
Net debt	909,072,752	1,511,847,741
Total equity	783,203,757	935,464,001
Adjusted capital	<u>1,692,276,509</u>	<u>2,447,311,742</u>
Debt-to-adjusted capital ratio	<u>0.54</u>	<u>0.62</u>

#### 33. PLANT CAPACITY AND ACTUAL PRODUCTION

Tin Plate	2014 (Metric tons)	2013
Installed capacity	<u>120,000</u>	<u>120,000</u>
Actual production	<u>18,807</u>	<u>27,168</u>
	2014	2013
	(Number per annum)	
Installed capacity of various sizes	<u>4,015,000</u>	<u>4,015,000</u>
Actual production of various sizes	<u>1,168,103</u>	<u>1,023,266</u>

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



## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2014

#### 34. NUMBER OF EMPLOYEES

The total average number of employees during the year end and as at June 30, 2014 and 2013 respectively are as follows:

	2014 No of employees	2013
Average number of employees during the year	307	342
Number of employees as at year end	271	342

#### 35. 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 29, 2014.

#### 37. GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR

## PATTERN OF HOLDING OF SHAREHELD BY THE SHAREHOLDERS

as at June 30, 2014

No. of Shareholders	Share Holding		Total Shares Held	Percentage %
	From	To		
642	1	100	28433	0.0362
274	101	500	112392	0.1431
930	501	1000	566393	0.7213
612	1001	5000	1363370	1.7363
114	5001	10000	905513	1.1532
47	10001	15000	585183	0.7453
33	15001	20000	596146	0.7592
16	20001	25000	381303	0.4856
13	25001	30000	365432	0.4654
10	30001	35000	332269	0.4232
6	35001	40000	233601	0.2975
3	40001	45000	130290	0.1659
9	45001	50000	443636	0.5650
1	50001	55000	54450	0.0693
2	55001	60000	119256	0.1519
2	60001	65000	127600	0.1625
4	65001	70000	273645	0.3485
3	70001	75000	217593	0.2771
8	95001	100000	800000	1.0188
3	100001	105000	310500	0.3954
1	105001	110000	107548	0.1370
1	110001	115000	112500	0.1433
1	115001	120000	116500	0.1484
1	120001	125000	120250	0.1531
1	125001	130000	125305	0.1596
1	155001	160000	156500	0.1993
1	190001	195000	193000	0.2458
1	245001	250000	250000	0.3184
1	320001	325000	321500	0.4094
1	355001	360000	359648	0.4580
2	370001	375000	745390	0.9493
1	390001	395000	391000	0.4980
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	535001	540000	536000	0.6826
1	620001	625000	621870	0.7920
1	705001	710000	707000	0.9004
1	970001	975000	970500	1.2360
2	1140001	1145000	2283347	2.9080
1	1540001	1545000	1541825	1.9636
1	1895001	1900000	1895113	2.4135
1	2000001	2005000	2005000	2.5535
1	3100001	3105000	3102887	3.9517
1	3140001	3145000	3142888	4.0027
1	3220001	3225000	3224672	4.1068
1	3675001	3680000	3676493	4.6822
1	4890001	4895000	4892515	6.2309
2	7295001	7300000	14594590	18.5871
1	10320001	10325000	10321981	13.1456
1	10435001	10440000	10435629	13.2904
<b>2771</b>		<b>Company Total</b>	<b>78520127</b>	<b>100.0000</b>



**CATEGORIES OF SHAREHOLDERS**

as at June 30, 2014

Shareholder Category	Number of Shareholders	Number of Shares Held	Percentage
Directors, CEO and their Spouse and minor Children	8	35,606,965	45.35
Associated Companies	2	10,331,981	13.15
Modarabas & Mutual Funds	3	2,401,000	3.06
General Public (Local)	2,727	27,283,174	34.75
General Public (Foreign)	13	1,631,374	2.08
Foreign Companies	2	1,185,707	1.51
Other	16	79,926	0.10
<b>COMPANY IN TOTALITY</b>	<b>2,771</b>	<b>78,520,127</b>	<b>100.00</b>

## INFORMATION AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE

as at June 30, 2014

Shareholder's Category	Number of Shares held	Percentage
<b>Associated Companies, Undertaking and Related Parties</b>		
Siddiqsons Limited	10,321,981	13.15
Siddiqsons Denim Mills Ltd. Staff Providend Fund	10,000	0.01
<b>NIT and ICP</b>	NIL	
<b>Directors, CEO and their spouse and minor children</b>		
Mr. Tariq Rafi (Chairman)	10,435,629	13.29
Mr. Ibrahim Shamsi	1,140,430	1.45
Mr. Abdur Rahim	2,015,363	2.57
Mr. Saturo Nishi (Nominee Director of Metalone Corporation)	7,297,295	9.29
Mr. Jean Pierre Gugenheim (Nominee Director of Arcelor Mittal Packaging)	7,297,295	9.29
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
Mrs. Anum Jamal W/o. Mr. Abdur Rehman	519,788	0.66
<b>Executives</b>	NIL	
<b>Public sector Companies and Corporations</b>	NIL	
<b>Modarabas &amp; Mutual Fund</b>	2,401,000	3.06
<b>Shareholders holding ten percent or more</b>		
Mr. Tariq Rafi (Chairman / CEO)	10,435,629	13.29
Siddiqsons Limited	10,321,981	13.15
<b>Trading in share by Directors, CEO, CFO &amp; Company Secretary</b>	NIL	





**PROXY FORM**

**19th 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 19th Annual General Meeting of the Company to be held on Tuesday, October 28, 2014 at 10:00 a.m. at Pavilion End Club, Gulshan-e-Iqbal, Block-10, main Rashid Minhas Road Karachi, or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

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

Signature \_\_\_\_\_

Name \_\_\_\_\_

CNIC No/Passport No. \_\_\_\_\_

Address \_\_\_\_\_

Witness 2

Signature \_\_\_\_\_

Name \_\_\_\_\_

CNIC No/Passport No. \_\_\_\_\_

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.







# Siddiqsons Tin Plate Limited

A Siddiqsons Group Company

***Registered Office:***

Siddiqsons Tower, 7th Floor, Plot # 3, J.C.H., Society, Block 7 & 8, Main, Shahrah-e-Faisal, Karachi.

Tel: +9221-34325193-95, Fax: +9221-34390140

***Plant:***

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

[www.siddiqsonstinplate.com](http://www.siddiqsonstinplate.com)