BALANCE SHEET
AS AT JUNE 30, 2009

	Note	2009 Rupees	2008 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	3	**811,502,146**	843,555,294
Long-term deposits	4	**7,556,655**	7,546,655
		819,058,801	851,101,949
CURRENT ASSETS			
Stores, spares and loose tools	5	**14,057,340**	14,556,382
Stock-in-trade	6	**1,755,818,486**	1,031,817,214
Trade debts	7	**410,320,032**	306,646,926
Loans and advances	8	**185,958,069**	280,435,099
Trade deposits and short-term prepayments	9	**4,960,288**	9,793,242
Other receivables	10	**1,644,035**	14,621,761
Other financial assets	11	**112,486,995**	210,324,260
Sales tax refundable- considered good		**206,834**	206,834
Cash and bank balances	12	**82,972,632**	258,849,410
		2,568,424,711	2,127,251,128
		3,387,483,512	2,978,353,077
SHARE CAPITAL AND RESERVES			
Authorized			
120,000,000 ordinary shares of Rs.10/- each		**1,200,000,000**	1,200,000,000
Issued, subscribed and paid-up	13	**785,201,270**	785,201,270
Unappropriated profits		**646,102,134**	888,735,711
		1,431,303,404	1,673,936,981
CURRENT LIABILITIES			
Trade and other payables	14	**496,370,057**	44,602,084
Interest / mark-up accrued	15	**35,912,030**	16,471,566
Short-term borrowings	16	**1,298,674,424**	1,121,141,339
Taxation - income tax		**86,934,382**	80,245,630
- sales tax		**38,289,215**	41,955,477
		1,956,180,108	1,304,416,096
CONTINGENCIES AND COMMITMENTS	17		
		3,387,483,512	2,978,353,077

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER **DIRECTOR**

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

		2009 Rupees	2008 Rupees
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	(Loss) / Profit before taxation	**(118,164,635)**	181,137,330
	Adjustments for:		
	Depreciation on property, plant and equipment	**42,869,135**	44,749,475
	Finance cost	**139,503,213**	59,461,680
	Provision for doubtful debts	**400,379**	1,266,523
	Provision for slow moving and obsolete items	**303,179**	-
	Provision for doubtful receivables	**2,194,334**	-
	Balances written off - Advances	**2,133,110**	-
	Gain on disposal of property, plant and equipment	**(336,697)**	(433,945)
	Dividend income	**(9,585,850)**	(518,850)
	Gain on sale of investments	**-**	(33,630,290)
	Loss on remeasurement of investment at market value	**102,976,381**	64,887,785
	Operating cash flows before movement in working capital	**162,292,549**	316,919,708
	(Increase) / decrease in current assets		
	Stores, spares and loose tools	**195,863**	(6,777,219)
	Stock in trade	**(724,001,272)**	(872,665,753)
	Trade debts	**(104,073,485)**	394,099,784
	Loans and advances	**102,187,389**	(157,544,238)
	Trade deposits and short-term prepayments	**4,832,954**	(3,293,523)
	Other receivables	**10,893,392**	(6,780,886)
	Increase / (decrease) in current liabilities		
	Trade and other payables	**451,626,306**	(9,840,969)
	Sales tax payable	**(3,666,262)**	41,955,477
	Cash used in operations	**(99,712,566)**	(303,927,619)
	Income taxes paid	**(9,843,480)**	(26,043,860)
	Interest / markup paid	**(120,062,749)**	(51,123,788)
	Long term deposits paid	**(10,000)**	(300,000)
	Net cash used in operating activities	**(229,628,795)**	(381,395,267)
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Proceeds from disposal of property, plant and equipment	**429,750**	1,706,880
	Purchase of property, plant and equipment	**(10,909,040)**	(12,816,441)
	Purchase of investments	**(5,139,105)**	(241,581,756)
	Dividends income	**9,475,850**	518,850
	Net cash used in investing activities	**(6,142,545)**	(252,172,467)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Short term borrowing - net	**80,328,995**	198,311,653
	Dividend paid	**(117,638,523)**	(117,780,190)
	Net cash (used in) / from financing activities	**(37,309,528)**	80,531,463
	Net decrease in cash and cash equivalents (A+B+C)	**(273,080,868)**	(553,036,271)
	Cash and cash equivalents at beginning of the year	**(189,654,575)**	363,381,696
	Cash and cash equivalents at the end of the year	**(462,735,443)**	(189,654,575)
	Cash and cash equivalents		
	Cash and bank balances	**82,972,632**	258,849,410
	Short term running finance	**(545,708,075)**	(443,740,601)
	Book overdraft	**-**	(4,763,384)
		(462,735,443)	(189,654,575)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER **DIRECTOR**

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of Siddiqsons Tin Plate Limited is pleased to present Fourth Annual Report after listing with Karachi Stock Exchange (Guarantee) Limited, and Audited Financial Statements of the Company together with Auditor's Report thereon for the year ended June 30, 2009.

General

The principal activity of the Company is manufacturing and sale of tin plates and other steel products. The Company production capacity is 120,000 metric tons per annum. The plant is located at Winder Industrial Estate in the province of Balochistan.

Industry and Financial Review

The year under review was a very difficult year for all business houses and as such our Company was no exception. The Company has also been facing different challenges domestic as well as international. Despite that accumulative net sale of your company during the year has been slightly higher as compared to the last year's sales. Your Company has recorded net sales of Rs.2,640 million as compared to Rs.2,398 million during the same period of previous year which means there is an increase in sale revenue by Rs.242 million.

The gross profit of the Company recorded for this year is Rs.227 million which is 8.61% of the sales revenue of the current year as compared to Rs.373 million which was 16% of the sales revenue of the last year. During the third and forth quarter of the year prices of TMBP sharply declined in international market, due to which we were forced to reduce our sales prices which has invariably affected gross profit margin and in turn we incurred net loss of Rs.125 million.

The plant has continued to operate satisfactorily throughout the year but production was under capacity 36,810 MT only as compared to 46,330 MT during the same period last year due to the menace of dumping, misdeclaration and substitution of plastic as packaging material. The plant capacity has been under utilized by 69% during this year.

Following is the comparative financial results for the year 2009 with 2008.

Rupees in Million	**2009**		**2008**	
	Rupees	**% of Sales**	**Rupees**	**% of Sales**
Sales	2,639	100	2,398	100
Gross Profit	227	8.61	373	15.55
(Loss)/Profit before tax	(118)	4.48	181	7.55
(Loss)/ Profit after tax	(125)	4.73	169	7.06
(LPS)/EPS (Rupees)	(1.59)		2.15	

Future outlook

The year under review was a bad year for steel industry due to which we could not achieve set goals. However, we are confident that your company has the potential to remain market leader and would be able to sustain all external and internal pressures by maintaining its history of achieving good results even in the most challenging circumstances.

Management has devotedly made following strategies which are being implemented and monitored periodically for achieving our goals in the forthcoming years, in addition to getting antidumping duty and ITP valuation successfully implemented as well as cascading of duty for our raw material.

- Canning division has been established and we are cautiously moving forward.
- Focusing on exploration of new markets in Middle East.
- To arrange sufficient quantity of all grades of material as per requirement of customers.
- To give preference for advance orders from the customers.
- To analyze market demand and evolve policies accordingly.
- To make all out efforts to curtail imports of under-invoiced material by correct ITP and antidumping.

Auditors

The present auditors M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants are retiring and have offered themselves for reappointment. As suggested by the Audit Committee, the Board of Directors have recommended their reappointment as auditors of the company for the year ending June 30, 2010, 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, 2009 have been adopted by the Company and have been duly complied with. A separate statement of compliance with the Code of Corporate Governance signed by the Chief Executive Officer included in this report.

Statement of ethics and business practices

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

Corporate and financial reporting frame work

- The financial statements together with the notes thereon have been drawn up by the management in conformity with the Companies Ordinance, 1984. These Statements present fairly Company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- The International Accounting Standards / International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- Significant diversion from last year's operating results has been disclosed in the Directors' Report.
- The key operating and financial date for the last six (6) years is summarized in the form annexed with the report.

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

	2003	2004	2005	2006	2007	2008
Cash Dividend	12.5%	12.5%	40%	10%	15%	15%
Stock Dividend	-	34%	12.5%	10%	-	-

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

Name of Directors	No. of Meeting Attended
Mr. Abdullah Rafi	4
Mr. Tariq Rafi	3
Mr. S. Walliullah Shah	4
Mr. Sanaullah Abdullah	4
Mr. Ibrahim Shamsi	2
Mr. Jean Peirre Gugenheim	0
Mr. Satoru Oki	4

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

Audit Committee and internal audit control system

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

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

Pattern of shareholding

The total number of Company's shareholders as at June 30, 2009 were 3,792. The pattern of shareholding as at June 30, 2009 along-with necessary disclosures as required under the Code of Corporate Governance is annexed with this report.

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

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

	Purchased	Sold
Mr. Abdullah Rafi (Chairman)	12,000	-
Mr. Ibrahim Shamsi (Director)	279,000	119,000

Acknowledge

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 services rendered by the staff of the Company.

ABDULLAH RAFI
Chairman
Karachi, September 19, 2009

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

1. GENERAL INFORMATION

1.1 Siddiqsons Tin Plate Limited (the Company) was incorporated in Pakistan on January 29, 1996 as public company limited by shares under Companies Ordinance 1984. The shares of the Company are listed at Karachi Stock Exchange. Registered office of the company is situated at D-53, Textile Avenue, S.I.T.E, Karachi in the province of Sindh and the plant is located at Winder Industrial Estate in the province of Balochistan. During the year, the company started production of cans. The canning plant is located at B-26, Textile Avenue, S.I.T.E. Karachi in the province of Sind. The principal activity of the company is manufacturing and sale of tin plates, canes ,and other steel products.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

2.2 Adoption of new International Financial Reporting Standards

In the current year, the company has adopted all new Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and as notified by the Securites and Exchange Commission of Pakistan that are relevant to its operations and effective for company's accounting period beginning on July 01, 2008. The adoption of these new Standards and Interpretations has resulted in changes to the Company's accounting policies in the following areas:

IFRS 7 - Financial Instruments: Disclosures April 28, 2008

IFRS 7 requires extensive disclosures about the significance of financial instruments for the company's financial position and performance, and quantitative and qualitative disclosures on the nature and extent of risks. These requirements incorporate many of the requirements previously in IAS 32 - Financial Instruments : Presentation. The company has adopted this standard from the financial year beginning July 01, 2008 and its initial application has led to extensive disclosures in the company's financial statements.

IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset,
Minimum Funding Requirements and their Interaction January 01, 2008

IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The adoption of this Interpretation will have no material impact on the company's financial statements.

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

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

IFRS 8 - Operating Segments	January 01, 2009
IFRIC 15 - Agreements for the Construction of Real Estate	January 01, 2009
IFRIC 16 - Hedges of a Net Investment in a Foreign Operation	October 01, 2008
IFRIC 17 - Distributions of Non-cash Assets to Owners	July 01, 2009
IFRIC 18 - Transfer of Assets from Customers	July 01, 2009

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

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

IFRIC 12 - Service Concession Agreements	Effective from accounting period beginning on or after January 01, 2008
IFRIC 13 - Customer Loyalty Programs	Effective from accounting period beginning on or after July 01, 2008

2.3 *Basis of preparation*

The financial statements have been prepared under the historical cost convention modified by certain financial instruments which are stated at fair value.

The principal accounting policies adopted are set out below:

2.4 *Property, plant and equipment*

Property, plant and equipment except land and capital work-in-progress are stated at cost less accumulated depreciation and impairment in value, if any. Land and capital work-in-progress are stated at cost less impairment in values, 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 of acquisition and up to the month preceding the month of disposal respectively.

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

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

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

2.5 *Stores, spares and loose tools*

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

2.6 *Stock in trade*

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

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

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

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

2.7 *Trade debts and other receivables*

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

2.8 *Investment*

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

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

Available for sale investment
Investment securities held by the Company which may be sold in response to needs for liquidity or changes in interest rates or equity prices are classified as available for sale. These investments are initially recognised at fair value plus transaction cost and subsequently re-measured at fair value.

The investments for which quoted market price is not available, are measured at costs as it is not possible to apply any other valuation methodology. Gains and losses arising from re-measurement at fair value is recognised directly in the equity under fair value reserve until sold, collected, or otherwise disposed off at which time, the cumulative gain or loss previously recognised in equity is included in profit and loss account.

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

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

2.9 Cash and cash equivalents

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

2.10 Employee benefit cost

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

2.11 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

2.12 Provisions

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

2.13 Impairment

Financial Assets

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

Non-financial Assets

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

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

2.14 Financial instruments

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

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

2.15 Offsetting of financial assets and financial liabilities

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

2.16 Revenue Recognition

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

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

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

Dividend income from investments is recognised 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.

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

2.17 Taxation

Current

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

Deferred

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

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

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

2.18 Foreign Currencies

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

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

2.19 Borrowing Costs

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

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.20 Dividend and other appropriations

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

2.21 Critical accounting estimates

The estimates and underlying assumption are reviewed on ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are revised.

2.22 Critical 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. 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.

3. PROPERTY, PLANT AND EQUIPMENT

	Notes	**2009 Rupees**	2008 Rupees
Operating fixed assets	3.1	**793,961,761**	829,556,549
Capital work in progress	3.4	**17,540,385**	13,998,745
		811,502,146	843,555,294

3.1 Operating fixed assets

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

3.1.1 Canning plant costing to Rs.3,050,696/- has been installed on the land and building of associated company. No rent is charge by the associated company.

For comparative period

	Cost at July 01, 2007	Additions / transfers (disposals)	Cost at June 30, 2008	Accumulated depreciation at July 01, 2007	Depreciation for the year (depreciation on disposal)	Accumulated depreciation at June 30, 2008	Carrying value at June 30, 2008	Dep. Rate %
	Rupees							
Leasehold land	7,533,750	-	7,533,750	-	-	-	7,533,750	
Buildings on leasehold land	130,006,832	-	130,006,832	71,767,827	5,823,901	77,591,728	52,415,104	10
Plant and machinery	989,954,747	1,000,000	990,954,747	274,091,101	28,654,549	302,745,650	688,209,097	4
Power and other installations	87,828,425	-	87,828,425	32,870,708	5,495,771	38,366,479	49,461,946	10
Factory equipment	13,908,763	204,670	14,113,433	7,447,254	325,416	7,772,670	6,340,763	10
Generators	13,138,548	100,000	13,238,548	7,777,338	541,120	8,318,458	4,920,090	10
Office equipment	5,859,526	-	5,859,526	1,836,727	402,280	2,239,007	3,620,519	10
Data processing equipment	1,933,124	797,793	2,730,917	1,139,865	377,053	1,516,918	1,213,999	33.33
Furniture and fixtures	2,380,578	94,050	2,474,628	1,403,074	429,804	1,832,878	641,750	10
Vehicles	26,826,665	4,801,540	29,505,155	12,456,158	2,699,581	14,305,624	15,199,531	20
		(2,123,050)			(850,115)			
2008	1,279,370,958	6,998,053	1,284,245,961	410,790,052	44,749,475	454,689,412	829,556,549	
		(2,123,050)			(850,115)			

3.2 Allocation of depreciation	Notes	2009 Rupees	2008 Rupees
Cost of goods sold	19.1	**38,953,406**	40,840,757
Administration expenses	21	**3,915,729**	3,908,718
		42,869,135	44,749,475

3.3 The following assets were disposed off during the year:

Depriciation		Cost	Accumulated Depreciation	Written Down value	Sale proceed	Mode of disposal	Particulars of Buyer
		-----	-----	--Rupees--	-----	-----	-----
Vehicle		894,000	810,707	83,293	422,750	Negotiation	Mr. Rauf Ahmed Sheikh, A-130, Block 2 Gulshan-d-Iqbal, Karachi.
Vehicle		65,700	55,940	9,760	7,000	Negotiation	Mr. Muhammad Siddiq, R-1978, Block-14 F.B Area, Karachi.
	2009	959,700	866,647	93,053	429,750		
	2008	2,123,050	850,115	1,272,935	1,706,880		

	Notes	2009 Rupees	2008 Rupees
3.4 Capital work in progress			
Machinery and equipment		**4,808,661**	3,877,924
Civil work		**2,074,022**	2,074,022
Advance for capital expenditure		**10,657,702**	8,046,799
		17,540,385	13,998,745

4. LONG TERM DEPOSITS

For electricity		**7,179,250**	7,179,250
Others		**377,405**	367,405
		7,556,655	7,546,655

5. STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools		**23,174,892**	23,370,755
Less: Provision for slow-moving and obsolete items	5.1	**(9,117,552)**	(8,814,373)
		14,057,340	14,556,382

5.1 Provision for slow moving and obsolete items

Opening balance		**8,814,373**	8,814,373
Addition during the year		**303,179**	-
Closing balance		**9,117,552**	8,814,373

	Notes	**2009 Rupees**	2008 Rupees
6. STOCK-IN-TRADE			
Raw materials		**1,071,026,639**	563,860,252
(including in transit Rs.216,494,466/- (2008: Rs. 180,627,492/-))			
Finished goods		**684,791,847**	467,956,962
		1,755,818,486	1,031,817,214
7. TRADE DEBTS			
Export			
Unsecured - considered good		**3,485,984**	-
Local			
Secured- considered good	7.1	**15,374,649**	92,580,776
Unsecured-considered good		**391,459,399**	214,066,150
Unsecured-considered doubtful		**4,221,443**	3,821,064
Less: Provision for doubtful debts	7.2	**(4,221,443)**	(3,821,064)
		391,459,399	214,066,150
		410,320,032	306,646,926

7.1 These are secured against local LC maturing within 45 to 90 days.

7.2 Movement in provision for doubtful debt

	2009 Rupees	2008 Rupees
Opening Balance	**3,821,064**	3,108,639
Addition during the year	**400,379**	1,266,523
Written off during the year	**-**	(554,098)
Closing balance	**4,221,443**	3,821,064

7.2.1 In determining the recoverability of a trade debt, the company considers any change in the credit quality of the trade debt from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further provision required in excess of the allowance for doubtful debts.

7.2.2 Included in the provision for doubtful debts are individually impaired trade debts with a balance of Rs. 4,221,443(2008: Rs.3,821,064). The impairment recognised represents the difference between the carrying amount of these trade receivable and the present value of the expected proceeds. The company does not hold any collateral over these balances.

7.3 Trade receivables are non-interest bearing and are generally on 30 to 90 days terms.

	2009 Rupees	2008 Rupees
8. *LOANS AND ADVANCES*		
- Considered good		
Loan to Executives	**1,138,090**	1,667,800
Loan to employees	**312,118**	160,778
Advance		
to suppliers	**37,279,702**	26,386,774
against expenses	**1,785,541**	1,008,849
Income tax	**127,388,943**	117,545,474
Letters of credit fee and expenses	**18,053,675**	3,339,426
L/C's margin	**-**	130,325,998
	185,958,069	280,435,099
9. *TRADE DEPOSITS AND SHORT TERM PREPAYMENTS*		
Security deposits	**3,543,330**	9,458,330
Short term prepayments	**1,416,958**	334,912
	4,960,288	9,793,242
10. *OTHER RECEIVABLES*		
- Considered good		
Receivable against sale of securities	**97,582**	7,947,237
Dividend	**110,000**	-
Quality claim	**-**	4,480,190
LC Claim		
Others	**1,436,453**	2,194,334
	1,644,035	14,621,761
Others	**2,194,334**	-
Less: Provision for doubtful receivables	**(2,194,334)**	-
	-	-
	1,644,035	14,621,761

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

2008	2009		Market Value 2009	Market Value 2008
No. of shares			Rupees	
Held in ready market				
857,800	**1,125,600**	National Bank of Pakistan	**75,448,979**	126,525,500
1,161,000	**1,161,000**	Fauji Fertilizer Bin Qasim Ltd.	**20,538,090**	41,761,170
375,500	**410,500**	Pakistan Telecommunication Company Ltd.	**7,077,020**	14,509,320
699,000	**776,666**	Arif Habib Bank Ltd.	**5,428,895**	13,406,820
20,000	**24,000**	Habib Bank Ltd.	**2,065,440**	4,172,600
35,000	**35,000**	Artistic Denim Mills Ltd.	**786,100**	1,489,950
100,000	**100,000**	JS Bank Limited	**603,000**	1,374,000
40,900	**40,900**	Century Paper & Board Mills Ltd.	**539,471**	2,045,000
			112,486,995	205,284,360
Held in future market				
25,000	-	National Bank of Pakistan	-	3,687,500
35,000	-	Pakistan Telecommunication Company Ltd.	-	1,352,400
			112,486,995	210,324,260

11.1Cost of investments is Rs.280,351,184/- (2008 : Rs.275,212,079/-).

12. CASH AND BANK BALANCES

	Notes	2009 Rupees	2008 Rupees
Cash in hand		**145,355**	127,028
Cash at banks on:			
- Current accounts			
Local currency		**11,350,810**	186,386,137
Foreign currency		**32,861**	25,390
- PLS saving accounts	12.1 & 12.2	**71,443,606**	62,257,348
- Term deposit accounts		**-**	10,053,507
		82,972,632	258,849,410

12.1 This include Rs.51.25 million (2008 : Rs.26.25 million) in respect of margin against guarantee issued by a banking company to Excise and Taxation Department.

12.2 Effective mark-up rate in respect of saving accounts, range from 7.5 % to 12% (2008 : 3% and 7.75 %) per annum.

13. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2008	2009		2009 Rupees	2008 Rupees
Number of Shares				
		Ordinary shares of Rs. 10/-each fully paid		
47,351,200	47,351,200	In cash	**473,512,000**	473,512,000
31,168,927	31,168,927	As bonus shares	**311,689,270**	311,689,270
78,520,127	78,520,127		**785,201,270**	785,201,270

13.1 There were no movements in share capital during the reporting periods.

13.2 An associated undertaking, Siddiqsons Denim Mills Limited held 6,455,717 (2008 : 4,941,167) ordinary shares at the year end.

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

13.4 The company has no reserved shares under options and sales contracts.

14. TRADE AND OTHER PAYABLES

	Notes	2009 Rupees	2008 Rupees
Creditors	14.1	**19,380,056**	10,359,315
Foreign bills payable	14.2	**458,493,939**	-
Accrued liabilities		**3,254,864**	1,799,799
Advance from customers		**3,220,405**	10,081,904
Employees Provident Fund		**-**	217,593
Workers' Profit Participation Fund		**-**	10,813,299
Workers' Welfare Fund	14.3	**9,338,829**	9,338,829
Withholding tax payable		**529,001**	114,100
Unclaimed dividend		**912,275**	770,608
Others	14.4	**1,240,688**	1,106,637
		496,370,057	44,602,084

14.1 This includes Rs. 3,582,331/- (2008:Nil) payable to related parties including M/s. Siddiqsons Services (Private) Limited and Siddiqson Denim Mills Limited. Trade payables are non-interest bearing and are normally settled on 30-day terms.

14.2 This represents letters of credit against import of raw material and are due for payment with in 150 days. These are secured by way of hypothecation on fixed assets, stock in trade, stores and spares, trade debts and present and future current assets of the company.

	Notes	2009 Rupees	2008 Rupees
14.3 Workers' profit participation fund			
Balance as at July 01,		**10,813,299**	15,135,630
Interest on funds utilized in the Company's business	14.3.1	**449,715**	664,757
		11,263,014	15,800,387
Payment made to the Fund during the year		**(11,263,014)**	(14,761,394)
		-	1,038,993
Allocation for the year		**-**	9,774,306
Balance as at June 30,		**-**	10,813,299

14.3.1 Interest on Fund is charged @ 16.5 % (2008: 13.14%) per annum.

14.4 This include Rs. 876,176/- (2008: Nil) payable to Siddiq Sons Denim Mills Limited an associated company.

15. It includes markup payable on borrowing from WPPF Rs. 8,830,484/- (2008:5,679,576/-)

16. SHORT-TERM BORROWINGS

	Notes	2009 Rupees	2008 Rupees
Secured			
From banking companies			
Finances against imports	16.2	**752,966,349**	667,037,354
Running finances under markup arrangements	16.3	**545,708,075**	443,740,601
Book overdraft		**-**	4,763,384
Unsecured			
From related party		**-**	5,600,000
		1,298,674,424	1,121,141,339

16.1 The aggregate unavailed short term borrowing facilities amounts to Rs.332.26 million (2008 : Rs.2,949.23 million) as of the balance sheet date.

16.2 This represent facilities obtained from banking companies for the purpose of imports and are secured against hypothecation on fixed assets, stock in trade, stores and spares, trade debts, promissory notes and charge on present and future current assets of the company and import documents and are subject to mark-up based on LIBOR ranging between 3.82% to 7.77% (2008 : 4.22% to 7.75%) per annum payable on maturity.

16.3 Thses are secured against charge on fixed assets, stock, stores and spares, trade debts and present and future current assets of the company and are subject to the mark-up ranging between 13.37% to 17.18% (2008 : 10.03% to 10.64%) per annum payable on demand.

16.4 The company has borrowed from Worker's Profit Participation Fund (related party) for their working capital needs. Markup @ 13.14% (2008 : 13.14%) per annum is payable on demand.

17. CONTINGENCY AND COMMITMENT

17.1 Contingency

Excise and tax department has levied Sindh Development and Infrastructure Fee and Duty on imports made by the Company, which are not acknowledged. The case is pending in the Sindh High Court. A bank gurantee has been issued for Rs. 90,000,000/- (2008: Rs. 75,000,000/-) as per the order of the High Court. Management is confident of favourable outcome.

	Notes	2009 Rupees	2008 Rupees
17.2 Commitment			
Letters of credit for raw material import		**108,129,000**	425,849,848

18. SALES - NET

	Notes	2009 Rupees	2008 Rupees
Sales			
Local			
Tinplate		**3,055,647,324**	2,818,542,219
Side cuts, end cuts, damaged cuts, etc.		**183,220,728**	103,883,972
		3,238,868,051	2,922,426,191
Export - Tinplate		**10,725,290**	-
- Cannes		**3,485,984**	-
		3,253,079,325	2,922,426,191
Less : Commission and discount		**(24,500,479)**	(48,483,293)
Sales returns		**(173,121,237)**	(103,362,927)
Sales tax		**(415,517,483)**	(373,044,333)
		(613,139,199)	(524,890,553)
		2,639,940,126	2,397,535,638

19. COST OF GOODS SOLD

	Notes	2009 Rupees	2008 Rupees
Cost of goods manufactured	19.1	**2,544,525,600**	2,481,679,264
Finished stocks			
Opening stock		**467,956,962**	2,109,058
Purchase of finished goods		**84,835,943**	8,915,040
Closing Stock		**(684,791,847)**	(467,956,962)
		(131,998,942)	(456,932,864)
		2,412,526,658	2,024,746,400

	Note	2009 Rupees	2008 Rupees
19.1 Cost of good manufactured			
Raw materials	19.1.1	**2,333,731,328**	2,296,937,599
Packing materials		**13,771,618**	10,717,910
Salaries, wages and benefits	19.1.2	**50,847,466**	45,770,001
Fuel and power		**72,170,552**	65,677,854
Stores and spares		**14,010,032**	5,021,537
Sorting, slitting and cutting		**6,368,305**	3,422,744
Rent, rates and taxes		**2,289,600**	56,400
Repair and maintenance		**1,429,272**	4,484,429
Insurance		**2,676,060**	2,746,697
Transportation		**959,246**	527,797
Traveling and conveyance		**2,527,438**	2,382,201
Printing and stationery		**477,548**	703,871
Fees and subscription		**149,712**	111,040
Communication		**466,521**	326,878
Entertainment		**129,400**	70,580
Depreciation	3.2	**38,953,406**	40,840,757
Provision for slow moving stores		**303,179**	-
Other manufacturing cost		**3,264,917**	1,880,969
		2,544,525,600	2,481,679,264

19.1.1 Raw material consumed		
Opening stock	**383,232,760**	53,912,212
Purchase and purchase expenses	**2,795,132,662**	2,626,258,147
	3,178,365,422	2,680,170,359
Closing stock	**(844,634,094)**	(383,232,760)
	2,333,731,328	2,296,937,599

19.1.2 This includes employees' retirement benefits of Rs. 1,076,621/- (2008 : Rs.990,002/-).

20. DISTRIBUTION COST

	Note	2009 Rupees	2008 Rupees
Salaries and benefits	20.1	**8,801,494**	7,472,234
Traveling		**1,839,547**	941,253
Advertisement		**999,995**	907,090
Sales promotion		**974,101**	1,141,124
Rent, rates and taxes		**1,162,240**	542,717
Others		**3,585,230**	2,078,875
		17,362,607	13,083,293

20.1 This includes employees' retirement benefits amounting to Rs. 357,970/- (2008 : Rs.358,926/-).

21. *ADMINISTRATIVE EXPENSES*

	Note	2009 Rupees	2008 Rupees
Salaries and benefits	21.1	**24,686,070**	22,205,320
Repair and maintenance		**798,754**	1,586,964
Insurance		**2,318,627**	1,455,622
Rent, rates and taxes		**927,120**	424,798
Traveling and conveyance		**3,677,314**	2,087,033
Communication		**2,229,583**	2,356,028
Printing and stationery		**1,106,953**	838,893
Auditors' remuneration	21.2	**985,000**	1,070,000
Legal and professional		**1,613,975**	509,883
Fees and subscription		**989,186**	555,109
Entertainment		**694,478**	485,063
Vehicles running and maintenance		**4,175,320**	3,593,673
Balances written off - Advances		**2,133,110**	2,297,044
Provision for doubtful Debts	7.2	**400,379**	1,266,523
Provision for doubtful receivables	10.1	**2,194,334**	-
Charity and donations	21.3	**767,873**	791,835
Depreciation	3.2	**3,915,729**	3,908,718
Others		**662,538**	264,962
		54,276,343	45,697,468

21.1 This includes employees' retirement benefits of Rs.818,224/- (2008 : Rs.660,404/-).

21.2 Auditor's remuneration

	2009	2008
Annual audit	**500,000**	350,000
Half yearly accounts review	**200,000**	150,000
Review of complience of Code of Corporate governance	**30,000**	30,000
CDC certification	**10,000**	10,000
Tax and other services	**200,000**	475,000
Out of pocket expenses	**45,000**	55,000
	985,000	1,070,000

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

22. *OTHER OPERATING EXPENSES*

	Note	2009	2008
Workers Profit Participation Fund	14.1	**-**	9,774,306
Workers' Welfare Fund		**-**	3,909,722
Exchange loss		**45,650,695**	47,185,771
		45,650,695	60,869,799

23. *FINANCE COST*

	2009	2008
Interest / mark-up on:		
Short-term borrowings	**128,496,796**	51,007,734
Workers' profit participation fund	**449,715**	664,757
Bank charges and commission	**10,556,702**	7,789,189
	139,503,213	59,461,680

		2009 Rupees	2008 Rupees
24.	***OTHER OPERATING LOSS***		
	Income from financial assets		
	Profit on bank deposits	**4,261,118**	16,762,073
	Dividend income	**9,585,850**	518,850
	Loss on remeasurement of investment at market value	**(102,976,381)**	(64,887,785)
	Gain on sale of investments	**-**	33,630,290
	Profit on investment in continuous funding system	**-**	722,580
	Income from assets other than financial assets		
	Scrap sales	**-**	215,379
	Others	**7,471**	65,000
	Gain on sale of property plant and equipment	**336,697**	433,945
		(88,785,245)	(12,539,668)

		2009 Rupees	2008 Rupees
25.	***PROVISION FOR TAXATION***		
	Current		
	for the year	**-**	11,989,474
	for the prior years	**6,688,752**	-
		6,688,752	11,989,474

25.1 The income of the company is exempt from tax up to June 2009 under clause 126 of the Second Schedule to the Income Tax Ordinance, 2001.The relationship between tax expense and accounting profit has not been presented in these financial statements. The minimum tax under section 113 of the Income Tax Ordinance, 2001, has been abolish through Finance Act, 2008.

Tax assessments of the company have been amended for the tax years 2003 and 2005 under section 122 of the Ordinance by the tax department. The company contested the levy of tax by department on the ground that the company is enjoying exemption under clause 126 of part 1 of 2nd Schedule to the ordinance so no minimum tax has been levied on the company. Appeals are pending for hearing before Sind High Court for the tax year 2003 and at ITAT for the tax year 2005. The company is confident that the outcome will be in favour of the company. However, as a matter of prudence provision has been made in the financial statements for tax under section 113 of the Ordinance.

For the tax year 2008, the tax department amended the deemed assessment under section 122(5A) of the ordinance by levying tax liablility of Rs. 18,472,182/- on account of minimum tax, interest and dividend income etc. The company has filed an appeal before CIT (Appeal) which is pending for decision. However, as a matter of prudence, the company already provided Rs. 11, 989,474/- last year and the balance amount of Rs. 6,482,706/- is being provided during the year as prior year tax in the financial statements. The management of the company is confident for a favourable outcome.

25.2 Deferred

As the Company is entitled to tax exemption under clause 126 of the Second Schedule to the Income Tax Ordinance, 2001, no accelerated tax depreciation has been claimed and no other material timing difference has arisen.

26. *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:

	2009 Rupees	2008 Rupees
(Loss) / profit for the year (Rupees)	**(124,853,387)**	169,147,856
Weighted average number of ordinary shares outstanding at the year end	**78,520,127**	78,520,127
Earnings per share (Rupees)	**(1.59)**	2.15

27. *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 28. Other significant transactions with related parties are as follows:

Relationship with the Company	Nature of Transactions	2009 Rupees	2008 Rupees
Associated company	Purchase of goods and services	**105,707,949**	59,732,808
	Purchase of property, plant and equipment	**-**	1,000,000
	Reimbursable expenses paid	**-**	870,764
	Payment of dividend	**7,596,755**	6,698,048
Key management personnel	Short-term employee benefits	**14,111,880**	14,228,658
	Post-employment benefits	**709,244**	529,884
Other related parties	Short term borrowings obtained from WPPF	**117,000,000**	5,600,000
	Short term borrowings paid to WPPF	**122,600,000**	-
	Markup on borrowing from WPPF	**10,952,651**	5,679,576

28. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive	Directors	Executives	Total 2009	Total 2008
	-------	-------	Rupees '000	-------	-------
Remuneration	1,200,000	2,000,000	4,673,948	**7,873,948**	8,312,159
House rent	480,000	800,000	1,869,579	**3,149,579**	3,324,864
Bonus	-	125,000	520,307	**645,307**	506,669
Retirement benefits	-	125,000	584,244	**709,244**	529,884
Vehicle running	-	416,684	1,186,055	**1,602,739**	1,253,750
Utilities	120,000	200,000	520,307	**840,307**	831,216
	1,800,000	3,666,684	9,354,440	**14,821,124**	14,758,542
Number of persons	1	2	7		

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

29. FINANCIAL RISK MANAGEMENT

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

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

29.1 Credit risk and concentration of credit risk

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

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties to the financial instruments fails to perform as contracted. Out of the total financial assets of Rs.618,657,581/- (2008 : Rs.809,275,920/-), the financial assets which are subject to credit risk amounted to Rs.535,863,165/- (2008 : Rs.550,426,510/-). The company believe that it is not exposed to major concentration of credit risk. The management monitors and limits the Company's exposure to credit risk through monitoring of clients credit exposure review and conservative estimates of provision for doubtful receivable. The management is of the view that it is not exposed to significant concentration of credit risk.

29.1.1 Credit risk related to receivables

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

At June 30, 2009, the Company had approximately 8 customers (2008: 12 customers) that owed more than Rs. 10 million each and accounted for approximately 45% of all receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets mentioned in Note 7.

The Company does not hold collateral as security.

29.1.2 Credit risk related to financial instruments and cash deposits

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

29.2 Liquidity Risk Management

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

The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 16.1 is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

29.3 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.

29.3.1 Interest Rate Risk Management

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

29.3.1.1 Interest Rate Sensitivity

If interest rates had been 50 basis points higher and all other variables were held constant, the Company's loss for the year ended June 30, 2009 would increase by Rs. 22,795,807/- (2008: profit decrease by Rs. 16,005,987/-) . This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

The Company's sensitivity to interest rates has increased during the current period mainly due to the increase in borrowings and variable rate debts.

29.3.2 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. As at June 30, 2009, the total foreign currency risk exposure was Rs. 3,492,494/- (2008: Nil) million in respect of foreign trade debts and an amount of Rs. 879,221,428/- in respect of foreign currency bills payable and foreign currency borrowing.

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

29.3.2.1Foreign Currency Sensitivity Analysis

At June 30, 2009, if the Rupee had weakened by 5% against the US dollar with all other variables held constant, post-tax loss for the year would have been increase by Rs. 43,784,800/- (2008: Post tax profit would decrease by Rs.45,107,197/-) mainly as a result of foreign exchange gains on translation of US dollar-denominated trade receivables and foreign exchange losses on translation of US dollar-denominated bill payable. Profit is more sensitive to movement in Rupee/US dollar exchange rates in 2009 than 2008 because of the increased amount of US dollar-denominated borrowings.

29.3.3 Equity Price Risk Management

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

29.4 Determination of fair values

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

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

30. 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 benifits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

- Consistently with others in the industry, the company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e., share capital and unappropriated profit).

- During the current year, the company's strategy remain uncharged from last year, to maintain its debt-to-adjusted capital ratio to 31%. The debt-to-adjusted capital ratios at June 30, 2009 and June 30, 2008 were as follows:

	2009 **Rupees**	2008 Rupees
Total debt	**752,966,349**	677,400,738
Add: Cash and cash equivalents	**462,735,443**	189,654,575
Net debt	**1,215,701,792**	867,055,313
Total equity	**1,431,303,404**	1,673,936,981
Adjusted capital	**2,647,005,196**	2,220,939,015
Debt-to-adjusted capital ratio	**0.28**	0.31

31. *PLANT CAPACITY AND ACTUAL PRODUCTION*

	2009	2008
	(Metric Tons)	
Tin Plate		
Installed capacity	**120,000**	120,000
Actual production	**36,810**	46,330
	2009	2008
	(Number per annum)	
Cannes		
Installed capacity of various sizes	**4,015,000**	-
Actual production of various sizes	**24,280**	-

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

32. *EVENT AFTER BALANCE SHEET DATE*

In respect of current year, the directors have proposed to pay final cash dividend of Rs. 78,520,127/- (2008: Rs. 117,780,190/-) @ Rs. 1 (2008: Rs. 1.50) per ordinary share of Rs. 10/- each for approval of the shareholders at the forthcoming Annual General Meeting. Financial effect of the proposed dividend has not been taken in these financial statements and will be accounted for subsequently in the year of approval.

33. *DATE OF AUTHORIZATION FOR ISSUE*

These financial statement have been approved and authorized for issue by the Board of Directors of the Company on 19 September 2009.

34. *GENERAL*

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2009

	Note	**2009 Rupees**	2008 Rupees
Sales - net	18	**2,639,940,126**	2,397,535,638
Cost of goods sold	19	**(2,412,526,658)**	(2,024,746,400)
Gross profit		**227,413,468**	372,789,238
Distribution cost	20	**(17,362,607)**	(13,083,293)
Administrative expenses	21	**(54,276,343)**	(45,697,468)
Other operating expenses	22	**(45,650,695)**	(60,869,799)
Finance cost	23	**(139,503,213)**	(59,461,680)
Other operating loss	24	**(88,785,245)**	(12,539,668)
(Loss) / profit before taxation		**(118,164,635)**	181,137,330
Provision for taxation	25	**(6,688,752)**	(11,989,474)
(Loss) / profit for the year		**(124,853,387)**	169,147,856
Earnings per share - Basic and diluted	26	**(1.59)**	2.15

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, 2009

	Issued, subscribed & paid up capital	*Unappropriated profit*	*Total*
		Rupees	
Balance at July 1, 2007	785,201,270	837,368,045	1,622,569,315
Final cash dividend for the year ended June 30, 2007 @ Rs.1.5/- per share	-	(117,780,190)	(117,780,190)
Profit for the year	-	169,147,856	169,147,856
Balance at June 30, 2008	785,201,270	888,735,711	1,673,936,981
Final cash dividend for the year ended June 30, 2008 @ Rs.1.5/- per share	-	(117,780,190)	(117,780,190)
Loss for the year	-	(124,853,387)	(124,853,387)
Balance at June 30, 2009	785,201,270	646,102,134	1,431,303,404

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER **DIRECTOR**