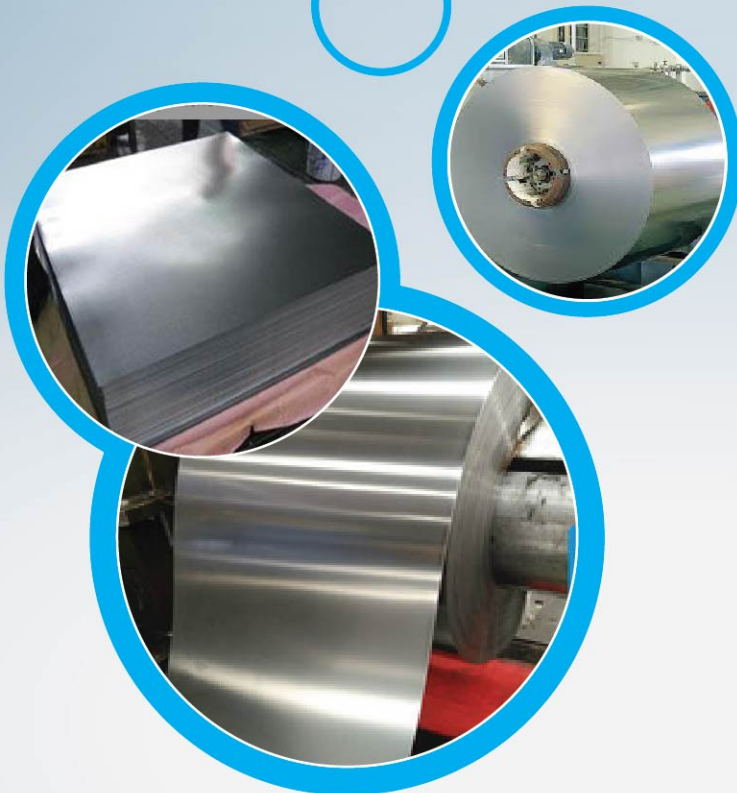




*A Commitment
to Prime Quality!*

Siddiqsons Tin Plate Limited
A Siddiqsons Group Company



■ Annual Report ■
2018

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A circular graphic with a dark grey background and a white border, containing the word "VISION" in white, uppercase, serif font.

- ✧ 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.

A circular graphic with a dark grey background and a white border, containing the word "MISSION" in white, uppercase, serif font.

- ✧ 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	Chairman
Mr. Munir Qureshi	CEO
Mr. Ibrahim Shamsi	Director
Ms. Alia Sajjad	Director
Mr. Abdul Wahab	Director
Mr. Naeem-ul-Hasnain Mirza	Director
Mr. Jean Pierre Gugenheim	Outgoing Director
Mr. Ashraf Mehmood Wathra	Incoming Director

Audit Committee

Mr. Ibrahim Shamsi (Chairman) (Non-Executive)
Mrs. Alia Sajjad (Member) (Non-Executive)
Mr. Muhammad Haris (Secretary)

Human Resource & Remuneration Committee

Mrs. Alia Sajjad (Chairman) (Non-Executive)
Mr. Munir Qureshi (Member) (Executive)
Mr. Abdul Wahab (Independent Director)
Mr. Muhammad Haris (Secretary)

Technical Committee

Mr. Tariq Rafi	Chairman
Mr. Munir Qureshi	Member
Mr. Naeem-ul-Hasnain Mirza	Member

Executive Management Team

Mr. Naeem-ul-Hasnain Mirza	COO
Mr. Rashid Khaleeque	DCOO
Mr. Furrukh Sadiq	CFO
Mr. Shahzad Shabbir	GM Commercial
Mr. Muhammad Jawaid Abbasi	GM Marketing

Chief Financial Officer

Mr. Furrukh Sadiq

Company Secretary

Mr. Muhammad Haris

Auditors

Deloitte Yousuf Adil
Chartered Accountants

Legal Advisor

Mr. KashiF Nazeer
A/2, G-23, Park Lane, Block-5, Clifton, Karachi

Bankers

National Bank of Pakistan
Habib Bank Limited
MCB Bank Limited
Soneri Bank Limited
Habib Metropolitan Bank Limited
Faysal Bank Limited
Meezan Bank Limited
JS Bank Ltd
Al Baraka Bank (Pakistan) Ltd
Allied Bank Limited
The Industrial & Commercial Bank of China (ICBC)

Shares Registrar

THK Associates (Pvt.) Limited,
1st Floor, 40-C Block-6,
P.E.C.H.S, Shahrah e Faisal,
Karachi.,
UAN # 111 000322

Registered Office

Ocean Tower, 27th Floor,
G-3, Block 9, Scheme # 5,
Main Clifton Road, Karachi.
Tel : +9221-35166571-4

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

Web Presence

www.siddiqsonstinplate.com



BOARD OF DIRECTORS

MR. TARIQ RAFI, CHAIRMAN

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. MUNIR QURESHI, CEO / DIRECTOR

Mr. Munir Qureshi is an Engineer and a graduate in public administration from Harvard University. He is a certified Director, in line with the requirement of Code of Corporate Governance. He had been in Government for 35 years and retired in 2014 at a senior level. He joined the Board of Directors of Siddiqsons Tin Plate Ltd in 2015. He has been appointed as a CEO as well in May, 2018.

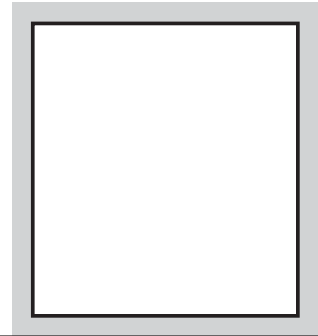
MR. IBRAHIM SHAMSI, DIRECTOR

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.



MS. ALIA SAJJAD, DIRECTOR

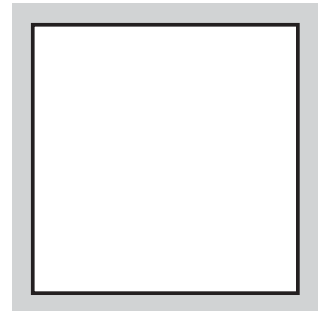
Ms. Alia Sajjad has joined the Board of STPL on June 26, 2018. She holds a Bachelors' degree in Business Administration. She is the executive director of Siddiqsons Limited, as well. She is also serving as COO of Triple Tree Associates, where she looks after finance, marketing and other operational affairs of the entity. She is also the Director of Ilmestors Academy. She has a good business acumen and has good entrepreneurial experience.

**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 a certified Director, in line with the requirement of Code of Corporate Governance. He is an Engineering graduate (BE) from NED University and started his professional career from Siddiqsons Tinplate 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. ABDUL WAHAB, DIRECTOR**

Mr. Abdul Wahab has joined the Board of Siddiqsons Tin Plate Limited on May 24, 2018. He earned his degree of MBA from the Institute of Business Management (IoBM). He is a seasoned professional having a dynamic and energetic personality.

**MR. JEAN PIERRE GUGENHEIM, (OUTGOING 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.



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 23rd Annual General Meeting of M/s. Siddiqsons Tin Plate Limited will be held on Tuesday, October 23, 2018 at 10:30 a.m. at Ocean Mall & Tower, 4th Floor, G-3, Block-9, Scheme-5, Clifton, Karachi, to transact the following business:

AGENDA

1. To confirm the minutes of the Extraordinary General Meeting held on December 30, 2017.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2018 and the Directors' report and Auditor's report thereon.
3. To appoint Auditors of the Company for the year 2018-2019 and Fix their remuneration. The present auditors M/s. Deloitte Yousuf Adil, Chartered Accountants are retiring and being eligible has offered them for reappointment.
4. To transact any other business with the permission of Chair.

By Order of the Board


Muhammad Haris
 (Company Secretary)

Karachi

Dated: October 02, 2018

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 17, 2018 to October 23, 2018 (both days inclusive). Transfers received at the Share Registrar of the Company. M/s. THK Associates (Pvt) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi at the close of business on October 16, 2018 will be treated in time for the purpose of above entitlement to the transferees.
2. A member entitled to attend and vote a Meeting is entitled to appoint another member as a proxy to attend, speak and vote on his/her behalf. A corporation being a member may appoint as its proxy any of its official or any other person whether a member of the company or otherwise.
3. An instrument of proxy and a Power of Attorney or other authority (if any) under which it is signed, or notarized copy of such Power of Attorney must be valid and deposited at the Share 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). Attested copies of CNIC of the beneficial owners and the proxy shall be furnished with the proxy form. The proxy shall produce his / her original CNIC at the time of meeting.



For CNIC / IBAN & Zakat

5. Members are requested to provide their International Banking Account Number (IBAN) together with a copy of the Computerized National Identity Card (CNIC) to update our records. In case of non-submission, all future dividend payments may be withheld.
6. Members are requested to submit declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and also requested to notify the change in their address, if any, to Share Registrar of the Company.

E-DIVIDEND

As per Section 242 of the Companies Act, 2017, in case of a Public listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Therefore, through this notice, all shareholders are requested to update their bank account details in the Central Depository System through respective participants. In case of physical shares, to provide bank account details to our Share Registrar, M/s THK Associates (Pvt) Ltd. E-Dividend mandate form is enclosed.

Please note that after October 31, 2017 all cash dividends, declared by the Company, will only be remitted to designated bank accounts and not otherwise, so please ensure an early update of your complete account details to avoid any inconvenience in future.

UNCLAIMED DIVIDENDS & BONUS SHARES

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/s THK Associates (Pvt) Ltd. to collect/enquire about their unclaimed dividend or pending shares, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

CIRCULATION OF NOTICE OF MEETING & ANNUAL ACCOUNTS

With reference to SRO 787(I/2014) dated September 8, 2014 issued by SECP, shareholders have option to receive Annual Audited Financial Statement and Notice of General Meeting through email. Shareholders of the Company are requested to give their consent on prescribed format to our Shares Registrar, M/s THK Associates (Pvt) Ltd., at 1st Floor, 40-C, Block 6, P.E.C.H.S., Shahrāh-e-Faisal, Karachi to update our record if they wish to receive Annual Audited Financial Statement and Notice of General Meeting through email. However, if a shareholder, in addition, request for hard copy of Audited Financial Statements the same shall be provided free of cost within seven days of receipt of such request.



سی این آئی سی / آئی بی اے این اور زکوٰۃ

- ۵۔ ممبرز سے درخواست ہے کہ ہمارے ریکارڈ کو اپ ڈیٹ رکھنے کیلئے وہ اپنا انٹرنیشنل بینکنگ اکاؤنٹ نمبر (آئی بی اے این) مع کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپیاں فراہم کریں۔ یہ جمع نہ کرانے کی صورت میں آئندہ ان کے ڈیویڈنڈ کی ادائیگی روک لی جائے گی۔
- ۶۔ ممبرز سے درخواست ہے کہ زکوٰۃ استثنائی کیلئے زکوٰۃ اینڈ عشر آرڈیننس 1980 کے مطابق ڈکلیئریشن (CZ-50) جمع کرائیں۔ ان سے یہ بھی درخواست ہے کہ اپنے پتہ میں کسی تبدیلی کی صورت میں، اگر ہو، تو اس کی اطلاع کمپنی رجسٹرار کو دیں۔

ای۔ ڈیویڈنڈ

کمپنی ایکٹ 2017 کے سیکشن 242 کی رو سے پبلک لسڈ کمپنی کیلئے لازم ہے کہ وہ نقد ڈیویڈنڈ کی ادائیگی صرف الیکٹرونک ذریعہ سے براہ راست اہل شیئر ہولڈرز کے مقرر کردہ بینک اکاؤنٹ میں کرائیں۔ اس لئے، اس نوٹس کے ذریعہ تمام شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے بینک اکاؤنٹ کی تفصیلات اپنے متعلقہ شرکاء کے ذریعہ سینٹرل ڈیپازٹری سسٹم میں اپ ڈیٹ کر دیں۔ جب کہ فزیکل شیئرز کی صورت میں اپنے بینک اکاؤنٹ کی تفصیلات ہمارے شیئر رجسٹرار میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو فراہم کرنے کیلئے ای ڈیویڈنڈ مینڈیٹ فارمنسک ہے۔

برائے مہربانی نوٹ فرمائیں کہ 31 اکتوبر 2018 کے بعد کمپنی کی جانب سے اعلان کردہ تمام نقد ڈیویڈنڈز صرف ان کے مقرر کردہ بینک اکاؤنٹ میں جمع کرائے جائیں گے ورنہ نہیں ادا ہوں گے۔ اس لئے برائے مہربانی مستقبل میں کسی زحمت سے بچنے کیلئے پہلے سے اطمینان کر لیں کہ آپ کے بینک اکاؤنٹ کی تفصیلات اپ ڈیٹ ہیں۔

غیر کلیم شدہ ڈیویڈنڈز اور بونس شیئرز

ان شیئر ہولڈرز کو جو کسی وجہ سے اپنے ڈیویڈنڈ یا بونس شیئر کلیم نہیں کر سکے یا اپنے فزیکل شیئرز حاصل نہیں کر سکے، ہدایت کی جاتی ہے کہ اپنے غیر کلیم شدہ ڈیویڈنڈ یا بونس شیئرز ز کیلئے، اگر کوئی ہے، ہمارے شیئر رجسٹرار میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ سے رابطہ کریں۔

برائے مہربانی نوٹ فرمائیں کہ کمپنی ایکٹ 2017 کے سیکشن 244 کی پیروی میں تمام قابل ادائیگی ڈیویڈنڈز جو اجراء کی تاریخ سے تین سال تک کلیم نہ کئے گئے ہوں، وفاقی حکومت کے پاس جمع کر دیئے جائیں گے اور شیئر ہونے کی صورت میں سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کو ہینڈل کیے جائیں گے۔

اجلاس کی اطلاع اور سالانہ اکاؤنٹس کی گردش ترسیل

ایس ای سی پی کے جاری کردہ ایس آر او نمبر (1/2014) 787 مورخہ 8 ستمبر 2014 شیئر ہولڈرز کو سالانہ آڈٹ شدہ مالیاتی حسابات اور اجلاس عام کی اطلاع ای میل کے ذریعہ وصول کرنے کی سہولت حاصل ہے۔ کمپنی کے شیئر ہولڈرز سے درخواست ہے کہ وہ اس کیلئے اپنی رضامندی سے ہمارے شیئر رجسٹرار میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، C-40 بلاک 6 پی ای سی ایچ ایس، شاہراہ فیصل، کراچی پر ہمارے ریکارڈ کیلئے اپ ڈیٹ کر دیں کہ وہ سالانہ آڈٹ شدہ مالیاتی حسابات اور اجلاس عام کی اطلاع ای میل کے ذریعہ وصول کرنے کے خواہشمند ہیں۔

تاہم اگر شیئر ہولڈرز اس کے علاوہ سالانہ آڈٹ شدہ مالیاتی حسابات کی بارڈر کاپی حاصل کرنا چاہیں تو ان کی درخواست موصول ہونے کے سات دن کے اندر ان کو مفت فراہم کر دی جائے گی۔



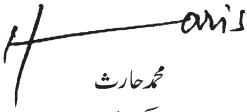
نوٹس برائے تینیسواں سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ میسرز صدیق سنز ٹن پلیٹ لمیٹڈ کا تینیسواں سالانہ اجلاس عام مورخہ 23 اکتوبر، 2018 بروز منگل کو 10:30 بجے اوشین مال اینڈ ٹاور، چوتھی منزل، G-3، بلاک-9، اسکیم-5، گلشن، کراچی میں مندرجہ ذیل امور کی انجام دہی کے لئے منعقد کیا جا رہا ہے۔

ایجنڈا

- ۱- مورخہ 30 دسمبر، 2017 کو منعقد ہونے والے غیر معمولی اجلاس عام کی کارروائی کی توثیق۔
- ۲- 30 جون، 2018 کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ اکاؤنٹس مع ڈائریکٹرز کی رپورٹ اور آڈیٹرز کی رپورٹ کی وصولی، ان پر غور و خوض کرنا اور ان کو اختیار کرنا۔
- ۳- سال 2018-2019 کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کا مشاہرہ طے کرنا۔ موجودہ آڈیٹرز میسرز ڈیلوائٹ یوسف عادل، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہونے کی بناء پر انہوں نے خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔
- ۴- چیئرمین کی اجازت سے کسی دیگر امور کی انجام دہی۔

بحکم بورڈ


محمد حارث
(کمپنی سیکریٹری)

کراچی مورخہ: 02 اکتوبر 2018ء

نوٹس:

- ۱- کمپنی کی شیئرز انسٹریٹس مورخہ 17 اکتوبر تا 23 اکتوبر 2018 (بشمول دونوں دن) بند رہیں گی۔ تاہم کمپنی کے شیئرز رجسٹر اری میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، C-40، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی پر 16 اکتوبر 2018 کو کاروباری اوقات کے اختتام تک موصول ہونے والے ٹرانسفرز درج بالا ٹرانسفرز کی اہلیت کیلئے بروقت تصور ہوں گے۔
- ۲- ہر میمبر جو میٹنگ میں شرکت کرنے، بولنے اور ووٹ دینے کا اہل ہے، وہ اپنی جگہ کسی دوسرے ممبر کو شرکت کرنے، بولنے اور ووٹ دینے کیلئے پراکسی مقرر کر سکتا / کر سکتی ہے۔ کارپوریشن ہونے کی صورت میں اپنے کسی آفیشیل کو یا کسی دوسرے شخص کو، چاہے وہ کمپنی کا ممبر ہو یا نہ ہو، پراکسی مقرر کر سکتی ہے۔
- ۳- پراکسی کی دستاویز اور پورا آف اٹارنی یا کوئی اور تھارٹی (اگر کوئی ہو) جس کے تحت دستخط کئے گئے ہوں یا ایسی پورا آف اٹارنی کی نوٹری سے تصدیق شدہ کا پی، جو کارآمد ہو، اجلاس کے شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار کے پاس جمع ہونا لازمی ہے۔
- ۴- ان شیئرز ہولڈرز سے، جن کے شیئرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (سی ڈی سی) میں جمع ہیں، درخواست ہے کہ سالانہ اجلاس عام میں شرکت کے وقت تصدیق کیلئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی)، مع شرکاء کا آئی ڈی نمبر اور سی ڈی سی میں ان کے اکاؤنٹ / سب اکاؤنٹ نمبر ساتھ لائیں۔ پراکسی ہونے کی صورت میں درج بالا پیرا نمبر 1 کے مطابق پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں، اکاؤنٹ اور شرکاء کے آئی ڈی نمبر پراکسی فارم کے ہمراہ کمپنی کے شیئرز رجسٹرار کے پاس جمع کرانا لازمی ہے۔ کارپوریٹ ممبرز کے پراکسی ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد اور پورا آف اٹارنی مع نامزد کردہ شخص کے نمونہ کے دستخط اجلاس کے وقت فراہم کرنا ہوں گے (اگر پہلے سے شیئرز رجسٹرار کو فراہم نہ کئے گئے ہوں) نیز شیئرز کے بینیفیشیل مالکان اور پراکسی کے سی این آئی سی کی تصدیق شدہ کاپیاں پراکسی فارم کے ہمراہ جمع کرنا ہوں گی۔ پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل سی این آئی سی پیش کرنا ہوگا۔



CODE OF CONDUCT

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 Conduct

Management Commitment to Code of Conduct

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 Code of Conduct

4. All employees should have the opportunity to contribute, learn, grow and advance based on merit. Ethical principles which employees must follow include:
 - Honesty
 - Fulfilment of their promises
 - Integrity and loyalty
 - Feeling of belongingness

Code, Policies and Applicable Laws

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



Confidentiality

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

Conflict of Interest

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

Protecting Company Assets

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

Favours and Benefits

13. Employees should not misuse their position to influence vendors, subordinates or any other person to provide any undue favour or benefits, whether financial or otherwise, to themselves or others.
14. Employees shall not provide or offer to provide any favours or benefits to government departments or engage in any activities, which could influence the business decisions and violate the law. Offering or providing bribes or kickbacks is prohibited in all circumstances.
15. Gifts and entertainment may be used in developing business relationships and not be lavish or in excess of the generally accepted business practices of industry.

Competitive Information

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

Business Conduct**Customers**

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



Shareholders

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

Employees

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

Suppliers / Subcontractors

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



Accuracy of Business Records

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

Working Hours

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

Wages and Benefits

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

Health, Safety and Environment

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

Appropriate and timely action will be taken to correct known unsafe conditions.

Child Labour

23. Company discourages for employment of Child Labour.



SIX YEAR AT A GLANCE - RATIO ANALYSIS

For the period ended 30th June 2018

DESCRIPTION	2018	2017	2016	2015	2014	2013
Rupees in "000"						
TRADING RESULTS						
Net Turnover	2,646,261	2,537,686	2,119,459	2,341,355	2,092,101	2,770,787
Gross Profit	165,694	309,972	234,413	140,346	6,672	179,848
Profit / (Loss) before tax	(40,646)	159,070	79,961	3,369	(191,582)	(74,751)
Profit / (Loss) after tax	(67,733)	128,330	58,888	(20,171)	(152,260)	(64,655)
Dividend	-	30,536	-	-	-	-
BALANCE SHEET						
Share Capital	785,201	785,201	785,201	785,201	785,201	785,201
Unappropriated profit	66,780	134,514	36,720	(22,168)	(1,998)	150,263
Total Assets	851,982	2,023,794	1,650,388	1,822,260	1,830,702	2,678,401
INVESTORS INFORMATION						
Gross Profit in percent of sales	6.26	12.02	11	6	0.32	6.00
Earnings/(Loss) Per Share	(0.86)	1.63	0.75	(0.26)	(1.94)	(0.82)
Profit / (Loss) before tax in percent of sales	(1.54)	6.27	4	0.14	(9.16)	(2.70)
Profit / (Loss) after tax in percent of sales	(2.56)	5	2.78	(0.86)	(7.28)	(2.33)
Inventory Turnover (days)	100	84	98	82	134	157
Debtor turnover (days)	72	59	63	65	82	68
Break-up value Per share (Rs)	10.9	11.7	10.46	9.72	9.97	11.90
Market value Per share (Rs)	15.22	27.33	12.5	8.02	7.30	7.58
Dividend per share (Rs)	-	0.5	0	-	-	-
Dividend yield ratio (%)	-	1.83	0	-	-	-
Dividend Payout Ratio (%)	-	30.67	0	-	-	-
Return on equity (%)	7.95	13.95	7.16	(2.60)	(19.40)	(6.90)
Current Ratio	1.17	1.22	1.21	1.01	1.06	1.14
Interest cover (times)	0.69	4.15	2.05	1.04	(0.85)	0.43



DIRECTORS' REPORT

To the Shareholders

Dear fellow shareholders

The Directors of Siddiqsons Tin Plate Limited present the annual report of your company alongwith the audited financial statements for the financial year ended June 30, 2018, together with the auditor's report thereon.

Global business scenario

The worldwide demand for steel kept on showing growth, with China as the lead consumer. The annual steel consumption is expected to grow further in 2018-19. The Chinese demand for steel on the rise, due to their prime shift of growth strategy and chose to "development through consumption" instead of trade.

Pakistan's Economic Scenario

Pakistan's GDP have shown growth, despite of high volatility and uncertainty in political environment. The new level of GDP growth i.e. 5.8% coupled with a modest industrial growth are the indicators of a growing economy. However, the increasing trend of SBP's discount rate is an alarming sign, since it is going to increase the cost of doing business. Another significant adversity is the drastic devaluation of Pak Rupee against US Dollar, which reached to unprecedentedly high level of Rs.128-130, wearing down almost 22% on YOY basis. Other major contributors for the economic uplift are the improved law and order situation, China Pakistan Economic Corridor and various ongoing energy projects.

Although the steel sector is showing growth in demand coupled with growth in construction, automobile and other allied industries, the dynamics of Electrolytic Tin Plate (ETP) sector are completely different. The market growth in this sector largely depends on Governmental measures on effective monitoring on hygiene and healthcare and the consumer's awareness towards hygienic packaging for food items. Unfortunately, in Pakistan, this still seems to be an area which is largely ignored so far. The packaging of food stuff in pouches/polybags and pet bottles expose the food content to significant health hazards. This needs to be considered by the consumers as well as the Government agencies.

Business Performance Overview & Financial Highlights

	2018	2017	2016
Net Sales	2,646,260,757	2,537,686,396	2,119,458,593
Gross Margin	165,694,478	309,972,014	255,184,765
(Loss)/Profit before taxation	(40,645,514)	159,069,982	79,961,327
(Loss)/Profit after taxation	(67,733,341)	128,329,628	58,888,259
(Losses)/Earnings per share	(0.86)	1.63	0.75



The business activity during the year continues to be challenged due to unprecedented increase in prices of raw material, and decreasing demand for tin plate due to increasing consumption of pouch packs and pet bottles. Apart from above, the two major factors were abnormal devaluation of Pak. Rupee and the imposition of anti-dumping duty which mainly affected the profitability of the Company. The impact of rupee devaluation incorporated in the financial statements is to the tune of Rs.43.48 million (2017: Exchange Gain of Rs.2.18 million). The abnormal fluctuation in \$:PKR parity also forced us to divert from FE-25 financing to PKR financing which resulted in the increase of financial cost for the year, by Rs.35 million. On the other hand, the imposition of anti-dumping duty on import of CRC from China, also forced us to divert our supply source to non-Chinese origins, which resulted in additional Custom Duty of 5%. The process of exploring and finalizing new supply channels had remained challenging throughout the year and affected our normal supply chain resulting in loss of market.

On the market competitive side, the anti-dumping duty is not levied on ETP, the commercial importers of ETP kept on importing ETP from China at dumped value and at reduced duty rate which resulted in the cheap availability of imported ETP in the local market and hence affected the price competitiveness of locally manufactured ETP.

The management of your Company would also like to sensitize its shareholders to the fact that operating at 15% capacity utilization does not let your Company to absorb any negative externalities and such low production may not ensure profitability on sustainable basis especially under the existing Government Policies.

The export market development is also on the move and is a critical future outlook of your Company. The management expects to move it at full throttle by the time it will have its CRC plant, operational.

Sales

The sales of the company have shown an increase of 14% in monetary terms, however, the quantity sold is less by 7%.

Production

Current year's production was 18,221 metric tons as compared to 19,051 metric tons in the previous year. The capacity utilization remained almost at the same level of around 15%, due to inconsistencies in the raw material supplies. This is mainly due to the imposition of anti-dumping duty on our input material i.e. CRC/TMBP, which is adversely affecting the cost structure of the Company.

Financial Analysis

The overall net sales have recorded an increase of 14%. The Gross profit was recorded at Rs.165.7 million (6%) as compared to Rs.309.97million (12%). This reduction in Gross margin was because of increased cost of sales arises due to low capacity utilization, rupee devaluation and abnormally high fluctuation in import price of input material. The Cost of sales has increased by 11.61% as compared to previous year.

The distribution and administrative expenses remained under control with almost at the same level as previous year. The Finance cost has however increased by 163% as compared to corresponding period. This includes the exchange loss of Rs.43.5 million. Apart from this the increase in finance cost was due to conversion of Dollar based financing to Pak Rupee financing which almost doubled the financing cost. However, it saved the company from heavy exchange loss which could have arose in case of Dollar financing.

The net loss after taxation for the year stood at Rs.67.7million as compared to a profit of Rs.128 million.



Earnings per share

The losses per share have been recorded at Re. (0.86), as compared to Rs.1.63 in the previous year.

Payments to National Exchequer

The Company has made payments of Rs.650 million to the National Exchequer on account of income tax, sales tax, custom duties and other levies.

Risk Management

The mechanism of risk management at the company comprises of identifying and addressing the risk in all areas of activities namely strategic decision making, Operations, Compliance and Financial Reporting. These risks are effectively reviewed and monitored by the Board, itself.

Adequate controls has been designed and implemented at all levels of the organization through SOPs and other policy guidelines.

Human Resources

The Company operates a well-equipped Human Resources department at Group level which operates in line with the strategic directions of the Board and its Human Resources Committee. All employee related matters such as remuneration, allowances, leaves, performance appraisals and hiring & terminations are dealt through them. The head of human resources department also works as the secretary of the Board's HR Committee.

Health, Safety & Environment (HSE)

The management of your Company takes the HSE measures seriously and ensures the strict implementation of all safety measures. During the year under review no major incident was reported. The management ensures compliances with environmental standards.

Provident Fund

The estimated fair value of investment of Siddiqsons Tin Plate Limited - Staff Provident Fund based on internal records as on June 30, 2018 was Rs.48.92 million (2017: Rs.51.89 million).

Changes in the Board of Directors

During the year four casual vacancies arose which were duly filled in by the Board of Directors.

Future Outlook

Moving ahead, your Company is aiming to recover the current pitfalls by managing its procurement process more efficiently. On the regulatory front, the Company has filed an application with the National Tariff Commission (NTC) for imposition of anti-dumping duty on dumped import of ETP from China, European Union, USA and South Africa. The NTC has initiated an investigation on the matter and the management is hopeful about the positive outcome of the case. On the other hand, the imposition of anti-dumping duty on import of our input material (not being manufactured in Pakistan) has been challenged in Islamabad High Court which is pending hearing. The management is confident about the positive outcome of the case, being the only manufacturing unit of ETP.



The management of your Company strongly realizes that the critical success factor for the sustainable profitability is optimum capacity utilization and uninterrupted supply of raw material. The Company has therefore announced the establishment of a CRC Complex with the production capacity of 200000 mtpa of CRC/TMBP. The project was formally announced in its Board meeting dated April 30, 2018. The project will be financed thorough debt equity ratio of 70:30. The equity portion has been successfully subscribed and the debt financing is on final stages of its completion. This CRC Complex has kicked off and we are positive about the timely completion of this project. Addition of CRC Complex in the production process of STPL will permanently resolve its supply chain issues and the Company will be able to increase its capacity utilization and will also secure its competitive position locally as well as in export market.

Auditors

The present auditors M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants retires and being eligible have offered themselves for the reappointment. With the endorsement of the Audit Committee, the Board of Directors have recommended their reappointment as auditors of the Company for the year ending June 30, 2019, 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 Pakistan Stock Exchange in their Listing Regulations, relevant for the year ended June 30, 2017 have been adopted by the Company and have been 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 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.

Board of directors' meetings

During the year under report, the Board of Directors met five (5) times. The numbers of meetings attended by each director during the year is shown below:



Name of Directors	No. of Meeting Attended
Mr. Tariq Rafi	5
Mr. Abdur Rahim (Resigned on 24th May, 2018)	3
Mr. Ibrahim Shamsi	3
Ms. Alia Sajjad (Appointed on 26th June, 2018)	NIL
Mr. Salman Hussain (Resigned on 11th September, 2017)	NIL
Mr. Sajjad Ahsan (11-09-18 to 26-06-2018)	4
Mr. Munir Qureshi	5
Mr. Abdul Wahab (Appointed on 24th May, 2018)	NIL
Mr. Naeem ul Hasnain	5
Mr. Jean Peirre Gugenheim (Resigned on 27th June, 2018)	NIL

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, comprising of one independent and two 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 in Winder- Baluchistan.

Pattern of shareholding

The total number of Company's shareholders as at June 30, 2018 were 4013. The pattern of shareholding as at June 30, 2018 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


Munir Qureshi
 Chief Executive Officer

Karachi, September 28, 2018



آڈٹ کمیٹی اور اندرونی کنٹرول کا نظام

آپ کی کمیٹی گڈ کارپوریٹ گورننس پر یقین رکھتی ہے۔ جس کے تحت ایک موثر چیک اینڈ بیلنس کا نظام تشکیل دیا گیا ہے جو کہ شفاف درست اور بروقت مالیاتی معلومات کی فراہم کو یقینی بناتا ہے۔ اس کے علاوہ بورڈ آف ڈائریکٹرز نے ایک موثر اندرونی کنٹرول کا نظام بھی وضع کیا ہے جو کہ کمیٹی کے تمام معاملات میں نافذ العمل ہے۔

آڈٹ کمیٹی ۱۳ ارکان پر مشتمل ہے جن کی اکثریت کمیٹی کے چیئرمین سمیت نان ایگزیکٹو اور غیر جانبدار ڈائریکٹرز پر مشتمل ہے۔ کمیٹی کے ٹرمز آف ریفرنس لسٹنگ ریگولیشنز میں فراہم کردہ ہدایت کی روشنی میں مرتب کئے گئے ہیں۔

کارپوریٹ سوشل رسپانسیبلٹی

زیر جائزہ سال کے دوران کمیٹی نے تعلیم، صحت اور صاف پانی کی فراہمی کے شعبوں میں وندر، بلوچستان میں اپنے تعاون کو جاری رکھا۔


پیٹرن آف شیئر ہولڈنگ:

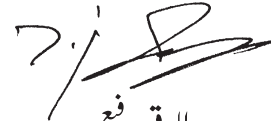
۳۰ جون ۲۰۱۸ کو کمیٹی کے کل حصص یافتگان کی تعداد ۴۰۱۳ ہے۔ ۳۰ جون ۲۰۱۸ء کے پیٹرن آف شیئر ہولڈنگ، کوڈ آف کارپوریٹ گورننس کی شیقوں کے تحت اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

اظہار تشکر:

کمیٹی کے ڈائریکٹرز اس موقع کی مناسبت سے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، معزز حصص یافتگان، اپنے شراکت داروں، کسٹمر حضرات، بینک، مختلف اداروں اور سرکاری حکام کے شکر گزار ہیں جن کے تعاون کی بدولت ہم اپنے معاملات بطریق احسن چلانے میں کامیاب رہے۔

ڈائریکٹرز اپنے ملازمین کی قیمتی کاوشوں، انتھک محنت اور ان کی فراہم کی گئی خدمات پر مسرت کا اظہار کرتے ہیں


منیر قریشی
چیف ایگزیکٹو


طارق رفیع
چیئرمین

کراچی: ۲۸ ستمبر ۲۰۱۸ء



کارپوریٹ اور فنانشیل رپورٹنگ فریم ورک
کمپنی کی انتظامیہ کی جانب سے تیار کی جانے والی مالیاتی اسٹیٹمنٹ شفافیت کے ساتھ کمپنی آرڈیننس کے عین مطابق کمپنی کے اسٹیٹ آف افیئرز، آپریشنز کے نتائج، کیش کا بہاؤ اور ایکویٹی
میں تبدیلیوں کو پیش کرتی ہے۔

- ☆ کمپنی اکاؤنٹ کی کتب کو باقاعدہ برقرار رکھتی ہے۔
- ☆ مالیاتی اسٹیٹمنٹ کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مسلسل لاگو کی جاتی ہیں اور اکاؤنٹنگ اسٹیٹمنٹس معقول اور دانشمندانہ فیصلوں پر مبنی ہوتے ہیں۔
- ☆ پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشل رپورٹنگ اسٹیٹنڈرڈز پر مالیاتی اسٹیٹمنٹس کی تیاری میں عمل درآمد کیا جاتا ہے۔
- ☆ لسٹنگ ریگولیشنز میں دی گئی تفصیل کے مطابق کارپوریٹ گورنس کے بہترین طریقوں میں کوئی Material Departure نہیں کیا جاتا۔
- ☆ اندرونی کنٹرول کا نظام بہترین انداز میں مرتب کیا گیا اور موثر انداز میں لاگو کیا گیا ہے اور ساتھ ساتھ اس کی باقاعدہ نگرانی بھی کی جاتی ہے۔
- ☆ اندرونی کنٹرول کی نگرانی کا عمل اس مقصد کے ساتھ جاری رہے گا کہ ان کنٹرولز کو مزید مضبوط اور بہتر بنایا جائے۔
- ☆ جاری و ساری منصوبوں اور امور کی انجام دہی کے لیے کمپنی کی بہترین صلاحیتوں پر کوئی شک نہیں کیا جاسکتا۔
- ☆ کمپنی کے اہم آپرینٹنگ اور مالیاتی ڈیٹا کا خلاصہ رپورٹ میں دیا گیا ہے۔
- ☆ گذشتہ چھ سالوں کے اہم آپرینٹنگ اور مالیاتی اعداد و شمار کا خلاصہ کیا گیا ہے جو کہ اس رپورٹ کے ساتھ ملحق ہے۔

بورڈ آف ڈائریکٹرز کی میٹنگ

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کی پانچ (۵) میٹنگز کا اہتمام کیا گیا۔
ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کی میٹنگ
جناب طارق رفیع	۵
جناب عبدالرحیم	۳
جناب ابراہیم شمشی	۳
محترمہ عالیہ سجاد صاحبہ	-
جناب سجاد احسن	۴
جناب عبدالوہاب	-
جناب سلمان حسین	-
جناب منیر قریشی	۵
جناب نعیم الحسنین	۵
جناب جمین پریرے گوگین ہم	-

ان ڈائریکٹران کو جو بورڈ میٹنگ میں حاضر ہونے سے قاصر رہے، بورڈ کی طرف سے غیر حاضری کی اجازت عنایت کی گئی۔



بورڈ آف ڈائریکٹرز میں تبدیلی

سال کے دوران چار عارضی عہدے خالی ہوئے جن پر بورڈ نے باضابطہ بھرتی کر لی ہے۔

مستقبل کی پیش بینی

مستقبل کی جانب دیکھیں تو کمپنی کا عزم ہے کہ اپنے خریداری کے عمل کو مستعد بنا کر موجودہ خسارہ سے باہر نکلا جائے۔ چائنہ، یورپی یونین، یو ایس اے اور جنوبی افریقہ سے ETP کی درآمدات پر اینٹی ڈمپنگ ڈیوٹی نافذ کرنے پر نگرانی اداروں کے خلاف کمپنی نے ایک درخواست نمٹیل ٹیرف کمیشن (NTC) میں دائر کر دی ہے۔ NTC نے اس معاملہ پر تفتیش کا آغاز کر دیا ہے اور انتظامیہ پر امید ہے کہ اس کیس کے مثبت نتائج سامنے آئیں گے۔ جبکہ دوسری جانب، وہ خام مال جو پاکستان میں تیار نہیں اس کی درآمد پر اینٹی ڈمپنگ ڈیوٹی کے نفاذ کو اسلام آباد ہائی کورٹ میں چیلنج کر دیا گیا ہے اور ابھی زیر سماعت ہے۔ انتظامیہ پر اعتماد ہے کہ اس کیس کے مثبت نتائج آئیں گے کیونکہ یہ ETP کو تیار کرنے والا واحد یونٹ ہے۔

کمپنی کی انتظامیہ پائیدار منافع کاری کے لئے پیداواری گنجائش کے بہترین استعمال اور خام مال کی بلار کاؤٹ فراہمی کی اہمیت کو تسلیم کرتی ہے۔ لہذا کمپنی نے CRC کمپلیکس کے قیام کا اعلان کیا ہے جسے CRC/TMBR کی پیداواری گنجائش 200,000 میٹرک ٹن سالانہ ہو جائے گی۔ اس پروجیکٹ کا اعلان بورڈ کے اجلاس مورخہ 30 اپریل 2018 میں کیا گیا تھا۔ پروجیکٹ میں قرضے: ایکویٹی کی شرح 30:70 ہوگی۔ ایکویٹی کا حصہ تو مکمل ہو گیا ہے اور قرضہ کی سہولت تکمیل کے آخری مراحل میں ہے۔ CRC کمپلیکس پر کام شروع کر دیا گیا ہے اور امید ہے کہ پروجیکٹ وقت پر مکمل ہو جائے گا۔ CRC کمپلیکس کی وجہ سے STPL کے پیداواری عمل سے طلب کو پورا کرنے کا مسئلہ مستقل طور پر حل ہو جائے گا اور کمپنی اپنی پیداواری گنجائش میں اضافہ کے قابل ہو جائے گی اور مقامی سطح کے ساتھ ساتھ برآمدی مارکیٹ میں اپنی مسابقتی پوزیشن حاصل کر لے گی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ڈی لوٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہلیت کی بنیاد پر آنے والے مالیاتی سال کے لئے خود کو دوبارہ انتخاب کے لئے پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز پر بورڈ نے میسرز ڈی لوٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آئندہ آنے والے سال جون ۲۰۱۹ء کے لئے باضابطہ آڈیٹرز کے طور پر تقرری کی سفارش کی ہے، یہ انتخاب کمپنی کے آنے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظور سے مشروط ہے۔

کوڈ آف کارپوریٹ گورننس پر عمل درآمد (تجارتی انتظام کے قاعدے پر عمل درآمد)

پاکستان کے اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں شامل کئے گئے کوڈ آف کارپوریٹ گورننس کے عین مطابق کمپنی نے سال جون ۲۰۱۸ء میں تمام معاملات میں بہتر طور پر عمل درآمد کیا۔ کوڈ آف کارپوریٹ گورننس پر عمل درآمد کے ضمن میں چیف ایگزیکٹو کا دستخط شدہ علیحدہ بیانیہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

ضابطہ اخلاق کا بیانیہ:

بورڈ نے ضابطہ اخلاق کے بیانیے کو کئی طور پر اپنایا ہوا ہے۔ اور تمام ملازمین اس ضابطہ اخلاق سے بخوبی واقف ہیں اور ان کو اس ضابطہ اخلاق پر عمل درآمد کا پابند کیا گیا ہے۔



تفصیلی اور انتظامی اخراجات قابو میں رہے یعنی گزشتہ سال کی سطح پر ہی رہے۔ تاہم مالیاتی لاگت میں گزشتہ سال کی بہ نسبت 163 فیصد ہوا۔ جس میں 43.5 ملین روپے کا زرمبادلہ کا خسارہ شامل ہے۔ اس کے علاوہ مالیاتی لاگت میں اضافے کی وجہ ڈالر کی بنیاد پر سرمایہ کاری کی پاکستانی روپے میں سرمایہ کاری سے تبدیلی جس کی وجہ سے مالیاتی لاگت دگنی ہو گئی۔ تاہم اس کی وجہ سے کمپنی زرمبادلہ کے بھاری نقصان سے محفوظ ہو گئی جو کہ ڈالر کی بنیاد پر سرمایہ کاری کی وجہ سے لاحق ہو سکتا تھا۔

گزشتہ سال کے 128 ملین روپے کے منافع کے مقابلے میں اس سال بعد از ٹیکس خسارہ 67.7 ملین روپے ہو گیا۔

فی حصص آمدنی / نقصان

سال مختتمہ ۳۰ جون ۲۰۱۸ کے لئے فی حصص نقصان ۸۶ پیسے ہے۔ جب کہ گزشتہ سال فی حصص منافع ۱.۶۳ روپے تھا۔

قومی خزانہ میں ادائیگی کا حجم

آپ کی کمپنی نے زیر جائزہ سال کے دوران اکٹم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹی اور دیگر محصولات کے ضمن میں کل ۶۵۰ ملین روپے کی ادائیگیاں قومی خزانے میں جمع کرائیں۔

رسک مینجمنٹ

کمپنی کا رسک مینجمنٹ کا طریقہ کار، تمام اہمیت کے حاصل رسکس بشمول حکمت عملی، آپریشن، قانونی عمل درآمد اور مالیاتی رپورٹنگ رسک کی نشاندہی، تحفظ اور اس سے نبرد آزما ہونے کے لئے کمپنی کی تمام انتظامی سطحوں پر لاگو ہے۔ رسک مینجمنٹ کے طریقہ کار کا جائزہ بورڈ کی سطح پر باقاعدگی سے لیا جاتا ہے۔ مناسب ترین کنٹرول کے لیے معیاری طریقہ کار وضع کئے گئے ہیں۔ جن کا عمل درآمد ارے کی ہر انتظامی سطح پر یقینی بنایا جاتا ہے۔

افراد کی قوت

کمپنی کی افرادی قوت سے متعلق تمام امور کی مکمل انجام دہی کے لئے ہیومن ریسورسز ڈیپارٹمنٹ موجود ہے۔ جس میں ملازمین کے مشاہیرے، الاؤنسز، کارکردگی کا جائزہ، کام کرنے کا ماحول، تقرری اور معزولی اور ملازمت کی منسوخی وغیرہ جیسے تمام معاملات شامل ہیں۔ ہیومن ریسورسز ڈیپارٹمنٹ کے سربراہ، بورڈ کی HR کمیٹی کے سیکریٹری کے فرائض بھی انجام دیتے ہیں۔

صحت، تحفظ اور ماحولیات

آپ کی کمپنی میں صحت، تحفظ اور ماحولیات سے متعلق تمام امور کو نہایت سنجیدہ بنیادوں پر دیکھا جاتا ہے۔ اور ان امور سے متعلق تمام قواعد اور قوانین پر عمل پیرا ہونے کی سختی سے پابندی کی جاتی ہے۔ زیر جائزہ سال کے دوران کوئی غیر معمولی واقعہ پیش نہیں۔ علاوہ ازیں آپ کی کمپنی تمام ماحولیتی قوانین کی پابندی کو بھی یقینی بناتی ہے۔

پراویڈنٹ فنڈ

اس سرمایہ کاری کی مالیت ۳۰ جون ۲۰۱۸ کے اختتام ۲۸.۹۲ ملین روپے (۲۰۱۷ء : ۵۱.۸۹ ملین روپے) تھی۔



پلیٹ کی طلب میں کمی شامل ہے۔ اس کے علاوہ دیگر دو بڑے عناصر یعنی پاکستانی روپے کی قدر میں کمی اور اینٹی ڈمپنگ ڈیوٹی کا نفاذ جس کے نتیجے میں کمپنی کی منافع کاری متاثر ہوئی۔ روپے کی قدر میں کمی کے اثرات یعنی 43.48 ملین روپے (2017 میں 2.18 ملین روپے) کو مالیاتی گوشواروں میں دکھایا گیا ہے۔ ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں بے ہنگم کمی، پیشی کی وجہ سے FE-25 کی سرمایہ کاری میں اضافے کے نتیجے میں مالیاتی لاگت 35 ملین روپے بڑھ گئیں۔ جبکہ دوسری جانب چائنہ سے سی آر سی کی درآمد پر اینٹی ڈمپنگ ڈیوٹی کے نفاذ کی وجہ سے ہمیں دیگر ممالک سے CRC درآمد کرنا پڑا جس کے نتیجے میں ہمیں 5 فیصد اضافی کسٹم ڈیوٹی دینا پڑی۔ خام مال کی فراہمی کے لئے نئے ذرائع کو تلاش کرنا اور انہیں حتیٰ شکل دینا سال بھر چیلنج رہا اور جس کے نتیجے میں مارکیٹ میں ہماری سپلائی چین بری طرح متاثر ہوئی۔

جبکہ بازار کی مسابقت کی طرف دیکھیں تو اینٹی ڈمپنگ ڈیوٹی ETP پر لاگو نہیں ہے، کمرشل درآمد کنندگان نے انتہائی کم قیمت پر اور نسبتاً کم ڈیوٹی پر چائنہ سے ETP کی درآمد جاری رکھی جس کی وجہ سے مقامی مارکیٹ میں سستی درآمد شدہ ETP پہنچ گئی اور اس طرح ETP کے مقامی تیار کنندگان کو قیمت میں مسابقت کا سامنا کرنا پڑا۔

آپ کی کمپنی کی انتظامیہ اپنے حصص یافتگان کو بنانا چاہتی ہے کہ صرف 15 فیصد پیداواری گنجائش کے استعمال سے منفی اثرات ختم نہیں ہو جائیں گے اور اتنی کم پیداواری وجہ سے پائیدار بنیادوں پر منافع کاری حاصل نہیں ہوگی خاص طور پر موجودہ حکومتی پالیسیوں کی وجہ سے۔

برآمدی مارکیٹ میں پیشقدمی جاری ہے اور یہ آپ کی کمپنی کے مستقبل کے لئے بہت اہم ہے۔ انتظامیہ کو توقع ہے کہ CRC پلانٹ کی پیداوار شروع ہوتے ہی حالات مزید بہتر ہو جائیں گے۔

فروخت

مالیاتی لحاظ سے کمپنی کی فروخت میں سے 14 فیصد اضافہ ہوا تاہم فروخت شدہ مقدار میں 7 فیصد کمی ہوئی۔

پیداوار

موجودہ سال میں کمپنی کی پیداوار 18,221 میٹرک ٹن رہی جبکہ گزشتہ سال 19,051 میٹرک ٹن تھی۔ خام مال کی فراہمی میں عدم تسلسل کی وجہ سے پیداواری گنجائش کی استفادیت کی سطح تقریباً پچھلے سال جیسی ہی رہی یعنی 15 فیصد۔ عدم تسلسل کی بنیادی وجہ خام مال CRC/TMBP پر اینٹی ڈمپنگ ڈیوٹی کا نفاذ تھا جس نے کمپنی کی لاگت کے ڈھانچے کو بری طرح متاثر کیا۔

مالیاتی تجزیہ

مجموعی خالص فروخت میں 14 فیصد اضافہ ہوا۔ خام منافع 165.7 ملین روپے (6 فیصد) رہا جبکہ گزشتہ سال 309.97 ملین روپے (12 فیصد) تھا۔ خام منافع میں کمی کی وجہ فروخت کی لاگت میں اضافہ تھا جس کی بنیادی وجوہات پیداواری گنجائش کا کم استعمال، روپے کی قدر میں کمی اور خام مال کی درآمدی قیمتوں میں بے ہنگم اتار چڑھاؤ تھا۔ فروخت کی لاگت میں گزشتہ سال کی نسبت 11.61 فیصد اضافہ ہوا۔



حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

معزز ممبران

صدریق سزٹن پلیٹ کے ڈائریکٹران ۳۰ جون ۲۰۱۸ء کو ختم ہونے والے سال کے لئے سالانہ آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

عالمی کاروباری منظر نامہ

اسٹیل کی عالمی طلب میں اضافہ ہو رہا ہے جس میں چائنہ سب سے بڑا صارف ہے۔ توقع ہے کہ اسٹیل کی سالانہ طلب میں 2018-19 میں مزید اضافہ ہوگا۔ چائنہ کی اسٹیل کی طلب میں اضافہ ہو رہا ہے، جس کی وجہ تجارت کے بجائے ترقی کی حکمت عملی ”ترقی بذریعہ استعمال“ ہے۔

پاکستان کا معاشی منظر نامہ

نازک اور غیر یقینی سیاسی صورتحال کے باوجود پاکستان کے جی ڈی پی میں نمو دیکھی گئی۔ جی ڈی پی کی نمو کی نئی سطح 5.8 فیصد رہی جس کے ساتھ صنعت میں نمو ترقی پذیر معیشت کا اشارہ دیتے ہیں۔ تاہم، ایس بی پی کے رعایتی زخوں میں اضافے کا رجحان ایک تشویشناک علامت ہے، کیونکہ اس کی وجہ سے کاروباری لاگت بڑھ جائے گی۔ دوسرا بڑا خطرہ یو ایس ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں تیز ترین کمی، جو کہ 128-130 روپے کی بلند ترین سطح پر پہنچ گئی، جو کہ گزشتہ سال کی بہ نسبت 22 فیصد کمی کی نشاندہی کرتا ہے۔ معیشت کی ترقی میں دیگر بڑے معاون عناصر امن و عامہ کی بہتر صورتحال، پاک چائنہ معاشی راہداری اور کئی جاری توانائی کے پروجیکٹس ہیں۔

اگرچہ کہ اسٹیل سیکٹر کی طلب میں تعمیرات، آٹوموبائل اور دیگر ملحقہ صنعتوں کی وجہ سے اضافہ ہو رہا ہے، تاہم الیکٹرو لائٹ ٹن پلیٹ (ETP) کے خدو خال کچھ اور ہیں۔ اس شعبے میں ترقی کا انحصار صفائی ستھرائی اور صحت کی نگہداشت سے متعلق حکومت کے نگرانی اقدامات اور صارفین کے درمیان غذائی اشیاء کی صحت افزاء پیکنگ سے متعلق آگاہی شامل ہے۔ بد قسمتی سے پاکستان وہ خطہ سمجھا جاتا ہے جہاں اس شعبہ کو بڑے پیمانے پر نظر انداز کیا گیا ہے۔ غذائی اشیاء کی پائوچ/پلاسٹک کی تھلیوں اور پلاسٹک کی بوتلوں میں پیکنگ سے غذائی اجزاء صحت کے لئے انتہائی مضر بن جاتے ہیں۔ اس بات کو صارفین اور حکومتی اداروں دونوں کو سمجھنا چاہئے۔

کاروباری کارکردگی کا جائزہ

۲۰۱۶	۲۰۱۷	۲۰۱۸	
----- پاکستانی روپے -----			
۲،۱۱۹،۴۵۸،۵۹۳	۲،۵۳۷،۶۸۶،۳۹۶	۲،۶۳۶،۲۶۰،۷۵۷	کاروباری حجم
۲۵۵،۱۸۴،۷۶۵	۳۰۹،۹۷۲،۰۱۴	۱۶۵،۶۹۴،۴۷۸	مجموعی منافع
۷۹،۹۶۱،۳۴۷	۱۵۹،۰۶۹،۹۸۲	(۳۰،۶۲۵،۵۱۴)	(نقصان) / منافع قبل از ٹیکس
۵۸،۸۸۸،۴۵۹	۱۴۸،۳۳۹،۶۲۸	(۶۷،۷۳۳،۳۳۱)	(نقصان) / منافع بعد از ٹیکس
۰.۷۵	۱.۶۳	(۰.۸۶)	نی حصص منافع

سال کے دوران کاروباری کارکردگی کو چیلنجز کا سامنا رہا جس کی وجہ نام مال کی قیمتوں میں تیز ترین اضافہ اور پائوچ پیک اور پلاسٹک کی بوتلوں کے بڑھتے ہوئے استعمال کی وجہ سے ٹن



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of company: Siddiqsons Tin Plate Limited

Year ended: June 30, 2018

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of board is as follows:

Category	Names
a) Independent Director	Mr. Abdul Wahab
b) Other Non-executive Directors	Mr. Tariq Rafi Mr. Ibrahim Shamsi Ms. Aliya Sajjad *Mr. Jean Peire Gugenhiem (resigned on June 27, 2018)
c) Executive Directors	Mr. Munir Qureshi Mr. Naeem-ul Husnain Mirza

* Mr. Jean Peire Gugenhiem (non-executive director) and Mr. Sajjad Ahsan (non-executive director) has resigned on June 27, 2018 and June 26, 2018, respectively and in replacement Mr. Ashraf Mahmood Watra (independent director) and Ms. Aliya Sajjad has been appointed on September 13, 2018 and June 26, 2018 respectively.

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.

4. 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.

5. 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.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.



7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The board remained fully compliant with the provision with regard to their directors' training program. All the directors of the company have minimum of 14 years of education and 15 years of experience on the board of a listed company and therefore are exempt from director's training program. Further, the company is in process to arrange the orientation course in due course.
10. There was no appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

Committee	Name of members and Chairman
------------------	-------------------------------------

- | | |
|----------------------------------|---|
| a) Audit Committee | Chairman : Mr. Ibrahim Shamsi
Member : Mrs. Aliya Sajjad |
| b) HR and Remuneration Committee | Independent Director: Mr. Abdul Wahab
Chairman : Mrs. Aliya Sajjad
Member : Mr. Munir Qureshi |

The board has appointed Mr. Ashraf Mahmood Watra (independent director) on September 13, 2018 who is a member of audit committee.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:

- | Committee | Frequency of meetings |
|----------------------------------|---|
| a) Audit Committee | Four quarterly meetings during the financial year ended June 30, 2018 |
| b) HR and Remuneration Committee | One meeting during the financial year ended June 30, 2018 |



15. The board is in the process of setting up an effective internal audit function although head of internal audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company. Consequently, Internal Audit Reports are not presented to external auditors for their review.
16. 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 and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied except for:
 - a) The Board of Directors have not maintained a complete record of significant policies along with their date of approval or updates.



TARIQ RAFI
Chairman

Karachi: September 28, 2018



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SIDDIQSONS TIN PLATE LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **SIDDIQSONS TIN PLATE LIMITED** for the year ended June 30, 2018 in accordance with the requirements of Regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the 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 of Directors' statement on 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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr #	Paragraph reference	Description
I	18 (a)	The Board of Directors has not maintained a complete record of significant policies relating to governance of risks and internal control measures, human resource management including preparation of a succession plan and whistle blowing policy along with their date of approval or updates as required by regulation 10 (4) of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

Sr #	Paragraph reference	Description
2	15	The board is in the process of setting up an effective internal audit function although head of internal audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company. The Internal Audit Reports are not presented by the company for review of External Auditors as required by 32 (2) (c) of the Listed Companies (Code of Corporate Governance) Regulations, 2017.
3	12	The audit committee of the company does not have minimum three directors and at least one independent director as required by regulation 28 (1) (a) of the Listed Companies (Code of Corporate Governance) Regulations, 2017. However, subsequent to the year end, the company has complied with this requirement.

Chartered Accountants

Date: September 28, 2018

Place: Karachi

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIDDIQSONS TIN PLATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **SIDDIQSONS TIN PLATE LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss account and other comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No	Key audit matter	How our audit addressed the key audit matter
I.	<p>Revenue</p> <p>As disclosed in note 22 to the financial statements. The Company generates revenue from sale of goods locally and through export.</p> <p>Revenue from the sale of goods is recognized when significant risks and rewards of ownership have been transferred to the customer, normally when the goods are delivered to the customer.</p>	<p>Our audit procedures to address the Key Audit Matter included the following:</p> <ul style="list-style-type: none"> ● obtaining an understanding of and assessing the design, implementation and operating effectiveness of controls around recognition of revenue;

S.No	Key audit matter	How our audit addressed the key audit matter
	<p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of risk and rewards to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p> <p>The Company's accounting policy in respect of revenue is disclosed in note 4.13 to the financial statements.</p>	<ul style="list-style-type: none"> ● assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; ● checked on a sample basis whether the recorded sales transactions are based on delivery of goods and after issue of gate passes; and ● Testing timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents.
<p>2.</p>	<p>Valuation of Stock-in-trade</p> <p>Stock-in-trade has been valued following an accounting policy as stated in note 4.3 and the related value of stock-in-trade are disclosed in note 8 to the financial statements. Stock-in-trade forms material part of the Company's assets comprising of 35% of total assets.</p> <p>The valuation of finished goods within stock-in-trade at cost has different components, which includes judgment in relation to the allocation of overhead costs, which are incurred in bringing the finished goods to its present location and condition. Judgments are also involved in determining the net realizable value (estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale) of stock-in-trade items in line with accounting policy.</p> <p>Due to the above factors, we have considered the valuation of stock-in-trade as key audit matter.</p>	<p>Our audit procedures to address the valuation of stock-in-trade, included the following:</p> <ul style="list-style-type: none"> ● obtained an understanding of mechanism of recording purchases and valuation of stock-in-trade; ● tested on a sample basis purchases with underlying supporting documents; ● verified the calculations of the actual overhead costs and checked allocation of labor and overhead costs to the finished goods; ● obtained an understanding of management's process for determining the net realizable value and checked: <ul style="list-style-type: none"> ● future selling prices by performing a review of sales close to and subsequent to the year-end; and ● determination of cost necessary to make the sale. ● checked the calculations of net realizable value of itemized list of stock-in-trade, on a sample basis and compared the net realizable value with the cost to ensure that valuation of stock-in-trade is in line with the accounting policy.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditors' report is Nadeem Yousuf Adil.

Chartered Accountants

Date: September 28, 2018

Place: Karachi

STATEMENT OF FINANCIAL POSITION

As at June 30, 2018

	Note	2018 Rupees	2017 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	589,679,088	670,325,192
Long term deposit	6	7,179,250	7,181,750
		<u>596,858,338</u>	<u>677,506,942</u>
CURRENT ASSETS			
Stores, spares and loose tools	7	18,281,794	13,933,364
Stock-in-trade	8	830,796,437	526,531,365
Trade debts	9	523,859,123	515,788,166
Advance income tax	10	155,755,763	122,363,205
Loans and advances	11	74,302,615	10,536,614
Trade deposits and prepayments	12	31,105,730	24,422,073
Term deposit certificates	13	20,650,000	20,650,000
Other receivables	14	4,110,181	19,426,747
Other financial assets	15	405,877	506,571
Sales tax refundable		79,947,561	57,415,584
Cash and bank balances	16	22,551,605	34,713,560
		<u>1,761,766,686</u>	<u>1,346,287,249</u>
Total Assets		<u>2,358,625,024</u>	<u>2,023,794,191</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	17	785,201,270	785,201,270
Accumulated profit		66,780,479	134,513,820
		<u>851,981,749</u>	<u>919,715,090</u>
NON-CURRENT LIABILITY			
Deferred taxation	18	-	-
CURRENT LIABILITIES			
Trade and other payables	19	151,049,830	149,205,678
Interest / mark-up accrued on borrowings		24,799,494	11,056,882
Short-term borrowings	20	1,325,142,557	938,165,147
Unclaimed dividend		5,651,394	5,651,394
		<u>1,506,643,275</u>	<u>1,104,079,101</u>
Total Equity and Liabilities		<u>2,358,625,024</u>	<u>2,023,794,191</u>
CONTINGENCIES AND COMMITMENTS			
	21		

The annexed notes form an integral part of these financial statements


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER



STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPEHENSIVE INCOME

For the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
Sales - net	22	2,646,260,757	2,537,686,396
Cost of goods sold	23	(2,480,566,279)	(2,227,714,382)
Gross profit		165,694,478	309,972,014
Distribution cost	24	(22,054,062)	(22,527,833)
Administrative expenses	25	(64,486,417)	(66,997,548)
Other operating expense	26	(3,443,847)	(12,457,656)
Finance cost	27	(132,779,132)	(50,473,856)
Other income	28	16,423,466	1,554,861
(Loss) / profit before taxation		(40,645,514)	159,069,982
Taxation	29	(27,087,827)	(30,740,354)
(Loss) / profit after taxation		(67,733,341)	128,329,628
Other comprehensive income		-	-
Total comprehensive income for the year		(67,733,341)	128,329,628
(Losses)/Earnings per share - Basic and diluted	30	(0.86)	1.63

The annexed notes form an integral part of these financial statements


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER



STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

	2018 Rupees	2017 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(40,645,514)	159,069,982
Adjustments for		
Depreciation on property, plant and equipment	29,227,968	29,902,841
Finance cost	132,779,132	50,473,856
Provision for doubtful debts and other receivables	11,288,850	15,078,138
(Reversal) / provision for slow moving stores	(1,898,821)	250,889
Gain on disposal of property, plant and equipment	(289,580)	(602,998)
Capital work in progress written off	3,443,847	-
Loss / (gain) on remeasurement of investment at market value	100,694	(10,998)
Provision for chromite stock	14,535,745	-
Provision for anti-dumping duty	18,237,900	-
Operating cash flows before movement in working capital	<u>166,780,221</u>	<u>254,161,710</u>
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,449,609)	76,029
Stock-in-trade	(318,800,817)	(31,117,181)
Trade debts	(11,799,807)	(209,433,853)
Loans and advances	(63,766,001)	(5,458,340)
Trade deposits and prepayments	(24,921,557)	(21,064,238)
Other receivables	7,759,066	10,111,597
Sales tax refundable	(22,531,977)	(16,735,993)
Increase in current liabilities	1,844,152	33,504,648
Trade and other payables	<u>(434,666,550)</u>	<u>(240,117,331)</u>
Cash flow (used in) / generated from operations	<u>(267,886,329)</u>	<u>14,044,379</u>
Income tax paid	(60,480,385)	(59,441,679)
Interest / markup paid	(119,036,520)	(46,848,503)
Net cash flows used in operating activities	<u>(447,403,234)</u>	<u>(92,245,803)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(20,284,131)	(80,330,196)
Proceed from disposal of property, plant and equipment	508,000	668,800
Recovery of advance against land	68,040,000	-
Term deposit certificates	-	(6,150,000)
Net cash flows generated from / (used in) investing activities	<u>48,263,869</u>	<u>(85,811,396)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings obtained	216,398,354	405,272,087
Dividend paid	-	(30,535,852)
Net cash generated from financing activities	<u>216,398,354</u>	<u>374,736,235</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(182,741,011)	196,679,036
Cash and cash equivalents at July 01	(107,880,339)	(304,559,375)
Cash and cash equivalents at June 30	<u>(290,621,350)</u>	<u>(107,880,339)</u>
Cash and cash equivalents		
Cash and bank balances	22,551,605	34,713,560
Short term running finance	<u>(313,172,955)</u>	<u>(142,593,899)</u>
	<u>(290,621,350)</u>	<u>(107,880,339)</u>

The annexed notes form an integral part of these financial statements


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER



STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2018

	Issued, subscribed & paid up capital	Unappropriated profit	Total
	-----Rupees -----		
Balance at July 1, 2016	785,201,270	36,720,044	821,921,314
Comprehensive income			
Profit for the year ended June 30, 2017	-	128,329,628	128,329,628
Other comprehensive income - net of tax	-	-	-
Total comprehensive income for the year	-	128,329,628	128,329,628
Transaction with owners;			
Final dividend for the year ended June 30, 2016 @ 5% i.e Re. 0.5 per share	-	(30,535,852)	(30,535,852)
Balance at June 30, 2017	785,201,270	134,513,820	919,715,090
Comprehensive income			
Loss for the year ended June 30, 2018	-	(67,733,341)	(67,733,341)
Other comprehensive income - net of tax	-	-	-
Total comprehensive income for the year	-	(67,733,341)	(67,733,341)
Balance at June 30, 2018	785,201,270	66,780,479	851,981,749

The annexed notes form an integral part of these financial statements


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER



NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2018

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 the Companies Ordinance, 1984, Repealed by Companies Act, 2017. The shares of the Company are quoted on Pakistan Stock Exchange. Registered office of the Company is situated at Ocean Tower, 27th Floor, Plot # G-3, Block # 9, Near II Talwar, Clifton, 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.

Following are the geographical locations and addresses of all business units of the Company:

Head Office:

Ocean Tower, 27th Floor, Plot # G-3, Block # 9, Near II Talwar, Clifton, Karachi, Province of Sindh, Pakistan.

Manufacturing Facility:

- a) Plot No. 5, Special Industrial Zone, Winder, Distt, Lasbella, L.I.E.D.A, Province of Balochistan, Pakistan.
- b) Plot # 221-222, Near Jamia Millia College, Jamia Millia Road, Malir City, Karachi, Province of Sindh, Pakistan.

2. SIGNIFICANT TRANSACTIONS AND EVENTS THAT AFFECTED THE COMPANY'S FINANCIAL POSITION AND FINANCIAL PERFORMANCE

- Due to the applicability of Companies Act, 2017 certain disclosures of the financial statements have been presented in accordance with the fourth schedule notified by the Securities and Exchange Commission of Pakistan vide S.R.O 1169 dated 7 November 2017.
- There are no significant transactions to be disclosed.

3. BASIS OF PREPARATION

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

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.



3.2 Basis of measurement

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

3.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3.4 Changes in accounting standards and interpretations

3.4.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2018

The following standards, amendments and interpretations are effective for the year ended June 30, 2018. 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
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 1, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 1, 2017

Certain annual improvements have also been made to a number of IFRSs.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes also include change in respect of recognition criteria of surplus on revaluation of fixed assets, change in nomenclature of primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

3.4.2 New accounting standards / amendments and IFRS interpretations that are 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.



Standards / Amendments / Interpretations**Effective for periods
beginning on or after**

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions

January 1, 2018

IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.

An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018.

IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.

July 01, 2018

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities

January 01, 2019

IFRS 15 'Revenue' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.

July 01, 2018

IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.

January 01, 2019

Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.

January 01, 2019

Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

January 01, 2019

Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property

January 01, 2018.
Earlier application is permitted.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.

January 01, 2018.
Earlier application is permitted.

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.

January 01, 2019



Certain annual improvements have also been made to a number of IFRSs.

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 14 – Regulatory Deferral Accounts
IFRS 17 – Insurance Contracts

3.4.3 New disclosures requirement due to adoption of Companies Act, 2017

Due to adoption of the Companies Act, 2017 certain new and enhanced disclosures have become applicable, which are in addition to those required by the International Accounting Standards. The relevant notes have been updated accordingly.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2017 and are enumerated as follows:

4.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, 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 5.1. 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.

4.2 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.



4.3 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.

4.4 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.

4.5 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 till 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 advances

Loans and advances 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 advances comprise advances, deposits, interest accrued and other receivables 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.

4.6 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.

4.7 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.

4.8 Trade and other payables

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

4.9 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.



4.10 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.

4.11 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.

4.12 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.

4.13 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 i.e when goods are delivered to customers.

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' right 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.

4.14 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 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.

Deferred 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 or taxable temporary differences will be available against which such temporary differences and tax losses can be utilized.

Deferred 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.

4.15 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.

4.16 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.



4.17 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.

4.18 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 impairment of property, plant and equipment (note 5.1) ;
- Provision against slow moving stores, spares and loose tools (note 7) ;
- Provision against slow moving stock in trade (note 8) ;
- Provision against doubtful debts and receivables (note 9 & 14) and
- Provision for taxation and deferred tax (note 18 and 29)

As described at 5.1, 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.

	Note	2018 Rupees	2017 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	569,801,723	591,281,345
Capital work in progress	5.2	19,877,365	79,043,847
		<u>589,679,088</u>	<u>670,325,192</u>



5.1 Operating fixed assets

Particulars	Cost at July 01, 2017	Additions / (disposals)	Cost at June 30, 2018	Accumulated depreciation at July 01, 2017	Depreciation for the year / on disposal	Accumulated depreciation at June 30, 2018	Carrying value at June 30, 2018	Depreciation Rate %
Leasehold land	7,533,750	-	7,533,750	-	-	-	7,533,750	-
Buildings on leasehold land	142,200,670	-	142,200,670	115,272,970	2,692,770	117,965,740	24,234,930	10
Plant and machinery	1,043,760,732	525,000	1,044,285,732	526,321,756	20,713,309	547,035,065	497,250,667	4
Power and other installations	87,828,425	-	87,828,425	68,665,854	1,916,257	70,582,111	17,246,314	10
Factory equipment	16,231,484	-	16,231,484	12,313,410	391,807	12,705,217	3,526,267	10
Generators	13,576,327	-	13,576,327	10,101,307	347,502	10,448,809	3,127,518	10
Office equipment	11,387,559	138,197	11,525,756	6,297,004	512,900	6,809,904	4,715,852	10
Data processing equipment	6,641,741	528,603	7,170,344	5,389,603	511,113	5,900,716	1,269,628	33
Furniture and fixtures	4,482,963	128,433	4,611,396	3,246,176	132,146	3,378,322	1,233,074	10
Vehicles	31,039,784	6,646,533 (1,431,390)	36,254,927	25,794,010	2,010,164 (1,212,970)	26,591,204	9,663,723	20
	1,364,683,435	7,966,766 (1,431,390)	1,371,218,811	773,402,090	29,227,968 (1,212,970)	801,417,088	569,801,723	

5.1.1 Allocation of depreciation

Cost of goods sold
Administrative expenses

Note	2018 Rupees	2017 Rupees
23.1	26,061,645	27,464,973
25	3,166,323	2,437,868
	29,227,968	29,902,841

For comparative period

Particulars	Cost at July 01, 2016	Additions / (disposals)	Cost at June 30, 2017	Accumulated depreciation at July 01, 2016	Depreciation for the year / on disposal	Accumulated depreciation at June 30, 2017	Carrying value at June 30, 2017	Depreciation Rate %
Leasehold land	7,533,750	-	7,533,750	-	-	-	7,533,750	-
Buildings on leasehold land	142,200,670	-	142,200,670	112,281,003	2,991,967	115,272,970	26,927,700	10
Plant and machinery	1,040,110,064	3,650,668	1,043,760,732	504,799,381	21,522,375	526,321,756	517,438,976	4
Power and other installations	87,828,425	-	87,828,425	66,536,680	2,129,174	68,665,854	19,162,571	10
Factory equipment	16,151,484	80,000	16,231,484	11,878,069	435,341	12,313,410	3,918,074	10
Generators	13,576,327	-	13,576,327	9,715,191	386,116	10,101,307	3,475,020	10
Office equipment	10,820,235	567,324	11,387,559	5,751,537	545,467	6,297,004	5,090,555	10
Data processing equipment	6,209,537	432,204	6,641,741	4,948,337	441,266	5,389,603	1,252,138	33
Furniture and fixtures	4,482,963	-	4,482,963	3,108,755	137,421	3,246,176	1,236,787	10
Vehicles	31,920,284	(880,500)	31,039,784	25,294,994	1,313,714	25,794,010	5,245,774	20
	1,360,833,739	4,730,196	1,364,683,435	744,313,947	29,902,841	773,402,090	591,281,345	
		(880,500)			(814,698)			



5.1.2 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Total Area (in acres)	Usage of immovable property
Plot No. 5, Special Industrial Zone, Winder, Distt, Lasbella, L.I.E.D.A, Balochistan.	21	Manufacturing facility

5.1.3 There are no assets for which disposal details are required to be disclosed.

	Note	2018 Rupees	2017 Rupees
5.2 Capital work in progress			
Plant and Machinery		17,827,369	3,443,847
Advance against land	5.2.1	-	75,600,000
Vehicle		2,049,996	-
		<u>19,877,365</u>	<u>79,043,847</u>

5.2.1 The amount paid against provisional allotment of land at Bin Qasim Industrial Park was refunded on cancellation of allotment

5.2.2 During the year, canning machine amounting to Rs. 3,443,847 has been written off.

	Note	2018 Rupees	2017 Rupees
6. LONG TERM DEPOSIT			
For electricity		7,179,250	7,179,250
Others	6.1	-	2,500
		<u>7,179,250</u>	<u>7,181,750</u>
6.1 Movement of other long term deposit			
Opening balance		2,500	3,313,288
Recovered / transfer to other receivable		(2,500)	(3,310,788)
		<u>-</u>	<u>2,500</u>



	Note	2018 Rupees	2017 Rupees
7. STORES, SPARES AND LOOSE TOOLS			
Stores, spares and loose tools		23,732,927	21,283,318
Less: Provision for slow-moving and obsolete items	7.1	(5,451,133)	(7,349,954)
		<u>18,281,794</u>	<u>13,933,364</u>
7.1 Provision for slow moving and obsolete items			
Opening balance		7,349,954	7,099,065
(Reversal) / provision made during the year		(1,898,821)	250,889
Closing balance		<u>5,451,133</u>	<u>7,349,954</u>
8. STOCK-IN-TRADE			
Raw material - Tinplate in hand		286,733,209	147,636,270
Finished goods - Tinplate			
tin		519,113,709	326,779,330
cans		1,117,758	1,484,116
scrap		9,296,016	1,187,090
		<u>529,527,483</u>	<u>329,450,536</u>
Chromite			
Raw material		16,389,080	16,389,080
Finished goods		12,682,410	33,055,479
Provision for slow moving stock of chromite		(14,535,745)	-
		<u>830,796,437</u>	<u>526,531,365</u>
9. TRADE DEBTS			
- Considered good			
Local - unsecured		468,569,363	487,000,772
Foreign		55,289,760	28,787,394
- Considered doubtful			
Local - unsecured		8,753,502	5,024,652
Less: Provision for doubtful debts	9.3	(8,753,502)	(5,024,652)
		<u>523,859,123</u>	<u>515,788,166</u>

9.1 Trade debts are non-interest bearing and are generally on 30 to 60 days terms.

9.2 The Company makes provision against all trade debts over 3 years based on historical experience that receivables beyond 3 years are generally not recovered.



	Note	2018 Rupees	2017 Rupees
9.3 Movement in provision for doubtful debts			
Opening balance		5,024,652	10,455,524
Charge during the year		4,243,150	417,928
Reversal of provision		(514,300)	(5,848,800)
Net charge / (reversal)	25	3,728,850	(5,430,872)
Closing balance		8,753,502	5,024,652

9.3.1 Provision for doubtful debts represents individually impaired trade debts with a total balance of Rs.4,935,695 (2017: Rs. 5,024,652). The Company does not hold any collateral against these balances.

9.4 Included in the trade debts balance are debtors with a carrying amount of Rs. 2.2 million (2017: Rs. 0.81 million) which are past due at the reporting date for which the Company has not made any provision as the amounts are still considered recoverable. The Company does not hold any collateral against these balances.

	Note	2018 Rupees	2017 Rupees
9.4.1 Ageing of past due but not impaired			
91-180 days		573,429	24,159
181-365 days		88,670	122,482
Above 365 days		1,541,434	668,544
		2,203,533	815,185

9.5 Following are the details of debtors in relation to export sales:

Name of Foreign Jurisdiction	Type of transaction	2018 Rupees	2017 Rupees
Asia	Letter of Credit	53,895,015	27,362,121
Europe	Letter of Credit	1,394,745	1,425,273
		55,289,760	28,787,394

10. ADVANCE INCOME TAX

	Note	2018 Rupees	2017 Rupees
Advance tax	29.1	182,843,590	153,103,559
Provision for taxation	29	(27,087,827)	(30,740,354)
		155,755,763	122,363,205



11. LOANS AND ADVANCES	Note	2018 Rupees	2017 Rupees
Considered good			
Loan to employees		843,960	1,154,960
Advances			
To suppliers		4,044,897	4,264,069
Against expenses		4,025,157	2,954,875
Letters of credit fee and expenses	11.1	65,388,601	2,162,710
		<u>73,458,655</u>	<u>9,381,654</u>
		<u>74,302,615</u>	<u>10,536,614</u>

11.1 This includes an amount of Rs. 31 million, paid as advance for import of raw material to Centurian Tetra SL (Supplier) through Letter of Credit (LC). The supplier has forfeited the amount of advance and did not supply raw material due to delay in providing advance as per the terms of the contract. Company filed a case in International Court of Council (ICC) due to cross border trade for refund of the said Rs. 31 million. The supplier has claimed an amount of \$ 346,000 in lieu of loss incurred due to revocation of contract by the Company. The management in consultation with it's legal advisor is of the view that the amount will be recovered.

12. TRADE DEPOSITS AND PREPAYMENTS	Note	2018 Rupees	2017 Rupees
Deposit for bank gurantee margin	12.1 & 12.2	25,725,800	19,475,800
Prepayments		530,360	853,391
Security deposits for			
Containers		3,791,787	3,253,219
Tenders		569,512	351,392
Gas connections		488,271	488,271
		<u>31,105,730</u>	<u>24,422,073</u>

12.1 An application was filed in the National Tariff Commission of Pakistan (NTC) to impose anti-dumping duty on import of Cold Rolled Coils (CRC) from selected countries, which happened to be the raw material of the Company. The Commission imposed an anti-dumping duty at the rate of 19.5% on such imports from selected countries. The Company challenged the decision of the Commission in the High Court of Sindh. The court had granted stay order against decision of the Commission and directed the Company to issue 100% cash margin guarantee for the anti-dumping duty. Subsequent to the year end, the High Court of Sindh has passed an order and directed the Company to deposit 50% of the amount of duty till such time final decision of the court is made. Considering this recent development and on a prudent basis the company has recognized 50% of the provision in respect of accumulated amount of import duty.



12.2 These includes margin against bank guarantess issued in favour of excise and taxation department for infrastructure cess and antidumping duty.

	Note	2018 Rupees	2017 Rupees
13. TERM DEPOSIT CERTIFICATE	13.1	20,650,000	20,650,000

13.1 Term deposit certificates are held for the maturity period of six months on roll over basis and carries interest rate 5.55% (2017: 5.25%). These are lien marked for the purpose of issuing bank guarantees for antidumping duty and infrastructures cess.

	Note	2018 Rupees	2017 Rupees
14. OTHER RECEIVABLES			
Receivable against quality and quantity claims		48,051,691	56,998,643
Receivable against breach of contracts		1,567,500	784,046
Other receivable		7,560,000	7,153,068
		<u>57,179,191</u>	<u>64,935,757</u>
Considered good		4,110,181	19,426,747
Considered doubtful	14.1 & 14.2	53,069,010	45,509,010
		<u>57,179,191</u>	<u>64,935,757</u>
Less: Provision for doubtful receivables		<u>(53,069,010)</u>	<u>(45,509,010)</u>
		<u>4,110,181</u>	<u>19,426,747</u>

14.1 This includes an amount of Rs. 45,509,010 relates to an advance paid to a foreign supplier against which the Company has filed a suit in a Court in Malaysia. In 2013, the Court passed a decree in favor of the Company. However, based on assessment of irrecoverability of the amount, the Company has made full provision against this amount.

14.2 An amount of Rs.75.6 million was given by the Company as advance for purchase of land to National Industrial Park (NIP). Due to delay in handing over the land to the Company, the agreement was cancelled and as per terms of the contract, 10% amount of the total amount was forfeited by NIP amounting to Rs. 7.56 million. Management is of view that it was due to fault of NIP therefore forfeit amount should be refunded to the entity underwhich negotiations are in process. However, a provision for this amount has been recorded on prudence basis by Company.



15. OTHER FINANCIAL ASSETS

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

In quoted companies

2018 -----No. of shares-----	2017		Note	2018 Rupees	2017 Rupees
8,538	8,538	National Bank of Pakistan		404,445	503,827
666	666	Summit Bank Limited		1,432	2,744
<u>9,204</u>	<u>9,204</u>			<u>405,877</u>	<u>506,571</u>

16. CASH AND BANK BALANCES

Cash in hand			503,534	294,739
Balances with banks:				
- Current account- local currency			15,500,047	28,429,554
- Saving accounts		16.1	5,627,215	5,205,813
			21,127,262	33,635,367
- Foreign currency			920,809	783,454
			<u>22,551,605</u>	<u>34,713,560</u>

16.1 Effective mark-up rate in respect of saving accounts range from 3.75% to 4.5% (2017 : 3.75% to 4.5%) per annum.

17. SHARE CAPITAL

2018 Number of Shares	2017		2018 Rupees	2017 Rupees
300,000,000	300,000,000	Authorized Ordinary shares of Rs. 10/- each	3,000,000,000	3,000,000,000
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>

- An associated undertaking, Siddiqsons Limited hold 11,970,481 (2017: 11,970,481) 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.



17.1 The Board of Directors of the Company in their meeting held on April 30, 2018 approved the issue of 192% Right Shares in terms of Ordinary Shares at exercise price of Rs. 12 per share for the purpose of setting up a backward integration facility to the existing business by establishing a CRC Complex with a production capacity of 200,000 mtn. per annum. The capital expenditure required for the project is PKR 6,000 million to be financed through the debt equity ratio of 70:30. The total amount raised through right issue will be minimum of PKR 1,800 million. The project aims to start commercial production during 2nd quarter of calendar year 2020.

18. DEFERRED TAXATION	Note	2018 Rupees	2017 Rupees
Deferred taxation	18.1	-	-
18.1 Deferred taxation			
This comprises the following: -			
Deferred tax liabilities on taxable temporary differences arising in respect of :			
Accelerated rate of depreciation		134,076,636	132,599,921
Other financial assets		-	3,218
Deferred tax assets on deductible temporary difference arising in respect of :			
Unabsorbed tax losses		(163,784,487)	(170,069,144)
Alternative corporate taxation		(30,740,354)	-
Minimum tax		(32,843,187)	-
Provision for doubtful debts		(2,538,516)	(1,470,125)
Provision for doubtful other receivables		(15,390,013)	(13,315,139)
Provision for slow moving stores		(1,580,829)	(95,650)
Provision for chromite stock		(4,215,366)	-
Other financial assets		(26,090)	-
Deferred tax assets due to change in tax rate		(376,699)	(376,699)
		(251,495,541)	(185,326,757)
		(117,418,904)	(52,723,618)
Net deferred tax asset is not recognized in view of non availability of sufficient future taxable profits			
		117,418,904	52,723,618
19. TRADE AND OTHER PAYABLES			
Creditors	19.1	22,149,024	27,774,600
Infrastructure cess	19.2	87,408,806	73,182,469
Accrued liabilities		5,550,460	11,302,791
Staff provident fund		1,256,546	1,904,211
Advance from customers and others		12,174,104	9,554,059
Workers Profit Participation Fund	19.3	-	8,575,968
Workers' Welfare Fund		-	15,057,536
Anti-dumping duty payable	12.1	18,237,900	-
Withholding tax		4,272,990	1,854,044
		151,049,830	149,205,678



19.1 Trade payables are non-interest bearing and are normally settled on 30 days terms.

19.2 This represents 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. 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 50% of the value of infrastructure fee in cash and recorded liability for the remaining amount which is supported by a bank guarantee.

	Note	2018 Rupees	2017 Rupees
19.3 Workers Profit Participation Fund			
Balance at July 01		8,575,968	2,866,994
Allocation for the year		-	8,590,782
Interest on funds utilized in the Company's business	19.3.1	775,690	121,741
Paid to the fund		(9,351,658)	(3,003,549)
Balance at June 30		-	8,575,968

19.3.1 Interest has been charged @ 8.99% (2017 : 8.7 %) per annum.

20. SHORT-TERM BORROWINGS

Secured

From banking companies

Finance against imports	20.2	1,011,969,602	745,571,248
Running finances under markup arrangements	20.3	313,172,955	142,593,899
Export re-finance	20.4	-	50,000,000
		<u>1,325,142,557</u>	<u>938,165,147</u>

20.1 Reconciliation of liabilities arising from short term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	1-Jul-17	Obtained	Repaid	Foreign exchange loss	30-Jun-18
	----- Rupees -----				
Finance against imports	745,571,248	2,030,414,601	(1,799,390,496)	35,374,250	1,011,969,602
Export re-finance	50,000,000	-	(50,000,000)	-	-
	<u>795,571,248</u>	<u>2,030,414,601</u>	<u>(1,849,390,496)</u>	<u>35,374,250</u>	<u>1,011,969,602</u>

20.2 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. Foreign currency loan are subject to mark-up based on LIBOR ranging between 2.75% to 5% (2017: 2.7% to 3.9%) per annum and PKR loans are subject to the markup ranging between 7.15% to 8.92% (2017: 7.04% to 8.26%) per annum.

20.3 These are secured against charge on fixed assets, stock-in-trade, stores and spares, trade debts and present and future current assets of the Company and are subject to the mark-up ranging between 7.15% to 8.92% (2017 : 7.04% to 8.26%) per annum.

20.4 These are secured against charge on fixed assets, stock-in-trade, trade debts and are subject to the mark-up of 3% per annum.

20.5 The aggregate unavailed-short term borrowing facilities amounts to Rs. 1,068.06 million (2017 : Rs. 1,164.83 million) as of the balance sheet date.

21. CONTINGENCIES AND COMMITMENTS

Contingencies

21.1 Prior to certain amendments made through Finance Acts of 2006 & 2008, Worker Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). An amendment was made in Section 4 of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability was required at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, other stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against the stakeholders. Appeal has been filled before the Supreme Court of Pakistan against the decision of the Sindh High Court. During the year, Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Act, 2006 and 2008 have been declared invalid in the said order. In consultation with the legal advisor, the Company has decided to reverse the said provision in the financial statements.



	Note	2018 Rupees	2017 Rupees
21.2 Commitments			
Letters of credit for import of raw material		344,727,908	525,680,568
Bank guarantee in favour of Excise and Taxation department relating to anti-dumping and infrastructure cess.		118,100,000	73,182,469
22. SALES - NET			
Sales			
Local			
Tinplate		2,838,958,270	2,546,888,423
Cans		172,444,005	118,413,187
		3,011,402,275	2,665,301,610
Export			
Tinplate		95,641,323	57,256,343
Chromite		-	224,858,315
		95,641,323	282,114,658
Total Sales		3,107,043,598	2,947,416,268
Less : Commission and discounts		(5,518,635)	(18,559,246)
Sales return		(29,480,070)	(6,412,013)
Sales tax		(425,784,136)	(384,758,613)
		(460,782,841)	(409,729,872)
		2,646,260,757	2,537,686,396
23. COST OF GOODS SOLD			
Cost of goods manufactured - Tinplate	23.1	2,036,891,452	1,705,092,038
Finished goods			
Opening stock		329,450,536	269,824,005
Purchase of finished goods		629,216,029	390,786,391
		2,995,558,017	2,365,702,434
Closing Stock		(529,527,483)	(329,450,536)
		2,466,030,534	2,036,251,898
Cost of goods manufactured - Chromite	23.2	-	224,107,811
Finished stocks			
Opening stock		33,055,479	410,152
Purchase return of finished goods		(20,373,069)	-
		12,682,410	224,517,963
Closing Stock		(12,682,410)	(33,055,479)
		-	191,462,484
Provision for slow moving stock of chromite		14,535,745	-
		2,480,566,279	2,227,714,382



23.1 Cost of goods manufactured - Tinplate

	Note	2018 Rupees	2017 Rupees
Raw material - Tinplate	23.1.1	1,796,135,042	1,479,884,256
Salaries, wages and benefits	23.1.2	125,999,983	108,654,152
Fuel and power		55,048,012	59,085,230
Packing materials		4,711,680	3,544,096
Stores and spares		6,575,623	4,220,327
Sorting, slitting and cutting		4,509,391	3,009,466
Rent, rates and taxes		1,718,200	1,518,000
Repairs and maintenance		1,874,856	4,422,554
Insurance		3,824,771	3,267,656
Transportation		2,928,860	2,170,215
Traveling and conveyance		4,149,686	4,366,383
Printing and stationery		262,842	158,619
Fees and subscription		163,000	316,505
Communication		529,045	443,981
Entertainment		247,019	285,562
Security expenses		1,720,735	1,110,960
Depreciation	5.1.1	26,061,645	27,464,973
Printing charges - canning		-	75,000
(Reversal) / provision for slow moving stores and spares		(1,898,821)	250,889
Other manufacturing cost		2,329,883	843,214
		<u>2,036,891,452</u>	<u>1,705,092,038</u>

23.1.1 Raw material consumed - Tinplate

Opening stock	147,636,270	100,705,442
Net purchases and related expenses	<u>1,935,231,981</u>	<u>1,526,815,084</u>
	2,082,868,251	1,627,520,526
Closing stock	(286,733,209)	(147,636,270)
	<u>1,796,135,042</u>	<u>1,479,884,256</u>

23.1.2 This includes employees' retirement benefits of Rs. 3,749,551 (2017: Rs. 3,482,193).

23.2 Cost of goods manufactured - Chromite

Raw material - Chromite	23.2.1	-	217,288,547
Salaries, wages and benefits		-	3,119,834
Fuel and power		-	1,540,255
Other manufacturing cost		-	2,159,175
		<u>-</u>	<u>224,107,811</u>



	Note	2018 Rupees	2017 Rupees
23.2.1 Raw material consumed - Chromite			
Opening stock		16,389,080	27,389,035
Net purchases and related expenses		-	206,288,592
		<u>16,389,080</u>	<u>233,677,627</u>
Closing stock		(16,389,080)	(16,389,080)
		<u>-</u>	<u>217,288,547</u>

24. DISTRIBUTION COST

Salaries and benefits	24.1	8,395,932	6,598,936
Traveling		1,115,111	601,528
Transportation		8,009,286	5,948,607
Frieght outward and clearing charges - chromite		-	5,462,647
Inspection and other charges - chromite		-	1,887,464
Advertisement		555,493	275,656
Sales promotion		196,104	1,412,869
Communication expense		-	42,751
Others		3,782,136	297,375
		<u>22,054,062</u>	<u>22,527,833</u>

24.1 This includes employees' retirement benefits amounting to Rs. 275,060 (2017: Rs. 228,820).

25. ADMINISTRATIVE EXPENSES

Salaries and benefits	25.1	26,966,206	31,286,669
Traveling and conveyance		2,985,617	4,381,429
Vehicles running and maintenance		3,352,620	3,119,914
Depreciation	5.1.1	3,166,323	2,437,868
Communication		731,233	274,608
Printing and stationery		1,068,108	787,514
Repairs and maintenance		389,780	299,538
Entertainment		738,033	376,321
Auditors' remuneration	25.2	1,255,000	1,055,000
Insurance		458,321	594,730
Fees and subscription		4,010,253	2,814,207
Rent, rates and taxes		116,300	201,550
Legal and professional		3,100,440	395,726
Charity and donation		150,000	205,000
Service charges		2,626,404	2,603,603
Provision against doubtful debts and other receivables	9.3 & 14	11,803,150	15,078,138
Others		1,568,629	1,085,733
		<u>64,486,417</u>	<u>66,997,548</u>

25.1 This includes employees' retirement benefits of Rs. 1,721,419 (2017 : Rs. 1,058,220).



	2018 Rupees	2017 Rupees
25.2 Auditors' remuneration		
Annual audit	800,000	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	100,000
Out of pocket expenses	80,000	80,000
	<u>1,255,000</u>	<u>1,055,000</u>
26. OTHER OPERATING EXPENSES		
Provision for workers' welfare fund	-	3,866,874
Provision for workers' profits participation fund	-	8,590,782
Capital work in progress written off	3,443,847	-
	<u>3,443,847</u>	<u>12,457,656</u>
27. FINANCE COST		
Interest / mark-up on:		
Short-term borrowings	82,437,039	46,979,458
Workers profit participation fund	775,690	121,741
Exchange loss / (gain) on borrowings - net	43,480,348	(2,182,011)
Bank charges and commission	6,086,055	5,554,668
	<u>132,779,132</u>	<u>50,473,856</u>
28. OTHER INCOME		
Income from financial assets		
Profit on bank deposits	1,177,044	884,834
Dividend income	-	56,031
(Loss) / gain on remeasurement of investment at market value	(100,694)	10,998
Reversal of Worker's Welfare Fund	15,057,536	-
Income from assets other than financial assets		
Gain on disposal of property, plant and equipment	289,580	602,998
	<u>16,423,466</u>	<u>1,554,861</u>



29. TAXATION

Current charge
Prior year reversal

	2018 Rupees	2017 Rupees
	32,843,187	30,992,653
	<u>(5,755,360)</u>	<u>(252,299)</u>
	<u>27,087,827</u>	<u>30,740,354</u>

29.1 Tax assessments of the Company has been amended for the tax years 2003, 2005, 2006 and 2008 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 Sindh High Court, Income Tax Appellate Tribunal (ITAT) and CIT (Appeals) respectively. The Company is confident that outcome will be in its favour. However, as a matter of prudence, tax provision of Rs. 7,791,094, Rs. 17,654,223, Rs. 15,710,252 and Rs. 18,472,182 for the respective tax years has been made in the financial statements under Section 113 of the Ordinance.

29.2 Relationship between tax expense and accounting profit:

(Loss) / profit before taxation

Tax rate %

Tax on accounting profit

Effect of income subject to final tax regime

Effect of income subject to minimum tax

Effect of income subject alternative corporate tax

Effect of tax credits

Tax charge for the year

	2018 Rupees	2017 Rupees
	(40,645,514)	159,069,982
	30%	31%
	(12,193,654)	49,311,694
	4,867,660	(2,459,918)
	34,413,821	-
	-	(15,638,402)
	-	<u>(473,020)</u>
	<u>27,087,827</u>	<u>30,740,354</u>

29.3 The return of income for the tax year 2017, has been filed as per the provision of section 120 of the Income Tax Ordinance, 2001. Under this section when a complete return of income is filed with the Commissioner, it results in deemed assessment of taxable income / loss and tax payable / refundable on the date return is filed.

29.4 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purpose of taxation is available which can be analysed as follows:

Tax year	Provision	Deemed Assessment	Excess
	 Rupees	
2017	30,740,354	24,984,994	5,755,360
2016	21,073,068	20,942,287	130,781
2015	23,539,772	23,418,254	121,518



30. 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:

	2018	2017
(Loss)/ profit for the year (Rupees)	<u>(67,733,341)</u>	<u>128,329,628</u>
Basic earnings per share		
Weighted average number of ordinary shares outstanding during the year	<u>78,520,127</u>	<u>78,520,127</u>
Basic earnings per share (Rupee)	<u>(0.86)</u>	<u>1.63</u>

31. 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 32. Other significant transactions with related parties are as follows:

Relationship with the Company	Nature of Transactions	2018 Rupees	2017 Rupees
An associated company Siddiqsons Limited -Common directorship	Expenses paid	<u>-</u>	<u>460,932</u>



32. REMUNERATION OF DIRECTORS AND EXECUTIVES

	2018			2017		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
Rupees					
Remuneration	2,482,758	3,475,862	17,384,429	2,482,758	1,448,276	11,499,228
House rent	1,117,242	1,564,138	7,822,993	1,117,242	651,724	5,174,653
Retirement benefits	-	336,002	1,184,159	-	140,001	1,060,436
Vehicles running	497,032	325,999	3,201,884	313,076	263,321	2,174,627
Utilities	-	59,479	390,000	16,725	47,497	370,898
	<u>4,097,032</u>	<u>5,761,480</u>	<u>29,983,465</u>	<u>3,929,801</u>	<u>2,550,819</u>	<u>20,279,842</u>
Number of persons	1	1	10	1	1	12

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

33. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES**33.1 Financial instruments by category****Financial assets****Loans and receivables**

	2018 Rupees	2017 Rupees
Trade debts	523,859,123	515,788,166
Loans and advances	843,960	1,154,960
Trade deposits	30,575,370	23,568,682
Other receivables	4,110,181	19,426,747
Bank balances	<u>22,048,071</u>	<u>34,418,821</u>
	581,436,705	594,357,376

Held to maturity

Term deposit certificates	20,650,000	20,650,000
---------------------------	------------	------------

Investment at fair value through profit or loss

Other financial assets	<u>405,877</u>	<u>506,571</u>
	<u>602,492,582</u>	<u>615,513,947</u>

Financial liabilities**At amortized cost**

Trade and other payables	27,699,484	39,077,391
Interest / mark-up accrued on borrowings	24,799,494	11,056,882
Short-term borrowings	1,325,142,557	938,165,147
Unclaimed dividend	<u>5,651,394</u>	<u>5,651,394</u>
	<u>1,383,292,929</u>	<u>993,950,814</u>

34. 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:

34.1 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, trade deposits, term deposit certificates 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:

	2018 Rupees	2017 Rupees
Trade debts	523,859,123	515,788,166
Loans and advances	843,960	1,154,960
Trade deposits	30,575,370	23,568,682
Term deposit certificates	20,650,000	20,650,000
Other receivables	4,110,181	19,426,747
Other financial assets	405,877	506,571
Bank balances	22,048,071	34,418,821
	<u>602,492,582</u>	<u>615,513,947</u>

Trade debts are due from local and foreign customers for sales. Management assesses the credit quality of local customers, taking into account their financial position, past experience and other factors. As at the balance sheet date, there are past due trade debt balances which in management view are recoverable as disclosed in the notes. For bank balances and significant trade deposits, financial institutions with strong credit ratings are accepted, credit risk on bank balances and term deposit certificates are limited as these are placed with banks having good credit ratings.

34.1.1 Credit risk related to receivables

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



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 72 days (2017: 59 days).

The Company is not exposed to major concentration on credit risk. At June 30, 2018, the Company has approximately customers 18 (2017: 15 customers) that owed more than Rs. 10 million each and accounted for approximately 65% (2017: 61.3%) of all trade debts.

The Company does not hold collateral as security.

34.1.2 Credit risk related to financial instruments and cash deposits

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings i.e. A1+ to A1 in short term and AAA to A for long term.

34.2 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. 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	
June 30, 2018							
Rupees -----							
Financial Liabilities							
Trade and other payables	-	-	-	27,699,484	-	27,699,484	27,699,484
Interest / mark-up accrued	-	-	-	24,799,494	-	24,799,494	24,799,494
Short-term borrowings	1,325,142,557	-	1,325,142,557	-	-	-	1,325,142,557
	<u>1,325,142,557</u>	<u>-</u>	<u>1,325,142,557</u>	<u>52,498,978</u>	<u>-</u>	<u>52,498,978</u>	<u>1,377,641,535</u>



	Interest/markup Bearing			Non-Interest/markup Bearing			Total
	Maturity within one year	Maturity after one year	Sub-total	Maturity within one year	Maturity after one year	Sub-total	
June 30, 2017							
----- Rupees -----							
Financial Liabilities							
Trade and other payables	-	-	-	39,077,391	-	39,077,391	39,077,391
Interest / mark-up accrued	-	-	-	11,056,882	-	11,056,882	11,056,882
Short-term borrowings	938,165,147	-	938,165,147	-	-	-	938,165,147
	938,165,147	-	938,165,147	50,134,273	-	50,134,273	988,299,420

34.3 Market risk management

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

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 profit before taxation for the year ended would increase/decrease by Rs.6,625,713 (2017: Rs. 4,690,826). 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, 2018, Rs. 55,289,760 (2017: 28,787,394) were receivable in respect of foreign debtors and Rs. 376,994,252 (2017: Rs. 745,571,248) 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, 2018, if the Rupee had strengthen/weakened by 5% against the US dollar with all other variables held constant, loss before taxation (2017: profit before taxation) for the year would have been decrease/increase by Rs. 18,849,712 (2017: Rs. 37,278,562). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in 2017.

34.4 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, 2018, other financial asset is categorised in level 1 (2017: level 1).

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

35. OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment. The information with respect to major items of sales and customers are stated below:

Out of total sales of the Company 96.9% (2017: 90.43%) relates to customers in Pakistan.

All non-current assets of the Company as at June 30, 2018 are located in Pakistan.



36. PROVIDENT FUND RELATED DISCLOSURE

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

	2018 Rupees (Un-audited)	2017 Rupees (Audited)
a) Size of the fund - Total assets	64,797,249	51,892,140
Cost of investments made	47,399,957	38,533,411
Fair value of investments	48,920,177	51,892,140
Percentage of investments made (%)	73%	74%
b) The investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and the rules formulated for the purpose.		

37. CAPITAL RISK MANAGEMENT

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 of net debts and 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 60%. The debt-to-adjusted capital ratios at June 30, 2018 and June 30, 2017 were as follows:

	2018 Rupees	2017 Rupees
Total debts	1,325,142,557	938,165,147
Less: Cash and bank balances	(22,551,605)	(34,713,560)
Net debt	1,302,590,952	903,451,587
Total equity	846,151,648	919,715,090
Adjusted capital	<u>2,148,742,600</u>	<u>1,823,166,677</u>
Debt-to-adjusted capital ratio	<u>0.61</u>	<u>0.50</u>



38. PLANT CAPACITY AND ACTUAL PRODUCTION**Tin Plate**

	2018	2017
	(Metric tons)	
Installed capacity	<u>120,000</u>	<u>120,000</u>
Actual production	<u>18,221</u>	<u>19,051</u>

(Number per annum)**Cans**

Installed capacity of various sizes	<u>4,015,000</u>	<u>4,015,000</u>
Actual production of various sizes	<u>2,845,038</u>	<u>1,243,184</u>

38.1 Under utilization of available capacity was due to lack of demand and inconsistent supplies of raw material.

39. NUMBER OF PERSONS EMPLOYED**(No of employees)**

Number of employees at June 30	<u>217</u>	<u>203</u>
*This includes 190 (2017: 188) number of factory employees.		
Average number of employees during the year	<u>210</u>	<u>203</u>

**This includes 188 (2017: 188) number of factory employees.

40. EVENTS AFTER REPORTING PERIOD

The Company has issued right shares at a premium of Rs. 12 / share with a par value of Rs. 10 / share on July 23, 2018. The rights shares are issued to finance the Cold Rolled Complex (CRC) project to produce cold rolled coil i.e. raw material for production of tinplates



41. CHANGE IN ACCOUNTING ESTIMATE

The Company has revised its estimate for stock during the period from annual weighted average cost to quarterly weighted average cost. As per International Accounting Standard 8 - "Accounting Policies, Changes in Accounting Estimates and Errors", such a change is considered as change in accounting estimate and accounting impact needs to be taken prospectively. Had there been no change in such estimate, the cost of sales expense for the period would have been increased by Rs. 20 million and the profit before tax would have been decreased by the same amount.

42. 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 28, 2018.

43. GENERAL

Figures have been rounded off to the nearest Rupee.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER



PATTERN OF HOLDING OF SHARESHELD BY THE SHAREHOLDERS

as at June 30, 2018

No. of Shareholders	Share Holding		Total Shares Held	Percentage %
	From	To		
694	1	100	26170	0.0333
529	101	500	240243	0.3060
1125	501	1000	831150	1.0585
1073	1001	5000	2853241	3.6338
263	5001	10000	2122125	2.7027
81	10001	15000	1035310	1.3185
59	15001	20000	1107196	1.4101
32	20001	25000	757400	0.9646
30	25001	30000	846688	1.0783
21	30001	35000	693444	0.8831
8	35001	40000	313701	0.3995
3	40001	45000	125190	0.1594
7	45001	50000	346586	0.4414
1	50001	55000	55000	0.0700
6	55001	60000	351256	0.4473
3	60001	65000	183500	0.2337
8	65001	70000	542389	0.6908
4	70001	75000	300000	0.3821
2	75001	80000	160000	0.2038
1	80001	85000	84000	0.1070
1	85001	90000	90000	0.1146
2	90001	95000	184500	0.2350
12	95001	100000	1196500	1.5238
1	100001	105000	100500	0.1280
1	105001	110000	107000	0.1363
1	110001	115000	112500	0.1433
1	115001	120000	116000	0.1477
1	120001	125000	125000	0.1592
1	125001	130000	127500	0.1624
1	130001	135000	130600	0.1663
1	135001	140000	138500	0.1764
2	170001	175000	344750	0.4391
2	185001	190000	377500	0.4808
1	190001	195000	194000	0.2471
2	195001	200000	400000	0.5094
1	210001	215000	210120	0.2676
1	245001	250000	248000	0.3158
2	250001	255000	504500	0.6425
1	295001	300000	300000	0.3821
1	315001	320000	320000	0.4075
1	355001	360000	359648	0.4580
1	370001	375000	372695	0.4746
3	415001	420000	1253500	1.5964
1	420001	425000	422000	0.5374
1	465001	470000	466717	0.5944
1	595001	600000	600000	0.7641
3	625001	630000	1881080	2.3957
1	665001	670000	668500	0.8514
1	725001	730000	725420	0.9239
1	995001	1000000	1000000	1.2736
1	1140001	1145000	1140430	1.4524
2	1215001	1220000	2432000	3.0973
1	1540001	1545000	1541825	1.9636
1	1645001	1650000	1648500	2.0995
1	1895001	1900000	1895113	2.4135
1	3100001	3105000	3102887	3.9517
1	3140001	3145000	3142888	4.0027
1	3220001	3225000	3224672	4.1068
1	3675001	3680000	3676493	4.6822
1	7295001	7300000	7297295	9.2935
1	10320001	10325000	10321981	13.1456
1	13040001	13045000	13044424	16.6128
4013	Company Total		78520127	100.0000



CATEGORIES OF SHAREHOLDERS

as at June 30, 2018

Particulars	Number of Shareholders	Number of Shares Held	Percentage
Directors, Sponsors, Ceo & Children And Senior Management	17	40507457	51.5886
Associated Companies	3	11980481	15.2578
Insurance Companies	1	251000	0.3197
Modarabas & Mutual Funds	7	291500	0.3712
General Public (Local)	3853	20340177	25.9044
General Public (Foreign)	88	2211101	2.8160
Others	42	2895721	3.6879
Foreign Companies	2	42690	0.0544
Company Total	4013	78520127	100.0000



INFORMATION AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE

as at June 30, 2018

Shareholder's Category	Number of Shares held	Percentage
Associated Companies, Undertaking and Related Parties		
Siddiqsons Limited	11,970,481	15.25
Siddiqsons Denim Mills Ltd. Staff Providend Fund	10,000	0.01
NIT and ICP		
NIL		
Directors, Sponsors, CEO and their spouse and minor children		
Mr. Tariq Rafi (Chairman)	13,044,424	16.61
Mr. Ibrahim Shamsi	1,140,430	1.45
Ms. Alia Sajjad	3,840,887	4.89
Mrs. Nighat Tariq W/o. Mr. Tariq Rafi	5,008,493	6.38
Mrs. Rahma Ibrahim W/o. Mr. Ibrahim Shamsi	3,224,672	4.11
M/s. Arcelor Mittal Packaging	7,297,295	9.29
Executives		
NIL		
Public sector Companies and Corporations		
NIL		
Modarabas & Mutual Fund		
291,500 0.37		
Shareholders holding ten percent or more		
Mr. Tariq Rafi (Chairman / CEO)	13,044,424	16.61
Siddiqsons Limited	11,970,481	15.25
Trading in share by Directors, CEO, CFO & Company Secretary		
	Purchase	Sales
Ms. Alia Sajjad (Director)	400,000	-



PROXY FORM**23rd 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 23rd Annual General Meeting of M/s. Siddiqsons Tin Plate Limited will be held on Tuesday, October 23, 2018 at 10.30 a.m. at Ocean Mall & Tower, 4th Floor, Block-9, Scheme-5, Clifton, Karachi or at any adjournment thereof.

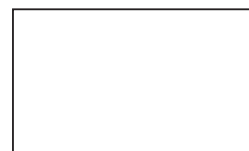
Signed this _____ day of _____ 2018

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, 1st Floor, 40-C, Block-6, P.E.C.H.S., Sharah-e-Faisal, Karachi 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 or Passport, 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.



تشکیل نیابت داری

تیسواں سالانہ اجلاس عام

میں اہم _____
 ساکن _____ بحیثیت صدیق سزٹن پلیٹ لمیٹڈ _____ کے
 رکن و حامل _____ عام حصص بمطابق شیئر رجسٹرڈ فولیو نمبر _____
 اور ایسی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____
 محترم / محترمہ _____ ساکن _____
 یا بصورت دیگر محترم / محترمہ _____ ساکن _____
 کو اپنی جگہ بروز منگل مورخہ 23 اکتوبر 2018ء بوقت 10:30 بجے صبح بمقام اوشین مال اینڈ ٹاور، 4th فلور، بلاک -9، اسکیم -5، کلفٹن کراچی
 میں منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

گواہ:

ریونیولٹ چسپاں کریں۔

دستخط

(دستخط کمپنی میں پہلے سے موجود نمونہ
 کے مطابق ہونے چاہئے)

1 دستخط _____
 نام _____
 پتہ _____
 دستخط _____
 نام _____
 پتہ _____
 سی این آئی سی یا پاسپورٹ نمبر _____

نوٹ: پراسیزر کے موثر ہونے کے لئے ضروری ہے کہ ان کی تفصیل اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کو موصول ہو جائے۔
 سی ڈی سی شیئر ہولڈرز اور ان کے پراسیزر سے گزارش ہے کہ وہ اپنے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی کمپنی کو
 پیش کرنے سے قبل اس پراسیزر کے ساتھ منسلک کریں۔



E-DIVIDEND MANDATE FORM

To:
The Registrar
M/s. THK Associates (Pvt.) Limited,
1st Floor, 40-C, Block-6, P.E.C.H.S.,
Sharah-e-Faisal, Karachi.

Broker's Name
OR
Central Depository Company
(where shares are held in the
Investor Account Services)

- I. I hereby authorize Siddiqsons Tin Plate Limited to directly credit cash dividend declared by it, if any, in the below mentioned bank account.

<i>i) Shareholder's Detail</i>
Name of the shareholder
Folio No. /CDC Participants ID A/c. No.
CNIC No.*
Passport No, (in case of foreign shareholder)**
Land Line Phone Number
Cell Number
<i>(ii) Shareholder's Bank Detail</i>
Title of the Bank Account
Bank Account Number
Bank's Name
Branch Name and Address

2. It is stated that the above-mentioned information is correct, that I will intimate the changes in the above mentioned information to the above addresses as soon as these occur.

Signature of the Shareholder

Note: The shareholder who hold shares in physical form are requested to submit the above-mentioned Dividend Mandate Form after duly filled in to Share Registrar concerned. The Shareholders who hold shares in Central Depository Company are requested to submit the above mentioned Dividend Mandate Form after duly filled in to their Participants/Investor Account Services of the Central Depository Company Limited.

* Please attach attested photocopy of CNIC

** Please attach attested photocopy of the Passport



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- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
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- 📄 Online Quizzes



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Siddiqsons Tin Plate Limited
A Siddiqsons Group Company

Registered Office: Ocean Tower, 27th Floor,
G-3, Block 9, Scheme # 5,
Main Clifton Road, Karachi.
Tel : +9221-35166571-4

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

www.siddiqsonstinplate.com