

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED MARCH 31, 2010**

**1. GENERAL INFORMATION**

- 1.1 Siddiqsons Tin Plate Limited (the Company) was incorporated in Pakistan on January 29, 1996 as public company limited by shares under Companies Ordinance 1984. The shares of the Company are listed at Karachi Stock Exchange. Registered office of the company is situated at D-53, Textile Avenue, S.I.T.E, Karachi in the province of Sindh and the plant is located at Winder Industrial Estate in the province of Balochistan. During the year 2009, the company started production of cans. The canning plant is located at B-26, Textile Avenue, S.I.T.E. Karachi in the province of Sind. The principal activity of the company is manufacturing and sale of tin plates, canes, and other steel products.
- 1.2 The financial statements are presented in Pak. Rupee which is the company's functional and presentation currency.
- 1.3 These interim financial information have been prepared under historical cost convention, except certain financial assets and financial liabilities which are stated at fair value.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of compliance**

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

**3 CONTINGENCIES AND COMMITMENTS**

Contingencies

Excise and tax department has levied Sindh Development and Infrastructure Fee and Duty on imports made by the Company, which are not acknowledged. The case is pending in the Sindh High Court. A bank guarantee has been issued as per the order of the High Court. Management is confident of favourable outcome.

	<b>March 31 2010 Rupees</b>	<b>Audited June 30 2009 Rupees</b>
<b>3.2 Commitment</b>	<u><b>110,100,000</b></u>	<u>90,000,000</u>
Letters of credit for raw material imports	<u><b>548,275,000</b></u>	<u>108,129,000</u>

**S I D D I Q S O N S T I N P L A T E L I M I T E D**

**4 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT**

During the period following addition and deletion were made: -

	March 31, 2010		June 30, 2009	
	Acquisitions/ Additions	Disposals (W.D.V)	Acquisitions/ Additions	Disposals (W.D.V)
<b>Operating fixed assets</b>	.....(Rupees).....			
Building on Leasehold land	100,407		3,050,696	
Plant and machinery	18,634,915		3,471,893	
Power and other installations	-		-	
Factory equipment	131,254		292,811	
Generators	-		-	
Office equipment	260,528		5,600	
Data processing equipment	165,649		174,500	
Furniture and fixtures	773,143		330,900	
Vehicles	8,096,885	1,169,624	41,000	959,700
<b>Capital work in progress</b>				
Machinery and equipment	35,869,359		4,808,661	
Civil work	36,317		2,074,022	
	-		10,657,702	

	<b>March ,31 2010</b>	<b>Audited June 30 2009</b>
<b>5 STOCK-IN-TRADE</b>		
Raw materials (including in transit Rs. 242,404,467/- (2009: Rs. 216,494,466/-))	<b>83,215,995</b>	1,071,026,639
Finished goods	<b>646,549,893</b>	684,791,847
	<b>729,765,888</b>	1,755,818,486

	..... Note	..... Nine Months ..... March ,31 2010		March ,31 2009
<b>6 COST OF GOODS SOLD</b>		(July - March)		
Cost of goods manufactured	6.1	<b>2,096,527,446</b>	1,813,720,267	
Finished stocks		<b>684,791,847</b>	467,956,962	
Opening stock		-	84,835,943	
Purchase of finished goods		<b>(404,145,426)</b>	(640,938,883)	
Closing Stock		<b>280,646,421</b>	(88,145,978)	
		<b>2,377,173,867</b>	1,725,574,289	

<b>6.1 Cost of good manufactured</b>		<b>1,926,783,210</b>	1,674,827,791
Raw materials consumed	6.1.1	<b>41,261,492</b>	35,974,520
Salaries, wages and benefits		<b>5,999,302</b>	3,445,723
Stores and spares consumed		<b>6,364,918</b>	8,266,446
Packing material consumed		<b>51,994,815</b>	50,486,224
Power & Fuel		<b>3,452,076</b>	2,020,895
Insurance		<b>2,286,903</b>	608,404
Repair and maintenance		<b>177,016</b>	56,400
Rent,rates and taxes		<b>982,843</b>	818,446
Vehicle Running and maintenance		<b>187,230</b>	149,740
Communication		<b>1,790,730</b>	1,857,026
Travelling and conveyance		<b>55,055</b>	88,983
Entertainment		<b>19,687,469</b>	-
Canning Expense		<b>28,694,760</b>	29,161,617
Depreciation		<b>6,809,627</b>	5,958,052
Other manufacturing overheads		<b>2,096,527,446</b>	1,813,720,267

**S I D D I Q S O N S T I N P L A T E L I M I T E D**

	Note	..... Nine Months ..... March ,31 2010	March ,31 2009
		(July - March)	
<b>6.1.1 Raw material consumed</b>			
Opening stock		<b>844,634,094</b>	383,232,760
Purchase and purchase expenses		<b>1,165,365,110</b>	1,583,507,233
		<b>2,009,999,204</b>	1,966,739,993
Closing stock		<b>(83,215,995)</b>	(291,912,202)
		<b>1,926,783,210</b>	1,674,827,791

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

		31-Mar 2010 Rupees	31-Mar 2009 Rupees
Associated Company	Sale of goods and services	-	105,707,949
	Purchase of goods and services	<b>41,070</b>	-
	Purchase of property, plant and equipment	<b>3,735,975</b>	-
	Payment of dividend	<b>8,878,369</b>	7,596,755
Key management personnel	Short-term employee benefits	<b>12,290,542</b>	15,409,863
	Post-employment benefits	<b>536,805</b>	336,360
Other related parties	Short term borrowings obtained / (repaid) from WPPF - net	<b>130,000,000</b>	-

**8 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been approved and authorized for issue by the Board of Directors of the Company on April 24, 2010.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR