

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2009**

**1. SELECTED EXPLANATORY NOTES**

- 1.1** Siddiqsons Tin Plate Limited (the Company) was incorporated in Pakistan on January 29, 1996 as public limited company under the Companies Ordinance 1984. The shares of the Company are listed at Karachi Stock Exchange with effect from December 12, 2005. The registered office of the Company is situated at D-53, Textile Avenue, S.I.T.E, Karachi in the province of Sindh and the manufacturing plant is located at Winder Industrial Estate in the province of Balochistan. The principal activity of the company is manufacturing and sale of tin plates and other steel products.
- 1.2** The interim financial information 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 financial assets and financial liabilities which are stated at fair value.
- 1.4** The accounting policies and methods of computation adopted for the preparation of these interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2008 in addition to:

**1.4.1 Investments**

**Regular way purchase or sale of investments**

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

**Available for sale investments**

Investment securities held by the Company which may be sold in response to needs for liquidity or changes in interest rates or equity prices are classified as available for sale. These investments are initially recognised at fair value plus transaction cost and subsequently re-measured at fair value. The investments for which quoted market price is not available, are measured at costs as it is not possible to apply any other valuation methodology. Gains and losses arising from re-measurement at fair value is recognised directly in the equity under fair value reserve until sold, collected, or otherwise disposed off at which time, the cumulative gain or loss previously recognised in equity is included in profit and loss account.

**Financial assets at fair value through profit or loss**

There are investments designated at fair value through profit or loss at inception. There are initially measured at fair value and changes on re-measurement are taken to profit and loss account.

**Held to maturity**

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

**Derecognition**

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

**2. CONTINGENCIES AND COMMITMENTS**

**2.1 Contingencies**

	<b>March 31 2009 Rupees</b>	<b>Audited June 30 2008 Rupees</b>
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.	<u>90,000,000</u>	<u>75,000,000</u>

**2.2 Commitments**

Letters of credit for raw material imports	<u>959,449,581</u>	<u>425,849,848</u>
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**3. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT**

During the period following addition and deletion were made: -

	<b>Mar 31, 2009</b>		<b>June 30, 2008</b>	
	<b>Acquisitions/ Additions</b>	<b>Disposal (W.D.V)</b>	<b>Acquisitions/ Additions</b>	<b>Disposal (W.D.V)</b>
	<----- Rupees ----->			
<b>Operating fixed assets</b>				
Plant and machinery	-	-	1,000,000	-
Power and other installations	-	-	-	-
Factory equipment	-	-	204,670	-
Generators	-	-	100,000	-
Office equipment	-	-	-	-
Data processing equipment	84,900	-	797,793	-
Furniture and fixtures	147,000	-	94,050	-
Vehicles	41,000	-	4,801,540	2,123,050
<b>Capital work in progress</b>				
Machinery and equipment	-	(79,856)	-	-
Civil work	500,000	-	-	-
Advance for vehicles	-	-	-	-

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	Note	March 31 2009 Rupees	Audited June 30 2008 Rupees
<b>4. STOCK-IN-TRADE</b>			
Raw materials (including in transit Rs. 132,378,364/- (June 2008 : Rs.180,627,492/-)		423,675,506	563,860,252
Finished goods		640,938,883	467,956,962
		<u>1,064,614,390</u>	<u>1,031,817,214</u>

	..... Nine Months .....		..... Three Months .....	
	March 31 2009 (July - March)	March 31 2008	March 31 2009 (January- March)	March 31 2008
<b>5. COST OF GOODS SOLD</b>	<----- Rupees ----->			

<b>5. COST OF GOODS SOLD</b>				
Cost of goods manufactured (5.1)	1,813,720,267	1,869,622,315	575,778,163	844,825,294
<b>Finished stocks</b>				
Opening stock - finished goods	467,956,962	2,109,058	912,717,856	188,153,497
Purchase of finished goods	84,835,943	-	(640,938,883)	
Closing stock - finished goods	(640,938,883)	(444,540,610)	(640,938,883)	(444,540,610)
	<u>(88,145,978)</u>	<u>(442,431,552)</u>	<u>271,778,973</u>	<u>(256,387,113)</u>
	<u>1,725,574,289</u>	<u>1,427,190,763</u>	<u>847,557,136</u>	<u>588,438,181</u>

**5.1 Cost of goods manufactured**

Raw material consumed (5.1.1)	1,674,827,791	1,732,289,864	536,793,828	795,468,129
Salaries, wages and benefits	35,974,520	32,933,980	10,660,100	10,468,534
Stores and spares consumed	3,445,723	5,971,562	1,813,345	3,726,423
Packing material consumed	8,266,446	7,555,698	1,760,150	3,195,726
Power and fuel	50,486,224	45,303,444	10,887,359	15,299,367
Insurance	2,020,895	2,104,011	673,632	1,006,353
Repairs and maintenance	608,404	3,911,786	184,798	1,594,060
Rent, rates and taxes	56,400	56,309	28,200	(706,891)
Vehicles running and maintenance	818,446	429,231	137,709	270,378
Communication	149,740	267,931	40,298	86,872
Traveling and conveyance	1,857,026	1,887,674	639,975	778,544
Entertainment	88,983	45,598	34,575	17,328
Depreciation	29,161,617	30,862,980	9,720,539	10,287,394
Other manufacturing overheads	5,958,052	6,002,247	2,403,655	3,333,077
	<u>1,813,720,267</u>	<u>1,869,622,315</u>	<u>575,778,163</u>	<u>844,825,294</u>

5.1.1 Raw Material Consumed

	..... Nine Months .....		..... Three Months .....	
	March 31 2009 (July - March)	March 31 2008	March 31 2009 (January- March)	March 31 2008
<----- Rupees ----->				
Opening Stock	383,232,760	53,912,212	446,654,575	59,536,462
Purchases during the year	1,583,507,233	1,875,872,280	382,051,456	933,426,295
	1,966,739,993	1,929,784,492	828,706,031	992,962,757
Closing Stock	(291,912,202)	(197,494,628)	(291,912,202)	(197,494,628)
	1,674,827,791	1,732,289,864	536,793,829	795,468,129

6. 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:

Relationship with the Company	Nature of Transactions	Nine months ended	
		March 31 2009 Rupees	March 31 2008 Rupees
Associated Company	Sale of goods and services	105,707,949	-
	Purchase of property, plant and equipment	-	1,000,000
	Payment of dividend	7,596,755	6,698,048
Key management personnel	Short-term employee benefits	15,409,863	7,393,186
	Post-employment benefits	336,360	446,028

7. DATE OF AUTHORIZATION FOR ISSUE

These interim financial information have been approved and authorized for issue by the Board of Directors of the Company on \_\_\_\_\_.

CHIEF EXECUTIVE OFFICER

DIRECTOR