

**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2008**

**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, 2007 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. These 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**

	Note	March 31 2008 Rupees	Audited June 30 2007 Rupees
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>75,000,000</u>	<u>60,000,000</u>

**2.2 Commitments**

Letters of credit for raw material imports	<u>150,000,000</u>	<u>209,768,126</u>
--	--------------------	--------------------

**3. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT**

During the period following addition and deletion were made: -

	Mar 31, 2008		June 30, 2007	
	Acquisitions/ Additions	Disposal (W.D.V)	Acquisitions/ Additions	Disposal (W.D.V)
	<----- Rupees ----->			
<b>Operating fixed assets</b>				
Plant and machinery	1,000,000	-	155,000	-
Power and other installations	-	-	675,247	2,700,000
Factory equipment	130,870	-	65,308	-
Generators	100,000	-	-	23,689,063
Office equipment	-	-	2,324,700	-
Data processing equipment	260,273	-	287,038	-
Furniture and fixtures	63,000	-	-	-
Vehicles	1,613,000	1,381,000	4,797,188	1,260,518
<b>Capital work in progress</b>				
Machinery and equipment	-	-	2,989,038	-
Civil work	6,537,960	-	458,551	-
Advance for vehicles	3,405,000	-	-	2,913,130

Quarterly Report March 2008

	Note	March 31 2008 Rupees	Audited June 30 2007 Rupees
<b>4. STOCK-IN-TRADE</b>			
Raw materials (including in transit Rs.130,449,207/- (2007: Rs. 103,1301,191/-))		327,943,835	157,042,403
Finished goods		444,540,610	2,109,058
		<u>772,484,446</u>	<u>159,151,461</u>

	..... Nine Months .....		..... Three Months .....	
	March 31 2008 (July - March)	March 31 2007	March 31 2008 (January- March)	March 31 2007
	<----- Rupees ----->			
Opening stock - finished goods	2,109,058	768,609,023	188,153,497	642,231,971
Cost of goods manufactured (5.1)	1,869,622,315	1,732,591,440	844,825,294	631,668,249
Closing stock - finished goods	(444,540,610)	(500,173,300)	(444,540,610)	(500,173,300)
	<u>1,427,190,763</u>	<u>2,001,027,163</u>	<u>588,438,181</u>	<u>773,726,920</u>

<b>5.1 Cost of goods manufactured</b>				
Raw material consumed (5.1.1)	1,732,289,864	1,592,408,740	795,468,129	583,359,271
Salaries, wages and benefits	32,933,980	28,231,032	10,468,534	7,871,355
Stores and spares consumed	5,971,562	4,697,372	3,726,423	77,648
Packing material consumed	7,555,698	6,586,363	3,195,726	2,195,080
Power and fuel	45,303,444	51,316,081	15,299,367	23,297,352
Insurance	2,104,011	2,106,608	1,006,353	675,932
Repairs and maintenance	3,911,786	4,884,150	1,594,060	1,206,903
Rent, rates and taxes	56,309	772,600	(706,891)	14,100
Vehicles running and maintenance	429,231	515,992	270,378	113,732
Communication	267,931	317,073	86,872	128,898
Traveling and conveyance	1,887,674	1,262,363	778,544	405,834
Entertainment	45,598	42,415	17,328	18,545
Other manufacturing overheads	6,002,247	5,425,542	3,333,077	1,782,790
Depreciation	30,862,980	34,025,109	10,287,394	10,520,809
	<u>1,869,622,315</u>	<u>1,732,591,440</u>	<u>844,825,294</u>	<u>631,668,249</u>

5.1.1 Raw Material Consumed

	..... Nine Months .....		..... Three Months .....	
	March 31 2008 (July - March)	March 31 2007	March 31 2008 (January- March)	March 31 2007
<----- Rupees ----->				
Opening Stock	53,912,212	217,677,906	59,536,462	147,024,185
Purchases during the year	1,875,872,280	1,639,339,054	933,426,295	700,943,306
	<b>1,929,784,492</b>	1,857,016,960	<b>992,962,757</b>	847,967,491
Closing Stock	(197,494,628)	(264,608,220)	(197,494,628)	(264,608,220)
	<b>1,732,289,864</b>	1,592,408,740	<b>795,468,129</b>	583,359,271

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 2008 Rupees	March 31 2007 Rupees
Associated Company	Sale of goods and services	-	12,970,872
	Purchase of property, plant and equipment	1,000,000	-
	Payment of dividend	6,698,048	-
Key management personnel	Short-term employee benefits	7,393,186	7,375,463
	Post-employment benefits	446,028	280,970

7. DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements have been approved and authorized for issue by the Board of Directors of the Company on 24 - 04 - 2008.

CHIEF EXECUTIVE OFFICER

DIRECTOR