

**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2007****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 These interim financial information are unaudited but subject to limited scope review by auditors and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan.
- 1.5 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, except the following additional accounting policy for investments:

1.5.1 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.

- 1.6 In 1997, the company imported plant and machinery amounting to Rs. 53 million and paid sales tax amounting to Rs. 8.08 million thereon. The amount of sales tax was capitalised by the company as the same was not considered as refundable. During the year ended June 30, 2007, the company received the refund claimed amounting to Rs. 7.89 million out of total claimed amount of Rs. 8.08 million. This was accounted for retrospectively and the comparative information for the year ended June 30, 2006 was restated in accordance with the treatment specified in IAS 8 " Accounting Policies, Changes in Accounting Estimates and Error". Accordingly, consistent with the restatement as stated above the comparative figures for the six months ended December 31, 2006 and three months ended December 31, 2006 have been restated.

**2. SHORT TERM BORROWINGS
- Secured**

	Note	December 31 2007 Rupees	Audited June 30 2007 Rupees
From banking companies			
Finance against imports	2.1 & 2.3	735,275,205	474,325,701
Running finance under markup arrangements	2.2 & 2.3	35,264,303	-
		770,539,508	474,325,701

- 2.1 This represents facilities obtained from banking companies for the purpose of imports and are secured against hypothecation of stock in trade, stores and spares, trade debts and present and future current assets of the company and import documents and subject to mark-up ranging between 5.1% to 5.96% (June 2007 : 5.8% to 6.5%) per annum payable on maturity.
- 2.2 It is secured against hypothecation of stock, stores and spares, trade debts and present and future current assets of the company and subject to mark-up at the rate of 10.30% (June 2007 : 5.6% to 11.8%) per annum payable on demand.
- 2.3 The aggregate available unavailed short term borrowing facilities amounts to Rs. 2,822 million (June 2007 : Rs.3,783.68 million) as of the balance sheet date.

3. CONTINGENCIES AND COMMITMENTS

3.1 Contingencies

There is no change in the status of contingencies as disclosed in the last published annual audited financial statement for the year ended June 30, 2007.

	December 31 2007 Rupees	Audited June 30 2007 Rupees
Letters of credit for raw material imports	281,792,454	209,768,126
Capital expenditure	7,000,000	-

4. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During the period following addition and deletion were made: -

	December 31, 2007		December 31, 2006	
	Acquisitions/ Additions	Disposal (W.D.V)	Acquisitions/ Additions	Disposal (W.D.V)
	<----- Rupees ----->			
Operating fixed assets				
Plant and machinery	-	-	-	-
Power and other installations	-	-	675,247	-
Factory equipment	130,870	-	-	-
Generators	100,000	-	-	-
Office equipment	-	-	2,235,770	-
Data processing equipment	41,800	-	148,813	-
Furniture and fixtures	63,000	-	-	824,960
Vehicles	1,535,000	994,320	3,589,188	-
Capital work in progress				
Machinery and equipment	-	-	2,821,140	-
Civil work	6,029,650	-	-	-
Advance for vehicles	-	-	-	-

	Note	December 31 2007 Rupees	Audited June 30 2007 Rupees
5. STOCK-IN-TRADE			
Raw materials (including in transit Rs.382,736,805/- (June 2007: Rs. 103,1301,191/-))		442,273,267	157,042,403
Finished goods		188,153,497	2,109,058
		<u>630,426,764</u>	<u>159,151,461</u>

**6. SHORT TERM INVESTMENT
- Fair value through profit and loss- held for trading**

		Market Value	
Audited June 30 2007	December 31 2007	December 31 2007 Rupees	Audited June 30 2007 Rupees
----- No. of Shares -----			
-	40,900	Century Paper & Board Mills Limited	-
-	20,000	Engro Chemical Pakistan Limited	-
-	25,000	Artistic Denim Mills Limited	-
		<u>3,114,549</u>	-
		<u>5,315,000</u>	-
		<u>1,637,500</u>	-
		<u>10,067,049</u>	-

 Six Months Three Months	
	December 31 2007	December 31 2006 Restated	December 31 2007	December 31 2006 Restated
	(July - December)		(October- December)	
	<----- Rupees ----->			
7. SALES - Net				
Sales - Tinplate	1,148,266,160	1,459,093,985	654,651,692	661,906,996
- Side cuts, end cuts, damaged cuts, etc.	37,727,171	63,991,134	27,090,352	43,473,793
	<u>1,185,993,331</u>	<u>1,523,085,119</u>	<u>681,742,044</u>	<u>705,380,789</u>
Less : Commission and discount	(22,829,103)	(29,942,722)	(9,575,194)	(14,325,279)
Sales returns	(39,463,556)	(31,824,278)	(10,773,528)	(13,916,293)
Sales tax	(152,004,242)	-	(87,767,640)	-
	<u>(214,296,901)</u>	<u>(61,767,000)</u>	<u>(108,116,362)</u>	<u>(28,241,572)</u>
	<u>971,696,430</u>	<u>1,461,318,119</u>	<u>573,625,682</u>	<u>677,139,217</u>
8. COST OF GOODS SOLD				
Opening stock - finished goods	2,109,058	768,609,023	184,138,792	652,374,526
Cost of goods manufactured (8.1)	1,024,797,021	1,100,761,469	506,340,967	556,622,651
Closing stock - finished goods	(188,153,497)	(642,231,971)	(188,153,497)	(642,231,971)
	<u>838,752,582</u>	<u>1,227,138,521</u>	<u>502,326,262</u>	<u>566,765,206</u>
8.1 Cost of goods manufactured				
Raw material consumed (8.1.1)	936,821,735	1,009,049,469	460,120,842	512,274,417
Salaries, wages and benefits	22,465,446	20,359,677	12,228,964	11,564,614
Stores and spares consumed	2,245,139	4,619,724	249,901	3,777,090
Packing material consumed	4,359,972	4,391,283	3,158,722	1,538,047
Power and fuel	30,004,077	28,018,729	16,893,102	8,224,293
Insurance	1,097,658	1,430,676	557,743	863,196
Repairs and maintenance	2,317,726	3,677,247	639,608	2,159,477
Rent, rates and taxes	763,200	758,500	13,800	23,500
Vehicles running and maintenance	158,853	402,260	55,964	137,959
Communication	181,059	188,175	59,102	97,235
Traveling and conveyance	1,109,130	856,529	486,885	273,493
Entertainment	28,270	23,870	16,726	10,436
Other manufacturing overheads	2,669,170	3,642,752	1,957,741	1,792,751
Depreciation	20,575,586	23,342,578	9,901,867	13,886,143
	<u>1,024,797,021</u>	<u>1,100,761,469</u>	<u>506,340,967</u>	<u>556,622,651</u>
8.1.1 Raw Material Consumed				
Opening Stock	53,912,212	217,677,906	47,974,111	119,686,109
Purchases during the year	942,445,985	938,395,748	471,683,193	539,612,493
	<u>996,358,197</u>	<u>1,156,073,654</u>	<u>519,657,304</u>	<u>659,298,602</u>
Closing Stock	(59,536,462)	(147,024,185)	(59,536,462)	(147,024,185)
	<u>936,821,735</u>	<u>1,009,049,469</u>	<u>460,120,842</u>	<u>512,274,417</u>
9. EARNINGS PER SHARE - Basic and diluted				
Profit for the year	80,239,832	154,622,902	37,826,276	63,140,470
Weighted average number of ordinary shares outstanding at the period end	<u>78,520,127</u>	<u>78,520,127</u>	<u>78,520,127</u>	<u>78,520,127</u>
Earnings per share - restated	<u>1.02</u>	<u>1.97</u>	<u>0.48</u>	<u>0.80</u>

10. 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	Six months ended	
		December 31 2007 Rupees	December 31 2006 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	4,938,916
Key management personnel	Short-term employee benefits	3,728,791	4,916,975
	Post-employment benefits	446,028	561,940

11. 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 25 February 2008.

CHIEF EXECUTIVE OFFICER

DIRECTOR