



## SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED FOR THE HALF YEAR ENDED DECEMBER 31, 2008

1. Forest Oak (the Company) was incorporated in Pakistan in 1999 as a Public Limited Company under the Companies Act 1994 (the Companies Ordinance, 1984) and its shares are quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at its floor, 5th, Bank Square, Lahore. The Company is engaged in manufacture and sale of pumps. The Company's essential living facilities are located at Faisal Nagar, Jhang Road, Multan/Faisal and Qadafia/Karim Nagar, Channal Road, Multan.
2. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.
3. These unaudited financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 14 'Sector Financial Reporting', in compliance with the requirements of section 280 of the Companies Ordinance, 1984 and are presented in accordance with the requirements of Clause (b) of Regulation 57 of Chapter II of the Securities Listing Regulations of Karachi Stock Exchange (Commerce) Limited and Lahore Stock Exchange (Commerce) Limited. A limited scope review of these interim financial statements has been performed by the external auditor for company in accordance with the requirements of the said clause of the Code of Corporate Governance. These interim financial statements are in condensed form and should be read in conjunction with the annual financial statements of the Company.
4. The accounting policies and conventions adopted for the preparation of these half yearly financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2008.

Note	Revised December 31, 2008	Revised June 30, 2008
(Amount in Rupees)		
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	54	
Capital work in progress		
	<u>1,079,080.00</u>	<u>577,471.76</u>
	<u>1,079,080.00</u>	<u>577,471.76</u>
<b>54 Operating Assets</b>	<b>1,079,080.00</b>	<b>1,704,884.48</b>
<b>Additions during the period / year</b>		
Cost		
Inventories	81,961.00	-
Factory building	-	81,961.00
New factory building	-	1,49,914.00
Plant and machinery	67,666.00	91,298.00
Furniture and fixtures	28,486.00	1,07,547.00
Office equipment	40,000.00	1,78,617.00
Vehicles	1,87,000.00	1,87,000.00
Beverly, Storage and installations	36,884.00	36,884.00
Car installations	-	4,280.00
Tools, laboratory equipment and others	3,800.00	-
	<u>1,02,967.00</u>	<u>667,502.00</u>
<b>Revaluation Surplus</b>		
Book value of assets disposed off during the period / year	(12,286.00)	(12,286.00)
<b>Depreciation charge for the period / year</b>		
Normal on cost	(74,960.00)	(77,140.00)
Incremental revaluation surplus	(77,674.00)	(11,075.00)
<b>Closing book value</b>	<u>1,079,080.00</u>	<u>1,704,884.48</u>

Accounting policies and conventions adopted for the preparation of these financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2008. The accounting policies and conventions adopted for the preparation of these financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2008. The accounting policies and conventions adopted for the preparation of these financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2008.



#### A. LONG TERM INVESTMENT

##### Investment in associates

Unaudited December 31, 2020	Audited June 30, 2020	Notes	Unaudited December 31, 2020	Audited June 30, 2020
(Number of ordinary shares)			(Amount in Rupees)	
10,000	10,000	Kanhabhadrappa (Pvt) Limited Equity investment held 4.0% (June 30, 2020 - 4.0%)	27,000	25,000
		Loan provided for distribution in value	27,000	25,000
17,000,000	17,000,000	Pvt. Acad-Institute Limited Equity investment held 1.75% (June 30, 2020 - 1.75%)	52,966,700	51,966,700
21,400,000	21,400,000	Palanis Perilliar Company Limited Equity investment held 1.8% (June 30, 2020 - 1.8%)	24,900,700	24,400,700
			<u>84,867,400</u>	<u>81,367,400</u>

Refer to Note 15 for details.

61 Break-up value per share on the basis of the unaudited financial statements for the year ended June 30, 2020 is Rs. 100.

62 As the management does not exercise significant influence, the investment in associates has been stated at cost. The financial statements for the period ended December 31, 2020 of associates were not available.

#### B. OTHER FINANCIAL ASSETS

##### Investment

Financial assets at fair value through profit and loss account

##### In special companies

	Unaudited December 31, 2020	Audited June 30, 2020
	(Amount in Rupees)	
OM&S Development Co. Limited MAY00 (June 30, 2020 - 0.00%) fully paid ordinary shares of Rs. 1000 each	4,400,000	11,90,000
Palanis Perilliar (Pvt) Company Limited MAY00 (June 30, 2020 - 0.00%) fully paid ordinary shares of Rs. 1000 each	1,400,000	4,37,000
Palanis Perilliar Limited MAY00 (June 30, 2020 - 0.00%) fully paid ordinary shares of Rs. 1000 each	-	10,98,000
	<u>5,800,000</u>	<u>17,25,000</u>

Refer to Note 15 for details.

#### C. LONG TERM FINANCING

##### 6.1 Term Finance - YE

During the period a term finance amounting to Rs. 60.00 million from Adani Bank Limited has been obtained for retirement of borrowings of credit against for improved plant and machinery. Secured limit of this finance is Rs. 60.00 million. It is repayable within a period of 8 years including two years grace period in 14 equal semi annual installments of principal amount. It carries mark up at the rate of 1 month LIBOR + 1.00% per annum with floor of 1.00% per annum. It is secured against post paid promissory charge of Rs. 70.00 million over all present and future fixed assets of the Company and personal guarantee of all the sponsoring directors.

##### 6.2 Term Finance

During the period, a term finance amounting to Rs. 90 million from SBI Bank Limited has been obtained for 6000 goods and retirement of borrowings of credit. Secured limit of this finance is Rs. 90.00 million. It is repayable within a period of 8 years including one year grace period in 10 equal semi annual installments of principal amount. It carries mark up at the rate of 6 months LIBOR + 1.00% per annum. It is secured against post paid promissory charge of Rs. 107.00 million over all present and future fixed assets of the Company and personal guarantee of all the sponsoring directors.



#### 4. TAXATION

Provision for current period taxation entered on liabilities over the course of the reporting period after taking into account tax credits and tax allowances available, if any.

#### 10. CONTINGENCIES AND COMMITMENTS

10.1 There has been no change in status of contingent liabilities over the annual published financial statements as at June 30, 2009.

10.2 Contingent liabilities provided by the Company in its balance sheet as on December 31, 2009 are Rs. 676,699 million (June 30, 2009: Rs. 667,036 million). These contingent liabilities include Standby Letters of Credit (SLOCs) amounting to Rs. 500,000 million issued by the National Bank of Finance on behalf of the Company, which have been entered / entered subsequent to the balance sheet date.

10.3 Commitments to receive other forms of credit:

	Unaudited December 31, 2009	Audited June 30, 2009
	(Figures in million)	
Capital expenditure	61,609	127,481
Revenue expenditure	102,667	174,554
	164,276	302,035

#### 11. RELATED PARTY TRANSACTIONS

11.1 Aggregate transactions made during the period of year with the associated undertakings were as follows:

	Unaudited December 31, 2009	Audited June 30, 2009
	(Amount in Rupee)	
Funds transfer	-	25,000,000
Sale of goods	447,077,700	774,051,200
Purchase of goods	104,061,200	114,511,000
Transfer of operating assets	-	(6,000)
Services Provided	24,700	-
Services received	1,000,000	1,420,000
Workshop charges	-	51,000,000

11.2 Sale purchases and other transactions with related parties are carried out on ordinary commercial terms and conditions.

#### 12. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the State Bank of Pakistan (SBP) has allowed grace period of one year to provide collateral security of LTR-FCM (LTR Swap and LTR) from originally falling due from January 31, 2009 to December 31, 2009 vide its Circular (SBL/FCM) No. 1 dated January 22, 2009. The Company, being qualified to avail the facility, has applied to all concerned banks for approval of such grace period. Accordingly, withdrawal of LTR-FCM facility swap from qualifying under the Circular has been re-grouped under non-current liabilities.

#### 13. DATE OF INTERIMIZATION OF INTERIM FINANCIAL INFORMATION

These financial statements were authorized for issue by the Board of Directors on February 04, 2010.

#### 14. SIGNATURE

Signatures have been authenticated by means of signatures and digital certificates.

Sd/-  
(Sheikh Nasseem Ahmad)  
Chief Executive Officer

Sd/-  
(Fazal Ahmad Sheikh)  
Director

Sd/-  
(Faizan-ul-Haq)  
Chief Financial Officer