

# Report to the Members on Review of Interim Financial Information

## Introduction

We have reviewed the accompanying interim condensed balance sheet of Balochistan Particle Board Limited as of December 31, 2009, and the related interim condensed profit and loss account, interim condensed statement of comprehensive income, interim condensed statement of cash flows and interim condensed changes in equity, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Basis for Qualified Conclusion

The interim financial information has been prepared on a going concern basis, as the Company's business operations comprise of letting out part of its premises to third parties for the purpose of storage and conduct of their commercial operations. Further, the Company's sponsor directors had continuously arranged funds in the past from affiliated company as loan in order to meet the financial obligations of the company and for the maintenance and upkeep of plant and machinery as explained in Note No. 4 of the notes to the interim condensed financial statements. The management has not yet envisaged any business plan to recommence its operations and presently the company is deriving rental income by letting out part of its premises. The Board of Directors deliberated over the prevailing adverse conditions and concluded that further course of action will be decided upon the disposal of the pending court cases, the details whereof are fully disclosed in Note No.6 of the notes to the interim condensed financial statements.

In view of the prevailing conditions there is significant doubt about the Company's ability to continue as a going concern. Consequently adjustments may be required to the recorded asset amounts and classification of liabilities.

## Qualified Conclusion

Except for the adjustments to the interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, and in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



**Hyder Bhimji & Co.**

*Chartered Accountants*

*Engagement Partner: Hyder Ali Bhimji*

Karachi: February 25, 2010