

NOTES TO THE ACCOUNTS
For the Half Year ended on June 30, 2007

	June 30, 2007	December 31, 2006
	Rupees in '000	
2 Paid Up Share Capital		
2.1 Ordinary Share Capital		
Ordinary Share Capital as on Jan 1, 2007	416,837	416,837
Ordinary shares allotted against the advance received in 2006	118,658	-
Shares issued for the purchase of Land 40,500,000 shares of Rs.10 each	405,000	-
	523,658	-
Ordinary Share Capital as on June 30, 2007	940,495	416,837
2.2 Preference Shares	59,060	59,060
3 ACCRUED EXPENSES		
Accrued expenses	6,874	5,359
Federal insurance fee	792	141
Central excise duty	142	806
	7,808	6,306
4 CONTINGENCIES		
I) Company is contesting the following lawsuits:		
- Suit no 1045/2004 pending in High Court of Karachi for recovery of Rs. 4,950,000. Kulsoom Zehra V/s Company. Matter is in the process of filing draft issues.		
- Suit no 1365/2004 pending in the Court of VI Senior Civil Judge and Rent Controller, Karachi South. S.A.R.Hashmi Vs Company.		
- Suit no 179/2004 pending in the Court of VI Senior Civil Judge and Rent Controller Karachi. South and was originally filed in High Court and then transferred to aforesaid Civil Judge as its jurisdiction enhanced upto Rs.3 million. Indus Chemicals Vs Compa		
- Company Vs S.E.C.P pending in the High Court and matter is in the process of Law petition no.D-453-2005, D-445-2007, D-1014-2007		
Company foresees that aforesaid cases will be decided in its favor and consequently no provision has been recognized.		
II)		
A standby guarantee of a well rated Re-insurer M/s. United Financials Reinsurer inc. has been issued favouring for a sum of 20 million dollar through arrangements made by the Chairman Mirza Shahnawaz Agha to meet the liquidity demand of claims despite and in addition to re-insurance arrangements of the company with Lloyds Syndicate re-insurance member/broker Alsford Page & Gem Plc. London		
5 Investments		
Available for sale		
5.1 Listed companies	503	532
5.2 Investment in subsidiaries - at cost	928	927
Held to maturity		
5.3 Pakistan Investment Bonds	5,000	5,000
5.4 Defence Saving Certificates	1,385	1,253
	6,385	6,253
	7,816	7,712

5.5 Advances for Investment in Ittefaq Insurance

Advances for Investment in Ittefaq Insurance	23,000	-
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Beema-Pakistan Company Limited is pleased to announce the acquisition of M/S The Ittefaq General Insurance Company Limited through a fiduciary board of directors comprising seven functionaries.

The said acquisition will be back-integrated into Beema-Pakistan holdings after necessary legal formalities are addressed and post resolution of legal problems being contested by Beema-Pakistan Company Limited with SECP through three Constitutional Petiti

This Public announcement is made under directives of Mirza Shah Nawaz Agha, Chairman and Chief Executive of Beema-Pakistan Company Limited for the information and record of the Public at large and members and shareholders of both Companies in particular

6 Advances & Loans to Subsidiaries

1. Shabestan Foods (Pvt.) Ltd.	13,680	12,265
2. Phool Wala (Pvt.) Ltd.	478	275
	<u>14,158</u>	<u>12,540</u>

Management has decided to disinvest in Phool Wala (pvt.) Ltd. and Shabestan Foods (pvt.) Ltd From 1st July 2007
Management expects the recovery of full amount of advances & Loan from both the companies on or before 31 December 2007

7 Sundry Receivable

Interest earned on PIB	67	68
	<u>67</u>	<u>68</u>

8 Date of Authorization

These financial statements were authorised for issue on 27th April 2007 by the board of Directors of the company

9 Figures

Figures have been rounded off to the nearest rupee

Chairman

Director

Chief Executive