



Balochistan Particle Board Limited

**Report and Condensed Interim
Financial Statements
for the Quarter and Nine months
ended March 31, 2020
(Unaudited)**

Company Information

Board of Directors	Muslim R. Habib Syed Ali Niaz Akhtar Naqvi Ali Kamal Akhtar Zaman Khan Mehboob Ali Lilani Syed Shabbar Hasan Farida	<i>Chairman</i> <i>Chief Executive</i>
Audit Committee	Syed Shabbar Hasan Akhtar Zaman Khan Mehboob Ali Lilani	<i>Chairman</i> <i>Member</i> <i>Member</i>
Human Resource & Remuneration Committee	Mehboob Ali Lilani Syed Ali Niaz Akhtar Naqvi Syed Shabbar Hasan	<i>Chairman</i> <i>Member</i> <i>Member</i>
Chief Financial Officer	Amir Bashir Ahmed	
Company Secretary	Irfan Ghulam Muhammad	
Registered Office	Imperial Court, 3rd Floor Dr. Ziauddin Ahmed Road Karachi-75530 Phone : (+92-21) 35680036 Fax : (+92-21) 35684086 www : bpbl.net	
Factory	Hub Chowki Phone : (+92-0853) 363362	
Bankers	Bank AL Habib Limited Habib Bank Limited	
Auditors	Reanda Haroon Zakaria & Company Chartered Accountants	
Share Registrar	THK Associates (Pvt.) Limited 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400 Phones : (+92-21) 111-000-322 Fax : (+92-21) 34168271 E-mail : sfc@thk.com.pk Website : www.thk.com.pk	

Directors' Report

Dear Members – Assalam-o-Alekum

On behalf of the Board of Directors of Balochistan Particle Board Limited, we present the unaudited condensed interim financial statements of the Company for the three quarters ended March 31, 2020.

During the period under review, revenue of the Company was Rs. 2.417 (2019: Rs. 1.677) million and after tax loss of Rs. 0.815 (2019: Rs. 0.364) million resulting in loss per share of Re. 0.136 (2019: Re.0.061), as shown in the accompanying unaudited condensed interim financial statements. These unaudited condensed interim financial statements have been prepared on going concern basis and the reasons thereof have been explained in Note No. 7 of the notes to the financial statements.

The Government of Sindh had raised arbitrary demand of Rs. 57.4 million for vend fee and permit fee and Rs. 14.1 million for excise duty on transportation of methanol from Karachi to Hub, which was challenged by the Company in the Honourable High Court of Sindh. The Honourable High Court of Sindh on March 26, 2003 and August 20, 2004 respectively, decided the cases in favour of the Company by maintaining that the methanol does not fall within the purview of the Sindh Abkari Act, 1878 and as such vend fee, permit fee and excise duty on transportation of methanol cannot be levied.

Against the decision of Honourable High Court, the Government of Sindh filed civil petitions before the Honourable Supreme Court of Pakistan. On December 10, 2019 the matter was decided by the Apex Court in favour of the Company as the Appellant (the Sindh Government) has withdrawn the appeals on the basis of the settlement with the respondents.

As per the Order, it was decided that the Provincial Government of Sindh does not press the instant and connected appeals and fresh demand shall be raised for the amount payable by the respondents following the notification dated February 14, 2002 and Sind Abkari Act, 1878 as amended on October 30, 2002. As the manufacturing operations of Urea Formaldehyde division of the Company were closed in 1997, as such no financial exposure of vend fee, permit fee and excise duty will be on the Company.

On October 3, 2019, the Company Law Division of Securities and Exchange Commission of Pakistan (SECP) passed an order under Section 301 read with Section 304 of the Companies Act, 2017 directing the Additional Registrar to present petition of winding up of the Company. The Company disputed the order and filed a review application before the SECP which is pending adjudication. Last hearing was fixed on March 24, 2020 but could not take place due to COVID -19 (Coronavirus) pandemic.

On behalf of the Board of Directors



Syed Ali Niaz Akhtar Naqvi
Chief Executive



Akhtar Zaman Khan
Director

Karachi: April 22, 2020

Condensed Interim Statement of Financial Position as at March 31, 2020 (Unaudited)

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
Note	(Rupees in thousands)	
Assets		
Non-Current Assets		
Property, plant and equipment	1,868	1,965
Long-term deposits	125	125
	1,993	2,090
Current Assets		
Stores and spare parts	1,951	1,951
Advances and short-term prepayments	25	31
Other receivables	1,076	1,076
- Excise duty refundable	1,838	1,387
Cash and bank balances	4,890	4,445
	6,883	6,535
Total Assets		
Equity and Liabilities		
Share Capital		
Authorised Capital		
10,000,000 ordinary shares of Rs. 5 each	50,000	50,000
Issued, subscribed and paid-up capital	30,000	30,000
Accumulated loss	(38,241)	(37,426)
Total Equity	(8,241)	(7,426)
Current Liabilities		
Short-term loan -		
Unsecured	13,200	12,500
Trade and other payables	1,042	692
Unclaimed dividend	319	319
Provision for taxation - net	563	450
	15,124	13,961
Contingencies	5	
Total Equity and Liabilities	6,883	6,535

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



Amir Bashir Ahmed
Chief Financial Officer



Syed Ali Niaz Akhtar Naqvi
Chief Executive



Akhtar Zaman Khan
Director

Condensed Interim Statement of Profit or Loss and other Comprehensive income for the quarter and cumulative for three quarters ended March 31, 2020 (Unaudited)

	Three Quarters ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees in thousands)			
Revenue				
Rental Income	2,398	1,665	739	780
Profit on treasury call account	19	12	9	7
	2,417	1,677	748	787
Factory and administrative expenses				
Salaries and allowances	158	135	53	45
Security Expenses	317	317	106	106
Rates and taxes	75	61	25	20
Repair and maintenance	146	22	-	-
Communication, printing and stationery	376	265	106	15
Travelling and conveyance	39	-	-	-
Directors' fee	8	9	3	3
Depreciation	97	108	32	36
Legal and professional charges	885	308	182	75
Insurance	9	9	3	3
Auditors' remuneration	202	110	85	64
Fees, subscription and other expenses	326	259	4	1
	2,638	1,603	599	368
(Loss) / Profit before finance cost and tax	(221)	74	149	419
Finance cost	94	99	29	34
	(315)	(25)	120	385
(Loss) / Profit before taxation	(315)	(25)	120	385
Taxation	500	339	150	230
	(815)	(364)	(30)	155
(Loss) / Profit after taxation	(815)	(364)	(30)	155
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	(815)	(364)	(30)	155
(Loss) / Earnings per share-Basic and diluted (Re.)	(0.136)	(0.061)	(0.005)	0.026

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



Amir Bashir Ahmed
Chief Financial Officer



Syed Ali Niaz Akhtar Naqvi
Chief Executive



Akhtar Zaman Khan
Director

Condensed Interim Statement of Changes in Equity for the three quarters ended March 31, 2020 (Unaudited)

	Issued, Subscribed and Paid-up Capital	Accumulated (Loss)	Total
(Rupees in thousands)			
Balance as on July 1, 2018	30,000	(36,519)	(6,519)
Total comprehensive (loss) for the period ended March 31, 2019	-	(364)	(364)
Balance as on March 31, 2019	<u>30,000</u>	<u>(36,883)</u>	<u>(6,883)</u>
Balance as on July 1, 2019	30,000	(37,426)	(7,426)
Total comprehensive (loss) for the period ended March 31, 2020	-	(815)	(815)
Balance as on March 31, 2020	<u>30,000</u>	<u>(38,241)</u>	<u>(8,241)</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



Amir Bashir Ahmed
Chief Financial Officer



Syed Ali Niaz Akhtar Naqvi
Chief Executive



Akhtar Zaman Khan
Director

Condensed Interim Statement of Cash Flows for the three quarters ended March 31, 2020 (Unaudited)

	March 31, 2020	March 31, 2019
Note	(Rupees in thousands)	
Cash flows from operating activities		
Loss before taxation	(315)	(25)
Adjustment for non-cash charges and other items		
Depreciation	97	108
Profit on treasury call account	(19)	(12)
Finance cost	94	99
Working capital changes	6 315	(70)
Cash generated from operations	172	100
Profit received on treasury call account	19	12
Finance cost paid	(53)	(97)
Income tax paid	(387)	(363)
Net cash used in operating activities	(249)	(348)
Cash flows from financing activities		
Short-term loan	700	500
Dividend paid	-	-
Net cash generated from financing activities	700	500
Net increase in cash and cash equivalents	451	152
Cash and cash equivalents at the beginning of the period	1,387	1,400
Cash and cash equivalents at the end of the period	1,838	1,552

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



Amir Bashir Ahmed
Chief Financial Officer



Syed Ali Niaz Akhtar Naqvi
Chief Executive



Akhtar Zaman Khan
Director

**Notes to the Condensed Interim Financial Statements
for the three quarters ended March 31, 2020
(Unaudited)**

1 The Company and its operations

Balochistan Particle Board Limited is a public limited Company incorporated in Pakistan, with shares quoted on the Pakistan Stock Exchange.

The manufacturing operations of Urea Formaldehyde continued to remain closed on account of adverse conditions. Company's present business operations comprise of letting out part of its premises to third parties for purposes of storage and to conduct their commercial operations.

The registered office of the Company is situated at Imperial Court, 3rd Floor, Dr. Ziauddin Ahmed Road, Karachi and factory is situated at Mauza Beerot Tehsil Hub, District Lasbella.

2. Statement of compliance

These condensed interim financial statements are unaudited and are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34, 'Interim Financial Reporting', as applicable in Pakistan. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2019.

3. Significant accounting policies and disclosures

The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual published financial statements of the Company for the year ended June 30, 2019.

4 Short-term loan

From related party - unsecured

This represents financing from Karachi Mercantile Company (Pvt.) Limited arranged by sponsor directors as loan in order to meet financial obligations and the maintenance and upkeep of plant and machinery on which moratorium on the mark-up has been agreed in accordance with the terms of financing.

5 Contingencies

The cases before the Honourable High Court of Sindh against the arbitrary demand of Rs. 57.4 million for vend fee and permit fee and Rs. 14.1 million for excise duty on transportation of methanol from Karachi to Hub along with interest at rates applicable on Khas Deposit Certificates raised by the Government of Sindh were decided in favour of the Company on March 26, 2003 and August 20, 2004 respectively, by maintaining that the methanol does not fall within the purview of the Sindh Abkari Act 1878 and as such vend fee, permit fee and excise duty cannot be levied.

Against the decision of the Honorable High Court, the Government of Sindh filed an appeal before the Honorable Supreme Court of Pakistan. On December 10, 2019 the matter was decided by the Apex Court in favour of the Company as the Appellant (the Sindh Government) has withdrawn the appeals on the basis of the settlement with the respondents.

As per the order it was decided that the Provincial Government of Sindh does not press the instant and connected appeals and fresh demand shall be raised for the amount payable by the respondents following the notification dated February 14, 2002 and Sind (Amendment) Abkari Ordinance 2002 notified on October 30, 2002. As the manufacturing operations of Urea Formaldehyde Division of the Company were closed in 1997, as such no financial exposure of vend fee and permit fee will be on the Company.

Excise Duty amounting to Rs.1.08 (2019: Rs.1.08) million had been paid under protest and shown as refundable under current assets.

Guarantees given by the bank in this respect as on March 31, 2020 to the Director General Excise and Taxation (Excise), Government of Sindh, Karachi amounted to Rs.6.3 (2019: Rs. 6.3) million are secured against equitable mortgage of land and buildings of the Company.

(Unaudited)
March 31, March 31,
2020 2019
(Rupees in thousands)

6. Working capital changes

Increase in current assets

Advances and short-term prepayments	(25)	(5)
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Increase / (decrease) in current liabilities

Trade and other payables	340	(65)
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	315	(70)
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7 GOING CONCERN

These financial statements have been prepared on going concern basis as :

- a The Company's business operations comprise of letting out part of its premises to third parties for purposes of storage and the conduct of their commercial operations and keeping in view the continued financing arranged as loan to the Company by sponsor directors through affiliated Company.
- b On October 3, 2019, the Company Law Division of Securities and Exchange Commission of Pakistan (SECP) passed an order under Section 301 read with Section 304 of the Companies Act, 2017 directing the Additional Registrar to present petition of winding up of the Company. The Company disputed the order and filed a review appeal before the SECP. The decision of the review application filed by the Company against the winding up order passed by the Securities and Exchange Commission of Pakistan (SECP) is pending adjudication. Hearing were fixed on March 2, 2020 and March 24, 2020 but could not be held due to COVID-19 (Coronavirus) pandemic.

8. Transactions with related parties

Material transactions with related parties are given below:

Parties	Nature of Transaction	Relationship	(Unaudited)			
			Half year ended March 31, 2020	March 31, 2019	Quarter ended March 31, 2020	March 31, 2019
Bank AL Habib Limited	Profit on treasury call account	Related party	19	12	12	7
"	Bank Charges account	Related party	1	1	-	-
Habib Insurance Co. Limited	Insurance premium	Related party	9	9	3	3
Directors	Directors' meeting fee	Director	8	9	3	4
Karachi Mercantile Co. (Pvt. Ltd.	Repayment of loan	Related party	700	500	400	-
			<u>737</u>	<u>531</u>	<u>418</u>	<u>14</u>

Following balances are outstanding at end of period.

Parties	Nature	Relationship	Amount payable	
			As at March 31, 2020	As at June 30, 2019
Karachi Mercantile Co. (Pvt.) Ltd.	Short-term loan	Related party	13,200	12,500
			<u>13,200</u>	<u>12,500</u>

9 General

- 9.1 Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.
- 9.2 These condensed interim financial statements were authorised for issue on April 22, 2020 by the Board of Directors of the Company.



Amir Bashir Ahmed
Chief Financial Officer



Syed Ali Niaz Akhtar Naqvi
Chief Executive



Akhtar Zaman Khan
Director

ڈائریکٹرز کی رپورٹ

محترم ممبران۔ السلام علیکم!

بلوچستان پارٹیکل بورڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2020ء کو ختم ہونے والی تیسری سہ ماہی مدت کے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی حسابات پیش کر رہے ہیں۔

اس زبر جائزہ مدت کے دوران کمپنی کی آمدنی مبلغ 2.417 (2019:1.677) ملین روپے اور ٹیکس کے بعد خسارہ کی رقم مبلغ 0.815 روپیہ (2019:0.364) ملین روپے رہا۔ جس کے نتیجے میں فی شیئر خسارہ 0.136 (2019:0.061) روپیہ رہا جیسا کہ منسلک عبوری مالیاتی حسابات میں دکھایا گیا ہے یہ غیر آڈٹ شدہ عبوری مالیاتی حسابات چلتے ہوئے کاروبار کی بنیاد پر تیار کئے گئے ہیں اور اس کی وجوہات کی وضاحت غیر آڈٹ شدہ عبوری مالیاتی حسابات کے نوٹ نمبر 7 میں کردی گئی ہے۔

حکومت سندھ نے وینڈ اور پرمٹ فیس کی مد میں 57.4 ملین روپے اور ایکسائز ڈیوٹی کی مد میں 14.1 ملین روپے میتھانول کی ترسیل کراچی سے حب تک کی مد میں ٹیکس فرائض مطالبہ کر دیا۔ کمپنی نے اس مطالبے کو نہ مانتے ہوئے عزت مآب ہائی کورٹ آف سندھ میں اپیل دائر کر دی۔ عزت مآب ہائی کورٹ آف سندھ نے مورخہ 26 مارچ 2003 اور 20 اگست 2004 کو کمپنی کے حق میں مقدمت کا فیصلہ کر دیا اور یہ طے کیا کہ میتھانول سندھ آب کاری ایکٹ 1878ء کے زمرے میں نہیں آتا لہذا وینڈ اور پرمٹ فیس اور ایکسائز ڈیوٹی میتھانول کی ترسیل پر نہیں لگائی جاسکتی۔

عزت مآب ہائی کورٹ آف سندھ کے فیصلے کے خلاف حکومت سندھ نے ایک درخواست عزت مآب سپریم کورٹ آف پاکستان میں داخل کی جس کا فیصلہ مورخہ 10 دسمبر 2019 کو کمپنی کے حق میں ہوا جیسا کہ مدعی (حکومت سندھ) نے اپنی دائر کردہ درخواست آپس صلح میں ہونے کی وجہ سے واپس لے لی۔

فیصلے کے مطابق یہ طے کیا گیا ہے کہ سندھ کی صوبائی حکومت فوری اور منسلک درخواست پر زور نہیں دے گی اور مدعی علیہ کو نیا مطالبہ جاری کرے گی جو کہ 14 فروری 2002 کی نوٹیفکیشن اور سندھ آب کاری ایکٹ 1878ء جو کہ 30 اکتوبر 2002 ترمیم کے تحت ہے۔ جیسا کہ یوریا فارمل ڈی ہائیڈرو ڈیوٹران کے مینوفیکچرنگ آپریشن 1997ء سے بند ہیں اس لئے کمپنی پر وینڈ فیس اور پرمٹ فیس کے مد میں کوئی مالیاتی اثر نہیں ہوگا۔

13 اکتوبر 2019ء کو سیکورٹی ایجنٹ کمیشن آف پاکستان کے کمپنی لاء ڈویژن نے نیکیٹیز آرڈیننس 2017ء کے سیکشن 301 جو سیکشن 304 کے ساتھ ملا کر پڑھا جانے کے تحت حکم نامہ جاری کرتے ہوئے ایڈیشنل رجسٹرار کو ہدایت دی کہ کمپنی کے تحلیل ہونے کی پیشینہ پیش کرے کمپنی نے اس فیصلے کو نہ مانتے ہوئے SECP ایپیلٹ بینچ میں اس فیصلے پر نظر ثانی کی درخواست دی ہے جو کہ ابھی زیر التوا ہے اسکی کاروائی مورخہ 24 مارچ 2020 کو مقرر کی گئی تھی جو کہ COVID-19 (کرونا وائرس) عالمی وباء کی وجہ سے منسقد نہ ہو سکی۔

از طرف بورڈ آف ڈائریکٹرز



اکتار زمان خان
ڈائریکٹر



سید علی نیاز اختر نقوی
چیف ایگزیکٹو

کراچی 22 اپریل 2020ء