



# Balochistan Particle Board Limited

3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi, Phones: 35680036-9 Fax: 92-21-35684086

Mr. Hafiz Maqsood Munshi  
Manager  
Companies & Securities Compliance – RAD  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi – 74000



October 25, 2019

Dear Sir,

**ISSUANCE OF ORDER BY THE SECP FOR FILING OF WINDING-UP PETITION AGAINST THE COMPANY & INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED JUNE 30, 2019**

We refer to your notice No. PSX/Gen-5276 dated October 22, 2019 whereby Balochistan Particle Board Limited (the Company) was required to submit its reply on the above subject. In compliance to the notice, our submissions are given in the following paragraphs.

**2) Suspension of principle line of business – Clause 5.11.1 (b) of PSX Regulations**

In the notice, the Company has been advised to apprise your office regarding progress made for rectification of default of Clause 5.11.1(b) of PSX Regulations. The Clause 5.11.1(b) of PSX Regulations is reproduced for ready reference as under:

**5.11.1.** "A listed company may be placed in the Defaulters' Segment if":

**(b)** "It has suspended commercial production/business operations in its principle line of business for a continuous period of one year"

**2.1)** In this regard, we would like to submit that it should be appreciated by your office that the Company is fully compliant with all legal requirements of the Exchange as well as the Securities and Exchange Commission of Pakistan (SECP). Further, the Company is already undertaking its business operations which comprises of letting out part of its premises to third parties for the purpose of storage to conduct their commercial operations as allowed under the Memorandum of Association of the Company. However, the principal line of business that is commercial production of Urea Formaldehyde continued to remain closed on account of pending litigation before the Honorable Supreme Court of Pakistan. Factors hindering the resumption of principal line of business are beyond the control of the Company. Kindly refer Note 15 to the audited financial statements of the Company.

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2.2) On May 8, 2019, the cases pending before the Supreme Court were heard and the following order was passed by the Supreme Court:

**Quote** *“Learned counsel for the appellant submits that the Provincial Government is ” ready to surrender the Indemnity Bonds but not return the amount of vend fee and permit fee already deposited by the respondents with it as condition for not pressing the present appeals. Learned counsel for the respondents submits that that option is not accepted. Consequently this matter is to go into rehearing. Some of the respondents are un-served, others who had been proceeded against ex-parte were directed in previous order to be issued fresh notices. The appellant-department shall provide the latest addresses of service of such respondents, if the same are available, to their learned counsel for submission in the office; otherwise, the appellant shall deposit expenses for proclamation in respect of the said respondents to be made in the Daily Jung, Karachi for a date to be fixed by the office. Relist after the month of Ramazan, 2019”* **Unquote (copy enclosed)**

2.3) The Board of Directors in its meeting held on June 14, 2019 considered the above proposal of the Appellant (Sindh Government) and accorded its approval for unconditional acceptance of the proposal made by the learned counsel on behalf of the Government of Sindh.

2.4) Lastly, the matter was fixed for hearing on September 18, 2019 wherein the question of applicability of subject law in future was raised by the Advocate General of Sindh. After detailed deliberation the matter was adjourned as date in office with the direction to Advocate General of Sindh to seek complete instructions from the Sindh Government and to submit comprehensive proposal in this regard.

2.5) According to the legal counsel of the Company, the cases pending before the Supreme Court are fast approaching toward its final outcome.

### 3) Issuance of Order by SECP for filing of Winding up petition against the Company

3.2) The Additional Registrar, Company Registration Office, Karachi had approached SECP Islamabad for grant of sanction in terms of clause (b) of Section 309 read with clause (c) of section 305 of the repealed Ordinance (corresponding Clause (m) of Section 301 read with clause (b) of Section 304 of the Act) to present a petition before the Honorable High Court for winding up of the Company on the grounds that the Company has suspended its operations since 1997.



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3.3) In this respect, since April 2017 various show cause notices were issued and hearing against these show cause notices were attended by the senior officials of the Company. In these hearing, proper detailed replies were also submitted to the SECP.

3.4) Lastly, the hearing was fixed on August 07, 2019 and Company's Chief Executive Mr. Ali Niaz Akhtar attended and submitted a detailed reply to the SECP.

3.5) On October 3, 2019 the SECP passed an order and authorised the Additional Registrar, Company Registration Office, Karachi to present a petition before the High Court for winding up of the Company on account of closure of Company's principle line of business.

3.6) The Company disputed the above order and filed an appeal before the Appellate Bench of the SECP-Islamabad (**Annexure A**), hearing of which is currently pending.

#### 4) Qualified Auditors' opinion on the Going Concern Assumption

Regarding your observation over qualified Auditors' opinion on the going concern assumption, the company maintains that the company's business operations comprise of letting out of part of its premises to third parties for the purposes of storage and to conduct their commercial operations and also continued financing as loan to the company by sponsor directors through affiliated company. On the basis of the above grounds, the financial statements of the Company have been prepared on going concern basis.

5) In view of the foregoing explanation, we request you to kindly allow us further time till the final outcome of the cases pending before the Apex Court and also in view of the fact that the hearing of appeals are pending before the Appellate Bench of the SECP against the winding up order passed by the SECP. Since the resumption of Company's principal line of business is also dependent on the outcome of the pending cases, we request you **not** to initiate any action against the Company till the decision of the pending litigations/cases as it would frustrate all the efforts made by the company during the period of over two decades..

Your kind agreement to our request shall be highly appreciated

Yours truly

Ali Niaz Akhtar  
Chief Executive Officer

In the Supreme Court of Pakistan  
(Appellate Jurisdiction)

Present

Mr. Justice Umar Ata Bandial  
Mr. Justice Maqbool Baqar  
Mr. Justice Munib Akhtar

Civil Appeals No.1217-1228 of 2003 and 1297-1300 of 2005

The Province of Sindh thr. Secretary Excise  
and Taxation Department and others  
(in all cases)

...Appellants

Vs

Dyno Pakistan Ltd	(C.A.1217/03)
Crescent Board Ltd	(C.A.1218/03)
Super Chemical Pvt. Ltd.	(C.A.1219/03)
Balochistan Particle Board Ltd.	(C.A.1220/03)
Pakistan Rasins Pvt (Ltd)	(C.A.1221/03)
Izhar Enterprises Pvt Ltd	(C.A.1222/03)
Wah Nobal Chemicals Ltd	(C.A.1223/03)
M/s HTG Perto Chemical Industries Pvt	(C.A.1224/03)
M/s United Sales Corporation Ltd	(C.A.1225/03)
M/s Olympic Industries	(C.A.1226/03)
M/s Muhammad Aslam & others	(C.A.1227/03)
M/s MS Enterprises	(C.A.1228/03)
Balochistan Particle Board Ltd.	(C.A.1297/05)
M/s Wah Nobel Chemical Ltd	(C.A.1298/05)
M/s Crescent Board Ltd	(C.A.1299/05)
M/s Crescent Board Ltd	(C.A.1300/05)

...Respondents

For the appellants: : Mr. Farook H.Naak, Sr.ASC.  
Mr. Shabir Shah, Addl. A.G. Sindh.  
Raja Abdul Ghafoor, AOR.  
(in all cases)

For the respondents: : Ex-parte  
(in C.A.1226-1228/03)  
(Qadiri Hassan Saeed, Sr.ASC (in CA 1217-1227/03 etc))  
Nemo.  
(in C.A.1299-1300/2003, 1223-1225/03)

For the Federation. : Mr. Sajid Ilyas Bhatti, Addl.A.G.

Date of hearing: : 08.05.2019

**TESTED**

Court Associate  
Supreme Court of Pakistan  
Islamabad

ORDER

Learned counsel for the appellant submits that the Provincial Government is ready to surrender the Indemnity Bonds but not return the amount of vend fee and permit fee already deposited by the respondents with it as a condition for not pressing the present appeals. Learned counsel for the respondents submits that that option is not accepted. Consequently this matter is to go into rehearing. Some of the respondents are un-served, others who had been proceeded against ex-parte were directed in previous order to be issued fresh notices. The appellant-department shall provide the latest addresses of service of such respondents, if the same are available, to their learned counsel for submission in the office; otherwise, the appellant shall deposit expenses for a proclamation in respect of the said respondents to be made in the Daily Jang, Karachi for a date to be fixed by the office. Relist after the month of Ramazan, 2019.

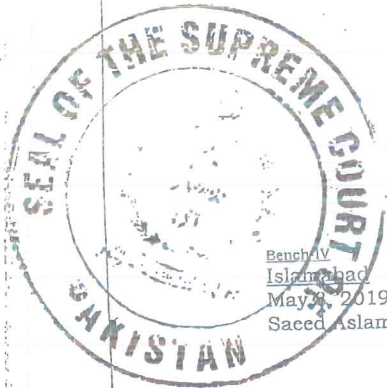
Sd/-J

Sd/-J

Sd/-J

Certified to be True Copy

  
 Court Associate  
 Supreme Court of Pakistan  
 Islamabad



GR No: 1589/9 Civil Criminal  
 Date of Presentation: 22.5.19  
 No of Words: 2  
 No of Folios: 2  
 Requisition Fee Rs: 20  
 Copy Fee in: 50  
 Court Fee Stamps: 8.20  
 Date of Completion of Copy: 27/5/19  
 Date of delivery of Copy: 27/5/19  
 Compared by/Prepared by: f  
 Received by: \_\_\_\_\_

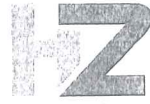


**REANDA**

Reanda Haroon Zakaria Associates

Tax | Legal | Advisory

1A



**Reference:** RHZ/L/BPL/19/001

**Date:** October 24<sup>th</sup>, 2019

**Attention:**

Registrar Appellate Bench  
Securities & Exchange Commission of Pakistan  
63 Jinnah Avenue  
Blue Area, Islamabad.

**SUBJECT:** Appeal under the Securities and Exchange Commission of Pakistan (Appellate Bench Procedure) Rules, 2003 in case of M/s. Balochistan Particle Board Limited in respect of Impugned Order announced on October 03<sup>rd</sup>, 2019 bearing reference No. CSD/ARN/457/2017/782.

Respected Honorable Appellate Bench,

We write on behalf of and on instructions from our client M/s. Balochistan Particle Board (hereinafter collectively referred to as "our client" and where the context requires will be deemed to include its successors-in interest, administrators and permitted assigns) based in Karachi, Pakistan.

This is in reference to the Impugned Order No. CSD/ARN/457/2017/782 announced on October 03<sup>rd</sup>, 2019 by the Learned Executive Director, Mr. Abid Hussain (the "Respondent").

On behalf of our client, we are submitting to the Honorable Appellate Bench the Appeal against the said Impugned Order. Please find enclosed herewith four sets of the Appeal along with an empty file-size envelope bearing the name and full address of the Respondent.

In case if any further information/documents are required, please do not hesitate to reach out. All our client's rights under law stand reserved.

Yours sincerely,

**For and on behalf of Reanda Haroon Zakaria Associates**

**Copy to:**

✓ Assistant Registrar  
Company Registration Office  
Securities and Exchange Commission of Pakistan ("SECP")  
State Life Building  
Karachi.

1B



SECP Challan

M-2019-099666  
07

Bank Branch	KARACHI, MCB - PIDC[915]	Date	24-10-2019
Account Title	Securities and Exchange Commission of Pakistan	Account No.	0183089871000097
Name of Company	BALUCHISTAN PARTICLE BOARD LIMITED	Registration No.	0007129

Receipt under Companies Act, 2017

Code No.	Head of Accounts	Amount (Rs)
61051	Registration Fee for New Incorporation	
61053	Filing Fee	
61055	Mortgages / Charge Registration	
61054	Additional Filing Fee	
61056	Availability of Name Fee	
61057	Copying Fee	
61058	Inspection Fee	
61059	License Fee - U/S 42 / Renewal Fee	
61060	Application Fee	
61063	Application for extension in AGM	
61052	Enhancement of Capital Fee (Form - 7)	
61061	Appeal/Complaint Fee	500.00
61064	Application for Capital issue U/S 86	
61063	Application for extension in AGM	
24071	CLD Penalty	
24075	Penalty imposed by Enforcement	
61060	Annual Fee payable by an Inactive Company u/s 424	
61060	Annual Renewal Fee under for Free Zone Companies u/s 454	
61060	Application for change of Name u/s 11 and 12	
61060	Application Fee for Petition u/s 32	
61060	Application for conversion of status of the Company u/s 46,, 47, 48 and 49	
61060	Application for Issuance of Shares at discount u/s 82	
61069	Annual Fee for Inactive Companies U/S 424	
52403	Bank Collection Charges (To Be Paid By Applicant)	25.00
Total		525.00

<b>Payment Details</b>	
Cheque No.	
Drawn On	
Rupees (in words)	Five Hundred Twenty Five Rupees Only
Name of Depositor	
Depositor Signature	Teller Signature & Bank Stamp

**MCB BANK LIMITED**  
P.O. Box 10916 Karachi  
24 OCT 2019  
CASH RECEIVED U.P. 100  
Rs. 100,000/=

Original

- a. Payment may kindly be deposited in the bank within a month of the date appearing in date column of challan.
- b. Photocopy of the challan shall not be entertained, kindly print separate challans for each company/ Form.
- c. Cutting and erasing of any field on challan is not allowed.
- d. Challan number and amount of money deposited must be clearly legible on a printed challan.
- e. If system erroneously generates a challan without company name or challan No. then kindly do not deposit that challan into bank and contact concerned CRO.