



BILAL
FIBRES LIMITED

1st QUARTERLY
REPORT

SEPTEMBER 30, 2019
(UN-AUDITED)



BILAL FIBRES LIMITED

COMPANY INFORMATION

Chief Executive Officer

Mr. Naeem Omer

Chairman

Mr. Muhammad Omer

Directors

Mr. Naeem Omer
Mr. Anwaar Abbass
Mr. Muhammad Asghar
Mr. Muhammad Aslam Bhatti
Mr. Muhammad Kashif
Mr. Muhammad Omer
Mr. Shahid Iqbal

Audit Committee

Chairman:

Mr. Muhammad Aslam Bhatti

Member:

Mr. Anwaar Abbass

Member:

Mr. Muhammad Omer

Human Resource & Remuneration Committee

Chairman:

Mr. Shahid Iqbal

Member:

Mr. Muhammad Kashif

Member:

Mr. Muhammad Asghar

Company Secretary

Mr. Muhammad Ijaz Shahid

Auditors

M/s Aslam Malik & Co
Chartered Accountants
Suite No. 18, 19, FF Floor, Central Plaza,
Barket Market New Garden Town, Lahore

Bankers

The Bank of Punjab
MCB (NIB) Bank Limited
Silk Bank Limited

Share Registrar

M/s Corplink (Pvt.) Ltd.
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.
Phone: 042 - 35916714, 35916719
Fax: 042 - 35869037

Legal Advisor

Aakif Majeed But
9-G, Mustaq Gurmani Road,
Gulber II, Lahore
Lahore. Tel: 0321-6000606

Head Office / Registered Office

73/4, Block-K, DHA, Phase 1,
Lahore Cantt Lahore, Pakistan
Ph: 042 - 35709952-54
Fax No. 042 - 35709955
Email: fm@bilalfibres.com
Web site: www.bilalfibres.com

Mills

38th KM, Sheikhpura Road,
Tehsil Jaranwala, District Faisalabad



BILAL FIBRES LIMITED

DIRECTORS' REPORT

The Directors of your Company are presenting before you the un-audited accounts of the Company for the 1st quarter ended September 30, 2019.

The accounts have been prepared in compliance with IAS-34 and being submitted as required under section 237 of the Companies Act, 2017.

During the quarter ended September 30, 2019 the Company has suffered Net loss after tax of Rs. 8.505 million as compared to previous year's same quarter which was Rs.15.084 million. Due to continuous market recession, energy crises and high inflation costs the Mills could not resume its production process.

COMPARATIVE FINANCIAL RESULTS

The financial results are summarized below: -

Particulars	September 30, 2019	September 30, 2018
	Rupees in Million	
Administrative expenses	(6.674)	(10.871)
Other operating income	1.500	4.230
Finance cost	(3.331)	(2.773)
Net Loss before taxation	(8.505)	(9.415)
Net Loss after tax	(8.505)	(15.084)
Loss per share - (Rs.)	(0.60)	(1.07)

FUTURE PROSPECTS

The Management has positive intention and capability to restart production provided there is improvement in market, continuous availability of gas/electricity and suppliers credit for raw material making production profitable. APTMA is also negotiating with the government for relief package for the textile industry.

For and on behalf of the of Board

Lahore
Dated: October 18, 2019

(Naeem Omer)
Chief Executive



BILAL FIBRES LIMITED

ڈائریکٹرز رپورٹ

آپ کے کمپنی کے ڈائریکٹرز 30 ستمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

اکاؤنٹس کو آئی اے ایس 34 کے مطابق تعمیل کی گئی ہے اور کمپنیز ایکٹ 2017 کے سیکشن 237 کے تحت ضروری طور پر پیش کیا جا رہا ہے۔

30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کے دوران کمپنی نے پچھلے سال کی اسی سہ ماہی کے مقابلے میں 8.505 ملین روپے ٹیکس کے بعد خالص نقصان کا سامنا کرنا پڑا ہے۔ گزشتہ سال سہ ماہی کا ٹیکس کے بعد خالص نقصان 15.084 ملین تھا۔ مسلسل مارکیٹ میں عدم استحکام اور توانائی کے بحران کی وجہ سے فیکٹری اپنا پیداواری عمل دوبارہ شروع نہ کر سکی۔

مالیاتی نتائج کا خلاصہ حسب ذیل ہے:-

تفصیلات	ستمبر 30، 2019	ستمبر 30، 2018
روپے ملین میں	روپے ملین میں	روپے ملین میں
انتظامی اخراجات	(6.674)	(10.871)
دوسری آمدن	1.500	4.230
مالی لاگت	(3.331)	(2.773)
قبل از ٹیکس خالص نقصان	(8.505)	(9.415)
بعد از ٹیکس خالص نقصان	(8.505)	(15.084)
فی شیئر نقصان روپے	(0.60)	(1.07)

مستقبل کا پلان

انتظامیہ اپنی صلاحیتوں کو مد نظر رکھتے ہوئے پیداوار کو دوبارہ شروع کرنے کا مثبت ارادہ رکھتی ہے۔ مارکیٹ میں بہتری، گیس، بجلی کی مستقل دستیابی اور خام مال سازی کی مسلسل دستیابی پیداوار کے منافع بخش ہونے کے لئے ضروری ہے۔ آل پاکستان ٹیکسٹائلز ملز ایسوسی ایشن ٹیکسٹائل انڈسٹری کے لئے امدادی ٹیکس کے لئے حکومت سے مذاکرات بھی کر رہی ہے۔

منجانب ویرائے بورڈ آف ڈائریکٹرز

لاہور

18 اکتوبر 2019

(نعیم عمر)

چیف ایگزیکٹو



BILAL FIBRES LIMITED

CHAIRMAN'S REVIEW

I am pleased to present on behalf of the Board of Directors, the Statements of Accounts for the Period ended September 30, 2019 along with my review on the performance of your Company.

Industry overview:

Over the years industry has become uncompetitive largely due to increased cost of doing business particularly for higher utilities cost and low capacity utilization. Especially Punjab based industry faced more headwinds as higher LNG prices made it difficult even to compete locally with industry of other provinces. Export package announced by the Prime Minister in January 2017 also failed to stem decline in exports as its implementation remained far from reality. Higher input cost due to increased raw materials prices and minimum wage rate affected its operational viability and gross margins of industry were very thin in the year. Due to un-conducive business environment slowly and gradually the base of conventional industry was weakening in general as was evident from consistent plunge of Pakistan's share of textile in global market.

Company's performance

The decision to close the mills operation looks wiser now which at least stop the sponsors to inject money to cover the gap. During the period the company earn Rupees 1.5 million in term of rent which after meeting the day to day expenses was used to pay off the market creditors. The management of the company also dealing with the litigation cases with their bankers in the court of law and our legal counsel are confident for a amicable settlement with them in due course of time.

Future Prospects

The future of the company mainly depending on the future of the textile sector in Pakistan. If there will be any positive sign than the management believe to find a investor and then to improve the textile technology to enter the competitive international market. By the time to give the mill on rent for production of textile product is the most feasible option. Also we are looking for the amicable settlement with our banker in due course of time and then to plan it accordingly.

Acknowledgement

On my and on behalf of the board of directors of your company I take this opportunity of acknowledging the devoted and sincere services of employees of the Company. I am also grateful to our bankers, shareholders and the government organizations.

Muhammad Omer
Chairman



BILAL FIBRES LIMITED

چیئر مین کی جائزہ رپورٹ

میں آپ کے کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر، 2019 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات کے ساتھ ساتھ آپ کی کمپنی کی کارکردگی پر اپنا جائزہ پیش کر رہا ہوں۔

صنعتی جائزہ

کئی سالوں سے صنعت کاروں بار کرنے کے زیادہ اخراجات خاص طور پر اعلیٰ مستعمل اخراجات اور کم پیداواری صلاحیت کی وجہ سے غیر مسابقتی ہو گئی ہے۔ خاص طور پر پنجاب کی صنعت کو زیادہ دشواریوں کا سامنا ہے کیونکہ LNG کی زیادہ قیمتوں نے دیگر صوبوں کی صنعتوں کے ساتھ ساتھ مقامی سطح پر بھی مقابلہ کرنا مشکل بنا دیا ہے۔

جنوری 2017 میں وزیراعظم کا اعلان کردہ برآمد پیکج بھی برآمدات کو بڑھانے میں ناکام ہو گیا کیونکہ اس کی تعمیل حقیقت سے کہیں زیادہ دور رہی ہے۔ خام مال کی زیادہ قیمتوں، کم سے کم اجرت کی شرح کی وجہ سے اعلیٰ ان پٹ اخراجات نے اس کی آپریشنل صلاحیت کو متاثر کیا اور صنعت کا مجموعی مارجن موجودہ سہ ماہی میں بہت ہی کم تھا۔ ناقابل اعتماد کاروباری ماحول کی وجہ سے روایتی صنعت کی بنیاد عام طور آہستہ آہستہ اور بتدریج کمزور ہو رہی ہے جیسا کہ عالمی منڈی میں پاکستانی ٹیکسٹائل کے حصہ مسلسل کمی سے ثابت ہوتا ہے۔

کمپنی کی کارکردگی

ملز کے آپریشنز بند کرنے کا فیصلہ اب عقلمندانہ نظر آتا ہے جو کم از کم اسپانسرز کو مزید نقصان سے تو بچائے گا۔ سال کے دوران کمپنی نے کرایہ کی مد میں 1.5 ملین روپے کمائے جو یومیہ اخراجات پورا کرنے کے بعد مارکیٹ قرضوں کو ادا کرنے کے لئے استعمال کیا جائے گا۔ کمپنی کی انتظامیہ قانونی عدالت میں اپنے فیکٹرز کے ساتھ قانونی چارہ جوئی کو بھی ڈیل کر رہی ہے اور ہمارا قانونی مشیر پُر اعتماد ہے کہ مقدمات مناسب وقت میں قابل اطمینان ہو سکتے ہیں۔

مستقبل کے امکانات

کمپنی کا مستقبل بنیادی طور پر پاکستان میں ٹیکسٹائل شعبہ کے مستقبل پر انحصار کرتا ہے۔ جب حالات اچھے نظر آئے تو انتظامیہ بین الاقوامی مسابقتی کے لئے تکنیکی اصلاحات میں سرمایہ کاری کرنے کیلئے ایک سرمایہ کار تلاش کرے گی۔ تب تک مل کو ٹیکسٹائل مصنوعات کی پیداوار کیلئے کرایہ پر دینا بہترین قابل عمل آپشن ہے۔ اس کے علاوہ ہم اپنے فیکٹرز کے ساتھ مناسب وقت میں قابل اطمینان تصفیہ کی تلاش اور پھر اس پر عمل کی منصوبہ بندی بھی کر رہے ہیں۔

اظہار تشکر

میری اور کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے میں کمپنی کے عملے اور کارکنوں کی طرف سے فراہم کردہ مسلسل / وقف خدمات اور سخت محنت کے لئے زبردست خراج تحسین پیش کرتا ہوں۔ میں کمپنی کے فیکٹرز، شیئرز، ہولڈرز اور سرکاری اداروں کی مسلسل حمایت کا شکریہ ادا کرتا ہوں۔

(محمد عمر)

چیئر مین

لاہور

18 اکتوبر 2019



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Unaudited)

AS AT SEPTEMBER 30, 2019

		Sep 30, 2019	June 30, 2019
	Note	Rupees	
NON-CURRENT ASSETS			
Property, plant and equipment:			
Operating fixed assets		408,950,416	414,179,914
Assets subject to finance lease		56,767,264	57,485,837
Investment Property	5	542,740,000	542,740,000
Long term deposits		1,156,180	1,156,180
		1,009,613,860	1,015,561,931
CURRENT ASSETS			
Stock in trade		57,872,747	57,872,747
Deposits and short Term Prepayments		2,925,765	2,925,765
Other receivables		22,310,975	20,795,975
Sales tax refundable		3,540,913	3,540,913
Advance tax		16,915,459	16,915,459
Cash and bank balance		118,971	133,971
		103,684,830	102,184,830
		1,113,298,690	1,117,746,761
SHARE CAPITAL AND REVERSED			
Authorised shares capital			
15,000,000 (June 30, 2018: 15,000,000) Ordinary shares of Rs. 10 each		150,000,000	150,000,000
Issued, subscribed and paid up shares capital			
14,100,000 (June 30, 2018: 14,100,000) Ordinary shares of Rs. 10 each	6	141,000,000	141,000,000
Accumulated loss		(426,602,144)	(422,136,589)
Surplus on revaluation - Property, plant & equipment	7	414,863,814	418,903,299
		129,261,672	137,766,711
NON CURRENT LIABILITIES			
Long term financing from Banking Companies - Secured	8	-	-
Long term financing from directors and associates	9	120,252,617	117,307,353
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		6,936,010	6,936,010
		127,188,627	124,243,363
CURRENT LIABILITIES			
Trade and other payables		33,208,381	32,482,381
Unclaimed dividend		235,776	235,776
Accrued Interest/Mark up payable		97,520,034	97,520,034
Short term borrowings		143,855,534	143,855,534
Current portion of:			
Long term financing from Banking Companies		473,722,336	473,336,630
Liabilities against assets subject to finance lease		108,306,331	108,306,331
		856,848,392	855,736,686
Contingencies and commitments	10	-	-
		1,113,298,690	1,117,746,761

The annexed notes form part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Unaudited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

Note	Three months ended	
	Sep 30, 2019	Sep 30, 2018
	(Rupees)	
Sales	-	-
Cost of sales	-	-
Gross loss	-	-
Distribution cost	-	-
Administrative expenses	(6,674,071)	(10,871,449)
Other operating income	1,500,000	4,230,016
Finance cost	(3,330,970)	(2,773,331)
	(8,505,041)	(9,414,764)
Loss before taxation	(8,505,041)	(9,414,764)
Provision for taxation	-	(5,669,695)
Loss for the period	(8,505,041)	(15,084,459)
Loss per share - basic and diluted	(0.60)	(1.07)

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

Note	Three months ended	
	Sep 30, 2019	Sep 30, 2018
(Rupees)		
Loss after taxation	(8,505,041)	(15,084,459)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	(8,505,041)	(15,084,459)

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Share capital	Accumulated loss	Surplus on revaluation of fixed assets	Total
----- (Rupees) -----				
Balance as on June 30, 2018	141,000,000	(421,303,103)	293,016,254	12,713,151
Incremental depreciation - net of tax	-	7,383,548	(7,383,548)	-
Remeasurement of staff retirement benefits - net of deferred tax		464,652		464,652
Net Profit/(loss) loss for the year		(8,681,685)		(8,681,685)
Other comprehensive loss for the year	-		133,270,593	133,270,593
Balance as on June 30, 2019	141,000,000	(422,136,589)	418,903,299	137,766,711
Incremental depreciation - net of tax	-	4,039,486	(4,039,486)	-
Remeasurement of staff retirement benefits - net of deferred tax		-		-
Net Profit/(loss) loss for the period		(8,505,041)	-	(8,505,041)
Other comprehensive loss for the period	-	-	-	-
Balance as on September 30, 2019	141,000,000	(426,602,144)	414,863,814	129,261,672

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

Note	Three months ended	
	Sep 30, 2019	Sep 30, 2018
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(8,505,041)	(9,414,764)
Adjustment for non-cash and other related items:		
Depreciation on operating fixed assets	5,229,498	9,389,056
Depreciation on assets subject to finance lease	718,573	756,393
Notional income on interest free loans	-	(2,730,016)
Finance cost	3,330,970	2,773,331
Interest on staff retirement benefits	-	-
Cash flow generated from operating activities before working capital changes	774,000	774,000
Effect on cash flow due to working capital changes :		
(Increase) / decrease in current assets:		
Trade deposits and short term prepayments	-	-
Other receivables	(1,515,000)	(1,500,000)
Advance tax	-	-
Decrease in trade and other payables	726,000	478,000
Net cash used in working capital	(789,000)	(1,022,000)
Cash generated from / (used in) operations	(15,000)	(248,000)
Finance cost paid	-	-
Income tax paid	-	-
Net cash used in operating activities	(15,000)	(248,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from /(used in) financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(15,000)	(248,000)
Cash and cash equivalents at the beginning of the period	133,971	369,276
Cash and cash equivalents at the end of the period	118,971	121,276

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

The company is limited by shares, incorporated in Pakistan on April 13, 1987 under the repealed Companies Ordinance, 1984 (now the companies Act, 2017) and is quoted on Pakistan Stock Exchange Limited. The principal business of the company is manufacture and sale of yarn. The registered office of the company is situated at 73/4 K Block, DHA Phase 1, Lahore. The manufacturing unit is located at 38 Kilometer Sheikhpura Road, Tehsil Jaranwala, District Faisalabad in the province of Punjab.

2 STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017

- 2.2 This condensed interim financial statement is unaudited and is being submitted to shareholders, as required by section 237 of Companies Act, 2017.

3 BASIS OF PREPARATION

- 3.1 This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements

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

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of the estimation are the same as those that applied to the financial statements for the year ended 30 June 2019.



BILAL FIBRES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Sep 30, 2019	June 30, 2019
	Rupees	
5 INVESTMENT PROPERTY		
Opening net book value	542,740,000	-
Transfer from property, plant & equipment during the year	-	542,740,000
Fair value gain	-	-
Closing net book value	542,740,000	542,740,000

5.1 Investment property represents the land and building leased out by the company to MKB Spinning Mills Limited since April 01, 2017. The fair value of investment property is determined by the M/s Impluse (Pvt.) Ltd. independent valuer as at June 28, 2019 having relevant professional experience. The fair market value was determined from market based evidence in accordance with the market value of similar land and building existing in near vicinity.

5.2 Forced Sale Value

The forced sale value of Land and Building is 236.08 and 225.25 million respectively.

5.3 Particulars of investment properties (i.e land & building) are as follows:

Description	Address		Area of land	Covered area of building
Land & building	Chak No 60-61/ R.B, 38-Km, Sheikhpura Road, Faisalabad		154.3 Kanals	250,349 Sq. Feet

6 ISSUED, SUBSCRIBED AND PAID UP SHARES CAPITAL

14,100,000 (June 30, 2018: 14,100,000) Ordinary shares of Rs. 10 each in cash

6.1	141,000,000	141,000,000
	141,000,000	141,000,000

6.1 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction. There is no movement in share capital during the year.

7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPEMENT - NET OF TAX

Opening balance	501,450,316	378,579,086
Revaluation Surplus of Land and Building during the year	-	241,654,864
Impairment Loss on Plant & Machinery	-	(108,384,271)

Less: Transferred to unappropriated profit

Incremental depreciation for the period	4,039,486	7,383,548
Related deferred tax liability	1,649,931	3,015,815
	5,689,416	10,399,363
	495,760,900	368,179,723

Less: Related deferred tax liabilities on

Opening balance	82,547,017	85,562,832
incremental depreciation for the year	(1,649,931)	(3,015,815)
	80,897,086	82,547,017
	414,863,814	418,903,299



BILAL FIBRES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

		Sep 30, 2019	June 30, 2019
		Rupees	
8	LONG TERM FINANCING FROM BANKING COMPANIES - SECURED		
	Demand Finance - Under mark up arrangements		
	Demand finance - Settled amount	103,713,955	103,328,249
	Demand finance - II	3,697,000	3,697,000
	Demand finance - III	6,977,063	6,977,063
	Demand finance - IV	174,170,823	174,170,823
	Demand finance - IV (unserviceable)	62,820,000	62,820,000
	Demand finance - VIII	19,938,937	19,938,937
	Forced demand finance	10,936,850	10,936,850
	Frozen mark up		
	Demand finance - II	252,000	252,000
	Demand finance - III	140,091	140,091
	Demand finance - IV	89,609,132	89,609,132
	Demand finance - VIII	1,466,485	1,466,485
		473,722,336	473,336,630
	Less : Current portion of long term loan Due to decree by the banking companies	(473,722,336)	(473,336,630)
		-	-
8.1	Demand finance - Settled amount		
	Gross amount payable	123,137,000	123,137,000
	Present value adjustment - deferred notional income	(19,423,045)	(19,808,751)
	Present value of settled amount	103,713,955	103,328,249
8.1.1	During the year ended June 30, 2013 the Company had rescheduled its Demand Finance - I amounted to Rs. 90.075 million, Term finance-I amounted to Rs. 18.639 million, Term finance III amounted to Rs. 7.336 million, Term finance IV amounted Rs. 40.00 million, Frozen markup on demand finance-I amounted 0.157 million and running finance amounted to Rs. 9.90 million in one demand finance facility aggregating to Rs.166.197 million with NIB Bank limited (now MCB Bank limited). As per the terms of revised agreement, the rescheduled loan is repayable in 106 monthly installments, commenced from June 12, 2013 and expiring on March 31, 2022. The restructured loan is secured against existing securities of the respective loan i.e. against joint pari passu charge over land, building and machinery for Rs. 462.67 million(NIB bank's share in charge is Rs. 206.67 million), specific / exclusive charge of Rs. 124.246 million on machinery and 3 gas generators, second charge of Rs. 100 million over stocks and receivable and personal guarantee of the sponsoring directors of the company. The amount is settled as a result of consent decree passed by the court in favor of the bank and against the principal borrower and the guarantor for Rs. 250.011 million the basis of rescheduling agreement. Rescheduling agreement states that non payment of any three consecutive installments towards adjustment of the settled amount as required in terms of the rescheduled agreement shall be considered as a failure to satisfy the decree. In event of default, the bank shall be entitled to cancel / revoke any of the arrangement including waiver of markup under the rescheduling agreement and the principal borrower and the guarantor shall become immediately liable to pay to the bank forthwith the entire decretal amount less any payments made there under and the bank disregarding any arrangement shall immediately forthwith be entitled to continue execution of proceedings for recovery of decretal amount less any payment made against by the principal borrower and the guarantor.		
8.1.2	This represent the difference between amortized cost and face value of interest free loan (rescheduled during the year ended on June 30, 2013 as explained in note 18.1.1 above) from NIB Bank Limited. mortized cost has been determined using effective interest rate of 10.00% per annum being the rate prevailing in the market. Movement of the present value adjustments is as follows. This represent the difference between amortized cost and face value of interest free loan (rescheduled during the year ended on June 30, 2013 as explained in note 18.1.1 above) from NIB Bank Limited. Amortized cost has been determined using effective interest rate of 10.00% per annum being the rate prevailing in the market. Movement of the present value adjustments is as follows.		
	Present value adjustments		
	Opening balance	19,808,751	20,848,329
	Occurred during the period	-	-
	Amortized during the period	(385,706)	(1,039,578)
		19,423,045	19,808,751



BILAL FIBRES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

- 8.2** The loan is obtained to finance fixed assets of the company. The loan is subject to mark up at the rate of 10 percent per annum payable quarterly (June 30, 2019: 10 percent per annum payable quarterly). The loan was repayable in thirty two quarterly installments, commencing from March 31, 2010 which expired on December 31, 2017. The loan is secured against first registered specific charge for Rs. 33.515 million over the textile machinery, first registered pari passu charge for Rs. 66.00 million over all present and future fixed assets (including land, building and machinery) of the company.
- 8.3** The loan is obtained to adjust the existing RF facility of the company. The loan is subject to mark up at the rate of 10 percent per annum (June 30, 2018: 10 percent per annum) payable quarterly. The loan was repayable in thirty two quarterly installments, commencing from March 31, 2010 which expired on December 31, 2017. The loan is secured against first registered specific charge for Rs. 33.515 million over the textile machinery, first registered pari passu charge for Rs. 66.00 million over all present and future fixed assets (including land, building and machinery) of the company.
- 8.4** The loan was rescheduled and merged in one Demand finance, previously disclosed as DF-IV amounted to Rs.25 million, DF-V amounted to Rs. 70 million, DF-VI amounted to Rs.17 million DF-VII amounted to Rs. 65.208 million and lease finance facility amounted Rs.6.925 million. The loan is subject to markup at the rate of 3 months average KIBOR of quarter (June 30, 2018: 3 months average KIBOR). The loan was repayable in 30 installments payable quarterly commencing from September 30, 2009 which expired on December 31, 2017. The loan is secured against registered joint pari passu charge of Rs.190 million on the present and future fixed assets (including land, building, plant and machinery) of the company valuing Rs. 472 million (already registered with SECP), additional second charge on a plot amounting to Rs. 40 million (currently mortgaged with Meezan Bank Limited), ranking charge on fixed assets of the company of Rs. 29.933 million, ranking charge on fixed assets (including land, building and machinery) of the company of Rs. 54.660, exclusive hypothecation charge over plant and machinery amounting to Rs. 50.350 million, floating charge over plant and machinery amounting to Rs. 23.140. Exclusive hypothecation over plant and machinery amounting to Rs. 2.188 and personal guarantees of sponsoring director.
- 8.5** Overdue markup was converted into demand finance facility amounting to Rs. 65.825 million. The facility was repayable in 34 quarterly installments starting from September 30, 2009 which ended on December 31, 2017. The loan is secured against ranking charge on fixed assets of the company to cover markup for Rs. 65.825 million.
- 8.6** The loan was obtained to finance imported polyester subsequently restructured as demand finance. The loan was repayable in 32 quarterly installments commencing from March 31, 2010 which expired on December 31, 2017. The loan is secured against registered specific charge for Rs.33.515 million, registered pari passu charge of Rs.66 million on all present and future fixed assets of the company and accepted drafts and TRs.
- 8.7** This represents the forced loan created by Silk Bank on encashment of bank guarantee by Sui Northern Gas Pipe Lines Limited.
- 8.8** Deferred mark up on demand finance II for Rs. 0.252 million (June 30, 2019: Rs. 0.252 million) frozen and converted into long term financing. Frozen markup was payable in 28 equal quarterly installments of Rs. 0.019 million and 5 installments Rs. 0.020 million commencing from December 2009.
- 8.9** Deferred mark up on demand finance III as disclosed above of Rs. 0.140 million (June 30, 2019: for Rs. 0.140 million) froze and converted in to long term financing. Frozen markup was payable in 33 equal quarterly installments of Rs. 0.011 million commencing from December 2009.
- 8.10** Deferred mark up on demand finance IV of Rs. 89.609 million (June 30, 2019: Rs. 89.609 million) freed and converted in to long term financing. Frozen markup was due to be paid in lump sum on December 31, 2017.
- 8.11** Deferred mark up on demand finance VIII as disclosed above for Rs. 1.466 million (June 30, 2019: Rs. 1.466 million) froze and converted into long term financing. Frozen markup was payable in 33 quarterly installments of Rs. 0.114 million commencing from December 2009.
- 8.12** The long term financing from Banking companies have been shown under the current liabilities in view of suits for recovery and execution applications filed by the banking companies under the Honorable Lahore High Court, Lahore as disclosed in Note number 10 to the financial statements. The detail of the financial arrangements with the banking companies is given in the Note numbers 8.1 to 8.11

BILAL FIBRES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Sep 30, 2019	June 30, 2019
	Rupees	
D		
	140,061,600	140,061,600
	(19,808,983)	(22,754,247)
	<u>120,252,617</u>	<u>117,307,353</u>

9 LONG TERM FINANCING FROM DIRECTORS AND ASSOCIATES - UNSECURED

Interest free loan	9.1	140,061,600	140,061,600
Present value adjustment	9.2	(19,808,983)	(22,754,247)
		<u>120,252,617</u>	<u>117,307,353</u>

9.1 As at June 30, 2015, the management of the Company entered into an agreement with directors and associates and decided repayment terms of the interest free and unsecured loan (previously repayment terms of the loan were not determinable). According to the agreement, loan from directors and associates amounting to Rs. 87,561,600 will be paid on July 30, 2020 and remaining Rs. 52,500,000 will be paid on July 30, 2022. These loans have been recognized at amortized cost using effective discount rate of 10 percent. The resulting difference has been charged to profit and loss account and will be amortized over the remaining life of the loan. Out of the above amount, Rs. 52,500,000 has subordinated to the loans from banking companies.

9.2 This represent the difference between amortized cost and face value of interest free loan (as explained in note 9.1 above). Amortized cost has been determined using effective interest rate of 10.00% per annum being the weighted average rate of return prevailing in the market. Movement of the deferred notional income is as follows.

Movement in present value

Opening balance	22,754,247	34,802,183
Occurred during the period	-	-
Amortized during the period	(2,945,264)	(12,047,936)
	<u>19,808,983</u>	<u>22,754,247</u>

10 CONTINGENCIES AND COMMITMENTS

10.1 The Honorable Lahore High Court, while disposing the suit C.O.S No. 55/2012 passed a decree of Rupees 419,608 million together with the cost and the cost of funds in favour of the Bank of Punjab. The company has filed a regular first appeal no1017/2016 on August 09, 2016 before the Honorable Lahore High Court, Lahore. The outcome of the case is not ascertainable as at September 30, 2019. The legal counsel is hopeful that the outcome of the case will be decided in favour of the company.

10.2 The Bank of Punjab has filed execution petition no 82/2016 dated September 19, 2016 with the Honorable Lahore High Court, Lahore for execution of decree dated January 28, 2016 of Rs. 419.608 million together with the cost and the cost of fund in the favor of Bank of Punjab which is pending adjudication till the financial statements date.

10.3 The NIB Bank Limited (now MCB) has filed suit C.O.S No. 85/2009 before Honorable Lahore High court, Lahore against the company for recovery of Rupees. 297.403 million as outstanding dues against the banking facilities provided by the bank. Consent decree was passed on September 16, 2013 by the court in favor of the bank and against the principal borrower and the guarantor for Rs. 250.011 million on the basis of resettlement agreement dated September 04, 2013. Resettlement agreement states that non payment of any three consecutive installments towards adjustment of the settled amount as required in terms of the rescheduled agreement shall be considered as a failure to satisfy the decree. In event of default, the bank shall be entitled to cancel / revoke any of the arrangement including waiver of markup under the rescheduling agreement and the principal borrower and the guarantor shall become immediately liable to pay to the bank forthwith the entire decretal amount less any payments made there under and the bank disregarding any arrangement shall immediately forthwith be entitled to continue execution of proceedings for recovery of decretal amount less any payment made against by the principal borrower and the guarantor, however, consent decree have been implemented. As required in resettlement agreements company had applied to the court to withdrawal of its suit C.O.S No. 99/2009 filed against the bank and the case is disposed off by the Honorable judge of the Lahore High Court, Lahore.

10.4 The NIB Bank limited has filed an execution application no 87/2016 dated July 19, 2016 for execution of judgment and decree dated September 16, 2013 for the decreed amount of Rs 250.011 million with the honorable Lahore high court, Lahore plus cost of funds. The case is pending adjudication till the financial statements date.

10.5 The Silk Bank Limited has filed a suit C.O.S 67/2016 before Honorable Lahore High Court, Lahore against Company for recovery of Rupees 80.89 million as outstanding dues against the banking facilities provided by the bank. The case was shifted to the Banking Court by the Lahore High Court. The Company has also filed a suit against the bank before the Banking Court Lahore claiming recovery of Rs.89.156 million. The outcome of the case is not ascertainable as at September 30, 2019. However, legal counsel is hopeful that the outcome of the case will be decided in favor of the Company.



BILAL FIBRES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

- 10.6** The Company has filed a writ petition before the Honorable Lahore High Court, Lahore against the illegal levy of license/permit fee to the tune of Rs. 200,000 by the District Govt. Faisalabad. Legal counsel of the company is of the view that this similar of petitions had already been decided by the Honorable Lahore High Court, Lahore in favour of petitioner. legal council is hopeful that the outcome of the case will be decided in favour of the company.

	Sep 30, 2019	June 30, 2019
	Rupees	
	100,000	100,000
10.7 Claims not acknowledged in view of pending appeals before appellate authorities / high court		
	17,537,477	17,537,477
10.8 Indemnity bonds issued against exemption of sales tax and custom duty on import of machinery and local procurement of raw material		
	6,000,000	6,000,000
10.9 Bank guarantee issued in favor of Sui Northern Gas Pipelines Limited for supply of gas		
	2,675,000	2,675,000
10.10 Bank guarantee issued in favor of Collector of custom Karachi		
	-	-
Commitments outstanding		

11 CORRESPONDING FIGURES

Figures have been rearranged / reclassified in compliance with the accounting and reporting standards applicable in Pakistan wherever necessary to reflect more appropriate presentation for the purpose of comparison.

12 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on **October 18, 2019** by the board of directors of the company.

CHIEF EXECUTIVE

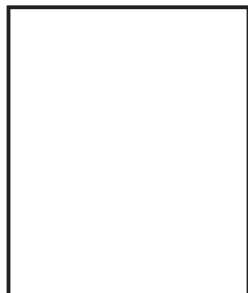
CHIEF FINANCIAL OFFICER

DIRECTOR

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