

**BOOK  
POST**

**PRINTED MATTER**  
(UNDER CERTIFICATE OF POSTING)



*If Undelivered Please Return to:*

**BILAL FIBRES LIMITED**

109-A, Street No. 3,  
Cavalry Ground,  
Lahore Cantt.

Ph: +92 42 3667 2423 - 26

Fax: + 92 42 3717 5482



**BILAL**  
**FIBRES LIMITED**

**1ST QUARTERLY  
REPORT**

**SEPTEMBER 30, 2021**

**(UN-AUDITED)**



## BILAL FIBRES LIMITED COMPANY INFORMATION

<b>Chief Executive</b>	Mr. Naeem Omer
<b>Chairman</b>	Mr. Muhammad Omer
<b>Directors</b>	Mr. Naeem Omer Mr. Anwaar Abbass Mr. Muhammad Asghar Mr. Muhammad Aslam Bhatti Mr. Muhammad Kashif Mr. Muhammad Omer Mr. Shahid Iqbal
<b>Audit Committee</b>	
<b>Chairman:</b>	Mr. Muhammad Aslam Bhatti
<b>Member:</b>	Mr. Anwaar Abbass
<b>Member:</b>	Mr. Muhammad Omer
<b>Human Resource &amp; Remuneration Committee</b>	
<b>Chairman:</b>	Mr. Muhammad Kashif
<b>Member:</b>	Mr. Muhammad Asghar
<b>Member:</b>	Mr. Shahid Iqbal
<b>Company Secretary</b>	Mr. Muhammad Ijaz Shahid
<b>Auditors</b>	M/s Mushtaq & Co. Chartered Accountants 19-B, Block G, Gulberg-III, Lahore.
<b>Bankers</b>	The Bank of Punjab MCB (NIB) Bank Limited Silk Bank Limited
<b>Share Registrar</b>	M/s Corplink (Pvt.) Ltd. Wings Arcade, 1-K, Commercial, Model Town, Lahore.
<b>Legal Advisor</b>	Aakif Majeed But 9-G, Mustaq Gurnani Road, Gulberg II, Lahore
<b>Head Office / Registered Office</b>	109-A, Street No.3 Cavalry Ground, Lahore Cantt Lahore, Pakistan Ph: +92 42 - 3667 2423 - 26 Fax No. +92 42 - 3717 5482 Email: <a href="mailto:fin@bilalfibres.com">fin@bilalfibres.com</a> Web site: <a href="http://www.bilalfibres.com">www.bilalfibres.com</a>
<b>Mills</b>	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 condensed interim financial statements of the Company for the first quarter ended September 30, 2021.

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

The Company has incurred a loss of Rs 4.827 million for the period ended September 30, 2020 as compared to last year period ended September 30, 2020 loss of Rs.12.483 million.

### OPERATING PERFORMANCE

During the period under review, your Company continued to sustain the prevailing critical challenges with regard to the economic conditions and the textile sector.

### FUTURE PROSPECTS

The management has been working hard on resolution of the litigation with the banking companies and also very optimistic for revival of the textile sector the way the new government and APTMA are holding meetings and intensely working on different relief packages.

### ACKNOWLEDGEMENT

Hereby, we do appreciate the efforts for the continued support and cooperation extended to us by our customers, suppliers and bankers. The invaluable services rendered by our employees during such crucial time are also thankfully recognized.

### ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے غیر آزاد شدہ حسابات پیش کر رہے ہیں۔

حسابات آئی اے ایس-34 کی بنیاد پر تیار کیے گئے ہیں اور کمپنیز ایکٹ 2017 کی دفعہ 237 کے تحت پیش کیے جا رہے ہیں۔

گزشتہ سہ ماہی 2020 کی قومی مدت میں 12.483 ملین روپے نقصان کے مقابلے میں کمپنی کو 30 ستمبر 2021 کو ختم شدہ مدت کے لئے 4.827 ملین روپے کا نقصان ہوا ہے۔

### آپ بیکس کارکردگی

زیر جا کارآمدت کے دوران آپ کی کمپنی نے موجودہ تازک اقتصادی حالات اور پیکٹنگ کے شعبہ کے حوالے سے اہم چیلنجز کا سامنا جاری رکھا ہوا ہے۔

### مشعلی کے امکانات

قزاتکامیہ مالیاتی اداروں کے ساتھ قانونی چارہ جوئی کے عمل پر سخت محنت کر رہی ہے اور جس طرح کی حکومت اور ایچ این اے پیکٹنگ انڈسٹری کی بحالی کے لئے مختلف مشعلی اور ڈیفنڈیکٹور پر کام کر رہی ہے، مگر انتظامیہ پیکٹنگ کے شعبے کی بحالی کیلئے پرامید ہے۔

### اہم ناظر

ہم اپنے سٹاک ہولڈرز اور مالیاتی اداروں کے مسلسل تعاون اور مدد کو قزاتکامیہ پیکٹنگ انڈسٹری میں ہم اس اہم وقت میں ہمارے ملازمین کی جانب سے پیش کی گئی اہم خدمات کے شکر گزار ہیں۔

For and behalf of the by Order of Board

(Naem Omer)  
Chief Executive

Lahore  
Dated: October 28, 2021



## BILAL FIBRES LIMITED CHAIRMAN'S REVIEW REPORT

On behalf of the Board of Directors, I am presenting to you the un-audited condensed interim financial statements of the Company for the first quarter ended September 30, 2021. Along with my review on the performance of your Company.

### INDUSTRY OVERVIEW:

During the last few years, the textile sector has been facing different challenges and crisis due to the increased cost of doing business. Among such business environment, the volume of textile business has been falling down owing to the overall adverse economic conditions of Pakistan.

### COMPANY'S PERFORMANCE:

The management has been working very hard for resolution of the litigation cases with the banking companies and very optimistic for settlement of the cases positively.

### FUTURE PROSPECTS:

The future of the company mainly depending on the future of the textile sector in Pakistan. Meanwhile, the mill has been working on lease whereas we have also been looking for other best possible and workable business options simultaneously.

### ACKNOWLEDGEMENT:

I take this opportunity on my and on behalf of the board of directors of your company to acknowledge and thank the dedicated and sincere services of our employees. Whereas, I am also grateful to our bankers, shareholders and the government organizations for their support and usual cooperation.

### چیئرمین کی جائزہ رپورٹ

برادار اور ڈائریکٹرز کی جانب سے میں آپ کی کمپنی کی کارکردگی پر اپنے ہاتھ سے کے ساتھ 30 ستمبر 2021 کو ختم ہونے والی مدت کے لئے آپ کی کمپنی کے غیر آزاد شدہ حسابات پیش کر رہا ہوں۔

### مشعلی چارہ جو

پیکٹنگ انڈسٹری کے دوران پیکٹنگ انڈسٹری کے کاروبار کی ناکامی میں مشعلی کی مدد سے مختلف چیلنجز اور بحران کا سامنا کرنا پڑا ہے۔ اس طرح کے کاروباری ماحول میں، پیکٹنگ انڈسٹری کا کاروبار کم ہوا ہے اور پاکستان کے گہمی کی ماحولیاتی ماحول کی وجہ سے اس کا ختم ہوا ہے۔

### کمپنی کی کارکردگی

انتظامیہ پیکٹنگ انڈسٹری کے ساتھ قانونی چارہ جوئی کے معاملات کو حل کرنے کے لئے محنت کر رہی ہے اور معاملات کو مثبت طریقے سے حل کرنے کیلئے پرامید ہے۔

### مشعلی کے امکانات

کمپنی کا مشعلی چارہ جوئی طور پر پاکستان میں پیکٹنگ انڈسٹری کے شعبے کے مشعلی پر منحصر ہے۔ اور اس ناظر پر عمل رہی ہے جبکہ ہم ایک وقت اور دوسرے بہترین حکمت کاروباری ماحول کی تلاش میں ہیں۔

### اہم ناظر

میں اپنے سٹاک ہولڈرز اور ڈائریکٹرز کی طرف سے اپنے ملازمین کی سرشار اور محنت خدمات کا شکریہ ادا کرنا چاہوں۔ ڈائریکٹرز، اہم کاروباری اداروں اور مصلحت داران کی حمایت اور تعاون کے شکر گزار ہوں۔

Muhammad Omer  
Chairman

Lahore  
Dated: October 28, 2021





# BILAL FIBRES LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

Note	Un-audited	Audited
	September 30, 2021	June 30, 2021
<b>Rupees</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	368,700,773	373,410,730
Right of use assets	51,232,455	51,880,967
Investment property	556,308,500	556,308,500
Long term deposits	1,156,180	1,156,180
	<b>977,397,908</b>	<b>982,756,377</b>
<b>CURRENT ASSETS</b>		
Stock in trade	57,872,747	57,872,747
Trade deposits and short term prepayments	2,925,765	2,925,765
Other receivables	15,195,975	15,295,975
Sales tax refundable	3,540,913	3,540,913
Tax refunds due from government	3,515,444	3,515,444
Cash and bank balances	495,511	622,540
	<b>83,546,355</b>	<b>83,773,384</b>
	<b>1,060,944,263</b>	<b>1,066,529,761</b>
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
15,000,000 (June 30, 2021: 15,000,000) Ordinary shares of Rs. 10 each	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, subscribed and paid up capital</b>		
14,100,000 (June 30, 2021: 14,100,000) Ordinary shares of Rs. 10 each	141,000,000	141,000,000
Accumulated loss	(453,534,512)	(449,607,092)
Surplus on revaluation of Property, plant and equipment	410,224,163	411,124,240
	<b>97,689,651</b>	<b>102,517,148</b>
<b>NON CURRENT LIABILITIES</b>		
Long term financing from Banking Companies - Secured	-	-
Long term financing from directors and associates	95,917,168	95,917,168
Liabilities against assets subject to finance lease	-	-
Deferred liabilities	7,420,010	7,420,010
	<b>103,337,178</b>	<b>103,337,178</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	40,825,679	34,483,679
Unclaimed dividend	235,776	235,776
Accrued Interest/Mark up payable	97,520,034	97,520,035
Short term borrowings	136,365,534	143,465,534
Current portion of:		
Long term financing from Banking Companies	476,664,080	476,664,080
Liabilities against assets subject to finance lease	108,306,331	108,306,331
	<b>859,917,434</b>	<b>860,675,435</b>
Contingencies and commitments	-	-
	<b>1,060,944,263</b>	<b>1,066,529,761</b>

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	First Quarter Ended	
	September 30, 2021	September 30, 2020
<b>(Rupees)</b>		
Sales	-	-
Cost of sales	-	-
<b>Gross loss</b>	-	-
Distribution cost	-	-
Administrative expenses	(6,327,468)	(13,886,443)
Other income	1,500,000	1,500,000
Finance cost	(29)	(96,388)
	<b>(4,827,497)</b>	<b>(12,482,831)</b>
<b>Loss before taxation</b>	<b>(4,827,497)</b>	<b>(12,482,831)</b>
Taxation	-	-
<b>Loss for the period</b>	<b>(4,827,497)</b>	<b>(12,482,831)</b>
<b>Loss per share - basic and diluted</b>	<b>(0.34)</b>	<b>(0.89)</b>

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



# BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	First Quarter Ended	
	September 30, 2021	September 30, 2020
	(Rupees)	
Loss after taxation	(4,827,497)	(12,482,831)
Total comprehensive loss for the period	(4,827,497)	(12,482,831)

The annexed notes form part of these financial statements.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

Particulars	Share capital	Revenue Reserve	Capital Reserve	Total
		Accumulated loss	Surplus on revaluation of fixed assets	
		( Rupees )		
Balance as on 01 July 2020	141,000,000	(448,100,801)	414,914,058	107,813,257
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	3,789,798	(3,789,798)	-
Net Profit/(loss) for the year	-	(5,296,089)	-	(5,296,089)
Other comprehensive income/(loss) for the year	-	-	-	-
Balance as on June 30, 2021	141,000,000	(449,607,092)	411,124,240	102,517,148
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	900,077	(900,077)	-
Net Profit / (loss) for the period	-	(4,827,497)	-	(4,827,497)
Other comprehensive income/(loss) for the period	-	-	-	-
Balance as on September 30, 2021	141,000,000	(455,534,512)	410,224,163	97,689,651

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



# BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	First Quarter Ended	
	September 30, 2021	September 30, 2020
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,827,497)	(12,482,831)
Adjustment for non-cash and other related items:		
Depreciation on operating fixed assets	4,709,957	4,962,799
Depreciation on assets subject to finance lease	648,511	682,644
Impairment loss/ Disallowed expense	-	-
Notional charges on interest free loans	-	96,388
Finance cost	29	-
Interest on staff retirement benefits	-	-
Cash flow generated / (used) from operating activities before working capital changes	531,000	(6,741,000)

Effect on cash flow due to working capital changes :

(Increase) / decrease in current assets:

Other receivables	100,000	5,800,000
Advance tax	-	-
Increase in trade and other payables	6,342,000	730,000
Net cash used in working capital	6,442,000	6,530,000
Cash generated from / (used in) operations	6,973,000	(211,000)
Finance cost paid	(29)	-
Net cash used in operating activities	6,972,971	(211,000)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Long term deposits	-	-
Net cash used in investing activities	-	-

**CASH FLOWS FROM FINANCING ACTIVITIES**

Increase/(decrease) in short term borrowings - net	(7,100,000)	-
Increase/(decrease) in financing from directors and associates	-	-
Net cash generated from / (used in) financing activities	(7,100,000)	-
Net (decrease)/increase in cash and cash equivalents	(127,029)	(211,000)
Cash and cash equivalents at the beginning of the period	622,540	590,854
Cash and cash equivalents at the end of the period	495,511	379,854

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR





# BILAL FIBRES LIMITED

SELECTED NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The company is limited by shares, incorporated in Pakistan on April 13, 1987 under the Companies Ordinance, 1984 (Repealed with the enactment of the companies Act, 2017) and the shares of the company are listed on Pakistan Stock Exchange Limited. The principal business of the company is manufacture and sale of yarn. The geographical location and address of the company's business units including plant as follows:

Business Unit	Geographical location and address
Registered office	109-A, Street No.3, Cavalry Ground, Lahore Cantt, Lahore
Manufacturing Plant	38.KM, Sheikhpura Road, Tehsil Jaranwala, District, Faisalabad

## 1.2 Significant transactions and events affecting the Company's financial position and performance

The Company had closed its operation since June 16, 2016 and reported accumulated losses of Rupees 455.515 million (June 30, 2021: Rupees 449.607 million). The current liabilities exceeded its current assets by Rupees 776.371 million (June 30, 2021: Rupees 776.902 million) as of balance sheet date. These conditions along with adverse key financial ratios and company's court cases with the banking companies on its inability to comply with covenants of loan agreements and to pay long term financing liabilities against assets subject to finance lease, short term borrowings and related finance costs on due dates indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

These financial statements, however, have been prepared under the going concern assumptions as the management after settling trade creditors is seeking amicable settlement of cases with the banking companies and at the same time in search of local or international investors to enter into joint venture arrangement to invest in the plant and machinery in order to compete with the international market players. Moreover, in order to meet the day to day expenses, the company has leased out the factory premises.

## 2 BASIS OF PREPARATION

This interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2021.

### 2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 Change in accounting standards, interpretations and amendments to published approved accounting standards

#### a) Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial reporting.

#### b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2021. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

### 2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value, certain financial liabilities at amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.



# BILAL FIBRES LIMITED

SELECTED NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

## 2.4 Accounting Estimates and Judgments

The preparation of condensed interim financial information requires management to make judgments, 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 source of the estimates are the same as those that applied to the financial statements for the year ended June 30, 2021.

## 2.5 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2021 except as disclosed otherwise.

	Note	September 30, 2021	June 30, 2021
Rupees			
<b>4 Property, Plant and Equipment</b>			
Operating assets	4.1	368,706,773	373,410,730
Right-of-use assets	4.2	51,232,455	51,880,966
		<b>419,939,228</b>	<b>425,291,696</b>
<b>4.1 Operating assets</b>			
Opening Book Value		373,410,730	424,532,671
Depreciation charged during the period / year		(14,709,957)	(51,121,941)
		<b>368,706,773</b>	<b>373,410,730</b>
<b>4.2 Right-of-use assets</b>			
Opening Balance		51,880,966	92,365,621
Depreciation charged during the period		(648,511)	(40,484,655)
		<b>51,232,455</b>	<b>51,880,966</b>
<b>5 INVESTMENT PROPERTY</b>			
Opening net book value		556,308,500	542,740,000
Fair Value Gain		-	13,588,500
Closing net book value		<b>556,308,500</b>	<b>556,328,500</b>

- 5.1 Investment property represents the fair value of 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 Akman Enterprises independent valuer as at July 6, 2021 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.

There are no contractual obligations to Purchase, Construct or develop investment Property or for repairs, insurance or enhancements.

### 5.2 Forced Sale Value

The forced sale value of Land and Building is 240.95 and 230.881 million respectively.

### 5.3 Particulars of investment properties (ie. land & building) are as follows:

Description	Address	Area of land	Covered area of building
Land & building	Chak No 06-67/R/B, 38-Km, Sheikhpura Road, Faisalabad	154.3 Kanals	250,349 Sq Feet

## 6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

14,100,000 (June 30, 2021: 14,100,000) Ordinary shares of Rs. 10 each Paid in cash	6.1	141,000,000	141,000,000
		<b>141,000,000</b>	<b>141,000,000</b>

- 6.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right issues 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.





# BILAL FIBRES LIMITED

SELECTED NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	September 30, 2021	June 30 2021
Rupees			
<b>7 LONG TERM FINANCING FROM BANKING COMPANIES - SECURED</b>			
<b>Demand Finance - Under mark up arrangements</b>			
Demand finance - Settled amount	7.1	106,655,699	106,655,699
Demand finance - II	7.2	3,697,000	3,697,000
Demand finance - III	7.3	6,977,063	6,977,063
Demand finance - III	7.4	174,170,823	174,170,823
Demand finance - IV	7.5	62,820,000	62,820,000
Demand finance - IV (unserviceable)	7.6	19,938,957	19,938,957
Demand finance - VIII	7.7	10,976,850	10,976,850
Forced demand finance	7.7		
<b>From mark up</b>			
Demand finance - II	7.8	252,000	252,000
Demand finance - III	7.9	140,091	140,091
Demand finance - IV	7.10	89,609,132	89,609,132
Demand finance - VIII	7.11	1,496,485	1,496,485
		<b>476,664,080</b>	<b>476,664,080</b>
by the banking companies		<b>(476,664,080)</b>	<b>(476,664,080)</b>

<b>7.1 Demand Finance - Settled amount</b>			
Gross amount payable	7.1.1	123,157,000	123,157,000
Present value adjustment - deferred notional income	7.1.2	(16,481,301)	(16,481,301)
<b>Present value of settled amount</b>		<b>106,655,699</b>	<b>106,655,699</b>

7.1.1 During the year ended June 30, 2015 the Company had rescheduled its Demand Finance - I amounting to Rs. 90,075 million, Term finance-I amounting to Rs. 19,639 million, Term finance III amounting to Rs. 7,336 million, Term finance IV amounting to Rs. 40,00 million, Frozen mark up on demand finance-I amounting to Rs. 9,50 million and turning finance amounting to Rs. 9,50 million in one demand finance facility aggregating to Rs. 166,179 million with NIB Bank Limited (now MCB Bank Limited). As per the terms of revised agreement, the rescheduled loan is repayable in 100 monthly installments, commencing from June 12, 2013 and expiring on March 31, 2022. The rescheduled loan is secured against existing securities of the respective loan i.e. against joint part pass charge over land, building and machinery for Rs. 462.67 million (NIB bank's share is Rs. 209.67 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 on 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 arrangements including waiver of mark up under the rescheduling agreement and the principal borrower and the guarantor shall become immediately liable to pay to the bank (with 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.

7.1.2 This represent the difference between amortized cost and face value of interest free loan (rescheduled during the year ended on June 30, 2013) 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. 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 7.1.1 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.

	September 30, 2021	June 30 2021
Rupees		
<b>Present value adjustments</b>		
Opening balance	16,481,301	18,295,622
Amortized during the period	-	(1,812,321)
	<b>16,481,301</b>	<b>16,481,301</b>

7.2 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, 2020: 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 part pass charge for Rs. 66.00 million over all present and future fixed assets (including land, building and machinery) of the company.



# BILAL FIBRES LIMITED

SELECTED NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

7.3 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, 2020: 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 part pass charge for Rs. 66.00 million over all present and future fixed assets (including land, building and machinery) of the company.

7.4 The loan was rescheduled and merged in one Demand finance, previously disclosed as DF-IV amounting to Rs.25 million, DF-V amounting to Rs. 70 million, DF-VI amounting to Rs.17 million DF-VII amounting to Rs. 15,208 million and lease finance facility amounting Rs.6,925 million. The loan is subject to mark up at the rate of 5 months average KIBOR of quarter (June 30, 2020: 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 part pass 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 SDCP), additional second charge on a plot amounting to Rs. 40 million (currently mortgaged with Meccor 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. 34,466, 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.

7.5 Overdue mark up 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 mark up for Rs. 65,825 million.

7.6 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 part pass charge of Rs.66 million on all present and future fixed assets of the company and accepted drafts and TRs.

7.7 This represents the forced loan created by Silk Bank on encashment of bank guarantee by Sai Northern Gas Pipe Lines Limited.

7.8 Deferred mark up on demand finance II for Rs. 0.252 million (June 30, 2020: Rs. 0.252 million) frozen and converted into long term financing. Frozen mark up was payable in 28 equal quarterly installments of Rs. 0.019 million and 5 installments Rs. 0.020 million commencing from December 2009.

7.9 Deferred mark up on demand finance III as disclosed above of Rs. 0.140 million (June 30, 2020: for Rs. 0.140 million) frozen and converted in to long term financing. Frozen mark up was payable in 13 equal quarterly installments of Rs. 0.011 million commencing from December 2009.

7.10 Deferred mark up on demand finance IV of Rs. 89,609 million (June 30, 2020: Rs. 89,609 million) frozen and converted in to long term financing. Frozen mark up was due to be paid in lump sum on December 31, 2017.

7.11 Deferred mark up on demand finance VIII as disclosed above for Rs. 1,466 million (June 30, 2020: Rs. 1,466 million) frozen and converted into long term financing. Frozen mark up was payable in 33 quarterly installments of Rs. 0.114 million commencing from December 2009.

7.12 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.

	Note	September 30, 2021	June 30 2021
Rupees			
<b>8 LONG TERM FINANCING FROM DIRECTORS AND ASSOCIATES - UNSECURED</b>			
Interest free loan	8.1	128,912,951	128,912,951
Present value adjustment	8.2	(32,995,781)	(32,995,783)
		<b>95,917,169</b>	<b>95,917,168</b>

8.1 The directors of the Company have provided interest free loan to the Company that were utilized to meet working Capital Requirements. 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). The payment of loan is rescheduled on June 30, 2021 and according to the agreement, loan from directors and associates amounting to Rs. 128,912,951 will be paid on July 31, 2024. These loans have been recognized as 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 been subordinated to the loans from banking companies.

8.2 This represent the difference between unamortized cost and face value of interest free loan. 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.



# BILAL FIBRES LIMITED

SELECTED NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	September 30, 2021	June 30 2021
	Rupees	
Movement in present Able		
Opening balance	32,995,783	22,041,667
Amortized during the period	-	10,954,714
	<u>32,995,783</u>	<u>32,995,783</u>

## 9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies and commitments are same as at June 30, 2021.

## 10 TRANSACTION WITH RELATED PARTIES

The related parties comprise of associated undertakings, other related companies and key management personnel. The company in the normal course of business carried out transactions with related parties. There are no other significant related party transactions.

## 11 GENERAL

11.1 There are no other significant activities since June 30, 2021 affecting the interim financial information.

11.2 Figures have been rounded off to the nearest Rupee.

## 12 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on October 28, 2021.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR