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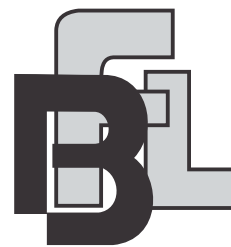
BILAL FIBRES LIMITED

73/4, BLOCK-K, PHASE-1

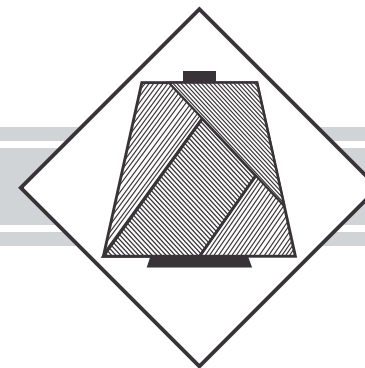
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BILAL
FIBRES LIMITED
(ISO 9001:2000 CERTIFIED)



HALF YEARLY REPORT

DECEMBER 31, 2017
(UN-AUDITED)



BILAL FIBRES LIMITED

COMPANY INFORMATION

Chairman / Chief Executive

Directors

Mr. Naeem Omer

Mr. Naeem Omer

Mr. Anwaar Abbass

Mr. Shahid Iqbal

Mr. Muhammad Omer

Mr. Muhammad Asghar

Mr. Muhammad Kashif

Mr. Muhammad Aslam Bhatti

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 Rizwan and Company

Chartered Accountants

114-A, Tipu Block,

New Garden Town, Lahore.

Bankers

The Bank of Punjab

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

Syed Waqar Hussain Naqvi

2nd Floor, Nawa-e-Waqt Building,

4 Shahrah-e-Fatima Jinnah Road,

Lahore. Tel: 042-36360624-5

73/4, Block-k, Phase-1

DHA, Lahore Cantt.

Ph: 042 - 3570 9952 - 54

Fax: 042 - 3570 9955

Email: info@bilalfibres.com

Web site: www.bilalfibres.com

Mills

38th KM, Sheikhpura Road,

Tehsil Jaranwala, District Faisalabad.

Telephone: 041-4689075, 4689076

Fax No. 041-4689279

Email: mills@bilalfibres.com

Email: bilalfib@fsd.comsats.net.pk



BILAL FIBRES LIMITED

DIRECTOR'S REPORT

The Directors of your company are presenting before you the un-audited accounts but reviewed by the external auditors of the Company for the half year ended 31st December 2017.

The Accounts have been prepared in compliance with IAS-34 and being submitted as required under section 245 of the repealed Companies Ordinance 1984.

The Company has incurred a loss of Rs. 37.440 million for the period ended December 31, 2017 as compared to last half year comparative period loss of Rs. 15.848 million. The management decided that mills will remain closed to avoid Rs 20 million monthly cash loss. In this volatile market the directors trying their best for the revenue generations from the company in this regard the mills operations were given on rent.

FINANCIAL AND OPERATING PERFORMANCE

During the period under review the mill was continuously on rent. During the period the major of expenses i.e Rs 23.361 million related to the depreciation/amortization. The financial results are summarized hereunder:-

Particulars	Rupees In Million		% age
	Half Year 2017-18	Half Year 2016-17	
Sales-Rental Income	3.000	95.048	(96.84)
Gross loss	(18.116)	(18.767)	(3.47)
Operating loss	(19.462)	(17.023)	14.33
Finance cost	8.417	5.300	58.81
Net Loss before tax	(27.879)	(22.323)	24.89
Net loss after tax	(37.440)	(15.848)	136.24
Loss per share Rs.	(2.66)	(1.12)	137.50

OPERATING PERFORMANCE

The period under review has also been proved difficult period as the factory remained on rent throughout the period under review. Your Company continued to be in the grip of challenges; difficult textile market with on-going financial impediments have obstructed the management not to restart the own production. The majority of expenses related to non cash activities and rental income is the only source of revenue to meet the day to day petty expenses of the company. The management is in continuous efforts to resolve the litigation cases with the banking companies and thereafter will develop the plan for any business activity in the company.



BILAL FIBRES LIMITED

DIRECTOR'S REPORT

OPERATING PERFORMANCE

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FUTURE PROSPECTS

The management has decided to focus on resolution of the litigation with the banking companies and meanwhile hoping that government and APTMA will be working on relief packages for revival of the textile industry in Pakistan.

STATUS OF QULIFICATIONS IN THE AUDITORS' REVIEW REPORT

The majority of qualifications by the auditors' related to the litigations of matters with the banking companies and closures of operations. The management seriously working with the banking companies to be out from these litigations.

ACKNOWLEDGEMENT

We appreciate the efforts and with thanks place on record the continued support extended to us by our customers, suppliers and bankers. The valuable services rendered by our team of employees are gratefully acknowledged.

For and on behalf of the
By order of Board

(Naeem Omer)
Chief Executive Officer

Lahore
Dated: February 27, 2018



BILAL FIBRES LIMITED

ڈائریکٹر رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2016 کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر متبقی شدہ حسابات اور ان پر بیرونی محاسب کا جائزہ پیش کر رہی ہے۔

حسابات آئی اے ایس-34 کی بیرونی میں تیار کیے گئے ہیں اور کنٹریز آرڈیننس 1984 کی دفعہ 245 کے تحت درکار پیش کیے جا رہے ہیں۔

گزشتہ ششماہی کی تقابلی مدت میں 15,848 ملین روپے نقصان کے مقابلے میں کمپنی کو 31 دسمبر 2017 کو ختم مدت کے لئے 37,440 ملین روپے کا نقصان ہوا ہے۔

مذاہفہ نے 20 ملین روپے ماہانہ نقصان سے بچنے کے لئے مل کو بند رکھنے کا فیصلہ کیا گیا۔ اس غیر مستحکم مارکیٹ کی صورت حال میں ڈائریکٹرز نے کمپنی سے آمدنی حاصل کرنے کے لئے ممکن بہترین منصوبہ بندی کی کوشش کی۔ اس سلسلے میں ملز کرایہ پردی گئی تھی۔

مالی اور آپریٹنگ کارکردگی

زیر جائزہ مدت کے دوران مسلسل کرایہ پر تھی۔ اس مدت کے دوران اخراجات کا بڑا حصہ یعنی کہ 23,361 ملین روپے Amortization / Depreciation سے متعلق ہے۔

مالیاتی نتائج کا خلاصہ حسب ذیل ہے:-

فیصد	روپے ملین میں		تفصیلات
	2016-17	2017-18	
			فروخت - آمدنی کر کے
(96.84)	95,048	3,000	
(3.47)	(18,767)	(18,116)	مجموعی نقصان
14.33	(17,023)	(19,462)	آپریٹنگ خسارہ
58.81	5,300	8,417	مالی لاگت
24.89	(22,323)	(27,879)	قبل از ٹیکس خالص نقصان
136.24	(15,848)	(37,440)	بعد از ٹیکس خالص نقصان
137.50	(1.12)	(2.66)	نیٹ نقصان روپیہ میں

آپریٹنگ کارکردگی

زیر جائزہ مدت بھی مشکل دور ثابت ہوا ہے کیونکہ زیر جائزہ مدت کے دوران مل مسلسل کرایہ پر رہی۔ کمپنی مسائل کی لپیٹ میں ہے، مسلسل مالی رکاوٹوں کے ساتھ مشکل ٹیکسٹائل مارکیٹ نے انتظامیہ کو پیداوار کی صلاحیت دوبارہ شروع نہ کرنے پر مجبور کیا ہے۔ اس دوران کمپنی اپنے روزمرہ کے اخراجات کرایہ کی آمدن سے پوری کرتی رہی۔ کمپنی انتظامیہ اپنی تمام تر صلاحیتوں کے ساتھ کوشش کر رہی ہے کہ وہ مالیاتی اداروں کے ساتھ Litigation کے معاملات طے کر لے اور اس کے بعد کمپنی کو دوبارہ چلانے کی منصوبہ بندی کر سکے۔

مستقبل کے امکانات

انتظامیہ نے مالیاتی اداروں کے ساتھ مقدمہ سازی کے حل پر توجہ مرکوز کرنے کا فیصلہ کیا ہے اور اس کے ساتھ ساتھ امید ہے کہ حکومت اور اے ایٹما پاکستان میں ٹیکسٹائل انڈسٹری کی بحالی کے لئے ریڈیف ٹیکسٹائل پر کام کرے گی۔

آڈیٹرز کی جائزہ رپورٹ میں Qualification کی حیثیت

آڈیٹرز کی زیادہ تر Qualification مالیاتی اداروں کے معاملات، مقدمات اور کاروبار بند کرنے کے متعلق ہیں۔ مل انتظامیہ مالیاتی اداروں کے ساتھ قانونی معاملات حل کرنے کے بارے میں متوجہ ہے۔

اعمال و تفکر

ہم اپنے صارفین، سپلائرز اور مالیاتی اداروں کی مسلسل حمایت کا شکریہ ادا کرتے ہیں۔ اپنے ملازمین کی ٹیم کی کوششوں اور مہیا کردہ گراں قدر خدمات کو سراہتے ہیں۔

منجانب بورڈ

(نعم عمر)

چیف ایگزیکٹو آفیسر

لاہور 27 فروری 2018ء

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the annexed condensed interim balance sheet of **BILAL FIBRES LIMITED** as at **31 DECEMBER 2017** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof, for the half year then ended (hereinafter referred to as the "interim financial information").

Management is responsible for the preparation and presentation of this interim financial information in conformity with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial information based on our review.

The figures included in condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2017 and 2016 and the notes forming part thereof have not been reviewed by us and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2017.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Basis of Adverse Conclusion

- a) The Company has suspended its operations since 16 June 2016 and has leased out the factory to meet day to day expenses. Further at the interim balance sheet date the Company's accumulated losses stand at Rupees 384.021 million, its equity is eroded by Rupees 243.021 million and its current liabilities exceed its current assets by Rupees 769.609 million. Further, the financial results show adverse key financial ratios and the company's court cases are decreed in favour of the banking companies (as fully explained in note 7.1, 7.2, 7.3) due to its inability to comply with loan agreements. The company is also unable to pay long term financing from banking companies amounting to Rupees 457.645 million and the related finance cost, Liabilities against assets subject to finance lease amounting to Rupees 108.306 along with the finance cost, short term borrowings amounting to Rupees 143.855 million along with the related finance cost, accrued markup amounting to Rupees 97.520 million if the execution applications filed by the banking companies are decided by the courts. At present, there is no formal approved business plan for future periods. These conditions and events indicate material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, as described in Note 1.3, this interim financial information has been prepared under the going concern assumption. Our review indicates that, because of the circumstances and events as mentioned herein the Company cannot be considered to be a going concern and thus the preparation of this interim financial information on a going concern basis is inappropriate. This interim financial information should reflect adjustments to reduce the value of assets to their recoverable amount and to provide any further liabilities that may arise. These adjustments are likely to be substantial, and in view of further qualified conclusions discussed in paragraphs (b) to (f) below we are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

- b) In order to meet the day to day expenditure, the company, during the last quarter of the financial year ended on 30 June 2017, has leased out the factory for which consent of the general meeting was obtained as required under Section 196 of the repealed Companies Ordinance, 1984 (Section 183 of the Companies Act, 2017). However, the company is not allowed under the principal object clause of its Memorandum of Association to involve in such business activity.
- c) We did not observe the taking of the physical inventory of stock in trade amounting to Rupees 57.873 million and the mills plant and machinery as of 31 December 2017. The management informed us that the stocks are pledged with the banking companies and are under litigation while the factory is now on lease with the third party. The management further informed us that since the date of closure of mill's operations, there is no movement in stock in trade and mill's plant & machinery during the period under review.
- d) The latest revaluation of the company's property plant and equipment was carried out on 30 June 2013. In view of suspension of mill's operations fresh revaluation and impairment test of company's property plant and equipment should have been carried out by the company. The Company has not carried out comparison of carrying value of property, plant and equipment as against their recoverable amount as at interim balance sheet date. These adjustments are likely to be substantial, and we are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy. In the absence of revaluation within the time frame/period as defined in paragraph 31 of International Accounting Standard 16, (Property, plant and equipment) and impairment test under International Accounting Standard 36 (Impairment of assets) as at the interim balance sheet date we cannot confirm the accuracy of the carrying value of property plant and equipment as disclosed in note 8 of the interim financial information.
- e) As fully explained in notes 7.1, 7.2 and 7.3 the company is in litigation with the banking companies. The company had not worked out and provided the amount of markup/cost of funds on long term financing amounting (Note 5), Liabilities against assets subject to finance lease (Note 6) and short term borrowings in this interim financial information. Moreover, due to litigation none of the banking companies confirmed us the balances of long term financing (Note 5), Liabilities against assets subject to finance lease (Note 6) and short term borrowings. Based on available underlying records, response from the legal counsel and non-confirmation of loan balances from banking companies, we were unable to determine with reasonable accuracy the impact on this interim financial information of any disagreement.
- f) In the absence of actuarial valuation we were unable to confirm the accuracy of the amount of gratuity payable worked out as at 30 June 2016 on the basis of number of years worked and last drawn salary.
- g) Our review indicates that, because of the significance of the matters discussed in paragraph (a) to (f) above, proper books of accounts have not been kept by the company as required by the repealed Companies Ordinance, 1984;

Adverse Conclusion

Based on our review, because of the significance of the matter discussed in the paragraphs (a) to (g) above, the annexed interim financial information as at and for the half year ended 31 December 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore
Dated: February 27, 2018

RIZWAN & COMPANY
Chartered Accountants
Engagement Partner: Rizwan Bashir



BILAL FIBRES LIMITED

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2017

		Un-Audited 31 December 2017	Audited 30 June 2017
EQUITY AND LIABILITIES	Note	(Rupees)	
Share capital and reserves			
Authorized share capital			
15,000,000 (30 June 2017: 15,000,000) ordinary shares of Rupees 10/- each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid up capital		<u>141,000,000</u>	<u>141,000,000</u>
14,100,000 (30 June 2017: 14,100,000) ordinary shares of Rupees 10/- each fully paid in cash			
Accumulated loss		<u>(384,021,379)</u>	<u>(350,201,634)</u>
Total equity		(243,021,379)	(209,201,634)
Surplus on revaluation of property, plant and equipment - net of tax		<u>296,674,601</u>	<u>300,295,808</u>
Non-current liabilities			
Long term financing	5	<u>100,471,120</u>	<u>92,372,319</u>
Deferred liabilities		<u>31,459,139</u>	<u>22,256,864</u>
		<u>131,930,259</u>	<u>114,629,183</u>
Current liabilities			
Trade and other payables		<u>53,625,534</u>	<u>59,005,632</u>
Accrued interest on financing		<u>97,520,034</u>	<u>97,520,034</u>
Short term borrowings		<u>143,855,534</u>	<u>143,855,534</u>
Current portion of:			
Long term loan from banking company	5	<u>457,645,705</u>	<u>453,733,532</u>
Liabilities against assets subject to finance lease	6	<u>108,306,331</u>	<u>108,306,331</u>
		<u>860,953,138</u>	<u>862,421,063</u>
Total liabilities		992,883,397	977,050,246
Total equity and liabilities		<u>1,046,536,619</u>	<u>1,068,144,420</u>
CONTINGENCIES AND COMMITMENTS	7	-	-

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2017

		Un-Audited 31 December 2017	Audited 30 June 2017
ASSETS	Note		
Non-current assets			
Property, plant and equipment	8	<u>951,803,874</u>	<u>973,316,820</u>
Long term deposits		<u>3,388,820</u>	<u>3,388,820</u>
		<u>955,192,694</u>	<u>976,705,640</u>
Current assets			
Stock-in-trade		<u>57,872,748</u>	<u>57,872,748</u>
Trade deposits and short term prepayments		<u>4,294,802</u>	<u>4,305,093</u>
Taxation-net		<u>26,543,654</u>	<u>26,523,365</u>
Other receivables		<u>2,509,094</u>	<u>2,009,094</u>
Cash and bank balances		<u>123,627</u>	<u>728,480</u>
		<u>91,343,925</u>	<u>91,438,780</u>
Total assets		<u>1,046,536,619</u>	<u>1,068,144,420</u>

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	Half year ended		Quarter ended	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
----- (Rupees) -----					
Sales	9	3,000,000	95,047,600	1,500,000	-
Cost of sales	10	21,115,839	113,814,449	10,557,920	11,549,768
Gross loss		(18,115,839)	(18,766,849)	(9,057,920)	(11,549,768)
Distribution cost		-	355,412	-	174,330
Administrative expenses		2,246,002	8,496,788	1,334,096	3,270,962
Other operating expenses		-	-	-	-
		2,246,002	8,852,200	1,334,096	3,445,292
		(20,361,841)	(27,619,049)	(10,392,016)	(14,995,060)
Other operating income	11	899,800	10,595,358	617,985	4,451,693
		(19,462,041)	(17,023,691)	(9,774,031)	(10,543,367)
Finance costs		8,417,715	5,300,291	6,624,421	(311,125)
Loss before taxation		(27,879,756)	(22,323,982)	(16,398,452)	(10,232,242)
Taxation	12	9,561,196	6,475,798	6,034,139	2,948,741
Loss after taxation		(37,440,952)	(15,848,184)	(10,364,313)	(7,283,501)
Loss per share					
- Basic and diluted (Rupees)		(2.66)	(1.12)	(0.74)	(0.52)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Half year ended		Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
----- (Rupees) -----				
Loss after taxation	(37,440,952)	(15,848,184)	(10,364,313)	(7,283,501)
Other comprehensive (loss) / income:	-	-	-	-
Total comprehensive loss for the period	(37,440,952)	(15,848,184)	(10,364,313)	(7,283,501)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM CASH FLOWS STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Half year ended 31 December 2017	Half year ended 31 December 2016
Note		
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(27,879,756)	(22,323,982)
Adjustment for non-cash and other related items:		
Depreciation	21,374,759	23,070,195
(Gain) \ loss on disposal of property, plant and equipment	(281,815)	(2,307,550)
Notional income on interest free loan	(617,985)	
Finance cost	8,417,715	5,300,291
Amortization of deferred income	-	(8,287,808)
Cash flow generated from operating activities before working capital changes	1,012,918	(4,548,854)
Effect on cash flow due to working capital changes :		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	-	11,279,963
Stock in trade	-	83,050,792
Trade debts	-	14,345,971
Loans and advances	-	17,089,036
Trade deposits and short term prepayments	10,291	(131,549)
Other receivables	(500,000)	-
Balances with statutory authorities	-	(11,384)
Decrease in trade and other payables	(5,380,098)	(107,147,937)
Net cash used in working capital	(5,869,807)	18,474,892
Cash generated from / (used in) operations	(4,856,889)	13,926,038
Finance cost paid	(148,756)	(308,974)
Income tax paid	(379,208)	(299,126)
Payment of staff retirement benefits - gratuity	-	(120,800)
Net cash used in operating activities	(5,384,853)	13,197,138
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	420,000	3,035,000
Net cash used in investing activities	420,000	3,035,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term financing - net	4,360,000	(15,200,000)
Increase in short term borrowings - net	-	(250,000)
Net cash generated from / (used in) financing activities	4,360,000	(15,450,000)
Net (decrease)/increase in cash and cash equivalents	(604,853)	782,138
Cash and cash equivalents at the beginning of the period	728,480	411,768
Cash and cash equivalents at the end of the period	123,627	1,193,906

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Share capital	Accumulated loss	Total
	(Rupees)		
Balance as on 01 July 2016	141,000,000	(371,114,783)	(230,114,783)
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	3,774,922	3,774,922
Total comprehensive loss for the period	-	(15,848,184)	(15,848,184)
Balance as on 31 December 2016	141,000,000	(383,188,045)	(242,188,045)
Balance as on 01 July 2017	141,000,000	(350,201,634)	(209,201,634)
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	3,621,207	3,621,207
Total comprehensive loss for the period	-	(37,440,952)	(37,440,952)
Balance as on 31 December 2017	141,000,000	(384,021,379)	(243,021,379)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1. THE COMPANY AND ITS ACTIVITIES

- 1.1** The Company was incorporated in Pakistan as a public limited company under the Companies Act, 1913 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited (formerly known as Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The Company is engaged in the manufacturing and sale of yarn. Registered Office of the Company is situated at 73/4, Block - K, DHA, Phase 1, Lahore Cantt. Lahore.
- 1.2** The Company has suspended its operations since June 16, 2016 and has leased out the factory. Further at the balance sheet date the Company's accumulated losses stand at Rupees 384.021 million, its equity is eroded by Rupees 243.021 million and its current liabilities exceed its current assets by Rupees 769.609 million. Further, the financial results show adverse key financial ratios and the company's court cases are decreed in favour of the banking companies due to its inability to comply with loan agreements. The company is also unable to pay long term financing from banking companies and the related finance cost, Liabilities against assets subject to finance lease along with the finance cost, short term borrowings along with the related finance cost, accrued markup if the execution applications filed by the banking companies are decided by the courts. These conditions and events indicate material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.
- 1.3** These condensed interim financial statements have been prepared under the going concern assumption as the management is seeking amicable settlement of cases with the banking companies. Moreover, the Company has leased out the factory premises initially for a period of 11 months to meet its day to day expenses which may be extended to 5 years as approved in the annual general meeting.

2. STATEMENT OF COMPLIANCE

- 2.1** This interim financial information of the Company for the six month period ended 31 December 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.
- 2.2** This condensed interim financial statement is unaudited and is being submitted to shareholders, as required by section 237 of the Companies Act, 2017. The figures for the half year ended December 31, 2017 have however been subjected to a limited scope review by the auditors as required by the Code of Corporate Governance.
- 2.3** During the previous year, the Companies Act 2017 ("the Act") was enacted on 30 May 2017 and replaced and repealed the Companies Ordinance, 1984 ("the repealed Ordinance"). However, the Securities and Exchange Commission of Pakistan vide its Circular No. 17 and Circular No. 23 dated 20 July 2017 and 04 October 2017 respectively and Institute of Chartered Accountants of Pakistan vide its Circular No. 17 dated 06 October 2017, have advised and clarified that the Annual Financial Statements of the Companies whose financial year closes on or before 31 December 2017 and interim financial statements of the Companies for the period ended on or before 31 December 2017, shall be prepared in accordance with the repealed Ordinance.

3. BASIS OF PREPARATION

- 3.1** The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 30 June 2017.
- 3.2** 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 30 June 2017 except for as disclosed in note 3.3 below.
- 3.3** The Company has adopted the following amended International Financial Reporting Standards (IFRSs) which became effective during the period:
- IFRS 10 - Consolidated Financial Statements
IFRS 12 - Disclosure of Interests in Other Entities
IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)



BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS 1 Presentation of Financial Statements - Disclosure Initiative (Amendment)
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
IAS 27 Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
IFRS 7 Financial Instruments: Disclosures - Servicing contracts
IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19 Employee Benefits - Discount rate: regional market issue
IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments and interpretation did not have any significant impact on this condensed interim financial statements.

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 sources of the estimation are the same as those that applied to the financial statements for the year ended 30 June 2017.

5. LONG TERM FINANCING

From banking companies-secured

	Un-Audited 31 December 2017	Audited 30 June 2017
	(Rupees)	
Opening balance	453,733,532	447,018,846
Present value adjustment - notional charges	3,912,173	6,714,686
	457,645,705	453,733,532
Less: current portion due to the decree by the banking company	(457,645,705)	(453,733,532)
	-	-

From directors and associates

	100,471,120	92,372,319
	100,471,120	92,372,319

6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Opening balance	108,306,331	108,306,331
Obtained / (repaid) during the period / year	-	-
	108,306,331	108,306,331
Less: current portion	108,306,331	108,306,331
	-	-



BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

- 7.1.1** The honorable Lahore High Court while disposing the suit C.O.S No. 55/2012 passed a decree of Rupees 419,608 together with the cost and the cost of funds in favour of the Bank of Punjab. The company has filed a regular first appeal no 1017/2016 on August 09, 2016 before the Honorable Lahore High court, Lahore. The outcome of the case is not ascertainable as at December 31, 2017. The legal counsel is hopeful that the outcome of the case will be decided in favour of the company.
- 7.1.2** 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 balance sheet date.
- 7.1.3** 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 of by the Honorable judge of the Lahore High Court, Lahore.
- 7.1.4** 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 balance sheet date.
- 7.1.5** 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 88.88 million as outstanding dues against the banking facilities provided by the bank. The case was shifted to the Banking Tribunal by the Lahore high court. The Company has also filed a suit against the bank before the Banking Tribunal Lahore. The outcome of the case is not ascertainable as at December 31, 2017. However, legal counsel is hopeful that the outcome of the case will be decided in favor of the Company.
- 7.1.6** 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 Rupees 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.

	Un-Audited 31 December 2017	Audited 30 June 2017
	(Rupees)	
7.1.7 Claims not acknowledged in view of pending appeals before appellate authorities/high court	100,000	100,000
7.1.8 Indemnity bonds issued against exemption of sales tax and custom duty on import of machinery and local procurement of raw material	17,537,477	17,537,477
7.1.9 Bank guarantee issued in favor of Sui northern gas pipelines limited for supply of gas	18,082,000	18,082,000
7.1.10 Bank guarantee issued in favor of collector of custom Karachi	2,675,000	2,675,000
7.2 COMMITMENTS	-	-



BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

		Un-Audited 31 December 2017	Audited 30 June 2017
		(Rupees)	
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	(8.1)	889,700,062	909,620,603
Assets subject to finance lease	(8.2)	62,103,812	63,696,217
		<u>951,803,874</u>	<u>973,316,820</u>
8.1 Operating fixed assets - tangible			
Opening book value		909,620,603	957,390,721
Add: additions during the period / year-cost		-	-
		<u>909,620,603</u>	<u>957,390,721</u>
Less: deletions during the period / year	(8.1.1)	138,187	5,434,667
		<u>909,482,416</u>	<u>951,956,054</u>
Less: depreciation during the period / year		19,782,354	42,335,451
Book value at the end of the period / year		<u>889,700,062</u>	<u>909,620,603</u>
8.1.2 Book value of assets disposed during the period / year			
Vehicles		138,187	5,434,667
		<u>138,187</u>	<u>5,434,667</u>
8.2 Assets subject to finance lease			
Opening book value		63,696,217	67,048,649
Add : additions during the period / year		-	-
Less : depreciation during the period / year		1,592,405	3,352,432
Book value at the end of the period / year		<u>62,103,812</u>	<u>63,696,217</u>



BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

		Un-Audited			
		Half year ended		Quarter ended	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
9 SALES		(Rupees)			
Local sales		-	95,047,600	-	-
Rental Income		3,000,000	-	1,500,000	-
		<u>3,000,000</u>	<u>95,047,600</u>	<u>1,500,000</u>	<u>-</u>
10 COST OF SALES					
Stores, spares and loose tools consumed		-	107,621	-	27,883
Packing materials		-	5,560	-	-
Salaries, wages and other benefits		-	4,096,982	-	946,471
Fuel and power		-	2,674,863	-	71,054
Repair and maintenance		-	1,062,359	-	(808,906)
Insurance		-	77,580	-	-
Other factory overheads		-	511,410	-	199,626
Depreciation		21,115,839	22,227,282	10,557,920	11,113,640
		<u>21,115,839</u>	<u>30,763,657</u>	<u>10,557,920</u>	<u>11,549,768</u>
Work-in-process:					
Opening stock		-	-	-	-
Closing stock		-	-	-	-
Cost of goods manufactured		<u>21,115,839</u>	<u>30,763,657</u>	<u>10,557,920</u>	<u>11,549,768</u>
Finished goods:					
Opening stock		343,873	83,394,665	343,873	343,873
Closing stock		(343,873)	(343,873)	(343,873)	(343,873)
		-	83,050,792	-	-
		<u>21,115,839</u>	<u>113,814,449</u>	<u>10,557,920</u>	<u>11,549,768</u>
10.1 Raw Material Consumed					
Opening Stock		57,528,875	57,528,875	57,528,875	57,528,875
Purchase Including Exp.		-	-	-	-
		<u>57,528,875</u>	<u>57,528,875</u>	<u>57,528,875</u>	<u>57,528,875</u>
Cost Of Raw Material Sold		-	-	-	-
Closing Stock		(57,528,875)	(57,528,875)	(57,528,875)	(57,528,875)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11 OTHER OPERATING INCOME					
Income from financial assets		281,815	8,287,808	-	4,143,904
Income from assets other than financial assets		617,985	2,307,550	617,985	307,789
		<u>899,800</u>	<u>10,595,358</u>	<u>617,985</u>	<u>4,451,693</u>
12 TAXATION					
Charge for the period:					
Prior year		358,924	-	-	-
Current		-	-	-	-
Deferred		9,202,272	6,475,798	1,632,258	2,948,741
		<u>9,561,196</u>	<u>6,475,798</u>	<u>1,632,258</u>	<u>2,948,741</u>



BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, companies in which directors are interested, staff retirement funds, directors and key management personnel. Significant transactions with related parties and associated undertakings are as under:

		Un-Audited	
Relationship with the Company	Nature of transactions	Half year ended 31 December 2017	Half year ended 31 December 2016
		(Rupees)	
Directors and Chief Executive	Remuneration	900,000	1,800,000
Transactions entered into with the key management personnel as per their terms of employment are excluded from related party transactions.			
The outstanding balances of such parties are as under:		31 December 2017	30 June 2016
Relationship with the Company	Nature of balance	(Rupees)	
Director and Chief Executive	Remuneration payable	2,949,962	900,000

14 DATE OF AUTHORIZATION

This condensed interim financial statements was authorized for issue by the Board of Directors of the Company on February 27, 2018.

15 GENERAL

15.1 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2017 and 2016 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

15.2 Figures have been rounded off to the nearest rupees.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR