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BILAL FIBRES LIMITED

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BILAL
FIBRES LIMITED
(ISO 9001:2000 CERTIFIED)



THIRD QUARTERLY
REPORT

March 31, 2021
(UN-AUDITED)



BILAL FIBRES LIMITED

COMPANY INFORMATION

Chief Executive	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. Muhammad Kashif
Member:	Mr. Muhammad Asghar
Member:	Mr. Shahid Iqbal
Company Secretary	Mr. Muhammad Ijaz Shahid
Auditors	M/s Mushtaq & Co. Chartered Accountants 19-B, Block G, Gulberg-III, 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.
Legal Advisor	Aakif Majeed But 9-G, Mustaq Gurmani Road, Gulberg II, Lahore
Head Office / Registered Office	109-A, Street No.3 Cavalry Ground, Lahore Cantt Lahore, Pakistan Ph: +92 42 - 3667 2423 - 26 Fax No. +92 42 - 3717 5482 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 for the period ended March 31, 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.25.914 million for the period ended March 31, 2021 as compared to last year comparative period loss of Rs. 49.742 million.

OPERATING PERFORMANCE

During the period under review, mills operations remained shut down and therefore there was no business conducted.

FUTURE PROSPECTS

The management of the Company has been closely working with the banking companies to be out from these litigation matters amicably. The management is also exploring different options for potential investments / joint venture to cope with the prevailing crisis. We are very optimistic that our efforts would be successful in near future and the Company would be in position to resume its operations and able to diminish its losses with healthy profits and fulfil all its obligations. The management of your Company has continuously been doing efforts for the best possible solution to the benefit of all the stakeholders. We would like to thank all our shareholders for their continued support and cooperation.

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.

For and behalf of the by Order of Board

Lahore
April 29, 2021


(Naeem Omer)
Chief Executive



BILAL FIBRES LIMITED

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ، 2021 کو ختم ہونے والی مدت کے لئے غیر آڈٹ شدہ اکاؤنٹس آپ کے سامنے پیش کر رہے ہیں۔

حسابات آئی ایس 34 کی بنیاد میں تیار کیے گئے ہیں اور کمپنیز آرڈیننس 1984 کی دفعہ 245 کے تحت پیش کیے جا رہے ہیں۔

گزشتہ نو ماہ کی مالی مدت میں 49.742 ملین روپے نقصان کے مقابلے میں کمپنی کو 31 مارچ، 2021 کو مختصر مدت کے لئے 25.914 ملین روپے کا نقصان ہوا ہے۔

آپریٹنگ کی کارکردگی

زیر غور مدت کے دوران، ملز آپریشن بند رہے اور اس وجہ سے کوئی کاروبار نہیں ہوا۔

مستقبل کے امکانات

کمپنی کی انتظامیہ بینکاری کمپنیوں کے ساتھ مل کر کام کر رہی ہے تاکہ ان قانونی چارہ جوئی معاملات سے احسن طریقے سے نکلا جائے۔ انتظامیہ موجودہ بحران سے نمٹنے کے لئے ممکنہ سرمایہ کاری / مشترکہ منصوبے کے لئے بھی مختلف طریقوں کی تلاش میں ہے۔ ہم بہت پر امید ہیں کہ ہماری کوششیں مستقبل قریب میں کامیاب ہوں گی اور کمپنی اپنی کاروباری سرگرمیاں بحال کرنے کی پوزیشن میں ہوگی اور اچھے نتائج جات سے اپنے نقصانات کو کم کرنے اور اپنی تمام ذمہ داریوں کو پورا کرنے میں کامیاب ہوگی۔ آپ کی کمپنی کی انتظامیہ تمام اسٹیک ہولڈرز کے فائدے کے بہترین ممکنہ حل کے لئے مسلسل کوششیں کر رہی ہے۔ ہم اپنے تمام حصص داران کی مسلسل حمایت اور تعاون پر ان کا شکریہ ادا کرتے ہیں۔

اعلیٰ ہدایت

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

منجانب بورڈ



(نعم عمر)

چیف ایگزیکٹو

لاہور
اپریل 29، 2021ء



BILAL FIBRES LIMITED

CHAIRMAN'S REVIEW REPORTS

On behalf of the Board of Directors, I am presenting to you the Third Quarterly Un-Audited Financial Statements of your Company for the period ended March 31, 2021 along with my review on the performance of your Company.

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, 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.

Muhammad Omer
Chairman

Lahore
April 29, 2021



BILAL FIBRES LIMITED

چیئر مین کی جائزہ رپورٹ

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ، 2021 کو ختم ہونے والی نو ماہی کے غیر متقبح شدہ حسابات کے ساتھ آپ کی کمپنی کی کارکردگی پر اپنا جائزہ پیش کر رہا ہوں۔

کمپنی کی کارکردگی

انتظامیہ بینکاری کمپنیوں سے قانونی چارہ جوئی کے معاملات حل کرنے کے لئے کوششیں کر رہی ہے اور ان کے حل کے لئے بہت پر امید ہے۔

مستقبل کے امکانات

کمپنی کا مستقبل بنیادی طور پر پاکستان میں ٹیکسٹائل شعبہ کے مستقبل پر انحصار کرتا ہے۔ دریں اثناء ہم دیگر بہترین اور قابل عمل کاروباری مواقع کی تلاش میں 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 بینکرز، شیئرز، ہولڈرز اور سرکاری اداروں کی مسلسل حمایت کا شکریہ ادا کرتا ہوں۔

(محمد عمر)

چیئر مین

لاہور
اپریل 29، 2021ء



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

		Un-Audited March 31, 2021	Audited June 30, 2020
	Note	Rupees	
NON-CURRENT ASSETS			
Property, plant and equipment:			
Operating fixed assets	4	430,937,141	447,873,468
Investment Property	5	542,740,000	542,740,000
Long term deposits		1,156,180	1,156,180
		974,833,321	991,769,648
CURRENT ASSETS			
Stock in trade		57,872,747	57,872,747
Deposits and short Term Prepayments		2,925,765	2,925,765
Other receivables		15,195,975	24,095,975
Sales tax refundable		3,540,913	3,540,913
Advance tax		3,515,444	3,515,444
Cash and bank balance		414,547	590,854
		83,465,391	92,541,698
		1,058,298,712	1,084,311,346
SHARE CAPITAL AND REVERSES			
Authorised shares capital			
15,000,000 (June 30, 2020: 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, 2020: 14,100,000) Ordinary shares of Rs. 10 each	6	141,000,000	141,000,000
Accumulated loss		(471,022,468)	(448,100,801)
Surplus on revaluation - Property, plant & equipment		411,922,093	414,914,038
		81,899,626	107,813,237
NON CURRENT LIABILITIES			
Long term financing from Banking Companies - Secured	7	-	-
Long term financing from directors and associates	8	111,775,595	111,020,533
Lease Liabilities Payable		-	-
Deferred liabilities		6,936,010	6,936,010
		118,711,605	117,956,543
CURRENT LIABILITIES			
Trade and other payables		32,550,482	34,162,131
Unclaimed dividend		235,776	235,776
Accrued Interest/Mark up payable		97,520,035	97,520,035
Short term borrowings		143,465,534	143,465,534
Current portion of:			
Long term financing from Banking Companies		475,609,324	474,851,759
Liabilities against assets subject to finance lease		108,306,331	108,306,331
		857,687,481	858,541,566
Contingencies and commitments			
	9	-	-
		1,058,298,712	1,084,311,346

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

		Nine Month Period Ended		Quarter Ended	
	Note	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
		(Rupees)		(Rupees)	
Sales		-	-	-	-
Cost of sales		-	-	-	-
Gross loss		-	-	-	-
Distribution cost		-	-	-	-
Administrative expenses		(29,109,327)	(22,607,213)	(8,841,443)	(9,149,071)
Other operating income		4,500,000	4,500,000	1,500,000	1,500,000
Finance cost		(1,304,285)	(31,542,936)	(178,383)	(437,719)
		(25,913,612)	(49,650,149)	(7,519,826)	(8,086,790)
Loss before taxation		(25,913,612)	(49,650,149)	(7,519,826)	(8,086,790)
Provision for taxation		-	(92,316)	-	-
Loss for the period		(25,913,612)	(49,742,465)	(7,519,826)	(8,086,790)
Loss per share - basic and diluted		(1.84)	(3.53)	(0.53)	(0.57)

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 (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	Nine Month Period Ended		Quarter Ended	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
	(Rupees)		(Rupees)	
Loss after taxation	(25,913,612)	(49,742,465)	(7,519,826)	(8,086,790)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	(25,913,612)	(49,742,465)	(7,519,826)	(8,086,790)

The annexed notes form part of these financial statements.

CONDENSED INTERIM STATEMENT OF OTHER CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	Share capital	Accumulated loss	Surplus on revaluation of fixed assets	Total
	(Rupees)			
Balance as on 01 July 2019	141,000,000	(422,136,589)	418,903,299	137,766,710
Loss for the period	-	(49,742,465)	-	(49,742,465)
Other comprehensive income for the period	-	-	-	-
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	3,029,614	(3,029,614)	-
Balance as on March 31, 2020	141,000,000	(468,849,440)	415,873,685	88,024,245
Balance as on July 01, 2020	141,000,000	(448,100,801)	414,914,038	107,813,237
Loss for the period	-	(25,913,612)	-	(25,913,612)
Other comprehensive income for the period	-	-	-	-
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	2,991,945	(2,991,945)	-
Balance as on March 31, 2021	141,000,000	(471,022,468)	411,922,093	81,899,626

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	March 31, 2021	March 31, 2020
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(25,913,612)	(49,650,149)
Adjustment for non-cash and other related items:		
Depreciation on operating fixed assets	14,888,395	15,688,493
Depreciation on assets subject to finance lease	2,047,932	2,155,719
Notional income /expense on interest free loans	1,292,627	31,541,465
Finance cost	11,658	1,473
Cash flow generated from operating activities before working capital changes	(7,673,000)	(263,000)

Effect on cash flow due to working capital changes :

(Increase) / decrease in current assets:

Other receivables	8,900,000	(3,400,000)
Advance tax	-	13,307,699
Increase in trade and other payables	(1,611,649)	702,750
Net cash used in working capital	7,288,351	10,610,449
Cash generated from / (used in) operations	(384,649)	10,347,449
Finance cost	(11,658)	(1,473)
Net cash used in operating activities	(396,307)	10,345,976

CASH FLOWS FROM FINANCING ACTIVITIES

Increase/(decrease) in short term borrowings - net	-	(390,000)
Increase/(decrease) in financing from directors and associates	220,000	(7,000,000)
Net cash generated from /(used in) financing activities	220,000	(7,390,000)

Net (decrease)/increase in cash and cash equivalents	(176,307)	2,955,977
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Cash and cash equivalents at the beginning of the period	590,854	133,970
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Cash and cash equivalents at the end of the period	414,547	3,089,947
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The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

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 Jarranwala, 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 471.022 million (June 30, 2020: Rupees 448.101 million). The current liabilities exceeded its current assets by Rupees 774.222 million (June 30, 2020: Rupees 765.999 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, 2020.

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.

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, 2020.

2.5 Functional currency

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



BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

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, 2020 except as disclosed otherwise.

	Notes	March 31, 2021	June 30, 2020								
		Rupees									
4 Property, Plant and Equipment											
Operating assets	4.1	378,373,529	393,261,924								
Right-of-use assets	4.2	52,563,612	54,611,544								
		430,937,141	447,873,468								
4.1 Operating assets											
Opening Book Value		393,261,924	424,532,671								
Depreciation charged during the period / year		(14,888,395)	(31,270,747)								
		378,373,529	393,261,924								
4.2 Right-of-use assets											
Opening Balance		54,611,544	57,485,837								
Depreciation charged during the period		(2,047,932)	(2,874,293)								
		52,563,612	54,611,544								
5 INVESTMENT PROPERTY											
Opening net book value		542,740,000	542,740,000								
Closing net book value		542,740,000	542,740,000								
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 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.										
	There are no contractual obligations to Purchase, Construct or develop investment Property or for repairs, maintenance or enhancements.										
5.2 Forced Sale Value	The forced sale value of Land and Building is 236.08 and 225.25 million respectively as on June 28, 2019.										
5.3	Particulars of investment properties (i.e. land & building) are as follows:										
	<table border="1"> <tr> <th>Description</th><th>Address</th><th>Area of land</th><th>Covered area of building</th></tr> <tr> <td>Land & building</td><td>Chak No 60-61/ R.B, 38-Km, Sheikhpura Road, Faisalabad</td><td>154.3 Kanals</td><td>250,349 Sq. Feet</td></tr> </table>	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		
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								
		Notes	March 31, 2021								
			June 30, 2020								
			Rupees								
6 ISSUED, SUBSCRIBED AND PAID UP SHARES CAPITAL											
14,100,000 (June 30, 2020: 14,100,000) Ordinary shares of Rs. 10 each Paid 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 LONG TERM FINANCING FROM BANKING COMPANIES - SECURED											
Demand Finance - Under mark up arrangements											
Demand finance - Settled amount	7.1	105,600,943	104,843,378								
Demand finance - II	7.2	3,697,000	3,697,000								
Demand finance - III	7.3	6,977,063	6,977,063								
Demand finance - IV	7.4	174,170,823	174,170,823								
Demand finance - IV (unserviceable)	7.5	62,820,000	62,820,000								
Demand finance - VIII	7.6	19,938,937	19,938,937								
Forced demand finance	7.7	10,936,850	10,936,850								
Frozen mark up											
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	1,466,485	1,466,485								
		475,609,324	474,851,759								
Less : Current portion of long term loan Due to decree by the banking companies		(475,609,324)	(474,851,759)								
		-	-								
7.1 Demand finance - Settled amount											
Gross amount payable		123,137,000	123,137,000								
Present value adjustment - deferred notional income	7.1.2	(17,536,058)	(18,293,622)								
Present value of settled amount		105,600,943	104,843,378								



BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

7.1.1 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 mark-up 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 instalments, 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 instalments 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 mark-up 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.

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. 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.

Notes	March 31, 2021	June 30, 2020
	Rupees	
Present value adjustments		
Opening balance	18,293,622	19,808,751
Amortized during the period	(757,565)	(1,515,129)
	17,536,058	18,293,622

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, 2019: 10 percent per annum payable quarterly). The loan was repayable in thirty two quarterly instalments, 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.

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, 2019: 10 percent per annum) payable quarterly . The loan was repayable in thirty two quarterly instalments, 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.

7.4 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 mark-up at the rate of 3 months average KIBOR of quarter (June 30, 2019: 3 months average KIBOR). The loan was repayable in 30 instalments 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.

7.5 Overdue markup was converted into demand finance facility amounting to Rs. 65.825 million. The facility was repayable in 34 quarterly instalments 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.

7.6 The loan was obtained to finance imported polyester subsequently restructured as demand finance. The loan was repayable in 32 quarterly instalments 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.

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

7.8 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 instalments of Rs. 0.019 million and 5 instalments 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, 2019: for Rs. 0.140 million) froze and converted in to long term financing. Frozen markup was payable in 33 equal quarterly instalments 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, 2019: Rs. 89.609 million) freezed and converted in to long term financing. Frozen markup 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, 2019: Rs. 1.466 million) froze and converted into long term financing. Frozen markup was payable in 33 quarterly instalments 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.



BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

Notes	March 31, 2021	June 30, 2020
	Rupees	
8 LONG TERM FINANCING FROM DIRECTORS AND ASSOCIATES - UNSECURED		
Interest free loan	8.1 133,281,600	133,061,600
Present value adjustment	8.2 (21,506,005)	(22,041,067)
	111,775,595	111,020,533

8.1 The directors of the Company have provided interest free loan to the Company to meet working Capital Requirements.

8.1.1 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. 80,781,600 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 been subordinated to the loans from banking companies.

8.2 This represent the difference between amortized cost and face value of interest free loan. Amortized cost has been determined using effective interest rate of 10 % per annum being the weighted average rate of return prevailing in the market. Movement of the deferred notional income is as follows:

Notes	March 31, 2021	June 30, 2020
	Rupees	
8.2.1 Movement in present value		
Opening balance	22,041,067	22,754,247
Amortized during the period	(535,062)	(713,180)
	21,506,005	22,041,067

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies and commitments are same as at June 30, 2020.

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, 2020 affecting the interim financial information.

11.2 Figures have been rounded off to the nearest Rupee.

12 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on April 29, 2021.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR