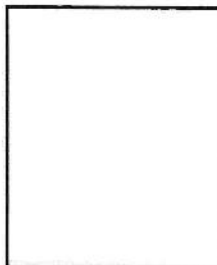


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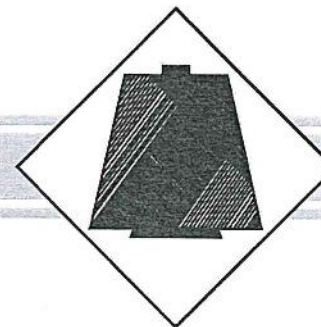
**BILAL FIBRES LIMITED**

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

PH: +92 42 3667 2423 - 26



**BILAL**  
**FIBRES LIMITED**  
(ISO 9001:2000 CERTIFIED)



# HALF YEARLY REPORT

**DECEMBER 31, 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 Gurmani 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: fm@bilalfibres.com Web site: www.bilalfibres.com
<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 Accounts reviewed by the external auditors of the Company for the half year ended 31<sup>st</sup> December 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.18.331 million for the period ended December 31, 2021 as compared to last half year comparative period loss of Rs. 18.394 million.

### FINANCIAL AND OPERATING PERFORMANCE

The financial results are summarized hereunder:

Particulars	31st December 2021 Rupees In Million	31st December 2020 Rupees In Million
Administrative expenses	(12.655)	(20.268)
Other Income	3.000	3.000
Finance Cost	(9.176)	(1.126)
Net Loss before tax	(18.831)	(18.394)
Net Loss after tax	(18.831)	(18.394)
Loss per share (Rs.)	(1.34)	(1.30)

### OPERATING PERFORMANCE

During the period under review, mills operations had been shut down due to challenging conditions faced by the Company 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.

### STATUS OF QUALIFICATION IN THE AUDITORS' REVIEW REPORT

In the Auditor's Review Report, major qualifications are pertain to the litigation matters with the banking companies. The management of the Company has been closely working with the banking companies to be out from these litigation matters amicably.

### 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

(Naeem Omer)  
Chief Executive

Lahore  
February 28, 2022



# BILAL FIBRES LIMITED

## ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2021 کو پیش ہونے والی ششماہی کے لئے کمپنی کے غیر متبیح شدہ حسابات اور ان پر بیرونی محاسب کا جائزہ پیش کر رہے ہیں۔

حسابات آئی اے ایس-34 کی بھری میں تیار کیے گئے ہیں اور گنیز آؤٹ پٹس 1984 کی دلدہ 245 کے تحت پیش کیے جا رہے ہیں۔

گزشتہ ششماہی کی مالی مدت میں 18.394 ملین روپے نقصان کے مقابلے میں کمپنی کو 31 دسمبر 2021 کو نقصان مدت کے لئے 18.831 ملین روپے کا نقصان ہوا ہے۔

مالی اور آپریٹنگ کارکردگی

مالیاتی نتائج کا خلاصہ حسب ذیل ہے:-

تفصیلات	31 دسمبر 2020ء	31 دسمبر 2021ء
روپے ملین میں	روپے ملین میں	روپے ملین میں
انتظامی اخراجات	(20.268)	(12.655)
دوسری آمدنی	3.000	3.000
مالی فائدہ	(1.125)	(9.176)
فنانسنگ ٹرانس فنانس	(18.394)	(18.831)
بروز پائیس ٹرانس فنانس	(18.394)	(18.831)
ٹی منس فنانس روپے میں	(1.30)	(1.34)

آپریٹنگ کارکردگی

زیر جائزہ مدت کے دوران کمپنی کے مشکل حالات کی وجہ سے مل بند رہی اور جس کی وجہ سے کاروبار بند ہو سکا۔

مشقیں 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 اٹکا جائے۔ انتظامیہ موجودہ بحران سے نمٹنے کے لئے نمائندہ 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 اسکیں ہولڈرز کے فائدے کے بہترین نمائندگی کے لئے مسلسل کوششیں کر رہی ہے۔ ہم اپنے تمام حصص داران کی مسلسل حمایت اور تعاون پر ان کا شکریہ ادا کرتے ہیں۔

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۔ کمپنی انتظامیہ مالیاتی اداروں کے ساتھ قانونی معاملات حل کرنے کے بارے میں بنجیدگی سے کام کر رہی ہے۔

اعمال فکری

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

مفتاح بورڈ

(ضمیمہ)

چیف ایگزیکٹو

لاہور 28 فروری 2022ء





# BILAL FIBRES LIMITED

## CHAIRMAN'S REVIEW REPORTS

On behalf of the Board of Directors, I am presenting to you the Half Yearly Un-Audited Financial Statements of your Company for the period ended December 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.

Lahore  
February 28, 2022

Muhammad Omer  
Chairman



# BILAL FIBRES LIMITED

## چیئر مین کی جائزہ رپورٹ

میں آپ کے کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر، 2021 کو ختم ہونے والی ششماہی کے غیر تنقیح 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 مینگرز، شیئر ہولڈرز اور سرکاری اداروں کی مسلسل حمایت کا شکریہ ادا کرتا ہوں۔

(محمد عمر)

لاہور 28 فروری 2022ء

چیئر مین

# MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

19-B, Block G, Gulberg-III, Lahore, Tel: 042-35858624-6  
Email: audit.lhr@mushdaqandco.com



## Independent auditor's review report to the members of Bilal Fibres Limited

### Report on the Review of the Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bilal Fibres Limited as at December 31, 2021 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedure. A review is substantially less in scope than audit conducted in accordance with International Standards on 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. Accordingly, we do not express an audit opinion.

#### Basis of Adverse Conclusion

- We did not observe the counting of physical inventory of stock in trade amounting to Rs 57.87 million as of June 30, 2021 and December 31, 2021. 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 during the period under review.
- The Company's Stocks are carried in the statement of financial position at Rs 57.87 million. Management has not stated the inventories at the lower of cost and net realizable value but has stated them solely at cost, which constitutes a departure from IFRSs as applicable in Pakistan. Consequently, we were unable to determine whether any adjustments were necessary in this regard.
- The company is in litigation with the banking companies. The company had not worked out and provided the amount of mark-up on long term financing from financial institutions. Liabilities against assets subject to finance lease and short term borrowings in these financial statements. Moreover, due to litigation banking companies do not confirm us the balances of long term financing. Liabilities against assets subject to finance lease 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 these financial statements of any disagreement.

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Islamabad Office: 407, Second floor millennium heights, F-11/1, Islamabad Tel: 051-2224970

# MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

19-B, Block G, Gulberg-III, Lahore, Tel: 042-35858624-6  
Email: audit.lhr@mushdaqandco.com



- At the balance sheet date, the Company's accumulated losses stand at Rupees 466.54 million (June 30, 2021: Rs. 449.61 million) and its current liabilities exceed its current assets by Rupees 780.42 million (June 30, 2021: Rs. 776.90 million). This situation may be further deteriorated if the possible effects of matter discussed in paragraph (a) to (c) above all accounted for in the financial statements. The Company has suspended its operations since June 16, 2016 and has leased out the factory. Further, the financial results show adverse key financial ratios and the company's court cases are decreed in favor 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 amounting to Rupees 480.69 million and the related finance cost. Liabilities against assets subject to finance lease amounting to Rupees 108.30 million, short term borrowings amounting to Rupees 136.36 million along with the related finance cost, accrued mark-up amounting to Rupees 97.52 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 on 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 1.2, these financial statements have been prepared under the going concern assumption. Because of the circumstances and events as mentioned herein, in our opinion, the company cannot be considered to be a going concern and thus the preparation of these financial statements on a going concern basis is inappropriate. In our opinion, the financial statements 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 qualifications discussed in paragraphs (a) to (d) above we are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy.

#### Adverse Conclusion

Based on our review, because of significance of the matter discussed in paragraphs (a) to (d) above, the accompanying interim financial statements as at and for the half year ended December 31, 2021 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Other Matter Paragraph

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

The engagement partner on review resulting in this independent auditor's report is Zahid Hussain Zahid FCA.



Karachi.  
Dated: 28 February, 2022

UDIN:RR202110043JWKZ13Gpo

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# BILAL FIBRES LIMITED

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

		Un-Audited December 31, 2021	Audited June 30, 2021
Note	Rupees		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment:			
Operating fixed assets	4	414,574,759	425,291,697
Investment Property		556,308,500	556,308,500
Long term deposits		1,156,180	1,156,180
		972,039,439	982,756,377
<b>CURRENT ASSETS</b>			
Stock in trade		57,872,747	57,872,747
Loan and advances		72,000	-
Deposits and short Term Prepayments		2,925,765	2,925,765
Other receivables		15,795,975	15,295,975
Sales tax refundable		3,540,913	3,540,913
Advance tax		3,515,444	3,515,444
Cash and bank balance		232,337	622,540
		83,955,181	83,773,384
		1,055,994,620	1,066,529,761
<b>SHARE CAPITAL AND REVERSES</b>			
Authorised shares capital			
15,000,000 (June 30, 2021: 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, 2021: 14,100,000) Ordinary shares of Rs. 10 each		141,000,000	141,000,000
Accumulated loss		(466,542,963)	(449,607,092)
Surplus on revaluation - Property, plant & equipment		409,229,341	411,124,240
		83,686,378	102,517,148
<b>NON CURRENT LIABILITIES</b>			
Long term financing from Banking Companies - Secured		-	-
Long term financing from directors and associates		100,517,302	95,917,168
Lease Liabilities Payable		-	-
Deferred liabilities		7,420,010	7,420,010
		107,937,312	103,337,178
<b>CURRENT LIABILITIES</b>			
Trade and other payables		41,253,534	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		480,689,721	476,664,080
Liabilities against assets subject to finance lease		108,306,331	108,306,331
		864,370,930	860,675,435
Contingencies and commitments	5		
		1,055,994,620	1,066,529,761

The annexed notes form part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



# BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (Un-Audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Half Year Ended		Quarter Ended	
		Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Sales		-	-	-	-
Cost of sales		-	-	-	-
Gross loss		-	-	-	-
Distribution cost		-	-	-	-
Administrative expenses		(12,654,937)	(20,267,884)	(6,327,469)	(6,381,441)
Other operating income		3,000,000	3,000,000	1,500,000	1,500,000
Finance cost		(9,175,833)	(1,125,902)	(9,175,804)	(1,029,514)
		(18,830,770)	(18,393,786)	(14,003,273)	(5,910,955)
Loss before taxation		(18,830,770)	(18,393,786)	(14,003,273)	(5,910,955)
Provision for taxation		-	-	-	-
Loss for the period		(18,830,770)	(18,393,786)	(14,003,273)	(5,910,955)
Loss per share - basic and diluted		(1.34)	(1.30)	(0.99)	(0.42)

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 HALF YEAR ENDED DECEMBER 31, 2021

	Half Year Ended		Quarter Ended	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
	(Rupees)		(Rupees)	
Loss after taxation	(18,830,770)	(18,393,786)	(14,003,273)	(5,910,955)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	(18,830,770)	(18,393,786)	(14,003,273)	(5,910,955)

The annexed notes form part of these financial statements.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Share capital	Accumulated loss	Surplus on revaluation of fixed assets	Total
	( Rupees )			
Balance as on 01 July 2020	141,000,000	(448,100,801)	414,914,038	107,813,237
Loss for the period	-	(18,393,786)	-	(18,393,786)
Other comprehensive income for the period	-	-	-	-
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	1,994,630	(1,994,630)	-
Balance as on December 31, 2020	141,000,000	(464,499,957)	412,919,408	89,419,451
Balance as on July 01, 2021	141,000,000	(449,607,092)	411,124,240	102,517,148
Loss for the period	-	(18,830,770)	-	(18,830,770)
Other comprehensive income for the period	-	-	-	-
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	1,894,899	(1,894,899)	-
Balance as on December 31, 2021	141,000,000	(466,542,963)	409,229,341	83,686,378

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 HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021	December 31, 2020
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(18,830,770)	(18,393,786)
Adjustment for non-cash and other related items:		
Depreciation on operating fixed assets	9,419,913	9,925,596
Depreciation on assets subject to finance lease	1,297,024	1,365,288
Notional income /expense on interest free loans	9,175,775	1,114,273
Finance cost	58	11,629
Cash flow generated from operating activities before working capital changes	1,062,000	(5,977,000)

Effect on cash flow due to working capital changes :

(Increase) / decrease in current assets:

Loan and advances	(72,000)	-
Other receivables	(500,000)	7,700,000
Increase in trade and other payables	6,769,855	(897,649)
Net cash used in working capital	6,197,855	6,802,351
Cash generated from / (used in) operations	7,259,855	825,351
Finance cost	(58)	(11,629)
Net cash used in operating activities	7,259,797	813,722

**CASH FLOWS FROM FINANCING ACTIVITIES**

Increase/(decrease) in short term borrowings - net	(7,100,000)	-
Increase/(decrease) in financing from directors and associates	(550,000)	-
Net cash generated from / (used in) financing activities	(7,650,000)	-
Net (decrease)/increase in cash and cash equivalents	(390,203)	813,722
Cash and cash equivalents at the beginning of the period	622,540	590,854
Cash and cash equivalents at the end of the period	232,337	1,404,576

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 HALF YEAR ENDED DECEMBER 31, 2021

## 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	38KM, Sheikhupura 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 466.54 million (June 30, 2021: Rupees 449.61 million). The current liabilities exceeded its current assets by Rupees 780.42 million (June 30, 2021: Rupees 776.90 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.

### 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.



# BILAL FIBRES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 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.

Notes	Unaudited December 31, 2021	Audited June 30, 2021
	Rupees	
4 Property, Plant and Equipment		
Operating assets	363,990,817	373,410,730
Right-of-use assets	50,583,942	51,880,966
	<u>414,574,759</u>	<u>425,291,696</u>
4.1 Operating assets		
Opening Book Value	373,410,730	393,261,924
Depreciation charged during the period / year	(9,419,913)	(19,851,194)
	<u>363,990,817</u>	<u>373,410,730</u>
4.2 Right-of-use assets		
Opening Balance	51,880,966	54,611,543
Depreciation charged during the period	(1,297,024)	(2,730,577)
	<u>50,583,942</u>	<u>51,880,966</u>

## 5 CONTINGENCIES AND COMMITMENTS

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

## 6 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. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim unconsolidated financial statements are as follows:

Relationship with the Company	Nature of Transaction	Half Year Ended	
		Dec 31, 2021	Dec 31, 2020
Director	Repayment of loan	\$50,000	-

## 7 GENERAL

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

- 7.2 Figures have been rounded off to the nearest Rupee.

## 8 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 February 28, 2022.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR