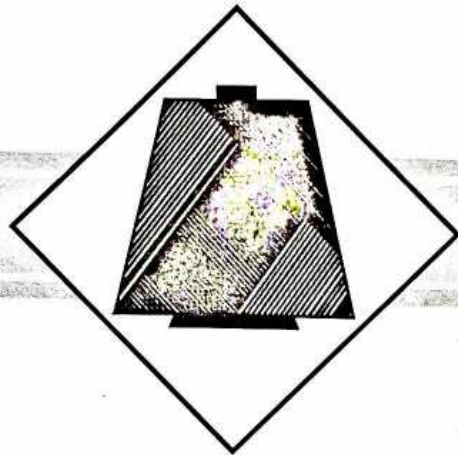


BILAL

FIBRES LIMITED

(ISO 9001:2000 CERTIFIED)



**3rd QUARTERLY
REPORT**

MARCH 31, 2019

(UN-AUDITED)



BILAL FIBRES LIMITED

COMPANY INFORMATION

Chief Executive	Mr. Naeem Omer
Chairman	Muhammad Omer
Directors	Mr. Naeem Omer Mr. Anwaar Abbass Mr. Muhammad Asghar Mr. Muhammad Aslam Bhatti Mr. Muhammad Kashif Mr. Muhammad Omer Mr. Shahid Iqbal
Audit Committee	
Chairman:	Mr. Muhammad Aslam Bhatti
Member:	Mr. Anwaar Abbass
Member:	Mr. Muhammad Omer
Human Resource & Remuneration Committee	
Chairman:	Mr. Shahid Iqbal
Member:	Mr. Muhammad Kashif
Member:	Mr. Muhammad Asghar
Company Secretary	Mr. Muhammad Ijaz Shahid
Auditors	M/s Aslam Malik and Co. Chartered Accountants Suite# 18-19 First Floor Central Plaza, Civic Centre, New Garden Town, Lahore-Pakistan
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: 0423-591-6714, 35916719 Fax: 0423-5869037
Legal Advisor	Syed Waqar Hussain Naqvi 2nd Floor, Nawa-e-Waqt Building, 4 Shahrah-e-Fatima Jinnah Road, Lahore. Tel: 0423-63660624-5
Head Office/ Registered Office	73/4, Block-K, DHA, Phase 1, Lahore Cantt Lahore, Pakistan Ph: 042 - 35709952-54 Fax No. 042 - 35709955 Email: fm@bilalfibres.com Web site: www.bilalfibres.com
Mill	38th KM, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad.



BILAL FIBRES LIMITED

DIRECTORS' REPORT

The Directors of your company are presenting before you the un-audited condensed interim financial statements of the Company for the third quarter ended 31st March, 2019.

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

The Company has incurred a loss of Rs.28.361 million for period ended March 31, 2019 as compared to last year period ended March 31, 2018 loss of Rs. 43.877 million. The management decided that mill will remain closed to avoid Rs 20 million monthly loss. In this volatile market the directors trying their best for the revenue generations from the company.

OPERATING PERFORMANCE

The period under review has also been proved difficult period as the factory remained closed throughout the period. 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 production capacities. The driving force for this non operation had been non-availability of working capital facilities, litigations with the banking companies and challenging market conditions. Due to unilateral blockage of our working capital lines by the banks, the required working capitals were not at our disposal and the Company could not purchase raw material to run the installed capacities.

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 QUALIFICATION IN THE AUDITORS' REVIEW REPORT

The majority of qualification by the auditor's related to the litigation of matters with the banking companies and closure of operation. The management seriously working with the banking companies to be out from these litigations.

ACKNOWLEDGMENT

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 behalf of the by Order of Board

(Naeem Omer)
Chief Executive

Lahore
April 23, 2019



BILAL FIBRES LIMITED

ڈائریکٹرز رپورٹ

کہنی کے ڈائریکٹرز آپ کے سامنے 31 مارچ 2019 کو ختم ہونے والی سہ ماہی کے لئے کہنی کے غیر متوقع شدہ حسابات کا جائزہ پیش کر رہے ہیں۔ حسابات آئی اے ایس-34 کی جیروٹی میں تیار کیے گئے ہیں اور کہنیز ایکٹ، 2017 کے سیکشن 237 کے تحت درکار پیش کیے جا رہے ہیں۔ گزشتہ نو ماہی کی تقابلی مدت میں 43,877 ملین روپے نقصان کے مقابلے میں کہنی کو 31 مارچ 2019 کو ختم مدت کے لئے 28,361 ملین روپے کا نقصان ہوا ہے۔ انتظامیہ نے 20 ملین روپے ماہانہ نقصان سے بچنے کے لئے فیصلہ کیا ہے کہ ملز بند رہے گی۔ اس غیر محکمہ مارکیٹ کی صورت حال میں ڈائریکٹرز کہنی سے آمدنی حاصل کرنے کے لئے ہر ممکن کوشش کر رہے ہیں۔

آپریٹنگ کی کارکردگی

زیر جائزہ مدت بھی کہنی کے لئے مشکل ثابت ہوئی کیونکہ زیر جائزہ تمام مدت کے دوران ملز بند رہی۔ آپ کی کہنی مسائل کی لپیٹ میں رہی، مسلسل مالی رکاوٹوں کے ساتھ مشکل ٹیکنالوجی مارکیٹ نے انتظامیہ کو پیداواری صلاحیت دوبارہ شروع نہ کرنے پر مجبور کیا ہوا ہے۔ اس نان آپریشن کی وجہ درکنگ کیمپل کی عدم دستیابی، دیکاری کہنیوں کے ساتھ مقدمہ بازی اور چیلنجنگ مارکیٹ کے حالات ہیں۔ بیکنوں کی طرف سے ہماری درکنگ کیمپل لائنوں کی یکطرفہ بندش کی وجہ سے، درکار درکنگ کیمپل ہمارے اختیار میں نہیں تھے اور کہنی دستیاب ملا جیتوں کو مؤثر طریقے سے چلانے کے لئے خام مال کی خریداری نہیں کر سکتی تھی۔

مستقبل کے امکانات

انتظامیہ نے بیکننگ کہنیوں کے ساتھ قانونی چارہ جوئی کو طے کرنے پر توجہ مرکوز کرنے کا فیصلہ کیا ہے اور امید کر رہی ہے کہ اسی اثنا میں حکومت اور اپنا، پاکستان میں ٹیکنالوجی صنعت کی بحالی کے لئے امدادی پیکیج پر کام کرے گی۔

آڈیٹرز کی جائز رپورٹ میں تخففات کی حیثیت

آڈیٹرز کی زیادہ تر تخففات 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 سنجیدہ ہے۔

اظہار تشکر

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

منجانب بورڈ

(نعیم عمر)

چیف ایگزیکٹو

لاہور

23 اپریل 2019ء



BILAL FIBRES LIMITED

CHAIRMAN'S REVIEW

I am pleased to present you the 3rd Quarterly Un-Audited Financial Statements of your Company for the period ended March 31, 2019 and present on behalf of the Board of Directors, along with my review on the performance of your Company.

Industry overview:

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

Company's performance

The decision to close the mills operation looks wiser now which at least stop the sponsors to inject money to cover the gap. During the period the company earn Rupees 4.50 million in term of rent which after meeting the day to day expenses was used to pay off the market creditors. The management of the company also dealing with the litigation cases with their bankers in the court of law and our legal counsel are confident for an amicable settlement with them in due course of time.

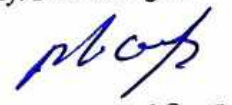
Future Prospects

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

Acknowledgement

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

Lahore
April 23, 2019


Muhammad Omer
Chairman



BILAL FIBRES LIMITED

چیئر مین کی جائزہ رپورٹ

میں آپ کے کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2019 کو ختم ہونے والی تیسری سہ ماہی کے غیر متبقی شدہ حسابات کے ساتھ آپ کی کمپنی کی کارکردگی پر اپنا جائزہ پیش کر رہا ہوں۔

صنعتی جائزہ

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

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

کمپنی کی کارکردگی

ملز کے آپریشنز بند کرنے کا فیصلہ اب عقلمندانہ نظر آتا ہے جو کم از کم اسپانسرز کو مزید نقصان سے تو بچائے گا۔ سال کے دوران کمپنی نے کرایہ کی مد میں 4.5 ملین روپے کمائے جو یومیہ اخراجات پورا کرنے کے بعد مارکیٹ قرضوں کو ادا کرنے کے لئے استعمال کیا جائے گا۔ کمپنی کی انتظامیہ قانونی عدالت میں اپنے بینکرز کے ساتھ قانونی چارہ جوئی کو بھی ڈیل کر رہی ہے اور ہمارا قانونی مشیر پُر اعتماد ہے کہ مقدمات مناسب وقت میں حل ہو سکتے ہیں۔

مستقبل کے امکانات

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

اظہار تشکر

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

(محمد)

چیئر مین

لاہور

23 اپریل 2019ء



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	Note	Un-audited Mar 31, 2019 Rupees	Audited June 30, 2018 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment:			
Operating fixed assets		841,752,885	869,920,052
Assets subject to finance lease		58,242,231	60,511,406
Long term deposits		3,356,180	3,356,180
		903,351,296	933,787,638
CURRENT ASSETS			
Stock in trade		57,872,747	57,872,747
Deposits and short Term Prepayments		2,925,765	2,925,765
Other receivables		19,295,975	14,795,975
Sales tax refundable		3,540,913	3,540,913
Advance tax		16,840,459	22,958,878
Cash and bank balance		372,552	369,276
		100,848,411	102,463,554
		1,004,199,707	1,036,251,192
SHARE CAPITAL AND REVERSED			
Authorised shares capital			
15,000,000 (June 30, 2018: 15,000,000) Ordinary shares of Rs. 10 each		150,000,000	150,000,000
Issued, subscribed and paid up shares capital			
14,100,000 (June 30, 2018: 14,100,000) Ordinary shares of Rs. 10 each		141,000,000	141,000,000
Accumulated loss		(444,454,366)	(421,303,103)
Surplus on revaluation - Property, plant & equipment		287,835,142	293,016,254
		(15,619,224)	12,713,151
NON CURRENT LIABILITIES			
Long term financing from Banking Companies - Secured	5	-	-
Long term financing from directors and associates	6	109,234,226	110,459,417
Liabilities against assets subject to finance lease		-	-
Deferred liabilities	7	52,831,345	60,396,479
		162,065,571	170,855,896
CURRENT LIABILITIES			
Trade and other payables			
Unclaimed dividend	8	31,643,918	30,467,418
Accrued Interest/Mark up payable		235,776	235,776
Short term borrowings		97,520,034	97,520,034
Current portion of:		143,855,534	143,855,534
Long term financing from Banking Companies		476,191,767	472,297,052
Liabilities against assets subject to finance lease		108,306,331	108,306,331
		857,753,360	852,682,145
Contingencies and commitments	9	-	-
		1,004,199,707	1,036,251,192

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - UN-AUDITED

FOR THE PERIOD ENDED MARCH 31, 2019


	Nine Months Period Ended		Quarter Ended	
	Mar. 31, 2019	Mar. 31, 2018	Mar. 31, 2019	Mar. 31, 2018
	(Rupees)		(Rupees)	
Sales	-	4,500,000	-	1,500,000
Cost of sales	-	(31,673,758)	-	(10,557,919)
Gross loss	-	(27,173,758)	-	(9,057,919)
Administrative expenses	(32,987,343)	(3,512,170)	(10,791,463)	(1,266,168)
Other operating income	8,849,933	281,815	1,508,015	(617,985)
Finance cost	(7,872,513)	(10,656,018)	1,042,059	(2,238,303)
Loss before taxation	(32,009,923)	(13,886,373)	(8,241,389)	(4,122,456)
Provision for taxation	3,648,725	(2,816,500)	(1,172,651)	6,744,696
Loss for the period	(28,361,198)	(43,876,631)	(9,414,040)	(6,435,679)
Loss per share - basic and diluted	(2.01)	(3.11)	(0.67)	(0.46)

The annexed notes from 1 to 13 form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME - UN-AUDITED FOR THE PERIOD ENDED MARCH 31, 2019

Note	Nine Months Period Ended		Quarter Ended	
	Mar. 31, 2019	Mar. 31, 2018	Mar. 31, 2019	Mar. 31, 2018
	(Rupees)		(Rupees)	
Loss after taxation	(28,361,198)	(43,876,631)	(9,414,040)	(6,435,679)
Other comprehensive income				
Item that will not be reclassified to profit and loss account:				
Remeasurement of staff retirement benefits - net of deferred tax	28,821	-	-	-
Total comprehensive income / (loss) for the period	(28,332,377)	(43,876,631)	(9,414,040)	(6,435,679)

The annexed notes from 1 to 13 form an integral 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, 2019

Note	Nine Months Period Ended	
	March 31, 2019	March 31, 2018
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(32,009,923)	(41,060,131)
Adjustment for non-cash and other related items:		
Depreciation	30,436,343	32,060,962
(Gain) \ loss on disposal of property, plant and equipment	-	(281,815)
Finance cost	7,872,513	10,656,018
Remeasurement of staff retirement benefits - net of deferred tax	28,821	-
Cash flow generated from operating activities before working capital changes	<u>6,327,754</u>	<u>1,375,034</u>
Effect on cash flow due to working capital changes :		
(Increase) / decrease in current assets:		
Trade deposits and short term prepayments	-	1,243,775
Other receivables	(4,500,000)	(11,895,975)
Decrease in trade and other payables	<u>(2,739,909)</u>	<u>(6,101,952)</u>
Net cash used in working capital	<u>(7,239,909)</u>	<u>(16,754,152)</u>
Cash generated from / (used in) operations	<u>(912,155)</u>	<u>(15,379,118)</u>
Finance cost paid	(2,989)	(237,090)
Income tax paid	6,118,420	(379,208)
Payment of staff retirement benefits - gratuity	-	-
Net cash used in operating activities	<u>5,203,276</u>	<u>(15,995,416)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	420,000
Net cash used in investing activities	-	<u>420,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term financing - net	(5,200,000)	15,296,850
Increase in short term borrowings - net	-	-
Net cash generated from /(used in) financing activities	<u>(5,200,000)</u>	<u>15,296,850</u>
Net (decrease)/increase in cash and cash equivalents	<u>3,276</u>	<u>(278,566)</u>
Cash and cash equivalents at the beginning of the period	369,276	728,480
Cash and cash equivalents at the end of the period	<u>372,552</u>	<u>449,914</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR



BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN - AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

	Share capital	Accumulated loss	Surplus on revaluation of fixed assets	Total
(Rupees)				
Balance as on 01 July 2017	141,000,000	(350,201,634)	300,295,808	91,094,174
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	5,431,810	(5,431,810)	-
Total comprehensive loss for the period	-	(43,876,631)	-	(43,876,631)
Balance as on 31 March, 2018	141,000,000	(388,646,455)	294,863,998	47,217,543
Balance as on 01 July 2018	141,000,000	(421,303,103)	293,016,254	12,713,151
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	5,181,112	(5,181,112)	-
Total comprehensive loss for the period	-	(28,332,377)	-	(28,332,377)
Balance as on 31 March, 2019	141,000,000	(444,454,368)	287,835,142	(15,619,226)

The annexed notes from 1 to 13 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



BILAL FIBRES LIMITED

SELECTED NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS - UN - AUDITED
FOR THE PERIOD ENDED MARCH 31, 2019

1.1 THE COMPANY AND ITS ACTIVITIES

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. The 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 444.454 million and its current liabilities exceed its current assets by Rupees 756.905 million. 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 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

These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2018.

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IFRS 9 'Financial instruments'- This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers'- IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

3.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 'Leases'- IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its 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 2018.



BILAL FIBRES LIMITED

SELECTED NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS - UN - AUDITED
FOR THE PERIOD ENDED MARCH 31, 2019

	Mar 31, 2019 Rupees	June 30, 2018 Rupees
5 LONG TERM FINANCING FROM BANKING COMPANIES - SECURED		
Demand Finance - Under mark up arrangements		
Demand finance - Settled amount	5.1	
Demand finance - II	106,183,386	102,288,671
Demand finance - III	3,697,000	3,697,000
Demand finance - IV	6,977,063	6,977,063
Demand finance - IV (unserviceable)	174,170,823	174,170,823
Demand finance - VIII	62,820,000	62,820,000
Forced demand finance	19,938,937	19,938,937
	10,936,850	10,936,850
Frozen mark up		
Demand finance - II	252,000	252,000
Demand finance - III	140,091	140,091
Demand finance - IV	89,609,132	89,609,132
Demand finance - VIII	1,466,485	1,466,485
	476,191,767	472,297,052
Less : Current portion of long term loan Due to decree by the banking companies	(476,191,767)	(472,297,052)
	-	-
5.1 Demand finance - Settled amount		
Gross amount payable	123,137,000	123,137,000
Present value adjustment - differed notional income	5.1.1 (16,953,614)	(20,848,329)
Present value of settled amount	106,183,386	102,288,671
5.1.1 Present value adjustments		
Opening balance	20,848,329	28,474,999
Occurred during the period	-	-
Amortized during the period	(3,894,715)	(7,626,670)
	16,953,614	20,848,329
6 LONG TERM FINANCING FROM DIRECTORS AND ASSOCIATES - UNSECURED		
Interest free loan	6.1 140,061,600	145,261,600
Present value adjustment	6.2 (30,827,374)	(34,802,183)
	109,234,226	110,459,417
6.1 As at June 30, 2015, the management of the Company entered into an agreement with directors and associates and decided repayment terms of the interest free and unsecured loan (previously repayment terms of the loan were not determinable). According to the agreement, loan from directors and associates amounting to Rs. 87,561,600 will be paid on July 30, 2020 and remaining Rs. 52,500,000 will be paid on July 30, 2022. These loans have been recognized at amortized cost using effective discount rate of 10 percent. The resulting difference has been charged to profit and loss account and will be amortized over the remaining life of the loan. Out of the above amount, Rs. 52,500,000 has subordinated to the loans from banking companies.		
6.2 This represent the difference between amortized cost and face value of interest free loan (as explained in note 6.1 above). Amortized cost has been determined using effective interest rate of 10.00% per annum being the weighted average rate of return prevailing in the market. Movement of the deferred notional income is as follows:		
Movement in present value		
Opening balance	34,802,183	42,529,281
Occurred during the period	-	1,778,297
Amortized during the period	(3,974,809)	(9,505,395)
	30,827,374	34,802,183
	Mar 31, 2019	June 30, 2018
	Rupees	Rupees
7 DEFERRED LIABILITIES		
Staff retirement benefits - gratuity	7.1 6,779,510	10,695,919
Deferred tax	44,879,185	49,700,560
	51,658,695	60,396,479
7.1 The scheme provides for retirement benefits for all permanent employees who complete qualifying period of services with the company at varying percentages of last drawn salary. The percentage depends on the number of service years with the company. Annual provision is based on actuarial valuation, which was carried out as at March 31, 2019.		
7.2 Movement in present value of defined benefit obligation		
Balance at the beginning of the period	10,695,919	10,695,919
Service cost (Current Service Cost + Past Service Cost + Gains/Losses on Settlements)	(4,333,073)	-
Interest cost	445,485	-
Actuarial (gain)/loss	(28,821)	-
Balance at the end of the period	6,779,510	10,695,919



BILAL FIBRES LIMITED

SELECTED NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS - UN - AUDITED
FOR THE PERIOD ENDED MARCH 31, 2019

	Mar 31, 2019 Rupees	June 30, 2018 Rupees
8 TRADE AND OTHER PAYABLES		
Trade creditors	16,100,217	16,474,445
Accrued liabilities	15,779,477	13,992,973
	31,879,694	30,467,418

9 CONTINGENCIES AND COMMITMENTS

- 9.1 The Honorable Lahore High Court, Lahore, while disposing the suit C.O.S No. 55/2012 passed a decree of Rupees 419.608 million together with the cost and the cost of funds in favor of the Bank of Punjab. The company has filed a regular first appeal no1017/2016 on August 09, 2016 before the Honorable Lahore High Court, Lahore. The outcome of the case is not ascertainable as at March 31, 2019. The legal counsel is hopeful that the outcome of the case will be decided in favor of the company.
- 9.2 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 March 31, 2019.
- 9.3 The NIB Bank Limited (now MCB) has filed suit C.O.S No. 85/2009 before Honorable Lahore High Court, Lahore against the company for recovery of Rupees. 297.403 million as outstanding dues against the banking facilities provided by the bank. Consent decree was passed on September 16, 2013 by the court in favor of the bank and against the principal borrower and the guarantor for Rs. 250.011 million on the basis of resettlement agreement dated September 04, 2013. Resettlement agreement states that non payment of any three consecutive installments towards adjustment of the settled amount as required in terms of the rescheduled agreement shall be considered as a failure to satisfy the decree. In event of default, the bank shall be entitled to cancel / revoke any of the arrangement including waiver of markup under the rescheduling agreement and the principal borrower and the guarantor shall become immediately liable to pay to the bank forthwith the entire decretal amount less any payments made there under and the bank disregarding any arrangement shall immediately forthwith be entitled to continue execution of proceedings for recovery of decretal amount less any payment made against by the principal borrower and the guarantor, however, consent decree have been implemented. As required in resettlement agreements company had applied to the court to withdrawal of its suit C.O.S No. 99/2009 filed against the bank and the case is disposed off by the Honorable judge of the Lahore High Court, Lahore.
- 9.4 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 as at March 31 2019.
- 9.5 The Silk Bank Limited has filed a suit C.O.S 67/2016 before Honorable Lahore High Court, Lahore against Company for recovery of Rupees 80.89 million as outstanding dues against the banking facilities provided by the bank. The case was shifted to the Banking Court by the Lahore High Court. The Company has also filed a suit against the bank before the Banking Court Lahore claiming recovery of Rs.89.156 million. The outcome of the case is not ascertainable as at March 31, 2019. However, legal counsel is hopeful that the outcome of the case will be decided in favor of the Company.
- 9.6 The Company has filed a writ petition before the Honorable Lahore High Court, Lahore against the illegal levy of license/permit fee to the tune of Rs. 200,000 by the District Govt. Faisalabad. Legal counsel of the company is of the view that this similar of petitions had already been decided by the Honorable Lahore High Court, Lahore in favor of petitioner. legal council is hopeful that the outcome of the case will be decided in favor of the company.

	Mar 31, 2019 Rupees	June 30, 2018 Rupees
9.7 Claims not acknowledged in view of pending appeals before appellate authorities / high court	100,000	100,000
9.8 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
9.9 Bank guarantee issued in favor of Sui Northern Gas Pipelines Limited for supply of gas	6,000,000	6,000,000
9.10 Bank guarantee issued in favor of Collector of custom Karachi	2,675,000	2,675,000
9.11 There was no commitment during the period.		

10 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:

Relationship with the company	Nature of transactions	Rupees
Chief Executive	Remuneration	900,000
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:

Relationship with the company	Nature of transactions	Rupees
Chief Executive	Remuneration	5,368,649
		4,018,649

11 RECLASSIFICATION/REARRANGEMENTS

Corresponding figures have been reclassified for the purpose of better presentation and comparison. Changes made during the period are as follows:

Reclassified from the captioned component	Note	Reclassified to captioned component	Note	Amount
Trade creditor, accrued and other liabilities	8	Deferred liabilities	7	10,695,919

12 DATE OF AUTHORIZATION

This condensed interim financial statements was authorized for issue by the Board of Directors of the Company on April 23, 2019.

13 GENERAL

- Figures have been rounded off to the nearest rupees.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

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