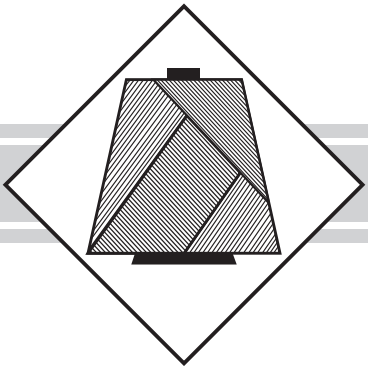
BILAL
FIBRES LIMITED
(ISO 9001:2000 CERTIFIED)



3rd QUARTERLY REPORT

MARCH 31, 2014

(UN-AUDITED)

BILAL FIBRES LIMITED

COMPANY INFORMATION

Chairman / Chief Executive	Mr. Naeem Omer
Directors	Mr. Naeem Omer Mr. Anwaar Abbass Mr. Muhammad Sarwar Mr. Muhammad Zubair Mr. Muhammad Asghar Mr. Muhammad Ijaz Shahid Mr. Osama Saeed
Audit committee	
Chairman:	Mr. Osama Saeed
Member:	Mr. Anwaar Abbass
Member:	Mr. Muhammad Zubair
Human Resource & Remuneration committee	
Chairman:	Mr. Anwaar Abbass
Member:	Mr. Muhammad. Sarwar
Member:	Mr. Muhammad Ijaz Shahid
Secretary	Mr. Muhammad Ahmad
Auditors	M/s Mushtaq and Company Chartered Accountants 406-407 Commerce Centre, Hasrat Mohani Road, Karachi.
Bankers	The Bank of Punjab NIB Bank Limited Silk Bank Limited
Share Registrar	M/s Corplink (Pvt.) Ltd. Wings Arcade, 1-K, Commercial, Model Town, Lahore. Phone: 042-35916714, 35916719 Fax: 042-35869037
Legal Advisor	Syed Waqar Hussain Naqvi 2nd Floor, Nawa-e-Waqt Building, 4 Shahrah-e-Fatima Jinnah Road, Lahore. Tel: 042-36360624-5
Head office/ **Registered office**	112-C, Block E/1, Ghalib Road, Gulberg III, Lahore. Telephone: 042-35717701-6 Fax No. 042-35717707 Email: info@bilalfibres.com Web site: www.bilalfibres.com
Mills	38th KM, Shiekhupura Road, Tehsil Jaranwala, District Faisalabad. Telephone: 041-4689075, 4689076 Fax No. 042-4689279 Email: mills@bilalfibres.com Email: bilalfib@fsd.comsats.net.pk

BILAL FIBRES LIMITED

DIRECTOR'S REPORT

The Directors of your company feel pleasure in presenting the un-audited accounts of the Company for the 3rd Quarter ended March 31, 2014.

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

Alhamdolillah, during the period under review ended 31st March-14, the overall performance of the Company has been satisfactory and the company has earned pre tax profit of Rs.16.255 million, which is not satisfactory as compare to the previous year's profit, where the Company had earned pre tax profit of Rs.44.770 million after meeting all operational, financial & other expenses. Decrease in pre tax profit is due to volatile prices of raw materials and lower price of yarn in the local as well as international market.

In the current year, the Directors have given loan of Rs.15.000 million to the Company for expansion / modernization, which is another step to boost the production and profitability of the Company.

FINANCIAL AND OPERATING PERFORMANCE

Following is the comparison of current financial results with the last 3rd Quarterly financial results:-

Particulars	2014		2013	
	Rupees in Million	% age to Sales	Rupees in Million	% age to Sales
Sales	1,527.234		1,398.638	
Gross Profit	94.566	6.192	129.328	9.247
Operating Profit	50.499	3.307	86.791	6.205
Finance Cost	34.245	2.242	42.021	3.004
Net Profit before tax	16.255	1.064	44.770	3.201
Net (Loss) / Profit after tax	(3.845)	(0.252)	23.562	1.685
Earnings per shares Rs.	(0.27)		1.67	

OPERATING PERFORMANCE

The factory remained operational throughout the period and mills worked on three shifts basis except when Gas and WAPDA both are not available. The total yarn produced is 5.343 million kgs. (2013 - 5.136 million kgs.) The converted production worked out to 8.440 million kgs. (2013 - 8.008 million kgs.)

FUTURE PROSPECTS

The management is concerned about the profitability of the company for the coming year mainly due to ever increasing production cost, uncertainty in the prices of cotton & yarn, high energy cost and making consistent efforts to improve the quality of the product. To achieve this milestone, the management is adding latest machinery through equity of the directors to increase the profitability and to keep the production costs within limits in order to improve the cash flow of the Company.

For and behalf of the Board of Director

Lahore
April 28, 2014

(Naeem Omer)
Chief Executive

BILAL FIBRES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2014

	NOTE	(Un-audited) March 31, 2014 Rupees	(Audited) June 30, 2013 Rupees	(Audited) June 30, 2012 Rupees
				Restated
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	5	**1,043,911,551**	1,054,930,423	876,684,182
Capital work in progress		**4,599,241**	-	-
		1,048,510,792	1,054,930,423	876,684,182
Long term deposits		**3,601,320**	3,601,320	3,593,820
CURRENT ASSETS				
Stores, spare parts and loose tools		**13,260,837**	13,700,570	8,949,899
Stock in trade	6	**190,726,071**	185,158,510	195,196,468
Trade debts		**39,310,086**	35,828,500	28,894,894
Loans and advances		**28,463,665**	16,784,054	22,621,822
Trade deposits and short term prepayments		**6,638,761**	4,587,070	5,025,273
Other receivables		**548,994**	548,994	548,994
Tax refunds due from Government		**33,764,844**	27,352,525	27,270,024
Cash and bank balances		**14,305,897**	6,689,882	9,171,038
		327,019,155	290,650,105	297,678,412
		1,379,131,267	**1,349,181,848**	**1,177,956,414**
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorised capital				
15,000,000 (June 30, 2013: 15,000,000) Ordinary shares of Rs. 10/- each		**150,000,000**	150,000,000	150,000,000
Issued, subscribed and paid up capital				
14,100,000 (June 30, 2013: 14,100,000) Ordinary shares of Rs. 10/- each fully paid in cash		**141,000,000**	141,000,000	141,000,000
Accumulated loss		**(193,902,018)**	(211,164,506)	(278,551,514)
		(52,902,018)	(70,164,506)	(137,551,514)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		**327,055,849**	332,625,286	228,605,988
DEFERRED INCOME		**15,783,701**	19,426,092	24,282,616
NON CURRENT LIABILITIES				
Long term financing from banking companies		**429,611,924**	450,670,668	393,294,377
Long term financing from directors and associates	7	**67,500,000**	52,500,000	52,500,000
Liabilities against assets subject to finance lease		**97,554,507**	98,984,866	100,335,144
Deferred liabilities		**137,486,253**	151,974,950	77,786,971
		732,152,684	754,130,484	623,916,492
CURRENT LIABILITIES				
Trade and other payables		**61,792,016**	38,558,471	74,047,024
Accrued markup / interest		**71,271,667**	53,924,459	60,175,837
Short term borrowings		**109,959,775**	132,025,971	130,804,688
Current portion of:				
Long term financing from banking companies		**77,896,192**	67,882,532	149,959,215
Liabilities against assets subject to finance lease		**10,925,000**	10,849,000	7,368,000
Provision for taxation		**25,196,401**	9,924,059	16,348,067
		357,041,051	313,164,492	438,702,831
CONTINGENCIES AND COMMITMENTS	8			
		1,379,131,267	1,349,181,848	1,177,956,414

Chief Executive **Director**

BILAL FIBRES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

	NOTE	Quarter ended Mar 31, 2014	Quarter ended Mar 31, 2013	Nine Months Period Ended Mar 31, 2014	Nine Months Period Ended Mar 31, 2013
		.....Rupees.....		.....Rupees.....	
Sales		**530,209,293**	470,696,519	**1,527,234,206**	1,398,638,133
Cost of sales	**9**	**(503,982,988)**	(424,514,280)	**(1,432,668,463)**	(1,269,310,543)
Gross profit		**26,226,305**	46,182,239	**94,565,743**	129,327,590
Other income		**1,198,019**	1,441,269	**4,928,246**	4,496,907
Distribution cost		**(6,736,487)**	(7,841,491)	**(19,646,940)**	(17,203,265)
Administrative expenses		**(9,060,125)**	(8,244,758)	**(28,142,421)**	(23,893,313)
Other operating expenses		**(282)**	(4,427,802)	**(1,205,187)**	(5,937,404)
Finance cost		**(11,624,079)**	(13,450,309)	**(34,244,604)**	(42,020,664)
Profit before taxation		**3,351**	13,659,148	**16,254,838**	44,769,850
Provision for taxation					
Current		**(6,027,511)**	(2,499,526)	**(15,272,342)**	(7,458,818)
Deferred		**1,929,048**	(1,818,602)	**(4,827,281)**	(13,748,745)
		(4,098,463)	(4,318,128)	**(20,099,623)**	(21,207,563)
(Loss) / profit for the period		**(4,095,112)**	9,341,020	**(3,844,785)**	23,562,288
(Loss) / earnings per share - basic and diluted		**(0.29)**	0.66	**(0.27)**	1.67

The annexed notes form an integral part of these condensed interim financial information.

Chief Executive **Director**

BILAL FIBRES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

	Quarter ended Mar 31, 2014	Quarter ended Mar 31, 2013	**Nine Months Period Ended Mar 31, 2014**	Nine Months Period Ended Mar 31, 2013
	.....Rupees.....		**.....Rupees.....**	
(Loss) / profit for the period	**(4,095,112)**	9,341,020	**(3,844,785)**	23,562,288
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive (loss) / income for the period	**(4,095,112)**	9,341,020	**(3,844,785)**	23,562,288

The annexed notes form an integral part of these condensed interim financial information.

Chief Executive **Director**

BILAL FIBRES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014

		Nine Months Period Ended Mar 31, 2014	Nine Months Period Ended Mar 31, 2013
		.....Rupees.....	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**16,254,838**	44,769,850
Adjustments for:			
Depreciation		**37,038,046**	30,475,790
Provision for staff retirement benefits - gratuity		**6,589,656**	5,488,947
Gain on disposal of property, plant and equipment		**(1,285,853)**	3,772,801
Finance cost		**34,244,604**	42,020,664
Amortization of deferred income		**(3,642,393)**	(3,642,393)
Workers' profit participation fund		**-**	2,164,603
Operating cash flows before change in working capital		**89,198,898**	125,050,262
Change in working capital			
(Increase)/ decrease in current assets :			
Stores, spare parts and loose tools		**439,733**	(6,262,586)
Stock in trade		**(5,567,561)**	(17,467,211)
Trade debts		**(3,481,586)**	(7,043,654)
Loans and advances		**(11,679,611)**	(1,243,195)
Trade deposits and short term prepayments		**(2,051,691)**	(764,397)
Other receivables		**-**	(7,333)
Tax refunds due from Government		**6,292,746**	(4,419,740)
Increase / (decrease) in current liabilities :			
Trade and other payables		**23,233,544**	(24,836,590)
		7,185,574	(62,044,707)
Cash generated from operations		**96,384,472**	63,005,555
Payments for :			
Finance cost paid		**(7,746,504)**	(8,551,054)
Income tax paid		**(12,705,066)**	(13,142,175)
Staff retirement benefits - gratuity paid		**(10,367,800)**	(6,156,700)
Net cash (used in) / from operating activities	**A**	**65,565,103**	35,155,625
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(32,462,558)**	(49,324,270)
Proceeds from disposal of property, plant and equipment		**3,130,000**	525,000
Net cash used in investing activities	**B**	**(29,332,558)**	(48,799,270)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of :			
Long term financing from banking companies		**(17,550,334)**	(5,663,000)
Long term financing from directors and associates		**15,000,000**	-
Liabilities against assets subject to finance lease		**(4,000,000)**	-
Short term borrowings - net		**(22,066,196)**	18,645,194
Net cash from financing activities	**C**	**(28,616,530)**	12,982,194
Net increase / (decrease) in cash and cash equivalents	**(A +B +C)**	**7,616,015**	(661,451)
Cash and cash equivalents at the beginning of the period		**6,689,882**	9,171,038
Cash and cash equivalents at the end of the period		**14,305,897**	8,509,587

The annexed notes form an integral part of these condensed interim financial information.

Chief Executive **Director**

BILAL FIBRES LIMITED

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014

	Share capital	Accumulated loss	Total
Balance as at July 01, 2012	141,000,000	(268,995,844)	(127,995,844)
Effect of retrospective application of change in an accounting policy referred in note 3.3	-	(9,555,670)	(9,555,670)
Balance as at July 01, 2012 - restated	141,000,000	(278,551,514)	(137,551,514)
Transfer from surplus on revaluation on account of property, plant and equipment - net of tax	-	2,276,020	2,276,020
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	5,779,948	5,779,948
Total comprehensive income for the period	-	23,562,288	23,562,288
Balance as at March 31, 2013	**141,000,000**	**(246,933,258)**	**(105,933,258)**
Balance as at July 01, 2013 - as restated	141,000,000	(199,114,523)	(58,114,523)
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	9,057,290	9,057,290
Total comprehensive (loss) for the period	-	(3,844,785)	(3,844,785)
Balance as at March 31, 2014	**141,000,000**	**(193,902,018)**	**(52,902,018)**

The annexed notes form an integral part of these condensed interim financial information.

Chief Executive **Director**

BILAL FIBRES LIMITED

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

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

1 LEGAL STATUS AND ACTIVITIES

The company is limited by shares, incorporated in Pakistan under the Companies Ordinance, 1984 and is quoted on stock exchange at Karachi, Lahore and Islamabad. The principal business of the company is manufacturing and sale of yarn. The mill is located at 38-KM Sheikhpura Road, Tehsil Jaranwala, District Faisalabad.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial information is un audited and has been prepared in accordance with the requirements of the International Accounting Standard IAS 34, "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company for the year ended June 30, 2013.

This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

These condensed interim financial information comprise of condensed interim statement of balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for third quarter ended March 31, 2014 which have not been audited. These condensed interim financial information also include the condensed interim profit & loss account for third quarter ended March 31, 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2013 except for as stated in note 3.3.

3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

3.3 During the period, the company has adopted IAS 19, (Revised) 'Employee Benefits'. The amendments in the revised standard require the company to eliminate the corridor approach and recognize all actuarial gains and losses (now called 'remeasurements', that result from the remeasurement of defined benefits obligations and fair value of plan assets at the balance sheet date) in other comprehensive income as they occur, immediately recognize all past service costs and replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefits liability / asset.

This change in accounting policy has been accounted for retrospectively as required under International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors', and the comparative financial statements have been restated.

Effects of the change in the accounting policy on the interim financial statement are not quantifiable, hence the effects based on the relevant available actuarial valuation on the financial statements have been summarized below:

	As at	
	30-Jun-13	30-Jun-12
	---------Rupees---------	
Impact on Balance Sheet		
Increase in the retirement benefits obligation	17,600,207	14,222,392
Decrease in deferred tax liability	5,550,225	4,666,722
Decrease in accumulated profits	12,049,982	9,555,670

	Year ended	
	30-Jun-13	30-Jun-12
	---------Rupees---------	
Impact on profit and loss account		
Increase in profit and loss account	1,618,952	244,956
Decrease in deferred taxation - current year	883,503	4,666,722
Decrease in other comprehensive income	(4,996,767)	(11,273,917)

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements for the year ended June 30, 2013.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2013.

5 PROPERTY PLANT AND EQUIPMENT		**Un-audited March 31, 2014 Rupees**	Audited June 30, 2013 Rupees
Operating fixed assets	5.1	1,043,911,551	986,748,368
Surplus on revaluation of building and machinery		-	68,182,055
		1,043,911,551	1,054,930,423
5.1 Opening written down value		1,054,930,423	946,279,179
Add: Addition during the period / year	5.1.1	27,863,317	63,764,606
		1,082,793,740	1,010,043,785
Less: Disposal/ transfer during the period / year	5.1.2	(1,844,147)	(2,175,000)
Depreciation charged during the period / year		(37,038,042)	(21,120,417)
Closing written down value		1,043,911,551	986,748,368

5.1.1 Following is the detail of addition during the period / year:

Owned:		
Building	-	1,249,000
Plant and machinery	12,116,533	56,130,213
Office equipment	880,930	961,336
Furniture and fixtures	-	52,500
Vehicles	14,865,854	5,371,557
	27,863,317	63,764,606

5.1.2 Following is the detail of disposals during the period :

Machinery	-	1,700,000
Vehicles	1,844,147	475,000
	1,844,147	2,175,000

6 Stock in trade includes waste stock stated at their net realizable value aggregating Rs. 946,107 (June 30, 2013 : Rs.564,028).

7 These are unsecured, interest free and not repayable in next twelve months. These loans are subordinated to the loans from banking companies.

8 CONTINGENCIES AND COMMITMENTS

There is no major changes in contingencies as have been disclosed in the audited financial statements for the year ended June 30, 2013.

Commitments outstanding in respect of letter of credit amounted to Rs. 4,888,159 (June 30, 2013 : Rs Nil).

		Quarter ended Mar 31, 2014	Quarter ended Mar 31, 2013	**Nine Months Ended Mar 31, 2014**	Nine Months Ended Mar 31, 2013
9 COST OF SALES					Rupees
Cost of goods manufactured	9.1	**493,746,622**	430,184,047	**1,434,892,313**	1,264,798,268
Finished goods:					
Opening stock		**26,655,436**	6,756,721	**14,195,220**	16,938,764
Closing stock		**(16,419,071)**	(12,426,489)	**(16,419,071)**	(12,426,489)
		10,236,365	(5,669,768)	**(2,223,851)**	4,512,275
		503,982,987	424,514,280	**1,432,668,462**	1,269,310,543
9.1 Cost of goods manufactured					
Raw material consumed	9.2	**360,263,201**	307,219,714	**1,037,768,107**	945,467,718
Cost of raw material sold		**962,335**	12,969,788	**5,429,234**	17,241,854
Salaries, wages and benefits		**35,568,564**	29,448,265	**105,829,102**	91,462,235
Fuel and power		**65,842,377**	56,337,768	**202,272,393**	143,403,754
Stores and spares consumed		**5,784,508**	3,377,929	**17,251,286**	11,698,055
Packing material consumed		**7,059,622**	5,935,455	**19,222,973**	17,538,303
Repair and maintenance		**1,799,033**	906,996	**6,794,525**	5,089,782
Insurance		**619,564**	585,391	**1,858,693**	1,609,495
Depreciation		**11,593,032**	9,878,629	**34,615,200**	29,085,910
Other		**1,223,413**	1,738,282	**3,028,494**	3,000,572
		490,715,649	428,398,216	**1,434,070,007**	1,265,597,677
Work in process					
Opening stock		**16,953,121**	17,569,644	**14,744,454**	14,984,404
Closing stock		**(13,922,148)**	(15,783,813)	**(13,922,148)**	(15,783,813)
		3,030,973	1,785,831	**822,306**	(799,409)
		493,746,622	430,184,047	**1,434,892,313**	1,264,798,268

	Quarter ended Mar 31, 2014	Quarter ended Mar 31, 2013	**Nine Months Ended Mar 31, 2014**	Nine Months Ended Mar 31, 2013
9.2 Raw material consumed	**Rupees**	Rupees	**Rupees**	Rupees
Opening stock	**218,576,202**	211,561,953	**156,218,836**	163,273,300
Purchases	**303,034,186**	293,080,926	**1,047,363,357**	983,889,649
Cost of raw material sold	**(962,335)**	(12,969,788)	**(5,429,234)**	(17,241,854)
Closing stock	**(160,384,852)**	(184,453,377)	**(160,384,852)**	(184,453,377)
	360,263,201	307,219,714	**1,037,768,107**	945,467,718

10 TRANSACTION WITH RELATED PARTIES

Relationship	**Nature of transaction**	**March 31, 2014**	March 31, 2013
		Rupees	Rupees
Key management personnel	Salaries and benefits	**5,967,032**	6,990,000

11 The condensed interim financial statements were authorized for issue on April 28, 2014 by the board of directors of the company.

12 Figures of the prior period have been rearranged / reclassified wherever necessary for the purpose of comparison.

Chief Executive **Director**

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