



Shaping a Sustainable Future

Half Yearly Report
for the period ended December 31, 2018



Ibrahim



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COMPANY INFORMATION

BOARD OF DIRECTORS

Sheikh Mukhtar Ahmed
 Mohammad Naeem Mukhtar
 Muhammad Waseem Mukhtar
 Mohammad Naeem Asghar
 Abdul Hameed Bhutta
 Mohammad Waqar
 Ikram ul Haq Mian

Chairman
 Chief Executive Officer

CHIEF FINANCIAL OFFICER

Mohammad Naeem Asghar

COMPANY SECRETARY

Muhammad Labeeb Subhani

AUDIT COMMITTEE

Ikram ul Haq Mian
 Abdul Hameed Bhutta
 Mohammad Waqar
 Muhammad Iqbal Chaudhry

Chairman
 Member
 Member
 Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mohammad Waqar
 Abdul Hameed Bhutta
 Ikram ul Haq Mian

Chairman
 Member / Secretary
 Member

AUDITORS

Deloitte Yousuf Adil
 Chartered Accountants.

PROJECTS LOCATION

38 - 40 Kilometres,
 Faisalabad - Sheikhpura Road,
 Faisalabad, Pakistan.

BANKERS

Askari Bank Limited
 Bank Alfalah Limited
 Bank Al Habib Limited
 BankIslami Pakistan Limited
 Citibank, N.A.
 Deutsche Bank AG
 Dubai Islamic Bank Pakistan Limited
 Faysal Bank Limited
 Habib Bank Limited
 Habib Metropolitan Bank Limited
 JS Bank Limited
 MCB Bank Limited
 Meezan Bank Limited
 National Bank of Pakistan
 Standard Chartered Bank (Pakistan) Limited
 United Bank Limited

REGISTERED OFFICE

Ibrahim Centre,
 1 - Ahmed Block,
 New Garden Town,
 Lahore - 54600, Pakistan.

HEAD OFFICE

Ibrahim Centre,
 15 - Club Road,
 Faisalabad - 38000, Pakistan.

REGISTRAR'S & SHARES REGISTRATION OFFICE

Central Depository Company of Pakistan Limited
 CDC House, 99 - B, Block - B, S.M.C.H.S.,
 Main Shakra-e-Faisal, Karachi - 74400,
 Pakistan.

DIRECTORS' REVIEW

The Directors of your Company are pleased to present before you the unaudited financial results of the Company for the half year ended December 31, 2018.

OPERATING PERFORMANCE

During the half year under review, the Polyester Plant of your Company produced 166,195 tons of Polyester Staple Fibre (PSF) as against production of 151,649 tons during the corresponding period of previous year. Out of this production, 11,053 tons of PSF were consumed by the textile plants of your Company for production of blended yarns as against 10,049 tons consumed during the corresponding period of previous year.

The textile plants of your Company produced 16,004 tons of blended yarns of different counts during the half year under review as against production of 13,829 tons during the corresponding period of previous year.

FINANCIAL PERFORMANCE

During the half year under review, your Company achieved net sales of Rs. 31,750 million as compared to Rs. 23,963 million during corresponding period of previous year.

Your Company earned gross profit of Rs. 2,121 million during the period under review as compared to Rs. 1,823 million during corresponding period of the previous year.

During the period under review, your Company had profit before tax of Rs. 1,318 million and profit after tax of Rs. 788 million as against Rs. 1,039 million and Rs. 415 million respectively during the corresponding period of previous year.

FUTURE OUTLOOK

During second quarter of the half year under review, steep correction was witnessed in prices of crude oil primarily due to change in US policy regarding Iranian oil exports to some major markets. Effect of this sudden correction in crude oil prices was witnessed throughout the petrochemical chain including PSF and its feed stocks, resulting in inventory losses and ultimately offsetting inventory gains of first quarter of the period under review. Moreover, economic uncertainties coupled with hike in inflation and interest rates in local market resulted in restrained business activities across entire textile chain.

However, going forward, business activities in local textile industry are expected to gain momentum due to various initiatives taken by Government of Pakistan to restore business competitiveness of all export oriented sectors including textiles resulting in better results in the foreseeable future.

In this scenario, the management of your Company is striving hard to increase market share through effective marketing strategies and better operating results through prudent financial controls.

EARNINGS PER SHARE

Earnings per share for the half year ended December 31, 2018 has come to Rs. 2.54 as compared to Rs. 1.34 during the corresponding period of previous year.

On behalf of the Board,

Lahore
February 18, 2019


Chief Executive Officer


Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ibrahim Fibres Limited

Report on review of condensed interim financial statements

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of **Ibrahim Fibres Limited** (the Company) as at December 31, 2018, the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three month period ended December 31, 2018 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2018.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards 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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at December 31, 2018 and for the six month period then ended, are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Nadeem Yousuf Adil.

Deloitte Yousuf Adil
Deloitte Yousuf Adil
Chartered Accountants

Karachi

Dated: February 18, 2019

IBRAHIM FIBRES LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	Note	Unaudited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	29,108,774,671	29,189,002,690
Intangible assets		27,383,723	27,199,191
Long term loans		94,048,905	50,901,188
Long term deposits		6,338,756	5,992,256
		29,236,546,055	29,273,095,325
CURRENT ASSETS			
Stores, spare parts and loose tools		3,468,025,916	2,974,626,745
Stock in trade		15,917,447,074	9,158,928,763
Trade debts		438,498,050	404,140,725
Loans and advances		1,706,478,020	1,944,760,275
Prepayments		104,953,521	61,640,401
Other receivables		3,622,780,616	3,144,796,321
Cash and bank balances		71,399,793	46,497,145
		25,329,582,990	17,735,390,375
CURRENT LIABILITIES			
Trade and other payables		2,170,069,161	2,289,588,519
Markup / interest payable		156,961,564	29,453,671
Short term bank borrowings		9,192,086,329	2,097,273,911
Current portion of long term financing		466,666,665	933,333,331
Unclaimed dividend		25,623,895	22,249,290
Provision for taxation - income tax		319,860,128	-
		12,331,267,742	5,371,898,722
Working capital		12,998,315,248	12,363,491,653
Total capital employed		42,234,861,303	41,636,586,978
NON - CURRENT LIABILITIES			
Deferred liabilities:			
Deferred taxation		1,400,913,655	1,191,145,454
Staff retirement gratuity		1,554,971,390	1,488,887,388
		2,955,885,045	2,680,032,842
CONTINGENCIES AND COMMITMENTS	4	-	-
Net worth		39,278,976,258	38,956,554,136
Represented by:			
SHARE CAPITAL AND RESERVES			
Share capital		3,105,069,950	3,105,069,950
Capital reserves		1,072,017,550	1,072,017,550
Revenue reserves		35,101,888,758	34,779,466,636
		39,278,976,258	38,956,554,136

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Quarter ended December 31, 2018 Rupees	Quarter ended December 31, 2017 Rupees	Half year ended December 31, 2018 Rupees	Half year ended December 31, 2017 Rupees
Sales - net		15,964,582,950	12,283,120,822	31,750,301,922	23,962,910,177
Cost of goods sold	5	(15,609,515,049)	(11,209,096,001)	(29,629,153,127)	(22,139,988,454)
Gross profit		355,067,901	1,074,024,821	2,121,148,795	1,822,921,723
Selling and distribution expenses		(82,407,856)	(78,926,893)	(168,053,460)	(155,016,234)
Administrative expenses		(187,478,529)	(182,248,392)	(361,559,737)	(352,730,098)
Other operating expenses		3,353,169	(40,915,044)	(88,305,074)	(75,187,979)
Finance cost		(180,332,539)	(92,459,223)	(243,564,930)	(221,803,076)
		(446,865,755)	(394,549,552)	(861,483,201)	(804,737,387)
Other income		(91,797,854)	679,475,269	1,259,665,594	1,018,184,336
		20,101,061	7,836,836	58,145,350	20,441,899
(Loss) / profit before taxation		(71,696,793)	687,312,105	1,317,810,944	1,038,626,235
Provision for taxation		(94,433,408)	(401,245,453)	(529,628,329)	(623,505,297)
(Loss) / profit for the period		(166,130,201)	286,066,652	788,182,615	415,120,938
Earnings per share - Basic and Diluted		(0.54)	0.92	2.54	1.34

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Quarter ended 2018 Rupees	December 31, 2017 Rupees	Half year ended 2018 Rupees	December 31, 2017 Rupees
(Loss) / profit for the period	(166,130,201)	286,066,652	788,182,615	415,120,938
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(166,130,201)	286,066,652	788,182,615	415,120,938

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half Year ended December 31,	
	2018	2017
	Rupees	Rupees
a) Cash flows from operating activities		
Profit before taxation	1,317,810,944	1,038,626,235
Adjustments for:		
Depreciation / amortisation of property, plant and equipment	1,386,268,708	1,085,634,022
Amortisation of intangible assets	4,190,737	7,822,078
Provision for staff retirement gratuity	124,273,415	98,698,056
Balances written off - net	-	3,906,395
(Gain) / loss on disposal of property, plant and equipment	(12,351,444)	16,524,734
Profit on deposits	(110,583)	(232,293)
Finance cost	243,564,930	221,803,076
Operating cash flows before working capital changes	3,063,646,707	2,472,782,303
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(493,399,171)	11,095,262
Stock in trade	(6,758,518,311)	782,873,210
Trade debts	(34,357,325)	(66,272,207)
Loans and advances	(110,959,226)	199,510,000
Prepayments	(43,313,120)	(30,661,547)
Other receivables	(285,624,620)	1,573,306,826
(Decrease) / increase in current liabilities		
Trade and other payables	(148,450,624)	546,132,053
	(7,874,622,397)	3,015,983,597
Cash (used in) / generated from operations	(4,810,975,690)	5,488,765,900
Long term loans paid - net	(56,873,222)	(10,959,226)
Finance cost paid	(116,057,037)	(271,966,586)
Income tax refund / (paid) - net	170,608,986	(232,310,816)
Staff retirement gratuity paid	(59,734,961)	(28,463,827)
Net cash (used in) / from operating activities	(4,873,031,924)	4,945,065,445
b) Cash flows from investing activities		
Additions in:		
Property, plant and equipment	(1,288,168,018)	(889,698,204)
Intangible assets	(4,375,269)	(3,360,687)
Proceeds from disposal of:		
Property, plant and equipment	24,955,587	16,273,025
Investment in associate	-	3,221,300,000
Long term deposits	(346,500)	(1,558,502)
Profit on deposits	108,908	232,000
Net cash (used in) / from investing activities	(1,267,825,292)	2,343,187,632
c) Cash flows from financing activities		
Repayment of long term financing	(466,666,666)	(2,929,166,667)
Increase / (decrease) in short term bank borrowings - net	7,094,812,418	(3,891,823,950)
Dividend paid	(462,385,888)	(298,088,904)
Net cash from / (used in) financing activities	6,165,759,864	(7,119,079,521)
Net increase in cash and cash equivalents (a+b+c)	24,902,648	169,173,556
Cash and cash equivalents at the beginning of the period	46,497,145	98,214,371
Cash and cash equivalents at the end of the period	71,399,793	267,387,927

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Rupees					
	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share premium	Merger reserve	General reserve	Unappropriated profit	
Balance as at July 01, 2017	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	28,979,192,010	37,245,952,609
Transactions with owners	-	-	-	-	(310,506,995)	(310,506,995)
Final dividend for the year ended June 30, 2017: Rs. 1 per share	-	-	-	-	415,120,938	415,120,938
Total comprehensive income for the period	-	-	-	-	415,120,938	415,120,938
Profit	-	-	-	-	415,120,938	415,120,938
Other comprehensive income	-	-	-	-	-	-
Balance as at December 31, 2017	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	29,083,805,953	37,350,566,552
Transactions with owners	-	-	-	-	1,691,568,910	1,691,568,910
Final dividend for the year ended June 30, 2018: Rs. 1.5 per share	-	-	-	-	(120,818,792)	(120,818,792)
Total comprehensive income for the period	-	-	-	-	35,237,466	35,237,466
Profit	-	-	-	-	35,237,466	35,237,466
Other comprehensive income	-	-	-	-	(85,581,326)	(85,581,326)
Balance as at June 30, 2018	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	30,689,793,537	38,956,554,136
Transactions with owners	-	-	-	-	(465,760,493)	(465,760,493)
Final dividend for the year ended June 30, 2018: Rs. 1.5 per share	-	-	-	-	788,182,615	788,182,615
Total comprehensive income for the period	-	-	-	-	788,182,615	788,182,615
Profit	-	-	-	-	788,182,615	788,182,615
Other comprehensive income	-	-	-	-	-	-
Balance as at December 31, 2018	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	31,012,215,659	39,278,976,258

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


Chief Executive Officer


Director


Chief Financial Officer

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1. STATUS AND ACTIVITIES

- 1.1 Ibrahim Fibres Limited (the Company) was incorporated in Pakistan as a public limited company and is listed on Pakistan Stock Exchange. The principal business of the Company is manufacture and sale of polyester staple fibre and yarn. The registered office of the Company is located at 1 - Ahmad Block, New Garden Town, Lahore. The manufacturing units are located at Faisalabad - Sheikhpura Road, in the Province of Punjab.
- 1.2 Pursuant to scheme of arrangement approved by the Honourable Lahore High Court, Lahore, assets, liabilities and reserves of Ibrahim Textile Mills Limited, A. A. Textiles Limited, Zainab Textile Mills Limited and Ibrahim Energy Limited were merged with the assets, liabilities and reserves of the Company with effect from October 01, 2000.
- 1.3 Ibrahim Holdings (Private) Limited is the parent company and its registered office is in Pakistan.
- 1.4 These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements 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 (the Act); and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed. These condensed interim financial statements are unaudited but subject to limited scope review by auditors and is being submitted to the shareholders as required under Section 237 of the Act.

2.2 Application of new and revised International Financial Reporting Standards (IFRS Standards)

2.2.1 Standards, amendments to standards and interpretations becoming effective during the period

The Securities and Exchange Commission of Pakistan (SECP) has adopted new IFRS - 15 "Revenue from contracts with customers". Impact of this IFRS Standard on these condensed interim financial statements is explained in note 2.4.

Furthermore, SECP through SRO 1007(I)/2017, dated October 04, 2017, had notified IFRS 9 "Financial Instruments", replacing the IAS 39 "Financial Instruments: Recognition and Measurement" with effect from reporting periods starting July 01, 2018. Applicability of this IFRS 9 has been subsequently deferred through SRO 229(I)/2019, dated February 15, 2019. Accordingly the requirements of IFRS 9 have not been considered in the preparation of these condensed interim financial statements.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

There are other new standards, amendments to standards and interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2018 but are considered not to be relevant or not to have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

2.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain new standards, amendments to standards and interpretations that will become effective in future accounting periods but are considered not to be relevant or not to have any significant effect on Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

2.3 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except staff retirement gratuity carried at present value. These condensed interim financial statements do not include all the information required for complete set of financial statements and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2018.

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2018 except the following:

- IFRS - 15 "Revenue from contracts with customers" amends revenue recognition requirements and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Under new IFRS Standard, revenue is recognised when control is transferred to the customer which replaced the notion of transfer of risks and rewards in IAS 18 - Revenue.

The application of this IFRS Standard does not have any material impact on these condensed interim financial statements.

2.5 Financial risk management

The Company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in financial statements of the Company as at and for the year ended June 30, 2018.

	Unaudited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
3. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	27,067,950,549	27,928,593,278
Capital work in progress	2,040,824,122	1,260,409,412
	29,108,774,671	29,189,002,690

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended December 31, 2018		Half year ended December 31, 2017	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
3.1 Acquisitions and disposals of operating assets - at cost				
Freehold land	6,286,185	-	10,689,446	-
Building on freehold land	102,049,317	-	8,281,270	-
Plant and machinery	363,724,892	15,144,749	471,115,390	235,057,420
Furniture and fixture	10,323,065	182,147	9,522,697	582,282
Office equipment	19,792,006	3,291,050	14,783,965	4,842,217
Vehicles	36,154,771	17,861,385	16,533,822	9,747,631
	538,330,236	36,479,331	530,926,590	250,229,550

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

There is no change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2018 except the following:

- (i) Bank guarantees issued in favour of Sui Northern Gas Pipelines Limited against supply of gas as mentioned in Note 17.1.1 (ii) to the above referred financial statements, have been increased to Rs. 273.075 million.
- (ii) Bank guarantees issued in favour of The Director, Excise and Taxation, Karachi against imposition of infrastructure cess as mentioned in Note 17.1.1 (iii) to the above referred financial statements, have been increased to Rs. 750.000 million.
- (iii) Bank guarantees issued in favour of The Collector of Customs, Lahore to avail exemption from levy of custom duty, sales tax and income tax on temporary import of machinery for erection of Coal Fired Power Generation Plant as mentioned in Note 17.1.1 (ix) to the above referred financial statements, have been released.
- (iv) The Company has filed an appeal for assailing the imposition of super tax for tax years 2015 and 2016 as mentioned in note 17.1.11 to the above referred financial statements. During the period, Commissioner Inland Revenue passed an order and thereby increased the amount of super tax to Rs. 83.744 million. The Company filed an appeal against this order on October 22, 2018 before Commissioner Inland Revenue - Appeals (CIR-A) which is to be adjudicated.
- (v) Assistant Commissioner Inland Revenue (ACIR) passed an order dated December 21, 2018 disallowing some of the expenses and tax deductions for tax year 2009 thereby creating a demand of Rs. 302.900 million. The Company has subsequently filed an appeal dated January 01, 2019 with CIR-A which is to be adjudicated.
- (vi) ACIR passed an order dated November 30, 2018 disallowing some of the expenses for tax year 2013 thereby creating a demand of Rs. 0.077 million. The Company has subsequently filed an appeal dated January 04, 2019 with CIR-A which is to be adjudicated.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

- (vii) ACIR passed an order dated December 29, 2018 disallowing some of the administrative expenses and charging tax on undistributed profits for the tax year 2017 thereby creating a demand of Rs. 94.210 million. The Company has subsequently filed an appeal dated January 29, 2019 with CIR-A which is pending for adjudication.

	Unaudited December 31, 2018	Audited June 30, 2018
	Rupees in million	Rupees in million
4.2 Commitments		
4.2.1 Under contracts for capital expenditure:		
Building on freehold land	926.651	1,618.425
Plant and machinery	465.424	32.000
4.2.2 Under letters of credit for:		
Plant and machinery	8,648.951	7,372.496
Raw materials and spare parts	2,193.186	4,243.398

	Quarter ended December 31, 2018	Quarter ended December 31, 2017	Half year ended December 31, 2018	Half year ended December 31, 2017
	Rupees	Rupees	Rupees	Rupees
5. COST OF GOODS SOLD				
Raw materials consumed	12,363,238,171	8,806,408,574	26,521,677,932	16,252,248,143
Packing materials	159,205,768	168,086,513	363,634,372	321,535,166
Salaries, wages and benefits	440,669,289	365,347,106	911,631,518	742,805,078
Staff retirement benefits	48,730,295	38,468,448	97,460,588	76,936,896
Stores and spare parts	260,699,064	221,204,687	486,289,661	490,112,427
Fuel and power	1,311,068,225	982,394,211	2,890,234,961	1,990,002,119
Insurance	17,844,961	14,899,665	35,690,095	29,853,423
Depreciation of property, plant and equipment	682,556,573	530,272,841	1,359,708,615	1,056,290,911
Other	183,736,200	74,793,097	276,807,043	125,468,087
	15,467,748,546	11,201,875,142	32,943,134,785	21,085,252,250
Work in process				
Opening stock	634,530,665	454,361,211	631,490,953	444,369,387
Closing stock	(650,950,293)	(488,019,863)	(650,950,293)	(488,019,863)
	(16,419,628)	(33,658,652)	(19,459,340)	(43,650,476)
Cost of goods manufactured	15,451,328,918	11,168,216,490	32,923,675,445	21,041,601,774
Finished goods				
Opening stock	6,816,415,126	2,332,529,918	3,363,706,677	3,390,037,087
Closing stock	(6,658,228,995)	(2,291,650,407)	(6,658,228,995)	(2,291,650,407)
	158,186,131	40,879,511	(3,294,522,318)	1,098,386,680
	15,609,515,049	11,209,096,001	29,629,153,127	22,139,988,454

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

6. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Significant transactions with related parties are as under:

Relationship and nature of transaction	Half year ended December 31,	
	2018 Rupees	2017 Rupees
Parent company		
Dividend paid	416,305,521	-
Associated undertakings		
Rent charged	5,922,720	7,362,000
Receivable against disposal of shares	-	3,644,414,645
Consultancy fee paid	13,456,000	13,920,000
Rental income	6,000	6,000
Key management personnel		
Remuneration	36,750,000	27,000,000
Reimbursable expenses	1,220,983	1,061,327
Dividend paid	70,500	274,791,014

Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Name	Basis of relationship	Note	Aggregate % of Shareholding
Ibrahim Holdings (Private) Limited	Parent company	6.1	89.7460%
Allied Bank Limited	Common directorship	-	-
Ibrahim Agencies (Private) Limited	Common directorship	-	-
Polytek Associates (Private) Limited	Common directorship	-	-
Sheikh Mukhtar Ahmed	Key management personnel	-	0.0008%
Mohammad Naeem Mukhtar	Key management personnel	-	0.0008%
Muhammad Waseem Mukhtar	Key management personnel	-	0.0008%
Mohammad Naeem Asghar	Key management personnel	-	0.0002%
Abdul Hameed Bhutta	Key management personnel	-	0.0003%
Mohammad Waqar	Key management personnel	-	0.0121%
Ikram ul Haq Mian	Key management personnel	-	0.0002%

6.1 Ibrahim Holdings (Private) Limited acquired 89.7460% shareholding of the Company during the period.

7. The provisions for taxation, workers' profit participation fund and workers' welfare fund made in these condensed interim financial statements are subject to adjustments in annual financial statements.

8. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 18, 2019 by the Board of Directors of the Company.

9. GENERAL

9.1 There is no unusual item included in these condensed interim financial statements which is affecting assets, liabilities, profit, comprehensive income, cash flows or equity of the Company.

9.2 Figures have been rounded off to the nearest Rupee unless otherwise stated.


Chief Executive Officer


Director


Chief Financial Officer

ڈائریکٹرز کا جائزہ

آپ کے ادارے کے ڈائریکٹرز انتہائی مسرت کے ساتھ ادارے کی 31 دسمبر 2018 کو اختتام پذیر ہونے والی ششماہی غیر مصدقہ (unaudited) مالیاتی نتائج آپ کے سامنے پیش کرتے ہیں۔

کاروباری کارکردگی

زیر نظر ششماہی میں آپ کے ادارہ کے پولیٹر شیلنگ فابریک کے کارخانہ نے 166,195 ٹن پولیٹر شیلنگ فابریک یا جبکہ پچھلے سال کی متعلقہ ششماہی میں یہ پیدوار 151,649 ٹن رہی۔ اس پیدوار میں سے 11,053 ٹن پولیٹر شیلنگ فابریک مختلف اقسام کا آمیزشی دھماکہ بنانے کے لئے آپ کے ادارہ کے اپنے کارخانوں میں صرف ہوا جبکہ پچھلی متعلقہ ششماہی میں یہ کھپت 10,049 ٹن رہی۔

آپ کے ادارہ کے دھماگے کے کارخانوں نے اس ششماہی میں 16,004 ٹن مختلف اقسام کا آمیزشی دھماکہ بنایا جبکہ پچھلی متعلقہ ششماہی میں یہ پیدوار 13,829 ٹن رہی۔

مالیاتی کارکردگی

زیر نظر ششماہی میں آپ کے ادارہ کی خالص فروخت 31,750 ملین روپے رہی جبکہ پچھلی متعلقہ ششماہی میں یہ فروخت 23,963 ملین روپے تھی۔

آپ کے ادارہ نے زیر نظر دورانیہ میں 2,121 ملین روپے کا خام نفع کمایا جبکہ پچھلے سال کے متعلقہ دورانیہ میں 1,823 ملین روپے کا خام نفع ہوا تھا۔

آپ کے ادارہ کو زیر نظر دورانیہ میں 1,318 ملین روپے قبل از ٹیکس اور 788 ملین روپے بعد از ٹیکس نفع ہوا۔ اس کے برعکس پچھلے سال کے متعلقہ دورانیہ میں 1,039 ملین روپے اور 415 ملین روپے با ترتیب قبل از ٹیکس اور بعد از ٹیکس نفع ہوا تھا۔

مستقبل پر نقطہ نظر

زیر نظر دورانیہ کی دوسری سہ ماہی میں خام تیل کی قیمتوں میں نمایاں کمی دیکھنے میں آئی جس کی بنیادی وجہ کچھ بڑی منڈیوں میں ایرانی تیل کی برآمد سے متعلق امریکہ کی پالیسی میں تبدیلی ہے۔ خام تیل کی قیمتوں میں اس اچانک آنے والی کمی کا اثر پوری معدنی تیل کی صنعت بشمول پولیٹر شیلنگ فابریک اور اس کے خام مال پر دیکھنے میں آیا۔ اس کی وجہ سے مالی تجارت پر نقصانات ہوئے جنہوں نے زیر نظر دورانیہ کی پہلی سہ ماہی میں ہونے والے مالی تجارت پر نفع کو بالآخر زائل کر دیا۔ مزید برآں افراط زر اور شرح سود میں اضافے اور اس سے منسلک غیر یقینی معاشی صورتحال نے پوری مقامی کپڑے کی صنعت میں کاروباری سرگرمیوں کو محدود رکھا۔

تاہم مستقبل میں مقامی کپڑے کی صنعت کی کاروباری سرگرمیوں میں اضافہ متوقع ہے جس کی وجہ حکومت پاکستان کی طرف سے برآمدات سے منسلک تمام صنعتوں بشمول کپڑے کی صنعت کی کاروباری مسابقت کو بحال کرنے کے لئے مختلف اقدامات ہیں اور اس کی وجہ سے مستقبل میں بہتر نتائج حاصل ہونے کی امید ہے۔

اس تناظر میں آپ کے ادارے کی انتظامیہ مالیاتی نظم و نسق اور منور کاروباری حکمت عملی کو بروئے کار لاتے ہوئے منڈی میں اپنے حصے اور نفع کو مزید بہتر بنانے کے لئے انتھک محنت جاری رکھے ہوئے ہے۔

فی حد آمدنی

زیر نظر ششماہی میں آپ کے ادارہ کو 2.54 روپیہ فی حصہ نفع ہوا جبکہ پچھلی متعلقہ ششماہی میں یہ نفع 1.34 روپیہ فی حصہ رہا تھا۔

منجانب اراکین








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UAN: 111-333-777