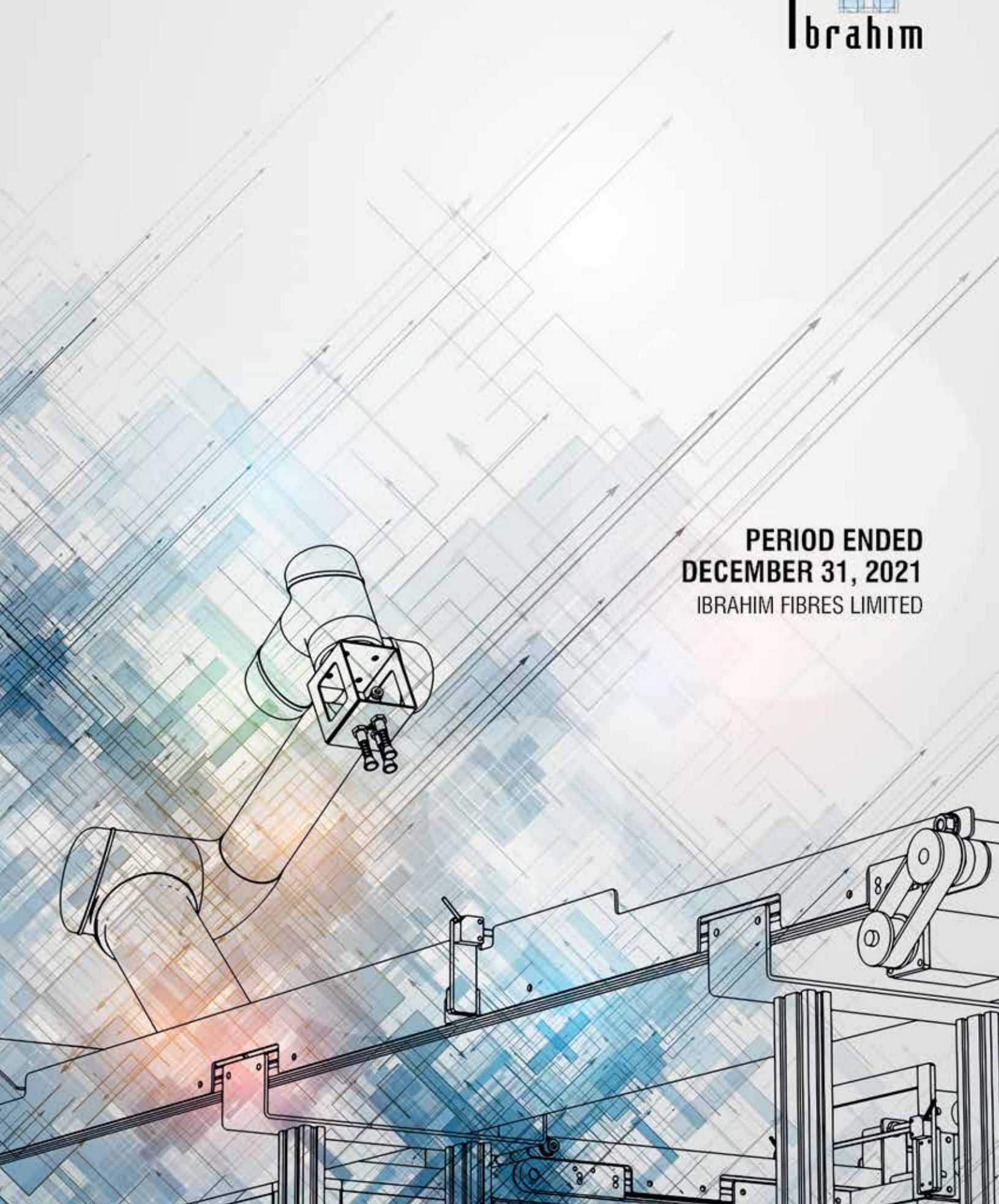




Ibrahim

**PERIOD ENDED
DECEMBER 31, 2021**
IBRAHIM FIBRES LIMITED





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COMPANY INFORMATION

BOARD OF DIRECTORS

Sheikh Mukhtar Ahmad
Mohammad Naeem Mukhtar
Muhammad Waseem Mukhtar
Sarah Naeem
Abdul Hameed Bhutta
Saba Muhammd
Ikram ul Haq Mian

Chairman
Chief Executive Officer

CHIEF FINANCIAL OFFICER

Mohammad Naeem Asghar

COMPANY SECRETARY

Muhammad Saqib Iqbal

AUDITORS

Yousuf Adil
Chartered Accountants

HUMAN RESOURCE & REMUNERATION COMMITTEE

Saba Muhammd
Abdul Hameed Bhutta
Ikram ul Haq Mian

Chairperson
Member / Secretary
Member

AUDIT COMMITTEE

Ikram ul Haq Mian
Abdul Hameed Bhutta
Saba Muhammd
Muhammad Iqbal Chaudhry

Chairman
Member
Member
Secretary

REGISTRAR'S & SHARES REGISTRATION OFFICE

CDC Share Registrar Services Limited
CDC House, 99 - B, Block - B, S.M.C.H.S.
Main Shahra-e-Faisal, Karachi - 74400, Pakistan

BANKERS

Allied Bank Limited
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
Industrial and Commercial Bank of China Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

REGISTERED OFFICE

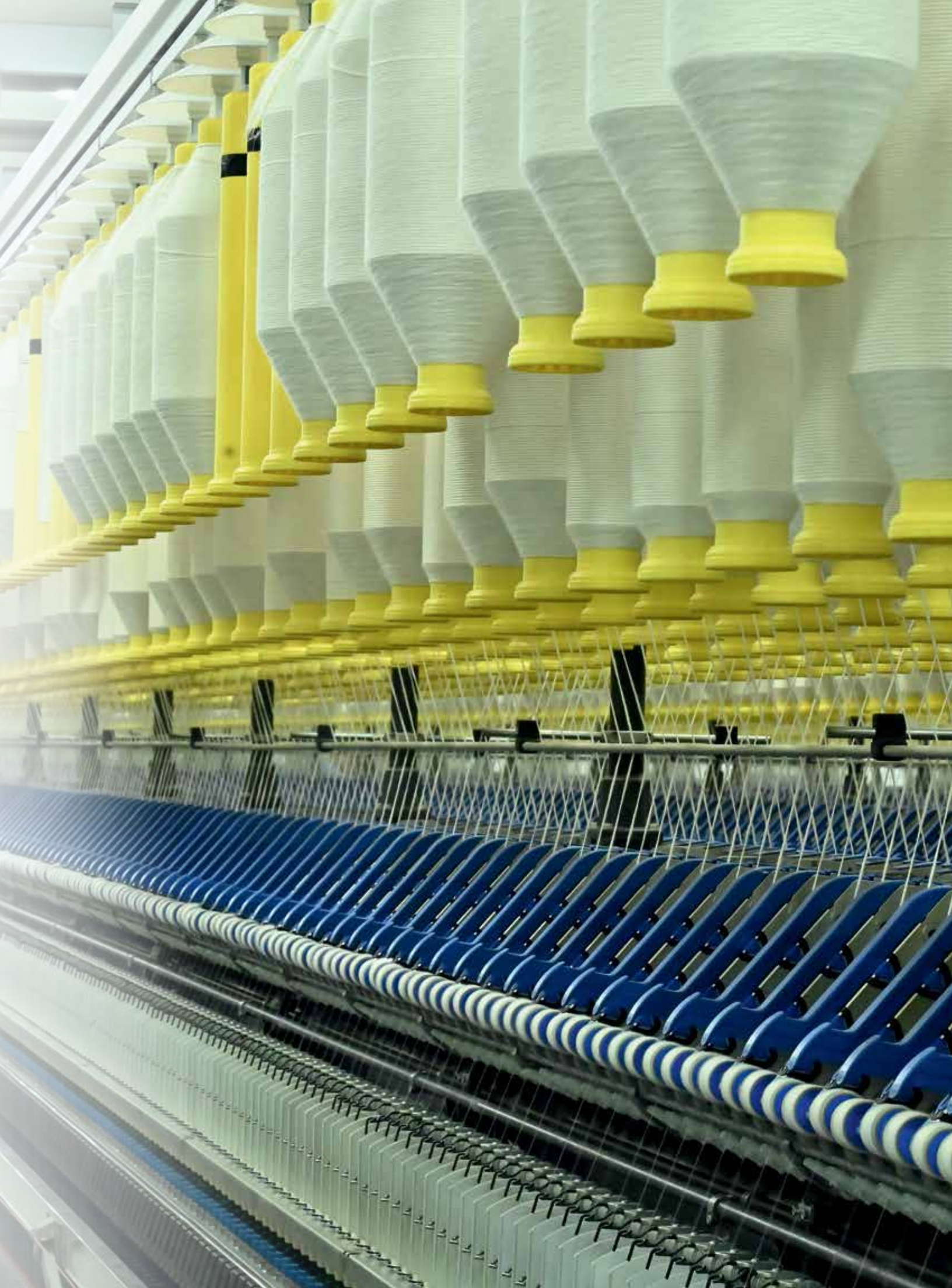
Ibrahim Centre
1 - Ahmed Block
New Garden Town
Lahore - 54600, Pakistan

HEAD OFFICE

Ibrahim Centre
15 - Club Road
Faisalabad - 38000, Pakistan

PROJECTS LOCATION

38 - 40 Kilometers
Faisalabad - Sheikhpura Road
Faisalabad, Pakistan



FINANCIAL HIGHLIGHTS

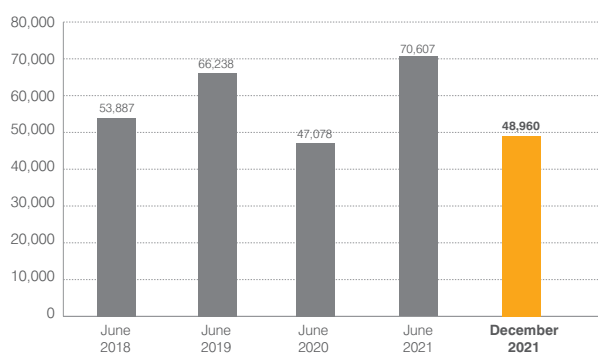
	Six months ended December 31,		Year ended June 30,		
	2021	2021	2020	2019	2018
	(Rupees in million)				
OPERATING PERFORMANCE					
Sales - net	48,960	70,607	47,078	66,238	53,887
Gross profit	9,767	12,465	1,951	3,847	4,496
Operating profit	8,757	10,933	804	2,736	3,445
Profit / (loss) before taxation	7,848	9,454	(851)	2,044	2,923
Profit / (loss) after taxation	5,407	6,579	(1,295)	998	2,107

	As at December 31,		As at June 30,		
	2021	2021	2020	2019	2018
	(Rupees in million)				
FINANCIAL POSITION					
Non - Current Assets					
Property, plant and equipment	40,055	40,661	39,478	31,976	29,189
Other non - current assets	205	202	133	140	84
	40,260	40,863	39,611	32,116	29,273
Current Assets					
Stores, spare parts and stocks in trade	22,901	13,406	14,298	14,589	12,134
Other current assets	8,471	7,240	5,661	6,828	5,555
Cash and cash equivalents	107	53	18	37	46
	31,479	20,699	19,977	21,454	17,735
Current Liabilities					
Short term borrowings	6,834	886	7,041	5,107	2,097
Current portion of long term financing	–	917	–	–	933
Other current liabilities	8,065	5,386	2,375	4,399	2,342
	14,899	7,189	9,416	9,506	5,372
Working capital	16,580	13,510	10,561	11,948	12,363
Long term financing	2,861	6,292	10,000	1,500	–
Deferred liabilities	4,767	3,708	2,307	3,090	2,679
Share capital and reserves	49,212	44,373	37,865	39,474	38,957

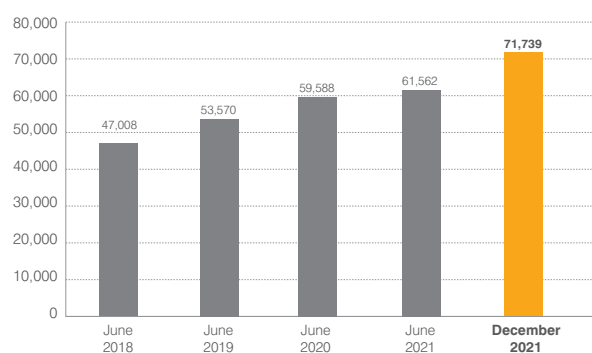
	Six months ended December 31,		Year ended June 30,			
	2021	2021	2020	2019	2018	
PROFITABILITY ANALYSIS						
Gross profit to sales	(%)	19.9	17.7	4.1	5.8	8.3
Profit / (loss) before tax to sales	(%)	16.0	13.4	(1.8)	3.1	5.4
Profit / (loss) after tax to sales	(%)	11.0	9.3	(2.8)	1.5	3.9
Return on capital employed	(%)	15.4	20.1	1.6	6.2	8.3
Return on equity	(%)	11.0	14.8	(3.4)	2.5	5.4
Earnings per share	(Rupees)	17.4	21.2	(4.2)	3.2	6.8
DIVIDENDS						
Final cash dividend - Proposed	(%)	–	20	–	10	15

	As at December 31,		As at June 30,			
	2021	2021	2020	2019	2018	
FINANCIAL ANALYSIS						
Current ratio	(times)	2.1	2.9	2.1	2.3	3.3
Debt to equity	(times)	0.1	0.2	0.3	0.0	0.0
Leverage ratio	(times)	0.5	0.4	0.6	0.4	0.2
Debt service coverage	(times)	8.7	15.3	2.6	3.7	2.4
Breakup value per share	(Rupees)	158.5	142.9	121.9	127.1	125.5
Inventory turnover ratio	(times)	2.9	6.2	4.4	6.2	6.0
Debtors turnover ratio	(times)	39.5	71.0	68.4	143.8	170.4
Fixed assets turnover ratio	(times)	1.2	1.8	1.3	2.2	1.9

Sales - Net (Rupees in million)



Total Assets (Rupees in million)



VISION AND MISSION STATEMENT



OUR VISION

To be a sustainable, growth oriented Company and achieve scale to remain competitive in the global economy.

OUR MISSION

To build the Company on sound financial footings with better productivity, excellence in quality and improved efficiency at lower operating costs by utilising state of the art technologies.

To accomplish excellent results through increased earnings which can benefit all the stakeholders.

To be a responsible employer and to take care of the employees in their career planning and reward them according to their abilities and performance.

To fulfill general obligations towards the society, being a good corporate citizen.



CHAIRMAN'S REVIEW

I am pleased to present the review on the performance of your Company and its board for the period ended December 31, 2021 along with effectiveness of the role played by the board in achieving the Company's objectives. These financial statements are prepared for a period of six months to change year end of the Company to 31st December in order to comply with Regulation 8 (3) of "Group Companies Registration Regulations, 2008" issued by Securities and Exchange Commission of Pakistan.

INDUSTRY OVERVIEW

During the period of six months under review, supply side constraints remained one of the major challenges at global level, which translated into highest commodity price escalation of the recent times. Crude oil prices also followed the similar trend and remained bullish throughout the period under review. On the domestic front, higher energy prices, currency devaluation, inflation, twin deficits and resultant corrective steps taken by the central bank turned out to be major challenges. Despite all these factors, domestic large scale manufacturing in general and textiles in particular showed resilience and performed exceptionally well. Moreover, significant increase in cotton prices due to shortage in cotton production also resulted in improved demand for polyester staple fibre. All these factors contributed favourably in achieving good turnovers as well as better yields.

MARKETING ACTIVITIES

The polyester plant of your Company achieved sales volume of 151,020 tons of Polyester Staple Fibre (PSF) during the period of six months under review as against sales of 267,037 tons of PSF / polyester chips during previous year.

The textile plants of your Company achieved sales of 25,581 tons of different counts of blended yarns during the period under review as against sales of 55,220 tons of yarns during previous year.

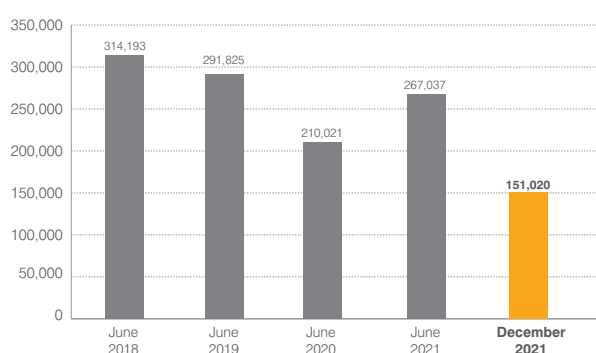
PRODUCTION OPERATIONS

The polyester plant of your Company achieved production of 166,051 tons of PSF during the period of six months under review as against 308,102 tons of PSF / polyester chips during the previous year. Out of the above production, 17,439 tons of PSF were consumed by the textile plants of your Company during the period under review for production of blended yarns as against 34,195 tons consumed during previous year.

At the textile plants of your Company, 28,287 tons of different counts of blended yarns were manufactured during the period under review as against 53,159 tons of yarns during previous year.

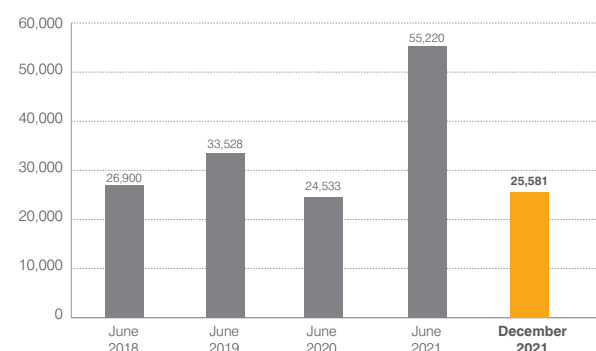
PSF / Polyester Chips Sales

(Quantity in M. Ton)



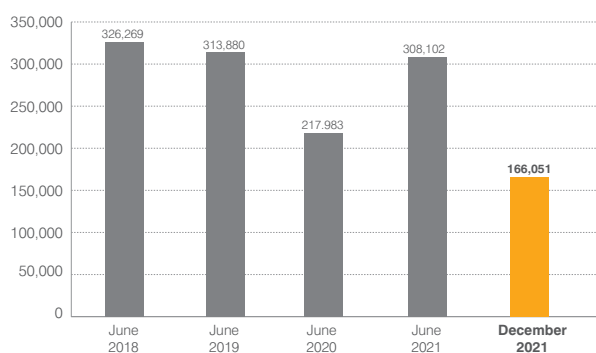
Yarn Sales

(Quantity in M. Ton)



PSF / Polyester Chips Production

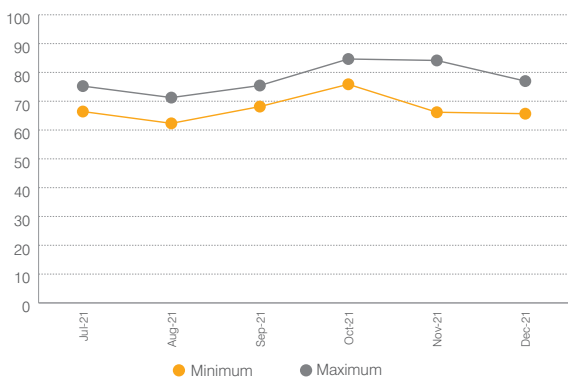
(Quantity in M. Ton)





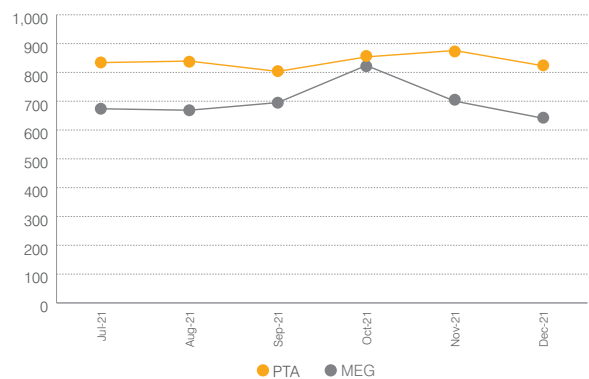
Crude Oil (WTI) Prices

(US Dollar / Barrel)



PTA & MEG Prices

(US Dollar / M. Ton)



FINANCIAL PERFORMANCE

Your Company achieved net sales of Rs. 48,960 million during the period of six months under review as compared to Rs. 70,607 million during the previous year. The gross profit earned during the period was Rs. 9,767 million as against Rs. 12,465 million earned during previous year.

Your Company earned profit before tax amounting to Rs. 7,848 million during the period under review as compared to Rs. 9,454 million during the previous year. Profit after tax for the period comes to Rs. 5,407 million as compared to Rs. 6,579 million during previous year.

BALANCING, MODERNISATION AND REPLACEMENT

Textile Plant - III

In line with business philosophy of continuous modernisation and upgradation, management of your Company initiated another state of the art project to replace complete back process of Textile Plant III – Unit II during the period under review. Under this project, existing machinery will be replaced with the latest machinery which consists of complete blow

room machines, carding machines, draw frames, combing machines and roving machines along with its transport system to be supplied by World's leading textile machinery manufacturers, Truetzschler and Saurer, Germany.

Accordingly, contracts have been awarded to the suppliers for the supply of plant and machinery and related letters of credits are established.

Major shipments of machinery / equipment are planned to be shipped during first quarter of the next calendar year and this project is expected to be completed during second quarter of the next calendar year.

Last year, your Company initiated a similar project to replace complete back process of Textile Plant III – Unit I. During the period under review, major shipments of machinery / equipment have arrived at plant site and its installation has been started. This project is expected to be completed during 1st quarter of the current calendar year.

Implementation of these projects will result in further improvements in quality, efficiency and productivity of manufacturing plants of your Company.

CHAIRMAN'S REVIEW (cont.)

PROFESSIONALISM AND HUMAN RESOURCES

Better know how & skill sets are the only long term sustainable competitive advantages of an organisation. In pursuit of this strategic goal, management of your Company is making untiring efforts to acquire and nurture best in class human capital to survive and thrive in upcoming era of disruptive technological advancements.

Your Company arranged numerous in-house learning activities for enhancing competencies of its team. Moreover, many external learning programs were arranged for its employees during the period under review covering various topics including PLC programming, industrial automation, plant maintenance strategies and corporate governance.

FUTURE OUTLOOK

At present, key systematic risks being faced by the global economy include rising security situation in various regions as well as post pandemic supply constraints. Due to these risks, commodity prices including crude oil have spiked up. Going forward, these trends are expected to keep economic uncertainties at a higher level especially for developing countries.

On the domestic front, demand for textile inputs is expected to remain stable with healthy turnovers and positive margins are expected for the foreseeable future. However, higher energy costs coupled with inflation, currency devaluation and rising borrowing costs are expected to pose challenges in maintaining the current momentum.

In this scenario, the management of your Company is making continuous efforts to increase market share through effective marketing strategies and to achieve better results through prudent cost controls and efficient inventory management.

ACKNOWLEDGEMENT

I am thankful to the members of Board of Directors of the Company, shareholders, bankers, financial institutions, our valued customers and suppliers for their support and assistance. I also thank the executives and other employees of the Company for their dedication and hard work and look forward to getting the same cooperation in future.

Sheikh Mukhtar Ahmad

Chairman

Lahore
March 17, 2022





NOTICE OF MEETING

Notice is hereby given that the 36th Annual General Meeting of the shareholders of the Company will be held on April 26, 2022 at 11:00 A.M. at Pearl Continental Hotel Lahore, as well as through video conferencing, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the preceding meeting of the shareholders of the Company.
2. To consider and approve the audited financial statements of the Company for the period of six months ended December 31, 2021 together with directors' and auditor's reports thereon.
3. To appoint Auditors for the year 2022 and fix their remuneration. The present auditors M/s Yousuf Adil, Chartered Accountants have retired and offered themselves for re-appointment as External Auditors of the Company for the year 2022.
4. To transact any other business with the permission of the chair.

By order of the Board

Muhammad Saqib Iqbal

Company Secretary

Lahore

March 17, 2022

NOTES

- i. The share transfer books of the Company shall remain closed from April 19, 2022 to April 26, 2022 (both days inclusive) to determine the names of members entitled to attend the Meeting. Transfers received in order at M/s CDC Share Registrar Services Limited, CDC House, 99 - B, Block - B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, the Registrar's and Shares Registration Office of the Company, at the close of business on April 18, 2022 will be treated in time.
- ii. Shareholders interested in attending the AGM through video conferencing, are requested to get themselves registered with the Company up to April 25, 2022 at 03:00 p.m. by providing their following particulars at saqib.iqbal@igc.com.pk or WhatsApp No. +923002955145.
 - Name of shareholder
 - CNIC Number (please attach snapshot of both sides of valid CNIC)
 - Folio / CDS Number
 - Cell Number
 - e-mail address

On receipt of the request, the link / credentials to join through video conferencing shall be sent to the interested Shareholders on their e-mail addresses or WhatsApp numbers. Shareholders will be able to login and participate in the AGM through their devices after completing all the formalities required for the identification and verification of the shareholders.

Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary at least two working days before the AGM, at the above given e-mail address or WhatsApp number. Shareholders are required to provide their full name, CNIC No. and Folio / CDS No. for this purpose.

- iii. A member entitled to attend and vote at the Meeting may appoint another member as his / her proxy to attend and vote for him / her. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.
- iv. Members are requested to notify immediately changes, if any, in their registered address.



NOTICE OF MEETING (cont.)



- v. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

FOR ATTENDING THE MEETING

- i. In case of individuals, the account holder or sub - account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his / her original Computerised National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of the Meeting.
- v. In case of the corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

CIRCULATION OF ANNUAL AUDITED ACCOUNTS VIA CD / USB / DVD

Pursuant to the directions given by the Securities & Exchange Commission of Pakistan through SRO 470 (1) / 2016 dated May 31, 2016 that has allowed the companies to circulate its Annual Audited Accounts to its members through CD / USB / DVD at their registered Addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the standard request form, which

FOR APPOINTING PROXIES

- i. In case of individuals, the account holder or sub - account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.



is available on the Company's website (www.igcpk.com) and send to the Company at its registered address.

UNCLAIMED DIVIDENDS AND BONUS SHARES

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited, to collect / inquire about their unclaimed dividend or pending shares if any.

ATTENDANCE OF MEETING BY VIDEO - LINK

If Members holding ten (10) percent of the total paid up capital, reside in a city, such Members, may demand the Company to provide them the facility of video - link for attending the Meeting. The Company will arrange video conference facility in the city subject to availability of such facility in that city.

If you wish to take benefit of this facility, please fill the form appearing below and submit it to the Company at its registered address at least seven (7) days prior to the date of the Meeting:

I / We, _____ of _____, being a member of Ibrahim Fibres Limited, holder of _____ ordinary share(s) as per Registered Folio / CDC Account No. _____ hereby opt for video link facility at _____.

Signature of Member

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of Annual General Meeting along with complete information necessary to enable them to access the facility.

DIRECTORS' REPORT

The Directors of your Company are pleased to present before you the audited Financial Statements for the period of six months ended December 31, 2021 along with Auditor's report thereon.

FINANCIAL RESULTS

The financial results for the period under review with corresponding figures are presented for having a quick look on the performance of the Company.

	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
Gross profit	9,767,058,438	12,464,783,597
Selling and distribution expenses	(205,401,957)	(350,079,039)
Administrative expenses	(804,502,091)	(1,181,250,067)
Other operating expenses	(683,489,524)	(604,989,530)
Finance cost	(250,606,644)	(958,539,453)
	(1,944,000,216)	(3,094,858,089)
	7,823,058,222	9,369,925,508
Other income	24,961,531	83,929,120
Profit before taxation	7,848,019,753	9,453,854,628
Provision for taxation	(2,441,345,552)	(2,874,906,479)
Profit for the period	5,406,674,201	6,578,948,149
Remeasurement of staff retirement gratuity - net of tax	54,112,884	(71,420,288)
Un-appropriated profit brought forward	36,105,930,971	29,598,403,110
Profit available for appropriation	41,566,718,056	36,105,930,971
Final cash dividend - Nil (June 30, 2021: 20%)	(621,013,990)	–
Un-appropriated profit carried forward	40,945,704,066	36,105,930,971
Earnings per share - Basic and Diluted	17.41	21.19

DIVIDEND - PROPOSED

The Board has not recommended payment of dividend for the period of six months ended December 31, 2021 due to further investments into balancing and modernisation of existing manufacturing plants of your Company.

PROPOSED APPROPRIATION OF PROFIT - FINAL CASH DIVIDEND

	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
Final cash dividend - Nil (June 30, 2021: Rs. 2 per share)	–	621,013,990

The Company is part of a group registered with the Securities and Exchange Commission of Pakistan (the Commission) and its parent company adopted calendar year as its accounting period. As per Regulation 8 (3) of "Group Companies Registration Regulations, 2008" issued by the Commission, companies in a group must have the same accounting period to be designated as a group. Accordingly, during the period, the management of the Company decided to change its accounting period and has adopted calendar year as its accounting period.

Therefore, financial statements are prepared for the period covering six months ended on December 31, 2021. Since the audited comparative figures are available for the year ended June 30, 2021, the same have been disclosed as comparatives which are not comparable with figures of current period.

CHAIRMAN'S REVIEW

The Directors of your Company fully endorse the Chairman's review on the performance of the Company for the period of six months ended December 31, 2021.

AUDITORS

The present External Auditors, M/s Yousuf Adil, Chartered Accountants have completed the audit for the period of six months ended December 31, 2021, and issued a clean audit report. The auditors will retire on the conclusion of the Annual General Meeting of the Company and, being eligible, have offered themselves for re-appointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending December 31, 2022.

PATTERN OF SHAREHOLDING

Pattern of shareholding as on December 31, 2021 is provided on page 59.

ATTENDANCE OF BOARD MEETINGS

Three meetings of the Board of Directors were held during the period of six months ended December 31, 2021 and the attendance of the Directors is as follows:

Attendance		
Sheikh Mukhtar Ahmad	Chairman	03
Mohammad Naeem Mukhtar	Chief Executive Officer	03
Muhammad Waseem Mukhtar	Director	03
Sarah Naeem	Director	02
Abdul Hameed Bhutta	Director	03
Saba Muhammd	Director	03
Ikram Ul Haq Mian	Director	03

AUDIT COMMITTEE

The Audit Committee of the Company comprises of the following members.

Ikram ul Haq Mian (Independent Director)	Chairman
Abdul Hameed Bhutta (Non - Executive Director)	Member
Saba Muhammd (Independent Director)	Member

Four Meetings of Audit Committee were held during the period of six months ended December 31, 2021 for review of annual and quarterly financial statements and other related matters. The meetings were also attended by the CFO, Head of Internal Audit and External Auditors as and when required.

DIRECTORS' REMUNERATION

The Company has a policy in place that ensures formal and transparent procedures for fixing the remuneration of Directors and no single Director is involved in determining his own remuneration.

For information on remuneration of Directors and CEO, please refer note 31 to the financial statements.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors of the Company state that:

1. The financial statements, prepared by the management of the Company present a fair state of affairs of the Company, results of its operations, cash flows and changes in equity;
2. Proper books of accounts of the Company have been maintained as required under the Companies Act, 2017;
3. Appropriate accounting policies have been applied consistently in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgement;
4. International Accounting / Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and there is no departure therefrom;

5. The system of internal control is sound and has been effectively implemented and monitored;
6. There is no significant doubt on the Company's ability to continue as a going concern;
7. Financial highlights for the 5 years are provided on page No. 4 and 5.

CORPORATE SOCIAL RESPONSIBILITY

Your Company understands its corporate responsibility towards society and fulfills its obligation by providing financial support to under privileged members of the society and its deserving employees as well as doing philanthropy work. The Company is also contributing considerable amounts to the National Exchequer, applying solutions for energy conservation and environment protection, providing the highest quality products and after - sales technical services to its valued customers.



Your Company regularly donates substantial amounts to renowned hospitals, trusts and to various institutions constituted for dealing with natural calamities as part of its philanthropic activities.

Your Company is providing healthy, safe and learning work environment to its employees and sends them on training courses, seminars, workshops and conferences both within country and abroad. It lends regular support to the special persons by offering them jobs in various departments of the organisation. It also offers apprenticeship to fresh graduates, post graduates and engineers, on a regular basis, to elevate their professional and technical skills.

Your Company has also installed an environment friendly gas based power plant with a view to reduce power cost. Moreover, it produces steam as a by-product which is adequate to meet the entire steam requirements of Polyester plant of the Company thereby resulting in energy conservation.

During the period, your Company has contributed a huge amount to the National Exchequer by way of payment of various duties, levies and taxes.

ACKNOWLEDGEMENT

The Directors of your Company would like to place on record their deep appreciation for the support of the customers, banks, financial institutions, regulators and shareholders for achieving good results and hope that this cooperation and support will also continue in future.

The Directors of your Company would also like to express their appreciation for the services, loyalty and efforts being continuously rendered by the executives, staff members and workers of the Company and hope that they will continue to do so in future.

On behalf of the Board

Chief Executive Officer

Director

Lahore
March 17, 2022

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 IBRAHIM FIBRES LIMITED

For the period of six months ended December 31, 2021

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors is seven as per the following:
 - a. Male 5
 - b. Female 2
2. The composition of the board is as follows:
Independent Directors

Ikram UI Haq Mian
Saba Muhammd (The Company could not round up independent directors' fraction as one because 0.33 is not equal to 1)

Non-executive Directors

Sheikh Mukhtar Ahmad
Abdul Hameed Bhutta
Sarah Naeem

Executive Directors

Mohammad Naeem Mukhtar
Muhammad Waseem Mukhtar

Female Directors

Saba Muhammd
Sarah Naeem
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged Directors' Training program for the following:

Sheikh Mukhtar Ahmad
Muhammad Waseem Mukhtar
Abdul Hameed Bhutta
Ikram UI Haq Mian

Mohammad Naeem Mukhtar is exempted from the requirement of Directors' Training Program.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Audit Committee

Ikram ul Haq Mian	Chairman
Abdul Hameed Bhutta	Member
Saba Muhammd	Member

HR and Remuneration Committee

Saba Muhammd	Chairperson
Abdul Hameed Bhutta	Member
Ikram ul Haq Mian	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee was as per following:

- | | |
|----------------------------------|--|
| a) Audit Committee | 2 Quarterly and
2 Others in
Last Quarter |
| b) HR and Remuneration Committee | 1 in last
Quarter |

15. The Board has set up an effective internal audit function.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Non - Mandatory Requirements	Regulation No.	Explanation
1	Nomination Committee	29(1)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by Human Resource & Remuneration Committee.

Sheikh Mukhtar Ahmad

Chairman

Lahore

March 17, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF IBRAHIM FIBRES LIMITED

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Ibrahim Fibres Limited** (the Company) for the period of six months ended December 31, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the period of six months ended December 31, 2021.

Yousuf Adil

Chartered Accountants

Engagement Partner:

Rana M. Usman Khan

Lahore

Date: March 17, 2022

UDIN: CR202110088w2Zfbku8Y

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IBRAHIM FIBRES LIMITED

Report on the Audit of Financial Statements

OPINION

We have audited the annexed financial statements of Ibrahim Fibres Limited (the Company), which comprise of the statement of financial position as at December 31, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and notes to the financial statements for the period of six months then ended, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2021 and of the profit, the comprehensive income, the changes in equity and its cash flows for the period of six months then ended.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the Code) as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion..

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR’S REPORT (cont.)

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <p>The Company’s sales comprise of revenue from the sale of polyester staple fiber and yarn which has been disclosed in note 22 to the financial statements.</p> <p>Revenue from sale of goods is recognized when the Company satisfies the performance obligation under the contract by transferring the promised goods to the customers. Revenue recognition criteria has been explained in note 2.21 to the financial statements.</p> <p>We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on the satisfaction of the performance obligation under the contract with the customer in line with the accounting policy adopted or may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> • assessing the appropriateness of the Company’s accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized appropriately based on the stated accounting policy; • comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; • checked on sample basis the recorded sales transactions with underlying supporting documents; • performed analytical procedures along with other financial and non-financial information; and • assessed the adequacy of related disclosures in the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR’S REPORT THEREON

Management of the Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's management.
- Conclude on the appropriateness of the Company's management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (cont.)

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the six months period were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.

Yousuf Adil

Chartered Accountants

Place: Lahore

Date: March 17, 2022

UDIN: AR202110088JkYQ2IKxX

IBRAHIM FIBRES LIMITED
FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2021

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	40,054,918,403	40,660,810,244
Intangible assets	4	92,228,887	95,513,734
Long term loans	5	105,083,193	99,024,722
Long term deposits		7,569,771	7,569,771
		40,259,800,254	40,862,918,471
CURRENT ASSETS			
Stores, spare parts and loose tools	6	5,181,461,322	4,206,908,145
Stock in trade	7	17,719,815,580	9,198,615,343
Trade debts	8	1,351,330,311	1,129,198,891
Loans and advances	9	3,358,413,490	2,919,177,439
Prepayments		124,507,380	80,665,370
Other receivables	10	3,624,619,281	3,098,233,817
Short term investment	11	12,378,247	12,371,836
Cash and bank balances	12	107,223,586	53,101,261
		31,479,749,197	20,698,272,102
CURRENT LIABILITIES			
Trade and other payables	13	4,246,116,126	2,859,121,802
Mark up / interest payable		138,019,347	184,949,228
Short term bank borrowings	14	6,834,136,803	886,243,017
Current portion of long term financing	15	–	916,666,668
Unclaimed dividend		31,709,620	26,992,584
Provision for taxation - income tax		3,648,891,997	2,314,728,641
		14,898,873,893	7,188,701,940
Working capital		16,580,875,304	13,509,570,162
Total capital employed		56,840,675,558	54,372,488,633
NON - CURRENT LIABILITIES			
Long term financing	15	2,860,751,411	6,292,106,275
Deferred liabilities:			
Deferred taxation	16	3,563,337,527	2,434,052,886
Staff retirement gratuity	17	1,204,121,955	1,273,637,902
		7,628,210,893	9,999,797,063
CONTINGENCIES AND COMMITMENTS			
	18	–	–
Net worth		49,212,464,665	44,372,691,570
Represented by:			
SHARE CAPITAL AND RESERVES			
Share capital	19	3,105,069,950	3,105,069,950
Capital reserves	20	1,072,017,550	1,072,017,550
Revenue reserves	21	45,035,377,165	40,195,604,070
		49,212,464,665	44,372,691,570

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the period of six months ended December 31, 2021

	Note	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
Sales - net	22	48,959,895,702	70,607,072,729
Cost of goods sold	23	(39,192,837,264)	(58,142,289,132)
Gross profit		9,767,058,438	12,464,783,597
Selling and distribution expenses	24	(205,401,957)	(350,079,039)
Administrative expenses	25	(804,502,091)	(1,181,250,067)
Other operating expenses	26	(683,489,524)	(604,989,530)
Finance cost	27	(250,606,644)	(958,539,453)
		(1,944,000,216)	(3,094,858,089)
Other income	28	7,823,058,222	9,369,925,508
		24,961,531	83,929,120
Profit before taxation		7,848,019,753	9,453,854,628
Provision for taxation	29	(2,441,345,552)	(2,874,906,479)
Profit for the period / year		5,406,674,201	6,578,948,149
Earnings per share - Basic and Diluted	30	17.41	21.19

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the period of six months ended December 31, 2021

	Note	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
Profit for the period / year		5,406,674,201	6,578,948,149
Other comprehensive income for the period / year			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of staff retirement gratuity	17.2.2	76,215,329	(100,591,955)
Deferred tax	16	(22,102,445)	29,171,667
		54,112,884	(71,420,288)
Total comprehensive income for the period / year		5,460,787,085	6,507,527,861

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

STATEMENT OF CASH FLOWS

For the period of six months ended December 31, 2021

	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
a) Cash flows from operating activities		
Profit before taxation	7,848,019,753	9,453,854,628
Adjustments for:		
Depreciation / amortisation of property, plant and equipment	1,894,960,002	4,043,675,096
Amortisation of intangible assets	6,139,847	11,393,980
Provision for staff retirement gratuity	101,991,846	163,362,663
Balances written back - net	(1,886,499)	(550,681)
Loss / (gain) on disposal of property, plant and equipment	4,125,470	(24,168,456)
Profit on investment at amortised cost	(393,206)	(371,836)
Profit on deposits	(134,837)	(2,950,615)
Finance cost	250,606,644	958,539,453
Operating cash flows before working capital changes	10,103,429,020	14,602,784,232
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(974,553,177)	387,739,679
Stock in trade	(8,521,200,237)	504,571,431
Trade debts	(220,216,421)	(268,212,160)
Loans and advances	364,098,495	(349,322,029)
Prepayments	(43,842,010)	(31,006,082)
Other receivables	(526,385,464)	101,679,617
Increase in current liabilities		
Trade and other payables	1,378,283,051	1,813,027,184
	(8,543,815,763)	2,158,477,640
Cash generated from operations	1,559,613,257	16,761,261,872
Long term loans - net	(6,841,456)	(5,290,790)
Finance cost paid	(310,781,943)	(1,308,739,731)
Income tax paid - net	(802,580,061)	(1,024,424,630)
Staff retirement gratuity paid	(95,002,596)	(102,834,507)
Net cash from operating activities	344,407,201	14,319,972,214
b) Cash flows from investing activities		
Additions in:		
Property, plant and equipment	(1,275,009,120)	(5,511,050,083)
Intangible assets	(2,855,000)	(69,751,004)
Proceeds from disposal of property, plant and equipment	3,482,311	251,000,528
Long term deposits	-	(29,595)
Profit on investment at amortised cost	386,795	-
Profit on deposits	134,837	2,950,615
Short term investment	-	(12,000,000)
Net cash used in investing activities	(1,273,860,177)	(5,338,879,539)
c) Cash flows from financing activities		
Long term financing obtained	818,645,135	2,042,106,277
Repayment of long term financing	(5,166,666,666)	(4,833,333,334)
Increase / (decrease) in short term bank borrowings - net	5,947,893,786	(6,154,736,486)
Dividend paid	(616,296,954)	(107,545)
Net cash from / (used in) financing activities	983,575,301	(8,946,071,088)
Net increase in cash and cash equivalents (a+b+c)	54,122,325	35,021,587
Cash and cash equivalents at the beginning of the period / year	53,101,261	18,079,674
Cash and cash equivalents at the end of the period / year	107,223,586	53,101,261

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the period of six months ended December 31, 2021

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share premium	Merger reserve	General reserve	Unappropriated profit	
Rupees						
Balance as at July 01, 2020	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	29,598,403,110	37,865,163,709
Total comprehensive income for the year						
Profit for the year	-	-	-	-	6,578,948,149	6,578,948,149
Other comprehensive income	-	-	-	-	(71,420,288)	(71,420,288)
	-	-	-	-	6,507,527,861	6,507,527,861
Balance as at June 30, 2021	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	36,105,930,971	44,372,691,570
Transactions with owners						
Final cash dividend for the year ended June 30, 2021: Rs. 2 per share	-	-	-	-	(621,013,990)	(621,013,990)
Total comprehensive income for the period						
Profit for the period	-	-	-	-	5,406,674,201	5,406,674,201
Other comprehensive income	-	-	-	-	54,112,884	54,112,884
	-	-	-	-	5,460,787,085	5,460,787,085
Balance as at December 31, 2021	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	40,945,704,066	49,212,464,665

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

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

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 it's registered office is in Pakistan.
- 1.4 The 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Act differ from the IFRS Standards, the provisions of and directives issued under the Act have been followed.

As per Regulation 8 (3) of "Group Companies Registration Regulations, 2008" issued by Securities and Exchange Commission of Pakistan (the Commission), companies in a group must have same accounting period in order to be designated as group. The Company is the part of a group registered with the Commission and its parent company adopted calendar year as its accounting period. Accordingly, management of the Company decided to change its accounting period and adopt calendar year as its accounting period.

Therefore, these financial statements are prepared for the period covering six months ended on December 31, 2021. Since the audited comparative figures are available for the year ended June 30, 2021, the same have been disclosed as comparatives and balances in statement of profit or loss, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes to the accounts are not comparable.

2.2 Application of new and revised IFRS Standards

2.2.1 Standards, amendments to standards and interpretations becoming effective in current period

There were certain new standards, amendments to the approved accounting standards and interpretations which became effective during the period ended December 31, 2021 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 financial statements.

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

There are certain new standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or are not expected to have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

2.3 Basis of preparation

These financial statements have been prepared under the "historical cost convention" except staff retirement gratuity carried at present value.

2.4 Property, plant and equipment

Property, plant and equipment, except freehold land and capital work in progress are stated at cost less accumulated depreciation / amortisation and impairment in value, if any. Freehold land and capital work in progress are stated at cost less impairment in value, if any.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

Depreciation is charged to income applying the reducing balance method and amortisation is charged on straight line basis over the unexpired period of leasehold rights of land at the rates specified in the property, plant and equipment note.

Depreciation on additions during the period is charged from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised.

Gains and losses on disposal of property, plant and equipment are included in current income.

All costs / expenditure connected with specific assets are collected under capital work in progress. These are transferred to specific assets as and when assets are available for intended use.

2.5 Intangible assets

Intangible assets except those under implementation are stated at cost less accumulated amortisation and impairment in value, if any. Intangible assets under implementation are carried at cost less impairment in value, if any.

Intangible assets are amortised over a period of five years using straight line method. Amortisation on additions during the period is charged from the month in which an asset is acquired or capitalised.

All costs / expenditure connected with implementation of intangible assets are collected in intangible assets under implementation. These are transferred to specific assets as and when assets are available for intended use.

2.6 Impairment

Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Non - financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation / amortisation and are tested annually for impairment. Assets that are subject to depreciation / amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash - generating units). Non - financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised. Reversal of impairment loss is recognised as income.

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit or loss in the period in which these are incurred.

2.8 Stores, spare parts and loose tools

These are valued at moving average cost less allowances for obsolete or slow moving items, if any. Items in transit are valued at cost comprising invoice value and other charges incurred thereon.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

2.9 Stock in trade

Stock in trade except wastes is valued at lower of cost and net realisable value. Cost is determined as follows:

Raw materials	
In hand	Weighted average cost
In transit	Cost comprising invoice value and other charges incurred thereon
Work in process and Finished goods	Cost is determined on weighted average method and it comprises of cost of direct materials, labour and appropriate manufacturing overheads.

Wastes are valued at net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sales.

2.10 Trade debts and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

2.11 Short term investments

The Company measures its short term investments at amortised cost. Interest income from these financial assets is included in profit or loss using the effective interest rate method.

2.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks and highly liquid short term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

2.13 Staff retirement gratuity

The Company operates a defined benefit plan - unfunded gratuity scheme covering all permanent employees. Provision is made for the period on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Method. All remeasurement adjustments are recognised in other comprehensive income as they occur.

The amount recognised in the statement of financial position represents the present value of defined benefit obligation as adjusted for remeasurement adjustments.

2.14 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

2.15 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of obligation. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.16 Provision for taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits and tax rebates available under the law.

Deferred

Deferred tax is provided using the liability method for all temporary differences at reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of the Institute of Chartered Accountants of Pakistan.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

Deferred tax asset is recognised for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is charged or credited to the statement of profit or loss, except in case of items recognised in other comprehensive income in which case it is included in the statement of comprehensive income.

2.17 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

2.18 Foreign currency translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the exchange rates prevailing at the reporting date, except those covered under forward exchange contracts which are translated at the contracted rates. Transactions in foreign currencies are translated into Pak Rupee at exchange rates prevailing on the date of transaction.

Exchange differences are included in current statement of profit or loss. All non - monetary items are translated into Pak Rupee at exchange rates prevailing on the date of transaction.

2.19 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and, in case of financial liabilities, when the obligation specified in the contract is discharged, cancelled or expired.

Recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

2.20 Off - setting of financial asset and financial liability

A financial asset and a financial liability is off - set and net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set - off the recognised amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.

- Revenue from sale of goods is recognised on transfer of control to customers.
- Profit on deposits is recognised on time proportionate basis, taking into account the effective yield.

2.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting for the effects of all dilutive potential ordinary shares.

2.23 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and slow moving inventory, staff retirement gratuity and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	3.1	36,831,716,334	38,452,653,375
Capital work in progress	3.5	3,223,202,069	2,208,156,869
		40,054,918,403	40,660,810,244

3.1 Operating assets

	Land		Building on		Plant and machinery	Furniture and fixture	Office equipment	Vehicles	Aircraft	Total
	Freehold	Leasehold	Freehold land	Leasehold land						
Rupees										
At July 01, 2020										
Cost	847,890,333	23,179,082	9,281,239,326	205,493,975	56,603,674,987	358,890,955	365,182,756	351,060,388	-	68,036,611,802
Accumulated depreciation / amortisation	-	(1,035,119)	(3,322,129,019)	(59,724,413)	(24,842,047,117)	(151,693,059)	(166,503,023)	(185,365,360)	-	(28,728,497,110)
Written down value	847,890,333	22,143,963	5,959,110,307	145,769,562	31,761,627,870	207,197,896	198,679,733	165,695,028	-	39,308,114,692
Reconciliation of written down value at June 30, 2021										
Written down value as at July 01, 2020	847,890,333	22,143,963	5,959,110,307	145,769,562	31,761,627,870	207,197,896	198,679,733	165,695,028	-	39,308,114,692
Additions	223,662,500	-	18,600,526	-	73,748,869	22,377,760	103,402,776	98,253,420	2,875,000,000	3,415,045,851
Less: Disposals										
Cost	190,769,700	-	8,865,412	-	139,765,158	356,169	10,501,282	66,591,837	-	416,849,558
Accumulated depreciation	-	-	(8,590,493)	-	(131,944,459)	(221,248)	(2,578,907)	(46,682,379)	-	(190,017,486)
Less: Depreciation / amortisation	190,769,700	-	274,919	-	7,820,699	134,921	7,922,375	19,909,458	-	226,832,072
	-	288,717	596,420,674	14,576,956	3,179,247,202	21,896,505	23,844,317	39,692,392	167,706,333	4,043,675,096
Written down value as at June 30, 2021	880,783,133	21,855,246	5,381,015,240	131,192,606	28,648,308,838	207,544,230	270,315,817	204,346,598	2,707,291,667	38,452,653,375
At July 01, 2021										
Cost	880,783,133	23,179,082	9,290,974,440	205,493,975	56,537,658,698	380,912,546	458,084,250	382,721,971	2,875,000,000	71,034,808,095
Accumulated depreciation / amortisation	-	(1,323,836)	(3,909,959,200)	(74,301,369)	(27,889,349,860)	(173,368,316)	(187,768,433)	(178,375,373)	(167,708,333)	(32,582,154,720)
Written down value	880,783,133	21,855,246	5,381,015,240	131,192,606	28,648,308,838	207,544,230	270,315,817	204,346,598	2,707,291,667	38,452,653,375
Reconciliation of written down value at December 31, 2021										
Written down value as at July 01, 2021	880,783,133	21,855,246	5,381,015,240	131,192,606	28,648,308,838	207,544,230	270,315,817	204,346,598	2,707,291,667	38,452,653,375
Additions	62,023,000	-	14,083,687	-	44,356,454	13,885,767	29,824,021	117,457,813	-	281,630,742
Less: Disposals										
Cost	-	-	-	-	2,300,000	-	5,718,101	17,636,387	-	25,654,488
Accumulated depreciation	-	-	-	-	(2,204,927)	-	(14,277,333)	(14,414,047)	-	(18,046,707)
Less: Depreciation / amortisation	-	144,359	269,285,490	6,559,630	1,432,900,222	10,835,404	14,101,422	25,768,892	135,364,583	1,894,960,002
Written down value as at December 31, 2021	942,806,133	21,710,887	5,125,813,437	124,632,976	27,259,669,997	210,594,593	281,748,048	292,813,179	2,571,927,084	36,831,716,334
At December 31, 2021										
Cost	942,806,133	23,179,082	9,305,058,127	205,493,975	56,579,715,152	394,798,313	482,190,170	482,543,397	2,875,000,000	71,290,784,349
Accumulated depreciation / amortisation	-	(1,468,195)	(4,179,244,690)	(80,860,999)	(29,320,045,155)	(184,203,720)	(200,442,122)	(189,730,218)	(303,072,916)	(34,459,068,315)
Written down value	942,806,133	21,710,887	5,125,813,437	124,632,976	27,259,669,997	210,594,593	281,748,048	292,813,179	2,571,927,084	36,831,716,334
Rate (%)	-	01 - 1.25	10	10	10	10	10	20	10	

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	Note	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
3.2 Depreciation / amortisation for the period has been allocated as under:			
Cost of goods sold	23	1,715,557,247	3,800,017,210
Administrative expenses	25	179,402,755	243,657,886
		1,894,960,002	4,043,675,096

3.3 Particulars of land in the name of the Company are as follows:

Description	Location	Land Area (Kanals)
Freehold land	Shahkot	7,368
	Faisalabad	20
	Lahore	33
	Karachi	3
Leasehold land	Karachi	8
	Multan	1

3.4 Detail of disposal of property, plant and equipment

Description	Cost	Written down value	Sale proceeds	Gain / (loss)	Particulars
	Rupees				
Plant & machinery (Sold by negotiation)	2,300,000	95,073	150,000	54,927	Assets having net book value less than Rs. 500,000/- each.
	2,300,000	95,073	150,000	54,927	
Office Equipment (Sold under Company policy)	5,545,806	4,179,230	72,572	(4,106,658)	Assets having net book value less than Rs. 500,000/- each.
	(Scrapped and written off)	172,295	111,138	-	
	5,718,101	4,290,368	72,572	(4,217,796)	
Vehicles (Sold by negotiation)	2,526,770	732,755	732,760	5	Mrs. Samina Imran
	8,045,517	264,519	300,000	35,481	House # 02, Race Course Road, Civil Lines, Faisalabad. Assets having net book value less than Rs. 500,000/- each.
(Disposed off under Company policy)	1,993,630	644,652	644,652	-	Usman Zafar (Employee)
	1,960,260	646,799	646,799	-	Muhammad Labeeb Subhani (Employee)
	3,110,210	933,615	935,528	1,913	Assets having net book value less than Rs. 500,000/- each.
	17,636,387	3,222,340	3,259,739	37,399	
December 31, 2021	25,654,488	7,607,781	3,482,311	(4,125,470)	
June 30, 2021	416,849,558	226,832,072	251,000,528	24,168,456	

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
3.5 Capital work in progress			
Building on freehold land		70,293,173	17,764,101
Plant and machinery		2,779,089,839	1,856,620,243
Advances against property, plant and equipment			
Land		248,112,839	213,513,839
Building on freehold land		14,634,021	12,242,116
Plant and machinery		31,314,499	21,065,701
Furniture and fixture		6,993,832	618,921
Vehicles		41,671,107	68,484,607
		342,726,298	315,925,184
Unallocated capital expenditures		31,092,759	17,847,341
		3,223,202,069	2,208,156,869
4. INTANGIBLE ASSETS			
Computer softwares	4.1	33,285,966	32,795,813
Advance against computer software under implementation		58,942,921	62,717,921
		92,228,887	95,513,734
4.1 Computer softwares			
Cost		179,678,245	173,048,245
Accumulated amortisation		(146,392,279)	(140,252,432)
Written down value		33,285,966	32,795,813
Reconciliation of written down value			
Opening balance		32,795,813	34,906,710
Additions		6,630,000	9,283,083
Amortisation	25	(6,139,847)	(11,393,980)
Closing balance		33,285,966	32,795,813
5. LONG TERM LOANS			
Loans to employees - considered good	5.1	191,367,404	184,525,948
Less: Current portion	9	86,284,211	85,501,226
		105,083,193	99,024,722

5.1 These loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material. These are interest free loans provided as per Company's policy.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
6. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores			
In hand		1,084,954,635	709,122,567
In transit		475,530,284	11,146,554
		1,560,484,919	720,269,121
Spare parts			
In hand		3,368,690,584	3,243,575,408
In transit		233,200,424	224,058,368
		3,601,891,008	3,467,633,776
Loose tools		19,085,395	19,005,248
		5,181,461,322	4,206,908,145
7. STOCK IN TRADE			
Raw materials			
In hand		11,947,787,267	4,581,672,809
In transit		913,691,854	1,037,595,433
		12,861,479,121	5,619,268,242
Work in process		952,447,347	820,200,060
Finished goods		3,857,772,829	2,733,736,057
Wastes		48,116,283	25,410,984
		17,719,815,580	9,198,615,343
8. TRADE DEBTS			
Considered good - Unsecured		1,351,330,311	1,129,198,891
9. LOANS AND ADVANCES			
Loans to employees - considered good			
Short term loans		6,833,530	7,564,938
Current portion of long term loans	5	86,284,211	85,501,226
		93,117,741	93,066,164
Advances			
Suppliers and contractors		90,960,732	430,632,751
Income tax		3,166,824,007	2,364,243,946
Sales tax		947,993	947,993
Letters of credit fee, margin and expenses		6,563,017	30,286,585
		3,265,295,749	2,826,111,275
		3,358,413,490	2,919,177,439

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
10. OTHER RECEIVABLES			
Custom duty refundable		69,243,613	45,365,611
Income tax refundable		1,597,632,547	1,597,632,547
Sales tax / federal excise duty refundable / adjustable		1,569,473,860	1,213,286,119
Claims		359,488,047	211,045,599
Other		28,781,214	30,903,941
		3,624,619,281	3,098,233,817

11. SHORT TERM INVESTMENT

Term deposit receipt - at amortised cost	11.1	12,378,247	12,371,836
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11.1 The rate of profit is 6.50% per annum (June 30, 2021: 6.50% per annum). Maturity date of the investment is January 07, 2022.

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
12. CASH AND BANK BALANCES			
Cash in hand		73,980,948	43,636,669
Cash at banks			
In current accounts		8,383,615	9,318,643
In deposit accounts	12.1	24,859,023	145,949
		33,242,638	9,464,592
		107,223,586	53,101,261

12.1 The rate of profit on deposit accounts ranges between 5.50% to 7.60% per annum (June 30, 2021: 5.50% to 6.30% per annum).

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
13. TRADE AND OTHER PAYABLES			
Creditors		780,457,417	529,078,934
Accrued liabilities		521,856,047	366,017,511
Advances from customers		279,105,798	328,754,006
Capital expenditure payable		33,351,970	24,930,565
Bills payable		1,227,585,676	965,351,043
Workers' profit participation fund	13.1	969,241,292	502,940,040
Workers' welfare fund		353,099,477	102,006,140
Other		81,418,449	40,043,563
		4,246,116,126	2,859,121,802
13.1 Workers' profit participation fund			
Opening balance		502,940,040	–
Interest on funds utilised in the Company's business		38,030,535	–
		540,970,575	–
Allocation for the period / year		428,270,717	502,940,040
		969,241,292	502,940,040

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	December 31, 2021 Rupees	June 30, 2021 Rupees
14. SHORT TERM BANK BORROWINGS		
Secured		
Running finances	3,976,994,715	886,243,017
Term finances	2,857,142,088	–
	6,834,136,803	886,243,017

14.1 These facilities are secured against first pari passu hypothecation charge over current assets of the Company and carry markup ranging from 7.19% to 10.92% per annum (June 30, 2021: 7.07% to 11.24% per annum). The aggregate unavailed short term bank borrowing facilities available to the Company are Rs. 9,966 million (June 30, 2021: Rs.13,714 million) which includes Rs. 1,000 million (June 30, 2021: Nil) from Allied Bank Limited - associated company.

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
15. LONG TERM FINANCING			
Secured			
From banking companies			
Diminishing Musharakah I	15.1	–	2,333,333,333
Diminishing Musharakah II	15.2	–	1,333,333,333
Diminishing Musharakah III	15.3	–	1,500,000,000
Diminishing Musharakah IV	15.4	1,754,216,241	1,737,216,117
Diminishing Musharakah V	15.5	298,962,000	298,962,000
Diminishing Musharakah VI	15.6	807,573,170	5,928,160
		2,860,751,411	7,208,772,943
Less: Current portion		–	916,666,668
		2,860,751,411	6,292,106,275

15.1 Diminishing Musharakah I

During the period, the Company has prepaid the entire loan.

Effective markup rate charged during the period is 7.45% per annum (June 30, 2021: 6.71% to 13.59% per annum).

15.2 Diminishing Musharakah II

During the period, the Company has prepaid the entire loan.

Effective markup rate charged during the period is 7.72% per annum (June 30, 2021: 7.45% to 8.29% per annum).

15.3 Diminishing Musharakah III

During the period, the Company has prepaid the entire loan.

Effective markup rate charged during the period is 7.93% per annum (June 30, 2021: 7.70% to 10.49% per annum).

15.4 Diminishing Musharakah IV

It is repayable in 16 equal half yearly installments commencing from January 27, 2023 and ending on December 28, 2031. It is secured by way of first charge over plant and machinery of Textile Plant - I of the Company. It carries markup at SBP base rate plus 30 basis points payable quarterly in arrears.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

Effective markup rate charged during the period is 1.30% per annum (June 30, 2021: 1.30% per annum).

15.5 Diminishing Musharakah V

It is repayable in 16 equal half yearly installments commencing from March 01, 2023 and ending on September 01, 2030. It is secured by way of first charge over plant and machinery of Textile Plant - I of the Company. It carries markup at SBP base rate plus 30 basis points payable quarterly in arrears.

Effective markup rate charged during the period is 1.30% per annum (June 30, 2021: 1.30% per annum).

15.6 Diminishing Musharakah VI

It is repayable in 16 equal half yearly installments commencing from December 28, 2023 and ending on December 17, 2031. It is secured by way of first charge over plant and machinery of Textile Plant - III of the Company. It carries markup at SBP base rate plus 50 basis points payable quarterly in arrears.

Effective markup rate charged during the period is 1.50% per annum (June 30, 2021: 1.50% per annum).

16. DEFERRED TAXATION

	At July 01, 2021	Charged / (Credited) to profit or loss	Charged in other comprehensive income	At December 31, 2021
Rupees				
Deferred tax liabilities:				
Difference in tax and accounting bases of property, plant and equipment	4,747,648,586	(36,972,990)	–	4,710,675,596
Deferred tax assets:				
Staff retirement gratuity	(369,561,825)	(2,026,883)	22,102,445	(349,486,263)
Unadjusted tax losses	(1,944,033,875)	1,146,182,069	–	(797,851,806)
	(2,313,595,700)	1,144,155,186	22,102,445	(1,147,338,069)
	2,434,052,886	1,107,182,196	22,102,445	3,563,337,527

	At July 01, 2020	Charged / (Credited) to profit or loss	Credited in other comprehensive income	At June 30, 2021
Rupees				
Deferred tax liabilities:				
Difference in tax and accounting bases of property, plant and equipment	4,910,178,306	(162,529,720)	–	4,747,648,586
Deferred tax assets:				
Staff retirement gratuity	(322,836,991)	(17,553,167)	(29,171,667)	(369,561,825)
Unadjusted tax losses	(3,391,867,954)	1,447,834,079	–	(1,944,033,875)
	(3,714,704,945)	1,430,280,912	(29,171,667)	(2,313,595,700)
	1,195,473,361	1,267,751,192	(29,171,667)	2,434,052,886

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

17. STAFF RETIREMENT GRATUITY

The scheme provides terminal benefits for all the employees of the Company who attain the minimum qualifying period. Charge for the period is based on actuarial valuation carried out as at December 31, 2021 using Projected Unit Credit Method.

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
17.1	The amount recognised in the statement of financial position is as follows:		
	Present value of defined benefit obligation	1,204,121,955	1,273,637,902
17.2	Movement in net liability recognised		
	Opening Liability	1,273,637,902	1,110,872,232
	Liability transferred to accrued liabilities	(330,180)	–
	Expenses recognised in statement of profit or loss	101,991,846	163,362,663
	Paid during the period / year	(94,962,284)	(101,188,948)
	Remeasurement of obligation	(76,215,329)	100,591,955
		1,204,121,955	1,273,637,902
17.2.1	Expenses recognised in statement of profit or loss		
	Current service cost	40,692,262	73,239,054
	Interest cost	61,299,584	90,123,609
		101,991,846	163,362,663
17.2.2	Remeasurement of obligation		
	Actuarial losses from changes in financial assumptions	4,586,557	4,218,972
	Experience adjustment	(80,801,886)	96,372,983
		(76,215,329)	100,591,955

	December 31, 2021	June 30, 2021
17.3	Principal actuarial assumptions used	
	Discount rate	11.75 % per annum
	Expected rate of increase in salary	10.00 % per annum
	Expected average duration of the defined benefit obligation	9.00 % per annum
		7 years
		7.3 years

17.4 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Reworked defined benefit obligation		
	Change in assumptions	Increase in assumptions Rupees	Decrease in assumptions Rupees
Discount rate	100 bps	1,123,190,821	1,295,301,075
Salary growth rate	100 bps	1,295,301,075	1,121,801,697

17.5 The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (Projected Unit Credit Method) has been applied as for calculating the liability of staff retirement gratuity.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	December 31, 2021 Rupees in million	June 30, 2021 Rupees in million
18. CONTINGENCIES AND COMMITMENTS		
18.1 Contingencies		
18.1.1 In respect of bank guarantees issued on behalf of the Company:		
(i) Guarantees issued in favour of Sui Northern Gas Pipelines Limited against supply of gas.	642.108	629.517
(ii) Guarantees issued in favour of The Director, Excise and Taxation, Karachi against imposition of infrastructure cess.	1,200.000	1,100.000
(iii) The Company has filed suit in Honourable Sindh High Court, Karachi dated August 16, 2011 against PCT classification of Titanium Di Oxide (TDO) by Custom PCT Committee. For release of TDO, bank guarantees were issued in favour of The Collector of Customs, Karachi to avail exemption from levy of custom duty, sales tax and income tax.	4.698	4.698
(iv) Guarantees issued in favour of Faisalabad Electric Supply Company against electricity connection.	56.960	56.960
18.1.2 Custom duty of Rs. 8.9 million (June 30, 2021: Rs. 8.9 million) in respect of local purchase of PTA has not been acknowledged due to pending suit before Honourable Sindh High Court, Karachi which was filed on July 23, 2010 against Federation of Pakistan. The Company's claim on account of custom duty refund amounting to Rs.11.455 million (June 30, 2021: Rs. 11.455 million) is also pending before the Customs Department.	-	-
18.1.3 The Additional Commissioner Inland Revenue (ACIR) passed order disallowing some of the administrative expenses and bad debts for the tax year 2008. The Company contended the case before the Commissioner Inland Revenue (Appeals) (CIR-A) who decided the case in favour of tax department. The Company filed an appeal dated October 12, 2013 before Appellate Tribunal Inland Revenue (ATIR) assailing the CIR-A's order. During the period, ATIR passed order dated September 01, 2021 and remanded back the matter to assessing officer.	-	6.166
18.1.4 The Deputy Commissioner Inland Revenue (DCIR) passed order disallowing financial charges and thereby creating demand of Rs. 450.50 million for the tax year 2009. The Company contended the case before CIR-A and as a result tax liability demand was reduced. The Company filed an appeal dated April 17, 2015 before ATIR against the reduced tax liability and is currently pending for adjudication.	104.533	104.533

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	December 31, 2021 Rupees in million	June 30, 2021 Rupees in million
18.1.5 DCIR passed the order disallowing financial charges and thereby creating demand for the tax year 2012. The Company contended the case before CIR-A and case was decided in favour of the Company. The department approached the ATIR on September 30, 2016 against the order of CIR-A which is still pending for adjudication.	13.761	13.761
18.1.6 DCIR passed the order disallowing financial charges and thereby creating demand for the tax year 2010. The Company contended the case before CIR-A and case was decided in favour of the Company. The department approached the ATIR on June 30, 2016 against the order of CIR-A which is still pending for adjudication.	86.842	86.842
18.1.7 DCIR passed the order disallowing financial charges and thereby creating demand for the tax year 2011. The Company contended the case before CIR-A and case was decided in favour of the Company. The department approached the ATIR on September 30, 2016 against the order of CIR-A which is still pending for adjudication.	24.553	24.553
18.1.8 DCIR passed an order disallowing the financial charges along with initial depreciation allowance, depreciation and tax credit on BMR for the tax year 2013. The Company filed an appeal before CIR-A. The CIR-A directed the department to accept contention of the Company. The department approached the ATIR on April 05, 2016 against the order of CIR-A which is still pending for adjudication.	226.128	226.128
18.1.9 ACIR passed an order under section 122 and thereby creating demand for the tax year 2011. The Company contended the case before CIR-A who decided the case in favour of the Company. The department approached the ATIR on September 06, 2017 against the order of CIR-A which is still pending for adjudication.	386.676	386.676
18.1.10 The Company filed Intra Court Appeal for assailing the imposition of Super Tax for the tax years 2015 and 2016 before the Honourable Lahore High Court which was rejected. The Company had filed Civil Petition for Leave to Appeal against judgment of Lahore High Court before the Honourable Supreme Court. Supreme Court passed interim order dated November 26, 2020 for staying recovery. The Company filed an appeal to CIR-A against the order for increase in demand passed by Commissioner Inland Revenue (CIR). CIR-A passed an order dated February 26, 2021 and reduced the demand.	83.074	83.074
18.1.11 DCIR passed an order and disallowed input tax based on various reasons. The Company filed an appeal dated March 26, 2018 before CIR-A which is to be adjudicated.	249.460	249.460

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	December 31, 2021 Rupees in million	June 30, 2021 Rupees in million
<p>18.1.12 Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the company are in excess of its paid up capital and the company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. The Company approached Honourable Lahore High Court dated December 31, 2015 challenging the levy of said tax through filing a writ petition and the Court has granted stay against recovery of tax in any manner. The legal counsel is of the view that the outcome of the petition is expected to be favourable based on which the Company has not recorded such tax liability for the tax years 2015 and 2016.</p>	-	-
<p>18.1.13 Assistant Commissioner Inland Revenue passed an order disallowing some of the administrative expenses and tax deductions for the tax year 2009. The Company filed an appeal with CIR-A who remanded back to Officer Inland Revenue to consider the provided supporting documents. The Company has filed appeal before ATIR on April 29, 2019 against order of CIR-A.</p>	302.900	302.900
<p>18.1.14 Assistant Commissioner Inland Revenue passed an order disallowing some of the administrative expenses for the tax year 2013. The Company filed an appeal with CIR-A on January 04, 2019. During the period, CIR-A passed an order dated December 28, 2021 and upheld the order of Assistant Commissioner of Inland Revenue. The Company filed an appeal before ATIR against the order of CIR-A during subsequent period.</p>	0.077	0.077
<p>18.1.15 ACIR passed an order disallowing some of the administrative expenses and charging tax on undistributed profits for the tax year 2017. The Company filed an appeal with CIR-A who made partial decision in favour of the Company. The Company and CIR filed appeals against order of CIR-A with ATIR on May 14, 2019 and May 16, 2019 respectively.</p>	94.210	94.210
<p>18.1.16 Assistant Commissioner Inland Revenue passed order under section 8B of the Sales Tax Act, 1990. The Company had filed an appeal before CIR-A. CIR-A passed order for principal amount in favour of the Company and for penalty and default surcharge against the Company. Against the order of CIR-A, the Company and CIR filed appeals before ATIR on January 30, 2020 and February 19, 2020 respectively.</p>	13.184	13.184
<p>18.1.17 ACIR - Audit passed an order dated April 08, 2020 disallowing some of the administrative expenses and tax credit for the tax year 2018. The Company filed an appeal with CIR-A on May 13, 2020. During the period, CIR-A passed an order dated</p>		

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	December 31, 2021 Rupees in million	June 30, 2021 Rupees in million
December 31, 2021 whereby administrative expenses were allowed and tax credit was decided partially in favour of the Company. The Company and CIR filed appeals before ATIR against the order of CIR-A during subsequent period.	35.119	35.119
18.1.18 DCIR passed an order in respect of reduced rate supplies made by the Company. The Company has filed an appeal dated December 02, 2019 with CIR-A. During the year, CIR-A remanded back the case to Officer Inland Revenue with the directions to verify the supporting documents and decide the case afresh. The Company filed an appeal to ATIR on September 29, 2020 against the order of CIR-A which is pending for adjudication.	10.577	10.577
18.1.19 DCIR passed an order disallowing input sales tax dated November 19, 2020 in post refund audit from July 2016 to June 2017. The Company filed an appeal dated December 31, 2020 before CIR-A which is to be adjudicated.	111.603	111.603
18.1.20 DCIR passed an order disallowing input sales tax under section 8 of the Sales Tax Act, 1990 dated May 28, 2021 for the period July 2019 to June 2020. During the period, the Company filed an appeal against the order before CIR-A dated July 28, 2021.	33.827	33.827
18.1.21 DCIR passed an order dated June 28, 2021 and created demand in respect of sales tax under various provisions of Sales Tax Act, 1990 in post refund audit from July 2017 to June 2019. The Company filed an appeal against the order before CIR-A. During the period, CIR-A passed an order dated October 15, 2021 and remanded back the matter to assessing officer.	–	2,794.589
18.1.22 DCIR passed an order dated June 30, 2021 creating demand for tax year 2015 regarding income tax. The Company filed an appeal before CIR-A. CIR-A passed an order and remanded back the matter to assessing officer during subsequent period.	3,296.334	3,296.334
18.1.23 During the period, Additional Commissioner, Punjab Revenue Authority passed an order dated July 26, 2021 and created demand for the period July 2018 to June 2019. The Company filed appeal against the order before Commissioner Appeals on October 08, 2021 which is pending for adjudication.	341.366	–
18.1.24 DCIR passed an order disallowing input sales tax under section 8 of the Sales Tax Act, 1990 dated November 10, 2021 for the period July 2018 to December 2018. The Company filed an appeal against the order before CIR-A during subsequent period.	4.071	–

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	December 31, 2021 Rupees in million	June 30, 2021 Rupees in million
18.2 Commitments		
18.2.1 Under contracts for capital expenditure:		
Land and building	121.286	66.923
Plant and machinery	69.367	53.503
18.2.2 Under letters of credit for:		
Plant and machinery	2,176.570	1,463.975
Raw materials, stores and spare parts	5,807.651	4,167.302

	December 31, 2021 Rupees	June 30, 2021 Rupees
19. SHARE CAPITAL		
Authorised capital		
December 31, 2021 June 30, 2021		
Number of shares		
500,000,000 500,000,000 Ordinary shares of Rs.10/- each	5,000,000,000	5,000,000,000
Issued, subscribed and paid up capital		
December 31, 2021 June 30, 2021		
Number of shares		
200,000,000 200,000,000 Ordinary shares of Rs.10/- each fully paid in cash	2,000,000,000	2,000,000,000
50,000,000 50,000,000 Ordinary shares of Rs.10/- each issued as fully paid bonus shares	500,000,000	500,000,000
60,506,995 60,506,995 Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Honourable Lahore High Court, Lahore	605,069,950	605,069,950
310,506,995 310,506,995	3,105,069,950	3,105,069,950

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
20. CAPITAL RESERVES			
Share premium		1,000,000,000	1,000,000,000
Merger reserve	20.1	72,017,550	72,017,550
		1,072,017,550	1,072,017,550

20.1 It represents book difference of capital under scheme of arrangement for amalgamation.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	December 31, 2021 Rupees	June 30, 2021 Rupees
21. REVENUE RESERVES		
General reserve	4,089,673,099	4,089,673,099
Unappropriated profit	40,945,704,066	36,105,930,971
	45,035,377,165	40,195,604,070

	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
22. SALES		
Local	49,285,712,041	71,064,787,531
Less:		
Commission and brokerage	60,443,015	67,105,077
Discount on sale	265,373,324	390,609,725
	48,959,895,702	70,607,072,729

22.1 Sales are exclusive of sales tax of Rs. 8,402,750,896/- (June 30, 2021: Rs. 12,142,882,803/-).

	Note	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
23. COST OF GOODS SOLD			
Raw materials consumed		32,321,438,352	45,386,919,293
Packing materials		500,419,647	841,379,271
Salaries, wages and benefits		961,343,071	1,568,005,627
Staff retirement benefits		65,114,345	94,240,835
Stores and spare parts		678,062,509	1,605,391,242
Fuel and power		3,758,179,133	5,137,610,447
Insurance		49,135,590	97,065,197
Depreciation of property, plant and equipment	3.2	1,715,557,247	3,800,017,210
Other		422,576,728	510,168,084
		40,471,826,622	59,040,797,206
Work in process			
Opening stock		820,200,060	355,881,331
Closing stock		(952,447,347)	(820,200,060)
		(132,247,287)	(464,318,729)
Cost of goods manufactured		40,339,579,335	58,576,478,477
Finished goods			
Opening stock		2,759,147,041	2,324,957,696
Closing stock		(3,905,889,112)	(2,759,147,041)
		(1,146,742,071)	(434,189,345)
		39,192,837,264	58,142,289,132

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	Note	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
24. SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and benefits		53,536,620	90,825,734
Staff retirement benefits		10,421,918	17,265,519
Freight and forwarding		119,016,127	200,305,656
Travelling and conveyance		3,711,720	5,611,727
Vehicles running and maintenance		2,852,014	4,903,571
Postage and telecommunication		938,432	1,872,192
Other		14,925,126	29,294,640
		205,401,957	350,079,039
25. ADMINISTRATIVE EXPENSES			
Directors' remuneration		46,800,000	93,250,000
Salaries, wages and benefits		241,011,258	358,551,829
Staff retirement benefits		26,455,583	51,856,309
Travelling and conveyance		65,764,482	67,393,324
Vehicles running and maintenance		12,281,086	18,673,611
Fuel and power		50,174,890	59,575,216
Postage and telecommunication		15,384,322	23,206,859
Printing and stationery		4,305,395	6,606,052
Repairs and maintenance		96,341,861	162,615,581
Fees, subscription and periodicals		5,186,046	8,993,300
Rent, rates and taxes		8,003,873	15,600,616
Legal and professional		11,914,915	14,471,523
Entertainment		8,442,703	15,339,007
Auditors' remuneration	25.1	3,172,300	4,293,000
Advertisement		559,317	697,834
Insurance		16,780,868	13,961,049
Donations	25.2	2,750,000	4,950,000
Depreciation / amortisation of property, plant and equipment	3.2	179,402,755	243,657,886
Amortisation of intangible assets	4.1	6,139,847	11,393,980
Other		3,630,590	6,163,091
		804,502,091	1,181,250,067
25.1 Auditors' remuneration			
Audit fee		2,700,000	3,200,000
Other services	25.1.1	472,300	1,093,000
		3,172,300	4,293,000

25.1.1 Other services include review of statement of compliance and statutory certifications.

25.2 Donations

25.2.1 Donations made to Faisalabad Development Trust and Liver Foundation Trust, Faisalabad exceed 10% of total donations of the Company.

25.2.2 No director or his / her spouse had any interest in the donees' fund.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
26. OTHER OPERATING EXPENSES		
Workers' profit participation fund	428,270,717	502,940,040
Workers' welfare fund	161,982,262	102,006,140
Workers' welfare fund - prior year	89,111,075	–
Loss on disposal of property, plant and equipment	4,125,470	–
Exchange difference	–	43,350
	683,489,524	604,989,530
27. FINANCE COST		
Mark up / interest on:		
Long term financing	12,819,499	722,070,773
Short term bank borrowings	198,136,627	233,589,653
Workers' profit participation fund	38,030,535	–
Bank charges and commission	1,619,983	2,879,027
	250,606,644	958,539,453
28. OTHER INCOME		
Profit on deposits	528,043	2,950,615
Exchange differences	92,619	–
Scrap sales	22,369,848	48,117,171
Balances written back - net	1,886,499	550,681
Gain on disposal of property, plant and equipment	–	24,168,456
Rental income	6,000	7,212,000
Other	78,522	930,197
	24,961,531	83,929,120
29. PROVISION FOR TAXATION		
Current taxation	(1,334,163,356)	(1,607,155,287)
Deferred taxation	(1,107,182,196)	(1,267,751,192)
	(2,441,345,552)	(2,874,906,479)
29.1 Reconciliation between accounting profit and tax expense		
Accounting profit before tax	7,848,019,753	9,453,854,628
Tax rate	29%	29%
Tax on accounting profit	(2,275,925,728)	(2,741,617,842)
Impact of Alternative Corporate Tax not recognised as asset	(165,419,824)	(133,288,637)
Tax expense	(2,441,345,552)	(2,874,906,479)

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
30. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the period / year (Rupees)	5,406,674,201	6,578,948,149
Weighted average number of ordinary shares	310,506,995	310,506,995
Earnings per share - Basic and Diluted (Rupees)	17.41	21.19

30.1 There is no dilutive effect on the basic earnings per share of the Company.

31. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Six months ended December 31, 2021			Year ended June 30, 2021		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees					
Remuneration	13,636,362	27,272,724	166,319,934	27,272,724	54,545,448	394,012,685
Medical allowance	1,363,638	2,727,276	13,329,325	2,727,276	5,454,552	44,452,350
Meeting Fee	–	1,800,000	–	–	3,250,000	–
Reimbursable expenses for vehicles running	–	–	9,205,747	–	–	16,575,536
	15,000,000	31,800,000	188,855,006	30,000,000	63,250,000	455,040,571
Number of persons	1	3	60	1	3	157

31.1 The Chief Executive Officer and Directors are entitled to free use of Company maintained vehicles. The monetary value of the benefit is Rs. 1,908,612/- (June 30, 2021: Rs. 3,991,366/-). Meeting fee is paid to one independent Director.

32. 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. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship	Nature of transaction	Six months ended December 31, 2021 Rupees	Year ended June 30, 2021 Rupees
Parent company	Dividend paid	563,328,828	–
	Purchase of property, plant and equipment	–	2,910,444,951
	Rental income	–	7,200,000
Associated undertakings	Rent charged	5,882,490	11,949,984
	Purchase of property, plant and equipment	50,000,000	–
	Bank charges and commission	64,441	–
	Markup paid	29,008	–
	Consultancy fee paid	–	5,800,000
	Rental income	6,000	12,000
Key management personnel	Dividend paid	20,000	–

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

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	32.1	90.7235%
Allied Bank Limited	Common directorship		–
Ibrahim Agencies (Private) Limited	Common directorship		–
Sheikh Mukhtar Ahmad	Key management personnel		0.0008%
Mohammad Naeem Mukhtar	Key management personnel		0.0008%
Muhammad Waseem Mukhtar	Key management personnel		0.0008%
Sarah Naeem	Key management personnel		0.0002%
Abdul Hameed Bhutta	Key management personnel		0.0003%
Saba Muhammd	Key management personnel		0.0002%
Ikram ul Haq Mian	Key management personnel		0.0002%

32.1 Ibrahim Holdings (Private) Limited acquired 248,900 shares of the Company during the period.

	Six months ended December 31, 2021 M. Tons	Year ended June 30, 2021 M. Tons
33. PLANT CAPACITY AND ACTUAL PRODUCTION		
Production capacity		
Polyester Staple Fibre / Polyester Chips	195,300	390,600
Yarn converted into 20/s count	39,200	78,400
Actual production		
Polyester Staple Fibre / Polyester Chips	166,051	308,102
Yarn converted into 20/s count	38,230	70,505

33.1 The actual production is planned to meet the market demand.

	December 31, 2021	June 30, 2021
34. NUMBER OF EMPLOYEES		
Total number of employees as at period / year end	3,713	3,613
Average number of employees during the period / year	3,648	2,423

35. FINANCIAL RISK MANAGEMENT

The Company finances its operations through mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimise risk. The Company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). The overall risk management is carried out by the finance department under oversight of the Board of Directors in line with the policies approved by the Board.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	December 31, 2021 Rupees	June 30, 2021 Rupees
35.1 Financial Instruments by Category		
Financial Assets		
Cash and bank balances	107,223,586	53,101,261
At amortised cost:		
Long term loans	191,367,404	184,525,948
Long term deposits	7,569,771	7,569,771
Trade debts	1,351,330,311	1,129,198,891
Loans and advances	6,833,530	7,564,938
Other receivables	380,678,047	218,165,599
Short term investment	12,378,247	12,371,836
	2,057,380,896	1,612,498,244
Financial liabilities measured at amortised cost:		
Long term financing	2,860,751,411	7,208,772,943
Trade and other payables	2,587,578,353	1,906,813,344
Mark up / interest payable	138,019,347	184,949,228
Short term bank borrowings	6,834,136,803	886,243,017
Unclaimed dividend	31,709,620	26,992,584
	12,452,195,534	10,213,771,116

35.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

	December 31, 2021 Rupees	June 30, 2021 Rupees
Long term loans	105,083,193	99,024,722
Loans and advances	93,117,741	93,066,164
Long term deposits	7,569,771	7,569,771
Trade debts	1,351,330,311	1,129,198,891
Other receivables	380,678,047	218,165,599
Short term investment	12,378,247	12,371,836
Bank balances	33,242,638	9,464,592
	1,983,399,948	1,568,861,575

Due to Company's long standing relations with counter parties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the Company.

For trade debts, credit quality of customers is assessed taking into consideration their financial position and previous dealings and on that basis, individual credit limits are set. Moreover, the management regularly monitors and reviews customers' credit exposure. Accordingly, the Company is not exposed to any significant credit risk.

The Company's most significant customers are industrial users of polyester staple fibre and yarn. Aging of trade debts as at reporting date is as under:

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

	December 31, 2021 Rupees	June 30, 2021 Rupees
Not past due	1,267,773,250	1,118,076,463
Past due within one year	73,995,922	1,128,958
Past due more than one year	9,561,139	9,993,470
	1,351,330,311	1,129,198,891

Based on the past experience and taking into consideration the financial position and previous record of recoveries, the Company believes that trade debts past due do not require recognition of any impairment. The credit risk exposure is limited in respect of bank balances as these are placed with the banks having good credit rating from international and local credit rating agencies.

35.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and maintaining adequate reserve borrowing facilities. This includes maintenance of liquidity ratios through working capital management. The management believes that the Company is not exposed to any significant liquidity risk. Following are the contractual maturities of financial liabilities including interest payments as at December 31, 2021 and June 30, 2021.

	December 31, 2021				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
	Rupees				
Financial liabilities:					
Long term financing	2,860,751,411	3,050,115,976	18,442,050	18,747,719	3,012,926,208
Trade and other payables	2,587,578,353	2,587,578,353	2,587,578,353	-	-
Mark up / interest payable	138,019,347	138,019,347	138,019,347	-	-
Short term bank borrowings	6,834,136,803	6,834,136,803	6,834,136,803	-	-
Unclaimed dividend	31,709,620	31,709,620	31,709,620	-	-
	12,452,195,534	12,641,560,099	9,609,886,173	18,747,719	3,012,926,208

	June 30, 2021				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
	Rupees				
Financial liabilities:					
Long term financing	7,208,772,943	7,361,473,966	5,190,909,730	13,164,592	2,157,399,644
Trade and other payables	1,906,813,344	1,906,813,344	1,906,813,344	-	-
Mark up / interest payable	184,949,228	184,949,228	184,949,228	-	-
Short term bank borrowings	886,243,017	886,243,017	886,243,017	-	-
Unclaimed dividend	26,992,584	26,992,584	26,992,584	-	-
	10,213,771,116	10,366,472,139	8,195,907,903	13,164,592	2,157,399,644

The contractual cash flows relating to mark up on long term financing have been determined on the basis of markup rates as applicable at the period / year end.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

35.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Majority of interest rate risk arises from long term financing and short term bank borrowings from banks and deposit accounts with banks. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss account.

Had the interest rate been increased / decreased by 100 basis points at the reporting date, with all other variables held constant, borrowing cost for the period would have been lower / higher by Rs. 39.018 million (June 30, 2021: Rs. 139.953 million) respectively.

ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is exposed to currency risk on claims and bills payable denominated in foreign currency. The total foreign currency risk exposure on reporting date amounted to Rs. 821.939 million (June 30, 2021: Rs. 191.768 million).

Had the Pak Rupee been weakened / strengthened by 5% against the U.S dollar at the reporting date, with all other variables held constant, profit for the period and equity would have been lower / higher by Rs. 41.097 million (June 30, 2021: Rs. 9.588 million) respectively.

iii) Equity price risk

Trading and investing in equity securities give rise to equity price risk. The Company is not directly exposed to equity price risk as there is no investment in equity securities at period end.

35.5 Fair values of financial instruments

The carrying values of all the financial assets and financial liabilities reported in the financial statements approximate their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are no financial assets and financial liabilities that are measured using the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the period of six months ended December 31, 2021

35.6 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay long term financing from / to financial institutions.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets, keeping in view future investment requirements and expectations of the shareholders. Debt comprises of long term financing and short term bank borrowings as shown in the statement of financial position. Total equity comprises of shareholders' equity as shown in the statement of financial position under 'share capital and reserves'.

The salient information relating to capital risk management of the Company as at December 31, 2021 and June 30, 2021 was as follows:

	Note	December 31, 2021 Rupees	June 30, 2021 Rupees
Debt	14 & 15	9,694,888,214	8,095,015,960
Less: Cash and cash equivalents		107,223,586	53,101,261
Net Debt		9,587,664,628	8,041,914,699
Total equity		49,212,464,665	44,372,691,570
		58,800,129,293	52,414,606,269
Gearing ratio		16.31%	15.34%

36. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue as on March 17, 2022 by the Board of Directors of the Company.

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

PATTERN OF SHAREHOLDING

As at December 31, 2021

Number of Shareholders	Having Shares		Shares Held
	From	To	
420	1	100	15,316
797	101	500	183,298
379	501	1000	267,257
294	1001	5000	637,303
62	5001	10000	436,683
20	10001	15000	250,274
10	15001	20000	178,140
9	20001	25000	208,548
5	25001	30000	139,828
9	30001	35000	286,627
5	35001	40000	185,195
1	40001	45000	44,000
1	45001	50000	50,000
1	55001	60000	56,000
1	65001	70000	66,500
1	75001	80000	77,250
1	110001	115000	112,375
2	120001	125000	250,000
1	165001	170000	166,257
1	195001	200000	200,000
1	335001	340000	337,000
1	520001	525000	523,530
1	560001	565000	561,125
1	670001	675000	674,000
1	2140001	2145000	2,141,300
1	4490001	4495000	4,494,000
1	5725001	5730000	5,729,875
1	10530001	10535000	10,532,600
1	281700001	281705000	281,702,714
2,029			310,506,995

CATEGORIES OF SHAREHOLDING

As at December 31, 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
Sheikh Mukhtar Ahmad	1	2,500	0.0008
Mohammad Naeem Mukhtar	1	2,500	0.0008
Muhammad Waseem Mukhtar	1	2,500	0.0008
Sarah Naeem	1	500	0.0002
Abdul Hameed Bhutta	1	1,000	0.0003
Saba Muhammad	1	500	0.0002
Ikram Ul Haq Mian	1	500	0.0002
Associated Companies, Undertakings and Related Parties			
Ibrahim Holdings (Private) Limited	1	281,702,714	90.7235
NIT and ICP	1	1,413	0.0005
Banks Development Finance Institutions, Non-Banking Finance Institutions	2	1,443	0.0005
Insurance Companies	3	2,142,655	0.6901
Modarabas and Mutual Funds	6	530,183	0.1707
General Public			
a) Local	1,970	14,084,111	4.5358
b) Foreign	3	1,200	0.0059
Foreign Companies	1	561,125	0.1807
Others	35	11,472,151	3.6890
	2,029	310,506,995	100.0000

Shareholders holding 10% or more	Shares Held	Percentage
Ibrahim Holdings (Private) Limited	281,702,714	90.7235

FORM OF PROXY

I / We _____ of _____ a member / members of the Company / merged Companies, do hereby appoint Mr. / Ms. _____ of _____ a member of the Company, or failing him / her Mr. / Ms. _____ of _____ who is also a member of the Company, as my / our proxy to attend, speak and vote for me / us and on my / our behalf at the 36th Annual General Meeting of the Company to be held on April 26, 2022 at 11:00 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2022.

Witness: (1)

Signature _____

Name _____

Address _____

CNIC No. _____

AFFIX
REVENUE
STAMP OF
RS. 5/-

Signature: _____

(The signature should agree with the Specimen Registered with the Company)

Witness: (2)

Signature _____

Name _____

Address _____

CNIC No. _____

Folio No. _____

CDC A/c No. _____

No. of shares held _____

Distinctive Numbers _____

IMPORTANT:

1. The Proxy Form must be deposited at the registered office of the Company at Ibrahim Centre, 1 - Ahmed Block, New Garden Town, Lahore, as soon as possible but not later than 48 hours before the time of holding the meeting and in default Proxy Form will not be treated as valid.
2. No person shall act as proxy unless he / she is a member of the Company except a corporation being a member may appoint as its proxy any officer of such corporation whether a member of the Company or not.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

FOR CDC ACCOUNT HOLDERS / CORPORATE ENTITIES:

In addition to the above, the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



AFFIX
CORRECT
POSTAGE

The Company Secretary,
Ibrahim Fibres Limited
Ibrahim Centre, 1 - Ahmed Block,
New Garden Town, Lahore, Pakistan.



AFFIX
CORRECT
POSTAGE

The Company Secretary,
Ibrahim Fibres Limited
Ibrahim Centre, 1 - Ahmed Block,
New Garden Town, Lahore, Pakistan.

ڈائریکٹرز کا جائزہ

سے تجویز کیے جانے کے بعد، بورڈ کی جانب سے بھی تجویز دی گئی ہے کہ موجودہ آڈیٹرز کو بھی ادارے کے 31 دسمبر 2022 کو ختم ہونے والے مالی سال کیلئے تعینات کر لیا جائے۔

ترتیب حصص داری

31 دسمبر 2021 پر ترتیب حصص داری صفحہ نمبر 59 پر موجود ہے۔

بورڈ کے اجلاسوں میں اراکین کی شرکت

زیر نظر 31 دسمبر 2021 کو ختم ہونے والے چھ ماہ کے عرصہ کے دوران ادارے کے بورڈ آف ڈائریکٹرز کے تین اجلاس منعقد ہوئے اور اجلاسوں میں ڈائریکٹرز کی شرکت درج ذیل ہے۔

شیخ مختار احمد	چیئر مین	03
محمد نعیم مختار	چیف ایگزیکٹو آفیسر	03
محمد وسیم مختار	ڈائریکٹر	03
سارہ نعیم	ڈائریکٹر	02
عبدالحمید بھٹو	ڈائریکٹر	03
صباح محمد	ڈائریکٹر	03
آرام الحق میاں	ڈائریکٹر	03

آڈٹ کمیٹی

ادارے کی آڈٹ کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے۔

آرام الحق میاں	چیئر مین	(اظہار پیڈنٹ ڈائریکٹر)
عبدالحمید بھٹو	رکن	(ٹران ایگزیکٹو ڈائریکٹر)
صباح محمد	رکن	(اظہار پیڈنٹ ڈائریکٹر)

31 دسمبر 2021 کو اختتام پذیر ہونے والے چھ ماہ کے عرصہ کے دوران آڈٹ کمیٹی کے چار اجلاس سالانہ اور سہ ماہی مالی گوشواروں اور دوسرے متعلقہ معاملات کا جائزہ لینے کے لئے منعقد ہوئے۔ اجلاس میں CFO، انٹرنل آڈٹ کے سربراہ اور ایکسٹرنل آڈیٹرز نے بھی بوقت ضرورت شرکت کی۔

ڈائریکٹرز کا مشاہرہ

ڈائریکٹرز کا مشاہرہ طے کرنے کے لئے باضابطہ اور شفاف طریق عمل طے ہے اور کوئی بھی ڈائریکٹر اپنے مشاہرہ کے تعین میں شامل نہیں ہو سکتا۔ ڈائریکٹرز اور CEO کے مشاہرہ سے متعلق معلومات مالیاتی گوشواروں کے نوٹ نمبر 31 میں درج ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

ادارے کے ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ:

- 1- ادارے کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشواروں میں اس کے کاروباری معاملات و نتائج، کیش فلو اور سرمایہ میں رد و بدل و شفاف طریقے سے ظاہر کیا گیا ہے۔
- 2- ادارے کے کھاتہ جات صحیح طور پر اور کچھ بیکٹ 2017 کے مطابق بنائے گئے ہیں۔
- 3- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور آئندہ فیصلوں پر مبنی ہیں۔
- 4- مالی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ اور فنانشل رپورٹنگ سٹینڈرڈز جو کہ پاکستان میں لاگو ہیں ان کی پیروی کی گئی ہے۔ اور ان سے انحراف نہیں کیا گیا۔

5- انٹرنل کنٹرول کا ڈیزائن مستحکم ہے اور اس پر منوشہ طریقے سے عمل درآمد کیا جاتا ہے۔

6- ادارے کے مستقبل میں چلنے والے ریسک کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

7- پانچ سالوں کی مالی جھلکیاں صفحہ نمبر چار اور پانچ پر درج ہیں۔

کارپوریٹ سماجی ذمہ داری

آپ کا ادارہ معاشرے میں اپنی سماجی ذمہ داریوں کو سمجھتا ہے اور معاشرے کے غریب افراد اور اپنے مستحق ملازمین کو مالی معاونت فراہم کرنے کے ساتھ ساتھ سماجی کاموں میں بھی حصہ لے رہا ہے۔ ادارہ قومی مالی خزانے میں بھی قابل قدر رقم بھیج رہا ہے، توانائی کی بچت اور ماحولیاتی تحفظ کے لئے عمل پیش کر رہا ہے، اعلیٰ درجے کی اشیاء اپنے معزز صارفین کو فراہم کر رہا ہے اور انہیں بعد از فروخت تکنیکی خدمات پیش کر رہا ہے۔

آپ کا ادارہ تسلسل کے ساتھ مشہور ہتھیاروں، نیراتی اداروں اور ایسے مختلف اداروں جو قدرتی آفات سے نمٹنے کے لئے قائم کئے گئے ہیں قابل قدر مالی امداد فراہم کر رہا ہے جو کہ کئے گئے امداد کے منصوبوں کا حصہ ہے۔

آپ کا ادارہ اپنے ملازمین کو صحت مند، محفوظ اور کام کھینے والا ماحول فراہم کر رہا ہے اور انہیں ملک اور بیرون ملک دونوں میں تربیتی نصاب، سیمینار، ورکشاپس اور کانفرنسز میں بھیج رہا ہے۔ ادارہ خصوصی افراد کو باقاعدگی سے مختلف شعبوں میں ملازمت کی پیشکش کر رہا ہے۔ ادارہ نئے گریجویٹس، پوسٹ گریجویٹس اور انجینئرز کو اپنٹس شپ بھی پیش کرتا ہے تاکہ وہ اپنی پیشہ وارانہ اور تکنیکی صلاحیتوں کو بڑھا سکیں۔

آپ کے ادارے نے ماحول دوست گیس پر چلنے والی بجلی گھر نصب کیا ہے تاکہ بجلی کی پیداواری لاگت کو کم کیا جاسکے۔ بجلی کے ساتھ ساتھ یہ بجھائی پیدا کرتا ہے جو کہ کنبی کے پولی سٹرٹینٹیل فابریکیشن کی بھاپ کی تمام تر ضروریات کو پورا کرنے کے لئے کافی ہے جس سے توانائی میں بچت بھی ہو رہی ہے۔

سال کے دوران آپ کے ادارے نے مختلف فرائض لیویز اور ٹیکسوں کی ادائیگی کے ذریعے خیر رقم قومی مالی خزانے میں جمع کروائی ہے۔

تشکر

آپ کے ادارے کے ڈائریکٹرز اچھے نتائج حاصل ہونے پر گاہکوں، بینکوں، مالیاتی اداروں، ریگولیٹرز اور شیئر ہولڈرز کی حمایت کے لئے دل کی اتقاہ گہرائیوں سے مشکور ہیں۔ اور امید کرتے ہیں کہ یہ مدد و تعاون آئندہ مستقبل میں بھی جاری رہے گا۔

آپ کے ادارے کے ڈائریکٹرز اپنے ایگزیکٹوز، عملے اور کارکنان کی خدمات، وفاداری اور کاوشوں کی تعریف کرتے ہیں اور وہ توقع کرتے ہیں کہ وہ مستقبل میں بھی ان کو جاری رکھیں گے۔

منجانب اراکین

ڈائریکٹر

چیف ایگزیکٹو آفیسر

لاہور

17 مارچ 2022

ڈائریکٹرز کا جائزہ

آپ کے ادارے کے ڈائریکٹرز انتہائی مسرت کے ساتھ 31 دسمبر 2021 کو اختتام پذیر ہونے والے چھ ماہ کے عرصہ کے مصدقہ (audited) مالیاتی نتائج اور آڈیٹرز رپورٹ پیش کرتے ہیں۔

مالیاتی نتائج

ادارے کی مالیاتی کارکردگی کا جائزہ لینے کے لئے اس چھ ماہ کے عرصہ اور اس سے متعلقہ پچھلے سال کے مالیاتی نتائج درج ذیل ہیں۔

ششماہی عرصہ اختتام پذیر بتاریخ	مالی سال اختتام پذیر بتاریخ	
31 دسمبر 2021	30 جون 2021	روپے
9,767,058,438	12,464,783,597	عام منافع
(205,401,957)	(350,079,039)	فروخت کرنے کے اخراجات
(804,502,091)	(1,181,250,067)	انتظامی اخراجات
(683,489,524)	(604,989,530)	دیگر کاروباری اخراجات
(250,606,644)	(958,539,453)	مالیاتی لاگت
(1,944,000,216)	(3,094,858,089)	
7,823,058,222	9,369,925,508	منفرد آمدن
24,961,531	83,929,120	قبل از ٹیکس منافع
7,848,019,753	9,453,854,628	ٹیکس کا تخمینہ
(2,441,345,552)	(2,874,906,479)	بعد از ٹیکس منافع
5,406,674,201	6,578,948,149	گریجویٹوں کا نظر ثانی شدہ تخمینہ (بعد از ٹیکس)
54,112,884	(71,420,288)	عرصہ کے آغاز پر غیر منقسم منافع
36,105,930,971	29,598,403,110	تقسیم کے لیے دستیاب نفع
(621,013,990)	-	حتمی نقد ڈیویڈنڈ - صفر (30 جون 2021: 20%)
40,945,704,066	36,105,930,971	عرصہ کے اختتام پر غیر منقسم منافع
17.41	21.19	فی حصص آمدنی

تجویز کردہ ڈیویڈنڈ

آپ کے ادارے کے موجودہ پیداواری کارخانوں کی جدت و تہدیبی کے لئے درکار مزید سرمایہ کاری کی وجہ سے 31 دسمبر 2021 کو ختم ہونے والے عرصہ کے لئے بورڈ نے ڈیویڈنڈ تجویز نہیں کیا۔

منافع کی تجویز کردہ تقسیم

ششماہی عرصہ اختتام پذیر بتاریخ	مالی سال اختتام پذیر بتاریخ	
31 دسمبر 2021	30 جون 2021	روپے
-	621,013,990	حتمی نقد ڈیویڈنڈ - صفر (30 جون 2021: 2 روپے فی حصص)

چیئرمین کا جائزہ

آپ کے ادارے کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والے چھ ماہ کے عرصہ کے لئے ادارے کی کارکردگی پر چیئرمین کے جائزہ کی توثیق کرتے ہیں۔

آڈیٹرز

موجودہ آڈیٹرز میسرز یوسف عادل، چارلز ڈاکوٹینس 31 دسمبر 2021 کو اختتام پذیر ہونے والے ششماہی عرصہ کا آڈٹ مکمل کر چکے ہیں اور اس آڈٹ کے نتیجے میں کیلن رپورٹ پیش کی گئی ہے۔ موجودہ آڈیٹرز عام سالانہ اجلاس کے ساتھ ہی ریٹائر ہو جائیں گے اور اپنی اہلیت کی بنیاد پر ان کی جانب سے ایک مرتبہ پھر اپنی خدمات پیش کی گئی ہیں۔ آڈٹ کمیٹی کی جانب

ادارہ بیکورٹیز اینڈ ایکنیج کمیٹن آف پاکستان کے ساتھ رجسٹرڈ ایک گروپ کا حصہ ہے اور اس کے ہولڈنگ ادارے نے ستمبر 2008 کے ضابطہ نمبر 8(3) کے مطابق ایک گروپ میں موجود اداروں کو گروپ نامزد کرنے کے لئے ان تمام اداروں کا مالی سال یکساں ہونا ضروری ہے۔ چنانچہ آپ کے ادارے کی انتظامیہ نے اس عرصہ کے دوران اپنے مالی سال کو تبدیل کرنے کا فیصلہ کیا اور تیسری سال کو اپنے مالی سال کے طور پر اپنایا ہے۔

لہذا 31 دسمبر 2021 کو اختتام پذیر ہونے والے چھ ماہ کے عرصہ کے مالیاتی گوشوارے تیار کئے گئے ہیں۔ چونکہ مصدقہ (audited) تقابلی اعداد و شمار 30 جون 2021 کو اختتام پذیر ہونے والے مالی سال کے لئے دستیاب ہیں اس لئے ان اعداد و شمار کو ہی تقابلی جائزہ کے طور پر ظاہر کیا گیا ہے جن کا موجودہ مدت کے اعداد و شمار کے ساتھ موازنہ نہیں کیا جاسکتا۔

چیمبر میں کا جائزہ

میں انتہائی سرت کے ساتھ ۳۱ دسمبر ۲۰۲۱ء کو اختتام پذیر ہونے والے چھ ماہ کے دورانیہ میں آپ کے ادارے اور اس کے بورڈ کی کارکردگی کے ساتھ ساتھ ادارے کے مقاصد کے حصول کیلئے بورڈ کے کردار کی افادیت پر جائزہ پیش کرتا ہوں۔ یہ مالیاتی گوشوارے ادارے کے مالی سال کے اختتام کو ۳۱ دسمبر پر تبدیل کرنے کی غرض سے چھ ماہ کے لئے تیار کیے گئے ہیں تاکہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ "گروپ کمپنیز رجسٹریشن ریگولیشنز 2008" کے ضابطہ نمبر 8 (3) کی قیام کی جا سکے۔

صنعتی جائزہ

زیر نظر چھ ماہ کے دورانیہ میں ترسیلی نظام کی رکاوٹیں نمایاں عالمی چیلنجز میں سے ایک رہیں جسکی وجہ سے اجناس کی قیمتوں میں حالیہ دور کا بلند ترین اضافہ ہوا۔ خام تیل کی قیمتوں میں بھی یہ رجحان دیکھا گیا اور زیر نظر دورانیہ میں اس کی قیمتوں میں بہت تیزی رہی۔ مقامی سطح پر توانائی کی بڑھتی ہوئی قیمتیں، روپے کی قدر میں کمی، مہنگائی، جڑواں خسارے اور ان کے نتیجے میں مرکزی بینک کی طرف سے اٹھائے گئے اصلاحی اقدامات بڑے چیلنجز ثابت ہوئے۔ ان تمام عوامل کے باوجود بڑے پیمانے کی مقامی پیداواری صنعتیں باعموم اور کپڑے کی صنعت بالخصوص مستحکم رہی اور اس کی کارکردگی بہت نمایاں رہی۔ مزید برآں، کپاس کی پیداوار میں کمی کی وجہ سے اس کی قیمتوں میں نمایاں اضافہ ہوا جو پولیسٹر سٹیل فائبر کی طلب میں اضافے کا باعث بنا۔ یہ تمام عوامل بہتر کاروباری حجم اور منافع کے حصول میں مددگار ثابت ہوئے۔

منڈی کی سرگرمیاں

زیر نظر چھ ماہ کے دورانیہ میں آپ کے ادارے کے پولیسٹر کے کارخانے نے 151,020 ٹن پولیسٹر سٹیل فائبر فروخت کیا جبکہ پچھلے سال میں 267,037 ٹن پولیسٹر سٹیل فائبر پولیسٹر چپ فروخت کی تھی۔ آپ کے ادارے کے دھاگے کے کارخانوں نے زیر نظر دورانیہ میں 25,581 ٹن مختلف اقسام کا آمیزش دھاگہ فروخت کیا جبکہ پچھلے سال 55,220 ٹن دھاگہ فروخت کیا تھا۔

پیداواری سرگرمیاں

آپ کے ادارے کے پولیسٹر کے کارخانے نے زیر نظر چھ ماہ کے دورانیہ میں 166,051 ٹن پولیسٹر سٹیل فائبر بنایا جبکہ پچھلے سال 308,102 ٹن پولیسٹر سٹیل فائبر پولیسٹر چپ بنائی تھی۔ اس پیداوار میں سے 17,439 ٹن پولیسٹر سٹیل فائبر زیر نظر دورانیہ میں آپ کے ادارے کے دھاگے کے اپنے کارخانوں میں آمیزش دھاگہ بنانے میں استعمال ہوا جبکہ پچھلے سال 34,195 ٹن استعمال ہوا تھا۔

زیر نظر دورانیہ میں آپ کے ادارے کے دھاگے کے کارخانوں میں 28,287 ٹن مختلف اقسام کا آمیزش دھاگہ بنا جبکہ پچھلے سال 53,159 ٹن دھاگہ بنا تھا۔

مالیاتی کارکردگی

آپ کے ادارے نے زیر نظر چھ ماہ کے دورانیہ میں 48,960 ملین روپے کی خالص فروخت کی جبکہ پچھلے سال یہ خالص فروخت 70,607 ملین روپے رہی تھی۔ اس دورانیہ میں آپ کے ادارے نے 9,767 ملین روپے خالص نفع کمایا جبکہ پچھلے سال 12,465 ملین روپے خالص نفع کمایا تھا۔

آپ کے ادارے نے زیر نظر دورانیہ میں 7,848 ملین روپے قبل از ٹیکس نفع کمایا جبکہ پچھلے سال 9,454 ملین روپے قبل از ٹیکس نفع ہوا تھا۔ اس دورانیہ میں بعد از ٹیکس نفع 5,407 ملین روپے رہا جبکہ پچھلے سال 6,579 ملین روپے بعد از ٹیکس نفع ہوا تھا۔

جدت و تبدیلی

دھاگے کا کارخانہ نمبر 3

مسلح جدت اور اپ گریڈیشن کے زہما کاروباری اصولوں کے مطابق زیر نظر دورانیہ میں آپ کے ادارے کی انتظامیہ نے دھاگے کے کارخانہ نمبر 3 کے یونٹ نمبر 2 کے مکمل بیک پروسیس کو تبدیل کرنے کے جدید ترین منصوبے کا آغاز کیا ہے۔ اس منصوبے کے تحت موجودہ مشینری کو مکمل طور پر جدید مشینری سے تبدیل کیا جائے گا جس میں مکمل بلو روم مشینری، کارڈنگ مشینری، ڈرافٹنگ، بولومنگ مشینری اور دوگ مشینری کے ساتھ ساتھ اس کا ٹرانسپورٹ سسٹم شامل ہے۔ یہ مشینری دنیا کے معتبر ترین کپڑے کی صنعتی مشینری فراہم کرنے والے ادارے Saurer اور Truetzschler جرمنی فراہم کریں گے۔

اس حوالے سے فراہم کنندگان کے ساتھ مشینری کی فراہمی کے معاہدے طے پاگئے ہیں اور مختلف لیفرز آف کیریڈٹ کھول دیئے گئے ہیں۔

مشینری اور پرزہ جات کی زیادہ تر ترسیلات اگلے تین سال کی پہلی سہ ماہی میں وصول ہونے کی امید ہے جبکہ اس منصوبے کی اگلے تین سال کی دوسری سہ ماہی میں مکمل ہونے کی توقع ہے۔

پچھلے سال آپ کے ادارے نے دھاگے کے کارخانہ نمبر 3 کے یونٹ نمبر 1 کے مکمل بیک پروسیس کو تبدیل کرنے کے ایسے ہی ایک منصوبے کا آغاز کیا تھا۔ زیر نظر دورانیہ میں مشینری اور پرزہ جات کی زیادہ تر ترسیلات موصول ہو چکی ہیں اور اس کی تنصیب کا کام بھی شروع ہو گیا ہے۔ اس منصوبے کی تکمیل موجودہ تین سال کی پہلی سہ ماہی میں متوقع ہے۔

ان منصوبوں پر عملدرآمد کے نتیجے میں آپ کے ادارے کے پیداواری کارخانوں کے معیار، کارکردگی اور پیداواری صلاحیت میں مزید بہتری آئے گی۔

پیشہ وارانہ طرز عمل اور انسانی وسائل

صرف انسانی شعور اور مہارت ہی کسی بھی ادارے کے لئے طویل مدتی پائیدار برتری کی وجہ ہوتے ہیں۔ اس اہم بنیادی مقصد کے حصول کے لئے آپ کے ادارے کی انتظامیہ بہترین انسانی وسائل کی بھرتی اور تربیت کے لئے سخت کوششیں جاری رکھے ہوئے ہے تاکہ آنے والی جدت کے عمل انگیز دور میں یہ ادارہ ترقی کے سفر کو جاری رکھے۔

آپ کے ادارے نے اپنی ٹیم کی قابلیت کو بڑھانے کے لئے اندرونی طور پر متعدد تربیتی سرگرمیوں کا انعقاد کیا۔ مزید برآں، زیر نظر دورانیہ میں اپنے ملازمین کے لئے مختلف موضوعات بشمول PLC پروگرامنگ، صنعتی خودکاری، پلانٹ کی دیکھ بھال کی حکمت عملی اور کارپوریٹ گورننس پر بیرونی تربیتی پروگراموں کا انتظام بھی کیا۔

مستقبل پر نقطہ نظر

اس وقت عالمی معیشت کو متعدد ناگزیر خطرات درپیش ہیں جن میں مختلف خطوں میں سلامتی کی گہرائی ہوئی صورتحال اور عالمی وبا کی مرض کے بعد پیدا ہونے والی ترقیلی نظام کی رکاوٹیں نمایاں ہیں۔ ان خطرات کی وجہ سے خام تیل سمیت اجناس کی قیمتوں میں بہت زیادہ اضافہ ہوا ہے۔ مستقبل میں ان رجحانات کی وجہ سے معاشی صورتحال غیر یقینی رہے گی جس کے نتیجے میں ترقی پذیر ممالک زیادہ متاثر ہو سکتے ہیں۔

مقامی سطح پر کپڑے کی صنعت کے خام مال کی طلب مستحکم رہنے کی توقع ہے اور اس کے مطابق مستقبل میں معقول کاروباری حجم اور آمدن کی بھی توقع ہے۔ تاہم توانائی کی بڑھتی ہوئی لاگت کے ساتھ ساتھ افراط زر، روپے کی قدر میں کمی اور بڑھتی ہوئی شرح سود کی وجہ سے موجودہ اقتصادی رفتار کو برقرار رکھنے میں چیلنجز کا سامنا ہو سکتا ہے۔

اس تناظر میں آپ کے ادارے کی انتظامیہ منوثر مالیاتی نظم و نسق، مال تجارت کے انتظام اور کاروباری حکمت عملی کو بروئے کار لاتے ہوئے فروخت کے حجم اور نفع کو مزید بہتر بنانے کے لئے مسلسل کوششیں جاری رکھے ہوئے ہے۔

اظہار تشکر

میں ادارے کے بورڈ آف ڈائریکٹرز کے ممبران، حصہ داران، بینکرز، مالی اداروں، اپنے قیمتی صارفین اور فراہم کنندگان کا ان کی معاونت پر مشکور ہوں۔ میں اپنے ادارے کے ایگزیکٹوز اور دوسرے ملازمین کی انتہائی محنت و لگن پر اُنکا بھی کامشکور ہوں اور اُن کے اسی تعاون کا مستقبل میں خواہاں ہوں۔

شیخ مختار احمد
چیمبر میں

لاہور
۱۷ مارچ ۲۰۲۳ء

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