

HALF YEARLY REPORT OF
IBRAHIM FIBRES LIMITED
FOR THE PERIOD ENDED DECEMBER 31, 2014

Committed to Excellence



Ibrahim





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COMPANY INFORMATION

Board of Directors

Sheikh Mukhtar Ahmed
Chairman

Mohammad Naeem Mukhtar
Chief Executive Officer

Muhammad Waseem Mukhtar

Jawaid Ashraf

Abdul Hameed Bhutta

Mohammad Waqar

Mohammad Abbas

Chief Financial Officer

Mohammad Naeem Asghar

Company Secretary

Muhammad Labeeb Subhani

Audit Committee

Mohammad Abbas
Chairman

Abdul Hameed Bhutta
Member

Jawaid Ashraf
Member

Muhammad Labeeb Subhani
Secretary

Human Resource & Remuneration Committee

Abdul Hameed Bhutta
Chairman

Jawaid Ashraf
Member

Mohammad Waqar
Member

Auditors

M. Yousuf Adil Saleem & Co.
Chartered Accountants.

Bankers

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

Registered Office

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

Head Office

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

Registrar's & Shares Registration Office

M/s Technology Trade (Pvt) Ltd.
Dagia House,
241 – C, Block – 2,
P.E.C.H.S.,
Off: Shahrāh-e-Quaideen,
Karachi, Pakistan.

Projects Location

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

DIRECTORS' REVIEW

The Directors of your Company present before you the unaudited financial results of the Company for the half year ended December 31, 2014.

Operating Performance

During the half year under review, the Polyester Plant of your Company produced 106,961 tons of Polyester Staple Fibre (PSF) as against production of 122,988 tons during the corresponding period of previous year, thus achieving an average capacity utilization of 55% as against 63% achieved during the corresponding period of previous year. Out of this production, 11,967 tons of PSF were consumed by the textile plants of your Company for the production of blended yarns as against 12,544 tons consumed during the corresponding period of previous year.

Dumping of PSF by Chinese companies into Pakistan has further increased during the period under review which has severely affected the sales of PSF manufactured by Pakistani companies, including your Company.

The textile plants of your Company produced 16,915 tons of blended yarns of different counts during the half year under review as against production of 17,757 tons during the corresponding period of previous year.

Financial Performance

During the half year under review, your Company achieved net sales of Rs. 18,822 million as compared to Rs. 25,807 million during corresponding period of previous year.

Your Company earned a gross profit of Rs. 440 million and achieved gross profit to sales ratio of 2.3% during the period under review as compared to Rs. 1,505 million and 5.8% respectively during corresponding period of the previous year.

After taking into account the proportionate share in profits of Allied Bank Limited, an associated company, amounting to Rs. 1,410 million, your Company earned profit before tax of Rs. 633 million and profit after tax amounting to Rs. 559 million during half year under review as against Rs. 1,053 million and Rs. 656 million respectively during the corresponding period of previous year.

Future Outlook

Current prices of feed stocks and PSF are expected to spur the demand for PSF in local as well as regional markets. However, dumping at extremely irrational prices by Chinese companies needs to be addressed by Pakistan's National Tariff Commission in the same way as governments of China, Japan, Korea, India etc. protect their domestic industries from dumping.

In current challenging circumstances, the management of your Company is making all the efforts to increase market share through effective marketing strategies and better results through efficient financial management.

Earnings per share

Earnings per share for the half year ended December 31, 2014 has come to Rs. 1.80 as compared to Rs. 2.11 during the corresponding period of previous year.

On behalf of the Board

Lahore
February 23, 2015

Director

Director

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Ibrahim Fibres Limited** (the Company) as at December 31, 2014, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts, for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2014.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period ended December 31, 2014 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The financial statements of the Company for the year ended June 30, 2014 were audited by another firm of Chartered Accountants whose report dated September 25, 2014 expressed an unqualified opinion thereon. The condensed interim financial information of the Company for the six months period ended December 31, 2013 were reviewed by same firm of Chartered Accountants whose report dated February 22, 2014 expressed an unqualified conclusion thereon.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Dated: February 23, 2015
Karachi

IBRAHIM FIBRES LIMITED
CONDENSED INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2014

	Note	Unaudited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
NON – CURRENT ASSETS			
Property, plant and equipment	3	24,027,633,505	24,990,992,888
Intangible assets		49,383,857	53,723,240
Investment in associate	4	11,901,657,013	11,108,031,239
Long term loans		19,687,826	11,317,006
Long term deposits		3,955,043	3,940,043
		36,002,317,244	36,168,004,416
CURRENT ASSETS			
Stores, spare parts and loose tools		1,985,257,297	2,152,346,589
Stock in trade		7,543,169,030	6,047,562,589
Trade debts		160,604,981	417,395,620
Loans and advances		530,643,890	792,707,893
Prepayments		44,994,494	21,590,267
Other receivables		2,837,124,389	2,292,068,396
Cash and bank balances		174,323,326	85,681,651
		13,276,117,407	11,809,353,005
CURRENT LIABILITIES			
Trade and other payables		1,529,955,595	1,603,393,707
Markup / interest payable		155,937,621	154,955,632
Short term bank borrowings		7,573,982,083	2,682,895,021
Current portion of long term financing		450,000,000	3,250,000,000
		9,709,875,299	7,691,244,360
Working capital		3,566,242,108	4,118,108,645
Total capital employed		39,568,559,352	40,286,113,061
NON – CURRENT LIABILITIES			
Long term financing		10,451,960,860	11,897,014,159
Deferred liabilities :			
Deferred taxation		929,137,519	853,731,918
Staff retirement gratuity		1,091,251,305	1,011,655,643
		12,472,349,684	13,762,401,720
CONTINGENCIES AND COMMITMENTS	5	–	–
Net worth		27,096,209,668	26,523,711,341
Represented by :			
SHARE CAPITAL AND RESERVES			
Share capital		3,105,069,950	3,105,069,950
Capital reserves		1,426,945,244	1,413,767,444
Revenue reserves		22,564,194,474	22,004,873,947
		27,096,209,668	26,523,711,341

The annexed notes form an integral part of this condensed interim financial report.

Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive Officer of the Company is presently out of the country, therefore these financial statements have been signed by two directors of the Company duly authorised by the Board of Directors.

Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Note	Quarter ended December 31,		Half year ended December 31,	
		2014 Rupees	2013 Rupees	2014 Rupees	2013 Rupees
Sales – net		9,243,066,403	12,525,380,908	18,822,464,601	25,806,929,529
Cost of goods sold	6	(9,083,046,374)	(11,796,518,462)	(18,382,942,350)	(24,301,921,231)
Gross profit		160,020,029	728,862,446	439,522,251	1,505,008,298
Selling and distribution expenses		(61,074,291)	(58,570,922)	(128,017,128)	(120,255,083)
Administrative expenses		(156,929,971)	(146,469,790)	(301,287,854)	(305,151,117)
Other operating expenses		351,890	(3,993,821)	–	(8,211,112)
Finance cost		(415,220,707)	(469,360,672)	(839,674,450)	(965,314,435)
		(632,873,079)	(678,395,205)	(1,268,979,432)	(1,398,931,747)
Other income		(472,853,050)	50,467,241	(829,457,181)	106,076,551
		42,628,055	12,432,151	53,099,109	23,427,346
Share of profit of associate – net		(430,224,995)	62,899,392	(776,358,072)	129,503,897
		754,848,000	465,892,000	1,409,620,000	923,648,000
Profit before taxation		324,623,005	528,791,392	633,261,928	1,053,151,897
Provision for taxation		(26,440,897)	(195,662,290)	(73,941,401)	(397,260,634)
Profit for the period		298,182,108	333,129,102	559,320,527	655,891,263
Earnings per share – Basic and Diluted		0.96	1.07	1.80	2.11

The annexed notes form an integral part of this condensed interim financial report.

Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive Officer of the Company is presently out of the country, therefore these financial statements have been signed by two directors of the Company duly authorised by the Board of Directors.

Director

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Quarter ended December 31, 2014 Rupees	2013 Rupees	Half year ended December 31, 2014 Rupees	2013 Rupees
Profit for the period	298,182,108	333,129,102	559,320,527	655,891,263
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit or loss :				
Share of changes in equity of associate	13,374,000	281,031,889	14,642,000	286,834,889
Deferred tax relating to share of changes in equity of associate	(1,337,400)	(28,103,189)	(1,464,200)	(28,683,489)
	12,036,600	252,928,700	13,177,800	258,151,400
Total comprehensive income for the period	310,218,708	586,057,802	572,498,327	914,042,663

The annexed notes form an integral part of this condensed interim financial report.

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended December 31, 2014 Rupees	2013 Rupees
a) Cash flows from operating activities		
Profit before taxation	633,261,928	1,053,151,897
Adjustments for :		
Depreciation / amortisation of property, plant and equipment	1,223,541,721	1,351,502,230
Amortisation of intangible assets	6,939,383	6,611,562
Provision for staff retirement gratuity	113,583,330	87,095,944
Balances written back – net	(28,026,799)	–
(Gain) / loss on disposal of property, plant and equipment	(3,514,412)	1,268,163
Profit on deposits	(40,216)	(71,067)
Share of profit of associate – net	(1,409,620,000)	(923,648,000)
Finance cost	839,674,450	965,314,435
Operating cash flows before working capital changes	1,375,799,385	2,541,225,164
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	167,089,292	(823,509,281)
Stock in trade	(1,495,606,441)	(2,862,173,411)
Trade debts	256,790,639	1,603,680
Loans and advances	9,991,450	67,546,902
Prepayments	(23,404,227)	(32,179,137)
Other receivables	(45,017,332)	(360,396,512)
Increase in current liabilities		
Trade and other payables	41,865,896	1,220,237,303
	(1,088,290,723)	(2,788,870,456)
Cash generated from / (used in) operations	287,508,662	(247,645,292)
Long term loans (paid) / recovered – net	(8,370,820)	53,882
Finance cost paid	(838,692,461)	(971,366,778)
Income tax paid	(249,054,599)	(323,439,071)
Staff retirement gratuity paid	(33,140,533)	(34,240,902)
Net cash (used in) operating activities	(841,749,751)	(1,576,638,161)
b) Cash flows from investing activities		
Additions in :		
Property, plant and equipment	(365,318,545)	(240,386,023)
Intangible assets	(2,600,000)	(1,625,000)
Proceeds from disposal of property, plant and equipment	21,687,364	5,353,667
Advance from directors against non – current assets held for sale	–	1,833,767,322
Dividend received	630,636,227	441,004,355
Long term deposits	(15,000)	(26,000)
Profit on deposits	40,216	71,067
Net cash generated from investing activities	284,430,262	2,038,159,388
c) Cash flows from financing activities		
Long term financing obtained	6,301,960,860	–
Repayment of long term financing	(10,547,014,159)	(437,500,000)
Increase in short term bank borrowings – net	4,891,087,062	546,462,411
Dividend paid	(72,599)	(619,434,982)
Net cash generated from / (used in) financing activities	645,961,164	(510,472,571)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	88,641,675	(48,951,344)
Cash and cash equivalents at the beginning of the period	85,681,651	204,836,749
Cash and cash equivalents at the end of the period	174,323,326	155,885,405

The annexed notes form an integral part of this condensed interim financial report.

Director

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	ISSUED, SUBSCRIBED AND PAID UP CAPITAL	CAPITAL RESERVES				REVENUE RESERVES		TOTAL
		Share premium	Merger reserve	Share of changes in equity of associate	General reserve	Unappropriated profit		
							Rupees	
Balance as at July 01, 2013 - Restated	3,105,669,950	1,000,000,000	72,017,550	51,964,758	3,089,673,099	18,719,227,492	26,037,952,849	
Transaction with owners	-	-	-	-	-	(621,013,990)	(621,013,990)	
Final dividend for the year ended June 30, 2013: Rs. 2 per share	-	-	-	-	1,000,000,000	(1,000,000,000)	-	
Transferred to general reserve	-	-	-	-	-	655,891,263	655,891,263	
Total comprehensive income for the period	-	-	-	-	-	-	286,834,889	
Profit for the period	-	-	-	-	-	-	(28,683,489)	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Items that may be reclassified subsequently to profit or loss :	-	-	-	-	-	-	-	
Share of changes in equity of associate	-	-	-	286,834,889	-	-	286,834,889	
Deferred tax relating to share of changes in equity of associate	-	-	-	(28,683,489)	-	-	(28,683,489)	
Deferred tax relating to share of changes in equity of associate	-	-	-	258,151,400	-	-	258,151,400	
Balance as at December 31, 2013 - Restated	3,105,669,950	1,000,000,000	72,017,550	310,116,158	4,089,673,099	17,754,104,765	26,330,981,522	
Total comprehensive income for the period	-	-	-	-	-	218,351,033	218,351,033	
Profit for the period	-	-	-	-	-	-	-	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Items that may be reclassified subsequently to profit or loss :	-	-	-	-	-	-	-	
Share of changes in equity of associate	-	-	-	351,488,596	-	-	351,488,596	
Deferred tax relating to share of changes in equity of associate	-	-	-	(3,514,860)	-	-	(3,514,860)	
Effect of change in accounting policy	-	-	-	-	-	(85,455,150)	(85,455,150)	
Remeasurement of staff retirement gratuity	-	-	-	-	-	28,200,200	28,200,200	
Deferred tax relating to remeasurement of staff retirement gratuity	-	-	-	-	-	(57,254,950)	(57,254,950)	
Deferred tax relating to remeasurement of staff retirement gratuity	-	-	-	31,633,736	-	161,096,083	192,729,819	
Balance as at June 30, 2014	3,105,669,950	1,000,000,000	72,017,550	341,749,894	4,089,673,099	17,915,200,848	26,523,711,341	
Total comprehensive income for the period	-	-	-	-	-	559,320,527	559,320,527	
Profit for the period	-	-	-	-	-	-	-	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Items that may be reclassified subsequently to profit or loss :	-	-	-	-	-	-	-	
Share of changes in equity of associate	-	-	-	14,642,000	-	-	14,642,000	
Share of changes in equity of associate	-	-	-	(1,464,200)	-	-	(1,464,200)	
Deferred tax relating to share of changes in equity of associate	-	-	-	13,177,800	-	559,320,527	572,498,327	
Balance as at December 31, 2014	3,105,669,950	1,000,000,000	72,017,550	354,927,694	4,089,673,099	18,474,521,375	27,096,209,668	

The annexed notes form an integral part of this condensed interim financial report.

Director

Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

1. STATUS AND ACTIVITIES

- 1.1 Ibrahim Fibres Limited (the Company) is incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 (the Ordinance) and is listed on Karachi and Lahore Stock Exchanges in Pakistan. 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 This condensed interim financial report is presented in Pak Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

This condensed interim financial report has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Ordinance. In case the requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial report is unaudited but subject to limited scope review by auditors and is being submitted to the shareholders as required under Section 245 of the Ordinance.

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

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

There are certain amendments to standards and interpretation that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2014 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 this condensed interim financial report.

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

There are new standards, other amendments to standards and interpretations that are mandatory for accounting periods beginning on or after July 01, 2014 but are considered not to be relevant or not to have any significant effect on Company's operations and are, therefore, not disclosed in this condensed interim financial report.

2.3 Basis of preparation

This condensed interim financial report has been prepared under the "historical cost convention" except staff retirement gratuity carried at present value and investment in associate accounted for using the equity method. This condensed interim financial report does not include all the information required for complete set of financial statements and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2014.

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation followed in the preparation of this condensed interim financial report are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2014.

2.5 Financial risk management

The Company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in financial statements of the Company as at and for the year ended June 30, 2014.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Unaudited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
3. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	23,471,744,771	24,605,585,362
Capital work in progress	555,888,734	385,407,526
	24,027,633,505	24,990,992,888

	Hal year ended December 31, 2014		Half year ended December 31, 2013	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
3.1 Acquisitions and disposals of operating assets – at cost				
Freehold land	8,266,195	–	4,624,540	–
Building on freehold land	16,561,276	–	12,007,927	–
Plant and machinery	40,928,374	112,943,722	15,383,339	–
Furniture and fixture	16,286,581	587,575	5,507,376	640,539
Office equipment	9,601,565	1,623,528	10,342,511	1,573,284
Vehicles	16,230,090	25,315,436	6,296,434	23,764,467
	107,874,081	140,470,261	54,162,127	25,978,290

	Unaudited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
4. INVESTMENT IN ASSOCIATE		
Allied Bank Limited (ABL) – Quoted 194,041,916 (June 30, 2014 : 194,041,916) ordinary shares of Rs. 10/- each Ownership interest 16.95% (June 30, 2014 : 16.95%)	3,975,325,052	3,975,325,052
Share of post acquisition changes in equity	8,556,968,188	8,080,865,550
Less : Dividend received during the period / year	630,636,227	948,159,363
	11,901,657,013	11,108,031,239

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

- 4.1 ABL is engaged in banking business. Its registered and head office is situated at 3 Tipu Block, New Garden Town, Lahore, Pakistan.
- 4.2 The Company's shareholding in associate is below 20%, however, the Company exercises significant influence by virtue of common directorship.
- 4.3 The fair value of investment in associate as at December 31, 2014 is Rs. 22,039 million (June 30, 2014 : Rs. 26,663 million).
- 4.4 The financial year end of ABL is 31st December. The latest available financial results of associate as of September 30, 2014 have been used for the purpose of application of equity method.

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2014 except the contingent liability related to income tax demand as mentioned in Note 18.1.4 to the above referred financial statements. The income tax demand has been reduced to Rs. 22.028 million in the first appeals which has not been acknowledged due to pending appeals before the appellate authorities.

	Unaudited December 31, 2014 Rupees in million	Audited June 30, 2014 Rupees in million
5.2 Commitments		
5.2.1 Under contracts for capital expenditure :		
Building on freehold land	131.788	84.880
Plant and machinery	29.642	6.452
5.2.2 Under letters of credit for :		
Plant and machinery	1,128.645	1,211.572
Raw materials and spare parts	2,424.640	3,965.132

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Quarter ended December 31,		Half year ended December 31,	
	2014	2013	2014	2013
	Rupees	Rupees	Rupees	Rupees
6. COST OF GOODS SOLD				
Raw materials consumed	7,094,518,814	10,014,237,220	14,474,786,711	18,447,388,900
Packing materials	112,022,341	123,713,468	222,448,565	231,607,747
Salaries, wages and benefits	326,100,078	328,471,702	637,338,304	624,315,783
Staff retirement benefits	43,180,821	33,337,069	86,361,642	66,674,137
Stores and spare parts	204,384,666	169,626,471	334,666,027	300,136,558
Fuel and power	1,001,775,358	1,257,865,389	2,089,421,908	2,568,723,731
Insurance	14,844,678	13,295,057	29,705,822	26,834,807
Depreciation of property, plant and equipment	598,100,315	661,947,877	1,195,069,710	1,323,437,297
Other	72,918,557	61,262,831	141,367,509	122,985,621
	9,467,845,628	12,663,757,084	19,211,166,198	23,712,104,581
Work in process				
Opening stock	327,724,911	605,184,492	343,311,511	607,357,831
Closing stock	(390,284,056)	(611,063,568)	(390,284,056)	(611,063,568)
	(62,559,145)	(5,879,076)	(46,972,545)	(3,705,737)
Cost of goods manufactured	9,405,286,483	12,657,878,008	19,164,193,653	23,708,398,844
Finished goods				
Opening stock	3,637,778,536	3,697,447,433	3,178,767,342	5,152,329,366
Closing stock	(3,960,018,645)	(4,558,806,979)	(3,960,018,645)	(4,558,806,979)
	(322,240,109)	(861,359,546)	(781,251,303)	593,522,387
	9,083,046,374	11,796,518,462	18,382,942,350	24,301,921,231

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

7. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	Half year ended December 31,	
		2014 Rupees	2013 Rupees
Associated undertakings			
	Rent charged	6,000,000	12,705,000
	Dividend received	630,636,227	441,004,355
	Consultancy fee paid	10,000,000	6,000,000
	Rental income	1,717,067	1,153,577
Key management personnel			
	Remuneration	18,000,000	18,000,000
	Reimbursable expenses	1,438,874	1,587,115
	Advance from directors against non – current assets held for sale	–	1,833,767,322
	Loan from directors	301,960,860	–
	Dividend paid	–	549,592,428

8. The provision for taxation made in this condensed interim financial report is subject to adjustment in annual financial statements.

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on February 23, 2015 by the Board of Directors of the Company.

10. GENERAL

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

10.2 Figures have been rounded off to the nearest Rupee.

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