

Half Yearly Report of
Ibrahim Fibres Limited
for the period ended December 31, 2015

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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

Ikram ul Haq Mian

Chief Financial Officer

Mohammad Naeem Asghar

Company Secretary

Muhammad Labeeb Subhani

Audit Committee

Ikram ul Haq Mian
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

Deloitte Yousuf Adil
Chartered Accountants.

Bankers

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

Registered Office

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

Head Office

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

Registrar's & Shares Registration Office

M/s Technology Trade (Pvt) Ltd.
Dagja House,
241 – C, Block – 2,
P.E.C.H.S.,
Off: Shahrah-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, 2015.

Operating Performance

During the half year under review, the Polyester Plant of your Company produced 108,312 tons of Polyester Staple Fibre (PSF) / polyester chips as against production of 106,961 tons during the corresponding period of previous year. Out of this production, 12,099 tons of PSF were consumed by the textile plants of your Company for the production of blended yarns as against 11,967 tons consumed during the corresponding period of previous year.

The textile plants of your Company produced 16,945 tons of blended yarns of different counts during the half year under review as against production of 16,915 tons during the corresponding period of previous year.

Financial Performance

During the half year under review, your Company achieved net sales of Rs. 15,398 million as compared to Rs. 18,822 million during corresponding period of previous year.

Your Company had a gross loss of Rs. 213 million during the period under review as compared to gross profit of Rs. 440 million 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. 1,315 million, your Company earned profit before tax of Rs. 140 million and profit after tax amounting to Rs. 188 million during half year under review as against Rs. 633 million and Rs. 559 million respectively during the corresponding period of previous year.

During the period under review, Global economic situation remained bleak due to which commodity prices remained under immense pressure. Moreover, oversupply of crude oil in international market decreased its prices by more than 35%. Due to declining prices of petrochemical chain, the prices of PTA, MEG and PSF also remained under pressure which resulted in substantial inventory losses.

Future Outlook

National Tariff Commission of Pakistan (NTC) initially imposed provisional anti-dumping duty against import of PSF from China on October 03, 2015 and then announced the final determination of anti-dumping duty on February 03, 2016. Although, while making the final determination, NTC decreased anti-dumping duty rates for some major Chinese companies, but we are hopeful that the imposition of anti-dumping duty will be helpful for local PSF industry to overcome the present difficult situation.

It is expected that supply of natural gas to downstream industry will be improved, which in turn will increase the demand for PSF and spun yarn.

In this scenario, the management of your Company is striving hard to increase market share through effective marketing strategies and through efficient inventory and financial management.

Earnings per share

Earnings per share for the half year ended December 31, 2015 has come to Rs. 0.61 as compared to Rs. 1.80 during the corresponding period of previous year.

On behalf of the Board,

Lahore
February 22, 2016

MOHAMMAD NAEEM MUKHTAR
Chief Executive Officer

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, 2015, 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, 2015 and 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, 2015.

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, 2015 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:

Nadeem Yousuf Adil

Dated: February 22, 2016
Karachi



Ibrahim Fibres Limited

CONDENSED INTERIM FINANCIAL REPORT
for the half year ended December 31, 2015

CONDENSED INTERIM BALANCE SHEET

as at December 31, 2015

	Note	Unaudited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
NON – CURRENT ASSETS			
Property, plant and equipment	3	23,728,057,650	24,151,728,470
Intangible assets		43,807,772	47,087,302
Investment in associate	4	13,256,380,121	12,594,268,827
Long term loans		28,080,110	24,773,098
Long term deposits		3,944,307	4,225,431
		37,060,269,960	36,822,083,128
CURRENT ASSETS			
Stores, spare parts and loose tools		1,911,317,222	1,958,919,904
Stock in trade		6,472,961,982	6,461,921,798
Trade debts		211,601,448	178,139,309
Loans and advances		591,445,495	847,418,405
Prepayments		45,069,998	18,241,689
Other receivables		3,393,960,115	3,153,379,446
Cash and bank balances		111,922,969	163,844,103
		12,738,279,229	12,781,864,654
CURRENT LIABILITIES			
Trade and other payables		1,133,644,039	1,833,717,569
Markup / interest payable		75,058,931	111,298,837
Short term borrowings		8,312,562,242	7,385,896,510
Current portion of long term financing		916,666,668	450,000,000
Provision for taxation – income tax		139,982,907	–
		10,577,914,787	9,780,912,916
Working capital		2,160,364,442	3,000,951,738
Total capital employed		39,220,634,402	39,823,034,866
NON – CURRENT LIABILITIES			
Long term financing		9,233,333,332	9,925,000,000
Deferred liabilities:			
Deferred taxation		1,247,610,485	1,432,433,816
Staff retirement gratuity		1,182,670,747	1,119,655,237
		11,663,614,564	12,477,089,053
CONTINGENCIES AND COMMITMENTS	5	–	–
Net worth		27,557,019,838	27,345,945,813
Represented by:			
SHARE CAPITAL AND RESERVES			
Share capital		3,105,069,950	3,105,069,950
Capital reserves		1,072,017,550	1,072,017,550
Revenue reserves		23,379,932,338	23,168,858,313
		27,557,019,838	27,345,945,813

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

Chief Executive Officer

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

for the half year ended December 31, 2015

		Quarter ended December 31,		Half year ended December 31,	
	Note	2015	2014	2015	2014
		Rupees	Rupees	Rupees	Rupees
Sales – net		7,921,153,392	9,243,066,403	15,397,707,983	18,822,464,601
Cost of goods sold	6	(8,029,525,405)	(9,083,046,374)	(15,610,281,146)	(18,382,942,350)
Gross (loss) / profit		(108,372,013)	160,020,029	(212,573,163)	439,522,251
Selling and distribution expenses		(66,921,533)	(61,074,291)	(129,916,390)	(128,017,128)
Administrative expenses		(171,575,388)	(156,929,971)	(328,711,256)	(301,287,854)
Other operating expenses		(3,536,898)	351,890	(3,536,898)	–
Finance cost		(233,422,250)	(415,220,707)	(520,729,176)	(839,674,450)
		(475,456,069)	(632,873,079)	(982,893,720)	(1,268,979,432)
		(583,828,082)	(472,853,050)	(1,195,466,883)	(829,457,181)
Other income		9,845,895	42,628,055	20,442,484	53,099,109
		(573,982,187)	(430,224,995)	(1,175,024,399)	(776,358,072)
Share of profit of associate	4	766,551,000	754,848,000	1,314,994,000	1,409,620,000
Profit before taxation		192,568,813	324,623,005	139,969,601	633,261,928
(Provision for) / reversal of taxation		(344,474)	(26,440,897)	48,123,424	(73,941,401)
Profit for the period		192,224,339	298,182,108	188,093,025	559,320,527
Earnings per share – Basic and Diluted		0.62	0.96	0.61	1.80

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the half year ended December 31, 2015

	Quarter ended December 31, 2015 Rupees	2014 Rupees	Half year ended December 31, 2015 Rupees	2014 Rupees
Profit for the period	192,224,339	298,182,108	188,093,025	559,320,527
Other comprehensive income for the period Items that may be reclassified subsequently to profit or loss:				
Share of changes in equity of associate	12,383,000	13,374,000	26,264,000	14,642,000
Deferred tax relating to share of changes in equity of associate	(1,547,875)	(1,337,400)	(3,283,000)	(1,464,200)
	10,835,125	12,036,600	22,981,000	13,177,800
Total comprehensive income for the period	203,059,464	310,218,708	211,074,025	572,498,327

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

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

for the half year ended December 31, 2015

	Half year ended December 31, 2015 Rupees	2014 Rupees
a) Cash flows from operating activities		
Profit before taxation	139,969,601	633,261,928
Adjustments for:		
Depreciation / amortisation of property, plant and equipment	1,167,844,555	1,223,541,721
Amortisation of intangible assets	7,352,263	6,939,383
Provision for staff retirement gratuity	104,567,908	113,583,330
Balances written back – net	–	(28,026,799)
Loss / (gain) on disposal of property, plant and equipment	3,536,898	(3,514,412)
Profit on deposits	(21,198)	(40,216)
Share of profit of associate	(1,314,994,000)	(1,409,620,000)
Finance cost	520,729,176	839,674,450
Operating cash flows before working capital changes	628,985,203	1,375,799,385
Changes in working capital		
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	47,602,682	167,089,292
Stock in trade	(11,040,184)	(1,495,606,441)
Trade debts	(33,462,139)	256,790,639
Loans and advances	45,467,506	9,991,450
Prepayments	(26,828,309)	(23,404,227)
Other receivables	92,796,629	(45,017,332)
(Decrease) / increase in current liabilities		
Trade and other payables	(684,205,654)	41,865,896
	(569,669,469)	(1,088,290,723)
Cash generated from operations	59,315,734	287,508,662
Long term loans paid – net	(5,908,660)	(8,370,820)
Finance cost paid	(556,969,082)	(838,692,461)
Income tax paid	(120,267,565)	(249,054,599)
Staff retirement gratuity paid	(52,711,010)	(33,140,533)
Net cash used in operating activities	(676,540,583)	(841,749,751)
b) Cash flows from investing activities		
Additions in:		
Property, plant and equipment	(763,290,830)	(365,318,545)
Intangible assets	(4,072,733)	(2,600,000)
Proceeds from disposal of property, plant and equipment	10,874,582	21,687,364
Dividend received	679,146,706	630,636,227
Long term deposits	281,124	(15,000)
Profit on deposits	18,517	40,216
Net cash (used in) / from investing activities	(77,042,634)	284,430,262
c) Cash flows from financing activities		
Long term financing obtained	–	6,301,960,860
Repayment of long term financing	(225,000,000)	(10,547,014,159)
Increase in short term borrowings – net	926,665,732	4,891,087,062
Dividend paid	(3,649)	(72,599)
Net cash from financing activities	701,662,083	645,961,164
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(51,921,134)	88,641,675
Cash and cash equivalents at the beginning of the period	163,844,103	85,681,651
Cash and cash equivalents at the end of the period	111,922,969	174,323,326

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

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the half year ended December 31, 2015

	ISSUED, SUBSCRIBED AND PAID UP CAPITAL		CAPITAL RESERVES		REVENUE RESERVES			TOTAL
	Share premium	Merger reserve	Share of changes in equity of associate	General reserve	Rupees			
					Share of changes in equity of associate	Unappropriated profit		
Balance as at July 01, 2014	3,105,069,950	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	
Deferred tax relating to share of changes in equity of associate	-	-	(1,464,200)	-	-		(1,464,200)	
	-	-	13,177,800	-	-		13,177,800	
	-	-	13,177,800	-	559,320,527		572,498,327	
Balance as at December 31, 2014	3,105,069,950	72,017,550	354,927,694	4,089,673,099	18,474,521,375		27,096,239,668	
Total comprehensive income for the period	-	-	-	-	243,467,559		243,467,559	
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	-	-	(3,249,000)	-	-		(3,249,000)	
Deferred tax relating to share of changes in equity of associate	-	-	(9,452,978)	-	-		(9,452,978)	
	-	-	(12,701,978)	-	-		(12,701,978)	
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of self retirement gratuity	-	-	-	-	29,520,967		29,520,967	
Deferred tax relating to remeasurement of self retirement gratuity	-	-	-	-	(10,550,403)		(10,550,403)	
	-	-	-	-	18,970,564		18,970,564	
	-	-	(12,701,978)	-	262,438,123		249,736,145	
Balance as at June 30, 2015	3,105,069,950	72,017,550	342,225,716	4,089,673,099	18,736,959,498		27,345,945,813	
Total comprehensive income for the period	-	-	-	-	188,093,025		188,093,025	
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	-	-	26,264,000	-	-		26,264,000	
Deferred tax relating to share of changes in equity of associate	-	-	(3,283,000)	-	-		(3,283,000)	
	-	-	22,981,000	-	-		22,981,000	
Balance as at December 31, 2015	3,105,069,950	72,017,550	365,206,716	4,089,673,099	18,925,052,523		27,557,019,838	

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

Chief Executive Officer

Director

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 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** 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 interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2015 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, 2015 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, 2015.

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, 2015.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) for the half year ended December 31, 2015

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, 2015. During the period, the Company has adopted IFRS 13 "Fair Value Measurement" which does not have any impact on this condensed interim financial report as the Company considers that the carrying values of all assets and liabilities approximate their fair values, therefore, application of IFRS 13 has not resulted in any additional disclosure.

	Unaudited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
3. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	22,405,182,617	23,513,765,232
Capital work in progress	1,322,875,033	637,963,238
	23,728,057,650	24,151,728,470

	Half year ended December 31, 2015	Half year ended December 31, 2014		
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
3.1 Acquisitions and disposals of operating assets – at cost				
Freehold land	23,287,925	–	8,266,195	–
Building on freehold land	500,000	–	16,561,276	–
Plant and machinery	9,949,730	4,509,414	40,928,374	112,943,722
Furniture and fixture	7,132,175	470,161	16,286,581	587,575
Office equipment	12,647,481	5,737,893	9,601,565	1,623,528
Vehicles	20,156,109	31,582,291	16,230,090	25,315,436
	73,673,420	42,299,759	107,874,081	140,470,261

	Unaudited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
4. INVESTMENT IN ASSOCIATE		
Allied Bank Limited (ABL) – Quoted 194,041,916 (June 30, 2015: 194,041,916) ordinary shares of Rs.10/- each Ownership interest 16.95% (June 30, 2015: 16.95%)		
Cost of investment	3,975,325,052	3,975,325,052
Share of post acquisition changes in equity		
Opening balance	8,618,943,775	7,132,706,187
Share of profit	1,314,994,000	2,833,138,000
Share of other comprehensive income	26,264,000	11,393,000
Dividend received	(679,146,706)	(1,358,293,412)
	9,281,055,069	8,618,943,775
	13,256,380,121	12,594,268,827

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) for the half year ended December 31, 2015

- 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, 2015 is Rs. 18,290 million (June 30, 2015: Rs. 19,393 million).
- 4.4** The financial year end of ABL is 31st December. The latest available financial results of associate as of September 30, 2015 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, 2015 except the following:

- (i) A new bank guarantee of Rs. 80 Million has been issued in favour of The Commissioner Inland Revenue to avail exemption from deduction of income tax on import of goods.
- (ii) The income tax demand as mentioned in Note 18.1.4 to the above referred financial statements has been increased to Rs. 464.083 million in respect of tax years 2007, 2008, 2009, 2010, 2012 and 2013 which has not been acknowledged due to pending appeals before the appellate authorities.

	Unaudited December 31, 2015 Rupees in million	Audited June 30, 2015 Rupees in million
5.2 Commitments		
5.2.1 Under contracts for capital expenditure:		
Building on freehold land	418.666	18.046
Plant and machinery	58.100	9.860
5.2.2 Under letters of credit for:		
Plant and machinery	5,397.105	4,946.774
Raw materials and spare parts	583.376	2,197.564

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED)
for the half year ended December 31, 2015

	Quarter ended December 31,		Half year ended December 31,	
	2015 Rupees	2014 Rupees	2015 Rupees	2014 Rupees
6. COST OF GOODS SOLD				
Raw materials consumed	5,958,694,339	7,094,518,814	11,419,323,261	14,474,786,711
Packing materials	112,100,659	112,022,341	213,942,174	222,448,565
Salaries, wages and benefits	347,126,018	326,100,078	706,046,049	637,338,304
Staff retirement benefits	40,430,752	43,180,821	80,861,506	86,361,642
Stores and spare parts	219,098,652	204,384,666	450,824,614	334,666,027
Fuel and power	686,533,711	1,001,775,358	1,484,712,981	2,089,421,908
Insurance	14,221,212	14,844,678	28,442,598	29,705,822
Depreciation of property, plant and equipment	570,070,085	598,100,315	1,139,658,058	1,195,069,710
Other	57,446,484	72,918,557	109,139,466	141,367,509
	8,005,721,912	9,467,845,628	15,632,950,707	19,211,166,198
Work in process				
Opening stock	398,629,205	327,724,911	398,266,585	343,311,511
Closing stock	(357,536,984)	(390,284,056)	(357,536,984)	(390,284,056)
	41,092,221	(62,559,145)	40,729,601	(46,972,545)
Cost of goods manufactured	8,046,814,133	9,405,286,483	15,673,680,308	19,164,193,653
Finished goods				
Opening stock	3,366,689,248	3,637,778,536	3,320,578,814	3,178,767,342
Closing stock	(3,383,977,976)	(3,960,018,645)	(3,383,977,976)	(3,960,018,645)
	(17,288,728)	(322,240,109)	(63,399,162)	(781,251,303)
	8,029,525,405	9,083,046,374	15,610,281,146	18,382,942,350

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) for the half year ended December 31, 2015

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,	
		2015 Rupees	2014 Rupees
Associated undertakings			
	Rent charged	6,764,400	6,000,000
	Dividend received	679,146,706	630,636,227
	Consultancy fee paid	11,800,000	10,000,000
	Rental income	1,749,300	1,717,067
Key management personnel			
	Remuneration	27,000,000	18,000,000
	Reimbursable expenses	1,286,109	1,438,874
	Long term financing obtained	–	301,960,860
	Short term borrowings obtained	2,363,751,407	–

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 22, 2016 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.

Chief Executive Officer

Director



Ibrahim

Ibrahim Fibres Limited

Ibrahim Centre, 1 – Ahmed Block,
New Garden Town, Lahore – 54600, Pakistan.
UAN: 111-333-777