COMMITTED TO EXCELLENCE

Annual Report
2021
Ibrahim Fibres Limited

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mohammad Naeem Asghar

COMPANY SECRETARY

Muhammad Labeeb Subhani

AUDITORS

Yousuf Adil
Chartered Accountants

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

AUDIT COMMITTEE

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

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 - Sheikhupura Road
Faisalabad, Pakistan

FINANCIAL HIGHLIGHTS

	For the year ended June 30,				
	2021	2020	2019	2018	2017
					(Rupees in million)
OPERATING PERFORMANCE					
Sales - net	70,607	47,078	66,238	53,887	39,911
Gross profit	12,465	1,951	3,847	4,496	2,425
Operating profit	10,933	804	2,736	3,445	1,444
Profit / (loss) before taxation	9,454	(851)	2,044	2,923	7,824
Profit / (loss) after taxation	6,579	(1,295)	998	2,107	8,480

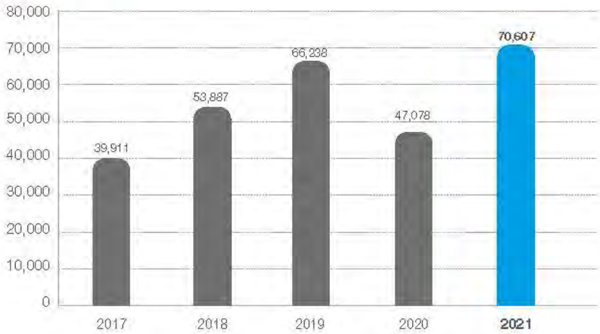
	As at June 30,				
	2021	2020	2019	2018	2017
					(Rupees in million)
FINANCIAL POSITION					
Non - Current Assets					
Property, plant and equipment	40,661	39,478	31,976	29,189	28,525
Other non - current assets	202	133	140	84	85
	40,863	39,611	32,116	29,273	28,610
Current Assets					
Stores, spare parts and stock in trade	13,406	14,298	14,589	12,134	10,087
Other current assets	7,240	5,661	6,828	5,555	13,486
Cash and cash equivalents	53	18	37	46	98
	20,699	19,977	21,454	17,735	23,671
Current Liabilities					
Short term borrowings	886	7,041	5,107	2,097	4,924
Current portion of long term financing	917	–	–	933	2,058
Other current liabilities	5,386	2,375	4,399	2,342	1,915
	7,189	9,416	9,506	5,372	8,897
Working capital	13,510	10,561	11,948	12,363	14,774
Long term financing	6,292	10,000	1,500	–	4,421
Deferred liabilities	3,708	2,307	3,090	2,679	1,717
Share capital and reserves	44,373	37,865	39,474	38,957	37,246

		For the year ended June 30, 2021	2020	2019	2018	2017
PROFITABILITY ANALYSIS						
Gross profit to sales	(%)	17.7	4.1	5.8	8.3	6.1
Profit / (loss) before tax to sales	(%)	13.4	(1.8)	3.1	5.4	19.6
Profit / (loss) after tax to sales	(%)	9.3	(2.8)	1.5	3.9	21.2
Return on capital employed	(%)	20.1	1.6	6.2	8.3	3.3
Return on equity	(%)	14.8	(3.4)	2.5	5.4	22.8
Earnings per share	(Rupees)	21.2	(4.2)	3.2	6.8	27.3
DIVIDENDS						
Final cash dividend - Proposed	(%)	20	–	10	15	10

		As at June 30, 2021	2020	2019	2018	2017
FINANCIAL ANALYSIS						
Current ratio	(times)	2.9	2.1	2.3	3.3	2.7
Debt to equity	(times)	0.2	0.3	0.0	0.0	0.2
Leverage ratio	(times)	0.4	0.6	0.4	0.2	0.4
Debt service coverage	(times)	15.3	2.6	3.7	2.4	4.4
Breakup value per share	(Rupees)	142.9	121.9	127.1	125.5	120.0
Inventory turnover ratio	(times)	6.2	4.4	6.2	6.0	6.0
Debtors turnover ratio	(times)	71.0	68.4	143.8	170.4	183.8
Fixed assets turnover ratio	(times)	1.8	1.3	2.2	1.9	1.5

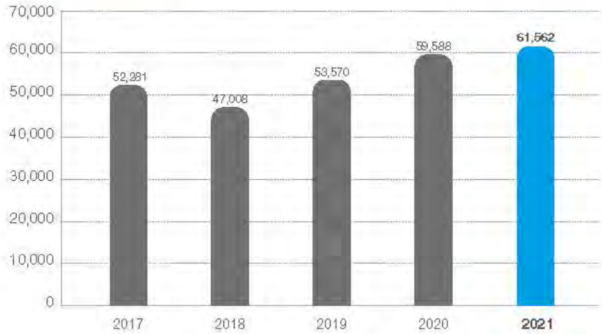
Sales - Net

(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 year ended June 30, 2021 along with effectiveness of the role played by the board in achieving the Company's objectives.

INDUSTRY OVERVIEW

After the sharp economic downturn of recent times triggered by COVID-19 pandemic, stronger world recovery during the financial year under review translated into higher international commodity prices. A watchful behaviour of all market players resulted in steady trends in crude oil prices throughout the year. On the domestic front, the central bank maintained the strategy of easing monetary policy, which raised strong consumer spending in all major sectors of the economy. All these factors led to healthy demand across the entire domestic textile industry chain resulting in high turnovers and better financial results. Moreover, stable increasing trend in prices resulted in inventory gains which also translated into good financial results.

MARKETING ACTIVITIES

The polyester plant of your Company achieved sales volume of 267,037 tons of Polyester Staple Fibre (PSF) / Polyester chips during the year under review as against sales of 210,021 tons of PSF during the previous year.

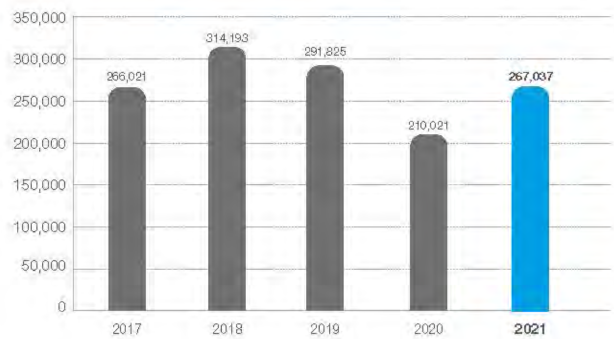
The textile plants of your Company achieved sales of 55,220 tons of different counts of blended yarns during the year, as against sales of 24,533 tons of yarns during previous year.

PRODUCTION OPERATIONS

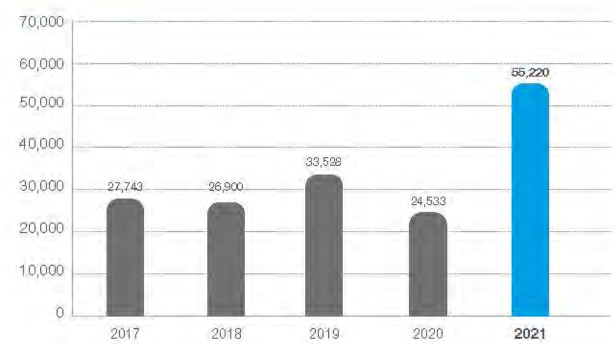
The polyester plant of your Company achieved production of 308,102 tons of PSF / Polyester chips as against 217,983 tons of PSF during the previous year. Out of the above production, 34,195 tons of PSF were consumed by the textile plants of your Company during the year for production of blended yarns as against 17,391 tons consumed during previous year.

At the textile plants of your Company, 53,159 tons of different counts of blended yarns were manufactured as against 26,583 tons of yarns during previous year.

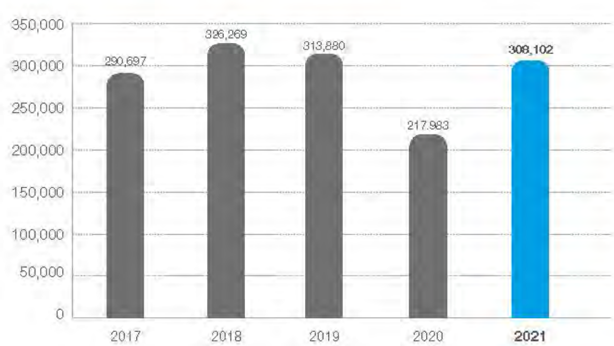
PSF / Polyester Chips Sales (Quantity in M. Ton)



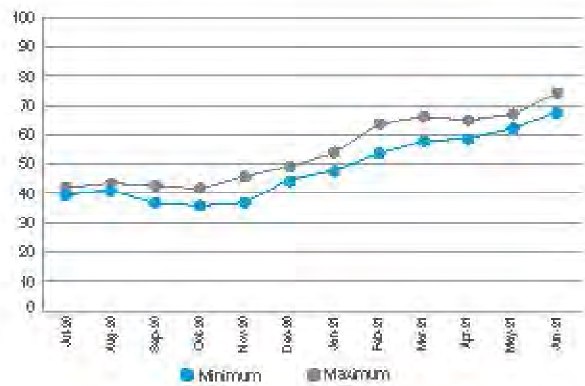
Yarn Sales (Quantity in M. Ton)



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. 70,607 million during the year under review as compared to Rs. 47,078 million during the previous year. The gross profit earned during the year was Rs. 12,465 million as against Rs. 1,951 million earned during previous year.

Your Company earned profit before tax amounting to Rs. 9,454 million during the year as compared to loss of Rs. 851 million during the previous year. Profit after tax for the year comes to Rs. 6,579 million as compared to loss of Rs. 1,295 million during previous year.

BALANCING, MODERNISATION AND REPLACEMENT

Textile Plant - III

During the financial year under review, your Company initiated a project to replace complete back process of Textile Plant III – Unit I with the latest state of the art machinery which consists of complete blow room machines, carding machines, draw frames, lap formers, combing machines and roving machines along-with waste collection and humidification systems to be supplied by World's leading machinery manufacturers Truetzschler and Saurer, Germany & Luwa Air Engineering, Switzerland.

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 have been planned to be shipped during last quarter of current calendar year and this project is expected to be completed during 1st quarter of next calendar year.

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

PROFESSIONALISM AND HUMAN RESOURCES

In this age of digital & Artificial Intelligence technologies, only those companies will survive which can develop & deploy these technologies in their company's DNA. In pursuit of this strategic goal, the management of your Company is deploying latest industry 4.0 manufacturing technologies and in parallel investing extensively on inducting, training and developing best in class human resources.

Numerous learning events are continuously being arranged internally. Moreover, your Company has arranged many external learning courses during the year under review for employees at various levels in their career path, covering many areas including business management and contemporary trends in technologies.

FUTURE OUTLOOK

Domestic textile industry is expected to maintain the hard earned momentum which it gained steadily during the last financial year under review. However, inflation as well as negative real rate of interest may jeopardise this upward trajectory. Moreover, dumping of Chinese as well as non–Chinese PSF at throw away prices is a threat for the domestic PSF manufacturing industry.

On the international front, crude oil is expected to remain stable despite risk of virus resurgence resulting in steady results throughout the petrochemical industry. However, rapidly developing situation in the region primarily driven by the change of regime in the neighbouring country has increased economic uncertainties in the domestic market.

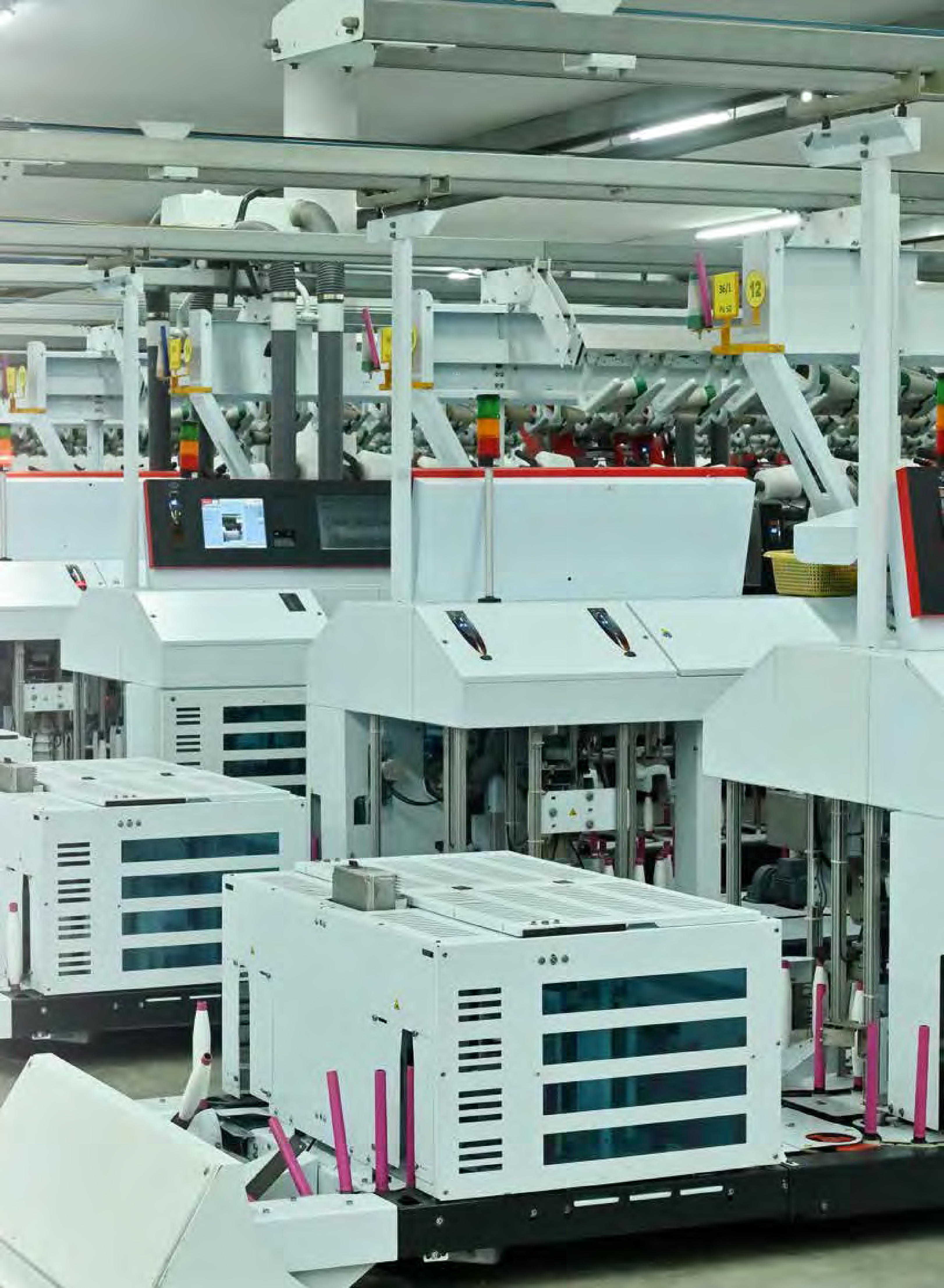
In this scenario, the management of your Company anticipates reasonable results for the foreseeable future and is making untiring efforts to increase market share through effective marketing strategies and to achieve better results through prudent cost controls and efficient inventory management.

ACKNOWLEDGMENT

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
September 17, 2021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NOTICE OF MEETING

Notice is hereby given that the 35th Annual General Meeting of the shareholders of the Company will be held on October 26, 2021 at 11:00 A.M. through tele / video conferencing from 1- Ahmed Block, New Garden Town, Lahore 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 annual audited financial statements of the Company for the year ended June 30, 2021 together with directors' and auditor's reports thereon.
3. To consider and approve the payment of Final Cash Dividend @ Rs. 2 Per Share (20%) as recommended by the Board of Directors.
4. To appoint Auditors for the year 2021 - 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 2021 - 2022.
5. To transact any other business with the permission of the chair.

By order of the Board

Muhammad Labeeb Subhani
Company Secretary

Lahore
September 17, 2021

NOTES

i. The share transfer books of the Company shall remain closed from October 19, 2021 to October 26, 2021 (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 October 18, 2021 will be treated in time.

ii. In view of the prevailing situation due to pandemic COVID-19 and in line with the direction issued to listed companies by Securities and Exchange Commission of Pakistan, vide its Circular No. 6 of 2021 dated 03 March, 2021 the Company has decided to hold its AGM through electronic means. The arrangements for the 35th AGM will be as under:

   a. AGM will be held through Zoom application - a video link facility.

   b. Shareholders interested to participate in the AGM through Zoom are requested to get themselves registered with the Company upto October 25, 2021 at 03:00 p.m. by providing their following particulars at labeeb.subhani@igc.com.pk or WhatsApp No. +923077771242.

      - Name of shareholder
      - CNIC Number (please attach snapshot of both sides of valid CNIC)
      - Folio / CDS Number
      - Cell Number
      - e-mail address

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

   d. Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary atleast two working days before the AGM, at the above given e-mail address or WhatsApp No. 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.

v. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

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.

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.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

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

REQUEST TO SHAREHOLDERS

Pursuant to Section 242 of the Companies Act, 2017, all listed companies must pay cash dividend through electronic mode directly into the bank account designated by the entitled shareholders instead of issuing physical dividend warrants.

In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s CDC Share Registrar Services Limited, CDC House, 99 - B, Block - B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, in case of physical shares.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker / participant / CDC account services.

NEW TAX IMPLEMENTATION ON DIVIDENDS

Pursuant to the provisions of the Finance Act, 2019 effective from July 01, 2019, the rates of the tax deduction on dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

1. For persons appearing in the active taxpayers' list - 15%

2. For persons not appearing in the active taxpayers' list - 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders are advised to make sure that their names are entered in the Active Taxpayers' List (ATL) provided on the website of FBR before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

TAXATION FOR JOINT SHAREHOLDERS

The FBR has clarified that where the shares are held in joint accounts / names, each account / joint holder will be treated individually as either a person appearing in the active taxpayers' list or a person not appearing in the active taxpayers' list and tax will be deducted according to his / her status on active taxpayers' list vis-à-vis shareholding position. The shareholders, who are having joint shareholding status, are requested to kindly intimate their shareholding proportions to the Shares Registrar of the Company, M/s CDC Share Registrar Services Limited, latest by October 18, 2021, in the following format:

Folio / CDC A/c No.	Name of Shareholders (Principal / Joint Holders)	No. of Shares or Percentage (Proportion)	CNIC No.	Signature

If the shareholding proportion is not advised or determined, each joint shareholder will be assumed to hold equal proportion of shares and deduction of withholding tax will be made accordingly.

REQUIREMENT OF VALID TAX EXEMPTION CERTIFICATE FOR CLAIMING EXEMPTION FROM WITHHOLDING TAX

As per FBR Circulars C. No. 1 (29) WHT / 2006 dated June 30, 2010 and C. No.1 (43) DG (WHT) / 2008 - Vol. II – 66417 - R dated May 12, 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under Clause 47B of Part - IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure, otherwise tax will be deducted on dividend as per applicable rates.

EXEMPTION FROM DEDUCTION OF ZAKAT

Members desiring non - deduction of zakat are requested to submit a valid declaration for non - deduction of zakat.

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 year ended June 30, 2021 along with Auditor's report thereon.

FINANCIAL RESULTS

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

	2021 Rupees	2020 Rupees
Gross profit	12,464,783,597	1,951,260,398
Selling and distribution expenses	(350,079,039)	(309,969,821)
Administrative expenses	(1,181,250,067)	(837,348,980)
Other operating expenses	(604,989,530)	(27,340,749)
Finance cost	(958,539,453)	(1,658,074,910)
	(3,094,858,089)	(2,832,734,460)
	9,369,925,508	(881,474,062)
Other income	83,929,120	30,658,697
Profit / (loss) before taxation	9,453,854,628	(850,815,365)
Provision for taxation	(2,874,906,479)	(444,666,576)
Profit / (loss) for the year	6,578,948,149	(1,295,481,941)
Remeasurement of staff retirement gratuity - net of tax	(71,420,288)	(2,693,583)
Un-appropriated profit brought forward	29,598,403,110	31,207,085,629
Profit available for appropriation	36,105,930,971	29,908,910,105
Final cash dividend - Nil (2020: 10%)	–	(310,506,995)
Un-appropriated profit carried forward	36,105,930,971	29,598,403,110
Earnings per share – Basic and Diluted	21.19	(4.17)

PROPOSED APPROPRIATION OF PROFIT - FINAL CASH DIVIDEND

The Board has recommended payment of Final cash dividend for the year ended June 30, 2021@ Rs. 2 per share (20%) to all the share holders of the Company.

	2021 Rupees	2020 Rupees
Final cash dividend Rs. 2 per share @ 20% (2020: Nil)	621,013,990	–

CHAIRMAN'S REVIEW

The Directors of your Company fully endorse the Chairman's review on the performance of the Company for the year ended June 30, 2021.

AUDITORS

The external auditors M/s Yousuf Adil, Chartered Accountants, retire and offer themselves for their re-appointment. The Audit Committee recommends the re-appointment of M/s Yousuf Adil, Chartered Accountants, as external auditors for the financial year ending June 30, 2022.

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2021 is annexed.

NUMBER OF BOARD MEETINGS HELD

Six meetings of the Board of Directors were held during the year ended June 30, 2021 and the attendance of the Directors is as follows:

		Attendance
Sheikh Mukhtar Ahmad	Chairman	06
Mohammad Naeem Mukhtar	Chief Executive Officer	06
Muhammad Waseem Mukhtar	Director	06
Abdul Hameed Bhutta	Director	06
Saba Muhammd	Director	03
Mohammad Naeem Asghar	Director	06
Ikram ul Haq Mian	Director	06

AUDIT COMMITTEE

The Audit Committee of the Company is in place and comprises of the following members as required under the Code of Corporate Governance.

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

Six Meetings of Audit Committee were held during the year ended June 30, 2021 as required by the Code of Corporate Governance for review of quarterly and annual 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.

Remuneration levels are kept at a reasonable level in order to attract and retain directors, however at all times, care is taken that such level does not compromise independence.

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 are pleased to confirm that the Company has made compliance of the provisions of the Code of Corporate Governance, set out in clause No. 5.20 of the Rule Book of Pakistan Stock Exchange, issued by the Securities and Exchange Commission of Pakistan and there is no material departure from the best practices as detailed in the listing regulations. Our statements on corporate and financial reporting are as follows:

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 last 5 years are annexed.

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 year, 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

Mohd. Naeem

Chief Executive Officer

Director

Lahore
September 17, 2021


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STATEMENT OF COMPLIANCE

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

Year ending June 30, 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 6

   b. Female 1

2. The composition of the board is as follows:

   Independent Directors

   Ikram ul Haq Mian

   Saba Muhammd (The Company could not round up independent director's fraction as one because 0.33 is not equal to 1)

   Non-executive Directors

   Sheikh Mukhtar Ahmad

   Muhammad Waseem Mukhtar

   Abdul Hameed Bhutta

   Executive Directors

   Mohammad Naeem Mukhtar

   Mohammad Naeem Asghar*

   Female Directors

   Saba Muhammd

   *Subsequent to balance sheet date, Mohammad Naeem Asghar resigned from board and Sarah Naeem was appointed to fill the casual vacancy.

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 ul Haq Mian

   Mohammad Naeem Mukhtar is exempted from the requirements 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	Chairman
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	4 Quarterly and 2 Others in Last Quarter
b)	HR and Remuneration Committee	1 Annual

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
September 17, 2021

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 year ended June 30, 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 year ended June 30, 2021.

Yousuf Adil

Yousuf Adil
Chartered Accountants

Engagement Partner:
Rana M. Usman Khan

Lahore
Date: September 17, 2021

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 June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and notes to the financial statements for the year 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 changes in equity and the statement of cash flows 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 June 30, 2021 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year 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.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
Revenue Recognition 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. 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. 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.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • 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.

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 year 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

Yousuf Adil
Chartered Accountants

Place: Lahore
Date: September 17, 2021

IBRAHIM FIBRES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

	Note	2021 Rupees	2020 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	40,660,810,244	39,477,948,266
Intangible assets	4	95,513,734	37,156,710
Long term loans	5	99,024,722	87,858,424
Long term deposits		7,569,771	7,540,176
		40,862,918,471	39,610,503,576
CURRENT ASSETS			
Stores, spare parts and loose tools	6	4,206,908,145	4,594,647,824
Stock in trade	7	9,198,615,343	9,703,186,774
Trade debts	8	1,129,198,891	860,483,242
Loans and advances	9	2,919,177,439	1,426,327,536
Prepayments		80,665,370	49,659,288
Other receivables	10	3,098,233,817	3,324,913,434
Short term investment	11	12,371,836	–
Cash and bank balances	12	53,101,261	18,079,674
		20,698,272,102	19,977,297,772
CURRENT LIABILITIES			
Trade and other payables	13	2,859,121,802	1,123,336,895
Mark up / interest payable		184,949,228	517,302,165
Short term bank borrowings	14	886,243,017	7,040,979,503
Current portion of long term financing	15	916,666,668	–
Unclaimed dividend		26,992,584	27,100,129
Provision for taxation - income tax		2,314,728,641	707,573,354
		7,188,701,940	9,416,292,046
Working capital		13,509,570,162	10,561,005,726
Total capital employed		54,372,488,633	50,171,509,302
NON - CURRENT LIABILITIES			
Long term financing	15	6,292,106,275	10,000,000,000
Deferred liabilities:			
Deferred taxation	16	2,434,052,886	1,195,473,361
Staff retirement gratuity	17	1,273,637,902	1,110,872,232
		9,999,797,063	12,306,345,593
CONTINGENCIES AND COMMITMENTS	18	–	–
Net worth		44,372,691,570	37,865,163,709
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	40,195,604,070	33,688,076,209
		44,372,691,570	37,865,163,709

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 year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Sales - net	22	70,607,072,729	47,078,366,164
Cost of goods sold	23	(58,142,289,132)	(45,127,105,766)
Gross profit		12,464,783,597	1,951,260,398
Selling and distribution expenses	24	(350,079,039)	(309,969,821)
Administrative expenses	25	(1,181,250,067)	(837,348,980)
Other operating expenses	26	(604,989,530)	(27,340,749)
Finance cost	27	(958,539,453)	(1,658,074,910)
		(3,094,858,089)	(2,832,734,460)
		9,369,925,508	(881,474,062)
Other income	28	83,929,120	30,658,697
Profit / (loss) before taxation		9,453,854,628	(850,815,365)
Provision for taxation	29	(2,874,906,479)	(444,666,576)
Profit / (loss) for the year		6,578,948,149	(1,295,481,941)
Earnings per share - Basic and Diluted	30	21.19	(4.17)

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Profit / (loss) for the year		6,578,948,149	(1,295,481,941)
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of staff retirement gratuity	17.2.2	(100,591,955)	(3,793,779)
Deferred tax	16	29,171,667	1,100,196
		(71,420,288)	(2,693,583)
Total comprehensive income for the year		6,507,527,861	(1,298,175,524)

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

	2021 Rupees	2020 Rupees
a) Cash flows from operating activities		
Profit / (loss) before taxation	9,453,854,628	(850,815,365)
Adjustments for:		
Depreciation / amortisation of property, plant and equipment	4,043,675,096	3,165,414,770
Amortisation of intangible assets	11,393,980	9,533,967
Provision for staff retirement gratuity	163,362,663	255,986,112
Balances written (back) / off - net	(550,681)	19,187,038
(Gain) / loss on disposal of property, plant and equipment	(24,168,456)	7,907,713
Profit on investment at amortised cost	(371,836)	–
Profit on deposits	(2,950,615)	(203,528)
Finance cost	958,539,453	1,658,074,910
Operating cash flows before working capital changes	14,602,784,232	4,265,085,617
Changes in working capital		
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	387,739,679	(822,961,485)
Stock in trade	504,571,431	1,114,399,910
Trade debts	(268,212,160)	(343,476,021)
Loans and advances	(349,322,029)	127,805,212
Prepayments	(31,006,082)	11,835,976
Other receivables	101,679,617	928,558,596
Increase / (decrease) in current liabilities		
Trade and other payables	1,813,027,184	(2,278,986,667)
	2,158,477,640	(1,262,824,479)
Cash generated from operations	16,761,261,872	3,002,261,138
Long term loans - net	(5,290,790)	41,923,246
Finance cost paid	(1,308,739,731)	(1,613,819,724)
Income tax paid - net	(1,024,424,630)	(385,886,294)
Staff retirement gratuity paid	(102,834,507)	(798,840,637)
Net cash from operating activities	14,319,972,214	245,637,729
b) Cash flows from investing activities		
Additions in:		
Property, plant and equipment	(5,511,050,083)	(10,392,686,438)
Intangible assets	(69,751,004)	(13,601,562)
Proceeds from disposal of property, plant and equipment	251,000,528	16,687,759
Long term deposits	(29,595)	(290,821)
Profit on deposits	2,950,615	210,256
Short term investment	(12,000,000)	–
Net cash used in investing activities	(5,338,879,539)	(10,389,680,806)
c) Cash flows from financing activities		
Long term financing obtained	2,042,106,277	8,500,000,000
Repayment of long term financing	(4,833,333,334)	–
(Decrease) / increase in short term bank borrowings - net	(6,154,736,486)	1,933,938,115
Dividend paid	(107,545)	(308,659,674)
Net cash (used in) / from financing activities	(8,946,071,088)	10,125,278,441
Net increase / (decrease) in cash and cash equivalents (a+b+c)	35,021,587	(18,764,636)
Cash and cash equivalents at the beginning of the year	18,079,674	36,844,310
Cash and cash equivalents at the end of the year	53,101,261	18,079,674

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 year ended June 30, 2021

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share premium	Merger reserve	General reserve	Unappropriated profit	
	Rupees					
Balance as at July 01, 2019	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	31,207,085,629	39,473,846,228
Transactions with owners						
Final cash dividend for the year ended June 30, 2019: Rs. 1 per share	-	-	-	-	(310,506,995)	(310,506,995)
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(1,295,481,941)	(1,295,481,941)
Other comprehensive income	-	-	-	-	(2,693,583)	(2,693,583)
	-	-	-	-	(1,298,175,524)	(1,298,175,524)
Balance as at June 30, 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

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 year ended June 30, 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 - Sheikhupura 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.

2.2 Application of new and revised IFRS Standards

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

There were certain new standards, amendments to the approved accounting standards and interpretations which became effective during the year ended June 30, 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 July 01, 2021 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.

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 year 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 year 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.

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 annually 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	3.1	38,452,653,375	39,308,114,692
Capital work in progress	3.5	2,208,156,869	169,833,574
		40,660,810,244	39,477,948,266

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, 2019										
Cost	526,595,472	23,179,082	5,393,889,462	63,897,537	44,411,401,956	282,639,935	337,611,423	324,495,512	–	51,363,710,379
Accumulated depreciation / amortisation	–	(746,402)	(2,931,386,878)	(52,475,998)	(22,152,551,978)	(133,485,230)	(149,003,618)	(166,151,728)	–	(25,585,801,832)
Written down value	526,595,472	22,432,680	2,462,502,584	11,421,539	22,258,849,978	149,154,705	188,607,805	158,343,784	–	25,777,908,547
Reconciliation of written down value at June 30, 2020										
Written down value as at July 01, 2019	526,595,472	22,432,680	2,462,502,584	11,421,539	22,258,849,978	149,154,705	188,607,805	158,343,784	–	25,777,908,547
Additions	321,294,861	–	3,887,349,864	141,596,438	12,195,142,079	76,685,752	38,874,769	59,663,385	–	16,720,607,148
Less: Disposals										
Cost	–	–	–	–	2,869,048	434,732	11,303,436	33,098,509	–	47,705,725
Accumulated depreciation	–	–	–	–	(2,681,773)	(260,246)	(3,064,400)	(17,103,834)	–	(23,110,253)
	–	–	–	–	187,275	174,486	8,239,036	15,994,675	–	24,595,472
Less: Depreciation / amortisation	–	288,717	390,742,141	7,248,415	2,692,176,912	18,468,075	20,563,805	36,317,466	–	3,165,805,531
Written down value as at June 30, 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
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)
	190,769,700	–	274,919	–	7,820,699	134,921	7,922,375	19,909,458	–	226,832,072
Less: Depreciation / amortisation	–	288,717	596,420,674	14,576,956	3,179,247,202	21,896,505	23,844,317	39,692,392	167,708,333	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 June 30, 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
Rate (%)	–	01 ~ 1.25	10	10	10	10	10	20	10	

	Note	2021 Rupees	2020 Rupees
3.2 Depreciation / amortisation for the year has been allocated as under:			
Cost of goods sold	23	3,800,017,210	3,103,121,005
Administrative expenses	25	243,657,886	62,293,765
Unallocated capital expenditures		–	390,761
		4,043,675,096	3,165,805,531

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

Description	Location	Land Area (Kanals)
Freehold land	Shahkot	7,324
	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				
Land					
(Sold by negotiation)	190,769,700	190,769,700	200,000,000	9,230,300	Talha Hassan, House # 110, Mohalla Willayat Homes, Chaklala Scheme-III, Rawalpidi.
	190,769,700	190,769,700	200,000,000	9,230,300	
Building					
(Scrapped and written off)	8,865,412	274,919	-	(274,919)	
	8,865,412	274,919	-	(274,919)	
Plant & machinery					
(Insurance claim)	5,026,932	2,017,685	10,000,000	7,982,315	EFU General Insurance Limited, Ahmed Plaza, Bilal Road, Civil Lines, Faisalabad.
(Sold by negotiation)	25,652,297	999,379	1,444,500	445,121	Green Cotton Products (Pvt.) Limited, 3 K.M., Chandi Kot, Warburton Road, Nankana Sahib.
	17,945,432	729,632	1,953,000	1,223,368	Ideal Trading Corporation, Office No. P-56, Main Kashmir Road, Amin Town, Faisalabad.
	67,146,043	2,710,571	11,985,000	9,274,429	J.A. Textile Mills Limited, 29 K.M., Sheikhupura Road, Tehsil Jaranwala, Faisalabad.
	23,994,454	1,363,432	3,787,500	2,424,068	Assets having net book value less than Rs. 500,000/- each.
	139,765,158	7,820,699	29,170,000	21,349,301	
Office Equipment					
(Sold under Company policy)	9,200,475	7,071,020	50,217	(7,020,803)	Assets having net book value less than Rs. 500,000/- each.
(Scrapped and written off)	1,300,807	851,355	-	(851,355)	
	10,501,282	7,922,375	50,217	(7,872,158)	
Furniture & fixtures					
(Sold by negotiation)	19,050	10,061	8,000	(2,061)	Assets having net book value less than Rs. 500,000/- each.
(Scrapped and written off)	337,119	124,860	-	(124,860)	
	356,169	134,921	8,000	(126,921)	
Vehicles					
(Insurance claim)	2,183,831	1,071,707	2,524,500	1,452,793	IGI General Insurance Limited, 3rd Floor, Sitara Tower, Bilal Road, Civil Lines, Faisalabad.
(Sold by negotiation)	27,794,734	5,792,546	6,000,000	207,454	Irfan Aslam House # E-37, Street # 6, Officer's Colony, Cavalry Ground, Lahore Cantt, Distt. Lahore.
	1,986,633	681,720	757,941	76,221	Ch. Sarfraz Ahmad Bajwa House # 22-A, Noor Block, Faisal Garden, Faisalabad.
	2,118,346	939,981	1,000,000	60,019	Usama Bin Naseer House # P-158, Raje Wala, Green View Colony, Faisalabad.
	4,697,633	901,735	876,481	(25,254)	Assets having net book value less than Rs. 500,000/- each.
(Disposed off under Company policy)	2,579,410	2,006,207	2,056,218	50,011	Ahmad Ata Khan (Ex-Employee)
	2,046,960	678,201	678,201	-	Tahir Shakoor (Employee)
	1,830,095	573,449	573,449	-	Muhammad Qasim (Employee)
	1,435,110	661,299	661,299	-	Hassan Tariq (Ex-Employee)
	1,703,460	534,157	534,157	-	Muhammad Irfan Mirza (Employee)
	2,039,560	627,481	627,481	-	Tariq Nazir (Employee)
	2,368,792	1,369,162	1,369,162	-	Muhammad Nadeem Ashraf (Ex-Employee)
	2,029,890	534,156	534,156	-	Javed Akhtar Sheikh (Employee)
	1,912,460	575,758	575,758	-	Muhammad Nadeem Aslam (Employee)
	1,906,560	501,702	501,702	-	Muhammad Saqib Iqbal (Employee)
	7,958,363	2,460,197	2,501,806	41,609	Assets having net book value less than Rs. 500,000/- each.
	66,591,837	19,909,458	21,772,311	1,862,853	
2021	416,849,558	226,832,072	251,000,528	24,168,456	
2020	47,705,725	24,595,472	16,687,759	(7,907,713)	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2021

		Note	2021 Rupees	2020 Rupees
3.5	**Capital work in progress**			
	Building on freehold land		17,764,101	9,988,353
	Plant and machinery		1,856,620,243	6,932,407
	Advances against property, plant and equipment			
	Land		213,513,839	134,587,608
	Building on freehold land		12,242,116	572,066
	Plant and machinery		21,065,701	5,489,266
	Furniture and fixture		618,921	8,314,874
	Vehicles		68,484,607	3,949,000
			315,925,184	152,912,814
	Unallocated capital expenditures		17,847,341	–
			2,208,156,869	169,833,574

4. INTANGIBLE ASSETS

	Note	2021 Rupees	2020 Rupees
Computer softwares	4.1	32,795,813	34,906,710
Advance against computer software under implementation		62,717,921	2,250,000
		95,513,734	37,156,710

		Note	2021 Rupees	2020 Rupees
4.1	**Computer softwares**			
	Cost		173,048,245	163,765,162
	Accumulated amortisation		(140,252,432)	(128,858,452)
	Written down value		32,795,813	34,906,710
	Reconciliation of written down value			
	Opening balance		34,906,710	28,237,868
	Additions		9,283,083	16,202,809
	Amortisation	25	(11,393,980)	(9,533,967)
	Closing balance		32,795,813	34,906,710

5. LONG TERM LOANS

	Note	2021 Rupees	2020 Rupees
Loans to employees - considered good	5.1	184,525,948	179,235,158
Less: Current portion	9	85,501,226	91,376,734
		99,024,722	87,858,424

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 year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
6. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores			
In hand		709,122,567	789,070,533
In transit		11,146,554	241,709,987
		720,269,121	1,030,780,520
Spare parts			
In hand		3,243,575,408	3,330,825,674
In transit		224,058,368	221,068,738
		3,467,633,776	3,551,894,412
Loose tools		19,005,248	11,972,892
		4,206,908,145	4,594,647,824
7. STOCK IN TRADE			
Raw materials			
In hand		4,581,672,809	7,019,463,547
In transit		1,037,595,433	2,884,200
		5,619,268,242	7,022,347,747
Work in process		820,200,060	355,881,331
Finished goods		2,733,736,057	2,312,817,900
Wastes		25,410,984	12,139,796
		9,198,615,343	9,703,186,774
8. TRADE DEBTS			
Considered good - Unsecured		1,129,198,891	860,483,242
9. LOANS AND ADVANCES			
Loans to employees - considered good			
Short term loans		7,564,938	4,021,916
Current portion of long term loans	5	85,501,226	91,376,734
		93,066,164	95,398,650
Advances			
Suppliers and contractors		430,632,751	58,883,006
Income tax		2,364,243,946	1,214,819,316
Sales tax		947,993	38,381,985
Letters of credit fee, margin and expenses		30,286,585	18,844,579
		2,826,111,275	1,330,928,886
		2,919,177,439	1,426,327,536
10. OTHER RECEIVABLES			
Custom duty refundable		45,365,611	20,029,208
Income tax refundable		1,597,632,547	1,722,632,547
Sales tax / federal excise duty refundable / adjustable		1,213,286,119	1,541,951,140
Claims		211,045,599	25,564,275
Other		30,903,941	14,736,264
		3,098,233,817	3,324,913,434

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2021

		Note	2021 Rupees	2020 Rupees
11.	**SHORT TERM INVESTMENT**			
	Term deposit receipt - at amortised cost	11.1	12,371,836	–

11.1 The rate of profit is 6.50% per annum (2020: Nil).

		Note	2021 Rupees	2020 Rupees
12.	**CASH AND BANK BALANCES**			
	Cash in hand		43,636,669	6,207,334
	Cash at banks			
	In current accounts		9,318,643	11,786,176
	In deposit accounts	12.1	145,949	86,164
			9,464,592	11,872,340
			53,101,261	18,079,674

12.1 The rate of profit on deposit accounts ranges between 5.50% to 6.30% per annum (2020: 6.50% to 11.25% per annum).

		Note	2021 Rupees	2020 Rupees
13.	**TRADE AND OTHER PAYABLES**			
	Creditors		529,078,934	423,494,897
	Accrued liabilities		366,017,511	286,757,011
	Advances from customers		328,754,006	281,235,887
	Capital expenditure payable		24,930,565	100,458,843
	Bills payable		965,351,043	79,425
	Workers' profit participation fund	13.1	502,940,040	–
	Workers' welfare fund		102,006,140	–
	Other		40,043,563	31,310,832
			2,859,121,802	1,123,336,895

13.1 Workers' profit participation fund

	2021 Rupees	2020 Rupees
Opening balance	–	109,756,113
Interest on funds utilised in the Company's business	–	11,725,911
	–	121,482,024
Paid to the fund	–	(121,482,024)
	–	–
Allocation for the year	502,940,040	–
	502,940,040	–

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2021

	2021 Rupees	2020 Rupees
14. SHORT TERM BANK BORROWINGS		
Secured		
Running finances	886,243,017	6,540,979,503
Term finances	–	500,000,000
	886,243,017	7,040,979,503

14.1 These facilities are secured against first pari passu hypothecation charge over current assets of the Company and carry markup ranging from 7.07% to 11.24% per annum (2020: 1.77% to 14.06% per annum). The aggregate unavailed short term bank borrowing facilities available to the Company are Rs. 13,714 million (2020: Rs. 5,459 million).

	Note	2021 Rupees	2020 Rupees
15. LONG TERM FINANCING			
Secured			
From banking companies			
Demand finance	15.1	–	1,500,000,000
Diminishing Musharakah I	15.2	2,333,333,333	3,500,000,000
Diminishing Musharakah II	15.3	1,333,333,333	2,000,000,000
Diminishing Musharakah III	15.4	1,500,000,000	3,000,000,000
Diminishing Musharakah IV	15.5	1,737,216,117	–
Diminishing Musharakah V	15.6	298,962,000	–
Diminishing Musharakah VI	15.7	5,928,160	–
		7,208,772,943	10,000,000,000
Less: Current portion		916,666,668	–
		6,292,106,275	10,000,000,000

15.1 Demand finance

The Company has prepaid the entire loan during the year.

Effective markup rate charged during the year ranges from 7.45% to 7.77% per annum (2020: 7.77% to 13.56% per annum).

15.2 Diminishing Musharakah I

It is repayable in 6 equal half yearly installments commencing from January 16, 2022 and ending on July 16, 2023. During the year, the Company has prepaid last two installments. It is secured by way of first pari passu charge over plant and machinery of Textile Plant - IV of the Company. It carries markup at six months KIBOR plus 10 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 6.71% to 13.59% per annum (2020: 13.33% to 14.18% per annum).

15.3 Diminishing Musharakah II

It is repayable in 6 equal half yearly installments commencing from May 15, 2022 and ending on November 15, 2023. During the year, the Company has prepaid last two installments. It is secured by way of first pari passu charge over plant and machinery of Textile Plant - IV of the Company. It carries markup at six months KIBOR plus 10 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 7.45% to 8.29% per annum (2020: 8.29% to 13.68% per annum).

15.4 Diminishing Musharakah III

It is repayable in 6 equal half yearly installments commencing from October 13, 2022 and ending on October 13, 2023. During the year, the Company has prepaid last three installments. It is secured by way of first exclusive charge over plant and machinery of Coal Fired Power Plant of the Company. It carries markup at six months KIBOR plus 10 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 7.70% to 10.49% per annum (2020: 10.49% per annum).

15.5 Diminishing Musharakah IV

It is repayable in 16 equal half yearly installments commencing from January 27, 2023 and ending on December 09, 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 year is 1.30% per annum (2020: Nil).

15.6 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 year is 1.30% per annum (2020: Nil).

15.7 Diminishing Musharakah VI

It is repayable in 16 equal half yearly installments commencing from December 28, 2023 and ending on June 28, 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 year is 1.50% per annum (2020: Nil).

16. DEFERRED TAXATION

	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

	At July 01, 2019	Charged / (Credited) to profit or loss	Credited in other comprehensive income	At June 30, 2020
	Rupees			
Deferred tax liabilities:				
Difference in tax and accounting bases of property, plant and equipment	3,937,769,245	972,409,061	–	4,910,178,306
Deferred tax assets:				
Staff retirement gratuity	(479,164,607)	157,427,812	(1,100,196)	(322,836,991)
Unadjusted tax losses	(2,017,713,512)	(1,374,154,442)	–	(3,391,867,954)
	(2,496,878,119)	(1,216,726,630)	(1,100,196)	(3,714,704,945)
	1,440,891,126	(244,317,569)	(1,100,196)	1,195,473,361

17. STAFF RETIREMENT GRATUITY

The scheme provides terminal benefits for all the employees of the Company who attain the minimum qualifying period. Annual charge is based on actuarial valuation carried out as at June 30, 2021 using Projected Unit Credit Method.

	2021 Rupees	2020 Rupees
17.1 The amount recognised in the statement of financial position is as follows:		
Present value of defined benefit obligation	1,273,637,902	1,110,872,232

	Note	2021 Rupees	2020 Rupees
17.2 Movement in net liability recognised			
Opening Liability		1,110,872,232	1,649,069,011
Liability transferred to accrued liabilities		–	(1,487,816)
Expenses recognised in statement of profit or loss	17.2.1	163,362,663	255,986,112
Paid during the year		(101,188,948)	(796,488,854)
Remeasurement of obligation	17.2.2	100,591,955	3,793,779
		1,273,637,902	1,110,872,232
17.2.1 Expenses recognised in statement of profit or loss			
Current service cost		73,239,054	132,715,299
Past service cost		–	(54,865,683)
Interest cost		90,123,609	178,136,496
		163,362,663	255,986,112
17.2.2 Remeasurement of obligation			
Actuarial losses / (gains) from changes in financial assumptions		4,218,972	(14,434,898)
Experience adjustment		96,372,983	18,228,677
		100,591,955	3,793,779

	2021	2020
17.3 Principal actuarial assumptions used		
Discount rate	10.00 % per annum	8.50 % per annum
Expected rate of increase in salary	9.00 % per annum	7.50 % per annum
Expected average duration of the defined benefit obligation	7.3 years	8 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	1,186,491,047	1,371,999,350
Salary growth rate	100 bps	1,374,037,487	1,183,108,350

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.

	2021 Rupees in million	2020 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) The Company claimed exemption from levy of custom duty on import of plant and machinery for the project of Polyester plant. A suit was filed in the Honourable Sindh High Court, Karachi for this purpose and bank guarantees were furnished accordingly. Later on, the Company reached an out of court settlement with customs department and paid Rs. 116.594 million accordingly. The department has issued No Objection Certificate dated June 21, 2017 in the name of Honourable Sindh High Court at Karachi for the release of bank guarantees and due legal process is in process for its effect.	–	–
(ii) Guarantees issued in favour of Sui Northern Gas Pipelines Limited against supply of gas.	629.517	629.517
(iii) Guarantees issued in favour of The Director, Excise and Taxation, Karachi against imposition of infrastructure cess.	1,100.000	1,000.000
(iv) 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
(v) Guarantees issued in favour of Faisalabad Electric Supply Company against electricity connection.	56.960	56.960
(vi) Guarantee issued in favour of State Bank of Pakistan to avail benefit under Technology up-gradation Fund Scheme.	–	20.000
18.1.2 Custom duty of Rs. 8.9 million (2020: 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 (2020: 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 and is currently pending for adjudication.	6.166	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

		2021 Rupees in million	2020 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 alongwith 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. During the year, 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). During the year, the CIR-A passed an order dated February 26, 2021 and reduced the demand.	83.074	83.744
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
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.		

		2021 Rupees in million	2020 Rupees in million
	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.	–	–
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.	302.900	302.900
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 which is pending for adjudication.	0.077	0.077
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.	94.210	94.210
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.	13.184	13.184
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 which is pending for adjudication.	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	–
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. The Company filed an appeal against the order before CIR-A during subsequent year.	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 subsequent year.	2,794.589	–

		2021 Rupees in million	2020 Rupees in million
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 against the order of DCIR during subsequent year.	3,296.334	-
18.2	**Commitments**		
18.2.1	**Under contracts for capital expenditure:**		
	Land and building	66.923	106.851
	Plant and machinery	53.503	7.445
18.2.2	**Under letters of credit for:**		
	Plant and machinery	1,463.975	1,808.952
	Raw materials, stores and spare parts	4,167.302	368.221

19. SHARE CAPITAL

Authorised capital

2021 Number of shares	2020 Number of shares		2021 Rupees	2020 Rupees
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

2021 Number of shares	2020 Number of shares		2021 Rupees	2020 Rupees
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

20. CAPITAL RESERVES

	Note	2021 Rupees	2020 Rupees
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 year ended June 30, 2021

			2021 Rupees	2020 Rupees
21.	**REVENUE RESERVES**			
	General reserve		4,089,673,099	4,089,673,099
	Unappropriated profit		36,105,930,971	29,598,403,110
			40,195,604,070	33,688,076,209
22.	**SALES**			
	Local		71,064,787,531	47,375,044,616
	Export		–	42,779,120
			71,064,787,531	47,417,823,736
	Less:			
	Commission and brokerage		67,105,077	25,459,184
	Discount on sale		390,609,725	313,998,388
			70,607,072,729	47,078,366,164

22.1 Sales are exclusive of sales tax of Rs. 12,142,882,803/- (2020: Rs. 8,078,973,710/-).

		Note	2021 Rupees	2020 Rupees
23.	**COST OF GOODS SOLD**			
	Raw materials consumed		45,386,919,293	32,699,538,543
	Packing materials		841,379,271	517,635,567
	Salaries, wages and benefits		1,568,005,627	1,671,895,873
	Staff retirement benefits		94,240,835	150,500,474
	Stores and spare parts		1,605,391,242	1,062,927,280
	Fuel and power		5,137,610,447	4,097,950,221
	Insurance		97,065,197	89,258,307
	Depreciation of property, plant and equipment	3.2	3,800,017,210	3,103,121,005
	Other		510,168,084	482,469,858
			59,040,797,206	43,875,297,128
	Work in process			
	Opening stock		355,881,331	622,633,277
	Closing stock		(820,200,060)	(355,881,331)
			(464,318,729)	266,751,946
	Cost of goods manufactured		58,576,478,477	44,142,049,074
	Finished goods			
	Opening stock		2,324,957,696	3,310,014,388
	Closing stock		(2,759,147,041)	(2,324,957,696)
			(434,189,345)	985,056,692
			58,142,289,132	45,127,105,766
24.	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and benefits		90,825,734	87,447,034
	Staff retirement benefits		17,265,519	25,973,817
	Freight and forwarding		200,305,656	158,848,857
	Travelling and conveyance		5,611,727	7,413,647
	Vehicles running and maintenance		4,903,571	4,799,370
	Postage and telecommunication		1,872,192	1,569,965
	Other		29,294,640	23,917,131
			350,079,039	309,969,821

	Note	2021 Rupees	2020 Rupees
25. ADMINISTRATIVE EXPENSES			
Directors' remuneration		93,250,000	85,000,000
Salaries, wages and benefits		358,551,829	315,980,805
Staff retirement benefits		51,856,309	79,511,821
Travelling and conveyance		67,393,324	55,903,040
Vehicles running and maintenance		18,673,611	15,430,752
Fuel and power		59,575,216	42,015,216
Postage and telecommunication		23,206,859	17,780,783
Printing and stationery		6,606,052	5,534,087
Repairs and maintenance		162,615,581	74,877,468
Fees, subscription and periodicals		8,993,300	10,898,592
Rent, rates and taxes		15,600,616	15,138,468
Legal and professional		14,471,523	17,570,700
Entertainment		15,339,007	14,280,861
Auditors' remuneration	25.1	4,293,000	3,073,000
Advertisement		697,834	296,900
Insurance		13,961,049	821,629
Donations	25.2	4,950,000	6,250,000
Depreciation / amortisation of property, plant and equipment	3.2	243,657,886	62,293,765
Amortisation of intangible assets	4.1	11,393,980	9,533,967
Other		6,163,091	5,157,126
		1,181,250,067	837,348,980

25.1 Auditors' remuneration

	2021 Rupees	2020 Rupees
Audit fee	3,200,000	2,200,000
Other services	1,093,000	873,000
	4,293,000	3,073,000

25.1.1 Other services include half yearly review, 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 spouse had any interest in the donees' fund.

	2021 Rupees	2020 Rupees
26. OTHER OPERATING EXPENSES		
Workers' profit participation fund	502,940,040	–
Workers' welfare fund	102,006,140	245,998
Loss on disposal of property, plant and equipment	–	7,907,713
Exchange difference	43,350	–
Balances written off - net	–	19,187,038
	604,989,530	27,340,749

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
27. FINANCE COST			
Mark up / interest on:			
Long term financing		722,070,773	559,411,545
Short term bank borrowings	27.1	233,589,653	1,045,304,488
Workers' profit participation fund		–	11,725,911
Bank charges and commission		2,879,027	2,863,679
Exchange differences		–	38,769,287
		958,539,453	1,658,074,910

27.1 It includes markup of Rs. Nil (2020: Rs.10,062,740/-) paid to Ibrahim Holdings (Private) Limited, the parent company.

	2021 Rupees	2020 Rupees
28. OTHER INCOME		
Profit on deposits	2,950,615	203,528
Exchange differences	–	468,640
Scrap sales	48,117,171	26,114,552
Balances written back - net	550,681	–
Gain on disposal of property, plant and equipment	24,168,456	–
Rental income	7,212,000	3,612,000
Other	930,197	259,977
	83,929,120	30,658,697
29. PROVISION FOR TAXATION		
Current		
For the year	(1,607,155,287)	(707,573,354)
For prior year	–	18,589,209
	(1,607,155,287)	(688,984,145)
Deferred		
For the year	(1,267,751,192)	242,648,875
For prior year	–	1,668,694
	(1,267,751,192)	244,317,569
	(2,874,906,479)	(444,666,576)

29.1 Reconciliation between accounting profit and tax expense

	2021 Rupees	2020 Rupees
Accounting profit / (loss) before tax	9,453,854,628	(850,815,365)
Tax rate	29%	29%
Tax on accounting profit	(2,741,617,842)	246,736,456
Tax impact of income chargeable as final tax	–	(1,680,325)
Impact of minimum tax	–	(710,190,106)
Impact of income chargeable at lower rate	–	209,496
Impact of Alternative Corporate Tax	(133,288,637)	–
Prior year adjustment	–	20,257,903
Tax expense	(2,874,906,479)	(444,666,576)

	2021	2020
30. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit / (loss) for the year (Rupees)	6,578,948,149	(1,295,481,941)
Weighted average number of ordinary shares	310,506,995	310,506,995
Earnings per share - Basic and Diluted (Rupees)	21.19	(4.17)

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

	2021			2020		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees					
Remuneration	27,272,724	54,545,448	394,012,685	24,999,996	49,999,992	340,908,800
Medical allowance	2,727,276	5,454,552	44,452,350	2,500,004	5,000,008	39,261,166
Meeting Fee	–	3,250,000	–	–	2,500,000	–
Reimbursable expenses for vehicles running	–	–	16,575,536	–	–	14,942,346
	30,000,000	63,250,000	455,040,571	27,500,000	57,500,000	395,112,312
Number of persons	1	3	157	1	3	143

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. 3,991,366/- (2020: Rs. 2,568,316/-). 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	2021 Rupees	2020 Rupees
Parent company			
	Dividend paid	–	279,939,014
	Purchase of property, plant and equipment	2,910,444,951	–
	Rental income	7,200,000	3,600,000
	Short term borrowing obtained and repaid	–	1,500,000,000
Associated undertakings			
	Rent charged	11,949,984	11,949,984
	Consultancy fee paid	5,800,000	16,472,000
	Rental income	12,000	12,000
Key management personnel			
	Dividend paid	–	47,000

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	90.6434%
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%
Saba Muhammd	Key management personnel		0.0002%
Mohammad Naeem Asghar	Key management personnel		0.0002%
Abdul Hameed Bhutta	Key management personnel		0.0003%
Ikram ul Haq Mian	Key management personnel		0.0002%

32.1 Ibrahim Holdings (Private) Limited acquired 1,115,800 shares of the Company during the year.

33. PLANT CAPACITY AND ACTUAL PRODUCTION

	2021 M. Tons	2020 M. Tons
Annual production capacity (350 days - 3 shifts)		
Polyester Staple Fibre / Polyester Chips	390,600	390,600
Yarn converted into 20/s count	78,400	78,400
Actual production		
Polyester Staple Fibre / Polyester Chips	308,102	217,983
Yarn converted into 20/s count	70,505	38,166

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

34. NUMBER OF EMPLOYEES

	2021	2020
Total number of employees as at June 30,	3,613	1,337
Average number of employees during the year	2,423	3,378

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 year ended June 30, 2021

	2021 Rupees	2020 Rupees
35.1 Financial instruments by category		
Financial assets:		
Cash and bank balances	53,101,261	18,079,674
At amortised cost:		
Long term loans	184,525,948	179,235,158
Long term deposits	7,569,771	7,540,176
Trade debts	1,129,198,891	860,483,242
Loans and advances	7,564,938	4,021,916
Other receivables	218,165,599	33,219,275
Short term investment	12,371,836	-
	1,612,498,244	1,102,579,441
Financial liabilities measured at amortised cost:		
Long term financing	7,208,772,943	10,000,000,000
Trade and other payables	1,906,813,344	830,485,575
Mark up / interest payable	184,949,228	517,302,165
Short term bank borrowings	886,243,017	7,040,979,503
Unclaimed dividend	26,992,584	27,100,129
	10,213,771,116	18,415,867,372

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:

	2021 Rupees	2020 Rupees
Long term loans	99,024,722	87,858,424
Loans and advances	93,066,164	95,398,650
Long term deposits	7,569,771	7,540,176
Trade debts	1,129,198,891	860,483,242
Other receivables	218,165,599	33,219,275
Short term investment	12,371,836	-
Bank balances	9,464,592	11,872,340
	1,568,861,575	1,096,372,107

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:

	2021 Rupees	2020 Rupees
Not past due	1,118,076,463	643,862,212
Past due within one year	1,128,958	206,862,039
Past due more than one year	9,993,470	9,758,991
	1,129,198,891	860,483,242

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 June 30, 2021 and June 30, 2020.

	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

	2020				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
	Rupees				
Financial liabilities:					
Long term financing	10,000,000,000	13,276,402,872	540,597,826	531,941,644	12,203,863,402
Trade and other payables	830,485,575	830,485,575	830,485,575	–	–
Mark up / interest payable	517,302,165	517,302,165	517,302,165	–	–
Short term bank borrowings	7,040,979,503	7,040,979,503	7,040,979,503	–	–
Unclaimed dividend	27,100,129	27,100,129	27,100,129	–	–
	18,415,867,372	21,692,270,244	8,956,465,198	531,941,644	12,203,863,402

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 year end.

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, profit for the year and equity would have been lower / higher by Rs. 139.953 million (2020: Rs. 128.420 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. 191.768 million (2020: Rs. 13.899 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 year and equity would have been lower / higher by Rs. 9.588 million (2020: Rs. 0.695 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 year 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 year ended June 30, 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 June 30, 2021 and June 30, 2020 was as follows:

	Note	2021 Rupees	2020 Rupees
Debt	14 & 15	8,095,015,960	17,040,979,503
Less: Cash and cash equivalents		53,101,261	18,079,674
Net Debt		8,041,914,699	17,022,899,829
Total equity		44,372,691,570	37,865,163,709
		52,414,606,269	54,888,063,538
Gearing ratio		15.34%	31.01%

36. IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

Novel strain of coronavirus disease (COVID-19) that was classified as a pandemic by the World Health Organization impacted countries globally including Pakistan. Government of Pakistan took certain measures to reduce spread of the pandemic including lockdown of business activities across the country. These measures resulted in an overall economic slowdown.

Management has evaluated and concluded that outcomes of these developments do not have any material implication on the financial statements of the Company that require specific disclosure.

37. NON ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors in its Meeting held on September 17, 2021 proposed a final cash dividend of Rs. 2 per share for the year ended June 30, 2021, amounting to Rs. 621.014 million, for approval of the members at the Annual General Meeting to be held on October 26, 2021.

38. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue as on September 17, 2021 by the Board of Directors of the Company.

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

Chief Executive Officer | Director | Chief Financial Officer

PATTERN OF SHAREHOLDING
As at June 30, 2021

Number of Shareholders	Having Shares From	Having Shares To	Shares Held
416	1	100	15,006
808	101	500	186,981
384	501	1000	271,924
300	1001	5000	653,003
66	5001	10000	469,833
20	10001	15000	252,584
10	15001	20000	178,140
11	20001	25000	258,548
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
2	55001	60000	116,000
1	65001	70000	66,500
2	75001	80000	156,750
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	281450001	281455000	281,454,014
2,055			**310,506,995**

CATEGORIES OF SHAREHOLDING

As at June 30, 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
Saba Muhmmd	1	500	0.0002
Abdul Hameed Bhutta	1	1,000	0.0003
Mohammad Naeem Asghar	1	500	0.0002
Ikram ul Haq Mian	1	500	0.0002
Associated Companies, undertakings and related parties			
Ibrahim Holdings (Private) Limited	1	281,454,014	90.6434
NIT and ICP	1	1,413	0.0005
Banks, Development Finance Institutions, Non-Banking Finance Institutions	5	5,777	0.0019
Insurance Companies	3	2,142,655	0.6900
Modarabas and Mutual Funds	6	530,193	0.1707
General Public			
a) Local	1,996	14,328,137	4.6144
b) Foreign	2	1,189	0.0004
Foreign Companies	5	11,796,000	3.7989
Others	29	237,617	0.0765
	2,055	**310,506,995**	**100.0000**

Shareholders holding 10% or more	Shares Held	Percentage
Ibrahim Holdings (Private) Limited	281,454,014	90.6434

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 35th Annual General Meeting of the Company to be held on October 26, 2021 at 11:00 AM through tele / video conferencing from 1- Ahmad Block, New Garden Town, Lahore, and at any adjournment thereof.

Signed this ______________ day of ______________ 2021.

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) alongwith proxy form to the Company.

Ibrahim

AFFIX
CORRECT
POSTAGE

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

پراکسی فارم

میں / ہم مسمی / مسماۃ ---------------------- ---- ساکن ---------------------------------- ضلع --

بحیثیت ممبر کمپنی / مرجڈ کمپنی ، مسمی / مساۃ ---------------------- ساکن ---------------------------------- کمپنی ممبر یا اُسکی عدم موجودگی کی صورت میں

مسمی / مساۃ ---------------------- ساکن ---------------------------------- کمپنی ممبر کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تا کہ وہ میری /

ہماری جگہ اور میری / ہماری طرف سے کمپنی کے پینتیسویں سالانہ اجلاسِ عام جو کے بتاریخ ۲۶ اکتوبر ۲۰۲۱ء بوقت صبح 11:00 بجے ٹیلی/ ویڈیو کانفرنسنگ کے ذریعے 1۔احمد بلاک، نیو گارڈن ٹاؤن، لاہور منعقد ہو رہا ہے میں یا اس کے کسی ملتوی شدہ اجلاس میں حاضر ہو سکے، بول سکے اور ووٹ ڈال سکے۔

دستخط بتاریخ ---------------- دن ---------- ۲۰۲۱ء

پانچ روپے کی ریونیو سٹیمپ چسپاں کریں

گواہ نمبر ا

دستخط: ----------------------------

نام: ----------------------------

پتہ: ----------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ------------

دستخط: ----------------------------

(دستخط کمپنی میں موجود رجسٹرڈ دستخط کے مطابق ہونے چاہیں)

گواہ نمبر ۲

دستخط: ----------------------------

نام: ----------------------------

پتہ: ----------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ------------

فولیو نمبر: ----------------------------

سی ڈی سی کھاتہ نمبر: ----------------------------

حصص کی تعداد: ----------------------------

امتیازی حصص نمبرز: ----------------------------

اہم گذارش:

۱۔ پراکسی فارم، کمپنی کے رجسٹرڈ آفس، ابراہیم سنٹر، 1۔احمد بلاک، نیو گارڈن ٹاؤن، لاہور، میں اجلاس کے انعقاد سے کم از کم ۴۸ گھنٹے قبل جمع کرانا لازمی ہے۔ بصورت دیگر وہ قابل قبول نہ ہوگا۔

۲۔ پراکسی کے لئے کمپنی کا ممبر ہونا ضروری ہے، البتہ کارپوریشن ممبر ہونے کی صورت میں کارپوریشن اپنے کسی بھی آفیسر کو پراکسی مقرر کر سکتی ہے جو کمپنی کا ممبر ہو یا نہ ہو۔

۳۔ اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور ایک سے زیادہ پراکسی دستاویزات کمپنی آفس میں جمع کرواتا ہے تو ایسی تمام پراکسی دستاویزات غیر قانونی تصور ہونگی۔

سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ ادارہ ہونے کی صورت میں

مندرجہ بالا کے علاوہ درج ذیل شرائط بھی ضروری ہیں۔

i)۔ پراکسی فارم پر 2 عدد گواہ ہونا ضروری ہیں جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم میں موجود ہونا ضروری ہیں۔

ii)۔ پراکسی فارم کے ساتھ اس سہولت سے مستفید ہونے والے ممبرز اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک ہونی چاہیں۔

iii)۔ پراکسی کے لئے لازمی ہے کہ اجلاس کے وقت شناخت کے لئے اپنا اصلی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ ہمراہ لائے۔

iv)۔ کارپوریٹ ادارے کے لئے ضروری ہے کہ اجلاسِ عام میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعہ نامزد کنندہ فرد کے دستخط کے نمونے (اگر یہ دستاویزات پہلے فراہم نہ کی گئی ہوں) پراکسی فارم کے ساتھ کمپنی میں جمع کروائیں۔

Ibrahim

AFFIX
CORRECT
POSTAGE

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

ڈائریکٹرز کا جائزہ

بورڈز کے اجلاسوں کی تعداد

زیرنظر 30 جون 2021 کو ختم ہونے والے سال کے دوران ادارے کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے اور اجلاسوں میں ڈائریکٹرز کی شرکت درج ذیل ہے۔

شیخ مختار احمد	چیئرمین	06
محمد نعیم مختار	چیف ایگزیکٹو آفیسر	06
محمد وسیم مختار	ڈائریکٹر	06
عبدالحمید بھٹہ	ڈائریکٹر	06
صبا محمد	ڈائریکٹر	03
محمد نعیم اصغر	ڈائریکٹر	06
اکرام الحق میاں	ڈائریکٹر	06

آڈٹ کمیٹی

ادارے کی آڈٹ کمیٹی موجود ہے اور مندرجہ ذیل اراکین پر مشتمل ہے جو کہ کوڈ آف کارپوریٹ گورننس کی شرائط پر پورا اترتے ہیں۔

اکرام الحق میاں	چیئرمین	انڈیپنڈنٹ ڈائریکٹر
عبدالحمید بھٹہ	رُکن	نان ایگزیکٹو ڈائریکٹر
صبا محمد	رُکن	انڈیپنڈنٹ ڈائریکٹر

30 جون 2021 کو اختتام پذیر ہونے والے مالی سال کے دوران کوڈ آف کارپوریٹ گورننس کے ضوابط کے تحت آڈٹ کمیٹی کے چھ اجلاس سہ ماہی اور سالانہ مالی گوشواروں اور دوسرے متعلقہ معاملات کو دیکھنے کے لئے منعقد ہوئے۔ اجلاس میں CFO، داخلی محاسب کے سربراہ اور خارجی محاسب نے بھی بوقتِ ضرورت شرکت کی۔

ڈائریکٹرز کا معاوضہ/ مشاہرہ

ڈائریکٹرز کا معاوضہ طے کرنے کے لئے باضابطہ اور شفاف طریقِ عمل طے ہے اور کوئی بھی ڈائریکٹر اپنے معاوضہ کے تعین میں شامل نہیں ہوسکتا۔ معاوضہ کی حد کو مناسب سطح پر رکھا جاتا ہے تاکہ ڈائریکٹرز کو گرویدہ کر کے برقرار رکھا جا سکے تاہم اِس بات کا خیال رکھا جاتا ہے کہ یہ حد آزادی پر روک ٹوک نہ لگائے۔ ڈائریکٹرز اور سی ای او کے معاوضے سے متعلق معلومات کے لئے برائے مہربانی مالی حسابات کے نوٹ نمبر 31 کا مطالعہ کریں۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

ادارے کے ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ ادارے نے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رول بک آف سٹاک ایکسچینج کی شق نمبر 5.20 میں درج ذیل کوڈ آف کارپوریٹ گورننس کے قواعد وضوابط کی پاسداری کی ہے اور لسٹنگ قواعد وضوابط کے بہترین طریقوں سے کوئی انحراف نہیں کیا۔ کارپوریٹ اور مالیاتی رپورٹنگ پر ہمارے بیان مندرجہ ذیل ہیں۔

1۔ ادارے کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات میں اِس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کیا گیا ہے۔

2۔ ادارے کے کھاتہ جات بالکل صحیح طور پر اور کمپنیز ایکٹ 2017 کے مطابق بنائے گئے ہیں۔

3۔ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4۔ مالی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ اور فنانشل رپورٹنگ سٹینڈرڈز جو کہ پاکستان میں لاگو ہوتے ہیں اِن کی پیروی کی گئی ہے۔ اور اُن سے انحراف نہیں کیا گیا۔

5۔ داخلی انضباط کے نظام کا ڈیزائن مستحکم ہے اور اس پر مؤثر طریقے سے عمل درآمد اور نگرانی کی جاتی ہے۔

6۔ ادارے کے مستقبل میں چلتے رہنے کی صلاحیت پر کوئی قابلِ ذکر شکوک وشبہات نہیں ہیں۔

7۔ پچھلے پانچ سال کی مالی جھلکیاں ملحق 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 رفاحی 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 حل 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 ہسپتالوں، خیراتی اداروں اور ایسے مختلف اداروں جو قدرتی آفات سے نمٹنے کے لئے قائم کئے گئے ہیں کو قابل قدر مالی امداد فراہم کر رہا ہے جو کہ اسکے فلاحی امداد کے منصوبوں کا حصہ ہے۔

آپ کا ادارہ اپنے ملازمین کو صحت مند، محفوظ اور کام سیکھنے کا ماحول فراہم کر رہا ہے اور انھیں ملک اور بیرونِ 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 گریجوایٹس، پوسٹ گریجوایٹس اور انجنیئرز کو اپرنٹس 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 والا بجلی گھر نصب کیا ہے تاکہ بجلی کی پیداواری لاگت کو کم کیا جا سکے۔ بجلی کے ساتھ ساتھ یہ بھاپ بھی پیدا کرتا ہے جو کہ کمپنی کے پولیسٹر سٹیپل فائبر پلانٹ 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 خطیر 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 اتھاہ گہرائیوں سے مشکور ہیں۔ اور اُمید کرتے ہیں کہ یہ مدد وتعاون 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 اِن کو جاری رکھیں گے۔

منجانب اراکین

چیف ایگزیکٹو آفیسر

ڈائریکٹر

لاہور

17 ستمبر 2021

ڈائریکٹرز کا جائزہ

آپ کے ادارے کے ڈائریکٹرز انتہائی مسرت کے ساتھ 30 جون 2021 کو اختتام پذیر ہونے والے مالی سال کے مصدقہ (audited) مالیاتی نتائج اور محاسب کا جائزہ آپ کے سامنے پیش کرتے ہیں۔

مالیاتی نتائج

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

	2021 روپے	2020 روپے
خام مُنافع	12,464,783,597	1,951,260,398
فروخت کرنے کے اخراجات	(350,079,039)	(309,969,821)
انتظامی اخراجات	(1,181,250,067)	(837,348,980)
دیگر آپریٹنگ اخراجات	(604,989,530)	(27,340,749)
مالیاتی لاگت	(958,539,453)	(1,658,074,910)
	(3,094,858,089)	(2,832,734,460)
	9,369,925,508	(881,474,062)
متفرق آمدن	83,929,120	30,658,697
قبل از ٹیکس نفع / (نقصان)	9,453,854,628	(850,815,365)
ٹیکس کا تخمینہ	(2,874,906,479)	(444,666,576)
سال کا نفع / (نقصان)	6,578,948,149	(1,295,481,941)
گریجوایٹی کے تخمینہ میں تبدیلی (ٹیکس کے بعد)	(71,420,288)	(2,693,583)
پچھلے سال تک کا غیر منقسم منافع	29,598,403,110	31,207,085,629
تقسیم کے لیے دستیاب نفع	36,105,930,971	29,908,910,105
فائنل نقد ڈیوڈینڈ @ Nil (2020 : 10%)	-	(310,506,995)
اس سال تک کا غیر منقسم منافع	36,105,930,971	29,598,403,110
فی حصص آمدنی	21.19	(4.17)

منافع کا تجویز کردہ ڈیوڈینڈ

بورڈ نے 30 جون 2021 کو ختم ہونے والے سال کے لئے کمپنی کے تمام شیئر ہولڈرز کے لئے 2 روپے فی شیئر (20%) ڈیوڈینڈ تجویز کیا ہے۔

	2021 روپے	2020 روپے
فائنل نقد ڈیوڈینڈ 2 روپے فی شیئر @ 20% (2020 : Nil)	621,013,990	-

چیئر مین کا جائزہ:

آپ کے ادارے کے ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے سال کے لئے ادارے کی کارکردگی پر چیئر مین کے جائزہ کی توثیق کرتے ہیں۔

محاسب:

خارجی محاسب یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے ریٹائر ہونے کے بعد خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی نے یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2022 کو ختم ہونے والے مالی سال کیلئے دوبارہ بطور خارجی محاسب تجویز کیا۔

شیئر ہولڈنگ پیٹرن

30 جون 2021 پر شیئر ہولڈنگ پیٹرن ملحق ہے۔

چیئر مین کا جائزہ

میں انتہائی مسرت کے ساتھ ۳۰ جون ۲۰۲۱ء کو اختتام پذیر ہونے والے سال 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۔

صنعتی جائزہ

حالیہ عرصہ میں وبائی مرض COVID - 19 کی وجہ سے بہت تیزی سے ہونیوالی معاشی بدحالی کے بعد، زیرِ نظر مالی سال کے دوران ٹھوس عالمی معاشی بحالی اشیاء کی قیمتوں میں بین الاقوامی سطح پر اضافے کا سبب بنی۔ منڈی کے تمام شراکت داروں کے محتاط رویے کے نتیجے میں پورا سال خام تیل کی قیمتوں میں مثبت رجحانات رہے۔ مقامی سطح پر مرکزی بینک نے نرم زری پالیسی برقرار رکھی جس کی وجہ سے معیشت کے تمام نمایاں شعبوں میں صارفین کی معاشی سرگرمیوں میں اضافہ ہوا۔ یہ تمام عوامل کپڑے کی تمام مقامی صنعت میں بہت اچھی طلب کا باعث بنے جس کے نتیجے میں بہتر کاروباری اور مالی نتائج حاصل ہوئے۔ مزید برآں، قیمتوں میں اضافے کے مستحکم رجحانات کے نتیجے میں ہونے والے مالِ تجارت پر نفع نے بھی اچھے مالی نتائج کے حصول میں اپنا کردار ادا کیا۔

منڈی کی سرگرمیاں

زیرِ نظر سال میں آپ کے ادارے کے پولیسٹر کے کارخانے نے 267,037 ٹن پولیسٹر سٹیپل فائبر / پولیسٹر چپ فروخت کی جبکہ پچھلے متعلقہ سال میں 210,021 ٹن پولیسٹر سٹیپل فائبر فروخت کیا تھا۔

آپ کے ادارے کے دھاگے کے کارخانوں نے دورانِ سال 55,220 ٹن مختلف اقسام کا آمیزشی دھاگہ فروخت کیا جبکہ پچھلے سال 24,533 ٹن دھاگہ فروخت کیا تھا۔

پیداواری سرگرمیاں

آپ کے ادارے کے پولیسٹر کے کارخانے نے اس سال 308,102 ٹن پولیسٹر سٹیپل فائبر / پولیسٹر چپ بنائی جبکہ پچھلے سال 217,983 ٹن پولیسٹر سٹیپل فائبر بنایا تھا۔ اس پیداوار میں سے 34,195 ٹن پولیسٹر سٹیپل فائبر دورانِ سال آپ کے ادارے کے دھاگے کے اپنے کارخانوں میں آمیزشی دھاگہ بنانے میں استعمال ہوا جبکہ پچھلے متعلقہ سال میں 17,391 ٹن استعمال ہوا تھا۔

آپ کے ادارے کے دھاگے کے کارخانوں میں 53,159 ٹن مختلف اقسام کا آمیزشی دھاگہ بنا جبکہ پچھلے سال 26,583 ٹن دھاگہ بنا تھا۔

مالیاتی کارکردگی

آپ کے ادارے نے زیرِ نظر سال میں 70,607 ملین روپے کی خالص فروخت کی جبکہ پچھلے متعلقہ سال یہ خالص فروخت 47,078 ملین روپے رہی تھی۔ دورانِ سال آپ کے ادارے نے 12,465 ملین روپے خام نفع کمایا جبکہ پچھلے سال 1,951 ملین روپے خام نفع کمایا تھا۔

آپ کے ادارے نے زیرِ نظر سال میں 9,454 ملین روپے قبل از ٹیکس نفع کمایا جبکہ پچھلے سال 851 ملین روپے قبل از ٹیکس خسارہ ہوا تھا۔ اس سال بعد از ٹیکس نفع 6,579 ملین روپے رہا جبکہ پچھلے سال 1,295 ملین روپے بعد از ٹیکس خسارہ ہوا تھا۔

جدت و تبدیلی

دھاگے کا کارخانہ نمبر ۳

زیرِ نظر مالی سال کے دوران آپ کے ادارے نے دھاگے کے کارخانہ نمبر ۳ کے یونٹ نمبر ۱ کے مکمل بیک پروسیس کو جدید ترین مشینری سے تبدیل کرنے کے منصوبے کا آغاز کیا ہے جس میں مکمل بلوروم مشینری، کارڈنگ مشینری، ڈرا فریم، لیپ فارمر، کومبنگ مشینری اور رووِنگ مشینری کے ساتھ ساتھ ویسٹ کولیکشن اور ہیومیڈیفیکیشن سسٹم شامل ہیں۔ یہ مشینری دُنیا کے معتبر ترین مشینری فراہم کرنے والے ادارے Truetzschler اور Saurer جرمنی اور Luwa Air Engineering سوئٹزرلینڈ فراہم کریں گے۔

اس حوالے سے فراہم کنندگان کے ساتھ مشینری کی فراہمی کے معاہدے طے پاگئے ہیں اور متعلقہ لیٹرز آف کریڈٹ کھول دیئے گئے ہیں۔

مشینری اور پرزہ جات کی زیادہ تر ترسیلات موجودہ شمسی سال کی آخری سہ ماہی میں وصول ہونے کی امید ہے جبکہ یہ منصوبہ اگلے شمسی سال کی پہلی سہ ماہی میں مکمل ہونے کی توقع ہے۔

اس منصوبے پر عملدرآمد کے نتیجے میں آپ کے ادارے کے پیداواری کارخانوں کے معیار کار کو بہتر کریگا اور پیداواری صلاحیت میں مزید بہتری آئے گی۔

پیشہ وارانہ طرزِ عمل اور انسانی وسائل

اس ڈیجیٹل اور آرٹیفیشل انٹیلی جنس ٹیکنالوجیز کے دور میں صرف وہ ادارے بچ سکیں گے جو کہ اپنی بنیادی ساخت میں ان ٹیکنالوجیز کے نفاذ اور فروغ کے لئے کام کر سکتے ہیں۔ اس اہم مقصد کے حصول کے لئے آپ کا ادارہ جدید انڈسٹری 4.0 کی حامل پیداواری ٹیکنالوجیز کا اطلاق کر رہا ہے اور اس کے ساتھ ساتھ بہترین انسانی وسائل کی بھرتی، تربیت اور پیشہ وارانہ مہارت کے لئے بھرپور سرمایہ کاری کر رہا ہے۔

تربیت کے متعدد پروگراموں کا تسلسل سے اندرونی طور پر انعقاد کیا جا رہا ہے۔ مزید برآں، زیرِ نظر سال کے دوران آپ کے ادارے نے اپنے مختلف عہدوں پر کام کرنے والے متعدد ملازمین کے سیکھنے کے لئے بیرونی کورسز کا انتظام بھی کیا ہے۔ ان کورسز میں متعدد شعبہ جات بشمول کاروباری نظم و نسق اور ٹیکنالوجیز کے عصرِ حاضر کے رجحانات شامل ہیں۔

مستقبل پر نقطہء نظر

توقع ہے کہ کپڑے کی مقامی صنعت بہت محنت سے حاصل کردہ اپنی کاروباری رفتار کو برقرار رکھے گی جو کہ اس نے زیرِ نظر مالی سال میں تسلسل کے ساتھ حاصل کی ہے۔ تاہم افراطِ زر اور اس کے ساتھ ساتھ منفی حقیقی شرحِ سود اس بہتری کے رجحان کو خطرے میں ڈال سکتی ہے۔ مزید برآں، چین اور دیگر ممالک کی طرف سے پولیسٹر سٹیپل فائبر کی بہت کم قیمت پر ڈمپنگ پولیسٹر سٹیپل فائبر بنانے کی مقامی صنعت کے لئے ایک خطرہ ہے۔

بین الاقوامی سطح پر وائرس کے دوبارہ پھیلاؤ کے خطرات کے باوجود خام تیل کی قیمتیں مستحکم رہنے کی توقع ہے جس کے نتیجے میں معدنی تیل کی پوری صنعت کے کاروباری نتائج بہتر رہنے کی امید ہے۔ تاہم ہمسایہ ملک میں نظامِ حکومت کی تبدیلی کی وجہ سے خطے میں تیزی سے بدلتی ہوئی صورتحال کے پیشِ نظر مقامی منڈی کی غیر یقینی معاشی صورتحال میں اضافہ ہوا ہے۔

اس تناظر میں آپ کے ادارے کی انتظامیہ کو مستقبل میں معقول کاروباری نتائج کی توقع ہے۔ مزید برآں، آپ کے ادارے کی انتظامیہ مالیاتی نظم و نسق اور موثر کاروباری حکمتِ عملی کو بروئے کار لاتے ہوئے فروخت کے حجم اور نفع کو مزید بہتر بنانے کے لئے انتھک کوششیں جاری رکھے ہوئے ہے۔

اظہارِ تشکر

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

شیخ مختار احمد
چیئر مین

لاہور
۱۷ ستمبر ۲۰۲۱ء

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