



**HALF YEARLY REPORT  
FOR THE PERIOD ENDED JUNE 30, 2022**  
IBRAHIM FIBRES LIMITED



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# COMPANY INFORMATION

## BOARD OF DIRECTORS

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

Chairman  
Chief Executive Officer

## CHIEF FINANCIAL OFFICER

Mohammad Naeem Asghar

## COMPANY SECRETARY

Muhammad Saqib Iqbal

## AUDITORS

Yousuf Adil  
Chartered Accountants

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Saba Muhammd  
Abdul Hameed Bhutta  
Ikram ul Haq Mian

Chairperson  
Member / Secretary  
Member

## AUDIT COMMITTEE

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

Chairman  
Member  
Member  
Secretary

## REGISTRAR'S & SHARES REGISTRATION OFFICE

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

## BANKERS

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

## REGISTERED OFFICE

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

## HEAD OFFICE

Ibrahim Centre  
15 - Club Road  
Faisalabad - 38000, Pakistan

## PROJECTS LOCATION

38 - 40 Kilometers  
Faisalabad - Sheikhpura Road  
Faisalabad, Pakistan





# DIRECTORS' REVIEW

The Directors of your Company are pleased to present before you the unaudited financial results of the Company for the second quarter and half year ended June 30, 2022.

## OPERATING PERFORMANCE

During the half year under review, the Polyester Plant of your Company produced 183,849 tons of Polyester Staple Fibre (PSF) as against production of 159,578 tons of PSF / polyester chips during the corresponding period of previous year. Out of this production, 17,604 tons of PSF were consumed by the textile plants of your Company for production of blended yarns as against 18,988 tons consumed during the corresponding period of previous year.

The textile plants of your Company produced 27,784 tons of blended yarns of different counts during the half year under review as against production of 30,310 tons during the corresponding period of previous year.

## FINANCIAL PERFORMANCE

During the half year under review, your Company achieved net sales of Rs. 64,121 million as compared to Rs. 41,094 million during corresponding period of previous year.

Your Company earned gross profit of Rs. 12,099 million during the period under review as compared to Rs. 9,360 million during corresponding period of the previous year.

During the period under review, your Company had profit before tax of Rs. 10,266 million and profit after tax of Rs. 5,803 million as against Rs. 7,615 million and Rs. 5,408 million respectively during the corresponding period of previous year.

## FUTURE OUTLOOK

After touching the highest levels of recent times, prices of almost all major commodities including crude oil have now started to revert primarily due to risk of global economic recession. Continuity of these trends in commodity prices into the foreseeable future is dependent upon global financial conditions as well as geo-political developments in Europe.

On the domestic front, contractionary economic policies have been rolled out on a massive scale after the recent economic crisis which were primarily driven by exchange reserves depletion and related financing gaps. These measures are expected to result in slow down of the domestic economy. Consequently, moderate turnovers with thinner margins are expected across the domestic textile value chain in the foreseeable future.

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

## EARNINGS PER SHARE

Earnings per share for the half year ended June 30, 2022 has come to Rs. 18.69 as compared to Rs. 17.42 during the corresponding period of previous year.

On behalf of the Board

Lahore  
August 18, 2022

Chief Executive Officer

Director

# INDEPENDENT AUDITOR'S REVIEW REPORT

## TO THE MEMBERS OF IBRAHIM FIBRES LIMITED

### Report on review of Interim Financial Statements

#### INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of Ibrahim Fibres Limited (the Company) as at June 30, 2022, the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended June 30, 2022 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2022.

#### SCOPE OF REVIEW

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

#### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as at June 30, 2022 and for the half year then ended, are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

**Yousuf Adil**

Chartered Accountants

Lahore

Date: August 18, 2022

UDIN: RR202210088w0U7uXkFb





IBRAHIM FIBRES LIMITED  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED JUNE 30, 2022

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	Unaudited June 30, 2022 Rupees	Audited December 31, 2021 Rupees
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	3	40,073,073,249	40,054,918,403
Intangible assets		89,373,853	92,228,887
Long term loans		123,372,377	105,083,193
Long term deposits		7,727,112	7,569,771
		40,293,546,591	40,259,800,254
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		5,513,945,752	5,181,461,322
Stock in trade		16,297,818,273	17,719,815,580
Trade debts		1,772,008,639	1,351,330,311
Loans and advances		4,786,198,027	3,358,413,490
Prepayments		75,262,516	124,507,380
Other receivables		3,962,982,945	3,624,619,281
Short term investments	4	5,595,421,571	12,378,247
Cash and bank balances		294,195,371	107,223,586
		38,297,833,094	31,479,749,197
<b>CURRENT LIABILITIES</b>			
Trade and other payables		6,508,241,632	4,246,116,126
Markup / interest payable		31,983,395	138,019,347
Short term bank borrowings		629,945,581	6,834,136,803
Current portion of long term financing		127,261,132	–
Unclaimed dividend		30,223,600	31,709,620
Provision for taxation - income tax		6,600,513,741	3,648,891,997
		13,928,169,081	14,898,873,893
<b>Working capital</b>		24,369,664,013	16,580,875,304
<b>Total capital employed</b>		64,663,210,604	56,840,675,558
<b>NON - CURRENT LIABILITIES</b>			
Long term financing		3,320,009,357	2,860,751,411
Deferred liabilities:			
Deferred taxation		5,074,388,431	3,563,337,527
Staff retirement gratuity		1,253,144,829	1,204,121,955
		9,647,542,617	7,628,210,893
<b>CONTINGENCIES AND COMMITMENTS</b>	5	–	–
<b>Net worth</b>		55,015,667,987	49,212,464,665
<b>Represented by:</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		3,105,069,950	3,105,069,950
Capital reserves		1,072,017,550	1,072,017,550
Revenue reserves		50,838,580,487	45,035,377,165
		55,015,667,987	49,212,464,665

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

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the half year ended June 30, 2022

		Quarter ended June 30,		Half year ended June 30,	
	Note	2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
Sales - net		33,461,032,727	20,632,920,910	64,121,491,784	41,093,955,111
Cost of goods sold	6	(27,578,033,340)	(16,597,158,044)	(52,022,167,703)	(31,733,738,273)
Gross profit		5,882,999,387	4,035,762,866	12,099,324,081	9,360,216,838
Selling and distribution expenses		(135,563,108)	(93,276,460)	(250,834,380)	(192,970,540)
Administrative expenses		(492,657,585)	(378,086,401)	(881,123,490)	(717,684,559)
Other operating expenses		(367,237,108)	(205,738,359)	(759,875,665)	(483,954,853)
Finance cost		(36,700,176)	(165,071,251)	(129,578,047)	(396,185,451)
		(1,032,157,977)	(842,172,471)	(2,021,411,582)	(1,790,795,403)
		4,850,841,410	3,193,590,395	10,077,912,499	7,569,421,435
Other income		163,947,324	31,619,163	187,963,471	45,421,696
Profit before taxation		5,014,788,734	3,225,209,558	10,265,875,970	7,614,843,131
Provision for taxation		(2,830,100,525)	(989,739,153)	(4,462,672,648)	(2,207,235,389)
Profit for the period		2,184,688,209	2,235,470,405	5,803,203,322	5,407,607,742
Earnings per share - Basic and Diluted		7.04	7.20	18.69	17.42

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

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the half year ended June 30, 2022

	Quarter ended June 30,		Half year ended June 30,	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Profit for the period	2,184,688,209	2,235,470,405	5,803,203,322	5,407,607,742
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of staff retirement gratuity	–	(100,591,955)	–	(100,591,955)
Deferred tax	–	29,171,667	–	29,171,667
	–	(71,420,288)	–	(71,420,288)
Total comprehensive income for the period	2,184,688,209	2,164,050,117	5,803,203,322	5,336,187,454

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

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the half year ended June 30, 2022

	Half year ended June 30, 2022 Rupees	2021 Rupees
<b>a) Cash flows from operating activities</b>		
Profit before taxation	10,265,875,970	7,614,843,131
Adjustments for:		
Depreciation / amortisation of property, plant and equipment	1,908,091,156	2,086,682,307
Amortisation of intangible assets	10,269,132	5,499,892
Provision for staff retirement gratuity	106,152,537	82,088,935
Balance written off / (back) - net	71,592	(550,681)
Loss / (gain) on disposal of property, plant and equipment	3,521,630	(12,880,737)
Profit on investment at amortised cost	(622,849)	(371,836)
Profit on deposits	(4,430,081)	(2,700,721)
Gain on remeasurement of investments	(2,533,447)	-
Finance cost	129,578,047	396,185,451
Operating cash flows before working capital changes	12,415,973,687	10,168,795,741
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(332,484,430)	93,184,528
Stock in trade	1,421,997,307	1,390,784,766
Trade debts	(420,749,920)	179,634,917
Loans and advances	(439,150,914)	(359,505,026)
Prepayments	49,244,864	27,973,915
Other receivables	(338,363,664)	(180,756,329)
Increase in current liabilities		
Trade and other payables	2,258,683,955	448,749,815
	2,199,177,198	1,600,066,586
Cash generated from operations	14,615,150,885	11,768,862,327
Long term loans - net	(20,138,322)	(14,902,391)
Finance cost paid	(223,422,325)	(482,022,932)
Income tax paid - net	(986,784,485)	(850,769,277)
Staff retirement gratuity paid	(57,497,775)	(68,800,271)
Net cash from operating activities	13,327,307,978	10,352,367,456
<b>b) Cash flows from investing activities</b>		
Additions in:		
Property, plant and equipment	(1,943,251,560)	(423,304,566)
Intangible assets	(7,414,098)	(31,592,496)
Proceeds from disposal of property, plant and equipment	5,101,917	41,984,391
Long term deposits	(157,341)	-
Profit on investment at amortised cost	393,206	-
Profit on deposits	4,430,081	2,700,721
Short term investments	(5,580,280,234)	(12,000,000)
Net cash used in investing activities	(7,521,178,029)	(422,211,950)
<b>c) Cash flows from financing activities</b>		
Long term financing obtained	586,519,078	5,928,160
Repayment of long term financing	-	(4,833,333,334)
Decrease in short term bank borrowings - net	(6,204,191,222)	(5,116,975,569)
Dividend paid	(1,486,020)	(67,131)
Net cash used in financing activities	(5,619,158,164)	(9,944,447,874)
<b>Net increase / (decrease) in cash and cash equivalents (a+b+c)</b>	186,971,785	(14,292,368)
<b>Cash and cash equivalents at the beginning of the period</b>	107,223,586	67,393,629
<b>Cash and cash equivalents at the end of the period</b>	294,195,371	53,101,261

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

Chief Executive Officer

Director

Chief Financial Officer

IBRAHIM FIBRES LIMITED



# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the half year ended June 30, 2022

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share premium	Merger reserve	General reserve	Unappropriated profit	
Balance as at January 01, 2021	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	30,769,743,517	39,036,504,116
Total comprehensive income for the period						
Profit for the period	–	–	–	–	5,407,607,742	5,407,607,742
Other comprehensive income	–	–	–	–	(71,420,288)	(71,420,288)
	–	–	–	–	5,336,187,454	5,336,187,454
Balance as at June 30, 2021	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	36,105,930,971	44,372,691,570
Transactions with owners						
Final cash dividend for the year ended June 30, 2021: Rs. 2 per share	–	–	–	–	(621,013,990)	(621,013,990)
Total comprehensive income for the period						
Profit for the period	–	–	–	–	5,406,674,201	5,406,674,201
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of staff retirement gratuity	–	–	–	–	76,215,329	76,215,329
Deferred tax	–	–	–	–	(22,102,445)	(22,102,445)
					54,112,884	54,112,884
	–	–	–	–	5,460,787,085	5,460,787,085
Balance as at December 31, 2021	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	40,945,704,066	49,212,464,665
Total comprehensive income for the period						
Profit for the period	–	–	–	–	5,803,203,322	5,803,203,322
Other comprehensive income	–	–	–	–	–	–
	–	–	–	–	5,803,203,322	5,803,203,322
Balance as at June 30, 2022	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	46,748,907,388	55,015,667,987

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

# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the half year ended June 30, 2022

## 1. STATUS AND ACTIVITIES

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board 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 with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

### 2.2 Application of new and revised International Financial Reporting Standards

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

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

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

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

### 2.3 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except staff retirement gratuity carried at present value and short term investment carried at fair value. These condensed interim financial statements do not include all the information required for complete set of financial statements and should be read in conjunction with the Company's published audited financial statements for the period of six months ended December 31, 2021.

# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the half year ended June 30, 2022

As mentioned in note 2.1 to the above referred audited financial statements, management of the Company decided to change its accounting period and adopted calendar year as its accounting period. Accordingly, these condensed interim financial statements are prepared for the half year and quarter ended June 30, 2022. The corresponding figures shown in condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows along with the related notes thereon pertain to the half year and quarter ended June 30, 2021. These corresponding figures have been derived from the audited financial statements for the year ended June 30, 2021 and condensed interim financial statements for the half year ended December 31, 2020.

## 2.4 Accounting policies and methods of computation

The accounting policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the period ended December 31, 2021. During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied in the preceding published audited financial statements for the period ended December 31, 2021.

## 2.5 Financial risk management

The Company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in financial statements of the Company for the period ended December 31, 2021.

	Unaudited June 30, 2022 Rupees	Audited December 31, 2021 Rupees
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	38,502,714,914	36,831,716,334
Capital work in progress	1,570,358,335	3,223,202,069
	40,073,073,249	40,054,918,403

	Half year ended June 30, 2022		Half year ended June 30, 2021	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
<b>3.1 Acquisitions and disposals of operating assets - at cost</b>				
Freehold land	19,822,000	—	16,975,800	—
Building on freehold land	150,674,879	16,799,357	18,600,526	8,193,076
Plant and machinery	3,182,162,657	3,315,253	29,212,154	137,534,380
Furniture and fixture	20,752,688	20,000	11,319,867	19,050
Office equipment	39,807,885	6,442,090	71,333,454	7,211,636
Vehicles	174,493,174	12,213,287	52,784,413	59,684,133
	3,587,713,283	38,789,987	200,226,214	212,642,275

# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the half year ended June 30, 2022

	Note	Unaudited June 30, 2022 Rupees	Audited December 31, 2021 Rupees
<b>4. SHORT TERM INVESTMENTS</b>			
Term deposit receipt		12,607,890	12,378,247
Mutual fund	4.1	5,582,813,681	–
		5,595,421,571	12,378,247

- 4.1** This comprises of investment in 55,802,802 units of HBL Financial Sector Income Fund Plan I classified at fair value through profit or loss. The fair value has been determined using level 1 of fair value hierarchy.

## 5. CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies

There is no change in contingent liabilities since the date of published audited financial statements for the period ended December 31, 2021 except the following:

- (i) Bank guarantees issued in favour of Sui Northern Gas Pipelines Limited against supply of gas as mentioned in Note 18.1.1 (i) to the above referred financial statements have been increased to Rs. 646,226 million.
- (ii) Bank guarantees issued in favour of The Director, Excise and Taxation, Karachi against imposition of infrastructure cess as mentioned in Note 18.1.1 (ii) to the above referred financial statements have been increased to Rs. 1,700,000 million.
- (iii) As mentioned in note 18.1.11 to the above referred financial statements, the Deputy Commissioner Inland Revenue (DCIR) passed an order and disallowed input tax based on various reasons. The Company filed an appeal dated March 26, 2018 before Commissioner Inland Revenue (Appeals) (CIR-A). During the period, CIR-A passed an order dated February 08, 2022 and remanded back the matter to assessing officer.
- (iv) The Assistant Commissioner Inland Revenue passed an order disallowing some of the administrative expenses for the tax year 2013 as mentioned in note 18.1.14 to the above referred financial statements. The Company has filed an Appeal with CIR-A on January 04, 2019. CIR-A passed an order dated December 28, 2021 and upheld the order of Assistant Commissioner Inland Revenue. During the period, the Company filed appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A dated February 25, 2022.
- (v) As mentioned in note 18.1.17 to the above referred financial statements, the Additional Commissioner Inland Revenue - Audit (ACIR - Audit) passed an order disallowing some of the administrative expenses and tax credit for the tax year 2018. The Company filed an appeal with CIR-A who passed an order dated December 31, 2021 whereby administrative expenses were allowed and tax credit was decided partially in favour of the Company. During the period, the Company and ACIR - Audit filed appeals before ATIR against the order of CIR-A dated February 28, 2022 and January 28, 2022 respectively.
- (vi) As mentioned in note 18.1.19 to the above referred financial statements, DCIR passed an order disallowing input sales tax dated November 19, 2020 in post refund audit from July 2016 to June 2017. During the period, CIR-A passed an order dated March 30, 2022 and remanded back the matter to assessing officer.

# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the half year ended June 30, 2022

- (vii) 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 as mentioned in note 18.1.20 to the above referred financial statements. The Company filed appeal against the order before CIR-A on July 28, 2021. CIR-A passed an order dated February 14, 2022 and decided the case against the Company. During the period, the Company filed an appeal dated March 30, 2022 before ATIR against the CIR-A's order. ATIR passed an order dated May 31, 2022 and remanded back the matter to assessing officer.
- (viii) As mentioned in note 18.1.22 to the above referred financial statements, DCIR passed an order creating demand for the tax year 2015 regarding income tax. The Company filed an appeal before CIR-A. During the period, CIR-A passed an order dated February 24, 2022 and remanded back the matter to assessing officer. Both DCIR and the Company filed appeal before ATIR against the order of CIR-A dated April 21, 2022 and June 24, 2022 respectively.
- (ix) As mentioned in note 18.1.24 to the above referred financial statements, DCIR passed an order disallowing input sales tax dated November 10, 2021 for the period July 2018 to December 2018. The Company filed an appeal against the order before CIR-A on January 03, 2022 which is pending for adjudication.
- (x) DCIR passed an order dated June 30, 2022 regarding income tax for tax year 2016 and created liability amounting to Rs. 216.175 million. The Company filed an Appeal before CIR-A in subsequent period.
- (xi) DCIR passed an order dated May 24, 2022 in respect of the period from July 2021 to November 2021 and disallowed input sales tax based on various reasons and created liability amounting to Rs. 103.252 million. The Company filed an appeal against the order before CIR-A dated June 23, 2022 which is pending for adjudication.

	Unaudited June 30, 2022 Rupees in million	Audited December 31, 2021 Rupees in million
<b>5.2 Commitments</b>		
<b>5.2.1 Under contracts for capital expenditure:</b>		
Land and Building	25.300	121.286
Plant and machinery	10.928	69.367
<b>5.2.2 Under letters of credit for:</b>		
Plant and machinery	1,590.791	2,176.570
Raw materials, stores and spare parts	6,027.598	5,807.651



# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the half year ended June 30, 2022

	Quarter ended June 30,		Half year ended June 30,	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
<b>6. COST OF GOODS SOLD</b>				
Raw materials consumed	24,531,763,232	14,003,991,463	43,927,946,343	25,768,452,974
Packing materials	273,725,800	257,944,045	518,166,252	473,871,566
Salaries, wages and benefits	535,070,135	446,062,227	1,030,652,484	842,959,013
Staff retirement benefits	33,885,321	22,566,627	67,770,642	46,458,030
Stores and spare parts	420,533,071	350,929,715	862,838,720	844,653,495
Fuel and power	2,873,058,943	1,475,912,895	5,160,431,595	2,719,407,468
Insurance	24,084,539	24,033,963	48,169,355	48,056,538
Depreciation of property, plant and equipment	890,800,429	951,625,827	1,725,088,312	1,902,121,488
Amortisation of intangible assets	2,772,146	–	3,696,195	–
Other	260,582,457	140,233,864	448,096,344	265,640,357
	29,846,276,073	17,673,300,626	53,792,856,242	32,911,620,929
Work in process				
Opening stock	1,099,180,187	850,746,133	952,447,347	672,807,199
Closing stock	(1,402,925,010)	(820,200,060)	(1,402,925,010)	(820,200,060)
	(303,744,823)	30,546,073	(450,477,663)	(147,392,861)
Cost of goods manufactured	29,542,531,250	17,703,846,699	53,342,378,579	32,764,228,068
Finished goods				
Opening stock	3,261,602,078	1,652,458,386	3,905,889,112	1,728,657,246
Closing stock	(5,226,099,988)	(2,759,147,041)	(5,226,099,988)	(2,759,147,041)
	(1,964,497,910)	(1,106,688,655)	(1,320,210,876)	(1,030,489,795)
	27,578,033,340	16,597,158,044	52,022,167,703	31,733,738,273

## 7. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

	Half year ended June 30,	
	2022	2021
Relationship and nature of transaction	Rupees	Rupees
Associated undertakings		
Rent charged	5,732,490	5,974,992
Bank charges	17,758	9,200
Rental income	6,000	6,000
Key management personnel		
Remuneration	46,500,000	47,000,000
Reimbursable expenses	1,166,879	1,959,364

# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the half year ended June 30, 2022

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	7.1	90.7394%
Allied Bank Limited	Common directorship		—
Ibrahim Agencies (Private) Limited	Common directorship		—
Sheikh Mukhtar Ahmad	Key management personnel		0.0008%
Mohammad Naeem Mukhtar	Key management personnel		0.0008%
Muhammad Waseem Mukhtar	Key management personnel		0.0008%
Sarah Naeem	Key management personnel		0.0002%
Abdul Hameed Bhutta	Key management personnel		0.0003%
Saba Muhammad	Key management personnel		0.0002%
Ikram ul Haq Mian	Key management personnel		0.0002%

**7.1** Ibrahim Holdings (Private) Limited acquired 49,600 shares of the Company during the period.

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

## **9. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on August 18, 2022 by the Board of Directors of the Company.

## **10. GENERAL**

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

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

## ڈائریکٹرز کا جائزہ

آپ کے ادارے کے ڈائریکٹرز انتہائی مسرت کے ساتھ ادارے کی 30 جون 2022 کو اختتام پذیر ہونے والی دوسری سہ ماہی اور ششماہی کے غیر مصدقہ (unaudited) مالیاتی نتائج آپ کے سامنے پیش کرتے ہیں۔

### کاروباری کارکردگی

زیر نظر ششماہی میں آپ کے ادارے کے پولیٹر سٹیل فابریکے کارخانے نے 183,849 ٹن پولیٹر سٹیل فابریکے بجائے پچھلے سال کی متعلقہ ششماہی میں 159,578 ٹن پولیٹر سٹیل فابریکے پولیٹر چمپ بنائی تھی۔ اس پیداوار میں سے 17,604 ٹن پولیٹر سٹیل فابریکے مختلف اقسام کا آمیزش دھاگہ بنانے کے لئے آپ کے ادارے کے اپنے کارخانوں میں صرف ہوا جبکہ پچھلے سال کی متعلقہ ششماہی میں یہ کچھت 18,988 ٹن رہی تھی۔

آپ کے ادارے کے دھاگے کے کارخانوں نے اس ششماہی میں 27,784 ٹن مختلف اقسام کا آمیزش دھاگہ بنایا جبکہ پچھلے سال کی متعلقہ ششماہی میں یہ پیداوار 30,310 ٹن رہی تھی۔

### مالیاتی کارکردگی

زیر نظر ششماہی میں آپ کے ادارے کی خالص فروخت 64,121 ملین روپے رہی جبکہ پچھلے سال کی متعلقہ ششماہی میں یہ فروخت 41,094 ملین روپے رہی تھی۔

آپ کے ادارے نے زیر نظر دورانیہ میں 12,099 ملین روپے کا خام منافع کمایا جبکہ پچھلے سال کی متعلقہ دورانیہ میں 9,360 ملین روپے کا خام منافع ہوا تھا۔

آپ کے ادارے کو زیر نظر دورانیہ میں 10,266 ملین روپے قبل ازنگس اور 5,803 ملین روپے بعد ازنگس منافع ہوا۔ اس کے برعکس پچھلے سال کی متعلقہ دورانیہ میں 7,615 ملین روپے اور 5,408 ملین روپے بالترتیب قبل ازنگس اور بعد ازنگس منافع ہوا تھا۔

### مستقبل پر نقطہ نظر

حالیہ دور کی بلند ترین سطح کو چھونے کے بعد خام تیل سمیت تقریباً تمام نمایاں اجناس کی قیمتیں اب کم ہونا شروع ہو گئی ہیں جسکی بنیادی وجہ عالمی کساد بازاری کا خطرہ ہے۔ مستقبل میں اجناس کی قیمتوں میں ان رجحانات کا تسلسل عالمی مالیاتی حالات کے ساتھ ساتھ یورپ کی جغرافیائی سیاسی پیش رفت پر منحصر ہے۔

مقامی سطح پر زرمبادلہ کے ذخائر میں کمی اور اس سے متعلقہ مالیاتی سہولیات کی فراہمی میں تاخیر کی وجہ سے پیدا ہونے والے حالیہ معاشی بحران کے بعد بڑے پیمانے پر تحقیقی معاشی پالیسیوں کا نفاذ کر دیا گیا ہے۔ ان اقدامات کے نتیجے میں ملکی معیشت میں سست روی کا اندیشہ ہے۔ لہذا مستقبل میں کپڑے کی مقامی صنعت کے تمام شعبہ ہائے جات میں معتدل کاروباری سرگرمیوں اور نتیجتاً محدود منافع کی توقع ہے۔

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

### فی حصہ آمدنی

30 جون 2022 کو اختتام پذیر ہونے والی ششماہی میں آپ کے ادارے کو 18.69 روپے فی حصہ (بجائے پچھلے سال کی متعلقہ ششماہی میں یہ نفع 17.42 روپے فی حصہ رہا تھا)۔

منجانب اراکین

لاہور

ڈائریکٹر

چیف ایگزیکٹو آفیسر

18 اگست 2022

IBRAHIM FIBRES LIMITED

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## NOTES

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**igcpk.com**



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