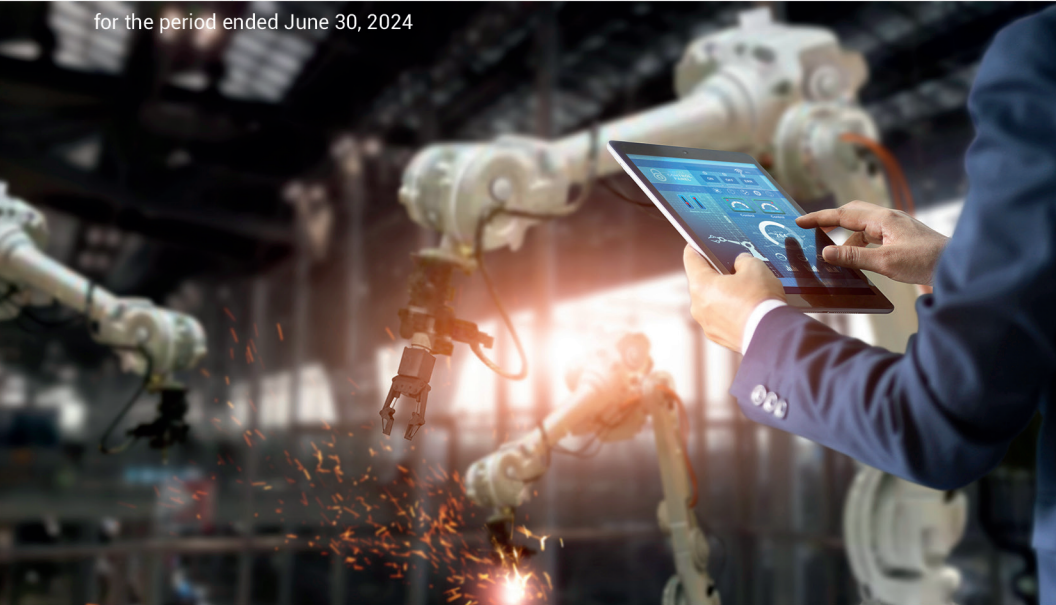


Half Yearly Report

for the period ended June 30, 2024



Ibrahim Fibres Limited



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Directors' Review - Urdu

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
Iftikhar Yasin

CHIEF FINANCIAL OFFICER

Mohammad Naeem Asghar

COMPANY SECRETARY

Farhan Siddique

AUDITORS

Yousuf Adil
Chartered Accountants

HUMAN RESOURCE & REMUNERATION COMMITTEE

Saba Muhammd
Chairperson

Abdul Hameed Bhutta
Member / Secretary

Iftikhar Yasin
Member

AUDIT COMMITTEE

Iftikhar Yasin
Chairman

Abdul Hameed Bhutta
Member

Saba Muhammd
Member

Muhammad Iqbal Chaudhry
Secretary

NOMINATION COMMITTEE

Sheikh Mukhtar Ahmad
Chairman

Mohammad Naeem Mukhtar
Member

Muhammad Waseem Mukhtar
Member

RISK MANAGEMENT COMMITTEE

Iftikhar Yasin
Chairman

Sarah Naeem
Member

Mohammad Naeem Asghar
Member

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
BankIslami Pakistan Limited
Citibank, N.A.
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

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

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, 2024.

OPERATING PERFORMANCE

During the half year under review, the Polyester Plant of your Company produced 132,481 tons of Polyester Staple Fibre (PSF) as against production of 134,470 tons of PSF during the corresponding period of previous year. Out of this production, 17,654 tons of PSF were consumed by the textile plants of your Company for production of blended yarns as against 16,447 tons consumed during the corresponding period of previous year.

The textile plants of your Company produced 29,068 tons of blended yarns of different counts during the half year under review as against production of 26,400 tons during the corresponding period of previous year.

FINANCIAL PERFORMANCE

During the half year under review, your Company achieved net sales of Rs. 63,995 million as compared to Rs. 60,112 million during corresponding period of previous year.

Your Company earned gross profit of Rs. 4,782 million during the period under review as compared to Rs. 6,696 million during corresponding period of the previous year.

During the period under review, your Company had profit before tax of Rs. 2,013 million and profit after tax of Rs. 1,144 million as against Rs. 4,368 million and Rs. 1,761 million respectively during the corresponding period of previous year.

INDUSTRY OVERVIEW & FUTURE OUTLOOK

Despite macroeconomic stabilization to a large extent, domestic economy is still struggling with various significant challenges which include inflation, high energy cost, unsustainable fiscal burden of state owned enterprises and requirement of huge foreign exchange to discharge imminent liabilities. Moreover, unprecedented quantity of PSF is being dumped in domestic market due to extraordinary incentives offered to importers by Government of Pakistan. On international front, crude oil market witnessed rollercoaster ride primarily driven by economic uncertainties faced by major economies of the world as well as various regional armed conflicts.

After taking into account all these factors, domestic economic activities are expected to remain limited. Moreover, exceptional incentives to importers will further damage domestic textile industry resulting in reduced capacity utilizations and accordingly, eroded margins, especially in up-stream sector.

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, 2024 has come to Rs. 3.69 as compared to Rs. 5.67 during the corresponding period of previous year.

Lahore
August 20, 2024


Chief Executive Officer

On behalf of the Board


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, 2024 and 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, 2024 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, 2024.

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 is 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 Muhammad Sufyan.


Yousuf Adil
Chartered Accountants

Lahore

Date: August 20, 2024

UDIN: RR20241018087J4BAy11

IBRAHIM FIBRES LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 30, 2024

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	Unaudited June 30, 2024 Rupees	Audited December 31, 2023 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	37,997,761,387	39,404,007,785
Intangible assets		144,931,112	148,717,585
Long term loans		113,140,222	119,195,501
Long term deposits		12,440,867	11,803,511
		38,268,273,588	39,683,724,382
CURRENT ASSETS			
Stores, spare parts and loose tools		8,767,071,571	8,678,620,909
Stock in trade		17,840,792,823	24,813,367,015
Trade debts		3,203,400,920	2,795,438,901
Loans and advances		7,113,454,478	3,709,155,720
Prepayments		197,927,051	97,673,978
Other receivables		57,437,843	212,779,749
Refunds due from Government		7,966,322,519	8,856,572,669
Cash and bank balances		175,609,785	150,231,832
		45,322,016,990	49,313,840,773
CURRENT LIABILITIES			
Trade and other payables		4,984,867,751	5,343,354,124
Mark up / interest payable		367,619,565	916,077,790
Short term bank borrowings		3,676,678,928	10,071,447,718
Current portion of non - current liabilities		887,061,765	523,832,516
Unclaimed dividend		28,322,567	28,883,316
Provision for taxation - income tax		5,877,775,301	4,828,261,461
		15,822,325,877	21,711,856,925
Working capital		29,499,691,113	27,601,983,848
Total capital employed		67,767,964,701	67,285,708,230
NON - CURRENT LIABILITIES			
Long term financing		3,778,240,475	4,263,433,116
Deferred liabilities	4	8,195,641,990	8,372,478,515
		11,973,882,465	12,635,911,631
CONTINGENCIES AND COMMITMENTS			
Net worth	5	55,794,082,236	54,649,796,599
Represented by:			
SHARE CAPITAL AND RESERVES			
Share capital		3,105,069,950	3,105,069,950
Capital reserves		1,072,017,550	1,072,017,550
Revenue reserves		51,616,994,736	50,472,709,099
		55,794,082,236	54,649,796,599

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2024

	Note	Quarter ended June 30,		Half year ended June 30,	
		2024	2023	2024	2023
		Rupees	Rupees	Rupees	Rupees
Sales - net		30,223,107,691	30,396,601,865	63,995,345,675	60,112,358,198
Cost of goods sold	6	(27,641,801,487)	(27,114,885,556)	(59,213,128,258)	(53,416,698,070)
Gross profit		2,581,306,204	3,281,716,309	4,782,217,417	6,695,660,128
Selling and distribution expenses		(195,620,911)	(183,353,909)	(397,466,497)	(352,520,703)
Administrative expenses		(660,749,565)	(564,665,170)	(1,216,644,018)	(1,098,930,148)
Other operating expenses		(127,654,490)	(161,843,312)	(198,472,695)	(341,614,715)
Finance cost		(381,646,110)	(326,839,252)	(973,999,316)	(570,210,711)
		(1,365,671,076)	(1,236,701,643)	(2,786,582,526)	(2,363,276,277)
		1,215,635,128	2,045,014,666	1,995,634,891	4,332,383,851
Other income		6,860,828	19,376,046	17,241,327	35,909,208
Profit before taxation		1,222,495,956	2,064,390,712	2,012,876,218	4,368,293,059
Provision for taxation		(440,668,922)	(2,189,799,185)	(868,590,581)	(2,607,048,176)
Profit / (loss) for the period		781,827,034	(125,408,473)	1,144,285,637	1,761,244,883
Earnings per share - Basic and Diluted		2.52	(0.40)	3.69	5.67

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2024

	Quarter ended June 30,		Half year ended June 30,	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) for the period	781,827,034	(125,408,473)	1,144,285,637	1,761,244,883
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	781,827,034	(125,408,473)	1,144,285,637	1,761,244,883

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


 Chief Executive Officer


 Director


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2024

	Note	Half year ended June 30, 2024 Rupees	2023 Rupees
a) Cash flows from operating activities			
Operating cash flows before working capital changes	7	5,083,411,577	6,967,105,937
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(88,450,662)	(1,260,297,126)
Stock in trade		6,972,574,192	1,066,707,106
Trade debts		(407,962,019)	(531,407,443)
Loans and advances		(2,482,116,466)	(161,205,957)
Prepayments		(100,253,073)	(56,574,556)
Other receivables		155,341,906	(371,142,264)
Refunds due from Government		890,250,150	(508,341,146)
Decrease in current liabilities			
Trade and other payables		(317,421,054)	(162,801,433)
		4,621,962,974	(1,985,062,819)
Cash generated from operations		9,705,374,551	4,982,043,118
Long term loans - net		3,632,616	5,223,990
Finance cost paid		(1,522,170,280)	(685,997,480)
Income tax paid - net		(919,759,629)	(1,075,980,941)
Staff retirement gratuity paid		(114,134,920)	(94,893,787)
Net cash from operating activities		7,152,942,338	3,130,394,900
b) Cash flows from investing activities			
Additions in:			
Property, plant and equipment		(548,092,087)	(3,437,412,548)
Intangible assets		(17,990,514)	(9,873,851)
Proceeds from disposal of property, plant and equipment		10,755,101	13,313,330
Long term deposits		(637,356)	(2,066,907)
Profit on investment at amortised cost		-	1,290,000
Profit on deposits		2,526,968	2,789,527
Redemption of short term investment		-	12,000,000
Net cash used in investing activities		(553,437,888)	(3,419,960,449)
c) Cash flows from financing activities			
Long term financing obtained		-	1,844,758,600
Repayment of long term financing		(178,796,958)	(127,261,131)
Dividend paid		(560,749)	(58,439)
Net cash (used in) / from financing activities		(179,357,707)	1,717,439,030
Net increase in cash and cash equivalents (a+b+c)		6,420,146,743	1,427,873,481
Cash and cash equivalents at the beginning of the period		(9,921,215,886)	(9,784,057,153)
Cash and cash equivalents at the end of the period	8	(3,501,069,143)	(8,356,183,672)

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

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2024

	Share capital	Capital Reserves		Revenue Reserves		Total
		Share premium	Merger reserve	General reserve	Unappropriated profit	
Balance as at January 01, 2023	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	46,183,672,956	54,450,433,555
Total comprehensive income for the period						
Profit for the period	-	-	-	-	1,761,244,883	1,761,244,883
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	1,761,244,883	1,761,244,883
Balance as at June 30, 2023	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	47,944,917,839	56,211,678,438
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(1,457,741,537)	(1,457,741,537)
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of staff retirement gratuity	-	-	-	-	(206,087,020)	(206,087,020)
Deferred tax	-	-	-	-	101,946,718	101,946,718
	-	-	-	-	(104,140,302)	(104,140,302)
	-	-	-	-	(1,561,881,839)	(1,561,881,839)
Balance as at December 31, 2023	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	46,383,036,000	54,649,796,599
Total comprehensive income for the period						
Profit for the period	-	-	-	-	1,144,285,637	1,144,285,637
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	1,144,285,637	1,144,285,637
Balance as at June 30, 2024	3,105,069,950	1,000,000,000	72,017,550	4,089,673,099	47,527,321,637	55,794,082,236

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


Chief Executive Officer


Chairman


Chief Financial Officer

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2024

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. MATERIAL ACCOUNTING POLICY INFORMATION

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 were certain new standards, amendments to the approved accounting standards and interpretations which became effective during the period and are mandatory for accounting periods of the Company beginning on or after January 01, 2024 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 the approved accounting standards and interpretations that will become effective in future accounting periods 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 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 amortised cost. 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 year ended December 31, 2023.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2024

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 year ended December 31, 2023. 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 year ended December 31, 2023.

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 year ended December 31, 2023.

	Unaudited June 30, 2024 Rupees	Audited December 31, 2023 Rupees
3. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	37,550,913,138	39,025,435,323
Capital work in progress	446,848,249	378,572,462
	37,997,761,387	39,404,007,785

	Half year ended June 30, 2024		Half year ended June 30, 2023	
	Acquisitions / Transfers Rupees	Disposals / Transfers Rupees	Acquisitions / Transfers Rupees	Disposals / Transfers Rupees
3.1 Acquisitions and disposals including transfers - at cost				
Operating assets				
Freehold land	19,183,720	–	21,064,600	–
Leasehold land	–	–	520,001,000	–
Building on freehold land	102,895,723	–	–	–
Plant and machinery	142,120,953	–	99,683,373	4,003,284
Furniture and fixture	56,295,677	3,143,677	54,962,138	–
Office equipment	71,017,267	11,688,657	137,973,750	11,187,139
Vehicles	49,698,006	27,973,755	43,205,893	26,891,437
Capital work in progress				
Building on freehold land	61,295,879	102,895,723	141,500,430	–
Plant and machinery	108,937,469	116,148,502	2,325,186,009	–
Others	159,254,344	42,167,679	383,997,803	189,103,203
	770,699,038	304,017,993	3,727,574,996	231,185,063

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2024

	Unaudited June 30, 2024 Rupees	Audited December 31, 2023 Rupees
4. DEFERRED LIABILITIES		
Deferred taxation	6,136,059,853	6,316,983,112
Staff retirement gratuity	1,675,482,157	1,614,561,857
Deferred government grant	384,099,980	440,933,546
	8,195,641,990	8,372,478,515

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no change in contingent liabilities since the date of published audited financial statements for the year ended December 31, 2023 except the following:

- (i) Bank guarantees issued in favour of Sui Northern Gas Pipelines Limited against supply of gas as mentioned in Note 20.1.1 (i) to the above referred financial statements have been increased to Rs. 944.237 million.
- (ii) The Additional Commissioner Inland Revenue (ACIR) passed an order under section 122 and thereby creating demand for the tax year 2011 as mentioned in note 20.1.9 to the above referred financial statements. The Company contended the case before Commissioner Inland Revenue (Appeals) (CIR-A) who decided the case in favour of the Company. The department approached the Appellate Tribunal Inland Revenue (ATIR) on September 06, 2017 against the order of CIR-A. During the period, ATIR passed an order dated January 31, 2024 and decided the case in favour of the Company.
- (iii) The Deputy Commissioner Inland Revenue (DCIR) passed an order and disallowed input tax based on various reasons as mentioned in note 20.1.11 to the above referred financial statements. The Company filed an appeal dated March 26, 2018 before CIR-A. CIR-A passed order dated February 08, 2022 and remanded back the matter to assessing officer. The statutory proceeding were initiated by DCIR who issued order dated June 21, 2023 and decided the case partially against the Company by creating demand of Rs. 248.536 million. The Company filed appeal before CIR-A dated July 31, 2023. During the period, CIR-A passed an order dated February 28, 2024 and decided the case partially in favour of the Company. DCIR filed appeal before ATIR on dated May 20, 2024.
- (iv) Assistant Commissioner Inland Revenue passed an order disallowing some of the administrative expenses and tax deductions for the tax year 2009 as mentioned in note 20.1.13 to the above referred financial statements. 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. During the period, ATIR passed an order dated May 23, 2024 partially in favour of the Company and upheld the remand back decision of CIR-A.
- (v) ACIR passed an order disallowing some of the administrative expenses and charging tax on undistributed profits for the tax year 2017 as mentioned in note 20.1.15 to the above referred financial statements. The Company filed an appeal with CIR-A who made partial decision in favour of the Company. The Company and Commissioner Inland Revenue (CIR) filed appeals against order of CIR-A with ATIR on May 14, 2019 and May 16, 2019 respectively. ATIR decided the appeal filed by CIR in subsequent period and made decision in favour of the Company. The appeal of the Company is still pending.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2024

- (vi) DCIR passed an order disallowing input sales tax dated November 19, 2020 in post refund audit from July 2016 to June 2017 as mentioned in note 20.1.19 to the above referred financial statements. The Company filed an appeal dated December 31, 2020 before CIR-A. CIR-A passed an order dated March 30, 2022 and remanded back the matter to assessing officer. The statutory proceedings were initiated by DCIR who issued order dated June 23, 2023 and decided the case partially against the Company by creating demand of Rs. 109.423 million. The Company filed appeal before CIR-A dated August 01, 2023. During the period, CIR-A passed an order dated February 28, 2024 and decided the case partially in favour of the Company. DCIR filed appeal before ATIR on May 20, 2024.
- (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 20.1.20 to the above referred financial statements. The Company filed an appeal against the order before CIR-A dated July 28, 2021. CIR-A passed an order dated February 14, 2022 and decided the case against the Company. The Company filed an appeal dated March 30, 2022 before ATIR against the order of CIR-A. ATIR passed an order dated May 31, 2022 and remanded back the matter to assessing officer. During the period, DCIR passed order dated March 05, 2024 and decided the case in favour of the Company.
- (viii) DCIR passed an order dated August 31, 2023 for tax year 2017 as mentioned in note 20.1.25 to the above referred financial statements and created demand along with default surcharge on account of failure to deduct tax on certain payments. The Company filed appeal before CIR-A dated September 28, 2023. During the period, CIR-A passed an order dated February 29, 2024 and decided the case in favour of the Company. DCIR filed appeal on April 26, 2024 before ATIR against the order of CIR-A.
- (ix) During the period, ACIR passed an order dated March 14, 2024 and created demand of Rs. 132.036 million for disallowing some of the expenses and advance tax claimed for the tax year 2021. The tax liability has been paid / adjusted against prior year refunds. Appeal is also filed on April 16, 2024 before CIR-A against one point.

		Unaudited June 30, 2024	Audited December 31, 2023
		Rupees in million	Rupees in million
5.2	Commitments		
5.2.1	Under contracts for capital expenditure:		
	Land and building	297.500	325.867
	Plant and machinery	–	0.105
5.2.2	Under letters of credit for:		
	Plant and machinery	2,119.413	84.854
	Raw materials, stores and spare parts	3,240.181	3,851.500

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2024

	Quarter ended June 30,		Half year ended June 30,	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
6. COST OF GOODS SOLD				
Raw materials consumed	22,826,998,406	24,173,726,819	45,805,511,149	43,246,095,562
Packing materials	287,415,260	286,507,818	573,707,040	510,562,993
Salaries, wages and benefits	845,117,839	695,441,230	1,561,171,603	1,259,118,120
Staff retirement benefits	55,737,124	43,848,057	111,474,247	87,696,114
Stores and spare parts	809,079,096	552,429,313	1,720,486,099	972,113,798
Fuel and power	3,678,372,999	2,977,930,500	7,056,417,887	5,462,676,714
Insurance	49,316,161	37,391,816	98,632,489	74,783,804
Depreciation of property, plant and equipment	861,115,365	847,717,335	1,718,595,905	1,692,900,586
Amortisation of intangible assets	3,293,088	2,791,146	6,415,467	5,582,292
Other	283,264,317	205,712,396	627,649,277	430,327,971
	29,699,709,655	29,823,496,430	59,280,061,163	53,741,857,954
Work in process				
Opening stock	1,178,089,384	1,118,940,069	1,172,092,521	1,121,215,177
Closing stock	(1,173,163,151)	(1,151,941,432)	(1,173,163,151)	(1,151,941,432)
	4,926,233	(33,001,363)	(1,070,630)	(30,726,255)
Cost of goods manufactured	29,704,635,888	29,790,495,067	59,278,990,533	53,711,131,699
Finished goods				
Opening stock	5,268,036,806	6,021,581,671	7,265,008,932	8,402,757,553
Closing stock	(7,330,871,207)	(8,697,191,182)	(7,330,871,207)	(8,697,191,182)
	(2,062,834,401)	(2,675,609,511)	(65,862,275)	(294,433,629)
	27,641,801,487	27,114,885,556	59,213,128,258	53,416,698,070

	Half year ended June 30,	
	2024	2023
	Rupees	Rupees
7. OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	2,012,876,218	4,368,293,059
Adjustments for:		
Depreciation / amortisation of property, plant and equipment	1,895,893,093	1,867,718,350
Amortisation of intangible assets	21,776,987	20,024,451
Provision for staff retirement gratuity	172,307,594	138,152,610
Loss on disposal of property, plant and equipment	9,085,337	5,522,182
Profit on investment at amortised cost	-	(31,808)
Profit on deposits	(2,526,968)	(2,783,618)
Finance cost	973,999,316	570,210,711
	5,083,411,577	6,967,105,937
8. CASH AND CASH EQUIVALENTS		
Cash and bank balances	175,609,785	122,702,345
Short term bank borrowings	(3,676,678,928)	(8,478,886,017)
	(3,501,069,143)	(8,356,183,672)

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2024

9. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Relationship and nature of transaction	Unaudited	Audited
	June 30, 2024	December 31, 2023
	Rupees	Rupees
Associated undertakings		
Short term bank borrowings payable	56,425,196	–
Mark up / interest payable on short term bank borrowings	21,050,258	8,659,572
Unretired letters of credit	396,202,969	1,430,608,015
Advances	2,383,034,633	–
Bank balance	11,822,112	29,086,464

Relationship and nature of transaction	Half year ended June 30, 2024	Half year ended June 30, 2023
	Rupees	Rupees
Associated undertakings		
Rent charged	5,865,318	5,795,742
Mark up / interest charged on short term bank borrowings	207,187,256	19,974,817
Profit on deposits	29,712	37,691
Bank charges and commission	1,900,980	6,287,929
Rental income	6,000	6,000
Sales	31,138,137	280,207,755
Purchases	15,457,042,374	–
Key management personnel		
Remuneration	66,600,000	51,100,000
Reimbursable expenses	4,662,474	3,494,308
Reconciliation of bank account - current including running finance maintained with associated company:		
Opening balance	29,086,464	(983,662,531)
Transfers in during the period	40,537,729,852	28,522,800,150
Transfers out during the period	(40,611,419,400)	(28,353,928,153)
Closing balance	(44,603,084)	(814,790,534)

Following are the related parties with whom the Company has entered into transactions or have arrangements / agreements in place.

Name	Country of Incorporation	Basis of relationship	Note	Aggregate % of shareholding
Ibrahim Holdings (Private) Limited	Pakistan	Parent company	9.1	91.7215%
Allied Bank Limited	Pakistan	Common directorship	–	–
Ibrahim Agencies (Private) Limited	Pakistan	Common directorship	–	–
Wickford International Pte. Ltd.	Singapore	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%

9.1 Ibrahim Holdings (Private) Limited acquired 330,337 shares of the Company during the period.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2024

10. SEGMENT INFORMATION

	Polyester		Textile spinning		Inter-segment elimination		Total	
	Half year ended June 30,		Half year ended June 30,		Half year ended June 30,		Half year ended June 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Sales - net	40,240,462,673	41,955,282,899	237,46,888,102	18,157,075,299	-	-	63,995,345,675	60,112,358,198
Revenue from contracts with customers - net	6,081,236,983	4,853,309,052	-	-	(6,081,236,983)	(4,853,309,052)	-	-
Inter-segment	46,329,699,556	46,888,981,951	237,46,888,102	18,157,075,299	(6,081,236,983)	(4,853,309,052)	63,995,345,675	60,112,358,198
Cost of goods sold	(46,727,409,212)	(41,121,739,057)	(22,566,956,029)	(17,148,268,065)	6,081,236,983	4,853,309,052	(59,213,128,258)	(53,416,698,070)
Gross profit	3,602,930,344	5,866,867,894	1,179,927,073	1,008,807,234	-	-	4,792,271,417	6,695,660,128
Selling and distribution expenses	(230,659,009)	(208,886,459)	(93,839,938)	(87,606,807)	-	-	(297,407,943)	(296,493,266)
Other operating expenses	(28,435,127)	(6,382,419)	(511,967)	(17,454,489)	-	-	(28,973,094)	(23,836,911)
Finance cost	(9,006,950)	(215,268,878)	(336,333,930)	(105,061,299)	-	-	(237,382,900)	(300,330,177)
Other income	3,334,570,257	5,471,884,016	853,593,143	903,745,935	-	-	4,188,163,400	6,375,329,951
Profit before unallocated income and expenses	12,651,495	15,976,013	2,062,864	16,636,436	-	-	14,714,359	32,612,449
Unallocated income and expenses:	3,347,221,752	5,487,560,029	855,656,007	900,382,371	-	-	4,202,877,759	6,407,942,400
Selling and distribution expenses							(69,868,554)	(56,027,437)
Administrative expenses							(1,216,644,018)	(1,098,930,148)
Other operating expenses							(341,614,715)	(341,614,715)
Finance cost							(736,416,336)	(646,373,800)
Other income							2,526,968	3,296,759
Provision for taxation							(868,950,381)	(2,607,048,176)
Profit for the period							1,144,295,637	1,761,244,883

	Polyester		Textile spinning		Total	
	Unaudited		Unaudited		Unaudited	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	Rupees					
Total assets for reportable segments	27,530,460,795	25,598,769,195	26,649,336,023	35,790,982,176	54,329,796,759	61,389,751,311
Unallocated assets					29,210,493,820	27,607,813,844
Total assets as per statement of financial position					83,590,290,578	88,997,565,155
Total liabilities for reportable segment	7,528,399,263	6,818,101,362	5,957,500,797	5,948,576,813	13,485,900,060	12,666,678,175
Unallocated liabilities					14,310,308,282	21,681,090,381
Total liabilities as per statement of financial position					27,796,208,342	34,347,768,556

10.1 Reconciliation of reportable segment assets and liabilities:

Total assets for reportable segments	54,329,796,759	61,389,751,311
Unallocated assets	29,210,493,820	27,607,813,844
Total assets as per statement of financial position	83,590,290,578	88,997,565,155
Total liabilities for reportable segment	13,485,900,060	12,666,678,175
Unallocated liabilities	14,310,308,282	21,681,090,381
Total liabilities as per statement of financial position	27,796,208,342	34,347,768,556

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2024

11. 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.
12. **DATE OF AUTHORISATION FOR ISSUE**
These condensed interim financial statements were authorised for issue on August 20, 2024 by the Board of Directors of the Company.
13. **GENERAL**
 - 13.1 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.
 - 13.2 Figures have been rounded off to the nearest Rupee unless otherwise stated.



Chief Executive Officer



Director



Chief Financial Officer

ڈائریکٹرز کا جائزہ

آپ کے ادارے کے ڈائریکٹرز انہماکی مسرت کے ساتھ ادارے کی 30 جن 2024 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 پولیسٹر ٹھیل فائبر کے کارخانے نے 132,481 ٹن پولیسٹر ٹھیل فائبر بنایا جبکہ پچھلے سال کی متعلقہ ششماہی میں 134,470 ٹن پولیسٹر ٹھیل فائبر بنایا تھا۔ اس پیداوار میں سے 17,654 ٹن پولیسٹر ٹھیل فائبر مختلف اقسام کا آمیزشی دھاگہ بنانے کے لئے آپ کے ادارے کے اپنے کارخانوں میں صرف ہوا جبکہ پچھلے سال کی متعلقہ ششماہی میں یہ کھپت 16,447 ٹن رہی تھی۔

آپ کے ادارے کے دھاگے کے کارخانوں نے اس ششماہی میں 29,068 ٹن مختلف اقسام کا آمیزشی دھاگہ بنایا جبکہ پچھلے سال کی متعلقہ ششماہی میں یہ پیداوار 26,400 ٹن رہی تھی۔

مالیاتی کارکردگی

زیر نظر ششماہی میں آپ کے ادارے کی خالص فروخت 63,995 ملین روپے رہی جبکہ پچھلے سال کی متعلقہ ششماہی میں یہ فروخت 60,112 ملین روپے رہی تھی۔

آپ کے ادارے نے زیر نظر دورانیہ میں 4,782 ملین روپے کا خام منافع کمایا جبکہ پچھلے سال کے متعلقہ دورانیہ میں 6,696 ملین روپے کا خام منافع ہوا تھا۔

آپ کے ادارے کو زیر نظر دورانیہ میں 2,013 ملین روپے قیل از ٹیکس اور 1,144 ملین روپے بعد از ٹیکس نفع ہوا۔ اس کے برعکس پچھلے سال کے متعلقہ دورانیہ میں 4,368 ملین روپے اور 1,761 ملین روپے بالترتیب قیل از ٹیکس اور بعد از ٹیکس نفع ہوا تھا۔

صنعتی جائزہ اور مستقبل پر نقطہ نظر

اجتماعی بنیاد پر معاشی بہتری کے باوجود کئی معیشت ابھی بھی بہت بڑے متعدد چیلنجز سے تیرا آزما ہے جن میں بلند شرح افراط زر، توانائی کی بڑھی ہوئی قیمتیں، ریاست کے ملکیتی کاروباری اداروں کا ناقابل برداشت مالی بوجھ اور مستقبل قریب میں آنے والی واجبات کی ادائیگیوں کے لئے بہت زیادہ زرمبادلہ کی ضرورت شامل ہیں۔ مزید برآں، حکومت پاکستان کی جانب سے درآمد کنندگان کو دی جانے والی غیر معمولی مراعات کی وجہ سے مقامی منڈی میں پولیسٹر ٹھیل فائبر کی غیر مثالی تعداد میں ڈھنگ ہو رہی ہے۔ بین الاقوامی سطح پر خام تیل کی منڈی میں بہت زیادہ اتار چڑھاؤ دیکھا گیا جسکی بنیادی وجہ دنیا کی بڑی معیشتوں کو درپیش غیر یقینی معاشی صورتحال کے ساتھ ساتھ مختلف علاقائی سطح تنازعات ہیں۔

ان تمام عوامل کو مد نظر رکھتے ہوئے بھی اقتصادی سرگرمیوں کے محدود رہنے کی توقع ہے۔ مزید برآں، درآمد کنندگان کو دی جانے والی غیر معمولی مراعات مقامی کپڑے کی صنعت کو مزید نقصان پہنچا رہی گی جسکی وجہ سے ہائوس اپ مینڈیم مصنوعات کی پیداواری سرگرمیوں میں کمی آئے گی اور نتیجتاً کاروباری نتائج خراب ہوں گے۔

اس بدلے ہوئے تاثر میں آپ کے ادارے کی انتظامیہ مالیاتی نظم نسق اور موثر کاروباری حکمت عملی کو بروئے کار لاتے ہوئے منڈی میں اپنے حصے اور نفع کو مزید بہتر بنانے کے لئے انتھک محنت جاری رکھے ہوئے ہے۔

فیصلہ سازی

30 جن 2024 کو اختتام پذیر ہونے والی ششماہی میں آپ کے ادارے کو 3.69 روپے فی حصہ نفع ہوا جبکہ پچھلے سال کی متعلقہ ششماہی میں یہ نفع 5.67 روپے فی حصہ ہوا تھا۔

منجانب
ڈائریکٹرز

Chief Executive Officer

لاہور

20 اگست 2024

I G C P K . C O M



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