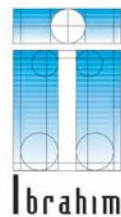




Annual Report of Ibrahim Fibres Limited 2017





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COMPANY INFORMATION

BOARD OF DIRECTORS

Sheikh Mukhtar Ahmed
Chairman

Mohammad Naeem Mukhtar
Chief Executive Officer

Muhammad Waseem Mukhtar

Mohammad Naeem Asghar

Abdul Hameed Bhutta

Mohammad Waqar

Ikram ul Haq Mian

CHIEF FINANCIAL OFFICER

Mohammad Naeem Asghar

COMPANY SECRETARY

Muhammad Labeeb Subhani

AUDIT COMMITTEE

Ikram ul Haq Mian
Chairman

Abdul Hameed Bhutta
Member

Mohammad Waqar
Member

Muhammad Labeeb Subhani
Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Abdul Hameed Bhutta
Chairman

Ikram ul Haq Mian
Member

Mohammad Waqar
Member

AUDITORS

Deloitte Yousuf Adil
Chartered Accountants.

BANKERS

Askari Bank Limited

Bank Alfalah Limited

Bank Al Habib Limited

BankIslami Pakistan Limited

Citibank, N.A.

Deutsche Bank AG

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

JS Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

REGISTERED OFFICE

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

HEAD OFFICE

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

REGISTRAR'S & SHARES REGISTRATION OFFICE

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

PROJECTS LOCATION

38 - 40 Kilometres,
Faisalabad - Shekhupura Road,
Faisalabad, Pakistan.



FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED JUNE 30,

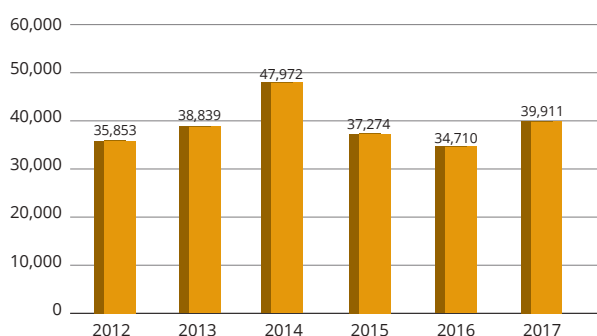
	2017	2016	2015	2014	2013	2012
	(Rupees in million)					
OPERATING PERFORMANCE						
Sales - net	39,911	34,710	37,274	47,972	38,839	35,853
Gross profit	2,425	980	838	1,329	2,725	2,622
Operating profit	1,444	130	128	533	1,958	1,920
Profit before taxation	7,824	1,922	1,360	1,100	4,375	4,452
Profit after taxation	8,480	1,535	803	874	5,534	4,114

AS AT JUNE 30,

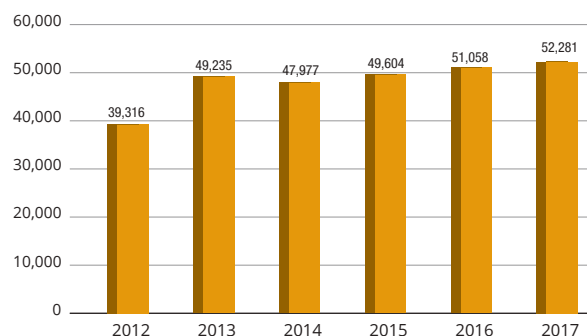
	2017	2016	2015	2014	2013	2012
	(Rupees in million)					
FINANCIAL POSITION						
Property, plant and equipment - net (excluding capital work in progress)	21,704	22,236	23,514	24,606	27,175	7,054
Intangible assets	36	42	47	54	60	10
Capital work in progress	6,821	2,502	638	385	58	13,385
Fixed assets	28,561	24,780	24,199	25,045	27,293	20,449
Total assets	52,281	51,058	49,604	47,977	49,235	39,316
CURRENT ASSETS						
Stores, spare parts and stocks in trade	10,087	7,327	8,421	8,200	9,970	5,686
Other current assets	13,486	5,049	4,197	3,523	2,569	1,563
Cash and cash equivalents	98	103	164	86	205	52
	23,671	12,479	12,782	11,809	12,744	7,301
CURRENT LIABILITIES						
Short term borrowings	4,924	2,691	7,386	2,683	5,509	2,319
Current portion of long term financing	2,058	1,683	450	3,250	2,313	1,229
Other current liabilities	1,915	2,226	1,945	1,758	1,677	2,108
	8,897	6,600	9,781	7,691	9,499	5,656
Net working capital	14,774	5,879	3,001	4,118	3,245	1,645
Long term financing	4,421	5,617	9,925	11,897	12,250	9,262
Share capital and reserves	37,246	36,238	27,346	26,524	26,038	21,883

Sales - Net

(Rupees in million)

**Total Assets**

(Rupees in million)

**FOR THE YEAR ENDED JUNE 30,**

		2017	2016	2015	2014	2013	2012
PROFITABILITY ANALYSIS							
Gross profit to sales	(%)	6.1	2.8	2.2	2.8	7.0	7.3
Profit before tax to sales	(%)	19.6	5.5	3.6	2.3	11.3	12.4
Profit after tax to sales	(%)	21.2	4.4	2.2	1.8	14.2	11.5
Return on capital employed	(%)	3.3	0.3	0.3	1.3	4.9	5.7
Return on equity	(%)	22.8	4.2	2.9	3.3	21.3	18.8
Earnings per share	(Rupees)	27.3	4.9	2.6	2.8	17.8	13.2

DIVIDENDS

Interim cash dividend	(%)	-	-	-	-	15	-
Final cash dividend - Proposed	(%)	10	-	-	-	20	30

AS AT JUNE 30,

		2017	2016	2015	2014	2013	2012
FINANCIAL ANALYSIS							
Current ratio	(times)	2.7	1.9	1.3	1.5	1.3	1.3
Debt to equity	(times)	0.2	0.2	0.4	0.6	0.6	0.5
Leverage ratio	(times)	0.4	0.4	0.8	0.8	0.9	0.8
Debt service coverage	(times)	4.4	3.0	1.2	1.0	2.5	1.9
Breakup value per share	(Rupees)	120.0	116.7	88.1	85.4	83.9	70.5
Inventory turnover ratio	(times)	6.0	5.8	5.8	6.4	5.6	9.4
Debtors turnover ratio	(times)	183.8	180.7	125.2	137.4	156.0	188.9
Fixed assets turnover ratio	(times)	1.5	1.4	1.5	1.8	1.6	2.4

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 and financial statements of your Company for the year ended June 30, 2017.

INDUSTRY OVERVIEW

Improved energy supplies as well as lowest cost of funds in the local market turned out to be key factors for improved economic activity in the textile supply chain. Accordingly, demand for industrial inputs of textile sector remained positive throughout the financial year under review resulting in healthy turnout of polyester staple fibre (PSF) in domestic market. Furthermore, change in blend ratio of yarns in favour of synthetic fibres, availability of electrical power, competitive pricing and tariff protection on foreign dumping also supported domestic industry to achieve better volumes during the year under review.

MARKETING ACTIVITIES

The polyester plant of your Company achieved sales volume of 266,021 tons of PSF / Polyester chips during the year under review as against sales of 237,172 tons of PSF / Polyester chips during the previous year.



The textile plants of your Company achieved sales of 27,743 tons of different counts of blended yarns during the year, as against sales of 28,450 tons of yarns during previous year.

PRODUCTION OPERATIONS

The polyester plant of your Company produced 290,697 tons of PSF / Polyester chips as against 251,307 tons during the previous year. Out of the above production, 19,124 tons of PSF were consumed by the textile plants of your Company during the year for production of blended yarns as against 20,669 tons consumed during previous year.

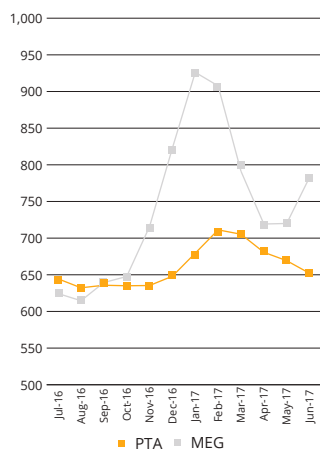
At the textile plants of your Company, 131,145 spindles remained operational during the year and manufactured 28,239 tons of different counts of blended yarns as against 134,707 spindles manufacturing 29,866 tons of yarns during previous year.

FINANCIAL PERFORMANCE

Your Company achieved net sales of Rs. 39,911 million during the year under review as compared to Rs. 34,710 million during the previous year. The gross profit earned during the year was Rs. 2,425 million as against Rs. 980 million earned during previous year.

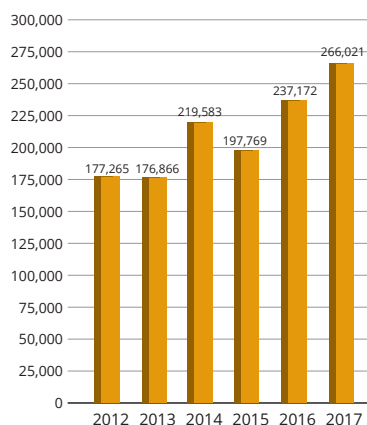
PTA & MEG Prices

(US Dollar / M. Ton)



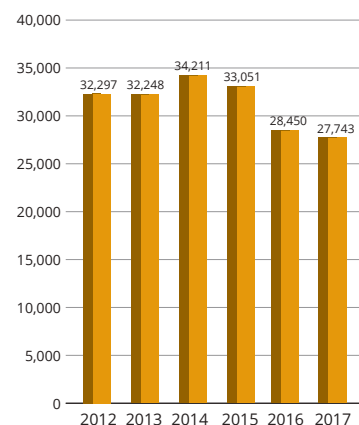
PSF / Polyester Chips Sales

(Quantity in M. Ton)



Yarn Sales

(Quantity in M. Ton)



During the financial year under review, the Company disposed-off its entire investment in Allied Bank Limited (ABL) to Ibrahim Holdings (Private) Limited, an associated company. This transaction resulted in realisation of gain on disposal of investment amounting to Rs. 5,788 million.

Your Company earned profit before tax amounting to Rs. 7,824 million during the year as compared to Rs. 1,922 million during the previous year, after taking into account the proportionate share in profits of ABL, an associated company, amounting to Rs. 1,281 million for the year under review as against Rs. 2,689 million for previous year. Profit after tax for the year comes to Rs. 8,480 million as compared to Rs. 1,535 million during previous year.

INSTALLATION OF COAL FIRED POWER PLANT

Coal Fired Power Plant of your Company is currently in the process of implementation. This state of the art Plant is supplied by Christof Projects GmbH, Austria and comprises of CFB boiler having steam production capacity of 80 tons / hour and power generation capacity of 20.4 MW.

Major erection and installation job has been completed under direct supervision of the supplier and plant is expected to start its commercial operations during second half of the current calendar year.

Implementation of this project will add alternate source of energy to reduce reliance on expensive

fuels and will contribute significantly in business competitiveness by reducing the energy cost of the business.

BALANCING, MODERNISATION AND REPLACEMENT

In continuation of the BMR implementation plan for textile plants, your Company commenced balancing, modernisation and replacement activities in the following plants.

TEXTILE PLANT - I

During the year under review, your Company completed the project for balancing, modernisation and replacement of complete spinning and winding equipment of Textile Plant I - Unit I with state of the art machinery consisting of link winding solution

CHAIRMAN'S REVIEW



and roving transport system supplied by World's leading textile machinery manufacturer i.e. Schlafhorst, Germany. Successful implementation of this project resulted in improvement in quality, reduction in manpower and efficiency in power consumption of this plant of your Company.

TEXTILE PLANT - II

Your Company initiated the project for replacement of cone winding machines of Textile Plant II - Unit I along with deployment of Plant Operations Centre. Schlafhorst, Germany has been awarded the contract to supply plant and machinery during May 2017. Activity on this project is expected to be completed during last quarter of current calendar year.

TEXTILE PLANT - III

Your Company initiated another

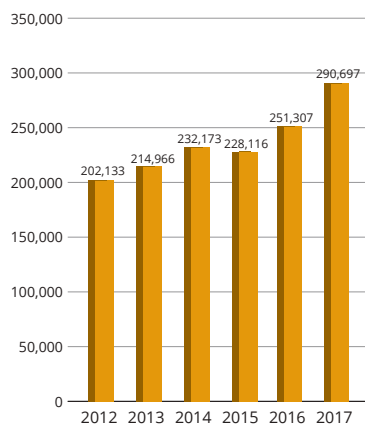
project to replace complete spinning and winding of Textile Plant III - Unit II with the latest state of the art machinery consisting of link winding solution to be supplied by Schlafhorst, Germany. Contract has been awarded to the Supplier for the supply of plant and machinery during June 2017.

Major shipments of machinery / equipment have been planned to be shipped during last quarter

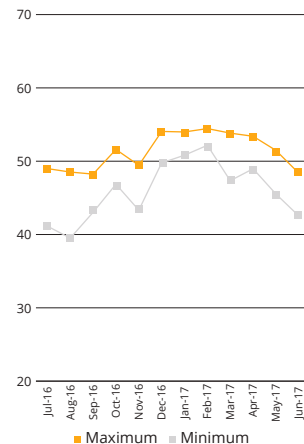
of current calendar year and this project is expected to start operation during 2nd quarter of next calendar year.

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

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



Crude Oil (WTI) Prices (US Dollar / Barrel)



PROFESSIONALISM AND HUMAN RESOURCES

Management of your Company believes that human capital is central to success of a company in an ever-changing, global and immensely competitive landscape. Accordingly, our management aims to recruit and retain highly capable and motivated people, manage and reward their performance and develop key competencies which are fundamental to the coming era of technology based industrial manufacturing - also being called as industry 4.0. In order to achieve these strategic objectives, extensive learning programs were arranged internally in your Company during the year under review. Moreover, numerous team members were chosen to participate in various external learning programs organised by leading institutions relating to work safety, sustainable energy solutions, building high performance teams, developing managerial competencies, inventory management, project management, human capital management, leadership skills, team work and taxation laws.

FUTURE OUTLOOK

Crude oil prices are still struggling for stability despite the agreement between OPEC members to restrict output levels since last calendar year. These volatile trends are expected to be continued in the foreseeable future which may result in varying results across petrochemical chain including your Company. On the domestic front, stable energy supplies, improved law and order situation as well as inflow of foreign investment is expected to contribute in increasing economic activity at macro level. Accordingly, capacity utilisations are expected to remain on a positive node throughout the textile supply chain.

In the view of above scenario, management of your Company is striving hard to achieve better production and sales volume leading to better results for the next financial year.

ACKNOWLEDGEMENT

I am thankful to the members of the 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 Ahmed
Chairman

Lahore
September 21, 2017



NOTICE OF MEETING

Notice is hereby given that the 31st Annual General Meeting of the shareholders of the Company will be held on October 25, 2017 at 11:00 A.M. at Avari Hotel, Shahrah-e-Quaid-e-Azam, 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, 2017 together with directors' and auditors' reports thereon.
3. To consider and approve the payment of Final Cash Dividend @ Rs. 1 per share (10%) as recommended by the Board of Directors.
4. To appoint Auditors for the year 2017 - 2018 and fix their remuneration. The present auditors M/s Deloitte Yousuf Adil, Chartered Accountants have retired and offered themselves for re-appointment as External Auditors of the Company for the year 2017 - 2018.
5. To transact any other business with the permission of the chair.

By order of the Board

Muhammad Labeeb Subhani

Company Secretary

Lahore

September 21, 2017



NOTES

- i. The share transfer books of the Company shall remain closed from October 18, 2017 to October 25, 2017 (both days inclusive) to determine the names of members entitled to receive the Cash dividend and to attend the meeting. Transfers received in order at M/s Technology Trade (Pvt) Ltd., Dagia House, 241 - C, Block - 2, P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi, the Registrar's and Shares Registration Office of the Company, at the close of business on October 17, 2017 will be treated in time.
- ii. 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.
- iii. Members are requested to notify immediately changes, if any, in their registered address.
- iv. 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.

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 Technology Trade (Pvt) Ltd., Dagia House, 241 - C, Block - 2, P.E.C.H.S., Off: Shahrah-e-Quaideen, 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.

NOTICE OF MEETING

CIRCULATION OF ANNUAL AUDITED ACCOUNTS VIA CD / USB / DVD

Pursuant to the directions given by the Securities & 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 / DVD / USB at their registered Addresses.

Shareholders who wish to receive the hard copy of Financial Statements shall have to fill the standard request form which is available on the Company's website (www.igcpc.com) and send us to the Company address.

NEW TAX IMPLEMENTATION ON DIVIDENDS

Pursuant to the provisions of the Finance Act, 2017 effective July 01, 2017, the rates of tax deduction on dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

1. For filers of income tax return 15%
2. For non-filers of income tax return 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, 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 @ 20% 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 filer or non-filer and tax will be deducted according to his / her shareholding. 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 Technology Trade (Pvt) Ltd., latest by October 17, 2017 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 Shares 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.



DIRECTORS' REPORT

The Directors of your Company are pleased to present before you the audited Financial Statements for the year ended June 30, 2017 alongwith Auditors' 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.

	2017 Rupees	2016 Rupees
Gross profit	2,425,225,686	979,915,504
Selling and distribution expenses	(279,787,806)	(275,426,854)
Administrative expenses	(701,464,610)	(640,634,116)
Other operating expenses	(83,166,723)	-
Finance cost	(693,390,377)	(897,125,086)
	(1,757,809,516)	(1,813,186,056)
Other income	667,416,170	(833,270,552)
	5,875,838,361	66,269,402
Share of profit of associate	6,543,254,531	(767,001,150)
Profit before taxation	1,281,164,000	2,688,976,000
Reversal of / (provision for) taxation	7,824,418,531	1,921,974,850
Profit for the year	655,211,021	(386,697,969)
Remeasurement of staff retirement gratuity - net of tax	8,479,629,552	1,535,276,881
Share of changes in equity of associate reclassified on disposal of investment	(2,626,516)	71,604,527
Un - appropriated profit brought forward	158,348,068	-
Un - appropriated profit carried forward	20,343,840,906	18,736,959,498
Earnings per share - Basic and Diluted	28,979,192,010	20,343,840,906
	27.31	4.94

PROPOSED APPROPRIATION OF PROFIT - FINAL CASH DIVIDEND

The Board has recommended payment of Final Cash Dividend for the year ended June 30, 2017 @ Rs. 1 per share (10%) to all the shareholders of the Company.

	2017 Rupees	2016 Rupees
Final cash dividend Rs. 1 per share @ 10% (2016: Nil)	310,506,995	-

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, 2017.

AUDITORS

The external auditors M/s Deloitte Yousuf Adil, Chartered Accountants, retire and offer themselves for their re-appointment. The Audit Committee recommends the re-appointment of M/s Deloitte Yousuf Adil, Chartered Accountants, as external auditors for the financial year ending June 30, 2018.

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2017 is annexed.

NUMBER OF BOARD MEETINGS HELD

Five meetings of the Board of Directors were held during the year ended June 30, 2017 and the attendance of the Directors is as follows:

		Attendance
Sheikh Mukhtar Ahmed	Chairman	04
Mohammad Naeem Mukhtar	Chief Executive Officer	03
Muhammad Waseem Mukhtar	Director	05
Abdul Hameed Bhutta	Director	04
Mohammad Waqar	Director	05
Mohammad Naeem Asghar	Director	02
Ikram Ul Haq Mian	Director	04
Jawaid Ashraf	Director	02

Jawaid Ashraf resigned on November 08, 2016 and the casual vacancy had been filled by Mohammad Naeem Asghar on February 02, 2017.

The members of the Board appreciated the services rendered to the Company by out-going Director during the tenure of his office.

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 <i>(Independent Director)</i>	Chairman
Abdul Hameed Bhutta <i>(Non - Executive Director)</i>	Member
Mohammad Waqar <i>(Non - Executive Director)</i>	Member

Four Meetings of Audit Committee were held during the year ended June 30, 2017 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.

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. 5.19 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

DIRECTORS' REPORT

- 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 Ordinance, 1984;
 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 6 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 environmentally 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

Mohammad Naeem Mukhtar

Chief Executive Officer

Lahore

September 21, 2017



STATEMENT OF COMPLIANCE

WITH CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Clause 5.19.24 of the Rule Book of Pakistan Stock Exchange (PSX) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with best practices for good Corporate Governance.

The Company has applied the principles contained in the CCG in the following manner:-

1. The Company encourages representation of independent Non - Executive Directors and the Directors representing minority interests on the Board of Directors. At present, the Board includes:

Independent Director

Ikram ul Haq Mian

Executive Directors

Mohammad Naeem Mukhtar
Muhammad Waseem Mukhtar

Non - Executive Directors

Sheikh Mukhtar Ahmad
Mohammad Waqar
Mohammad Naeem Asghar
Abdul Hameed Bhutta

The independent director meets the criteria of independence as required in 5.19.1(b) of the Rule Book of PSX.

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.

3. All the Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI.
4. One casual vacancy occurred on November 08, 2016 and was filled up by the Directors within 87 days.
5. 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.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, the other Executive Director and Chairman of Board of Directors have been approved by the Board.
8. The meetings of the Board of Directors were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, are circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
9. The Directors are aware of their duties and responsibilities under the relevant laws and regulations and they are regularly apprised with the amendments in the corporate and other laws if any. Five Directors have acquired certification under directors training programs from the approved institutions. One Director is exempted from such certification on account of the experience and qualification.
10. The appointment of Company Secretary, CFO and Head of

- Internal Audit, including their remuneration and terms and conditions of employment, as recommended by the CEO was approved by the Board.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
 12. The financial statements of the Company were duly endorsed by CEO and CFO before approval by the Board.
 13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
 14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
 15. The Board has formed an audit committee. The Chairman is Independent Director and other two members are Non - Executive Directors.
 16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The terms of reference of the committee have been defined and communicated to the committee for compliance.
 17. The Board has formed a Human Resource and
- Remuneration Committee. It comprises of two Non - Executive Directors and one Independent Director. The chairman of the committee is a Non - Executive Director.
18. The Board has set-up an effective internal audit function with employees who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
 19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its 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.
 20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
 21. The 'closed period', prior to the announcement of
- interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to Directors, employees and stock exchange.
22. Material / price sensitive information are disseminated among all market participants at once through stock exchange.
 23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
 24. We confirm that all other material principles contained in the CCG have been complied with.
- For and on behalf of
Board of Directors
- Mohammad Naeem Mukhtar**
Chief Executive Officer
- Lahore
September 21, 2017

REVIEW REPORT TO THE MEMBERS

ON THE STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Ibrahim Fibres Limited** (the Company), for the year ended June 30, 2017 to comply with the requirements of respective Listing Regulations of the Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirement of the Code. 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 Code.

As part of our audit of 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 controls 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 Code requires the Company to place before the Audit Committee, and upon recommendation of Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Karachi
Dated: September 21, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Ibrahim Fibres Limited** (the Company) as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that-

- (a) in our opinion proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion-
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming parts thereof conform with the approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, 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, 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Dated: September 21, 2017
Karachi





IBRAHIM FIBRES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

BALANCE SHEET

AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	28,524,801,911	24,737,959,691
Intangible assets	4	36,122,327	41,774,935
Investment in associate	5	-	13,762,491,415
Long term loans	6	44,624,853	33,260,833
Long term deposits		3,993,754	4,008,754
		28,609,542,845	38,579,495,628
CURRENT ASSETS			
Stores, spare parts and loose tools	7	2,694,830,589	2,130,071,158
Stock in trade	8	7,392,524,194	5,197,078,034
Trade debts	9	228,319,408	206,035,854
Loans and advances	10	1,385,970,300	1,034,924,058
Prepayments		62,629,352	20,116,110
Other receivables	11	11,808,684,612	3,787,477,324
Cash and bank balances	12	98,214,371	103,129,306
		23,671,172,826	12,478,831,844
CURRENT LIABILITIES			
Trade and other payables	13	1,497,042,405	1,841,136,456
Mark up / interest payable		66,491,499	19,264,912
Short term bank borrowings	14	4,923,955,322	2,690,973,528
Current portion of long term financing	15	2,058,333,332	1,683,333,334
Provision for taxation - income tax		351,343,245	365,179,341
		8,897,165,803	6,599,887,571
Working capital		14,774,007,023	5,878,944,273
Total capital employed		43,383,549,868	44,458,439,901
NON - CURRENT LIABILITIES			
Long term financing	15	4,420,833,332	5,616,666,666
Deferred liabilities:			
Deferred taxation	16	469,806,856	1,466,986,810
Staff retirement gratuity	17	1,246,957,071	1,137,126,471
		6,137,597,259	8,220,779,947
CONTINGENCIES AND COMMITMENTS	18	-	-
Net worth		37,245,952,609	36,237,659,954
Represented by:			
SHARE CAPITAL AND RESERVES			
Share capital	19	3,105,069,950	3,105,069,950
Loans from directors		-	7,426,985,233
Capital reserves	20	1,072,017,550	1,072,017,550
Revenue reserves	21	33,068,865,109	24,633,587,221
		37,245,952,609	36,237,659,954

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

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales - net	22	39,910,714,612	34,709,815,423
Cost of goods sold	23	(37,485,488,926)	(33,729,899,919)
Gross profit		2,425,225,686	979,915,504
Selling and distribution expenses	24	(279,787,806)	(275,426,854)
Administrative expenses	25	(701,464,610)	(640,634,116)
Other operating expenses	26	(83,166,723)	-
Finance cost	27	(693,390,377)	(897,125,086)
		(1,757,809,516)	(1,813,186,056)
Other income	28	667,416,170	(833,270,552)
		5,875,838,361	66,269,402
Share of profit of associate	5	6,543,254,531	(767,001,150)
		1,281,164,000	2,688,976,000
Profit before taxation		7,824,418,531	1,921,974,850
Reversal of / (provision for) taxation	29	655,211,021	(386,697,969)
Profit for the year		8,479,629,552	1,535,276,881
Earnings per share - Basic and Diluted	30	27.31	4.94

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Profit for the year		8,479,629,552	1,535,276,881
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Share of changes in equity of associate	5	(60,095,000)	(162,460,000)
Deferred tax		7,511,875	20,307,500
		(52,583,125)	(142,152,500)
Share of changes in equity of associate reclassified to profit or loss on disposal of related investment		(10,212,036)	-
Deferred tax		1,276,505	-
		(8,935,531)	-
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of staff retirement gratuity	17.2	(4,096,421)	104,946,393
Deferred tax		1,469,905	(33,341,866)
		(2,626,516)	71,604,527
		(64,145,172)	(70,547,973)
Total comprehensive income for the year		8,415,484,380	1,464,728,908

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
a) Cash flows from operating activities		
Profit before taxation	7,824,418,531	1,921,974,850
Adjustments for:		
Depreciation / amortisation of property, plant and equipment	2,305,114,542	2,354,468,974
Amortisation of intangible assets	15,108,284	15,618,782
Provision for staff retirement gratuity	179,237,495	210,747,310
Balances written off / (back) - net	37,287,046	(433,755)
Loss / (gain) on disposal of:		
Property, plant and equipment	6,117,070	(16,091,856)
Investment in associate	(5,787,764,990)	-
Profit on deposits	(61,443)	(1,593,430)
Share of profit of associate	(1,281,164,000)	(2,688,976,000)
Finance cost	693,390,377	897,125,086
Operating cash flows before working capital changes	3,991,682,912	2,692,839,961
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(564,759,431)	(171,151,254)
Stock in trade	(2,195,446,160)	1,264,843,764
Trade debts	(22,283,554)	(27,462,790)
Loans and advances	(199,514,374)	(13,317,138)
Prepayments	(42,513,242)	(1,874,421)
Other receivables	(1,021,615,113)	(401,355,665)
(Decrease) / increase in current liabilities		
Trade and other payables	(375,023,405)	13,561,665
	(4,421,155,279)	663,244,161
Cash (used in) / generated from operations	(429,472,367)	3,356,084,122
Long term loans paid - net	(30,705,520)	(19,467,799)
Finance cost paid	(725,921,666)	(989,159,011)
Income tax paid	(631,694,754)	(395,949,245)
Staff retirement gratuity paid	(75,725,172)	(100,048,973)
Net cash (used in) / from operating activities	(1,893,519,479)	1,851,459,094
b) Cash flows from investing activities		
Additions in:		
Property, plant and equipment	(6,000,838,054)	(2,984,835,989)
Intangible assets	(9,455,676)	(10,306,415)
Proceeds from disposal of:		
Property, plant and equipment	18,295,830	66,022,029
Investment in associate	3,372,100,000	-
Dividend received	727,657,185	1,358,293,412
Long term deposits	15,000	216,677
Profit on deposits	63,835	1,592,011
Net cash used in investing activities	(1,892,161,880)	(1,569,018,275)
c) Cash flows from financing activities		
Loans from directors obtained	2,532,590,794	4,727,502,815
Repayment of loans from directors	(163,934,490)	-
Long term financing obtained	2,550,000,000	-
Repayment of long term financing	(3,370,833,336)	(3,075,000,000)
Increase / (decrease) in short term bank borrowings - net	2,232,981,794	(1,995,440,564)
Dividend paid	(38,338)	(217,867)
Net cash from / (used in) financing activities	3,780,766,424	(343,155,616)
Net decrease in cash and cash equivalents (a+b+c)	(4,914,935)	(60,714,797)
Cash and cash equivalents at the beginning of the year	103,129,306	163,844,103
Cash and cash equivalents at the end of the year	98,214,371	103,129,306

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

Chief Executive Officer

Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2017

	Share Capital	Loans from Directors	Capital Reserves		Revenue Reserves		Total	
			Share premium	Merger reserve	Share of changes in equity of associate	General reserve		Unappropriated profit
Rupees								
Balance as at July 01, 2015	3,105,069,950	-	1,000,000,000	72,017,550	342,225,716	4,089,673,099	18,736,959,498	27,345,945,813
Transactions with owners								
Loans from directors	-	7,426,985,233	-	-	-	-	-	7,426,985,233
Total comprehensive income for the year								
Profit	-	-	-	-	-	-	1,535,276,881	1,535,276,881
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss								
Share of changes in equity of associate	-	-	-	-	(162,460,000)	-	-	(162,460,000)
Deferred tax	-	-	-	-	20,307,500	-	-	20,307,500
					(142,152,500)			(142,152,500)
Items that will not be reclassified subsequently to profit or loss								
Remeasurement of staff retirement gratuity	-	-	-	-	-	-	104,946,393	104,946,393
Deferred tax	-	-	-	-	-	-	(33,341,866)	(33,341,866)
							71,604,527	71,604,527
	-	-	-	-	(142,152,500)	-	1,606,881,408	1,464,728,908
Balance as at June 30, 2016	3,105,069,950	7,426,985,233	1,000,000,000	72,017,550	200,073,216	4,089,673,099	20,343,840,906	36,237,659,954
Transactions with owners								
Loans from directors	-	2,532,590,794	-	-	-	-	-	2,532,590,794
Directors' loans repaid / adjusted	-	(9,959,576,027)	-	-	-	-	-	(9,959,576,027)
		(7,426,985,233)						(7,426,985,233)
Total comprehensive income for the year								
Profit	-	-	-	-	-	-	8,479,629,552	8,479,629,552
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss								
Share of changes in equity of associate	-	-	-	-	(60,095,000)	-	-	(60,095,000)
Deferred tax	-	-	-	-	7,511,875	-	-	7,511,875
					(52,583,125)			(52,583,125)
Share of changes in equity of associate reclassified on disposal of investment to profit or loss	-	-	-	-	(10,212,036)	-	-	(10,212,036)
Deferred tax	-	-	-	-	1,276,505	-	-	1,276,505
					(8,935,531)			(8,935,531)
Unappropriated profit	-	-	-	-	(158,348,068)	-	158,348,068	-
Deferred tax	-	-	-	-	19,793,508	-	-	19,793,508
					(138,554,560)		158,348,068	19,793,508
Items that will not be reclassified subsequently to profit or loss								
Remeasurement of staff retirement gratuity	-	-	-	-	-	-	(4,096,421)	(4,096,421)
Deferred tax	-	-	-	-	-	-	1,469,905	1,469,905
							(2,626,516)	(2,626,516)
	-	-	-	-	(200,073,216)	-	8,635,351,104	8,435,277,888
Balance as at June 30, 2017	3,105,069,950	-	1,000,000,000	72,017,550	-	4,089,673,099	28,979,192,010	37,245,952,609

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1. STATUS AND ACTIVITIES

- 1.1 Ibrahim Fibres Limited (the Company) was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 (the Ordinance) and is listed on Pakistan Stock Exchange. The principal business of the Company is manufacture and sale of polyester staple fibre and yarn. The registered office of the Company is located at 1 - Ahmad Block, New Garden Town, Lahore. The manufacturing units are located at Faisalabad - Shekhupura 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 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 requirements of the Ordinance, directives issued by the Securities and Exchange Commission of Pakistan (the Commission) and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting Standards (IASs) / International Financial Reporting Standards (IFRSs) as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the Commission differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives take precedence.

During the year, the Companies Act, 2017 (the new Companies Act) was enacted and promulgated by the SECP on May 30, 2017. However, SECP has notified through Circular No. 17 of July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, the Company shall prepare the financial statements for periods closing after June 30, 2017 in accordance with the provisions of the new Companies Act. The Company is currently in process of determining impact, if any, on future financial statements due to implementation of the Act.

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

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, 2017 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 periods

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, 2017 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 and investment in associate accounted for using the equity method.

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 lease hold 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

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

At each balance sheet date, the Company reviews the carrying amounts of the financial assets to assess whether there is any indication that such financial assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognised as expense in the profit and loss account. In respect of 'available for sale' financial assets, cumulative impairment loss less any impairment loss on that financial asset previously recognised in profit and loss account, is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

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.

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 profit and loss account in the period in which these are incurred.

2.8 Investment in associate

It is accounted for using the equity method and is initially recognised at cost.

The Company has an associate, Allied Bank Limited (ABL), which is a banking company engaged in commercial banking and related services. The applicability of International Accounting Standard 39 "Financial Instruments: Recognition and Measurement" and International Accounting Standard 40 "Investment Property" has been deferred for banking companies by the State Bank of Pakistan, Whereas IAS 39 and IAS 40 are applicable to the Company. Accordingly equity accounting of ABL is based on its financial statements prepared under the accounting framework applicable to banking companies in Pakistan.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

2.10 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	Cost is determined on weighted average method and it comprises
Finished goods	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.

2.11 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad are written off when identified. Other receivables are recognised at nominal amount which is fair value of the consideration to be received in future.

2.12 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, 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 balance sheet 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 balance sheet 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 the balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

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 balance sheet date.

Deferred tax is charged or credited to the profit and loss account, 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 balance sheet 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 profit and loss account. 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 balance sheet, 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 and represents amounts receivable for goods and services provided in the normal course of business.

- Sales are recorded on dispatch of goods and transfer of significant risks and rewards of ownership.
- Profit on deposits is recognised on time proportionate basis.

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 IASs / IFRSs 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 deferred 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, 2017

	Note	2017 Rupees	2016 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	3.1	21,704,265,704	22,236,282,314
Capital work in progress	3.4	6,820,536,207	2,501,677,377
		28,524,801,911	24,737,959,691

3.1 Operating assets

	Land		Building on		Plant and machinery	Furniture and fixture	Office equipment	Vehicles	Total
	Freehold	Leasehold	Freehold land	Leasehold land					
	Rupees								
At July 01, 2015									
Cost	319,261,909	408,500	4,417,916,197	63,897,537	34,573,369,760	200,437,107	219,740,970	269,980,824	40,065,012,804
Accumulated depreciation / amortisation	-	(113,359)	(1,939,683,488)	(46,489,308)	(14,267,109,734)	(80,096,569)	(91,255,723)	(126,499,391)	(16,551,247,572)
Written down value	319,261,909	295,141	2,478,232,709	17,408,229	20,306,260,026	120,340,538	128,485,247	143,481,433	23,513,765,232
Reconciliation of written down value at June 30, 2016									
Written down value as at July 01, 2015	319,261,909	295,141	2,478,232,709	17,408,229	20,306,260,026	120,340,538	128,485,247	143,481,433	23,513,765,232
Additions	47,770,685	-	39,227,558	-	948,560,141	15,017,219	31,686,526	44,654,100	1,126,916,229
Less: Disposals									
Cost	-	-	-	-	285,921,753	539,474	8,277,780	48,394,750	343,133,757
Accumulated depreciation	-	-	-	-	(255,965,061)	(324,085)	(3,120,298)	(33,794,140)	(293,203,584)
Less: Depreciation / amortisation	-	4,085	248,600,639	1,740,823	29,956,692	215,389	5,157,482	14,600,610	49,930,173
Written down value as at June 30, 2016	367,032,594	291,056	2,268,859,628	15,667,406	19,178,917,668	122,370,790	140,896,364	142,246,808	22,236,282,314
At July 01, 2016									
Cost	367,032,594	408,500	4,457,143,755	63,897,537	35,236,008,148	214,914,852	243,149,716	266,240,174	40,848,795,276
Accumulated depreciation / amortisation	-	(117,444)	(2,188,284,127)	(48,230,131)	(16,057,090,480)	(92,544,062)	(102,253,352)	(123,993,366)	(18,612,512,962)
Written down value	367,032,594	291,056	2,268,859,628	15,667,406	19,178,917,668	122,370,790	140,896,364	142,246,808	22,236,282,314
Reconciliation of written down value at June 30, 2017									
Written down value as at July 01, 2016	367,032,594	291,056	2,268,859,628	15,667,406	19,178,917,668	122,370,790	140,896,364	142,246,808	22,236,282,314
Additions	62,436,887	22,770,582	156,352,908	-	1,432,133,457	20,620,290	42,521,347	60,675,361	1,797,510,832
Less: Disposals									
Cost	-	-	-	-	98,838,792	298,248	2,880,727	36,649,696	138,667,463
Accumulated depreciation	-	-	-	-	(84,750,561)	(196,647)	(1,115,199)	(28,192,156)	(114,254,563)
Less: Depreciation / amortisation	-	51,524	235,921,519	1,566,741	14,088,231	101,601	1,765,528	8,457,540	24,412,900
Written down value as at June 30, 2017	429,469,481	23,010,114	2,189,291,017	14,100,665	18,596,673,161	129,663,525	165,097,373	156,960,368	21,704,265,704
At June 30, 2017									
Cost	429,469,481	23,179,082	4,613,496,663	63,897,537	36,569,302,813	235,236,894	282,790,336	290,265,839	42,507,638,645
Accumulated depreciation / amortisation	-	(168,968)	(2,424,205,646)	(49,796,872)	(17,972,629,652)	(105,573,369)	(117,692,963)	(133,305,471)	(20,803,372,941)
Written down value	429,469,481	23,010,114	2,189,291,017	14,100,665	18,596,673,161	129,663,525	165,097,373	156,960,368	21,704,265,704
Rate (%)	-	01 - 1.25	10	10	10	10	10	20	

	Note	2017 Rupees	2016 Rupees
3.2 Depreciation / amortisation for the year has been allocated as under:			
Cost of goods sold	23	2,241,364,502	2,296,852,569
Administrative expenses	25	63,750,040	57,616,405
		2,305,114,542	2,354,468,974

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

3.3 Detail of disposal of property, plant and equipment

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Particulars
	Rupees				
Plant & machinery					
(Insurance Claim)	3,676,742	2,884,286	792,456	5,000,000	EFU General Insurance Limited, Ahmed Plaza, Bilal Road, Civil Lines, Faisalabad.
(Sold by negotiation)	23,341,884	20,340,334	3,001,550	495,000	Naeem Ahmad, Godown # P - 265, Bloach Market, Samundri Road, Faisalabad.
	22,627,106	19,007,111	3,619,995	810,000	German Garments, Chak # 68 RB, 1.5 KM Kala Road, Johal Sheikhpura Road, Faisalabad.
	26,118,028	20,928,105	5,189,923	540,000	Nazeer Ahmed, Samundri Road, Faisalabad.
	8,812,321	8,258,251	554,070	495,000	Habib Sabir, Samundri Road, Faisalabad.
	2,188,745	2,043,384	145,361	90,000	Multi star Textile Co., Al-Murtaza Center, 2nd Floor, Office # 03, Allama Iqbal Town, Lahore.
	11,858,966	11,104,493	754,473	1,590,000	Ahmed Traders, 31 - MZ, Empress Tower, Empress Road, Lahore.
	215,000	184,597	30,403	175,000	Particulars of purchasers are not required to be mentioned as book value of assets sold to each purchaser is less than Rs. 50,000/-.
	98,838,792	84,750,561	14,088,231	9,195,000	
Office Equipment					
(Sold under company policy)	78,000	22,015	55,985	9,364	Saad Waqas (Employee)
	83,000	22,913	60,087	9,964	Muhammad Labeeb Subhani (Employee)
	1,105,122	252,367	852,755	117,782	Particulars of purchasers are not required to be mentioned as book value of assets sold to each purchaser is less than Rs. 50,000/-.
(Scrapped and written off under Company policy)	1,614,605	817,904	796,701	-	
	2,880,727	1,115,199	1,765,528	137,110	
Furniture & fixtures					
(Scrapped and written off under Company policy)	298,248	196,647	101,601	-	
	298,248	196,647	101,601	-	
Vehicles					
(Insurance Claim)	155,001	62,466	92,535	101,000	IGI Insurance Limited, 2nd Floor, Sitara Tower, Bilal Chowk, Civil Lines, Faisalabad.
(Sold by negotiation)	877,615	817,808	59,807	275,000	Muhammad Rafique Ahmad, House # P - 8, Street # 11, Ghosia Abad, Millat Road, Faisalabad.
	2,267,957	1,837,380	430,577	480,000	Samina Imran, House # P - 6, Arif Street, Bilal Road, Civil Line, Faisalabad.
	12,421,140	10,858,199	1,562,941	1,800,000	Muhammad Salman Khan, Chowk Aziz Hotel, Aziz Motors, Multan Cantt, Multan.
	9,724,430	7,812,529	1,911,901	2,000,000	Shahid Haider, House # 16 - K, Gulberg-II, Lahore.
	1,404,312	974,441	429,871	446,264	Aleem Amin (Employee)
	64,900	60,319	4,581	1,000	Particulars of purchasers are not required to be mentioned as book value of assets sold to each purchaser is less than Rs. 50,000/-.
(Written off under Company policy)	66,685	10,003	56,682	-	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Particulars
	Rupees				
(Sold under company policy)	1,091,290	375,889	715,401	715,401	Usman Zafar (Employee)
	1,035,100	582,563	452,537	452,537	Muhammad Labeeb Subhani (Employee)
	1,519,990	1,054,709	465,281	465,281	Raza Ullah (Employee)
	2,000,840	1,429,891	570,949	570,949	Fazal Akbar (Employee)
	648,145	391,514	256,631	261,056	Waqas Zubair (Ex-Employee)
	114,655	9,427	105,228	52,614	Muhammad Asif Shahab (Ex-Employee)
	1,765,700	936,998	828,702	828,702	Adeel Javaid (Ex-Employee)
	90,900	39,390	51,510	51,510	Irfan Aziz (Ex-Employee)
	1,401,036	938,630	462,406	462,406	Particulars of purchasers are not required to be mentioned as book value of assets sold to each purchaser is less than Rs. 50,000/-.
		36,649,696	28,192,156	8,457,540	8,963,720
2017	138,667,463	114,254,563	24,412,900	18,295,830	
2016	343,133,757	293,203,584	49,930,173	66,022,029	

	Note	2017 Rupees	2016 Rupees
3.4 Capital work in progress			
Building on freehold land		538,341,988	334,583,560
Plant and machinery		5,771,220,269	1,646,985,308
Advances against property, plant and equipment			
Land		67,450,250	7,235,000
Building on freehold land		9,750,846	83,424,803
Plant and machinery		302,475,967	385,708,299
Office equipment		-	5,850,919
Furniture and fixture		9,333,255	4,999,208
Vehicles		7,479,500	31,414,100
		396,489,818	518,632,329
Unallocated capital expenditures		114,484,132	1,476,180
		6,820,536,207	2,501,677,377
4. INTANGIBLE ASSETS			
Computer softwares	4.1	20,834,577	35,249,935
Advance against computer software under implementation		15,287,750	6,525,000
		36,122,327	41,774,935
4.1 Computer softwares			
Cost		116,113,105	115,420,179
Accumulated amortisation		(95,278,528)	(80,170,244)
Written down value		20,834,577	35,249,935
Reconciliation of written down value			
Opening balance		35,249,935	38,309,755
Additions		692,926	12,558,962
Amortisation	25	(15,108,284)	(15,618,782)
Closing balance		20,834,577	35,249,935

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
5. INVESTMENT IN ASSOCIATE			
Allied Bank Limited (ABL) - Quoted Nil (2016: 194,041,916) ordinary shares of Rs.10/- each Ownership interest Nil (2016: 16.95%)			
Cost of investment		3,975,325,052	3,975,325,052
Share of post acquisition changes in equity			
Opening balance		9,787,166,363	8,618,943,775
Share of profit		1,281,164,000	2,688,976,000
Share of other comprehensive income		(60,095,000)	(162,460,000)
Dividend received		(727,657,185)	(1,358,293,412)
		10,280,578,178	9,787,166,363
		14,255,903,230	13,762,491,415
Disposal of shares	5.2	(14,255,903,230)	-
		-	13,762,491,415

- 5.1** ABL is engaged in banking business. Its registered and head office is situated at 3 Tipu Block, New Garden Town, Lahore, Pakistan.
- 5.2** The Company's shareholding in associate has been disposed off to Ibrahim Holdings (Private) Limited (IHL), an associated company during second quarter of the financial year. The shares have been disposed off by virtue of a Sale & Purchase Agreement (SPA) signed among the Company, IHL and the sponsor shareholders of ABL after having approval from the State Bank of Pakistan for transferring sponsor shareholding of ABL to IHL.
- 5.3** The financial year end of ABL is 31st December. The financial results of associate as of September 30, 2016 have been used for the purpose of application of equity method.
- 5.4** The Company exercises significant influence on ABL by virtue of common directorship.
- 5.5** The fair value of investment in associate as at June 30, 2017 is Nil (2016: Rs. 17,456 million).

	Note	2017 Rupees	2016 Rupees
6. LONG TERM LOANS			
Considered good			
Executives	6.1	79,117,499	62,682,843
Other employees		34,910,783	20,639,919
		114,028,282	83,322,762
Less: Current portion	10	69,403,429	50,061,929
		44,624,853	33,260,833
6.1 Reconciliation of carrying amount of loans to executives:			
Opening balance		62,682,843	49,687,428
Disbursements		64,102,355	52,924,828
Recovered		(47,667,699)	(39,929,413)
Closing balance		79,117,499	62,682,843

- 6.2** These loans have been given to executives and other employees under Company policy for purchase of house or for personal use in accordance with their terms of employment. These loans are to be repaid over a period of two to five years in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the services of the Company is adjustable against final settlement of staff retirement gratuity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

6.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 81.049 million (2016: Rs. 62.683 million).

6.4 These loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material.

	2017 Rupees	2016 Rupees
7. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores		
In hand	351,986,469	387,800,047
In transit	258,083,931	-
	610,070,400	387,800,047
Spare parts		
In hand	1,905,719,302	1,581,198,397
In transit	174,227,228	154,855,234
	2,079,946,530	1,736,053,631
Loose tools	4,813,659	6,217,480
	2,694,830,589	2,130,071,158

7.1 Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

	Note	2017 Rupees	2016 Rupees
8. STOCK IN TRADE			
Raw materials			
In hand		3,203,522,117	1,996,686,265
In transit		354,595,603	355,833,753
		3,558,117,720	2,352,520,018
Work in process		444,369,387	402,471,977
Finished goods		3,369,724,006	2,423,516,404
Wastes		20,313,081	18,569,635
		7,392,524,194	5,197,078,034
9. TRADE DEBTS			
Considered good - Unsecured		228,319,408	206,035,854
10. LOANS AND ADVANCES			
Considered good			
Loans			
Employees		5,988,042	4,997,483
Executives		16,151,226	16,023,215
Others		69,403,429	50,061,929
Current portion of long term loans	6	91,542,697	71,082,627
Advances			
Suppliers and contractors		65,389,374	66,910,433
Income tax		872,153,058	737,490,861
Sales tax		322,813,653	155,471,867
Letters of credit fee, margin and expenses		34,071,518	3,968,270
		1,294,427,603	963,841,431
		1,385,970,300	1,034,924,058

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
11. OTHER RECEIVABLES			
Custom duty refundable		49,312,848	109,318,848
Income tax refundable		1,450,041,217	1,278,761,894
Sales tax / federal excise duty refundable / adjustable		3,286,935,554	2,300,076,745
Claims		141,527,852	89,088,437
Receivable against disposal of shares	11.1	6,865,714,645	–
Other		15,152,496	10,231,400
		11,808,684,612	3,787,477,324

11.1 It represents receivable from Ibrahim Holdings (Private) Limited, an associated company, against disposal of ABL shares. (Refer Note 5.2).

	Note	2017 Rupees	2016 Rupees
12. CASH AND BANK BALANCES			
Cash in hand		71,698,767	87,321,318
Cash at banks			
In current accounts		26,312,419	15,443,454
In deposit accounts	12.1	203,185	364,534
		26,515,604	15,807,988
		98,214,371	103,129,306

12.1 The rates of profit on deposit accounts is 3.75% per annum (2016: 3.75% to 5.50% per annum).

		2017 Rupees	2016 Rupees
13. TRADE AND OTHER PAYABLES			
Creditors		311,785,780	368,882,716
Accrued liabilities		387,392,059	263,515,474
Advances from customers		120,460,368	168,454,858
Capital expenditure payable		61,981,230	26,207,498
Bills payable		525,639,886	957,016,336
Workers' profit participation fund		39,762,607	–
Unclaimed dividend		21,091,973	21,130,311
Other		28,928,502	35,929,263
		1,497,042,405	1,841,136,456
14. SHORT TERM BANK BORROWINGS			
Secured			
Running finances		4,923,955,322	2,690,973,528

14.1 These facilities are secured against first pari passu hypothecation charge over current assets of the Company and carry markup ranging from 5.96 % to 6.5% per annum (2016: 6.29% to 7.24% per annum). The aggregate unavailed short term bank borrowing facilities available to the Company are Rs. 3,976 million (2016: Rs. 6,826 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
15. LONG TERM FINANCING			
Secured			
From banking companies			
Islamic term finances	15.1	1,866,666,664	2,800,000,000
Diminishing musharakah I	15.2	375,000,000	1,875,000,000
Diminishing musharakah II	15.3	1,125,000,000	1,500,000,000
Diminishing musharakah III	15.4	250,000,000	750,000,000
Diminishing musharakah IV	15.5	312,500,000	375,000,000
Diminishing musharakah V	15.6	1,150,000,000	-
Diminishing musharakah VI	15.7	255,000,000	-
Term Finance I	15.8	510,000,000	-
Term Finance II	15.9	380,000,000	-
Term Finance III	15.10	255,000,000	-
		6,479,166,664	7,300,000,000
Less: Current portion		2,058,333,332	1,683,333,334
		4,420,833,332	5,616,666,666

15.1 Islamic term finances

These are repayable in 6 equal half yearly installments commenced from December 26, 2016 and ending on June 26, 2019. These are secured by way of first exclusive charge over plant and machinery of Textile plant - II, Textile plant - III and new Power Generation Unit having capacity of 26.5 MW of the Company. These carry markup at six months KIBOR minus 25 basis points (2016: KIBOR plus 25 basis points) payable half yearly in arrears.

Effective markup rate charged during the year ranges from 5.89% to 6.35% per annum (2016: 6.35% to 7.23% per annum).

15.2 Diminishing musharakah I

It is repayable in 8 equal half yearly installments commenced from June 26, 2017 and ending on December 26, 2017. During the year, the Company has pre-paid 3rd, 4th and 5th installments. Last three installments were pre-paid in previous year. It is secured by way of first pari passu charge over plant and machinery of Polyester plant of the Company. It carries markup at six months KIBOR plus 25 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 6.35% to 6.40% (2016: 6.35% to 7.23% per annum).

15.3 Diminishing musharakah II

It is repayable in 8 equal half yearly installments commenced from June 26, 2017 and ending on June 26, 2020. During the year, the Company has prepaid the last one installment. It is secured by way of first pari passu charge over plant and machinery of Polyester plant of the Company. It carries markup at six months KIBOR plus 25 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 6.35% to 6.40% (2016: 6.35% to 7.23% per annum).

15.4 Diminishing musharakah III

It is repayable in 8 equal half yearly installments commenced from June 26, 2017 and ending on June 26, 2018. During the year, the Company has pre-paid 4th, 5th and 6th installments. Last two installments were pre-paid in previous year. It is secured by way of first pari passu charge over plant and machinery of Polyester plant of the Company. It carries markup at six months KIBOR plus 25 basis points payable half yearly in arrears.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

Effective markup rate charged during the year ranges from 6.35% to 6.40% (2016: 6.35% to 7.23% per annum).

15.5 Diminishing musharakah IV

It is repayable in 8 equal half yearly installments commenced from June 30, 2017 and ending on December 30, 2019. During previous year, the Company has pre-paid last two installments. It is secured by way of first pari passu charge over present and future plant and machinery of Polyester plant of the Company. It carries markup at six months KIBOR plus 25 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 6.31% to 6.40% (2016: 6.31% to 7.29% per annum).

15.6 Diminishing musharakah V

It is repayable in 8 equal half yearly installments commencing from April 30, 2019 and ending on October 31, 2022. It is secured by way of first exclusive charge over plant and machinery of Textile plant - I of the Company. It carries markup at six months KIBOR plus 25 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 6.30% to 6.41% (2016: Nil).

15.7 Diminishing musharakah VI

It is repayable in 8 equal half yearly installments commencing from March 26, 2019 and ending on September 26, 2022. It is secured by way of first pari passu charge over present and future plant and machinery of Coal Fired Power Generation Plant of the Company. It carries markup at six months KIBOR plus 25 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 6.30% to 6.38% (2016: Nil).

15.8 Term finance I

It is repayable in 8 equal half yearly installments commencing from March 26, 2019 and ending on September 26, 2022. It is secured by way of first pari passu charge over present and future plant and machinery of Coal Fired Power Generation Plant of the Company. It carries markup at six months KIBOR plus 25 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 6.30% to 6.38% (2016: Nil).

15.9 Term finance II

It is repayable in 8 equal half yearly installments commencing from March 26, 2019 and ending on September 26, 2022. It is secured by way of first pari passu charge over present and future plant and machinery of Coal Fired Power Generation Plant of the Company. It carries markup at six months KIBOR plus 25 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 6.30% to 6.38% (2016: Nil).

15.10 Term finance III

It is repayable in 8 equal half yearly installments commencing from March 26, 2019 and ending on September 26, 2022. It is secured by way of first pari passu charge over present and future plant and machinery of Coal Fired Power Generation Plant of the Company. It carries markup at six months KIBOR plus 25 basis points payable half yearly in arrears.

Effective markup rate charged during the year ranges from 6.30% to 6.38% (2016: Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

16. DEFERRED TAXATION

	At July 01, 2016	Charged / (Credited) to profit and loss	Credited in other comprehensive income / equity	At June 30, 2017
Rupees				
Deferred tax liabilities:				
Difference in tax and accounting bases of property, plant and equipment	3,997,791,662	(259,563,206)	-	3,738,228,456
Investment in associate	1,223,395,795	(1,194,813,907)	(28,581,888)	-
	5,221,187,457	(1,454,377,113)	(28,581,888)	3,738,228,456
Deferred tax assets:				
Staff retirement gratuity	(353,569,288)	(19,407,255)	(1,469,906)	(374,446,449)
Unadjusted tax losses	(3,400,631,359)	506,656,208	-	(2,893,975,151)
	(3,754,200,647)	487,248,953	(1,469,906)	(3,268,421,600)
	1,466,986,810	(967,128,160)	(30,051,794)	469,806,856

	At July 01, 2015	Charged / (Credited) to profit and loss	Charged / (Credited) in other comprehensive income	At June 30, 2016
Rupees				
Deferred tax liabilities:				
Difference in tax and accounting bases of property, plant and equipment	4,318,259,136	(320,467,474)	-	3,997,791,662
Investment in associate	1,077,367,972	166,335,323	(20,307,500)	1,223,395,795
	5,395,627,108	(154,132,151)	(20,307,500)	5,221,187,457
Deferred tax assets:				
Staff retirement gratuity	(363,134,127)	(23,777,027)	33,341,866	(353,569,288)
Unadjusted tax losses	(3,499,556,273)	98,924,914	-	(3,400,631,359)
Unavailed tax credit on plant and machinery	(100,502,892)	100,502,892	-	-
	(3,963,193,292)	175,650,779	33,341,866	(3,754,200,647)
	1,432,433,816	21,518,628	13,034,366	1,466,986,810

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017 using Projected Unit Credit Method.

	Note	2017 Rupees	2016 Rupees
17.1 The amount recognised in the balance sheet is as follows:			
Present value of defined benefit obligation	17.2	1,246,957,071	1,137,126,471
17.2 Movement in net liability recognised			
Opening Liability		1,137,126,471	1,119,655,237
Liability transferred to accrued liabilities		(2,544,187)	(2,552,351)
Expenses recognised in profit and loss account	17.2.1	179,237,495	210,747,310
Paid during the year		(70,959,129)	(85,777,332)
Remeasurement of obligation		4,096,421	(104,946,393)
		1,246,957,071	1,137,126,471
17.2.1 Expenses recognised in profit and loss account			
Current service cost		99,460,321	105,886,997
Interest cost		79,777,174	104,860,313
		179,237,495	210,747,310

	2017	2016
17.3 Principal actuarial assumptions used		
Discount rate	7.75 % per annum	7.25 % per annum
Expected rate of increase in salary	6.75 % per annum	6.25 % per annum
Expected average duration of the defined benefit obligation	8 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	1,155,821,910	1,350,942,590
Salary growth rate	100 bps	1,353,536,204	1,151,834,645

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees in million	2016 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. The said suit was decreed in favour of the Company. However, the Customs Department filed an appeal in the Court and the same was decided subsequently in favour of the Customs Department. The Company has filed appeal before the Honourable Supreme Court of Pakistan. During the year, 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 in the name of Sindh High Court at Karachi for the release of bank guarantees and due legal process has been initiated for its effect.	-	116.594
(ii) Guarantees issued in favour of Sui Northern Gas Pipelines Limited against supply of gas.	270.687	228.543
(iii) Guarantees issued in favour of The Director, Excise and Taxation, Karachi against imposition of infrastructure cess.	545.000	450.000
(iv) Guarantees issued in favour of The Collector of Customs, Karachi to avail exemption from levy of custom duty, sales tax and income tax. The Company has filed suit in Honourable Sindh High Court, Karachi for release of these Guarantees.	4.698	70.955
(v) Guarantees issued in favour of Faisalabad Electric Supply Company against electricity connection.	56.960	56.960
(vi) Guarantee issued in favour of The Commissioner Inland Revenue for refund payment orders of sales tax.	60.000	60.000
(vii) Guarantee issued in favour of The Collector of Customs, Lahore to avail exemption from levy of custom duty, sales tax and income tax on temporary import of heat treatment and welding machines for erection of Coal Fired Power Generation Plant.	3.475	-
(viii) Guarantee issued in favour of The Collector, Model Custom Collectorate, Port Muhammad Bin Qasim, Karachi to avail exemption from levy of custom duty, sales tax and income tax on temporary import of equipment and accessories for erection of Coal Fired Power Generation Plant.	4.199	-
18.1.2 Custom duty of Rs. 8.9 million (2016: Rs. 8.9 million) in respect of local purchase of PTA has not been acknowledged due to pending appeal. The Company's claim on account of custom duty refund amounting to Rs.11.455 million (2016: Rs. 11.455 million) is also pending before the Customs Department.	-	-
18.1.3 Demand of market committee fee on cotton purchase not acknowledged as demand has already been deposited by cotton suppliers. The appeal has been filed by the Company against illegal demand. Stay has been granted by Assistant Commissioner / Collector, Jaranwala Division and also by the Honourable Lahore High Court, Lahore. The Company has given bank guarantees of Rs. 0.589 million (2016: Rs. 0.589 million) to market committee.	10.039	10.039
18.1.4 Income tax demand of Rs. 850.759 million (2016: Rs. 464.083 million) in respect of tax years 2007, 2008, 2009, 2010, 2011, 2012 and 2013 (2016: tax years 2007, 2008, 2009, 2010, 2012 and 2013) has not been acknowledged due to pending appeal.	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

			2017 Rupees in million	2016 Rupees in million
18.1.5	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 Lahore High Court (the Court) challenging the levy of said tax through filing a writ petition and the Court has granted stay against recovery of tax in any manner. The legal counsel is of the view that the outcome of the petition is expected to be favorable based on which the company has not recorded such tax liability for the tax years 2015 and 2016.		-	-
18.2	Commitments			
18.2.1	Under contracts for capital expenditure:			
	Building on freehold land		52.371	308.256
	Plant and machinery		41.025	282.224
18.2.2	Under letters of credit for:			
	Plant and machinery		491.266	4,459.802
	Raw materials and spare parts		1,032.666	840.772
			2017 Rupees	2016 Rupees
19.	SHARE CAPITAL			
	Authorised capital			
		2017	2016	
		Number of shares		
		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			
		2017	2016	
		Number of shares		
		200,000,000	200,000,000	Ordinary shares of Rs.10/- each fully paid in cash
		50,000,000	50,000,000	Ordinary shares of Rs.10/- each issued as fully paid bonus shares
		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
				2,000,000,000
				500,000,000
				605,069,950
		310,506,995	310,506,995	3,105,069,950
				3,105,069,950
			2017 Rupees	2016 Rupees
20.	CAPITAL RESERVES			
	Premium on issue of shares		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, 2017

	2017 Rupees	2016 Rupees
21. REVENUE RESERVES		
Share of changes in equity of associate	–	200,073,216
General reserve	4,089,673,099	4,089,673,099
Unappropriated profit	28,979,192,010	20,343,840,906
	33,068,865,109	24,633,587,221
22. SALES		
Local	40,179,782,183	34,943,107,483
Export	39,485,002	11,402,465
	40,219,267,185	34,954,509,948
Less:		
Commission and brokerage	14,518,472	13,680,287
Discount on sale	294,034,101	231,014,238
	39,910,714,612	34,709,815,423

22.1 Sales are exclusive of sales tax of Rs. 93,945,999/- (2016: Rs 1,140,449,671/-).

	Note	2017 Rupees	2016 Rupees
23. COST OF GOODS SOLD			
Raw materials consumed		29,334,109,905	24,796,769,507
Packing materials		589,652,891	456,722,570
Salaries, wages and benefits		1,450,609,769	1,364,797,131
Staff retirement benefits		139,718,823	162,844,511
Stores and spare parts		767,547,351	820,764,891
Fuel and power		3,475,439,023	2,699,349,247
Insurance		59,341,779	56,297,411
Depreciation of property, plant and equipment	3.2	2,241,364,502	2,296,852,569
Other		417,553,341	201,214,699
		38,475,337,384	32,855,612,536
Work in process			
Opening stock		402,471,977	398,266,585
Closing stock		(444,369,387)	(402,471,977)
		(41,897,410)	(4,205,392)
Cost of goods manufactured		38,433,439,974	32,851,407,144
Finished goods			
Opening stock		2,442,086,039	3,320,578,814
Closing stock		(3,390,037,087)	(2,442,086,039)
		(947,951,048)	878,492,775
		37,485,488,926	33,729,899,919
24. SELLING AND DISTRIBUTION EXPENSES			
Salaries and benefits		80,717,927	83,769,067
Staff retirement benefits		12,074,769	14,767,818
Freight and forwarding		159,141,656	144,728,025
Travelling and conveyance		7,149,251	7,009,653
Vehicles running and maintenance		4,134,001	4,366,617
Postage and telecommunication		1,104,916	1,094,479
Other		15,465,286	19,691,195
		279,787,806	275,426,854

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
25. ADMINISTRATIVE EXPENSES			
Directors' remuneration		54,000,000	54,000,000
Salaries and benefits		237,151,313	215,016,350
Staff retirement benefits		27,443,903	33,134,981
Travelling and conveyance		75,999,719	65,262,386
Vehicles running and maintenance		12,839,065	10,235,542
Fuel and power		34,406,316	34,819,159
Postage and telecommunication		17,465,734	16,287,594
Printing and stationery		6,173,773	5,503,314
Repairs and maintenance		95,682,778	76,127,185
Fees, subscription and periodicals		7,914,520	8,458,396
Rent, rates and taxes		11,979,656	11,075,456
Legal and professional		14,828,176	10,538,857
Entertainment		13,068,371	13,593,381
Auditors' remuneration	25.1	3,093,000	3,000,500
Advertisement		319,653	221,555
Insurance		2,481,126	2,482,912
Donations	25.2	4,025,000	4,194,328
Depreciation / amortisation			
of property, plant and equipment	3.2	63,750,040	57,616,405
Amortisation of intangible assets	4.1	15,108,284	15,618,782
Other		3,734,183	3,447,033
		701,464,610	640,634,116
25.1 Auditors' remuneration			
Audit fee		2,200,000	2,200,000
Other services		893,000	800,500
		3,093,000	3,000,500
25.2 No director or his spouse had any interest in the donees' fund.			
26. OTHER OPERATING EXPENSES			
Workers' profit participation fund		39,762,607	-
Loss on disposal of property, plant and equipment		6,117,070	-
Balances written off - net		37,287,046	-
		83,166,723	-
27. FINANCE COST			
Mark up / interest on:			
Long term financing		464,368,732	687,252,618
Short term bank borrowings		227,449,337	208,417,594
Bank charges and commission		1,572,308	1,454,874
		693,390,377	897,125,086

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
28. OTHER INCOME		
Income from financial assets:		
Profit on deposits	61,443	1,593,430
Exchange differences	87,442	-
Gain on disposal of investment in associate	5,787,764,990	-
	5,787,913,875	1,593,430
Income from assets other than financial assets:		
Scrap sales	33,328,798	43,968,041
Gain on disposal of property, plant and equipment	-	16,091,856
Balances written back - net	-	433,755
Rental income	2,733,485	3,498,600
Suppliers claims settlement	50,650,616	-
Other	1,211,587	683,720
	87,924,486	64,675,972
	5,875,838,361	66,269,402
29. REVERSAL OF / (PROVISION FOR) TAXATION		
Current		
For the year	(351,343,245)	(365,179,341)
For prior year	39,426,106	-
	(311,917,139)	(365,179,341)
Deferred	967,128,160	(21,518,628)
	655,211,021	(386,697,969)
29.1 Reconciliation between accounting profit and tax expense		
Accounting profit before tax	7,824,418,531	1,921,974,850
Tax rate	31%	32%
Tax on accounting profit	(2,425,569,745)	(615,031,952)
Tax impact of income chargeable as final tax	(394,850)	(194,455)
Impact of minimum tax	(402,131,110)	(349,870,755)
Impact of income chargeable at lower rate	1,795,054,528	-
Tax impact of share of profit of associate and dividend	306,203,692	690,685,644
Impact of super tax	-	(39,426,599)
Origination and reversals of temporary differences	1,200,482,537	(72,859,852)
Impact of tax credit on BMR (65B)	142,139,863	-
Prior year adjustment	39,426,106	-
Tax expense	655,211,021	(386,697,969)
	2017	2016
30. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year (Rupees)	8,479,629,552	1,535,276,881
Weighted average number of ordinary shares	310,506,995	310,506,995
Earnings per share - Basic and Diluted (Rupees)	27.31	4.94

30.1 There is no dilutive effect on the basic earnings per share of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

31. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2017			2016		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees					
Remuneration	16,363,632	32,727,264	474,902,689	16,363,632	32,727,264	473,454,643
Medical allowance	1,636,368	3,272,736	47,044,073	1,636,368	3,272,736	46,884,077
Reimbursable expenses for vehicles running	-	-	12,764,683	-	-	13,513,073
	18,000,000	36,000,000	534,711,445	18,000,000	36,000,000	533,851,793
Number of persons	1	2	430	1	2	427

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. 4,145,510/- (2016: Rs. 2,278,790/-). The Directors have waived off their meeting fee.

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. The balances due from and due to related parties have been disclosed in the relevant notes to the financial statements. 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	2017 Rupees	2016 Rupees
Associated undertakings	Rent charged	14,510,400	13,528,800
	Disposal of investment in associate	20,033,456,192	-
	Consultancy fee paid	17,400,000	20,500,000
	Rental income	2,733,485	3,498,600
Key management personnel	Loans from directors obtained	2,532,590,794	4,727,502,815
	Loans from directors repaid / adjusted	9,959,576,027	-
	Short term borrowings repaid	-	158,000,000
		2017 M. Tons	2016 M. Tons
33. PLANT CAPACITY AND ACTUAL PRODUCTION			
Annual production capacity (350 days - 3 shifts)			
	Polyester Staple Fibre / Polyester Chips	390,600	390,600
	Yarn converted into 20/s count (Spindles installed 134,496 (2016: 99,216))	45,900	34,700
Actual production			
	Polyester Staple Fibre / Polyester Chips	290,697	251,307
	Yarn converted into 20/s count (Spindles worked 131,145 (2016: 134,707))	41,046	43,296

33.1 The actual production of Polyester Staple Fibre and Polyester Chips is planned to meet the market demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
34. NUMBER OF EMPLOYEES		
Total number of employees as at June 30,	4,021	4,010
Average number of employees during the year	4,023	4,164

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.

	2017 Rupees	2016 Rupees
35.1 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets measured at amortised cost:		
Long term loans	114,028,282	83,322,762
Long term deposits	3,993,754	4,008,754
Trade debts	228,319,408	206,035,854
Loans and advances	22,139,268	21,020,698
Other receivables	7,012,353,104	89,277,948
Cash and bank balances	98,214,371	103,129,306
	7,479,048,187	506,795,322
Financial liabilities measured at amortised cost:		
Long term financing	6,479,166,664	7,300,000,000
Trade and other payables	1,347,653,535	1,672,681,598
Mark up / interest payable	66,491,499	19,264,912
Short term bank borrowings	4,923,955,322	2,690,973,528
	12,817,267,020	11,682,920,038

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:

	2017 Rupees	2016 Rupees
Long term deposits	3,993,754	4,008,754
Trade debts	228,319,408	206,035,854
Other receivables	7,012,353,104	89,277,948
Bank balances	26,515,604	15,807,988
	7,271,181,870	315,130,544

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

The Company's most significant customers are industrial users of polyester staple fibre and yarn. Aging of trade debts as at balance sheet date is as under:

	2017 Rupees	2016 Rupees
Not past due	208,373,148	159,412,950
Past due within one year	9,517,317	35,325,770
Past due more than one year	10,428,943	11,297,134
	228,319,408	206,035,854

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 balance sheet 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, 2017 and June 30, 2016.

	2017				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
	Rupees				
Financial Liabilities:					
Long term financing	6,479,166,664	7,369,520,553	1,419,778,414	1,004,346,355	4,945,395,783
Trade and other payables	1,347,653,535	1,347,653,535	1,347,653,535	-	-
Mark up / interest payable	66,491,499	66,491,499	66,491,499	-	-
Short term borrowings	4,923,955,322	4,975,759,873	-	-	-
	12,817,267,020	13,759,425,460	2,833,923,448	1,004,346,355	4,945,395,783

	2016				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
	Rupees				
Financial Liabilities:					
Long term financing	7,300,000,000	8,265,643,333	699,507,773	1,430,752,625	6,135,382,935
Trade and other payables	1,636,752,335	1,636,752,335	1,636,752,335	-	-
Mark up / interest payable	19,264,912	19,264,912	19,264,912	-	-
Short term borrowings	2,690,973,528	2,744,472,225	-	-	-
	11,646,990,775	12,666,132,805	2,355,525,020	1,430,752,625	6,135,382,935

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

The contractual cash flows relating to mark up on long term financing and short term bank borrowings from banks have been determined on the basis of markup rates as applicable at the year end. As at the year end, the Company has liquid assets of Rs. 12,212 million (2016: Rs. 4,158 million) and unavailed short term bank borrowing facilities from banks of Rs. 3,976 million (2016: Rs. 6,826 million) (Refer Note 14.1) to manage the liquidity risk.

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 and loss, therefore a change in interest rates at the reporting date would not affect profit and 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. 59.817 million (2016: Rs. 128.298 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. 41.202 million (2016: Rs. 206.768 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. 2.060 million (2016: Rs. 10.338 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

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.

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 balance sheet. Total equity comprises of shareholders' equity as shown in the balance sheet under 'share capital and reserves'.

The salient information relating to capital risk management of the Company as at June 30, 2017 and June 30, 2016 was as follows:

	Note	2017 Rupees	2016 Rupees
Debt	14 & 15	11,403,121,986	9,990,973,528
Less: Cash and cash equivalents	12	98,214,371	103,129,306
Net Debt		11,304,907,615	9,887,844,222
Total equity		37,245,952,609	36,237,659,954
Total capital		48,550,860,224	46,125,504,176
Gearing ratio		23.28%	21.44%

36. NON - ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its Meeting held on September 21, 2017 proposed a final dividend of Rs. 1 per share (2016: Rs. Nil per share) for the year ended June 30, 2017, amounting to Rs. 310.507 million (2016: Rs. Nil), for approval of the members at the Annual General Meeting to be held on October 25, 2017.

37. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue as at September 21, 2017 by the Board of Directors of the Company.

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

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2017

Number of Shareholders	Having Shares		Shares Held
	From	To	
407	1	100	14,481
863	101	500	208,246
448	501	1000	325,765
341	1001	5000	772,647
81	5001	10000	596,471
28	10001	15000	350,199
14	15001	20000	246,805
11	20001	25000	257,168
7	25001	30000	193,208
10	30001	35000	317,627
7	35001	40000	260,195
2	40001	45000	88,500
2	45001	50000	96,500
1	50001	60000	56,000
2	60001	65000	125,000
1	65001	70000	66,500
1	75001	80000	77,250
1	95001	100000	100,000
1	110001	115000	112,375
2	120001	125000	250,000
1	165001	170000	166,257
1	185001	190000	189,000
1	195001	200000	200,000
2	335001	340000	672,500
1	345001	350000	347,125
1	395001	400000	400,000
1	405001	410000	405,670
1	520001	525000	525,000
1	560001	565000	561,125
1	670001	675000	674,000
1	925001	930000	925,062
1	1575001	1580000	1,577,030
1	1695001	1700000	1,700,000
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	90530001	90535000	90,531,495
1	90685001	90690000	90,689,144
1	93530001	93535000	93,530,875
2,251			310,506,995

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2017

Categories of Shareholders	Number	Shares Held	Percentage
Directors and Chief Executive Officer			
Sheikh Mukhtar Ahmed	1	93,530,875	30.1220
Mohammad Naeem Mukhtar	1	90,689,144	29.2068
Muhammad Waseem Mukhtar	1	90,531,495	29.1560
Mohammad Waqar	1	37,500	0.0121
Abdul Hameed Bhutta	1	1,000	0.0003
Mohammad Naeem Asghar	1	500	0.0002
Ikram ul Haq Mian	1	500	0.0002
Banks, DFIs, NBFIs and Leasing Companies			
	5	927,839	0.2988
Insurance Companies			
	4	2,143,555	0.6903
Investment Corporation of Pakistan			
	1	1,413	0.0005
Modarabas			
	2	2,777	0.0009
Mutual Funds			
Security Stock Fund Ltd.	1	100	0.0000
CDC – Trustee And Index Tracker Fund	1	3,000	0.0010
First Capital Mutual Fund Ltd.	1	86	0.0000
Joint Stock Companies and Others			
	40	5,360,260	1.7263
General Public			
a) Local	2,186	15,453,951	4.9770
b) Foreign	3	11,823,000	3.8076
	2,251	310,506,995	100.0000

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 31st Annual General Meeting of the Company to be held on October 25, 2017 at 11:00 A.M. at Avari Hotel, Shahrah-e-Quaid-e-Azam, Lahore and at any adjournment thereof.

Signed this _____ day of _____ 2017.

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.

AFFIX
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POSTAGE

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

پراکسی فارم

میں / ہم مسمی / مسماة ----- ساکن ----- ضلع -----
بحیثیت ممبر کمپنی / امر جڈ کمپنی، مسمی / مسماة ----- ساکن ----- کمپنی ممبر یا اسکی عدم موجودگی کی صورت میں
مسمی / مسماة ----- ساکن ----- کمپنی ممبر کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری / ہماری جگہ
اور میری / ہماری طرف سے کمپنی کے اکتسویں سالانہ اجلاس عام جو کے بتاریخ 25 اکتوبر 2017 بوقت صبح 11:00 بجے آواری ہوئیں، شاہراہ قائد اعظم، لاہور منعقد ہو رہا ہے، میں یا اس کے کسی ملتوی شدہ اجلاس میں
حاضر ہو سکے، بول سکے اور ووٹ ڈال سکے۔

پانچ روپے کی ریونیو سٹمپ
چسپاں کریں

دستخط بتاریخ ----- دن ----- 2017

گواہ نمبر ۱

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 نمبر: -----

اہم گزارش:

- ۱- پراکسی فارم، کمپنی کے رجسٹرڈ آفس، ابراہیم سنٹر، 1- احمد بلاک، نیو گارڈن ٹاؤن، لاہور، میں اجلاس کے انعقاد سے کم از کم ۲۸ 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 ہوگی۔

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 اجلاس عام میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بعد نامزد کنندہ فرد کے دستخط کے نمونے (اگر یہ دستاویزات پہلے فراہم نہ کی گئی ہوں) پراکسی فارم کے ساتھ کمپنی میں جمع کروائیں۔

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

ڈائریکٹرز کا جائزہ

بورڈ کے اجلاسوں کی تعداد

زیر نظر 30 جون 2017 کو ختم ہونے والے سال کے دوران ادارے کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور اجلاسوں میں ڈائریکٹرز کی شرکت درج ذیل ہے۔

شخص	چیز	میں	04
محمد نعیم مختار	چیف ایگزیکٹو آفیسر		03
محمد وہاب مختار	ڈائریکٹر		05
عبدالحمید بھٹہ	ڈائریکٹر		04
محمد وقار	ڈائریکٹر		05
محمد نعیم اصغر	ڈائریکٹر		02
اکرام الحق میاں	ڈائریکٹر		04
جاوید اشرف	ڈائریکٹر		02

جاوید اشرف نے 08 نومبر 2016 کو استعفیٰ دیا اور خالی آسامی کو محمد نعیم اصغر نے 02 دسمبر 2017 کو پُر کیا۔

بورڈ کے اراکین نے ریٹائر ہونے والے ڈائریکٹروں کی خدمات کے لئے سراہا۔

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	چیز	میں	انڈیپنڈنٹ ڈائریکٹر
عبدالحمید بھٹہ	رکن		نان ایگزیکٹو ڈائریکٹر
محمد وقار	رکن		نان ایگزیکٹو ڈائریکٹر

30 جون 2017 کو اختتام پزیر ہونے والے مالی سال کے دوران کوڈ آف کارپوریٹ گورننس کے ضوابط کے تحت آڈٹ کمیٹی کے چار اجلاس سماہی 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 بوقت ضرورت شرکت کی۔

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 شیڈول نمبر 5.19 میں درج کوڈ آف کارپوریٹ گورننس کے

قواعد و ضوابط کی پاسداری کی ہے اور سٹنگ قواعد و ضوابط 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 اس کے امور، آپریٹنگ نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کیا گیا ہے۔

2- ادارے کے کھاتہ جات بالکل صحیح طور پر اور کینیڈا آرڈیننس 1984 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 کی پیروی کی گئی ہے۔ اور ان سے انحراف نہیں کیا گیا۔

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

6- ادارے کے مستقبل میں چلنے رہنے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

7- پچھلے چھ 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 معاہدت فراہم کرنے کے ساتھ ساتھ سماجی فائدہ مند 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۔

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 کیلئے ماحول فراہم کر رہا ہے اور انہیں ملک اور بیرون ملک دونوں میں ترقی 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 گریجویٹس، پوسٹ گریجویٹس اور انجینئرز کو اپرٹنس 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 والی بجلی گھر نصب کیا ہے تاکہ بجلی کی پیداواری لاگت کو کم کیا جاسکے۔ بجلی کے ساتھ ساتھ یہ بھاپ بھی پیدا کرتا ہے جو کہ کپنی کے پولی سٹریٹیل فابریکس کی بھاپ کی تمام 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 ڈیویژن، لیویز اور ٹیکسوں کی ادائیگی کے ذریعے خطیر رقم قومی مالی خزانے میں جمع کروائی ہے۔

تفکر

آپ کے ادارے کے ڈائریکٹرز اچھے نتائج حاصل ہونے پر گاموں، بینکوں، مالیاتی اداروں، ریگولیٹرز اور شیئر ہولڈرز کی حمایت کے لئے دل کی اتھاہ گہرا تیریں سے متفکر ہیں۔ اور امید کرتے ہیں کہ یہ مدد و تعاون آئندہ مستقبل میں بھی جاری رہے گا۔

آپ کے ادارے کے ڈائریکٹرز اپنے ایگزیکٹوز، عملے اور کارکنان کی خدمات، وفاداری اور کوششوں کی تعریف کرتے ہیں اور توقع کرتے ہیں کہ وہ مستقبل میں بھی ان کو جاری رکھیں گے۔

منجانب اراکین

محمد نعیم مختار

چیف ایگزیکٹو آفیسر

لاہور

21 ستمبر 2017

آپ کا ادارہ تسلسل کے ساتھ مشہور ہپتالوں، خیراتی اداروں اور ایسے مختلف اداروں جو قدرتی آفات سے نمٹنے کے لئے قائم کئے گئے ہیں کو

ڈائریکٹرز کا جائزہ

آپ کے ادارے کے ڈائریکٹرز انتہائی مسرت کے ساتھ 30 جون 2017 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۔

2016	2017	
روپے	روپے	
979,915,504	2,425,225,686	خام منافع
(275,426,854)	(279,787,806)	فروخت کرنے کے اخراجات
(640,634,116)	(701,464,610)	انتظامی اخراجات
-	(83,166,723)	دیگر آپریٹنگ اخراجات
(897,125,086)	(693,390,377)	مالیاتی لاگت
(1,813,186,056)	(1,757,809,516)	
(833,270,552)	667,416,170	متفرق آمدن
66,269,402	5,875,838,361	
(767,001,150)	6,543,254,531	
2,688,976,000	1,281,164,000	منسلک ادارے کی آمدن کا حصہ
1,921,974,850	7,824,418,531	قبل از ٹیکس نفع
(386,697,969)	655,211,021	ٹیکس کا تخمینہ
1,535,276,881	8,479,629,552	سال کا منافع
71,604,527	(2,626,516)	گرپو کی کے تخمینہ میں تبدیلی (ٹیکس کے بعد)
-	158,348,068	منسلک ادارے میں سرمایہ کاری فروخت کرنے پر ایکویٹی میں تبدیلی کا حصہ
18,736,959,498	20,343,840,906	پچھلے سال تک کا غیر منقسم منافع
20,343,840,906	28,979,192,010	اس سال تک کا غیر منقسم منافع
4.94	27.31	فی حصص آمدنی

منافع کی تجویز کردہ تقسیم - فائل نقد ڈیویڈنڈ

بورڈ نے 30 جون 2017 کو ختم ہونے والے سال کے لئے تمام حصہ داران کے لئے فائل نقد ڈیویڈنڈ ایک روپیہ فی حصہ (10%) دینے کی منظوری دی ہے۔

2016	2017	
روپے	روپے	
-	310,506,995	فائل نقد ڈیویڈنڈ
		ایک روپیہ فی حصہ @ 10% (2016: صفر)

شیر ہولڈنگ پیٹرن

30 جون 2017 پر شیر ہولڈنگ پیٹرن ملحق ہے۔

محاسب

خارجی محاسب ڈیباہیٹ یوسف عادل، چارٹرڈ اکاؤنٹینٹس نے ریٹائر ہونے کے بعد خود کو دوبارہ تفری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی نے ڈیباہیٹ یوسف عادل، چارٹرڈ اکاؤنٹینٹس کو 30 جون 2018 کو ختم ہونے والے مالی سال کیلئے دوبارہ بطور خارجی محاسب تجویز کیا۔

چیئرمین کا جائزہ

آپ کے ادارے کے ڈائریکٹرز 30 جون 2017 کو ختم ہونے والے سال کے لئے ادارے کی کارکردگی پر چیئرمین کے جائزہ کی توثیق کرتے ہیں۔

چیئر مین کا جائزہ

میں انتہائی مسرت کے ساتھ آپ کے ادارے کی 30 جون 2017 کو اختتام پذیر ہونے والے مالی سال کی کارکردگی اور مالیاتی گوشوارے پیش کرتا ہوں۔

صنعتی جائزہ

مقامی منڈی میں توانائی کی بہتر دستیابی اور کم ترین مالی لاگت کیڑے کی پوری صنعت کی بہتر معاشی کارکردگی کے لئے اہم اجراءات ہوئے۔ اس وجہ سے زیر نظر پورے مالی سال میں پٹرول کے صنعت کے خام مال کی طلب مثبت رہی جس کے نتیجے میں مقامی منڈی میں پولیسٹر ٹھیل فائبر کی خاطر خواہ فروخت ہوئی۔ مزید برآں دھاگے کی آمیزش میں مصنوعی فائبر کی شرح میں بہتری ہوئی کی دستیابی، مقابلہ کی قیمتوں اور بیرونی ڈیمینڈ پر بیفروٹیشن نے بھی زیر نظر مالی سال میں مقامی صنعت کے کاروبار کی بہتری میں مدد دی ہے۔

منڈی کی سرگرمیاں

زیر نظر سال میں آپ کے ادارہ کے پولیسٹر ٹھیل فائبر کے کارخانہ نے 266,021 ٹن پولیسٹر ٹھیل فائبر اور پولیسٹر چپ فروخت کی جبکہ پچھلے متعلقہ سال میں ان مصنوعات کی فروخت 237,172 ٹن رہی۔

آپ کے ادارہ کے دھاگے کے کارخانوں نے دوران سال 27,743 ٹن مختلف اقسام کا دھاگا فروخت کیا جبکہ پچھلے سال 28,450 ٹن دھاگا فروخت کیا تھا۔

پیداواری سرگرمیاں

آپ کے ادارہ کے پولیسٹر کے کارخانہ نے اس سال 290,697 ٹن پولیسٹر ٹھیل فائبر اور پولیسٹر چپ بنا یا جبکہ پچھلے سال آپ کے ادارہ کے پولیسٹر کے کارخانہ نے 251,307 ٹن پولیسٹر ٹھیل فائبر اور پولیسٹر چپ بنا یا تھا۔ اس پیداواری سال میں 19,124 ٹن پولیسٹر ٹھیل فائبر آپ کے ادارہ کے دھاگے کے کارخانوں میں دوران سال آمیزش دھاگے بنانے میں استعمال ہوا جبکہ پچھلے متعلقہ سال میں 20,669 ٹن استعمال ہوا تھا۔

دوران سال آپ کے ادارہ کے دھاگے کے کارخانوں میں 131,145 سپنڈلز کام کرتے رہے اور 28,239 ٹن مختلف اقسام کی آمیزش دھاگے بنا یا جبکہ پچھلے سال 134,707 سپنڈلز کے پھلے سے 29,866 ٹن دھاگے بنا۔

مالیاتی کارکردگی

آپ کے ادارہ نے زیر نظر سال میں 39,911 ملین روپے کی خالص فروخت کی جبکہ پچھلے متعلقہ سال یہ خالص فروخت 34,710 ملین روپے تھی۔ دوران سال آپ کے ادارہ نے 2,425 ملین روپے نفع کیا جبکہ پچھلے متعلقہ سال 980 ملین روپے نفع حاصل کیا تھا۔

روان مالی سال کے دوران آپ کے ادارے نے الائیڈ بینک لمیٹڈ میں گنگی تمام سرمایہ کاری اپنے منسلک ادارے ابراہیم فائبر ٹیکسٹائل (پرائیویٹ) لمیٹڈ کو فروخت کر دی۔ سرمایہ کاری کی اس فروخت سے 5,788 ملین روپے کا نفع ہوا۔

الائیڈ بینک لمیٹڈ، جو کہ ایک منسلک ادارہ ہے، کے پچھلے سال کے 2,689 ملین روپے کے مقابله میں زیر نظر سال کے 1,281 ملین روپے کے متعلقہ نفع کو شکر کرنے کے بعد آپ کے ادارہ نے زیر نظر مالی سال میں 7,824 ملین روپے نفع کیلئے انڈیکس نفع کیا جبکہ پچھلے متعلقہ سال یہ نفع 1,922 ملین روپے ہوا تھا۔ پچھلے سال کے بعد انڈیکس نفع 1,535 ملین

روپے کے مقابلہ میں دوران سال بعد انڈیکس نفع 8,480 ملین روپے رہا۔

کونسل سے چلنے والے والے توانائی کے منصوبے کی تنصیب

آپ کے ادارہ کے کونسل سے چلنے والے توانائی کے منصوبے کی تنصیب اس وقت جاری ہے۔ یہ ایک جدید طرز کا فنی منصوبہ ہے جو کہ Christof Projects GmbH آسٹریا نے فراہم کیا ہے۔ یہ منصوبہ 20.4 میگا واٹ بجلی پیدا کرنے کی صلاحیت رکھتا ہے اور اس کا CFB پاور 80 ٹن فی گھنٹہ بجلی پیدا کر سکتا ہے۔ کارخانہ فراہم کرنے والوں کی براہ راست نگرانی میں تنصیبات اور تعمیرات کا شیڈول کام مکمل کر لیا گیا ہے۔ توقع ہے کہ کارخانہ موجودہ ستمبر سال کی دوسری ششماہی میں اپنا کام تجارتی بنیادوں پر شروع کر دے گا۔

اس منصوبے کی تکمیل سے توانائی کے تبادلے ذرائع میں اضافہ ہوگا جس سے مہنگے ایندھن پر انحصار میں کمی واقع ہوگی۔ اس منصوبے کے تحت توانائی کی لاگت کم ہو گی جس سے کاروباری برتری حاصل ہوگی۔

جدت و تبدیلی

دھاگے کے کارخانوں میں جدت اور تبدیلی کے منصوبے کے تحت آپ کے ادارہ نے مندرجہ ذیل کارخانوں میں جدت اور تبدیلی کا کام شروع کر دیا ہے۔

دھاگے کے کارخانہ نمبر ۱

زیر نظر سال میں آپ کے ادارہ نے دھاگے کے کارخانہ نمبر ۱ کے پونٹ نمبر ۱ کی مکمل سپنگ اور وائڈنگ مشینوں کو جدید فنی طرز کی منسلک وائڈنگ اور وولنگ کی خود کار تبدیل کی مشینوں کے ساتھ تبدیل کر کے جدت اور تبدیلی کا یہ منصوبہ مکمل کر لیا ہے۔ یہ مشینیں ڈینا کے مشینز پر دھاگے کی مشینیں بنانے والے ادارے Schlafhorst جرمنی نے فراہم کی ہے۔ اس منصوبے کی کامیاب تنصیب سے آپ کے اس ادارہ کے کارخانے کے معیار میں بہتری، افرادی قوت میں کمی اور توانائی کے استعمال میں کمی آئی ہے۔

دھاگے کے کارخانہ نمبر ۲

آپ کے ادارہ کے دھاگے کے کارخانہ نمبر ۲ کے پونٹ نمبر ۱ میں جدت اور تبدیلی کے منصوبے کے تحت کون وائڈنگ مشینیں تبدیل کرنے کے ساتھ ساتھ نئے پلانٹ آپریشن سنٹری تنصیب بھی کی جائے گی۔ Schlafhorst جرمنی کے ساتھ یہ پلانٹ اور مشینیں فراہم کرنے کا معاہدہ مئی 2017 میں طے پا گیا ہے۔ اس منصوبے پر کام موجودہ ستمبر سال کی چوتھی سہ ماہی میں مکمل ہونے کی توقع ہے۔

دھاگے کے کارخانہ نمبر ۳

آپ کے ادارہ نے ایک اور منصوبے کا آغاز کیا ہے جس کے تحت دھاگے کے کارخانہ نمبر ۳ کے پونٹ نمبر ۱ کی تمام سپنگ اور وائڈنگ مشینوں کو جدید طرز کی منسلک مشینوں سے تبدیل کر دیا جائے گا اور یہ مشینیں Schlafhorst جرمنی فراہم کرے گی۔ اس سلسلہ میں فراہم کنندہ کے ساتھ پلانٹ اور مشینیں کی فراہمی کا معاہدہ جون 2017 میں طے پا گیا ہے۔

مشینیں اور سامان کا بیشتر حصہ موجودہ ستمبر سال کی آخری سہ ماہی میں فراہم کر دیا جائے گا اور توقع ہے کہ یہ منصوبہ اگلے ستمبر سال کی دوسری سہ ماہی میں مکمل ہو جائے گا۔

اس منصوبے کے مکمل ہونے سے آپ کے ادارہ کے اس کارخانے کے معیار،

کارکردگی اور پیداوار میں مزید بہتری آئے گی۔

پیشہ وارانہ طرز عمل اور انسانی وسائل

آپ کے ادارہ کی انتظامیہ اس بات پر یقین رکھتی ہے کہ انسانی وسائل مسلسل بدلتے، عالمگیریت اور شدید مقابلہ کے ماحول میں کسی ادارے کی کامیابی میں مرکزی حیثیت رکھتے ہیں۔ اس سلسلے میں ہماری انتظامیہ کا مقصد انتہائی قابل اور متحرک لوگوں کی تقرری کرنا، انہیں تھامے رکھنا، ان کی کارکردگی کو مرتب کرنا اور صلہ دینا اور ان کی ان بنیادی صلاحیتوں کو فروغ دینا ہے جو کہ آنے والے دور کی صنعتی ٹیکنالوجی جس کو انڈسٹری 4.0 بھی کہا جاتا ہے کی بنیادی ضروریات ہیں۔ ان دور رس مقاصد کے حصول کیلئے آپ کے ادارے نے زیر نظر سال میں اندرونی طور پر وسیع پیمانے پر ترقی پزیر منصوبوں کا انعقاد کیا ہے۔

مزید برآں بہت سے ٹیم کے ارکان کو بیرونی طور پر منعقد ہونے والے تربیتی منصوبوں کے لئے منتخب کیا گیا ہے۔ یہ پروگرام معتبر اداروں نے مختلف موضوعات پر مرتب کئے جن میں کام کے دوران حتمی اقدامات، توانائی کے پائیدار عمل، اعلیٰ کارکردگی کی تحمیل ٹیموں کی تشکیل، انتظامی صلاحیتوں کو فروغ دینا، انڈسٹری مینجمنٹ، منصوبہ سازی، انسانی وسائل کی تنظیم، ماہر قیادت سازی، مل جل کر کام کرنا اور ٹیکنیکس قوانین شامل ہیں۔

مستقبل پر نقطہ نظر

گزشتہ تین سال کے دوران OPEC ممبران کے درمیان پیداوار کی سطح کو محدود رکھنے کا معاہدہ طے پایا لیکن اس کے باوجود خام تیل کی قیمتیں اب بھی استحکام کے لئے جدوجہد کر رہی ہیں۔ غیر یقینی رجحانات کی مستحکم تیل کی جاری رہنے کی توقع ہے جس سے آپ کے ادارہ سمیت پوری معدنی تیل کی صنعت کے نتائج پر اثر پڑ سکتا ہے۔ توقع ہے کہ مقامی سطح پر توانائی کی متواتر دستیابی اور بیرونی سرمایہ کاری کے ساتھ ساتھ بہتر امن و امان معاشی سرگرمیوں کو بروہانے میں مدد دیں گے۔ اس طرح توقع ہے کہ کیڑے کی پوری صنعت میں کاروباری سرگرمیاں بہتر رہیں گی۔

مندرجہ بالا تناظر میں آپ کے ادارہ کی انتظامیہ بہتر پیداوار اور فروخت کے حصول کے لئے جدوجہد کر رہی ہے تاکہ آنے والے مالی سال میں بہتر نتائج حاصل ہوں۔

اظہار تشکر

میں ادارہ کے بورڈ آف ڈائریکٹرز، حصہ داران، بینکرز، مالی اداروں، اپنے قیمتی صارفین اور فراہم کنندگان کا ان کی معاونت پر مشکور ہوں۔ میں اپنے ادارے کے ایگزیکٹوز اور دوسرے ملازمین کی انتہائی دلگہری اور اذکار بھی مشکور ہوں اور ان کے اسی تعاون کا مستقبل میں خواہاں ہوں۔

شیخ مختار احمد

چیئر مین

لاہور

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