

(UN-AUDITED)

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2019**



I C C Textiles Limited

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, I hereby present the condensed interim financial statements of the company for the period nine month ended March 31, 2019.

The company suffered a loss after tax amounting to Rs. 2.221 million on revenue of Rs. 17.457 million comprising rental income as against after tax loss of Rs. 13.136 million against revenue of Rs. 10.063 million in the corresponding period resulting in loss per share of Rs. 0.07 (Jul-Mar 2018 Rs. 0.44 loss per share). Reason for enhanced revenue is renting out additional covered area of mills premises as substantial quantity of the textile machinery disposed off by June 30, 2018 in accordance with our plan to consolidate company's resources by repaying bank borrowings through sale of inefficient / obsolete textile machinery and sponsors funds injection, and to rent out

During the period the Company's textiles operations remained suspended as non-efficient looms with allied equipment have already been sold out, accordingly profit and loss account of the discontinued operations has been separately prepared and included in the above cited results. We are in negotiation with various buyers for disposal of our remaining textile machinery classified as held for sale and in the process of renting out additional vacant factory buildings to enhance revenue.

As always, our dedicated work force deserves appreciation for good work.

For and on behalf of the Board of Directors

Lahore: Dated Apr 30, 2019

Pervaiz S. Siddiqi
Director

Javaid S. Siddiqi
Chief Executive

ICC TEXTILES LIMITED
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

EQUITY AND LIABILITIES	Note	Mar 2019 Rupees	Jun 2018 Rupees
SHARE CAPITAL			
Authorised share capital			
32,000,000 ordinary shares (June 2018: 32,000,000) of Rs.10 each		320,000,000	320,000,000
Issued, Subscribed & Paid up share capital			
30,001,120 ordinary shares (June 2018: 30,001,120)		300,011,200	300,011,200
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX		570,918,759	574,923,455
ACCUMULATED LOSS		(742,901,755)	(741,670,612)
		128,028,204	133,264,043
NON CURRENT LIABILITIES			
Long term financing from directors	4	567,131,062	551,524,401
Long term financing from commercial banks	5	0	0
Deferred liabilities		79,476,030	85,887,966
		646,607,092	637,412,367
CURRENT LIABILITIES			
Trade and other payables		103,995,330	91,949,560
Security deposits		5,756,363	5,546,163
Accrued mark-up		65,266,750	29,833,050
Short term borrowings		35,973,713	35,810,966
Un-claimed dividend		1,662,656	1,662,656
		212,654,812	164,802,395
CONTINGENCIES AND COMMITMENTS	6	987,290,108	935,478,805
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		11,767,567	13,453,832
Investment property		910,819,885	844,019,885
Long term loans and advances		82,000	58,000
Long term deposits		1,469,034	1,629,034
		924,138,486	859,160,751
CURRENT ASSETS			
Stores, spares and loose tools		11,578,346	15,880,663
Stock in trade		0	734,477
Trade debts		829,084	0
Loans and advances		901,026	734,665
Short term prepayments and other receivables		593,331	1,392,421
Tax refunds due from Government		34,698,277	37,645,656
Cash and bank balances		3,249,795	1,362,310
		51,849,859	57,750,192
Non-current assets classified as held for sale		11,301,762	18,567,862
		987,290,108	935,478,805

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

**ICC TEXTILES LIMITED
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR
THE QUARTER ENDED MAR 31, 2019**

Note	Jul 2018 to Mar 2019 Rupees	Jul 2017 to Mar 2018 Rupees	Jan-Mar 2019 Rupees	Jan-Mar 2018 Rupees	
	REVENUE	17,456,786	10,062,552	5,398,917	5,833,442
	DIRECT COST	(8,408,500)	(10,213,747)	(2,312,233)	(3,743,772)
	GROSS PROFIT / (LOSS)	9,048,286	(151,195)	3,086,684	2,089,670
	DISTRIBUTION COST	-	(429,756)	-	(47,640)
	ADMINISTRATION COST	(22,383,114)	(18,921,881)	(7,867,638)	(6,078,220)
	OTHER EXPENSES	(678,705)	(630,831)	(227,134)	(203,743)
	OTHER INCOME	2,350	222,735	2,261	220,081
	OPERATING LOSS	(14,011,183)	(19,910,928)	(5,005,827)	(4,019,852)
	FINANCE COST	(47,915,805)	(37,812,515)	(16,668,707)	(12,788,495)
	CHANGE IN FAIR VALUE OF INVESTMENT PROPERTY	66,800,000	48,501,126	-	-
	LOSS BEFORE TAXATION	4,873,011	(9,222,317)	(21,674,535)	(16,808,347)
	TAXATION	(3,671,281)	(1,514,727)	(1,309,452)	(1,180,900)
	LOSS AFTER TAXATION FROM CONTINUING OPERATIONS	1,201,730	(10,737,044)	(22,983,987)	(17,989,247)
	LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	(3,423,119)	(2,398,887)	(1,188,808)	(8,273,114)
	LOSS AFTER TAXATION	(2,221,388)	(13,135,931)	(24,172,794)	(26,262,361)
	OTHER COMPREHENSIVE INCOME				
	Items that may be reclassified subsequently to profit or loss	-	-	-	-
	Items that will not be reclassified to profit or loss				
	Revaluation surplus arisen on property, plant and equipment (net of tax)	-	8,704,028	-	-
	Revaluation decrease in non-current assets classified as held for sale (net of tax)	(3,014,451)	(11,592,411)	-	-
	TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(3,014,451)	(2,888,383)	-	-
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(5,235,839)	(16,024,314)	(24,172,794)	(26,262,361)
	LOSS PER SHARE- BASIC AND DILUTED				
	- LOSS PER SHARE FROM CONTINUING OPERATIONS	0.04	(0.36)	(0.77)	(0.60)
	- LOSS PER SHARE FROM DISCONTINUED OPERATIONS	(0.11)	(0.08)	(0.04)	(0.28)
		(0.07)	(0.44)	(0.81)	(0.88)

**STATEMENT OF CHANGES IN
EQUITY FOR THE QUARTER
ENDED MARCH 31, 2019**

	Paid-up Capital Rupees	Revaluation Surplus Rupees	Accumulated (Loss) Rupees	Total Rupees
Balance as at July 01, 2017	300,011,200	603,715,735	(787,599,477)	116,127,458
Other comprehensive income for the period	-	(2,888,383)	-	(2,888,383)
Net loss for the period	-	-	(13,135,931)	(13,135,931)
Total comprehensive income for the period	-	(2,888,383)	(13,135,931)	(16,024,314)
Incremental depreciation - net of tax	-	(27,174,237)	27,174,237	-
Balance as at March 31, 2018	300,011,200	573,653,115	(773,561,171)	100,103,144
Balance as at July 01, 2018	300,011,200	574,923,455	(741,670,612)	133,264,043
Other comprehensive income for the period	-	(3,014,451)	-	(3,014,451)
Net loss for the period	-	0	(2,221,388)	(2,221,388)
Total comprehensive income for the period	-	(3,014,451)	(2,221,388)	(5,235,839)
Incremental depreciation - net of tax	-	(990,246)	990,246	-
Balance as at March 31, 2019	300,011,200	570,918,759	(742,901,755)	128,028,204

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

ICC TEXTILES LIMITED
STATEMENT OF CASH FLOWS FOR THE
THE QUARTER ENDED MAR 31, 2019

CASH FLOW FROM OPERATING ACTIVITIES

Net cash flow from continuing Operations

Net cash flow from discontinued Operations

Financial charges paid

Taxes paid

Gratuity paid

Net cash flow from operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Long term loans & advances

Sale proceeds of property, plant and equipment & assets held for sale

Fixed capital expenditure

Net cash flow from investing activities

CASH FLOW FROM FINANCING ACTIVITIES

Short term borrowings - Secured

Long term financing from commercial banks-Secured

Long term loans from directors

Net cash flow from financing activities

Net Increase/(Decrease) in cash and bank balances

Cash & bank balances at the beginning of the period

Cash & bank balances at the end of the period

Note	Jul 2018 to Mar 2019 Rupees	Jul 2017 to Mar 2018 Rupees
14	(6,272,872)	(17,088,827)
14	11,654,590	(16,522,026)
	5,381,718	(33,610,853)
	(325,445)	(445,168)
	(1,069,465)	(1,050,506)
	(8,436,084)	(3,433,965)
	(9,830,994)	(4,929,640)
(A)	(4,449,275)	(38,540,493)
	136,000	42,000
	2,588,013	74,347,268
	-	-
(B)	2,724,013	74,389,268
	162,747	(617,139)
	-	(15,000,000)
	3,450,000	8,140,000
(C)	3,612,747	(7,477,139)
(A+B+C)	1,887,484	28,371,636
	1,362,310	455,207
	3,249,795	28,826,843

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

Lahore: Dated Apr 30, 2019

Chief Executive Officer

Director

Chief Financial Officer

ICC TEXTILES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
THE QUARTER ENDED MAR 31, 2019

- These accounts have been prepared in accordance with the requirements of International Accounting Standard No. 34 "Interim Financial Reporting".
- The accounts are being submitted to the shareholders as required by Section 237 of The Companies Act, 2017.
- The accounting policies adopted for the preparation of the accounts are the same as those of applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2018.

4 LONG TERM FINANCING FROM DIRECTORS- Unsecured

Interest free loan

Interest bearing loans - 2

Interest bearing loan - 3

Interest bearing loan - 1

4.1 Original Loan amounts

Less: Present value adjustment

Add: Interest charged to profit and loss account

4.1.1 These interest free loans are repayable in lump sum on June 30, 2025 (2018: June 30, 2025)

4.1.2 These interest free loans have been measured at amortized cost by using the weighted average interest rate ranging from 8.06% to 11.64%.

4.2 These loans carry mark-up @ One Month KIBOR plus 2% (ranging from 9.03% to 12.66%) and are repayable in lump sum on December 31, 2020.

4.3 The loan carry mark-up @ One Month KIBOR plus 2% (ranging from 9.03% to 12.66%)and repayable in lump sum on June 30, 2025.

4.4 The loan carry mark-up @ One Month KIBOR plus 2% (ranging from 9.03% to 12.66%)and repayable in lump sum on June 30, 2025.

	Mar 2019 Rupees	Jun 2018 Rupees
4.1	177,418,795	165,262,134
4.2	179,712,267	166,262,267
4.3	70,000,000	80,000,000
4.4	140,000,000	140,000,000
	567,131,062	551,524,401
4.1	321,531,223	321,531,223
	206,132,600	206,132,600
	115,398,623	115,398,623
	62,020,172	49,863,511
	177,418,795	165,262,134

5 LONG TERM FINANCING FROM COMMERCIAL BANK-Secured

Original Loan amount - Interest free	5.1	-	86,215,829
Less: Repayments up to end of period		-	(86,215,829)
Less: Present value adjustment		-	(8,604,541)
		-	(8,604,541)
Add: Interest charged to profit and loss account		-	8,604,541
		-	-

5.1 The loan was obtained from Faysal Bank Limited in accordance with Finance Facilities Settelment Agreement dated December 15 2016. this was repayable by May 28, 2018, but was fully repaid by the company in April 2018.

6 CONTINGENCIES AND COMMITMENTS**6.1 Contingencies**

There are no other significant activities since June 30, 2018 affecting financial statements.

7 PROPERTY, PLANT AND EQUIPMENT**7.1 OPERATING FIXED ASSETS**

Written down value - opening
Add: Surplus on revaluation of fixed assets during the period / year
Add: Cost of additions during the period/year

	Un-audited	Audited
	Mar 2019	Jun 2018
	Rupees	Rupees

Written down value - opening	13,453,832	242,182,764
Add: Surplus on revaluation of fixed assets during the period / year	-	13,184,709
Add: Cost of additions during the period/year	-	4,600
	13,453,832	255,372,073

Disposals during the period / year (W.D.V.)
Depreciation charge for the period / year

Disposals during the period / year (W.D.V.)	43,423	27,791,648
Depreciation charge for the period / year	1,642,842	9,239,753
	1,686,265	37,031,401

Less: Transfer to non-current assets classified as held for sale
Less: Transfer to investment property
Written down value - closing

Less: Transfer to non-current assets classified as held for sale	-	(71,467,850)
Less: Transfer to investment property	-	(133,418,990)
Written down value - closing	11,767,567	13,453,832

7.1.1 Cost of additions during the period / year

Office equipment

Office equipment	-	4,600
	-	4,600

7.1.2 Disposals during the period / year

Cost
Less: Accumulated depreciation
Written down value

Cost	1,167,515	29,283,072
Less: Accumulated depreciation	(1,124,092)	(1,491,424)
Written down value	43,423	27,791,648

8 INVESTMENT PROPERTY

Opening Balance:

Free hold land
Buildings on freehold land

Free hold land	668,000,000	487,900,000
Buildings on freehold land	176,019,885	132,449,770
	844,019,885	620,349,770

Transferred from property, plant and equipment during the period/year

Free hold land
Buildings on freehold land

Free hold land	-	88,125,000
Buildings on freehold land	-	45,293,990
	-	133,418,990

Carrying value before revaluation

Free hold land
Buildings on freehold land

Free hold land	668,000,000	576,025,000
Buildings on freehold land	176,019,885	177,743,760
	844,019,885	753,768,760

Change in fair values during the period/year:

Free hold land
Buildings on freehold land

Free hold land	66,800,000	91,975,000
Buildings on freehold land	-	(1,723,875)
	66,800,000	90,251,125

Fair values as at December 31/June 30:

Free hold land
Buildings on freehold land

Free hold land	734,800,000	668,000,000
Buildings on freehold land	176,019,885	176,019,885
	910,819,885	844,019,885

9 NON- CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

This represents realizable value of following assets classified as held for sale. The proceeds will be utilized to settle / reduce banks' finance facilities in order to reduce dependency on external debts and finance cost of the Company, as per plan approved by the Board of directors:

		Un-audited	Audited
	Note	Mar 2019 Rupees	Jun 2018 Rupees
Plant and equipment:			
Sulzer looms, warping and sizing machine	9.1	11,301,762	18,567,862
Air jet looms with back process and allied equipment	9.2	-	-
		11,301,762	18,567,862
9.1 Sulzer Looms, warping and sizing machine			
Opening balance:			
1 Warping machine		2,080,000	2,080,000
1 Sizing machine		4,160,000	4,160,000
Others		12,327,862	-
		18,567,862	6,240,000
Carrying value of 16 sulzer dobby looms with accessories and allied equipment transferred from operating fixed assets		-	67,202,385
Decrease in revaluation		(4,740,000)	(16,800,596)
Sale of other machinery / 23 Sulzer looms during the period/year		(2,526,100)	(38,073,927)
Closing balance (Others)		11,301,762	18,567,862
		Un-audited	Un-audited
		Mar 2019	Jun 30, 2018
		Rupees	Rupees
9.2 Air-jet Looms with back process and allied equipment			
Opening balance (4 looms)		-	10,450,000
Sale of air jet looms during the period/year		-	(10,450,000)
Closing balance		-	-
10 DIRECT COST			
Salaries, wages and other benefits		4,104,396	5,734,444
Depreciation		1,303,663	1,303,663
Others		3,000,441	3,175,640
		8,408,500	10,213,747
11 FINANCE COST			
Mark up on long term loans from directors		32,717,432	19,851,516
Mark up on loan from associated company		3,011,763	219,482
Unwinding of discount		12,156,661	17,515,830
Bank charges		29,949	225,687
		47,915,805	37,812,515
12 TAXATION			
- Current		4,007,511	2,233,886
- Deferred		(336,230)	(719,159)
		3,671,281	1,514,727
13 LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS			
Sales		933,161	-
Cost of sales	13.1	3,779,303	11,922,383
Gross loss		(2,846,142)	(11,922,383)
Other expenses		674,295	-
Other income		18,490	(1,966,060)
Loss before taxation		(3,501,947)	(13,888,443)
Taxation - Current		(9,332)	-
- Deferred		88,160	11,489,556
		78,829	11,489,556
Loss after taxation		(3,423,119)	(2,398,887)
13.1 Cost of Sales			
Depreciation		-	6,983,361
Others		3,044,826	4,939,022
		3,044,826	11,922,383
Adjustment of work-in-process:			
Opening Stock		-	68,500
Closing Stock		-	(68,500)
		-	-

Adjustment of finished goods:
Opening Stock
Closing Stock

Jul-Sep 2018 Rupees	Jul-Sep 2017 Rupees
734,477	762,935
-	(762,935)
734,477	-
3,779,303	11,922,383

14 CASH FLOW FROM OPERATING ACTIVITIES

Loss) before taxation

Adjustments for:

Depreciation

(Gain)/Loss on disposal of property
plant and equipment

Amortization of interest free loans

Impairment of assets classified as held for sale

Unwinding of discount

Change in fair value of investment
property

Staff gratuity

Financial cost

	Jul 2018 - Mar 2019		Jul 2017 - Mar 2018	
	Continuing Operation	Discontinued Operation	Continuing Operation	Discontinued Operation
Loss) before taxation	4,873,011	(3,501,947)	28,590,198	(51,700,957)
Adjustments for:				
Depreciation	1,642,842	-	2,284,604	6,392,552
(Gain)/Loss on disposal of property plant and equipment	-	(18,490)	-	1,966,060
Amortization of interest free loans	-	-	-	-
Impairment of assets classified as held for sale	-	433,642	-	-
Unwinding of discount	-	12,156,661	-	17,515,830
Change in fair value of investment property	(66,800,000)	-	(48,501,126)	-
Staff gratuity	3,740,445	-	3,987,568	-
Financial cost	35,759,144	-	20,296,684	20,296,684
	(25,657,568)	12,571,813	(42,228,954)	46,171,126
	(20,784,557)	9,069,865	(13,638,756)	(5,529,831)
(Increase) / Decrease in current assets				
Stores, spares and loose tools	2,452,069	1,850,248	(399,683)	543,135
Stock in trade	-	734,477	-	-
Trade debts	(829,084)	-	(1,134)	-
Loans and advances	(166,361)	-	(81,486)	-
Short term prepayments & other receivables	799,090	-	(660,203)	-
	2,255,714	2,584,725	(1,142,505)	543,135
Increase / (Decrease) in current liabilities				
Trade and other payables	12,045,771	-	-	(11,535,330)
Security deposits	210,200	-	(2,307,567)	-
Net cash used in operations	(6,272,872)	11,654,590	(17,088,828)	(16,522,026)

15 DATE OF AUTHORISATION

These accounts have been approved by the Board of Directors on April 29, 2019.

16 COMPARATIVE FIGURES

- have been rounded off to the nearest rupee.
- have been re-arranged and / or reclassified, wherever considered necessary. However, no significant reclassification has been made in these financial statements, except for reclassification of surplus on revaluation and disclosure of discontinued operations.