



ICC Industries Ltd.

Corporate Briefing

Financials for the Year Ended June 2024

Lahore: Dated 27th Nov, 2024

Company Profile



Board of Directors

- Mr. Javaid S. Siddiqi Chief Executive/Director
- Mr. Pervaiz S. Siddiqi Chairman/Director
- Mrs. Fauzia Javaid Director
- Mr. Salman Javaid Siddiqi Director
- Mr. Asim Pervaiz Siddiqi Director
- Mr. Arif Mahmud Khan Independent Director
- Mr. Naveed Hashim Rizvi Independent Director

Audit Committee

- Mr. Arif Mahmud Khan Chairman
- Mr. Salman Javaid Siddiqi Member
- Mr. Pervaiz S. Siddiqi Member

HR&R Committee

- Mr. Naveed Hashim Rizvi Chairman
- Mr. Pervaiz S. Siddiqi Member
- Mr. Asim Pervaiz Siddiqi Member

Chief Financial Officer

- Mr. Javed Rashid



Company Secretary



- Mr. Shahid Ali Ahmad

Auditors

- Reanda Haroon Zakaria Amir
Salman Rizwan & Company
Chartered Accountants
275, Block H-1, M.A. Johar Town,
Lahore

Legal Advisor

- Imtiaz Siddiqi Associates
179/180-A, Scotch Corner, Upper Mall Scheme,
Lahore-Pakistan. Tel: 042-35758573-35758574
Fax: 042-35758572

Shares Registrar

- Corplink (Pvt.) Ltd.
Wings Arcade, 1-K Commercial Model Town,
Lahore.
Ph: 042-35916714, 35916719
Fax : 042-35869037

Registered Office

242-A, Anand Road,
Upper Mall, Lahore.
Ph: 042-35751765-67
Fax : 042-35789206

Website: www.icctextiles.com

Factory

32-K.M. Lahore-Multan
Road, Sunder, Distt. Lahore.
Ph: 042-35975426-27
Fax : 042-35975428

Background



- ICC Industries Limited (Formerly ICC Textiles Limited) was **incorporated on May 25, 1989** as a public limited company. The principal activity of the company was manufacturing and sale of grey fabric. The registered office of the company is situated at 242-A, Anand Road, Upper mall, Lahore and company's mills premises are located at 32-Km Multan Road, Sundar, Lahore.
- Project was initially started with 60 wide width Sulzer looms with complete back process which were **increased to 100 Sulzer looms by 1999 through sponsors financing** and company's internal cash generation **without approaching either public or financial institutions.**
- Recognizing opening up of world trade and abolishment of quota regime and the competitive business environment, the **management had decided in 2003 to introduce modern technology and increase production volume** to diversify the product range and reduce unit cost. Hence an expansion plan was approved to augment the production capacity by installing 72 latest generation high speed extra wide width air-jet shuttleless looms along with complete new back process and ancillary equipment. The expansion **project was successfully completed in 2005.**
- The textile industry had passed through severe financial crisis during the past many years and the **company had to suspend its production process in 2016** as running the mills was causing a huge financial loss due to non availability of gas connection for setting up a captive power project which was essential for continuous & cheaper power supply. Moreover, the market conditions became unfavorable to operate a viable textile business. Thus, the **directors had approved a plan to consolidate the company's resources by repaying the bank borrowings through sponsors' loans and sale of inefficient looms and allied equipment,** which were no more financially viable and were causing losses.
- It was also decided to focus on renting out precious vacant factory buildings and open land to generate revenue. **The plan had been almost fully implemented by December 2021, i.e. bank borrowings have been fully paid and company managed to rent out substantial portion of its mills premises to generate revenue.**



Considering future prospects of Real Estate Business and Company's huge covered area and land situated at Sundar, Lahore having potential of substantial earning, the members of the Company in their meeting held on January 27, 2020, after due consideration approved to adopt new line of business comprising of providing facilities for storage on proprietary as well as rental basis and to undertake real estate development including investment, construction, purchase, sale, lease and disposal of real estate assets.

Accordingly, in February 2020 the company adopted the cited new line of business and to reflect the new line of business changed its name as "ICC Industries Limited" (Formerly ICC Textiles Limited)

Financial Highlights

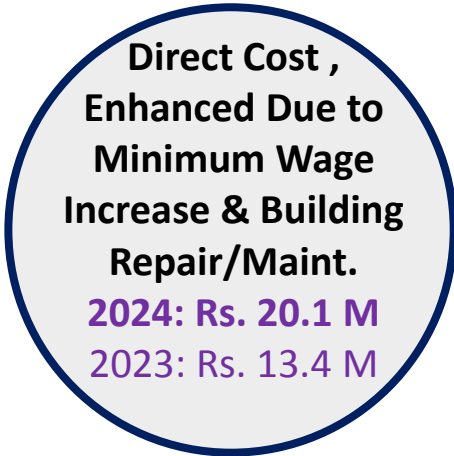
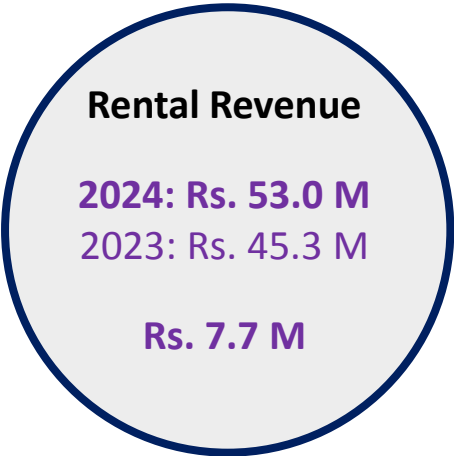
	Rs. 000s		YoY %age
	2024	2023	Change
Revenue	52,974	45,322	17%
Gross Profit	32,885	31,950	3%
Finance Cost	(140)	(83,653)	-100%
Change in Fair Value of Investment Property	5,010	86,656	-94%
Profit / (Loss) After Tax	(11,648)	(5,206)	124%
Accumulated Losses	(762,666)	(756,054)	1%
Earning / (Loss) per Share (Rs.)	(0.39)	(0.17)	

The company suffered an after-tax loss of Rs. 11.648 million and registered a revenue of Rs. 52.974 million as against an after-tax loss of Rs. 5.206 million and revenue of Rs. 45.322 million in the preceding period

Period Under Review



- Enhanced revenue attributed to renting out additional covered area of mills premises during the year, although full potential could not be achieved as the rental rates remained depressed due to challenging business sentiment prevailing in the country.
- We experienced a positive change in fair value of investment property amounts to Rs. 5.010 million (2023: Rs. 86.655 million).
- Direct cost increased by Rs. 6.717 million mainly attributed to enhanced minimum wage requirements and necessary repair and maintenance of our buildings.
- Preceding year financial cost included loss on modification of terms of directors loans and unwinding of discount thereof amounts to Rs. 79.997 million.
- During current year we managed to repay loans from associated company resulting in no external borrowings as of year end 2024. Moreover, all directors loans are interest free and repayable at the discretion of the company, hence classified as equity loans.



Future Strategy and Prospects



Although there is decline in inflation figures, however, from July 2024 minimum wage has been further enhanced from Rs. 32,000 to Rs. 37,000.

Minimum wage enhanced from Rs. 32,000 to Rs. 37,000 w.e.f. Jul 01, 2024

The long awaited political and economic stability anticipated after the holding of National elections in Feb 2024 and restoration of the IMF program in Sep 2024 still remains far fetched. While the inflation figures have recently shown a sharp decline, the country's exchange reserves are steadily rising and the Pak Rupee is retaining its value, the persistent country's political polarization remains a critical barrier to attracting both domestic and foreign investment.

Some of our tenants have recently vacated their occupied area. While we are seeing a gradual decline in the bank markup rates, the extraordinary heavy taxation measures introduced in the latest budget have shattered the business confidence, further slowing economic momentum.

We remain hopeful that constructive dialogue will lead to a resolution of political issues, which is vital for restoring stability in our economic landscape. In the meantime, we are actively working to lease the recently vacated areas of our factory buildings, moreover, at higher rates.

Question & Ansers