

(UN-AUDITED)

**ACCOUNTS
FOR THE QUARTER ENDING
March 31, 2012**



I C C Textiles Limited

I C C Textiles Limited

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, I hereby present the financial statements of the company for the nine months which ended on March 31, 2012.

The Sales decreased, mainly due to reduced fabric prices, by 20.5% to Rs. 1,380.342 million during the period as compared to Rs. 1,736.977 million for the corresponding period of the previous year. The company incurred a after tax loss of Rs. 66.287 million as against after tax loss of Rs. 79.738 million in the corresponding period.

The economic slow down in the international market has resulted in low demand in both local and export. The indirect input costs have risen further due to high inflation in the country. The supply of yarn is also slow and prices have not been reduced as production is curtailed due to energy crises.

The results are after absorbing increase in our energy cost by Rs. 37.343 million (30%), due to hike in electricity tariff, oil prices and additional consumption of diesel oil due to excessive load shedding. Moreover, the numerous interruptions have severely affected our production capacity, fabric quality and delivery schedules.

As reported in last quarterly report, to reduce our steam cost in the future, the company has installed a wood fired boiler, which has started operations on 30th April, 2012 and will result in a saving of about Rs. 30 million per year.

The Directors of the company are proud of the continuous hard work being carried out by all staff members and workers of the company alongwith a commitment to maintain the highest quality.

For and on behalf of the Board of Directors

Lahore
Dated: April 30, 2012

SHAFIQ A. SIDDIQI
Chief Executive

**BALANCE SHEET AS AT
MARCH 31, 2012**

EQUITY AND LIABILITIES	Note	March 31, 2012	June 30, 2011
		Rupees	Rupees
SHARE CAPITAL			
Authorised share capital 32,000,000 ordinary shares (Jun. 2011: 32,000,000) of Rs.10 each		320,000,000	320,000,000
Issued, Subscribed & Paid up share capital 30,001,120 ordinary shares (Jun. 2011: 30,001,120) of Rs.10 each fully paid in cash		300,011,200	300,011,200
UNAPPROPRIATED LOSS		(543,513,795)	(489,971,155)
		(243,502,595)	(189,959,955)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		448,677,809	461,422,017
NON CURRENT LIABILITIES			
Long term financing from associated company		24,764,280	109,150,000
Long term financing from commercial banks		47,688,310	63,584,414
Liabilities against assets subject to finance lease		-	105,407
Deferred liabilities		49,845,988	42,027,090
Deferred taxation		119,770,901	126,633,167
		242,069,479	341,500,078
CURRENT LIABILITIES			
Trade and other payables		160,736,397	157,700,693
Accrued markup		16,793,580	22,230,032
Short term borrowings		650,337,767	551,025,895
Current portion of long term liabilities		31,948,515	32,254,266
Provision for taxation		3,472,675	2,159,055
		863,288,933	765,369,941
CONTINGENCIES AND COMMITMENTS	4	-	-
		1,310,533,627	1,378,332,081
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		918,576,107	951,591,808
Assets subject to finance lease		324,427	1,048,693
Capital work in progress		109,674	-
		919,010,208	952,640,501
LONG TERM LOANS AND ADVANCES		111,000	130,000
LONG TERM DEPOSITS AND PREPAYMENTS		1,629,034	1,699,434
CURRENT ASSETS			
Stores, spares and loose tools		38,611,428	34,843,864
Stock in trade		185,915,265	241,482,851
Trade debts		107,315,692	95,613,299
Loans and advances		18,149,804	4,252,931
Trade deposits and short term prepayments		2,552,705	1,679,239
Other receivables		19,984,916	13,305,755
Cash and bank balances		17,253,575	32,684,207
		389,783,385	423,862,146
		1,310,533,627	1,378,332,081

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

Lahore

Dated: April 30, 2012

Chief Executive

Director

**PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS
ENDED MARCH 31, 2012**

Note	Jul 2011 to Mar 2012 Rupees	Jul 2010 to Mar 2011 Rupees	Jan-Mar 2012 Rupees	Jan-Mar 2011 Rupees
SALES	1,380,342,113	1,736,977,098	471,575,068	712,931,404
COST OF SALES	1,417,995,942	1,690,809,963	500,226,904	675,607,851
GROSS PROFIT / (LOSS)	(37,653,830)	46,167,135	(28,651,836)	37,323,553
OPERATING EXPENSES				
Distribution cost	15,287,592	10,801,328	5,675,024	3,865,646
Administrative expenses	24,306,096	20,998,382	7,965,834	7,015,963
Other operating expenses	588,896	567,343	183,041	165,691
	40,182,584	32,367,053	13,823,899	11,047,300
OPERATING PROFIT / (LOSS)	(77,836,414)	13,800,081	(42,475,735)	26,276,253
OTHER OPERATING INCOME	86,788,781	272,074	13,983	269,423
	8,952,367	14,072,155	(42,461,752)	26,545,675
FINANCIAL COST	68,081,026	83,239,384	20,766,773	28,606,949
LOSS BEFORE TAXATION	(59,128,659)	(69,167,230)	(63,228,525)	(2,061,274)
TAXATION	7,158,189	10,571,238	2,510,012	4,805,721
LOSS AFTER TAXATION	(66,286,848)	(79,738,468)	(65,738,537)	(6,866,995)
LOSS PER SHARE - BASIC AND DILUTED	7 (2.21)	(7.97)	(2.19)	(0.69)

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

Chief Executive

Director

**CASH FLOW STATEMENT
FOR THE NINE MONTHS
ENDED MARCH 31, 2012**

	Jul 2011 to Mar 2012 Rupees	Jul 2010 to Mar 2011 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period before taxation	(59,128,659)	(69,167,230)
Adjustments for:		
Depreciation on property, plant and equipment	37,831,781	37,486,436
Depreciation on leased assets	137,804	270,142
(Gain) / Loss on disposal of property, plant and equipment	-	(41,141)
Amortization of interest free loans	(86,755,608)	-
Unwinding of discount	2,369,888	-
Staff gratuity	10,082,048	7,926,391
Financial cost	68,081,026	83,239,384
	<u>31,746,939</u>	<u>128,881,212</u>
	(27,381,720)	59,713,982
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(3,767,564)	(6,913,994)
Stock in trade	55,567,586	44,440,735
Trade debts	(11,702,394)	(105,285,428)
Loans and advances	(13,896,873)	(21,773,816)
Trade deposits and short term prepayments	(873,466)	1,070,862
Other receivables	(6,679,161)	27,632,444
	<u>18,648,128</u>	<u>(60,829,196)</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	<u>3,035,704</u>	<u>(15,948,325)</u>
Cash generated from operations	(5,697,888)	(17,063,539)
Financial charges paid	(73,517,478)	(84,241,109)
Taxes paid	(12,706,835)	(11,058,431)
Gratuity paid	(2,263,150)	(1,222,275)
	<u>(88,487,463)</u>	<u>(96,521,815)</u>
Net cash flow from operating activities (A)	(94,185,350)	(113,585,354)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term loans and advances	19,000	22,000
Long term deposits and prepayments	70,400	154,450
Sale proceeds of property, plant and equipment	-	521,577
Fixed capital expenditure	(4,229,618)	(4,071,112)
Capital work in progress	(109,674)	-
Net cash flow from investing activities (B)	(4,249,892)	(3,373,085)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings - secured	99,311,871	59,189,409
Long term financing from commercial banks - Secured	(15,896,103)	(31,792,208)
Long term loans from associated co.	-	100,000,000
Liabilities against assets subject to finance lease	(411,159)	(2,189,300)
Dividend paid	-	-
Net cash flow from financing activities (C)	<u>83,004,609</u>	<u>125,207,901</u>
Net Increase in cash and bank balances (A+ B+ C)	(15,430,633)	8,249,463
Cash and bank balances at the beginning of the period	32,684,207	6,112,997
Cash and bank balances at the end of the period	<u>17,253,575</u>	<u>14,362,460</u>

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

Chief Executive

Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS
ENDED MARCH 31, 2012**

	Paid-up Capital Rupees	Unappropriated Loss Rupees	Total Rupees
Balance as at June 30, 2010	100,008,000	(408,027,288)	(308,019,288)
Net loss for the nine months ended March 31, 2011		(79,738,468)	(79,738,468)
Incremental depreciation - net of tax		12,744,208	12,744,208
Balance as at March 31, 2011	100,008,000	(475,021,548)	(375,013,548)
Balance as at June 30, 2011	300,011,200	(489,971,155)	(189,959,955)
Net loss for the nine months ended March 31, 2012		(66,286,848)	(66,286,848)
Incremental depreciation - net of tax		12,744,208	12,744,208
Balance as at March 31, 2012	300,011,200	(543,513,795)	(243,502,595)

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

Chief Executive

Director

**NOTES TO THE ACCOUNTS
FOR THE NINE MONTHS ENDED MARCH 31, 2012**

- 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 245 of The Companies Ordinance, 1984.
- 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, 2011.

4. CONTINGENCIES AND COMMITMENTS

- Contingencies
There have been no change in contingencies since the last audited financial statements.
- Commitments
Commitments against irrevocable letters of credit were as under:

	March 31, 2012 Rupees	June 30, 2011 Rupees
Import of machinery, raw material and stores	4,784,098	-

5. Following is the cost of fixed assets that have been added / disposed off during the nine months ended:

	Jul 2011 to Mar 2012 Rupees	Jul 2010 to Mar 2011 Rupees
Additions in fixed assets	4,229,618	4,071,112
Deletions in fixed assets	-	18,200
6. TRANSACTIONS WITH ASSOCIATED COMPANIES		
Interest on loan debited by associated company	1,997,054	16,322,811
7. EARNING PER SHARE - BASIC		
Profit / (Loss) after tax	(66,286,848)	(79,738,468)
Weighted average number of ordinary shares	30,001,120	10,000,800
Earning per share - Basic	<u>(2.21)</u>	<u>(7.97)</u>

8. DATE OF AUTHORISATION

These accounts have been approved by the Board of directors on April 30, 2012.

9. COMPARITIVE FIGURES

- have been rearranged wherever necessary, for the purpose of comparison.
- have been rounded off to the nearest rupee.

Chief Executive

Director

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