

(UN-AUDITED)

**ACCOUNTS
FOR THE QUARTER ENDED
March 31, 2016**



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 interim financial information of the company for the nine months ended on March 31, 2016.

The Sales decreased to Rs. 365.026 million during the period as compared to Rs. 415.840 million for the corresponding period of the previous year. The company incurred an after tax loss of Rs. 135.589 million as against an after tax loss of Rs. 99.652 million in the corresponding period resulting in loss per share of Rs. 4.52 (Jul - Mar 2015 Rs. 3.32).

Although sales in Sq Meters at 60 picks increased by 1.793 million (23%) i.e., from 7.704 million to 9.497 million, yet sales value reduced by Rs. 50.814 million (12%) due to depressed market conditions and change in sales pattern i.e., shifting of own fabric sales towards conversion income. Moreover, our fabric production continued to suffer badly due to scheduled and unscheduled electricity load shedding during the major portion of the reporting period. The negative impact felt by us was even more severe due to non-availability of an industrial gas connection for captive power generation. As mentioned in our previous report, we are continuing our efforts to secure a gas connection from SNGPL and the company is also working on alternate economical and competitive electrical power source including the newly available RLNG.

Our plan to consolidate company's position by repaying the banks borrowings through sponsors loans, company's operations and sale of inefficient machinery is under progress.

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

For and on behalf of the Board of Directors

Lahore

Dated: April 27, 2016

SHAFIQ A. SIDDIQI

Chief Executive

**BALANCE SHEET
AS AT MARCH 31, 2016**

	Note	March 31, 2016 Rupees	June 30, 2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorised share capital			
32,000,000 ordinary shares (Jun. 2015: 32,000,000) of Rs.10 each		<u>320,000,000</u>	<u>320,000,000</u>
Issued, Subscribed & Paid up share capital			
30,001,120 ordinary shares (Jun. 2015: 30,001,120) of Rs.10 each fully paid in cash		300,011,200	300,011,200
UNAPPROPRIATED LOSS			
		<u>(750,247,300)</u>	<u>(625,212,279)</u>
		<u>(450,236,100)</u>	<u>(325,201,079)</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		562,212,821	572,767,763
NON CURRENT LIABILITIES			
long term financing from directors	4	259,319,855	228,862,462
Long term financing from commercial banks		-	45,749,597
Deferred liabilities		74,547,897	69,013,586
Deferred taxation		91,447,768	96,646,471
		<u>425,315,520</u>	<u>440,272,116</u>
CURRENT LIABILITIES			
Trade and other payables		160,356,838	116,041,846
Accrued markup		24,868,438	12,238,172
Short term borrowings		136,600,100	149,947,765
Current portion of long term liabilities		194,266,519	138,200,000
		<u>516,091,895</u>	<u>416,427,783</u>
CONTINGENCIES AND COMMITMENTS			
	5	<u>1,053,384,136</u>	<u>1,104,266,583</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		898,989,895	928,705,541
LONG TERM LOANS AND ADVANCES			
		97,500	775,000
LONG TERM DEPOSITS AND PREPAYMENTS			
		1,629,034	1,629,034
CURRENT ASSETS			
Stores, spares and loose tools		26,293,889	31,517,543
Stock in trade		23,947,011	39,747,498
Trade debts		20,857,702	15,101,797
Loans and advances		4,899,795	4,130,187
Short term prepayments and other receivables		14,750,443	13,955,548
Income tax refundable		27,040,694	22,883,655
Cash and bank balances		1,435,674	12,378,280
		<u>119,225,207</u>	<u>139,714,508</u>
Non-current assets classified as held for sale		<u>33,442,500</u>	<u>33,442,500</u>
		<u>1,053,384,136</u>	<u>1,104,266,583</u>

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

Lahore: Dated April 27, 2016

Chief Executive

Director

**PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS
ENDED MARCH 31, 2016**

Note	Jul 2015 to Mar-16 Rupees	Jul 2014 to Mar-15 Rupees	Jan-Mar 2016 Rupees	Jan-Mar 2015 Rupees
SALES	365,026,223	415,839,998	111,646,082	141,144,616
COST OF SALES	463,680,892	487,893,428	148,938,905	165,636,617
GROSS LOSS	(98,654,669)	(72,053,430)	(37,292,823)	(24,492,001)
OPERATING EXPENSES				
Distribution cost	4,344,054	8,426,846	1,003,000	2,604,720
Administrative expenses	26,019,350	26,785,912	8,609,343	8,643,986
Other operating expenses	592,650	612,727	173,918	175,152
	30,956,054	35,825,485	9,786,261	11,423,858
OPERATING LOSS	(129,610,723)	(107,878,915)	(47,079,084)	(35,915,859)
OTHER OPERATING INCOME	27,194,812	51,453,087	3,796	26,769,757
	(102,415,911)	(56,425,828)	(47,075,288)	(9,146,102)
FINANCIAL COST	37,745,552	49,785,651	11,771,379	16,266,771
LOSS BEFORE TAXATION	(140,161,463)	(106,211,479)	(58,846,667)	(25,412,873)
TAXATION	(4,571,500)	(6,559,098)	(1,441,708)	(2,918,421)
LOSS AFTER TAXATION	(135,589,963)	(99,652,381)	(57,404,959)	(22,494,452)
LOSS PER SHARE - BASIC AND DILUTED	7 (4.52)	(3.32)	(1.91)	(0.75)

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

Chief Executive

Director

**CASH FLOW STATEMENT FOR
THE NINE MONTHS
ENDED MARCH 31, 2016**

	Jul 2015 to Mar 2016 Rupees	Jul 2014 to Mar 2015 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period before taxation	(140,161,463)	(106,211,479)
Adjustments for:		
Depreciation on property, plant and equipment	30,376,350	35,104,526
(Gain) / Loss on disposal of property, plant and equipment	(589,774)	(25,863,433)
Amortization of interest free loans	(26,228,994)	(25,586,563)
Amortization of transaction cost	1,071,429	-
Unwinding of discount	19,872,880	4,780,165
Staff gratuity	10,752,311	11,574,365
Financial cost	16,801,243	45,005,486
	<u>52,055,444</u>	<u>45,014,546</u>
(Increase) / Decrease in current assets	(88,106,019)	(61,196,933)
Stores, spares and loose tools	5,223,654	2,660,609
Stock in trade	15,800,487	8,389,204
Trade debts	(5,755,905)	(30,013,792)
Loans and advances	(769,607)	(7,484,048)
Trade deposits and short term prepayments & other receivables	(794,895)	16,299,525
	<u>13,703,734</u>	<u>(10,148,503)</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	44,314,993	18,788,410
Cash generated from operations	(30,087,291)	(52,557,026)
Financial charges paid	(4,170,977)	(17,894,023)
Taxes paid	(4,784,241)	(3,613,345)
Gratuity paid	(5,218,002)	(4,385,216)
	<u>(14,173,220)</u>	<u>(25,892,584)</u>
Net cash flow from operating activities	(44,260,511)	(78,449,610)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term loans and advances	677,500	(457,088)
Sale proceeds of property, plant and equipment	645,000	33,748,207
Fixed capital expenditure	(715,930)	(499,302)
Net cash flow from investing activities	606,570	32,791,817
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings - secured	(13,347,666)	22,049,943
Long term financing from commercial banks - Secured	-	(1,000,000)
Long term loans from associated co.	-	-
Long term loans from directors	46,059,001	37,660,202
Dividend paid	-	-
Net cash flow from financing activities	32,711,335	58,710,145
Net Increase in cash and bank balances	(10,942,606)	13,052,352
Cash and bank balances at the beginning of the period	12,378,280	1,902,343
Cash and bank balances at the end of the period	1,435,674	14,954,697

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, 2016**

	Paid-up Capital Rupees	Unappropriated Loss Rupees	Total Rupees
Balance as at June 30, 2014	300,011,200	(592,182,052)	(292,170,852)
Net loss for the nine months ended March 31, 2015	-	(99,652,381)	(99,652,381)
Incremental depreciation - net of tax	-	15,540,683	15,540,683
Balance as at March 31, 2015	300,011,200	(676,293,750)	(376,282,550)
Balance as at June 30, 2015	300,011,200	(625,212,279)	(325,201,079)
Net loss for the nine months ended March 31, 2016	-	(135,589,963)	(135,589,963)
Incremental depreciation - net of tax	-	10,554,942	10,554,942
Balance as at March 31, 2016	300,011,200	(750,247,300)	(450,236,100)

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

**NOTES TO THE ACCOUNTS
FOR THE NINE MONTHS
ENDED MARCH 31, 2016**

- 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, 2015.

		March 31, 2016 Rupees	June 30, 2015 Rupees
4. LONG TERM FINANCING FROM DIRECTORS- Unsecured			
Interest free loan	4.1	121,798,146	93,775,173
Interest bearing loan	4.2	137,521,709	135,087,289
		<u>259,319,855</u>	<u>228,862,462</u>
4.1 Original Loan amounts	4.1.1	297,131,223	251,072,222
Less: Present Value Adjustment	4.1.2	193,718,767	167,489,773
		103,412,456	83,582,449
Add: Interest charged to profit and loss account		18,385,690	10,192,724
		<u>121,798,146</u>	<u>93,775,173</u>
4.2 Original Loan amounts		140,000,000	140,000,000
Less: Present Value Adjustment		5,180,528	5,180,528
		134,819,472	134,819,472
Add: Interest charged to profit and loss account		2,702,237	267,817
		<u>137,521,709</u>	<u>135,087,289</u>

4.1.1 These interest free loans have been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instrument: Recognition and Measurement, and has been discounted using the weighted average interest rate ranging 18.06% to 11.64%.

4.1.2 The long term loan has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instrument: Recognition and Measurement, and has been discounted using the weighted average interest rate i.e., 8.06% less cost of fund of the bank i.e., 5.65%.

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There have been no change in contingencies since the last audited financial statements.

Jul 2015 to Mar 2016 Rupees	Jul 2014 to Mar 2015 Rupees
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6. Following is the cost of fixed assets that have been added / disposed off during the nine months ended:

Additions in fixed assets	715,930	499,302
Deletions in fixed assets	(707,057)	12,521,548

7. EARNING PER SHARE - BASIC AND DILUTED

Loss after tax	(135,589,963)	(99,652,381)
Weighted average number of ordinary shares	30,001,120	30,001,120
Earning per share - Basic	(4.52)	(3.32)

8. DATE OF AUTHORISATION

These accounts have been approved by the Board of directors on April 27, 2016.

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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