

(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 29, 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

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987,290,108	935,478,805
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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
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The annexed notes form an integral part of these financial statements.

Lahore: Dated Apr 29, 2019

Chief Executive Officer

Director

Chief Financial Officer

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
	17,456,786	10,062,552	5,398,917	5,833,442
8	(8,408,500)	(10,213,747)	(2,312,233)	(3,743,772)
	9,048,286	(151,195)	3,086,684	2,089,670
	-	(429,756)	-	(47,640)
	(22,383,114)	(18,921,881)	(7,867,638)	(6,078,220)
	(678,705)	(630,831)	(227,134)	(203,743)
	2,350	222,735	2,261	220,081
	(14,011,183)	(19,910,928)	(5,005,827)	(4,019,852)
	(47,915,805)	(37,812,515)	(16,668,707)	(12,788,495)
	66,800,000	48,501,126	-	-
	4,873,011	(9,222,317)	(21,674,535)	(16,808,347)

TAXATION	12	(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	13	(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	-	-
(3,014,451)	(11,592,411)	-	-
(3,014,451)	(2,888,383)	-	-

Revaluation decrease in non-current assets classified as held for sale (net of tax)

TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

(3,014,451)	(2,888,383)	-	-
(5,235,839)	(16,024,314)	(24,172,794)	(26,262,361)

LOSS PER SHARE- BASIC AND DILUTED

- LOSS PER SHARE FROM CONTINUING OPERATIONS

- LOSS PER SHARE FROM DISCONTINUED OPERATIONS

0.04	(0.36)	(0.77)	(0.60)
(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

Balance as at July 01, 2017

Other comprehensive income for the period

Net loss for the period

Total comprehensive income for the period

Incremental depreciation - net of tax

Balance as at March 31, 2018

Paid-up Capital Rupees	Revaluation Surplus Rupees	Accumulated (Loss) Rupees	Total Rupees
300,011,200	603,715,735	(787,599,477)	116,127,458
-	(2,888,383)	-	(2,888,383)
-	-	(13,135,931)	(13,135,931)
-	(2,888,383)	(13,135,931)	(16,024,314)
-	(27,174,237)	27,174,237	-
300,011,200	573,653,115	(773,561,171)	100,103,144

Balance as at July 01, 2018

Other comprehensive income for the period

Net loss for the period

Total comprehensive income for the period

Incremental depreciation - net of tax

Balance as at March 31, 2019

300,011,200	574,923,455	(741,670,612)	133,264,043
-	(3,014,451)	-	(3,014,451)
-	0	(2,221,388)	(2,221,388)
-	(3,014,451)	(2,221,388)	(5,235,839)
-	(990,246)	990,246	-
300,011,200	570,918,759	(742,901,755)	128,028,204

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

Lahore: Dated Apr 29, 2019

ICC TEXTILES LIMITED

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

Chief Executive Officer

Director

Chief Financial Officer

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

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

Fixed capital expenditure		-	-
Net cash flow from investing activities	(B)	2,724,013	74,389,268
CASH FLOW FROM FINANCING ACTIVITIES			
Short term borrowings - Secured		162,747	(617,139)
Long term financing from commercial banks-Secured		-	(15,000,000)
Long term loans from directors		3,450,000	8,140,000
Net cash flow from financing activities	(C)	3,612,747	(7,477,139)
Net Increase/(Decrease) in cash and bank balances	(A+B+C)	1,887,484	28,371,636
Cash & bank balances at the beginning of the period		1,362,310	455,207
Cash & bank balances at the end of the period		3,249,795	28,826,843

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

Lahore: Dated Apr 29, 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

		Mar 2019 Rupees	Jun 2018 Rupees
Interest free loan	4.1	177,418,795	165,262,134
Interest bearing loans - 2	4.2	179,712,267	166,262,267
Interest bearing loan - 3	4.3	70,000,000	80,000,000
Interest bearing loan - 1	4.4	140,000,000	140,000,000
		567,131,062	551,524,401

- 4.1 Original Loan amounts
Less: Present value adjustment

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

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.

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 Settle ment 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

Un-audited	Audited
Mar 2019 Rupees	Jun 2018 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.)	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	-	(71,467,850)
Less: Transfer to investment property Written down value - closing	-	(133,418,990)
	11,767,567	13,453,832

7.1.1 **Cost of additions during the period / year**

Office equipment	-	4,600
	-	4,600

7.1.2 **Disposals during the period / year**

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

Carrying value before revaluation

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	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	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:

	Note	Un-audited Mar 2019 Rupees	Audited 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	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)		
		-	-		
		Jul-Sep 2018	Jul-Sep 2017		
		Rupees	Rupees		
	Adjustment of finished goods:				
	Opening Stock	734,477	762,935		
	Closing Stock	-	(762,935)		
		734,477	-		
		3,779,303	11,922,383		
14	CASH FLOW FROM OPERATING ACTIVITIES				
	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.

Lahore: Dated Apr 29, 2019

Chief Executive Officer

Director

Chief Financial Officer