

# **ANNUAL REPORT 2021**



**ICC Industries Limited**  
( Formerly ICC Textiles Limited )



## **COMPANY INFORMATION**

### **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**

- Grant Thornton Anjum Rahman  
Chartered Accountants  
01-Inter Floor, Eden Centre  
Jail Road, Lahore.

### **Bankers**

- MCB Bank Limited
- Faysal Bank Limited
- Bank AL Habib Limited
- United Bank Limited
- Allied Bank Limited
- Habib Metropolitan Bank Limited

### **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  
Web site : [www.icctextiles.com](http://www.icctextiles.com)

### **Factory**

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

# **ICC INDUSTRIES LIMITED**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 33<sup>rd</sup> Annual General Meeting of the Company will be held at the registered office of the Company, 242-A, Anand Road, Upper Mall, Lahore on Thursday October 28, 2021 at 10:30 a.m. to transact the following business:

### **ORDINARY BUSINESS**

1. To confirm the minutes of Annual General Meeting held on October 28, 2020.
2. To receive consider and adopt the audited financial statements of the Company for the year ended 30<sup>th</sup> June 2021 together with the Directors and Auditors Report thereon.
3. To appoint statutory auditors for the year ending 30<sup>th</sup> June 2022 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

Lahore  
October 08, 2021

By Order of the Board

  
Company Secretary

### **NOTES:**

1. The members register will remain closed from October 22, 2021 to October 28, 2021 (both days inclusive). Transfers received at Share Registrar Office, Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on 21 October 2020 will be entertained.
2. A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the registered office not later than 48 hours before the time for holding meeting.
3. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D numbers, to prove his/her identity, and in case of proxy must enclose and attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/sub account holders of CDC will further have to follow the guidelines as laid down in Circular No.1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan
4. Pursuant to Section 132(2) of the Companies Act 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at

geographical location, to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

5. In accordance with the provisions of section 223 and 237 of the Companies Act, 2017, the audited financial statements of the Company for the year ended on June 30, 2021 are available on the Company's website ([www.icctextiles.com.pk](http://www.icctextiles.com.pk)).
6. Shareholders are requested to immediately notify the change in address, if any to the Company's Share Registrar M/s Corplink (Pvt.) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore.
7. All shareholders who had not yet submitted the valid copies of CNIC, NTN certificate(s) and IBAN are requested to send the same to the Share Registrar. Shareholders of the Company who holds shares in scrip-less form on Central Depository Company of Pakistan Ltd. (CDC) are requested to update their IBAN details directly to their CDC participant (brokers)/CDC Investor Account Services.
8. All possible safety measures shall be taken in respect of COVID-19 and relevant SOPs shall be strictly followed including checking of temperature, wearing of face masks, use of hand sanitizer and maintenance of proper social/physical distance. All members attending the meeting are requested and expected to cooperate in this respect.
9. As per section 72 of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four year from the commence of this Act i.e., May 30, 2017. The Shareholders having physical shareholding may open CDC Sub-account with any of the broker or investor account directly with CDC to place their physical share into scripless form.

## **ICC Industries Limited**

(Formerly ICC Textiles Limited)

### **CHAIRPERSON'S REVIEW REPORT ON BOARD PERFORMANCE**

ICC Industries Limited ("the Company") has a seven member Board of Directors ("the Board") and members with vast experience and diversified knowledge required for an effective decision making process.

The board together with its committees was fully involved in policy and decision making process.

The Composition of the Board and its committees are in accordance with the requirements of Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019, and its duties, obligations, responsibilities and rights are as defined therein.

During the financial year 2021 the BOD met 8 times. All its members are committed to serve the company with the same zeal, while taking into consideration all material facts, information and circumstances in a manner to ensure that appropriate decisions.

The Board has developed a mechanism for annual evaluation of Board's own performance. in compliance with the provisions of Listed Companies (Code of Corporate Governance) Regulations 2019. For the year ended June 30, 2021 the Board's overall performance and effectiveness has been found satisfactory and both executive and non executive directors have been fully involved in important decision making.

**LAHORE:**  
October 08, 2021



**PERVAIZ S. SIDDIQI**  
Chairman

# ICC Industires Limited

(Formerly ICC Textiles Limited )

## Directors' report to the members

On behalf of the board of directors, we take pleasure in presenting the audited financial statements of the company pertaining to the financial year ended on June 30, 2021.

### Financial Highlights

The company suffered an after tax loss of Rs.38.925 million and registered a revenue of Rs. 9.987 million as against an after tax loss of Rs. 1.561 million and revenue of Rs. 33.811 million in the preceding period.

	Rupees
• Revenue	9,987,070
• Gross profit	1,148,783
• Operating loss	25,339,535
• Finance Cost	60,975,449
• Change in fair value of investment property	50,100,000
• Loss after tax	38,925,133
• Accumulated losses	759,522,288
• Loss per share	1.30

### Period under Review

The following transactions / factors influenced the company's financial position and performance during this period:

- The company's financials were negatively impacted during the year, due to the spread of the deadly covid19 global epidemic resulting in social and business lockdowns, having far reaching viability adverse consequences in almost all spheres of business activity. This impacted our rental business which faced a slowdown and partial vacancy of our area available for renting out. Thus company's revenue, reduced to Rs. 9.987 million ( 2020: Rs. 33.811 million).
- Finance cost reduced to Rs. 60.975 million from Rs. 79.297 in 2020 mainly due to conversion of some interest bearing loans from directors into interest free loans in the last quarter of financial year ending on June 30, 2020.
- Positive change in fair value of the investment property was Rs. 50.100 million (2020: Rs. 2.539 million), mainly due to boom in real estate prices attributed to construction package announced by the Government. The same has been accounted for as income during the year.
- The company has disposed off assets from property, plant and equipment and non-current assets held for sale having written down value of Rs. 3.748 million (2020: Rs. 4.721 million).

## Future Strategy and Prospects

While the business was somewhat affected in 2020 due to the first phase of Covid19 pandemic, Pakistan was by and large lucky to have escaped the huge damage suffered by many other countries. However, with the arrival of the third wave of covid earlier this year, once again the country was confronted with partial smart lockdowns, and the business and social activity in Pakistan was adversely affected. In our case there was a substantial reduction in our rental business activity thus reducing our revenue.

The situation seems to have much improved since September as the government has removed most covid related restrictions. A number of new prospective tenants are approaching us and hopefully we will be able to rent out substantial portion of our available space soon.

While at the macro level, the country still is facing huge economic issues such as high inflation and energy circular debt, we are witnessing growth in business activity in a number of sectors.

## Contingencies and commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the statement of financial position relates and the date of Directors' Report, except as disclosed in the financial statements.

## Outstanding Statutory Dues

There are no outstanding statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2021 except for those disclosed in the financial statements.

## Corporate Social Responsibility

Your company is a responsible corporate citizen and fully recognizes its responsibility towards community, employees and environment.

## Corporate and Financial Reporting Framework

In order to follow the SECP code of corporate governance, the following statements are given:

### Presentation of Financial Statements

The financial statements, prepared by the management of the Company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.

### Books of Accounts

Proper books of accounts have been maintained by the Company.

### Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.



## International Financial Reporting Standards (IFRS)

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.

## Internal Control System

The system of internal control is sound in design and has been effectively implemented and monitored.

## Going Concern

Without qualifying their opinion, Company's auditors, in their report, have drawn your attention to note 1.2 to the financial statements, which describes that the Company's current liabilities exceeded its current assets by Rs. 269.537 million, and its accumulated losses stood at Rs. 759.522 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern.

These financial statements have, however, been prepared on going concern basis on the grounds that the company will be able to achieve satisfactory levels of profitability in the future based on plan drawn up by the management for this purpose and bringing its liabilities to serviceable levels and availability of the adequate working capital from its lenders and sponsors.

To substantiate its going concern assumption the directors had implemented a plan to consolidate the company's position by repaying the banks' borrowings through sponsors' loans and sale of inefficient textile machinery and renting out vacant buildings to generate revenue. Moreover, the company has taken steps mentioned in note 1.2 ( iii – vii ) to the financial statements.

## Corporate Governance

There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations of stock exchanges.

## Operating and Financial Data

Key operating and financial data of last six years is as under:

### SIX YEARS AT A GLANCE

	( Rs. in million )					
	2016	2017	2018	2019	2020	2021
Revenue :						
- Textiles (Rs.)	443.604	21.974	0.191	0.933	0	0
- Rental (Rs.)	-	9.910	15.363	23.462	33.811	9.987
Net profit/(loss) after tax-Rs.	(211.063)	4.739	16.034	4.393	(1.561)	(38.925)
Fixed assets (Rs.)	675.842	242.183	13.454	12.296	8.154	6.905
Investment property - Rs.	-	620.350	844.020	944.348	962.419	1,012.519
Retained earnings / (Accumulated Losses) - Rs.	(816.970)	(787.600)	(741.671)	(730.220)	(724.273)	(759.522)
Current ratio	0.21:1	0.28:1	0.35:1	0.22:1	0.16:1	0.14:1
Share breakup value - Rs.	0.22	3.87	4.44	4.74	4.81	3.60
Earnings per share - Rs.	(7.04)	0.16	0.53	0.15	(0.05)	(1.30)
Dividend	Nil	Nil	Nil	Nil	Nil	Nil

## Staff Retirement Benefits

Value of unfunded gratuity scheme, based on actuarial valuation, at the period end was Rs. 31.706 million (2020: Rs. 33.445 million).

## Board and Committees Meetings

During the year July 2020 to June 2021, Eight meetings of the Board of Directors, Seven meetings of audit committee and One meeting of HR & R committee were held. Attendances by the Directors were as follows:

Name of Directors	Attendance	Remarks
<b>Board of Directors</b>		
Mr. Javaid S. Siddiqi	8	
Mr. Pervaiz S. Siddiqi	8	
Mrs. Fauzia Javaid Siddiqi	5	
Mr. Salman Javaid Siddiqi	8	
Mr. Asim Pervaiz Siddiqi	8	
Mr. Adnan Javaid Siddiqi	1	Resigned from Board on 23.04.2021
Mr. Arsalan Javaid Siddiqi	3	Resigned from Board on 07.06.2021
Mr. Arif Mahmud Khan	1	Appointed as director on 23.04.2021
Mr. Naveed Hashim Rizvi	-	Appointed as director on 09.06.2021
<b>Audit Committee</b>		
Mr. Arif Mahmud Khan	-	Appointed as Chairman of committee on 09.06.2021
Mr. Pervaiz S. Siddiqi	7	
Mr. Salman Javaid Siddiqi	7	
Mrs. Fauzia Javaid Siddiqi	7	Cease to be a member of committee on 09.06.2021
<b>HR &amp; R Committee</b>		
Mr. Naveed Hashim Rizvi	-	Appointed as chairman of committee on 09.06.2021
Mr. Pervaiz S. Siddiqi	1	
Mr. Javaid S. Siddiqi	1	Cease to be a member of committee on 09.06.2021
Mr. Asim Pervaiz Siddiqi	1	

## Pattern of Shareholding

The Pattern of shareholding as required by the Code of Corporate Governance is attached with this report.

## Trading of Company Shares

During the financial year, there was no trading in shares of the company by Directors, Company Secretary, CEO, CFO and Executives of the Company (including their spouses and minor children).

## Audit Committee

The Audit Committee comprises 3 members, of whom 1 is Independent Director and 2 are non-executive directors.

## HR And Remuneration Committee

The HR and Remuneration Committee comprise 3 members, of whom 1 is Independent Director and 2 are non-executive directors.

## Auditors

M/s Grant Thornton Anjum Rahman, Chartered Accountants will retire at the conclusion of 33<sup>rd</sup> Annual General Meeting. They have expressed their willingness for reappointment. The Audit Committee has recommended their reappointment.

## Dividend

Considering the results for the year, the board is not recommending disbursement of any dividend for the period ended June 30, 2021.

## Acknowledgement

Finally, the directors would like to record their appreciation for the continued commitment and hard work being carried out by the employees of the company.

For and on behalf of  
the Board of Directors



**SALMAN JAVAID SIDDIQI**  
Director



**JAVAID S. SIDDIQI**  
Chief Executive Officer

LAHORE:  
October 08, 2021

# ICC Industries Limited

(Formerly ICC Textiles Limited)

## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: ICC Industries Limited

Year Ending : June 30, 2021

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of board is as follows:

Category	Names
Independent Directors	Mr. Naveed Hashim Rizvi      Mr. Arif Mahmud Khan
Executive Director	Mr. Javaid S. Siddiqi
Non-Executive Directors	Mr. Pervaiz S. Siddiqi      Mr. Salman Javaid Siddiqi Mr. Asim Pervaiz Siddiqi
Female Director	Mrs. Fauzia Javaid

- 3. The Board comprises of minimum number of members which is seven (7). Requirement of independent directors are higher of two (2) or one third of The Board. The fraction of 0.33 for independent directors has not been rounded up as one (1), due to the reason that, considering nature and volume of company's business, the existing independent directors with requisite skills and knowledge are sufficient to take independent decisions for the company.
- 4. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 5. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approved or updating is maintained by the Company.
- 7. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

8. The meetings of the board were presided over by the chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of board.
9. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
10. One director, Mr. Salman Javaid Siddiqi has completed his directors training program, whereas two directors i.e Mr. Javaid S. Siddiqi and Mr. Pervaiz S. Siddiqi are exempt from the requirements of the directors training program. One more director, could not complete the directors training program to meet CCG requirement of 75% of directors, attributed to COVID19. The Board will arrange directors training program for remaining directors by June 30, 2022.
11. The Board has approved appointment of Chief Financial Officer, Company Secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the regulations.
12. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
13. The board has formed committees comprising of members given below:
  - a) **Audit Committee**
    1. Mr. Arif Mahmud Khan - Chairman/Member
    2. Mr. Pervaiz S. Siddiqi - Member
    3. Mr. Salman S. Siddiqi - Member
  - b) **HR & Remuneration Committee**
    1. Mr. Naveed Hashim Rizvi- Chairman/Member
    2. Mr. Pervaiz S. Siddiqi - Member
    3. Mr. Asim Pervaiz Siddiqi - Member
14. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
15. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following :
  - a) Audit Committee - 07 meetings
  - b) HR & Remuneration Committee - 01 meeting
16. The Board has set up an effective internal audit function which are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
17. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their

partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parents, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
20. One more director could not complete the directors training program to meet CCG requirement of 75% of directors, attributed to COVID19. The Board will arrange training program for remaining directors by June 30, 2022.

LAHORE:  
October 08, 2021



**SALMAN JAVAID SIDDIQI**  
Director



**JAVAID S. SIDDIQI**  
Chief Executive Officer

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**TO THE MEMBERS OF ICC INDUSTRIES LIMITED**

**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of ICC Industries Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

  
**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Lahore

Date: 8-October 2021



Grant Thornton

An instinct for growth™

Grant Thornton Anjum Rahman

1-Inter Floor, Eden Centre,  
43-Jail Road, Lahore 54000,  
Pakistan.

T +92 42 37423 621-23, 37422 987

F +92 42 37425 485

www.gtpak.com

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ICC INDUSTRIES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the annexed financial statements of *ICC Industries Limited* (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, (here-in-after referred to as "the financial statements") and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (the Code)* as adopted by the Institute of Chartered Accountants of Pakistan (*the institute*) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad



### Material Uncertainty Relating to Going Concern

We draw attention to note 1.2 in the financial statements which describes that the Company has accumulated losses amounting to Rs. 759.522 million. The Company's current liabilities have also exceeded its current assets resulting in short fall of working capital and negative cash flows from operating activities. These conditions indicate existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have, however, been prepared on a going concern basis for the reasons, as more fully explained in note 1.2 to the financial statements. Our opinion is not modified in this respect.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<b>Investment Properties</b>	
	<p>Refer to note 15 to the annexed financial statements. The Company owns freehold land and building at 32-Km Multan Road, Sundar, Lahore. As at June 30, 2021, the fair value of investment properties was Rs. 1.013 billion, representing 95% of the Company's total assets as at that date.</p> <p>The fair values of the Company's investment properties were assessed by management based on independent valuations prepared by external property valuers.</p> <p>We identified valuation of investment properties as a key audit matter because the determination of the fair values involves significant judgement and estimation, particularly in selecting the appropriate valuation methodology and in determining the underlying assumptions, which increase the risk of error or potential management bias, and because the valuations are sensitive to the key assumptions applied.</p>	<p>Our audit procedures to assess the valuation of investment properties included the following:</p> <ul style="list-style-type: none"><li>• evaluating the qualifications, experience and competence of the external valuer engaged by management and holding discussions with the external valuer, without the presence of management, to understand their valuation methods and the assumptions applied;</li><li>• evaluating the valuation methodology used by the external valuer by comparison with the valuation methodologies applied by other valuers for similar property types;</li><li>• assessing the key assumptions adopted in the valuations, including those relating to sale price per square foot/kanal and the discount rates applied to determine forced sale value, by comparing them with historical rates and available industry data and considering the possibility of error or management bias in the selection of assumptions adopted; and</li><li>• assessing fair value gain recorded during the year.</li></ul>

*GAAR*

2.	<p><b>Valuation of Gratuity</b></p> <p>Refer to note 8.2 to the annexed financial statements.</p> <p>As at June 30, 2021 the Company's obligation in respect of defined benefit plan of its existing employees amounted to Rs. 31.706 million.</p> <p>In determining the obligation in respect of defined benefit plans, the Company engaged an actuarial expert to perform the actuarial valuation of the defined benefit obligation, which involves use of key assumptions including discount rates, expected rate of increase in future salaries and mortality rates. Changes in any of these key assumptions can have a material impact on the calculation of these liabilities.</p> <p>We identified retirement benefit obligation as a key audit matter because of significant management judgment relating to valuation assumptions that are inherently complex and require specialist actuarial input.</p>	<p>Our audit procedures amongst others, comprised understanding the management valuation process, including the involvement of actuarial expert in performing the actuarial valuation of plan assets and defined benefit obligation:</p> <ul style="list-style-type: none"> <li>• we assessed the competence and objectivity of the qualified actuary engaged by the Company to value the defined benefit obligation under IAS 19 'Employee Benefits';</li> <li>• we assessed the appropriateness of the methodology and assumptions used to determine the obligation in respect of defined benefit plans by comparison with the valuation methodologies applied by other actuaries;</li> <li>• we reviewed data provided by the Company to actuary for the purpose of valuation;</li> <li>• we also reviewed the adequacy of the related disclosures in the financial statements; and</li> <li>• we verified payments made during the year.</li> </ul>
3.	<p><b>Transactions with related parties</b></p> <p>As referred to in note 7 and note 12 to the annexed financial statements, the Company has obtained significant financing amounting to Rs. 611.313 million from its related parties including directors and the associated Company. These loans also include interest free loans which need amortization.</p> <p>We identified transactions with related parties as a key audit matter because of amounts involved.</p>	<p>Our audit procedures among others comprised:</p> <ul style="list-style-type: none"> <li>• reviewed terms of loan from agreements.</li> <li>• reviewed the minutes of meetings of the Board of Directors to ensure approval of related party transactions.</li> <li>• obtained independent confirmations from directors and associated Company.</li> <li>• recalculated markup expense by applying applicable markup rates defined in such agreements.</li> <li>• ensured appropriateness of disclosures in financial statements.</li> <li>• ensured compliance of IFRS-9.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Board of Directors are responsible for the other information. Other information comprises the information included in the annual report for the year ended June 30, 2021, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

*GAIC*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

4802

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017;
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

*4/11*

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Afzal.

*Grant Thornton Anjum Rahman*  
**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Lahore

Date: 8-October-2021

# ICC INDUSTRIES LIMITED

(FORMERLY ICC TEXTILES LIMITED)

## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

EQUITY AND LIABILITIES	Note	2021 Rupees	2020 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
32,000,000 ( 2020: 32,000,000 ) ordinary shares of Rs. 10 each		<u>320,000,000</u>	<u>320,000,000</u>
<b>Share capital</b>			
Issued, subscribed and paid-up share capital	5	300,011,200	300,011,200
<b>Capital reserves</b>			
Revaluation surplus	6	567,389,985	568,462,515
<b>Revenue reserves</b>			
Accumulated loss		<u>(759,522,288)</u>	<u>(724,272,986)</u>
<b>Total equity</b>		<u>107,878,897</u>	<u>144,200,729</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing from directors	7	575,529,060	539,392,610
Deferred liabilities	8	72,297,455	74,474,465
		<u>647,826,515</u>	<u>613,867,075</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	102,753,430	91,850,752
Security deposits	10	2,024,482	2,363,923
Accrued interest / mark-up	11	169,969,442	131,176,347
Short-term borrowings	12	35,784,203	36,247,863
Unclaimed dividend		1,662,656	1,662,656
		<u>312,194,213</u>	<u>263,301,541</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,067,899,625</u>	<u>1,021,369,345</u>

### CONTINGENCIES AND COMMITMENTS

13

The annexed notes from 1 to 41 form an integral part of these financial statements.

402

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

# ICC INDUSTRIES LIMITED

(FORMERLY ICC TEXTILES LIMITED)

## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

ASSETS	Note	2021 Rupees	2020 Rupees
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	6,904,838	8,154,124
Investment properties	15	1,012,518,550	962,418,550
Long term loans and advances	16	22,500	5,000
Long term deposits	17	1,469,034	1,469,034
		<b>1,020,914,922</b>	<b>972,046,708</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	18	4,262,773	4,450,577
Trade debts	19	88,654	1,439,907
Loans and advances	20	1,180,736	925,227
Short term prepayments and other receivables	21	14,977,918	572,159
Tax refunds due from Government	22	20,298,380	32,882,669
Cash and bank balances	23	1,849,042	754,388
		<b>42,657,503</b>	<b>41,024,927</b>
<b>Non-current assets classified as held for sale</b>	24	<b>4,327,200</b>	<b>8,297,710</b>
<b>TOTAL ASSETS</b>		<b>1,067,899,625</b>	<b>1,021,369,345</b>

The annexed notes from 1 to 41 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# ICC INDUSTRIES LIMITED

( FORMERLY ICC TEXTILES LIMITED)

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>REVENUE</b>	25	9,987,070	33,811,152
<b>DIRECT COST</b>	26	(8,838,287)	(12,350,947)
<b>GROSS PROFIT</b>		1,148,783	21,460,205
<b>OPERATING EXPENSES:</b>			
ADMINISTRATIVE EXPENSES	27	(26,292,715)	(29,261,641)
OTHER EXPENSES	28	(1,706,170)	(7,749,798)
		(27,998,885)	(37,011,439)
		(26,850,102)	(15,551,234)
<b>OTHER INCOME</b>	29	1,510,567	96,646,256
<b>OPERATING (LOSS) / PROFIT</b>		(25,339,535)	81,095,022
<b>FINANCE COST</b>	30	(60,975,449)	(79,298,129)
<b>CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES</b>	15	50,100,000	2,539,325
<b>(LOSS) / PROFIT BEFORE TAXATION</b>		(36,214,984)	4,336,218
<b>TAXATION FOR THE YEAR</b>	31	(2,710,149)	(5,896,971)
<b>LOSS AFTER TAXATION FOR THE YEAR</b>		(38,925,133)	(1,560,753)
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be reclassified subsequently to profit or loss			
Items that will not be reclassified to profit or loss			
Actuarial gain on employee benefit obligations	8.2	2,902,174	4,180,958
Revaluation surplus on property, plant and equipment (net of tax)		-	421,245
Revaluation decrease in non-current assets classified as held for sale (net of tax)		(298,874)	(961,717)
		2,603,300	3,640,486
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		2,603,300	3,640,486
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR</b>		(36,321,833)	2,079,733
<b>LOSS PER SHARE - BASIC AND DILUTED</b>		(1.30)	(0.05)

The annexed notes from 1 to 41 form an integral part of these financial statements.

*Signature*



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



# ICC INDUSTRIES LIMITED

( FORMERLY ICC TEXTILES LIMITED)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	36	(15,650,435)	6,220,825
Finance cost paid		15,990,787	(5,594,014)
Income tax paid		1,427,026	(4,937,659)
Gratuity paid		(3,413,149)	(1,726,236)
		14,004,664	(12,257,909)
<b>Net cash used in operating activities</b>		(1,645,771)	(6,037,084)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Increase) / decrease in long term loans and advances		(17,500)	69,000
Proceeds from disposals of property, plant and equipment & non-current assets classified as held for sale		3,900,000	2,720,000
Purchase of fixed assets		-	(88,830)
<b>Net cash from investing activities</b>		3,882,500	2,700,170
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment of) / Proceeds from long term financing obtained from directors		(678,416)	2,812,360
(Repayment of) / Proceeds from short term borrowings		(463,660)	305,108
<b>Net cash (used in) / from financing activities</b>		(1,142,076)	3,117,468
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		1,094,653	(219,446)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		754,388	973,834
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	23	1,849,041	754,388

The annexed notes from 1 to 41 form an integral part of these financial statements.

*CA*



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# ICC INDUSTRIES LIMITED

( FORMERLY ICC TEXTILES LIMITED)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

Description	Paid-up Capital Rupees	Capital Reserves - Revaluation Surplus Rupees	Revenue Reserves - Accumulated Losses Rupees	Total Shareholders' Equity Rupees
<b>Balance at July 01, 2019</b>	300,011,200	572,329,953	(730,220,157)	142,120,996
Other comprehensive income for the year	-	(540,472)	4,180,958	3,640,486
Loss for the year	-	-	(1,560,753)	(1,560,753)
Total comprehensive income for the year	-	(540,472)	2,620,205	2,079,733
Transfer to accumulated loss on account of disposal of revalued assets and incremental depreciation (net of tax)	-	(3,326,966)	3,326,966	-
<b>Balance at June 30, 2020</b>	300,011,200	568,462,515	(724,272,986)	144,200,729
Other comprehensive (loss) / income for the year	-	(298,874)	2,902,174	2,603,300
Loss for the year	-	-	(38,925,133)	(38,925,133)
Total comprehensive loss for the year	-	(298,874)	(36,022,959)	(36,321,833)
Transfer to accumulated loss on account of disposal of revalued assets and incremental depreciation (net of tax)	-	(773,656)	773,656	-
<b>Balance at June 30, 2021</b>	300,011,200	567,389,985	(759,522,288)	107,878,896



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

---

### 1 STATUS AND NATURE OF BUSINESS

**1.1** ICC Industries Limited ( Formerly ICC Textiles Limited) "the Company" was incorporated in Pakistan on May 25, 1989 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The shares of the Company are listed on Pakistan Stock Exchange. The principal activity of the Company is renting out vacant buildings and / or open area of the Company's premises. The registered office of the Company is situated at 242-A, Anand Road, Upper Mall, Lahore and the Company's another premises is located at 32-Km Multan Road, Sundar, Lahore.

**1.2** The Company has accumulated losses amounting to Rs. 759.522 million at the year end and the Company's current liabilities exceeded its current assets by Rs. 269.537 million at the year end.

These conditions indicate existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern and therefore, may be unable to realize its assets and discharge its liabilities in normal course of business. Continuation of the Company as a going concern is dependent on its ability to attain satisfactory levels of profitability and liquidity in the future by bringing its liabilities to serviceable levels and availability of adequate working capital through continued support from its customers and :

- (a) the principal lenders of the Company; and
- (b) the sponsors of the Company.

These financial statements have been prepared on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of profitability and liquidity in the future based on the plans drawn up by the management for this purpose, bringing its liabilities to serviceable levels and availability of the adequate working capital from its lenders and sponsors.

To substantiate its going concern assumption:

- i In order to consolidate the Company's resources, due to uncertainty in securing industrial gas connection, which was essential for cheaper and continuous gas based electricity, the Company had disposed off all its looms.
- ii The Company has rented out its partial factory buildings and labour colony to generate cash flows;
- iii Bank borrowings had been fully repaid by April 2018;
- iv During the year 2015, the Company had also repaid long term loan amounting to Rs. 14.896 million and had reduced the running finance facilities from Rs. 480 million to Rs. 330 million, as 37 sulzer looms were disposed off and one director of the Company sold his property to MCB Bank Limited under buy-back arrangement, and advanced such proceeds amounting to Rs. 140 million as long term loan to the Company for partial settlement of the finance facilities.
- v Directors of the Company have decided to convert interest bearing loans extended to the Company amounting to Rs. 187.644 million into interest free loans w.e.f Mar 31, 2020 and also extended further long term interest free loans during the year to meet working capital requirements of the Company. The sponsors of the Company would continue such support in future;
- vi Few directors of the Company had also invested Rs.321.531 million through long term interest free loans during May 2013 to June 2016 to meet working capital requirements of the Company.
- vii During 2013, the Board of Directors of ICC (Private) Limited, an associated undertaking, had decided to write off following outstanding loans advanced to the Company:
  - Long term interest free loans amounting to Rs. 189.150 million with carrying value, in ICC Industries Limited books, amounting to Rs. 48.801 million; and
  - Short term interest bearing loans amounting to Rs. 30.850 million.

The financial statements consequently do not include any adjustment relating to the realization of the assets and liquidation of its liabilities that might be necessary would the Company be unable to continue as a going concern.

# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 2 BASIS OF PREPARATION

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail.

#### 2.2 Standards, amendments to standards and interpretations becoming effective in current year

There are certain new standards, interpretation and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 01, 2020 but are not considered to be relevant or have significant effect on the Company's financial reporting.

#### 2.3 Standards, amendments and interpretations to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation		Effective Date (annual periods beginning on or after)
IFRS 3	Business Combinations - Conceptual framework - (Amendments)	1 January 2022
IAS 16	Property, Plant and Equipment - (Amendments)	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - (Amendments)	1 January 2022
	Annual improvements to IFRS Standards 2018-20	1 January 2022
IAS 41	Agriculture	1 January 2022
IAS 1	Presentation of Financial Statements — (Amendments)	1 January 2023
	Accounting Policies, Changes in Accounting Estimates and Errors — (Amendments)	1 January 2023
IAS 8	(Amendments)	1 January 2023
IAS 12	Income Taxes	1 January 2023

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by IASB. Such improvements are generally effective accounting periods beginning on or after January 2022.

Further, following new standards have been issued by IASB which are yet to be notified by SECP for the purpose of applicability in Pakistan.

Standards or interpretation		IASB Effective date (Annual Periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 July 2019
IFRS 17	Insurance Contracts	01 January 2023

#### 2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- staff retirement benefits which are measured at present value of defined benefit obligations (refer note 4.1);
- free hold land, buildings and plant and machinery which are measured at revalued amounts (refer note 4.2);
- financial assets and liabilities which are measured at fair value (refer note 4.8); and
- non current assets classified as held for sale which are measured at fair value (refer note 4.17).

# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

---

### **2.5 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are discussed below:

#### **Income taxes**

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

#### **Trade debts and other receivables**

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds trade debts with objective of collecting contractual cash flows and therefore, measures its trade debts subsequently at amortised cost using the effective interest method. The Company reviews annually its trade debts for impairment.

#### **Property, plant and equipment**

The Company's management determines the estimated useful lives and related depreciation charge for its property, plant and equipment. The estimates for revalued amounts of different classes of property, plant and equipment are based on valuation performed by external professional valuers and recommendations of technical teams of the Company. The said recommendation also includes estimates with respect to residual values and depreciable lives. Further, the Company reviews its assets for possible impairment on an annual basis. Any change in use of assets in future years might affect carrying amounts of the respective item of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

#### **Non current assets held for sale**

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through a continuing use.

#### **Investment property and assets classified as held for sale**

Valuation is performed by external professional valuers. Further, the Company reviews its assets for possible impairment on an annual basis. Any change use of assets in future years might affect carrying amounts of the respective item with a corresponding effect on the impairment.

#### **Stock in trade and stores, spare parts and loose tools**

The Company's management reviews the net realizable value (NRV) and impairment of stock in trade and stores, spare parts and loose tools to assess any diminution in the respecting carrying values and wherever required provision for NRV / impairment is made. The difference in provision, if any, is recognized in statement of profit or loss for the year.

#### **Staff retirement benefits**

Certain actuarial assumptions have been adopted as disclosed in Note 4.1 to the financial statements for the valuation of present value of defined benefit obligation. Any changes in these assumptions might affect unrecognized gains and losses in those years.

#### **Provision for contingencies**

The Company's management uses assumptions and estimates in disclosures and assessment of provision for the contingencies.

# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

---

### 3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Staff retirement benefits

The Company operates an unfunded gratuity scheme ( defined benefit plan ) covering all eligible directors and employees, payable at the cessation of employment. The liability is provided on the basis of actuarial valuation applying Projected Unit Credit (PUC) Actuarial Method. The Company has a policy of carrying out actuarial valuation on annual basis with the assistance of independent actuarial appraisers to cover the obligations under the scheme.

Principal actuarial assumptions used in the actuarial valuation carried out as at June 30 are as follows:

- Discount rate used for year end obligation 10.0% (2020: 8.5%) per annum
- Expected rate of salary increase in future 9.0% (2020: 7.5%) per annum
- Average duration of the defined benefit obligation 2 years (2020: 2 years)
- Mortality rate assumed were based on the SLIC 2001-2005 mortality table ( 2020:SLIC 2001-2005 ultimate mortality rates with one year setback as per recommendation of Pakistan Society of Actuaries ("PSOA").

#### 4.2 Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

##### **Furniture and fittings, vehicles, electrical appliances and office equipment**

Subsequently, furniture and fittings, vehicles, electrical appliances and office equipment are measured using cost model i.e. cost less subsequent accumulated depreciation and impairment losses, if any. Depreciation is charged to statement of profit or loss on diminishing balance method at the rates as disclosed in Note 14 so as to write off the depreciable amount of furniture and fittings, vehicles, electrical appliances and office equipment over their estimated useful lives.

##### **Freehold land, building on freehold land and plant and machinery**

Free hold land is subsequently measured using revaluation model at the revalued amounts.

Buildings and plant and machinery are subsequently measured using revaluation model at revalued amount less subsequent accumulated depreciation and impairment losses, if any. Any surplus on revaluation of freehold land, building on freehold land, and plant and machinery is credited to the surplus on revaluation of property, plant and equipment account. Revaluation is carried with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred tax) is transferred directly to accumulated loss.

Depreciation on buildings and plant and machinery is charged to statement of profit or loss on straight line method at the rates as disclosed in Note 14 so as to write off the depreciable amount of these assets over their estimated useful lives.

Depreciation on additions to property, plant and equipment except freehold land is charged from the date of acquisition / capitalization / start of commercial production of the assets and depreciation on assets disposed off during the year is charged up to the date of disposal.

Gain / loss on disposal of property, plant and equipment is reflected in statement of profit or loss during the year in which they are incurred. Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

The assets' residual values and estimated useful lives are reviewed as required, but at least annually and adjusted if impact on depreciation is significant.

# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

---

### **4.3 Investment properties**

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. The fair value is determined annually by an independent professional valuer based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable willing parties in an arm length transaction. Any gain or loss arising from a change in fair value is charged to the statement of profit or loss.

When an item of property, plant and equipment is transferred to investment property, following a change in its use, any difference arising at the date of transfer between the carrying amount of the item and its fair value is recognized in revaluation surplus of property, plant and equipment. Upon disposal, the related revaluation surplus is transferred to accumulated loss. Any gain or loss arising in this manner is credited to statement of profit or loss.

When an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

### **4.4 Capital work-in-progress**

Capital work-in-progress is stated at cost accumulated upto the date of statement of financial position less accumulated impairment losses, if any. Capital work-in-progress is recognized as operating fixed asset when it is made available for intended use.

### **4.5 Right of use assets**

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset.

### **4.6 Stores, spare parts and loose tools**

These are stated at lower of cost & net realizable value. Cost is determined by applying moving average method except goods in transit which are stated at lower of cost.

### **4.7 Stock in trade**

Stock in trade is stated principally at lower of cost and net realizable value.

Cost of major components of stock in trade is determined as follows:-

Raw materials	- At annual average cost
Work in process and finished goods	- At prime cost plus appropriate production overheads using weighted average

Net realizable value means estimated selling price in ordinary course of business less costs necessarily to be incurred to make the sale.

# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

---

### **4.8 Financial Instruments**

#### **4.8.1 Financial assets**

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets of the Company are classified as follows:

##### **a) Financial assets at amortised cost**

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss account.

##### **b) Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **c) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss account in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be.

Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss account for the period in which it arises.

Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss account following the derecognition of the equity instruments.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss account, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.



# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

---

### **4.8.2 Financial liabilities**

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Statement of Profit or Loss account.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the Statement of Profit or Loss account.

### **4.8.3 Off-setting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **4.9 Foreign currencies**

Transactions in currencies other than Pak Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each date of statement of financial position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the date of statement of financial position.

Gains and losses arising on retranslation are included in profit or loss for the period.

### **4.10 Revenue recognition**

-Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding government levies.

-Rental income is recognised over time.

-Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be estimated reliably. Interest income is accrued on a time basis, by reference to the principal balance outstanding and at the interest rate applicable.

### **4.11 Taxation**

#### **Current**

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemption available, if any, and tax paid on presumptive basis.

#### **Deferred**

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses can be utilized. Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the date of statement of financial position. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to equity or OCI in which case it is included in equity or statement of comprehensive income.

# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

---

### **4.12 Impairment of non-financial assets**

The carrying amounts of non-financial assets are assessed at each date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the Statement of Profit or Loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **4.13 Provisions**

A provision is recognized in the financial statements when the Company has legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of obligation.

### **4.14 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and bank balances and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### **4.15 Contingent liability**

Contingent liability is disclosed when:

- There is possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

### **4.16 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

### **4.17 Non current assets held for sale**

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through a continuing use.

# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

---

### **4.18 Lease liability**

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of short term and low value leases are not recognised and payments against such leases are recognised as expense in profit or loss.

### **4.19 Trade and other payables**

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received. These are recognized at amortized cost.

### **4.20 Borrowings**

Borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>			
30,001,120 (2020 : 30,001,120) ordinary shares of Rs. 10 each fully paid in cash		<b>300,011,200</b>	300,011,200
<b>6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX</b>			
Surplus arising on revaluation	6.1	607,981,683	609,492,290
Less: Deferred tax arising on surplus on revaluation	6.2	40,591,699	41,029,775
		<b>567,389,985</b>	568,462,515
<b>6.1 Opening balance of surplus on revaluation</b>		<b>609,492,290</b>	614,939,385
Add: Surplus arising during the year		-	593,303
Less: Incremental depreciation:			
Plant & machinery		<b>209,402</b>	867,870
		209,402	867,870
Less: Revaluation relating to plant & machinery disposed off		880,256	3,817,997
Less: Revaluation decrease in non-current assets classified as held for sale	24	420,949	1,354,531
		<b>607,981,683</b>	<b>609,492,290</b>
The revaluation of free - hold land and buildings on free - hold land was carried out by Arch-e'-decon (Evaluators, Surveyors, Architects and Engineers) as at June 30, 2020. The revaluations resulted in followings:			
		Rupees	
Increase in carrying value of plant and machinery		<b>593,303</b>	
<b>6.1.2</b>	Incremental depreciation represents the difference between actual depreciation on revalued property, plant and equipment and equivalent depreciation based on historical cost of property, plant and equipment.		
		<b>2021 Rupees</b>	<b>2020 Rupees</b>
6.2	Related deferred tax liability on July 01	41,029,775	42,609,432
	Deferred tax liability arising on revaluation of PPE	-	172,058
	Tax effect on incremental depreciation & disposal of assets during the year	(316,001)	(1,358,901)
	Tax effect on revaluation decrease in non-current assets classified as held for sale	(122,075)	(392,814)
		<b>40,591,699</b>	41,029,775

Deferred tax asset amounting to Rs. 166.698 million (2020: Rs. 214.710 million) arising on account of temporary differences mainly for property, plant and equipment, gratuity, unused tax loses and unused tax credits has not been accounted for due to uncertainty regarding its recoverability in the foreseeable future.

**7 Long term financing from directors- Unsecured**

	Note	2021 Rupees	2020 Rupees
Interest free loans - 1	7.1	219,627,016	199,734,727
Interest bearing loan - 2	7.2	-	-
Interest bearing loan - 3	7.3	57,000,000	65,000,000
Interest bearing loan - 4	7.4	140,000,000	140,000,000
Interest free loan - 5	7.5	158,902,044	134,657,883
		<u>575,529,060</u>	<u>539,392,610</u>
	Note	Rupees Rupees	Rupees Rupees
<b>7.1 Original Loan amounts</b>	7.1.2	321,531,223	321,531,223
Less: Present Value Adjustment	7.1.3	206,132,600	206,132,600
		115,398,623	115,398,623
Add: Interest charged to statement of profit or loss ( Unwinding of discount )	7.1.1	104,228,393	84,336,104
		<u>219,627,016</u>	<u>199,734,727</u>
<b>7.1.1 Interest charged to statement of profit or loss:</b>			
Opening balance		84,336,104	66,271,179
Unwinding of discount for the year		19,892,289	18,064,925
Closing balance		<u>104,228,393</u>	<u>84,336,104</u>
<b>7.1.2</b>	These interest free loans are repayable in lump sum on June 30, 2025 (2020: June 30, 2025).		
<b>7.1.3</b>	These long term interest free loans have been measured at amortized cost by applying weighted average interest rate ranging from 8.06% to 11.64% (2020: 8.06% to 11.64%).		
<b>7.2</b>	These loans carries mark-up @ one month KIBOR plus 2% (2020: one month KIBOR plus 2%) and were repayable in lump sum on December 31, 2020. During the last year, these loans were converted in interest free loans and are repayable in lump sum on March 31, 2023 (Refer note 7.5).		
<b>7.3</b>	This loan carries mark-up @ one month KIBOR plus 2% (2020: one month KIBOR plus 2% and is repayable to in lump sum on June 30, 2025.		
<b>7.4</b>	The loan carries mark-up @ one month KIBOR plus 2% (2020: one month KIBOR plus 2% and is repayable in lump sum on June 30, 2025.		
	Note	2021 Rupees	2020 Rupees
<b>7.5 Original Loan amounts</b>	7.2	197,448,411	190,126,827
Less: Present value adjustment on initial recognition		60,940,437	59,582,163
Add: Interest charged to statement of profit or loss		22,394,070	4,113,219
		<u>158,902,044</u>	<u>134,657,883</u>
<b>7.5.1</b>	These long term interest free loans have been measured at amortized cost by applying weighted average interest rate ranging from 9.42% to 13.42% (2020: 9.44% to 13.42%).		
<b>7.5.2</b>	These loans are payable in lumpsum on March 31, 2023.		

**8 DEFERRED LIABILITIES**

	Note	2021 Rupees	2020 Rupees
Deferred tax	6.2	40,591,699	41,029,775
Staff retirement benefits - gratuity	8.2	31,705,756	33,444,690
		<u>72,297,455</u>	<u>74,474,465</u>

**8.1** The scheme provides for gratuity benefits for all permanent employees who attain minimum qualifying period of one year. Provision has been made on the basis of latest actuarial valuation made on June 30, 2021 by applying projected unit credit method.

**8.2 Changes in Present Value of Defined Benefit Obligations:**

	Note	2021 Rupees	2020 Rupees
Opening liability		33,444,690	32,775,959
Charge for the year	8.3	4,576,389	6,575,925
Remeasurement gain recognised in other comprehensive income (experience adjustments)		(2,902,174)	(4,180,958)
Benefits paid during the year		(3,413,149)	(1,726,236)
Closing liability		<u>31,705,756</u>	<u>33,444,690</u>
		<u>2021 Rupees</u>	<u>2020 Rupees</u>
<b>8.3 Charge for the year in statement of profit or loss</b>			
Current service cost		1,878,649	2,028,345
Interest cost		2,697,740	4,547,580
		<u>4,576,389</u>	<u>6,575,925</u>

**8.4** The present value of defined benefit obligation is as follows:

	2021 Rupees	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees
Present value of defined benefit obligation as at June 30	<u>31,705,756</u>	33,444,690	32,775,959	4,072,687	43,218,235

**8.5 Charge for the year has been allocated as under:**

	Note	2021 Rupees	2020 Rupees
Direct Cost	26.1	847,030	1,213,637
Administrative expenses	27.1	3,729,359	5,362,288
		<u>4,576,389</u>	<u>6,575,925</u>

**8.6 Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in present value of defined benefit obligation as stated below:

	2021 Rupees	2020 Rupees
Discount rate + 1%	31,278,494	32,962,083
Discount rate - 1%	32,179,257	33,980,221
Salary increase + 1%	32,184,204	33,985,700
Salary increase - 1%	31,266,482	32,948,478

	Note	2021 Rupees	2020 Rupees
<b>9 TRADE AND OTHER PAYABLES</b>			
Creditors		10,958,334	10,773,858
Due to associated company		136,655	133,333
Accrued liabilities	9.1	63,314,203	52,528,675
Advances from customers		1,641,478	3,081,518
Income tax deducted at source		9,867,857	9,242,883
Sales tax deducted at source		1,301,522	1,318,834
Final dues payable		15,499,891	14,664,321
Others		33,490	107,330
		<u>102,753,430</u>	<u>91,850,752</u>

9.1 This includes an amount of Rs. 35.836 million ( 2020: Rs. 27.406 million) payable to the Chief Executive Officer (related party).

#### 10 SECURITY DEPOSITS

These amounts have been received as security deposits from tenants which have not been kept in a separate bank account and are being utilized as working capital of the Company in accordance with written agreements executed with such tenants.

	Note	2021 Rupees	2020 Rupees
<b>11 ACCRUED MARKUP</b>			
Accrued mark-up / interest on long term financing - related parties	21.1	157,647,029	121,980,288
Accrued mark-up / interest on short term borrowings - related party		12,322,413	9,196,059
		<u>169,969,442</u>	<u>131,176,347</u>

	Note	2021 Rupees	2020 Rupees
<b>12 SHORT TERM BORROWINGS</b>			
<b>Banking companies - unsecured</b>			
Commercial bank- current account (bank overdraft)	12.1	-	463,660
<b>Related parties - unsecured</b>			
Associated company- unsecured	12.2	35,784,203	35,784,203
		<u>35,784,203</u>	<u>36,247,863</u>

12.1 The unfavourable balance has been arisen due to issuance of cheques near year end. However, concerned bank statement showed favourable balance.

12.2 The short term financing has been obtained to meet working capital requirements of the company and to settle bank's borrowings. This is payable on demand to the associated Company.

12.3 Mark-up is charged at the same rates which are being charged by the bank to the associated company ICC (Pvt) Limited i.e. one month KIBOR plus 2.25% ( 2020: One month KIBOR plus 2.00% ) per annum.

### **13 CONTINGENCIES AND COMMITMENTS**

#### **13.1 CONTINGENCIES**

**13.1.1** Withholding Tax Compliance proceedings u/s 161/205 of the Ordinance for the Tax Year 2009 were initiated by the Deputy Commissioner Inland Revenue (DCIR). The Company had duly replied the said notice and the DCIR after considering the said replies, passed Order u/s 161/205 of the Ordinance raising impugned demand of Rs. 1,968,012/- u/s 161 of the Ordinance.

Being aggrieved, the Company preferred appeal before the CIR-A against the Order passed by the DCIR. The CIR-A without considering the arguments put forth, passed Order u/s 129(1A), and confirmed the demand raised by the DCIR.

Being aggrieved, the company preferred appeal before the Honorable Appellate Tribunal Inland Revenue (ATIR) which is pending for fixation till date.

The Company had also filed a rectification application u/s 221 of the Ordinance against the Order passed by the Learned DCIR. The CIR-A without considering the arguments put forth, passed an order confirmed the demand raised by the DCIR. Being aggrieved, the company preferred an appeal before ATIR, whereby the ATIR confirmed the demand raised by CIR-A upto Rs. 825,000/- and remanded back the case to assessing officer in respect of the remaining demand. No correspondence has been received from the department till date.

However, no provision has been made in these financial statements as management of the Company is confident of favourable outcome.

**13.1.2** During 2011, Withholding Tax Compliance proceedings u/s 161/205(3) of the Ordinance for the Tax Year 2010 were initiated by the Assistant Commissioner Inland Revenue (ACIR) creating a demand of Rs. 50,349,214/-. Being aggrieved, the Company had preferred appeal before the Commissioner Inland Revenue Appeals-II (CIR-A) Lahore. On the basis of this appeal, the CIR-A reduced the demand to Rs.2,044,547/- and remanded back the case in respect of remaining demand. The Company, however, preferred appeal before Income Tax Appellate Tribunal Lahore (ITAT) which is pending for adjudication.

At the same time, ACIR finalized the proceedings u/s 124/161/205 and demanded Rs. 4,460,664/- comprising demand u/s 161 and default surcharge u/s 205 amounting to Rs. 2,115,578/- and Rs. 2,345,086/- respectively.

The Company has preferred an appeal before CIR-A against the said default surcharge of Rs. 2,345,086/- whereby the CIR-A after considering the arguments remanded back the case to the assessing officer to revisit the issue. The Company had also filed a rectification application u/s 221 of the Ordinance which has been disposed off vide order dated 04-06-2020. Remand back proceedings in respect of imposition of default surcharge were initiated and the Company had duly complied the notice. No correspondence has been received from the department till date.

However, no provision has been made in these financial statements as management of the Company is confident of favourable outcome.



**13.1.3** During 2016, proceedings under section 122(5A) of the Ordinance were initiated by the ACIR in respect of Tax Year 2010. The Company replied the said notice duly responding the objections. The DCIR after considering the submitted reply, passed the Order u/s 122(5A) of the Ordinance, whereby raising impugned demand of Rs. 4,187,861/- in respect of issue of Minimum Tax u/s 113 of the Ordinance.

Being aggrieved, the Company had preferred appeal before the CIR-A against the order passed by the DCIR.

The CIR-A after considering the arguments put forth, passed the Order in favour of the Company and remanded back the proceedings to the department. Later on, the CIR finalized proceedings by passing an order and raised impugned demand of Rs. 3,740,750/- and the company has preferred an appeal before CIR-A. The case is pending for adjudication till date.

However, no provision has been made in these financial statements as management of the Company is confident of favourable outcome.

#### 14 PROPERTY PLANT AND EQUIPMENT

##### 14.1 Operating fixed assets

DESCRIPTION	Cost or assessed value as on July 01, 2020	Cost of additions / (deletion)	Surplus/deficit on revaluation of assets	Gross book value as on June 30, 2021	Rate %	DEPRECIATION			Net book value as on June 30, 2021	
						As on July 01, 2020	Revaluation	For the year/ (adjustments on disposals)		
	Rupees					Rupees				
Plant and machinery	4,823,572	-	-	4,228,572	6.2-16.7	-	-	311,684 (9,664)	302,020	3,926,552
Furniture and fittings	3,150,835	-	-	3,150,835	10	2,727,924	-	42,291	2,770,215	380,620
Vehicles	1,544,065	-	-	1,544,065	20	1,351,967	-	38,420	1,390,387	153,678
Electrical appliances	2,146,539	-	-	2,146,539	10	1,633,793	-	51,275	1,685,068	461,471
Office equipment	9,625,605	-	-	9,625,605	10	7,422,808	-	220,280	7,643,088	1,982,517
	21,290,616	-	-	20,695,616		13,136,492	-	663,950 (9,664)	13,790,778	6,904,838
		(595,000)								

DESCRIPTION	Cost or assessed value as on July 01, 2019	Cost of additions / (deletion)	Surplus/deficit on revaluation of assets	Gross book value as on June 30, 2020	Rate %	DEPRECIATION			Net book value as on June 30, 2020	
						As on July 01, 2019	Revaluation	For the year/ (adjustments on disposals)		
	Rupees					Rupees				
Plant and machinery	12,101,746	-	593,303 (2,723,477)	4,823,572	7.14	3,482,112	(2,723,477)	1,107,808 (1,866,443)	-	4,823,572
Furniture and fittings	3,107,005	43,830	-	3,150,835	10	2,682,437	-	45,487	2,727,924	422,911
Vehicles	2,244,065	-	-	1,544,065	20	1,960,456	-	60,649 (669,138)	1,351,967	192,098
Electrical appliances	2,101,539	45,000	-	2,146,539	10	1,581,207	-	52,586	1,633,793	512,746
Office equipment	9,625,605	-	-	9,625,605	10	7,178,053	-	244,755	7,422,808	2,202,797
	29,179,960	88,830 (5,848,000)	(2,130,174)	21,290,616		16,884,265	(2,723,477)	1,511,285 (2,535,581)	13,136,492	8,154,124

<b>14.1.1 Depreciation for the year has been allocated as under :</b>	Note	2021 Rupees	2020 Rupees
Direct cost	26	311,684	1,107,808
Administrative expenses	27	352,266	403,477
		<b>663,950</b>	<b>1,511,285</b>

**14.1.2 Disposal of fixed assets & assets held for sale**

Particulars	Cost / Revalued amount Rs.	Book value Rs.	Sale proceeds Rs.	Gain/(loss) on disposal Rs.	Mode of disposal	Name and address
<b>Non-current assets classified as held for sale</b>						
Generator Caterpillar (Model 3512-1275 KVA)	2,256,563	2,256,563	2,500,000	243,437	By Negotiation	United Confectionery (Pvt) Ltd. 101 - Kohinoor Colony, Suraj Kund Road, Multan..
12 Overhead Cleaners (Magitex)	600,000	600,000	590,000	(10,000)	By Negotiation	Zam Zam Texttalion, House #. 888 Street No. 3, Khalid Abad, Faisalabad.
Other assets having book value of less than Rs. 500,000	306,000	306,000	310,000	4,000	By Negotiation	Hanzalah Impex International, Godown No. 134, Upper Portion, Old Electric Market, Jinnah Road, Faisalabad.
<b>Operating fixed assets</b>						
Fork Lifter - Battery Operated (TMC - FB30-7)	595,000	585,336	500,000	(85,336)	By Negotiation	Hanzalah Impex International, Godown No. 134, Upper Portion, Old Electric Market, Jinnah Road, Faisalabad.
<b>2021 Rupees</b>	<b>3,757,563</b>	<b>3,747,899</b>	<b>3,900,000</b>	<b>152,101</b>		
<b>2020 Rupees</b>	<b>7,348,000</b>	<b>4,720,639</b>	<b>2,720,000</b>	<b>(2,000,639)</b>		

The Company does not have any direct or indirect relation with the buyers of such assets.

**14.1.3** At the time of transfer of Land and Building to Investment property on December 31, 2017, Free - hold land and buildings on free - hold land were revalued by an independent valuer, Arch-e'-decon (Evaluators, Surveyors, Architects and Engineers), resulting in surplus of Rs. 8.919 million and incorporated in the financial statements for the year ended June 30, 2018. Previously, five revaluations had been carried out by Arch-e'-decon, an independent valuer. First revaluation was carried out during 2006, second during 2009, third during 2012, fourth during 2015, fifth during 2017. The basis used for revaluation of plant and equipment are as follows:

Plant and machinery: Value has been determined with reference to prevailing prices of similar plants and machinery depreciated to account for the age, usage and physical condition.

**14.1.4** Plant and machinery represent values subsequent to revaluations. Had there been no revaluation, carrying amount of revalued fixed assets would have been as follows:

	2021 Rupees	2020 Rupees
Plant and machinery	1,210,279	1,875,452

**14.1.5** Forced sale value of revalued fixed assets amounts to Rs. 2,944,914 (2020: Rs. 3,617,454).

**15 INVESTMENT PROPERTIES**

	2021 Rupees	2020 Rupees
Fair values as at July 01		
Free hold land	792,081,000	772,375,000
Buildings on freehold land	170,337,550	171,973,225
	<b>962,418,550</b>	944,348,225
Carrying value before revaluation as at June 30		
Free hold land	792,081,000	772,375,000
Buildings on freehold land	170,337,550	171,973,225
	<b>962,418,550</b>	944,348,225
Changes in fair values during the year:		
Free hold land	50,100,000	4,175,000
Buildings on freehold land	-	(1,635,675)
	<b>50,100,000</b>	2,539,325
Other changes ( recognition of related liability ) during the year	-	15,531,000
Fair values as at June 30		
Free hold land	842,181,000	792,081,000
Buildings on freehold land	170,337,550	170,337,550
	<b>1,012,518,550</b>	962,418,550

**15.1** As of reporting date, investment properties comprise of freehold land and buildings on freehold land transferred from property, plant and equipment on January 31, 2017 and December 31, 2017.

**15.2** Latest valuation of these properties has been carried out on December 31, 2020 by an independent valuer, M/s Arch-e' Decon.

**15.3** The different levels to measure fair value have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1],
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (i.e. derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

**Recurring fair value measurements**

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2020.

**Valuation techniques used to derive level 2 fair values:**

At the end of each financial year, the management updates its assessment of the fair value of the investment properties, taking into account the most recent independent valuation. The management determines the properties' value within a range of reasonable fair value Estimates. Level 2 fair value of investment properties has been derived using a sales comparison approach. Sale prices of comparable land and in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per kanal and square feet.

**15.4** **Particulars of immovable investment property (i.e. land & building) are as follows:**

The investment properties comprise of 167 kanal land and civil structure thereon having 250,720 Sq. feet covered area situated at 32 K.m Multan Road, Sunder, Lahore.

**15.5** Forced sale value of such free hold land and buildings on free hold land on June 30, 2021 was Rs. 702,652,500 (2020: Rs. 660,067,500) and Rs. 144,786,918 (2020: Rs. 144,786,918) respectively.

**15.6** The title of land lies with the former name of the Company i.e. ICC Textiles Limited.

		2021 Rupees	2020 Rupees
<b>16</b>	<b>LONG TERM LOANS AND ADVANCES</b>		
	Advances - secured but considered good	22,500	5,000
<b>16.1</b>	<b>Advances to:</b>		
	Employees	40,500	17,000
	Less: Current portion	(18,000)	(12,000)
		22,500	5,000
<b>16.2</b>	Advance to employees are secured against retirement benefits. Maximum aggregate amount in respect of loan extended to employees is at the discretion of the Board of Directors.		
	Note	2021 Rupees	2020 Rupees
<b>17</b>	<b>LONG TERM DEPOSITS</b>		
	Security deposits	1,469,034	1,469,034
		1,469,034	1,469,034
<b>17.1</b>	Security deposits mainly include security deposits for electricity connection.		
<b>18</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
	Stores	1,639,714	1,817,152
	Spare parts	1,957,032	1,957,032
	Packing material	6,515	17,921
	Loose tools	659,512	658,472
		4,262,773	4,450,577
<b>19</b>	<b>TRADE DEBTS</b>		
	Local - Unsecured but considered good	88,654	1,439,907
<b>20</b>	<b>LOANS AND ADVANCES</b>		
	Advances - unsecured but considered good:		
	to executives - against salaries and expenses	791,128	652,620
	to employees - against salaries and expenses	222,044	105,044
	to suppliers	167,564	167,563
		1,180,736	925,227
		1,180,736	925,227
<b>20.1</b>	The maximum aggregate amount due from executives at end of any month was Rs.791,128 (2020: Rs. 652,620).		
		2021 Rupees	2020 Rupees
<b>21</b>	<b>SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES</b>		
	Prepayments	91,285	3,828
	Export rebate receivable	568,331	568,331
	Other receivables	14,318,302	-
		14,977,918	572,159
<b>21.1</b>	The Company had executed Finance Facilities Settlement Agreement on May 28, 2015 with MCB and resultantly, its one director had sold his property amounting to Rs. 140 million to MCB. This sale transaction also included a buy back option for the director on the same price along with cost of funds (to be paid by the company to MCB) within a period of three years of such agreement. Such sale proceeds had been advanced to the company as long term loans by the director which also carried markup equivalent to cost of funds of MCB. These loan proceeds from the director had been utilized for settlement of finance facilities extended to the company by MCB. The cost of funds amounting to Rs. 22,318,302 due upto May 2018 had also been paid by the company to MCB during financial year ended June 2018, as at that time, the director had intention to exercise such buy-back option.		
	However, later on, this buy - back option could not be exercised by the director and accordingly, cost of funds already paid by the company to MCB in 2018 is now receivable from MCB which will be ultimately paid to the director and the same has been included in accrued markup due towards directors. Out of total amount of Rs. 22.318 million, Rs. 8.0 million has already been received before year end while remaining amount has also been received from MCB subsequent to year end.		

	Note	2021 Rupees	2020 Rupees
<b>22 TAX REFUNDS DUE FROM GOVERNMENT</b>			
Income tax refundable - net		19,475,174	23,928,351
Sales tax refundable		823,206	8,954,318
		<u>20,298,380</u>	<u>32,882,669</u>
<b>23 CASH AND BANK BALANCES</b>			
Cash in hand		59,340	669,266
Cash at banks:			
Current accounts	23.1	1,785,556	81,990
Deposit accounts		4,146	3,132
		<u>1,789,702</u>	<u>85,122</u>
		<u>1,849,042</u>	<u>754,388</u>

**23.1** Deposit accounts earn interest at 5.50% (2020: 9.50% to 11.25%) per annum.

**23.2** These bank accounts are in the previous name of the Company "ICC Textiles Limited".

**24 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

These represent realizable value of following assets. The proceeds will be utilized as working capital and to reduce debt burden in order to reduce finance cost of the Company, as per plan approved by Board of Directors. ( as mentioned in Note 1.2 ):

	Note	2021 Rupees	2020 Rupees
<b>Plant and equipment:</b>			
Sulzer looms related equipment, warping and sizing machines	24.1	<u>4,327,200</u>	<u>8,297,710</u>
<b>24.1 Sulzer looms related equipment, warping and sizing machine</b>			
Opening balance		8,297,710	11,638,675
Carrying amount of assets disposed off during the year	14.1.2	(3,162,563)	(1,408,220)
Decrease in revaluation surplus during the year		(420,949)	(1,354,531)
Impairment of non-current assets held for sale		(386,998)	(578,214)
Closing balance		<u>4,327,200</u>	<u>8,297,710</u>

**24.2** The management expects sale of these assets within 12 months after reporting date.

	Note	2021 Rupees	2020 Rupees
<b>25 REVENUE</b>			
Rental income		9,987,070	33,811,152
		<u>9,987,070</u>	<u>33,811,152</u>

**25.1** Rental income pertains to investment properties (Refer Note 15).

**26 DIRECT COST**

Salaries and other benefits	26.1	6,120,782	6,681,773
Fuel and power		1,903,506	2,000,123
Repairs and maintenance	26.2	502,315	2,561,243
Depreciation	14.1.1	311,684	1,107,808
		<u>8,838,287</u>	<u>12,350,947</u>

**26.1** Salaries, wages and other benefits include post retirement benefits amounting to Rs. 847,030 (2020: Rs. 1,213,637).

**26.2** Repair and maintenance includes NRV adjustment of spares and tools amounting to Rs. Nil (2020: Rs. 2,156,068).

	Note	2021 Rupees	2020 Rupees
<b>27 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	27.1	17,332,710	19,949,075
Travelling and conveyance		66,460	79,571
Rent, rates and taxes		3,971,044	3,492,706
Printing and stationery		184,645	209,833
Communication		414,141	491,910
Vehicles running and maintenance		1,005,166	1,363,832
Entertainment		520,003	487,622
Repairs and maintenance		363,546	543,629
Utility expenses		809,572	728,814
Legal and professional		1,000,000	1,067,500
Subscription		161,658	231,173
Insurance		68,369	156,499
Advertisement		43,135	56,000
Depreciation	14.1.1	352,266	403,477
		<b>26,292,715</b>	<b>29,261,641</b>

**27.1** Salaries and other benefits include post retirement benefits amounting to Rs.4,576,389 (2020: Rs. 5,202,586).

	Note	2021 Rupees	2020 Rupees
<b>28 OTHER EXPENSES</b>			
Auditors' remuneration	28.1	1,000,500	924,668
Loss on sale of fixed assets		-	1,592,419
Loss on sale of non-current assets held for sale		-	408,220
Impairment of non-current assets held for sale		386,998	578,214
Loss on sale of spares		-	3,786,639
Others		318,672	459,638
		<b>1,706,170</b>	<b>7,749,798</b>
<b>28.1 Auditors' remuneration</b>			
Audit fee		500,000	500,000
Half yearly review		50,000	50,000
Code of Corporate Governance review		25,000	25,000
Free float review		30,000	30,000
CDC certification		10,000	10,000
Tax representation and consultancy fee		368,000	291,118
Out of pocket expenses		17,500	18,550
		<b>1,000,500</b>	<b>924,668</b>
<b>29 OTHER INCOME</b>			
Trade creditors and other liabilities written back		-	37,061,450
Interest on saving accounts		192	2,643
Amortization of interest free loans		1,358,274	59,582,163
Gain on sale of property, plant and equipment		152,101	-
		<b>1,510,567</b>	<b>96,646,256</b>

**30 FINANCE COST**

	2021 Rupees	2020 Rupees
Mark-up on:		
- Financing from directors	19,320,022	51,806,027
- Financing from associated company	3,466,813	5,301,548
Unwinding of discount	38,173,140	22,178,144
Bank charges	15,474	12,410
	<u>60,975,449</u>	<u>79,298,129</u>

**31 TAXATION****Provision for taxation:**

	Note	2021 Rupees	2020 Rupees
Current tax expense	31.1	2,201,150	7,255,872
Prior Year tax Expense		825,000	-
Deferred tax income	6.2	<u>(316,001)</u>	<u>(1,358,901)</u>
		<u>2,710,149</u>	<u>5,896,971</u>

**31.1** Provision for rental income has been made at the current rate of corporate tax after taking into account allowable deductions / exemptions available under the Income Tax Ordinance, 2001.

**31.2** As the Company's taxable income fall under final tax regime and there are carry forward business losses, the reconciliation of applicable and effective tax rate is not meaningful.

**32 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED**

Earning / (Loss) per share is calculated by dividing profit / (loss) after tax for the period by weighted average number of shares outstanding during the year as follows:

	2021	2020
(Loss) / Profit attributable to ordinary shareholders (Rupees)	(38,925,133)	(1,560,753)
Weighted average number of ordinary shares (number of shares)	30,001,120	30,001,120
(Loss) per share - Basic and diluted	<u>(1.30)</u>	<u>(0.05)</u>

**32.1** No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

**33 FINANCIAL ASSETS AND LIABILITIES**

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

**33.1 Credit Risk and concentration of credit risk**

Credit risk represents the financial loss that would be recognized at the reporting date if the counter parties fail completely to perform as contracted.

Credit risk arises principally from loans and advances, trade debts, deposits, other receivables and bank balances. Out of total financial assets of Rs. 18.761 million (2020: Rs. 4.426 million), the financial assets that are subject to credit risk amounted to Rs. 18.702 million (2020: Rs. 3.671 million).

The Company monitors the credit quality of the financial assets with reference to the historical performance of such assets and available external credit ratings.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows the bank balances and investment held with some major counterparties at the date of statement of financial position.

Banks	Rating		Agency	June 2021 ( Rupees )	June 2020 ( Rupees )
	Short term	Long term			
Allied Bank Limited	A 1+	AAA	PACRA	6,635	6,635
MCB Bank Limited	A 1+	AAA	PACRA	59,514	59,514
Habib Metropolitan Bank Limited	A 1+	AA+	PACRA	4,637	4,637
National Bank of Pakistan	A 1+	AAA	PACRA	1,648	1,648
United Bank Limited	A 1+	AAA	VIS	4,503	4,503
Faysal Bank Limited	A 1+	AA	PACRA	5,668	5,668
Bank Al Habib Limited	A 1+	AA+	PACRA	2,612	2,612
<b>Total</b>				<b>85,217</b>	<b>85,217</b>

The aging of trade receivables at the reporting date is:

	2021 ( Rupees )	2020 ( Rupees )
Past due 1-30 days	11,027	1,385,707
Past due 31-150 days	34,981	-
Past due over 150 days	115,996	54,200
	<b>162,004</b>	<b>1,439,907</b>

### 33.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation, with support from sponsors.

The following are the contractual maturities of financial liabilities as at 30 June 2021:

	Carrying amount ( Rupees )	Less than one year ( Rupees )	One to five years ( Rupees )	More than five years ( Rupees )
Long term financing from directors	575,529,060	-	575,529,060	-
Trade and other payables	102,753,430	102,753,430	-	-
Accrued markup	169,969,442	169,969,442	-	-
Short term borrowings	35,784,203	35,784,203	-	-
<b>Total</b>	<b>884,036,135</b>	<b>308,507,075</b>	<b>575,529,060</b>	<b>-</b>

The following are the contractual maturities of financial liabilities as at 30 June 2020:

	Carrying amount ( Rupees )	Less than one year ( Rupees )	One to five years ( Rupees )	More than five years ( Rupees )
Long term financing from directors	539,392,610	-	539,392,610	-
Trade and other payables	91,850,752	91,850,752	-	-
Accrued markup	131,176,347	131,176,347	-	-
Short term borrowings	36,247,863	36,247,863	-	-
<b>Total</b>	<b>798,667,572</b>	<b>259,274,962</b>	<b>539,392,610</b>	<b>-</b>



### 33.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, markup rates and equity prices will affect the Company's value of its financial instruments.

#### a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is not materially exposed to any currency risk.

#### b) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the variable markup rate profile of the Company's significant interest bearing financial instruments was as follows:

	2021	2020	June 2021	June 2020
				Rupees
<b>Financial liabilities</b>				
Long term financing from directors	9.53%	10.33%	197,000,000	65,000,000
Short term borrowings	9.78%	10.58%	35,784,203	36,247,863
<b>Total</b>			<b>232,784,203</b>	<b>101,247,863</b>
<b>Financial assets</b>				
Cash at bank - deposit accounts	5.5%	9.50-11.25 %	4,146	3,132
<b>Total</b>			<b>4,146</b>	<b>3,132</b>

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Profit or loss 100 basis points	
	Increase Rupees	Decrease Rupees
<b>As at 30 June 2021</b>		
Cash flow sensitivity-Variable rate financial liabilities	927,842	(927,842)
<b>As at 30 June 2020</b>		
Cash flow sensitivity-Variable rate financial liabilities	1,012,479	(1,012,479)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

#### c) Equity price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as the Company does not hold investments whose fair value or future cash flows will fluctuate because of changes in fair value.

### 33.4 Financial instruments by categories

	Financial assets at amortised cost	
	June 2021 (Rupees)	June 2020 (Rupees)
<b>Financial assets</b>		
Loans and advances	1,035,672	762,664
Deposits	1,469,034	1,469,034
Trade debts	88,654	1,439,907
Other Receivable	14,318,302	-
Cash and bank balances	1,849,042	754,388
<b>Total</b>	<b>18,760,704</b>	<b>4,425,993</b>

	Financial liabilities at amortised cost	
	June 2021 (Rupees)	June 2020 (Rupees)
<b>Financial liabilities</b>		
Long term financing from directors	575,529,060	539,392,610
Trade and other payables	102,753,430	91,850,752
Accrued markup/interest	169,969,442	131,176,347
Security deposits	2,024,482	2,363,923
Unclaimed dividend	1,662,656	1,662,656
Short term borrowings	35,784,203	36,247,863
<b>Total</b>	<b>887,723,273</b>	<b>802,694,151</b>

### 33.5 Fair values of financial instruments

The carrying values of financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

### 33.6 Fair Value

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13, 'Fair value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The following table shows the categories as well as carrying amounts and fair values of financial assets according to their respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is reasonable approximation of fair value:

Particulars	Carrying amount ( Rupees)			Fair Value			Total
	Amortised Cost	FVTPL	Total	Level 1	Level 2	Level 3	
	Rupees			Rupees			

June 30, 2021

Financial assets not measured at fair value

**Non Current Assets**

Long term deposits & advances	1,469,034	-	1,469,034	-	-	-	-
Long term loans and advances	22,500	-	22,500	-	-	-	-

**Current Assets**

Trade debts- unsecured	88,654	-	88,654	-	-	-	-
Loans and advances	1,013,172	-	1,013,172	-	-	-	-
Cash & bank balances	1,849,042	-	1,849,042	-	-	-	-
<b>Total</b>	<b>4,442,402</b>	<b>-</b>	<b>4,442,402</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

June 30, 2020

Financial assets not measured at fair value

**Non Current Assets**

Long term deposits & advances	1,469,034	-	1,469,034	-	-	-	-
Long term loans and advances	5,000	-	5,000	-	-	-	-

**Current Assets**

Trade debts- unsecured	1,439,907	-	1,439,907	-	-	-	-
Loans and advances	757,664	-	757,664	-	-	-	-
Cash & bank balances	754,388	-	754,388	-	-	-	-
<b>Total</b>	<b>4,425,993</b>	<b>-</b>	<b>4,425,993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial liabilities at amortised cost**

	2021 Rupees	2020 Rupees
Trade and other payables	102,753,430	91,850,752
Short term borrowings	35,784,203	36,247,863
Unclaimed dividend	1,662,656	1,662,656
Long term financing from directors	575,529,060	539,392,610
Accrued interest / mark-up	169,969,442	131,176,347
Security deposits	2,024,482	2,363,923
	<b>887,723,273</b>	<b>802,694,151</b>

### 33.7 Capital risk management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total borrowings ("long term financing" and "short term borrowings" as shown in the statement of financial position). Total capital comprises shareholders' equity as shown in the balance sheet under "share capital, reserves and surplus on revaluation and net debt".

The salient information relating to capital risk management of the Company at year end were as follows:

	2021 Rupees	2020 Rupees
Total borrowings	611,313,263	575,640,473
Less: Cash and cash equivalents	1,849,042	754,388
Net debt	609,464,221	574,886,085
Total equity (including surplus on revaluation)	107,878,897	144,200,729
Total capital	717,343,118	719,086,814
Gearing ratio	84.96	79.95

### 34 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associated companies, directors and their close family members, executives and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of their employment. Outstanding balances with related parties at reporting dates are disclosed in relevant notes. Transactions with related parties during the year, other than those disclosed elsewhere in the financial statements, are as follows:

Nature of Transactions	Note	2021 Rupees	2020 Rupees
Long term borrowing obtained from directors		7,321,584	2,812,360
Long term borrowing repaid to director		8,000,000	-
Interest on loan debited by ICC (Private) Limited		3,466,813	5,301,548
Reimbursable expenses incurred on behalf of ICC (Private) Limited		7,982,060	9,583,389
Reimbursable expenses incurred by ICC (Private) Limited		32,313	392,142
Unwinding of discount on loans obtained from directors		38,173,140	22,178,144
Interest on loan obtained from directors		19,320,022	51,806,027
Present value adjustment on conversion of loan obtained from directors		1,358,274	59,582,163
Adjustment of cost of funds on loan obtained from directors	21.1	22,318,302	-

**34.1** Interest on short term borrowing is charged at the same rates which are charged by the banks to the associated company.

**34.2** ICC (Private) Limited is associated due to common directorship.



# ICC INDUSTRIES LIMITED ( Formerly ICC Textiles Limited)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 37 REPORTABLE SEGMENTS

The Company has one segment i.e. real estate. Earlier it had two reportable segments ( i.e. real estate and textiles). Due to discontinuation of textiles, now only segment is of real estate.

### 38 NUMBER OF EMPLOYEES

Number of employees at the end of the year

Average number of employees during the year

2021	2020
30	34
32	37

### 39 COVID - 19

The novel coronavirus (COVID-19) emerged and on March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19 which was lifted subsequently in June 2020. Management has assessed the accounting implications of such developments on these financial statements. Due to such lockdowns, few customers have vacated rented premises resulting into decrease in security deposits and revenue. Further, inflationary and incremental trend being observed in valuation of investment properties over past few years was not observed during the year.

### 40 GENERAL

- Figures in these financial statements have been rounded off to the nearest rupee.
- Corresponding figures have been re-arranged and / or reclassified, where ever considered necessary, for the purpose of better presentation of the financial statements. However, no significant reclassification has been made in these financial statements.

### 41 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 08, 2021.

*WRR*



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**FORM 34**

**THE COMPANIES ACT, 2017  
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018  
[Section 227(2)(f)]  
PATTERN OF SHAREHOLDING OF THE SHARES  
HELD BY THE SHAREHOLDERS AS AT JUNE 30, 2021**

No. of Shareholders	From	Shareholding To	Total Shares Held
171	1	100	12,929
981	101	500	458,185
116	501	1,000	114,047
140	1,001	5,000	414,613
46	5,001	10,000	369,091
22	10,001	15,000	273,198
11	15,001	20,000	189,737
8	20,001	25,000	176,600
3	25,001	30,000	81,500
3	35,001	40,000	109,000
3	45,001	50,000	147,000
1	90,001	95,000	92,000
1	95,001	100,000	99,500
1	105,001	110,000	110,000
1	115,001	120,000	119,500
1	120,001	125,000	125,000
5	125,001	130,000	633,612
1	130,001	135,000	130,500
1	135,001	140,000	139,900
1	155,001	160,000	158,900
1	165,001	170,000	168,950
2	175,001	180,000	354,720
1	190,001	195,000	194,500
1	195,001	200,000	200,000
1	230,001	235,000	235,000
2	235,001	240,000	473,000
1	270,001	275,000	271,120
1	2,190,001	2,195,000	2,194,788
1	4,455,001	4,460,000	4,457,918
1	7,710,001	7,715,000	7,714,933
1	9,780,001	9,785,000	9,781,379
<b>1,530</b>			<b>30,001,120</b>

**PATTERN OF SHAREHOLDING  
FORM-34 AS ON JUNE 30, 2021**

**Categories of Shareholders**

	<u>Shares held</u>	<u>Percentage</u>
<b>1 Directors, Chief Executive Officer and their spouse and minor children</b>		
Mr. Javaid Shafiq Siddiqi	4,457,918	14.86
Mr. Javaid Shafiq Siddiqi (CDC)	9,781,379	32.60
Mr. Pervaiz Shafiq Siddiqi (CDC)	7,714,933	25.72
Mrs. Fauzia Javaid	179,300	0.60
Mrs. Fauzia Javaid (CDC)	2,194,788	7.32
Mr. Salman Javaid Siddiqi (CDC)	1,000	0.00
Mr. Asim Pervaiz Siddiqi (CDC)	1,000	0.00
Mr. Arif Mahmud Khan	0	0.00
Mr. Naveed Hashim Rizvi	0	0.00

24,330,318

81.10

**2 Associated Companies, undertakings and related parties**

-

-

**3 NIT & ICP**

Investment Corp. of Pakistan

1,400

0.00

**Public Sector Companies and Corporations**

**4 Banks Development Financial Institutions and Non Banking Financial Institutions**

5,092

0.02

**5 Insurance Companies**

158,900

0.53

**6 Modaraba and Mutual Funds**

0

0.00

**Total** 163,992

0.55

**7 General Public**

a. Local

5,477,707

18.26

b. Foreign

-

-

**8 Other ( to be specified)**

Joint Stock Companies

12,101

0.04

Pension Funds

15,073

0.05

Others

529

0.00

**Total** 27,703

0.09

**Grand Total**

30,001,120

100.00

**9 Shareholders holding 10% or more voting interest**

Mr. Javaid S. Siddiqi

14,239,297

47.46

Mr. Pervaiz S. Siddiqi

7,714,933

25.72

**Total** 21,954,230

73.18

**10 Shareholders holding 5% or more voting interest**

Mr. Javaid S. Siddiqi

14,239,297

47.46

Mr. Pervaiz S. Siddiqi

7,714,933

25.72

Mrs. Fauzia Javaid

2,374,088

7.91

**Total** 24,328,318

81.09



## FORM OF PROXY

The Company Secretary  
ICC Industries Ltd.  
242-A, Anand Road  
Upper Mall, Lahore

I/We .....

of ..... being a member of ICC INDUSTRIES

LIMITED and holder of ..... Ordinary Shares as per share

Register Folio No. .... and/or CDC Participant ID No. .... and Sub Account No. ....

Hereby appoint .....

of .....

or failing him .....

of .....

as my/our proxy to vote for me/us and my/our behalf at the Annual General Meeting of the Company to be held at its Registered Office 242-A, Anand Road, Upper Mall, Lahore on Thursday, the October 28, 2021 at 10:30 a.m. and at every adjournment thereof.

Signed this ..... Day of *October* 2021.

### WITNESSES

1. Signature: .....

Name: .....

Address: .....

CNIC or .....

Passport No. ....

Signature

2. Signature: .....

Name: .....

Address: .....

CNIC or .....

Passport No. ....

Note : Proxies, in order to be effective must be received by the Company not less than 48 hours before the meeting, duly completed in all respects

CDC shareholders and their Proxies are requested to attach an attested photocopy of their National Identity Card or Passport with the proxy form before submission to the Company.

## پرائکسی فارم

تکریبی

آئی سی ٹیکسٹائلز لمیٹڈ، 242-A آنر روڈ، اپ مال، لاہور

میں رہا \_\_\_\_\_ ساکن \_\_\_\_\_  
 ضلع \_\_\_\_\_ بحیثیت ممبر آئی سی ٹیکسٹائلز لمیٹڈ (آئی ڈی سی ڈی) نمبر \_\_\_\_\_ بذریعہ پدا  
 محترم ممبر۔ \_\_\_\_\_ ساکن \_\_\_\_\_ کو بطور ممبر (پرائکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ  
 اور میری طرف سے کمپنی کے 33 ویں سالہ عام اجلاس جو تاریخ 28 اکتوبر 2021 بروز جمعرات 10:30 بجے کمپنی کے رجسٹرڈ آفس آئی سی ٹیکسٹائلز لمیٹڈ، 242-A آنر  
 روڈ، اپ مال لاہور میں منعقد ہو رہا ہے میں یا اس کے کسی ملحق ہونے والے عام اجلاس میں ووٹ ڈالے۔  
 یہ پرائکسی فارم آج مورخہ \_\_\_\_\_ کو رجسٹرڈ ذیل گواہان کی موجودگی میں داخلہ ہوا۔

داخلہ نمبر ہولڈر:

گواہان \_\_\_\_\_ برائے ممبران آئی ڈی سی ٹیکسٹائلز لمیٹڈ۔  
 داخلہ \_\_\_\_\_  
 نام \_\_\_\_\_  
 پتہ \_\_\_\_\_  
 کیپٹل آؤٹومی شانتی کارڈ نمبر \_\_\_\_\_  
 پاسپورٹ نمبر \_\_\_\_\_

نوٹ:- پرائکسی (نمائندے) کو فعال بنانے کے لیے ضروری کارنامہ (پرائکسی) میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو وصول ہو جانا چاہیے، کوئی بھی شخص پرائکسی (نمائندے) مقرر نہیں کیا  
 جاسکتا اور ووٹ دینے کا اہل ہو سکتا ہے جو کمپنی کا ممبر نہ ہو، ماسوائے کہ کمپنی کا پوریشن ایجمنٹ کو عام اجلاس میں شرکت اور ووٹ دینے کے لئے نامزد کر سکتی ہے جو ممبر نہ ہو۔  
 آئی ڈی سی اکاؤنٹ ہولڈر اور ان کے نمائندوں سے درخواست ہے کہ وہ پرائکسی فارم کے ساتھ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول جمع کروائیں۔

7-	ارمان جاوید صدیقی	عدد 12	(بورڈ سے مستعفی ہوئے 07-06-2021)
8-	عرف محمد خان	عدد 1	(اپوزیشن ڈائریکٹوریٹ 23-07-2021)
9-	محمد حاتم حسینی	عدد 1	(اپوزیشن ڈائریکٹوریٹ 09-08-2021)

**ڈائریکٹرز کے نام**  
**انجی آر ایچ آر کینی**

1-	پرویز شفیق صدیقی	عدد 1
2-	جاوید شفیق صدیقی	عدد 1
3-	محمد ہمایوں صدیقی	عدد 1

**ممبران آف شیئر ہولڈنگ**

کوآآف کارپورٹ گورننس کے تحت ممبران آف شیئر ہولڈنگ رپورٹ منسک ہے۔

**ادارے کے شیئرز کی خرید و فروخت**

ماہی سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ایگزیکٹو مینجری، چیف فنانس آفیسر اور دیگر افسران (مجمع المل و مجال) نے ادارے کے شیئرز کی کوئی خرید و فروخت نہیں کی ہے۔

**آڈٹ کمیٹی**

آڈٹ کمیٹی میں ممبران پر مشتمل ہے اور سب ماہانہ میٹنگز ڈائریکٹرز ہیں۔

**انجی آر ایچ آر کینی**

انجی آر ایچ آر کینی میں ممبران پر مشتمل ہے اور سب ماہانہ میٹنگز ڈائریکٹرز ہیں۔

**آڈیٹرز**

آڈٹ کمیٹی کی تجویز پر، ادارے کے بورڈ آف ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والے سال کے لئے ادارے کے موجودہ آڈیٹرز کی دوبارہ تقرری کی تجویز دی ہے۔

**ڈیویڈنڈ**

مجاہد سٹیٹ بینک کے باعث بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے کسی ڈیویڈنڈ کی تجویز نہیں دی ہے۔

**اگلا رٹنگ**

ادارے کے ڈائریکٹرز اپنے ملازمین کو ان کی گن اور خدمت کی تعریف کرنے اور سٹراٹجی میں پیش کرتے ہیں۔

**مخاطب بورڈ آف ڈائریکٹرز**

لاہور  
اکتوبر 08 2021

جاوید شفیق صدیقی  
چیف ایگزیکٹو آفیسر

سلمان جاوید صدیقی  
ڈائریکٹر




### مجلسی سہ ماہی ذمہ داری

آپکا ادارہ - معاشرہ - ملازم اور ماحول کے بارے میں اپنی مجلسی ذمہ داری سے عمل صورت آتا ہے۔

### کارپوریٹ اور مالی رپورٹنگ

کوڈ آف کارپوریٹ گورننس کی قیود کے بارے میں سہ ماہی ذمہ داری کی وضاحت کیے جا رہے ہیں۔

### مالی حسابات کی اشاعت

ادارے کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حوالہ، اس کے امور، آپریشن کے نتائج، نقدی بہاؤ اور ایکٹیوٹی میں تبدیلیوں کو مدعا بنانے پر مبنی ہونا چاہیے۔

### کھاتہ چالت

ادارے کے کھاتہ چالت مناسب طور پر بنائے گئے ہیں۔

### کھاتہ چالت کی سخت مہلی

مالی حوالہ کی چابی میں مناسب سخت مہلی کو تسلل کے ساتھ لاکھا گیا ہے اور کھاتوں کے تخمینہ چالت مناسب اور آشنائی نفاذوں پر مبنی ہیں۔

### بین الاقوامی مالی رپورٹنگ معیار (IFRS)

مالی حسابات پاکستان میں لاگو بین الاقوامی مالی رپورٹنگ کے معیار کے مطابق بنائے گئے ہیں۔

### داخلی کنٹرول کا نظام

داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے موثر طریقے سے لاکھا گیا ہے۔

### ادارے کا کاروباری تسلسل

ادارے کے آئیڈیلز اپنی رپورٹ میں داخلی راسے کو مشروط کے بغیر، آپکی توجہ سالانہ مالی حسابات کی رپورٹ کے 1.2 نوٹ کی طرف مبذول کرنا ہے جس کے مطابق کھتی کے موجودہ ادبیات اس کے موجودہ اثاثوں سے 269 537 ملین روپے زیادہ ہیں اور ادارے کا موجودہ مجموعی خسارہ 759.522 ملین روپے ہے۔ یہ طریقہ چینی حالات ادارے کے جاری رہنے کی صلاحیت بارے میں قابل ذکر شکوک و شبہات کی جانب اشارہ کرتے ہیں۔

یہ مالی پوسٹ ایک جاری رہنے والے کاروباری ادارے کی بنیاد پر چاکی گئی ہے کیونکہ ادارہ مستعمل میں قلیل بخش منافع کمانے کی صلاحیت رکھتا ہے جس کا نامہ ادارہ ڈائریکٹرز کے اس منصوبے پر ہے کہ قرضہ چالت اور ذمہ داریوں کو قابل عمل حد تک نیچے لے کر آئیں اور ڈائریکٹرز کی جانب سے کاروباری سربراہی فراہم کیا جائے۔ اس مقصد کے لئے ڈائریکٹرز نے ادارے کے وسائل کو مختص کرتے ہوئے اور بینک کے ادبیات کو ختم کرنے کے لئے نوٹ نمبر 1.2 میں دیئے گئے اقدامات کئے ہیں۔ کھتی کا اپنے وسائل مختص کرتے کا منصوبہ تقریباً مکمل ہو چکا ہے۔ بینکوں کے تمام ادبیات ادا ہو چکے ہیں اور کھتی اپنی قمارات کا نامہ حصہ کرنا یہ ہر دستے تکلی ہے اور مزید حصہ کرنا یہ ہر دستے کے لئے کوشاں ہے۔

### کارپوریٹ گورننس

انٹاک کیپٹل کے لبرٹی قواعد و ضوابط میں شامل کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں کیا گیا۔

### منافع، بنیاد و سیٹیفکیشن

گرپ کیٹی کی مثبت قدر سال کے اختتام پر 31.706 ملین روپے ہے جو کہ 2020 کے اختتام پر 33 445 ملین روپے تھی۔

### بورڈ اور کمیٹی کے اجلاس

سال جولائی 2020 سے جن 2021 کے دوران بورڈ آف ڈائریکٹرز کے 18 اجلاس منعقد ہوئے، آڈٹ کمیٹی کے 7 اجلاس، آر ایچ آر کمیٹی کا ایک اجلاس منعقد ہوا جن کی معاشرتی حسب ذیل تھی۔

بورڈ آف ڈائریکٹرز کے نام	حاضری	آڈٹ کمیٹی
1- جاوید شفیق صدیقی	11 عدد	1- سلمان جاوید صدیقی
2- پرویز شفیق صدیقی	12 عدد	2- پرویز شفیق صدیقی
3- غازیہ جاوید	10 عدد	3- غازیہ جاوید
4- سلمان جاوید صدیقی	12 عدد	
5- ماسم پرویز صدیقی	12 عدد	
6- عدنان جاوید صدیقی	2 عدد	(بورڈ سے مستعفی ہوئے 23-04-2021)

# آئی سی اینڈسٹریز لمیٹڈ

## ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2021 کو ختم ہونے والے مالی سال کی سالانہ آڈٹ شدہ رپورٹ پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

### مالیاتی کارکردگی

ادارے کی مجموعی فروخت 9,987,070 ملین روپے رہی اور بعد ازاں ٹیکس نقصان 38,925 ملین روپے رہا جبکہ گزشتہ سال مجموعی فروخت 33,811 ملین روپے اور بعد ازاں ٹیکس نقصان 1,561 ملین روپے تھا۔

مجموعی فروخت	9,987,070 روپے
مجموعی ٹیکس	1,148,783 روپے
عملی منافع	25,339,535 روپے
مالیاتی لاگت	60,975,495 روپے
ادولٹمنٹ پر اپنی کیا ٹیکس واپس لینے میں تبدیلی	50,100,000 روپے
نقصان بعد از ٹیکس	38,925,133 روپے
تبع شدہ نقصان	759,522,288 روپے
نقصان فی حصہ شیئر	1.30 روپے

### ذریعہ جائزہ دہت

اس مالی سال کے دوران ادارے کی کارکردگی پر مدد دینے والے عوامل کا جائزہ لیا گیا ہے:

- سال کے دوران کھلی کے مالی معاملات خلی طور پر حاکم ہونے میں مددگار بنے۔
- کاروبار کو متاثر کیا جانے والے کاروباروں کی سست رہی کا سامنا کرنا پڑا اور جاری کردہ پوزیشن پر پوری پوزیشن ہے۔ اس طرح کھلی کی آمدنی کم ہو کر 9,987 ملین روپے پر آئی۔ (2020 میں 33,811 ملین روپے)
- بنیادی طور پر 30 جون 2020 کو ختم ہونے والی آخری۔ مالی میں ڈائریکٹرز سے چکے سووائے تقرضوں کو باسور تقرضوں میں تبدیل کرنے کی وجہ سے اس سال مالیاتی لاگت کم ہو کر 60,975 ملین روپے پر آئی جو کہ 2020 میں 79,297 تھی۔
- جائیداد کی قیمت میں اس سال 50,100 ملین روپے کا اضافہ ہوا جس کی وجہ سے منافع اٹیٹ کے کاروبار کو ٹیکس کی جانب سے کھٹوں کی فراہمی ہے۔
- کھلی نے 2,748 ملین روپے مالیت کی شیئری و فیروزہ فروخت کی ہے۔

### مستقبل کی تکلیف عملی اور امکانات

سال 2020 کے اوائل میں گروہ کی پہلی اہمیت سے کسی حد تک کاروبار متاثر ہونے لگا لیکن ملک کسی بہت بڑے مالی نقصان سے محفوظ رہا۔ جس میں موجودہ سال میں تیسری اہمیت آمد سے کاروباری اور سماجی سرگرمیاں برقی طرح متاثر ہوئیں اور جاری آگیاں برقی کاروبار بھی متاثر ہوا اور جاری آمدنی خاصی کم ہوئی۔ ستمبر 2021 سے پابندیاں نرم ہو چکی ہیں اور بہت سے ادارے ہم سے مالی شدہ چکے گراہی پر لینے کے لئے رجوع کر رہے ہیں۔ اس سیدھے ہم جلد اپنی مالی عمارت کا بڑا حصہ گراہی پر دینے میں کامیاب ہو جائیں گے۔

### امکانات اور یقین دہانی

مالی سال کے اختتام پر ڈائریکٹرز ہر دست کی تاریخ کے درمیان کھلی کے مالی حالات پر اثر انداز ہونے والی کوئی بھی مالی تبدیلیاں اور مدد سے متوقع نہ ہوئے جو اس پیش گوئی سے متعلق ہوں۔ سوائے جن کا کاروباری حسابات میں یہ لیا گیا ہے۔

### ٲٲٲ قانونی واجبات

کوئی ٹیکس، ذمہ داری اور چارجز کی مد میں قانونی ادائیگیاں نہیں ہیں۔ 30 جون 2021 کو ہلائی ہوں سوائے جن کا ذکر مالی حسابات میں کیا گیا ہے۔