

ANNUAL REPORT 2023



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

Factory

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

NOTICE OF ANNUAL GENERAL MEETING

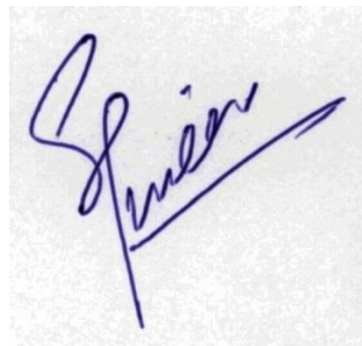
Notice is hereby given that 35th Annual General Meeting of the Company will be held at the registered office of the Company, 242-A, Anand Road, Upper Mall, Lahore on Monday November 27, 2023 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Extraordinary General Meeting held on March 31, 2023.
2. To receive consider and adopt the audited financial statements of the Company for the year ended 30th June 2023 together with the Directors and Auditors Report thereon.
3. To appoint statutory auditors for the year ending 30th June 2024 and to fix their remuneration. The Board of Directors, on recommendation of the Audit Committee has proposed the appointment of M/s Aamir Salman Rizwan Chartered Accountants, as auditors of the company for the year ending on June 30, 2024.
4. To transact any other business with the permission of the Chair.

Lahore
November 07, 2023

By Order of the Board



Company Secretary

NOTES:

1. The members register will remain closed from November 21, 2023 to November 27, 2023 (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 20th November 2023 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. 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, 2023 are available on the Company's website (www.icctextiles.com.pk).
5. 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.
6. 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.
7. 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.
8. 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.
9. Shareholders who could not collect their dividend/physical shares are advised to contact our Registered Office situated at 242-A, Anand Road, Upper Mall, Lahore to collect/enquire about their unclaimed dividend or shares, if any.
10. Members can also avail video conference facility. In this regard, please fill the following form and submit to registered address of the company 10 days before holding of the Annual General Meeting.

If the company receives consent from member holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

“I/WE, _____ of _____ being a member of ICC Industries Limited,
holder of _____ Ordinary Shares as per Register Folio No. _____ hereby
opt for video conference facility at _____ Email _____”

Signature of Member

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 the composition of the Board depicts reasonable balance of executive, non executive, independent and female directors having requisite skills, competence and knowledge to lead the company.

The Board has formed various committees like Audit Committee , Human Resource Committee. The Audit Committee reviewed the internal control and appropriateness of the financial statements and ensured that the financial statements fairly represents the financial position of the company. While the HR&R Committee overview the HR policy.

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

During the financial year 2023 the BOD met six 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.

To evaluate the performance of the Board, the Board has put in place mechanism of annual evaluation of the performance of the Board. Accordingly, the Board has completed the its annual self-evaluation for the year ended on June 30, 2023 and the Board's overall performance and effectiveness has been found satisfactory..



LAHORE:
November 07, 2023

PERVAIZ S. SIDDIQI
Chairman

ICC Industries 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, 2023.

Financial Highlights

The company suffered an after tax loss of Rs. 5.206 million and registered a revenue of Rs. 45.322 million as against an after tax profit of Rs. 3.279 million and revenue of Rs.39.028 million in the preceding period.

	Rupees
• Revenue	45,321,933
• Gross profit	15,655,792
• Operating profit	1,584,770
• Finance Cost	83,653,028
• Change in fair value of investment property	86,655,700
• Loss after tax	5,206,318
• Accumulated losses	756,053,798
• Earning per share	-0.17

Period under Review

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

- Revenue increased by Rs. 6.293 million, from Rs. 39.028 million to Rs. 45.322 million, mainly due to almost full year renting out of major portion of our factory buildings w,e,f November, 2021.
- Direct cost increased by Rs. 5.137 mainly due to enhanced minimum wage and repair and maintenance of buildings.
- Finance cost of Rs. 83.653 million includes loss on modification of terms of directors loans and un-winding of discount thereof amounts to Rs. 79.997 million (2022: Rs. 65,787,962) which is just a book entry being reversal of amortization of interest free loans, previously accounted for as income. Moreover, markup for the year on financing from directors was Rs. Nil (2022: Rs. 13.672 million) as all such loans were converted in interest free loans by April 30, 2022.
- Positive change in fair value of the investment property was Rs. 86.556 million (2022: Rs. 90.316 million). The same has been accounted for as income during the year.

Future Strategy and Prospects

FY23 was yet again another challenging year for Pakistan, both locally and globally. There was severe pressure on the Pak. Rupee (PKR), especially, in the first half of FY23 until the much awaited agreement with the IMF. The significant devaluation of the Pak. Rupee led to record breaking inflation levels within the country i.e. high energy costs, commodity prices and transportation expenses, In reply, the State Bank of Pakistan (SBP) intervened by increasing the Policy Rate up to 22% during FY 2022-23. These tightening monetary policies will have a negative effect on growth outlook in the short term, however, are expected to reign in inflationary trends.

Through the agreement with the IMF, financial support from Pakistan's friendly countries should improve State Bank's foreign currency reserves, easing some pressure on the Pak. Rupee. Furthermore, with political stability in sight and with the upcoming general elections, we are expecting further economic improvements.

During the year under review, in the first three quarters, our entire covered area was leased out to one tenant, bringing in a steady stream of rental revenue. Unfortunately, during the last quarter, they had to vacate a significant portion. However, we managed to rent out a substantial portion of that recently vacated area at better rates. We continue to seek prospective parties for renting out the remaining vacant portion and open area.

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, 2023 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. 261.316 million, and its accumulated losses stood at Rs. 756.054 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. In this regard, the company has taken steps mentioned in note 1.2 (i – v) to the financial statements.

Presently company is engaged in the business of renting out its covered and open area and has a potential to generate an annual rental revenue of Rs. 78 million. Therefore, there are no significant doubts about company's ability to continue as a going concern.

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

	2018	2019	2020	2021	(Rs. in million)	
					2022	2023
Revenue :						
- Textiles (Rs.)	0.191	0.933	0	0	0	0
- Rental (Rs.)	15.363	23.462	33.811	9.987	39.028	45.322
Net profit/(loss) after tax-Rs.	16.034	4.393	(1.561)	(38.925)	3.279	(5.206)
Fixed assets (Rs.)	13.454	12.296	8.154	6.905	8.512	17.595
Investment property - Rs.	844.020	944.348	962.419	1,012.519	1,102.834	1,189.490
Retained earnings / (Accumulated Losses) - Rs.	(741.671)	(730.220)	(724.273)	(759.522)	(754.774)	(756.054)
Current ratio	0.35:1	0.22:1	0.16:1	0.14:1	0.09:1	0.08:1
Share breakup value - Rs.	4.44	4.74	4.81	3.60	16.43	28.94
Earnings per share - Rs.	0.53	0.15	(0.05)	(1.30)	0.11	(0.17)
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. 35.495 million (2022: Rs. 33.319 million).

Board and Committees Meetings

During the year July 2022 to June 2023, Six 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
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Board of Directors

Mr. Javaid S. Siddiqi	6
Mr. Pervaiz S. Siddiqi	3
Mrs. Fauzia Javaid Siddiqi	6
Mr. Salman Javaid Siddiqi	6
Mr. Asim Pervaiz Siddiqi	4
Mr. Arif Mahmud Khan	4
Mr. Naveed Hashim Rizvi	3

Audit Committee

Mr. Arif Mahmud Khan	7
Mr. Pervaiz S. Siddiqi	7
Mr. Salman Javaid Siddiqi	7

HR & R Committee

Mr. Naveed Hashim Rizvi	1
Mr. Pervaiz S. Siddiqi	1
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

The existing auditors M/s Grant Thornton Anjum Rahman, Chartered Accountants will retire at the conclusion of 35th Annual General Meeting. The Board of Directors, on recommendation of the Audit Committee, has proposed the appointment of M/s. Aamir Salman Rizwan, Chartered Accountants, as external auditors of the company for the year ending on June 30, 2024.

Dividend

Considering the results for the year, the board is not recommending disbursement of any dividend for the period ended June 30, 2023.

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.

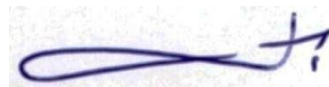
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For and on behalf of
the Board of Directors



LAHORE:
November 07, 2023

PERVAIZ S. SIDDIQI
Director



JAVAID S. SIDDIQI
Chief Executive Officer

ICC Industries Limited

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

Name of Company: ICC Industries Limited

Year Ending : June 30, 2023

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. Fauzai 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 the 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

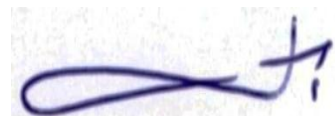
the directors training program.. The Board will arrange directors training program for remaining directors in near future..

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 J. 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 other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulation have been complied with.
20. The Company could not manage to complete the director training program to fully meet the CCG requirement. The Board will arrange Directors Training Program for remaining directors in near future.

LAHORE:
November 07, 2023



PERVAIZ S. SIDDIQI
Chairman



JAVOID S. SIDDIQI
Chief Executive

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, 2023 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, 2023.

A handwritten signature in blue ink, reading "Grant Thornton Anjum Rahman".

Grant Thornton Anjum Rahman

Chartered Accountants

Lahore

Date: 07 November, 2023

UDIN: CR20231021239VSJzdFm

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, 2023, 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, 2023 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.

Material Uncertainty Relating to Going Concern

We draw attention to note 1.2 in the annexed financial statements which describes that the Company has accumulated loss amounting to Rs. 756 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.	Investment Properties	
	<p>Refer to Note 16 to the annexed financial statements. The Company owns freehold land and building at 32-Km Multan Road, Sundar, Lahore. As at June 30, 2023, the fair value of investment properties was Rs. 1.189 billion, representing 97% 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">• 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;• evaluating the valuation methodology used by the external valuer by comparison with the valuation methodologies applied by other valuers for similar property types;• 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• assessing fair value gain recorded during the year.

2.	Transactions with related parties	
	<p>As referred to in Note 6 and Note 13.2 to the annexed financial statements, the Company has obtained significant financing amounting to Rs. 753.979 million from its related parties including directors and the associated Company. These loans also include interest free loans.</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"> • reviewed terms of loan from agreements. • reviewed the minutes of meetings of the Board of Directors to ensure approval of related party transactions. • obtained independent confirmations from their related parties. • recalculated markup expense by applying applicable markup rates defined in such agreements. • ensured appropriateness of disclosures in financial statements. • ensured compliance of relevant accounting policy of the company.

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, 2023, 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.

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.
- 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
- 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
Chartered Accountants

Lahore

Date: 07 November, 2023

UDIN: AR202310212m0CZIDpyl

ICC INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

EQUITY AND LIABILITIES	Note	2023 Rupees	2022 Rupees
SHARE CAPITAL AND RESERVES			
Authorized share capital			
32,000,000 (2022: 32,000,000) ordinary shares of Rs. 10 each		<u>320,000,000</u>	<u>320,000,000</u>
EQUITY			
Share capital			
Issued, subscribed and paid-up share capital	5	300,011,200	300,011,200
Loan from directors-related parties	6	750,464,913	380,448,411
Capital reserves			
Revaluation surplus	7	574,037,796	567,241,652
Revenue reserves			
Accumulated loss		(756,053,799)	(754,774,269)
Total equity		<u>868,460,110</u>	<u>492,926,994</u>
NON-CURRENT LIABILITIES			
Long term financing - related parties	8	-	241,534,418
Deferred liabilities	9	78,802,249	73,850,397
		<u>78,802,249</u>	<u>315,384,815</u>
CURRENT LIABILITIES			
Trade and other payables	10	107,950,036	107,543,378
Security deposits	11	12,626,295	12,626,295
Accrued interest/ mark-up	12	158,005,704	176,470,983
Short-term borrowings	13	4,193,475	36,501,052
Unclaimed dividend		1,662,656	1,662,656
		<u>284,438,166</u>	<u>334,804,364</u>
TOTAL EQUITY AND LIABILITIES		<u>1,231,700,525</u>	<u>1,143,116,173</u>
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

ASSETS	Note	2023 Rupees	2022 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	15	17,594,994	8,511,877
Investment properties	16	1,189,489,985	1,102,834,285
Long term loans and advances	17	24,500	17,500
Long term deposits	18	1,469,034	1,469,034
		1,208,578,513	1,112,832,696
CURRENT ASSETS			
Stores, spare parts and loose tools	19	1,995,967	4,270,008
Trade debts	20	-	42,646
Loans and advances	21	2,625,586	2,833,373
Short term prepayments and other receivables	22	908,078	1,486,836
Tax refunds due from Government	23	16,529,529	18,755,437
Cash and bank balances	24	1,062,852	2,895,177
		23,122,012	30,283,477
TOTAL ASSETS		1,231,700,525	1,143,116,173

The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
REVENUE	25	45,321,933	39,028,470
DIRECT COST	26	(15,655,792)	(10,518,379)
GROSS PROFIT		29,666,141	28,510,091
OPERATING EXPENSES:			
Administrative expenses	27	(32,037,167)	(27,804,680)
Other expenses	28	(1,907,369)	(899,100)
		(33,944,536)	(28,703,780)
		(4,278,395)	(193,689)
OTHER INCOME	29	5,863,163	5,340,017
OPERATING PROFIT		1,584,768	5,146,328
FINANCE COST	30	(83,653,028)	(83,783,648)
CHANGES IN FAIR VALUES OF INVESTMENT PROPERTIES	16	86,655,700	90,315,735
PROFIT BEFORE TAXATION		4,587,440	11,678,415
TAXATION FOR THE YEAR	31	(9,793,760)	(8,399,596)
(LOSS) / PROFIT AFTER TAXATION FOR THE YEAR		(5,206,320)	3,278,819
OTHER COMPREHENSIVE INCOME			
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	9.2	3,778,458	1,320,868
Revaluation surplus on plant and machinery (net of tax)		6,944,475	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		10,722,933	1,320,868
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR		5,516,613	4,599,687

EARNING/(LOSS) PER SHARE - BASIC AND DILUTED

(0.17)	0.11
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The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	12,071,387	56,751,576
Finance cost paid		(22,121,502)	(35,763,876)
Income tax paid		(7,714,152)	(6,917,241)
Gratuity paid		(163,760)	(1,770,475)
		(29,999,414)	(44,451,592)
Net cash (used in)/from operating activities		(17,928,027)	12,299,984
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) / decrease in long term loans and advances		(7,000)	5,000
Proceeds from disposals of property, plant and equipment & non-current assets classified as held for sale		-	2,136,752
Purchase of fixed assets during the year		(75,000)	(112,450)
Net cash (used in)/ from investing activities		(82,000)	2,029,302
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (Repayment of) loans obtained from directors		48,485,279	(14,000,000)
(Repayment of) / Proceeds from short term borrowings-net		(32,307,577)	716,849
Net cash from/(used in) financing activities		16,177,702	(13,283,151)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(1,832,325)	1,046,135
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2,895,177	1,849,042
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	1,062,852	2,895,177

The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

Description	Paid-up Capital Rupees	Capital Reserves - Revaluation Surplus Rupees	Revenue Reserves - Accumulated Losses Rupees	Loan from Directors	Total Shareholders' Equity Rupees
Balance at July 01, 2021	300,011,200	567,389,985	(759,522,288)	-	107,878,897
Other comprehensive income for the year	-	-	1,320,868	-	1,320,868
Profit for the year	-	-	3,278,819	-	3,278,819
Total comprehensive loss for the year	-	-	4,599,687	-	4,599,687
Transfer to accumulated loss on account of incremental depreciation (net of tax)	-	(148,332)	148,332	-	-
Loan obtained from directors				380,448,411	380,448,411
Balance at June 30, 2022	300,011,200	567,241,653	(754,774,269)	380,448,411	492,926,995
Other comprehensive income for the year	-	6,944,475	3,778,458	-	10,722,933
Loss for the year	-	-	(5,206,320)	-	(5,206,320)
Total comprehensive income/ (loss) for the year	-	6,944,475	(1,427,862)	-	5,516,613
Transfer to accumulated loss on account of incremental depreciation (net of tax)	-	(148,332)	148,332	-	-
Loan obtained/converted during the year	-	-	-	370,016,502	370,016,502
Balance at June 30, 2023	300,011,200	574,037,796	(756,053,799)	750,464,913	868,460,110

The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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. 756 million at the year end and the Company's current liabilities exceeded its current assets by Rs. 261.3 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 factory buildings and labour colony to generate cash flows;
- iii** Bank borrowings had been fully repaid;
- iv** Directors of the Company have injected interest free loans to the company amounting to Rs.750 million;
- v** During 2013, the Board of Directors of ICC (Private) Limited, an associated

undertaking, had written 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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. In case requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail.

2.2 Standards, amendments and interpretations to approved accounting standards that became effective during the year

There are certain amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.3 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective Date (Annual periods beginning on or after)
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 1, 2023
- Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
- Amendments to IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules	January 1, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 1, 2023
- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transaction	January 1, 2023
- Amendments of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 1, 2023
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)	
Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	
- IFRS 1 - First time Adoption of International Financial Reporting Standards	
- IFRS 17 'Insurance Contracts' and amendments to IFRS 17	

ICC INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 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 & 4.3);
- financial assets and liabilities which are measured at fair values (refer Note 4.8); and
- non current assets classified as held for sale which are measured at fair value (refer Note 4.17).

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.

ICC INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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 in use of assets in future years might affect carrying amounts of respective items with a corresponding effect on the impairment.

Stock in trade and stores, spare parts and loose tools

The Company's management reviews 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.

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 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 actuarial valuation carried out as at June 30 are as follows:

- | | |
|--|------------------------|
| - Discount rate used for year end obligation | 16.25% (2022: 13.25%) |
| - Expected rate of salary increase in future | 13.25% (2022: 12.25%) |
| - Average duration of defined benefit obligation | 1 year (2022: 1 years) |
| - Mortality rate assumed were based on the SLIC 2001-2005 (2023: 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.

ICC INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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 15 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 revalued amounts.

Buildings and plant and machinery are subsequently measured using revaluation model at revalued amounts less 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 revalued assets, 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 rates disclosed in relevant Note 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 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 statement of profit and loss 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.

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 fair value of the consideration given. Subsequently, these are stated at their 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, 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.

ICC INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

4.4 Capital work-in-progress

Capital work-in-progress is stated at cost accumulated up to the date of statement of financial position less accumulated impairment, if any. Capital work-in-progress is recognized as operating fixed assets 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, if any.

Depreciation is charged on straight line basis over shorter of 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 the ordinary course of business less costs necessarily to be incurred to make sales.

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 assets.

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.

ICC INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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.

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 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 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.

ICC INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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 other comprehensive income.

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, if any. An impairment is recognized as an expense in the 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).

ICC INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

An impairment loss is reversed if there is a change in the estimates used to determine recoverable amounts. An impairment 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.

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 initially measured at the fair value of the consideration to be paid in future for goods and services received. Subsequently, These are recognized at amortized cost.

4.20 Borrowings

Borrowings are initially recorded at proceeds received. In subsequent periods, borrowings are stated at amortized cost using 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.

4.21 Loan from Directors

In accordance with TR-32, interest free loans repayable at discretion of entity are carried at face

ICC INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

values and are included in equity.

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
30,001,120 (2022 : 30,001,120) ordinary shares of Rs. 10 each fully paid in cash		<u>300,011,200</u>	<u>300,011,200</u>
6 LOANS FROM DIRECTORS (SPONSORS) - Unsecured			
Loan - 1	8 & 6.1	321,531,223	-
Loan - 3	6.1	5,000,000	5,000,000
Loan - 4	6.1	140,000,000	140,000,000
Loan - 5	6.1	283,933,690	235,448,411
		<u>750,464,913</u>	<u>380,448,411</u>
6.1	These are interest free loans and are repayable to directors (related parties) at discretion of Company.		
7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX		2023 Rupees	2022 Rupees
Surplus arising on revaluation	7.1	617,344,797	607,772,764
Less: Deferred tax arising on surplus on revaluation	7.2	(43,307,001)	(40,531,112)
		<u>574,037,796</u>	<u>567,241,652</u>
7.1 Opening balance of surplus on revaluation		607,772,764	607,981,683
Add: Surplus arising during the year		9,780,952	-
Less: Incremental depreciation:			
Plant & machinery		<u>208,919</u>	<u>208,919</u>
		<u>208,919</u>	<u>208,919</u>
		<u>617,344,797</u>	<u>607,772,764</u>
Latest revaluation of Plant and machinery was carried out by Arch-e'-decon (Evaluators, Surveyors, Architects and Engineers) as at June 30, 2023. The revaluations resulted in followings:			
		Rupees	
Increase in carrying value of plant and machinery		<u>9,780,952</u>	
7.1.2	Incremental depreciation represents difference between actual depreciation on revalued property, plant and equipment and equivalent depreciation based on historical cost of property, plant and equipment.		
		2023 Rupees	2022 Rupees
7.2 Related deferred tax liability on July 01		40,531,112	40,591,699
Deferred tax liability arising on revaluation		2,836,476	-
Tax effect on incremental depreciation & disposal of assets during the year		(60,587)	(60,587)
		<u>43,307,001</u>	<u>40,531,112</u>
Deferred tax asset amounting to Rs. 123.107 million (2022: Rs. 144.263 million) arising on account of temporary differences mainly for property, plant and equipment, gratuity, unused tax losses and unused tax credits has not been accounted for due to uncertainty regarding its recoverability in foreseeable future.			

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
8	LONG TERM FINANCING FROM DIRECTORS - unsecured		
Interest free Loans - 1			
Original Principal		321,531,223	321,531,223
Less: Present Value Adjustment		(206,132,600)	(206,132,600)
		115,398,623	115,398,623
Add: Interest charged to statement of profit or loss (Unwinding of discount)		133,921,301	126,135,795
		249,319,924	241,534,418
Add: Loss on modification of terms of directors loans	8.2	72,211,299	-
		321,531,223	241,534,418
Less: Reclassified to equity (loan from sponsors)	8.2	(321,531,223)	-
		-	241,534,418
Closing balance		-	241,534,418

8.1 These interest free loans had been measured at amortized cost by applying weighted average interest rate ranging from 8.06% to 11.64% (2022: 8.06% to 11.64%).

	Note	2023 Rupees	2022 Rupees
9	DEFERRED LIABILITIES		
Deferred tax	7.2	43,307,001	40,531,112
Staff retirement benefits - gratuity	9.2	35,495,248	33,319,285
		78,802,249	73,850,397

9.1 The scheme provides for gratuity benefits for all permanent employees who attain minimum qualifying period of one year. Provision has been made on basis of latest actuarial valuation made on June 30, 2023 by applying projected unit credit method.

	Note	2023 Rupees	2022 Rupees
9.2	Changes in Present Value of Defined Benefit Obligations:		
Opening liability		33,319,285	31,705,756
Charge for the year	9.3	6,118,181	4,704,872
Remeasurement gain recognised in other comprehensive income (experience adjustments)		(3,778,458)	(1,320,868)
Benefits paid during the year		(163,760)	(1,770,475)
Closing liability		35,495,248	33,319,285
9.3	Charge for the year		
Current service cost		1,714,225	1,622,820
Interest cost		4,403,956	3,082,052
		6,118,181	4,704,872

9.4 The present value of defined benefit obligation as at June 30 is as follows:

2023 Rupees	2022 Rupees	2021 Rupees	2020 Rupees	2019 Rupees
35,495,248	33,319,285	31,705,756	33,444,690	32,775,959

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

9.5	Charge for the year has been allocated as under:	Note	2023 Rupees	2022 Rupees
	Direct cost	26.1	997,912	729,081
	Administrative expenses	27.1	5,120,269	3,975,791
			<u>6,118,181</u>	<u>4,704,872</u>
9.6	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:			
			2023 Rupees	2022 Rupees
	Discount rate + 1%		35,063,594	32,905,327
	Discount rate - 1%		35,965,670	33,772,110
	Salary increase + 1%		35,969,577	33,775,594
	Salary increase - 1%		35,052,766	32,895,026
		Note	2023 Rupees	2022 Rupees
10	TRADE AND OTHER PAYABLES			
	Creditors		7,544,445	7,677,239
	Due to associated company		65,120	113,035
	Accrued liabilities	10.1	78,887,733	71,830,396
	Advances from customers		3,148,820	5,295,362
	Income tax deducted at source		9,980,462	9,551,266
	Sales tax deducted at source		1,305,622	1,301,522
	Final dues payable		7,017,834	11,774,558
			<u>107,950,036</u>	<u>107,543,378</u>
10.1	This includes an amount of Rs. 52.711 million (2022: Rs. 44.277 million) payable to Chief Executive Officer (related party).			
11	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	2023 Rupees	2022 Rupees
12	ACCRUED MARKUP			
	Accrued mark-up / interest on long term financing - related parties		158,005,704	160,255,704
	Accrued mark-up / interest on short term borrowings - related party		-	16,215,279
			<u>158,005,704</u>	<u>176,470,983</u>
13	SHORT TERM BORROWINGS			
	Banking companies - unsecured			
	Commercial bank- current account (bank overdraft)	13.1	679,272	716,849
	Related parties - unsecured			
	Associated company- unsecured	13.2	3,514,203	35,784,203
			<u>4,193,475</u>	<u>36,501,052</u>

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- 13.1 The unfavourable balance has arisen due to issuance of cheques near year end. However, concerned bank statement shows favourable balance.
- 13.2 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.
- 13.3 Mark-up is charged at same rates which are being charged by the bank to the associated company ICC (Pvt) Limited i.e. one month KIBOR plus 2.50% (2022: One month KIBOR plus 2.50%) per annum.

14 CONTINGENCIES AND COMMITMENTS

14.1 CONTINGENCIES

- 14.1.1 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 up to Rs. 825,000/- which had been recognized by the Company in relevant year and financial statements remanded back the case to assessing officer in respect of remaining demand.

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

15 PROPERTY PLANT AND EQUIPMENT

15.1 Operating fixed assets

DESCRIPTION	Cost or assessed value as on July 01, 2022	Cost of additions/ (deletion)	Transfer from asset held for sale	Surplus on revaluation	Gross book value as on June 30, 2023	DEPRECIATION					Net book value as on June 30, 2023
						Rate %	As on July 01, 2022	Revaluation	For the year	As on June 30, 2023	
Rupees						Rupees					
Plant and machin	6,424,572	75,000	-	9,780,952	16,280,524	6.2-16.7	687,805	-	483,030	1,170,835	15,109,689
Furniture and fitti	3,150,835	-	-	-	3,150,835	10	2,808,277	-	34,256	2,842,533	308,302
Vehicles	1,544,065	-	-	-	1,544,065	20	1,421,123	-	24,588	1,445,711	98,354
Electrical applian	2,168,989	-	-	-	2,168,989	10	1,731,326	-	43,766	1,775,092	393,897
Office equipment	9,715,605	-	-	-	9,715,605	10	7,843,658	-	187,195	8,030,853	1,684,752
	23,004,066	75,000	-	9,780,952	32,860,018		14,492,189	-	772,835	15,265,024	17,594,994

DESCRIPTION	Cost or assessed value as on July 01, 2021	Cost of additions/ (deletion)	Transfer from asset held for sale	Surplus on revaluation	Gross book value as on June 30, 2022	DEPRECIATION					Net book value as on June 30, 2022
						Rate %	As on July 01, 2021	Revaluation	For the year	As on June 30, 2022	
Rupees						Rupees					
Plant and machiner	4,228,572	-	2,196,000	-	6,424,572	6.2-16.7	302,020	-	385,785	687,805	5,736,767
Furniture and fitting	3,150,835	-	-	-	3,150,835	10	2,770,215	-	38,062	2,808,277	342,558
Vehicles	1,544,065	-	-	-	1,544,065	20	1,390,387	-	30,736	1,421,123	122,942
Electrical appliances	2,146,539	22,450	-	-	2,168,989	10	1,685,068	-	46,258	1,731,326	437,663
Office equipment	9,625,605	90,000	-	-	9,715,605	10	7,643,088	-	200,570	7,843,658	1,871,947
	20,695,616	112,450	2,196,000	-	23,004,066		13,790,778	-	701,411	14,492,189	8,511,877

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
15.1.1	Depreciation for the year has been allocated as under :		
Direct cost	26	483,030	385,785
Administrative expenses	27	289,805	315,626
		772,835	701,411
15.1.2	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.		
15.1.3	Plant and machinery represent values subsequent to revaluations. Had there been no revaluation, carrying amount of the revalued fixed assets would have been as follows:		
		2023 Rupees	2022 Rupees
Plant and machinery		2,470,808	2,745,342
15.1.5	Forced sale value of revalued fixed assets amounts to Rs. 12,086,400 (2022: Rs. 4,302,575).		
		2023 Rupees	2022 Rupees
16	INVESTMENT PROPERTIES		
Fair values as at July 01			
Free hold land		898,460,000	826,650,000
Other changes		15,531,000	15,531,000
Buildings on freehold land		188,843,285	170,337,550
		1,102,834,285	1,012,518,550
Changes in fair values during the year:			
Free hold land		27,555,000	71,810,000
Buildings on freehold land		59,100,700	18,505,735
		86,655,700	90,315,735
Fair values as at June 30			
Free hold land		926,015,000	898,460,000
Other changes		15,531,000	15,531,000
Buildings on freehold land		247,943,985	188,843,285
		1,189,489,985	1,102,834,285
16.1	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.		
16.2	Latest valuation of these properties has been carried out on June 30, 2023 by an independent valuer, M/s Arch-e' Decon.		
16.3	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).		

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Recurring fair value measurements

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2023.

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.

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

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.

16.5 Forced sale value of such free hold land and buildings on free hold land on June 30, 2023 was Rs. 787,112,750 (2022: Rs. 763,691,000) and Rs. 210,752,387 (2022: Rs. 160,516,792) respectively.

16.6 Title of land is in former name of the Company i.e. ICC Textiles Limited.

	Note	2023 Rupees	2022 Rupees
17 LONG TERM LOANS AND ADVANCES			
Advances - secured but considered good	17.1	24,500	17,500
17.1 Advances to:			
Employees		87,500	38,500
Less: Current portion		(63,000)	(21,000)
		24,500	17,500
17.2 Advance to employees are secured against retirement benefits.			
	Note	2023 Rupees	2022 Rupees
18 LONG TERM DEPOSITS			
Security deposits	18.1	1,469,034	1,469,034
18.1 Security deposits mainly include security deposits for electricity connection.			
19 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		1,519,158	1,646,949
Spare parts		82,188	1,957,032
Packing material		-	6,515
Loose tools		394,621	659,512
		1,995,967	4,270,008
20 TRADE DEBTS			
Local - unsecured but considered good		-	42,646
21 LOANS AND ADVANCES			
Advances - unsecured but considered good:			
to executives - against salaries and expenses	21.1	1,946,003	2,323,279
to other employees - against salaries and expenses		679,583	319,635
to suppliers		-	190,459
		2,625,586	2,833,373
		2,625,586	2,833,373
21.1 The maximum aggregate amount due from executives at end of any month was Rs. 1,946,003 (2022: Rs. 2,323,279).			

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
22	SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments		908,078	918,505
Export rebate receivable		-	568,331
		<u>908,078</u>	<u>1,486,836</u>
23	TAX REFUNDS DUE FROM GOVERNMENT		
Income tax refundable - net		15,792,036	17,932,231
Sales tax refundable- net		737,493	823,206
		<u>16,529,529</u>	<u>18,755,437</u>
	Note	2023 Rupees	2022 Rupees
24	CASH AND BANK BALANCES		
Cash in hand		461,396	2,486,004
Cash at banks:			
Current accounts	24.1	596,446	404,755
Deposit accounts	24.2	5,010	4,418
		<u>601,456</u>	<u>409,173</u>
		<u>1,062,852</u>	<u>2,895,177</u>
24.1	Deposit accounts earn interest 15.80% (2022: 5.50%) per annum.		
24.2	These bank accounts are previous name of the Company "ICC Textiles Limited".		
25	REVENUE		
Rental income		45,321,933	39,028,470
25.1	Rental income is earned on investment properties (refer Note 16).		
26	DIRECT COST		
Salaries and other benefits	26.1	8,768,759	7,743,479
Fuel and power		1,502,824	1,606,820
Repairs and maintenance	26.2	4,631,179	782,295
Depreciation	15.1.1	483,030	385,785
Others		270,000	-
		<u>15,655,792</u>	<u>10,518,379</u>
26.1	Salaries, wages and other benefits include post retirement benefits amounting to Rs. 997,912 (2022: Rs. 729,081).		
26.2	Repair and maintenance also includes NRV adjustment of old stores amounting to Rs. 2.284 million (2022: Rs. Nil).		

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
27 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	27.1	20,606,055	18,576,934
Travelling and conveyance		33,380	48,070
Rent, rates and taxes		4,382,621	3,829,502
Printing and stationery		269,393	150,442
Communication		347,737	374,203
Vehicles running and maintenance		1,740,219	1,140,013
Entertainment		697,092	571,095
Repairs and maintenance		499,377	402,831
Utilities		1,326,658	1,064,108
Legal and professional		1,462,500	1,045,000
Subscription		163,542	121,333
Insurance		115,888	127,423
Advertisement		102,900	38,100
Depreciation	14.1.1	289,805	315,626
		32,037,167	27,804,680

27.1 Salaries and other benefits include post retirement benefits amounting to Rs.5,120,269 (2022: Rs. 3,975,791).

	Note	2023 Rupees	2022 Rupees
28 OTHER EXPENSES			
Auditors' remuneration	28.1	950,550	805,450
Impairment of non-current assets held for sale		-	-
Debit balances written off		801,436	-
Others		155,383	93,650
		1,907,369	899,100
28.1 Auditors' remuneration			
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		10,000	10,000
CDC certification		30,000	30,000
Tax representation and consultancy fee		300,550	175,450
Out of pocket expenses		35,000	15,000
		950,550	805,450

29 OTHER INCOME			
Interest on saving accounts		698	272
PV adjustment of interest free loans		-	5,334,193
Gain on sale of property, plant and equipment		-	5,552
Liabilities written back		5,454,312	-
Scrap sales		408,153	-
		5,863,163	5,340,017

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
30	FINANCE COST		
Mark-up on:			
- Financing from directors		-	13,671,916
- Financing from associated company		3,635,353	4,316,799
Unwinding of discount		7,785,503	41,518,231
Loss on modification of terms of loans	8.2	72,211,303	24,269,731
Bank charges		20,869	6,971
		83,653,028	83,783,648

	Note	2023 Rupees	2022 Rupees
31	TAXATION		
Current Tax	31.1	9,854,347	8,460,183
Deferred Tax	7.2	(60,587)	(60,587)
		9,793,760	8,399,596

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 Reconciliation of applicable and effective tax rate is not produced due to tax losses as well as rental income.

32 EARNING PER SHARE - BASIC AND DILUTED

Earning 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:

	2023	2022
Profit attributable to ordinary shareholders Rs.	(5,206,320)	3,278,819
Weighted average number of ordinary shares (number of shares)	30,001,120	30,001,120
Earning per share - Basic and diluted	(0.17)	0.11

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 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 financial loss that would be recognized at 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. 5.157 million (2022: Rs. 5.837 million), the financial assets that are subject to credit risk amounted to Rs. 4.696 million (2022: Rs. 5.351 million).

The Company monitors credit quality of the financial assets with reference to 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 held with some major counterparties at date of the statement of financial position:

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Banks	Rating		Agency	June 2023	June 2022
	Short term	Long term		(Rupees)	(Rupees)
Allied Bank Limited	A 1+	AAA	PACRA	28,660	28,660
MCB Bank Limited	A 1+	AAA	PACRA	554,472	362,948
Habib Metropolitan Bank Limited	A 1+	AA+	PACRA	8,634	1,607
National Bank of Pakistan	A 1+	AAA	PACRA	1,557	1,557
United Bank Limited	A 1+	AAA	VIS	4,503	4,503
Faysal Bank Limited	A 1+	AA	VIS	-	1,283
Bank Al Habib Limited	A 1+	AAA	PACRA	3,630	8,615
Total				601,456	409,173

The aging of trade debts at reporting date is:

	2023 (Rupees)	2022 (Rupees)
Past due 1-30 days	-	-
Past due 31-150 days	-	-
Past due over 150 days	-	42,646
	-	42,646

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 contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount (Rupees)	Less than one year (Rupees)	One to five years (Rupees)	More than five years (Rupees)
Trade and other payables	107,950,036	107,950,036	-	-
Security deposits	12,626,295	-	12,626,295	-
Accrued markup	158,005,704	158,005,704	-	-
Short term borrowings	4,193,475	4,193,475	-	-
Total	282,775,510	270,149,215	12,626,295	-

The following are contractual maturities of financial liabilities as at 30 June 2022:

	Carrying amount (Rupees)	Less than one year (Rupees)	One to five years (Rupees)	More than five years (Rupees)
Long term financing from directors	241,534,418	-	241,534,418	-
Trade and other payables	107,543,378	107,543,378	-	-
Security deposits	12,626,295	-	12,626,295	-
Accrued markup	176,470,983	176,470,983	-	-
Short term borrowings	36,501,052	36,501,052	-	-
Total	574,676,126	320,515,413	254,160,713	-

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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/Markup rate risk

The interest/markup 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:

	2023	2022	June 2023	June 2022
			Rupees	
Financial liabilities				
Short term borrowings	25.04%	16.66%	4,193,475	36,501,052
Financial assets				
Cash at bank - deposit accounts	15.80%	6.50%	5,010	4,418

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 2022.

	Profit or loss 100 basis points	
	Increase Rupees	Decrease Rupees
As at 30 June 2023		
Cash flow sensitivity-Variable rate financial liabilities	35,142	(35,142)
As at 30 June 2022		
Cash flow sensitivity-Variable rate financial liabilities	357,842	(357,842)

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 2023 (Rupees)	June 2022 (Rupees)
Financial assets		
Deposits	1,469,034	1,469,034
Trade debts	-	42,646
Loans and advances	2,650,086	2,660,414
Cash and bank balances	1,062,852	2,895,177
Total	5,181,972	7,067,271

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

33.5 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, 2023

Financial assets not measured at fair value

Deposits	1,469,034	-	1,469,034	-	-	-	-
Loans and advances	2,650,086	-	2,650,086	-	-	-	-
Cash & bank balances	1,062,852	-	1,062,852	-	-	-	-
Total	5,181,972	-	5,181,972	-	-	-	-

June 30, 2022

Financial assets not measured at fair value

Deposits	1,469,034	-	1,469,034	-	-	-	-
Loans and advances	2,660,414	-	2,660,414	-	-	-	-
Trade debts	42,646	-	42,646	-	-	-	-
Cash & bank balances	2,895,177	-	2,895,177	-	-	-	-
Total	7,067,271	-	7,067,271	-	-	-	-

The company does not hold any financial liability at fair value.

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Financial liabilities at amortised cost

	2023 Rupees	2022 Rupees
Trade and other payables	107,950,036	107,543,378
Short term borrowings	4,193,475	36,501,052
Unclaimed dividend	1,662,656	1,662,656
Long term financing from directors	-	241,534,418
Accrued interest / mark-up	158,005,704	176,470,983
Security deposits	12,626,295	12,626,295
	284,438,166	576,338,782

33.6 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:

	2023 Rupees	2022 Rupees
Total borrowings	4,193,475	278,035,470
Less: Cash and cash equivalents	1,062,852	2,895,177
Net debt	3,130,623	275,140,293
Total equity (including surplus on revaluation& loan from directors)	868,460,110	492,926,994
Total capital	871,590,733	768,067,287
Gearing ratio	0.36	35.82

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	2023 Rupees	2022 Rupees
Long term borrowing obtained from directors	48,485,279	38,000,000
Long term borrowing repaid to directors	-	52,000,000
Short term borrowings repaid ICC (Private) Limited	32,270,000	-
Interest paid to ICC (Private) Limited	16,215,280	-
Interest on loan debited by ICC (Private) Limited	3,635,353	4,316,799
Reimbursable expenses incurred on behalf of ICC (Private) Limited	5,489,536	7,373,211
Reimbursable expenses incurred by ICC (Private) Limited	20,267	20,267
Interest on loan obtained from directors	-	13,671,916
Interest waived off by ICC (Private) Limited	2,929,312	-

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

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

35 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Description	2023			2022		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	----- Rupees -----					
Managerial remuneration	5,816,328	-	1,600,000	5,816,328	-	1,600,000
House rent allowance	2,617,344	-	320,000	2,617,344	-	320,000
Other allowances	-	-	480,000	-	-	480,000
	8,433,672	-	2,400,000	8,433,672	-	2,400,000
No. of person(s)	1	6	1	1	6	1

35.1 The Chief Executive Officer and Chief financial Officer is provided with the Company maintained car as per rules of the Company.

35.2 Chief Executive Officer and executives are entitled for retirement benefits under un-funded gratuity scheme.

35.3 No meeting fee was paid to directors for attending meetings of the Board.

35.4 Other directors of the Company have opted not to take any remuneration from the Company voluntarily.

36 CASH FLOWS FROM OPERATING ACTIVITIES

	June 2023 Rupees	June 2022 Rupees
Profit for the year before taxation	4,587,440	11,678,415
Adjustments for non cash income and expenses:		
Depreciation on property, plant and equipment	772,835	701,411
(Gain) / Loss on disposal of property, plant and equipment & non-current assets classified as held for sale	-	(5,552)
Amortization of interest free loans	-	(5,334,193)
Loss on modification of terms of loans	72,211,303	24,269,731
Unwinding of discount	7,785,503	41,518,231
Changes in fair value of investment properties	(86,655,700)	(90,315,735)
Gratuity	6,118,181	4,704,872
Finance cost	3,656,222	42,265,417
	3,888,344	17,804,182
Change in working capital:	8,475,784	29,482,597
Increase/ (decrease) in Current assets:		
Stores, spare parts and loose tools	(2,274,041)	7,235
Trade debts	(42,646)	(46,008)
Loans and advances	(207,787)	1,652,637
Short term prepayments and other receivables	(578,758)	(13,491,082)
Sales tax refundable	(85,713)	-
	(3,188,945)	(11,877,218)
Increase in Current liabilities:		
Trade and other payables	406,658	4,789,948
Security deposits	-	10,601,813
	406,658	15,391,761
Increase in working capital	3,595,603	27,268,979
Cash generated from operations	12,071,387	56,751,576

37 REPORTABLE SEGMENT

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.

ICC INDUSTRIES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

38	NUMBER OF EMPLOYEES	2023	2022
	Number of employees at the end of the year	27	26
	Average number of employees during the year	27	28

39 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.

40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issuance
On November 07, 2023.



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, 2023**

No. of Shareholders	Shareholding From	To	Total Shares Held
172	1	100	12,929
979	101	500	457,185
115	501	1,000	113,047
140	1,001	5,000	414,613
41	5,001	10,000	327,452
26	10,001	15,000	321,198
13	15,001	20,000	222,376
8	20,001	25,000	176,600
3	25,001	30,000	81,500
2	35,001	40,000	72,000
2	45,001	50,000	97,000
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	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	180,001	185,000	180,500
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
1,527			30,001,120

PATTERN OF SHAREHOLDING
FORM-34 AS ON JUNE 30, 2023

Categories of Shareholders

	<u>Shares held</u>	<u>Percentage</u>
1 Directors, Chief Executive Officer and their spouse and minor children		
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	500	0.00
Mr. Naveed Hashim Rizvi	500	0.00
	<u>24,331,318</u>	<u>81.10</u>

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 5,476,707 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
(35th ANNUAL GENERAL MEETING)**

I/We _____ son of _____
a member of ICC INDUSTRIES LIMITED, and holder of _____ Ordinary Shares as per Register
Folio No _____ do hereby appoint _____
son of _____ or failing him/her
Mr./Ms./Mrs. _____ son/daughter/wife of
_____ who is/are member(s) of the Company vide
Registered Folio No./Participant ID/CDC Sub Account No. _____ as my/our proxy
to attend, speak and vote for me/us and my/our behalf at the 35th Annual General Meeting of the
Company to be held on November 27, 2023 at 10:30 a.m. and/or at every adjournment thereof.

In witness whereof on this _____ day of November, 2023.

WITNESSES

1. Signature _____

Name: _____

Adress: _____

CNIC _____

Affix Revenue Stamp

Member's Signature
Over Revenue Stamp

2. Signature _____

Name: _____

Adress: _____

CNIC _____

IMPORTANT:

1. The Form of Proxy should be deposited at the Registered office of the Company not later than 48 hours before the time for holding the meeting.
2. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their National Identity Cards/Passport in original to authenticate his/her identity, and in case of Proxy, must enclose an attested copy of his/her CINC or Passport Representative of corporate members should bring the usual documents for such purpose.

پراکسی فارم

آئی سی سی انڈسٹریز لمیٹڈ

_____ میں / ہم
_____ ولد / دختر ازوجہ
_____ غازی فیبرکس انٹرنیشنل لمیٹڈ کا ممبر اور ہولڈر
_____ عمومی شیئرز اور رجسٹرڈ فلیو _____ جناب / محترمہ
_____ ولد / دختر ازوجہ
_____ کا تقرر کرتا / کرتی ہوں یا اس کے ناکام ہونے پر جناب / محترمہ
_____ ولد / دختر ازوجہ

جو کہ خود بھی کمپنی کا / کی رجسٹرڈ فلیو نمبر _____ کے تحت ممبر ہے میرے / ہمارے پراکسی کے طور پر شرکت کرے،
تقریر بیان کرے، میرے / ہمارے لئے ووٹ دے کمپنی کے پینتیسویں سالانہ اجلاس جو کہ بروز پیر 27 نومبر 2023 بوقت 10:30 بجے صبح بمقام 242-اے، آنند روڈ، اپرمال، لاہور میں منعقد ہوگا اور اسکے کسی التواء کی صورت میں۔
مورخہ _____ 2023 کو روبرو گواہان تحریر کیا ہے۔

ریونیوٹکٹ لگائیں

ریونیوٹکٹ پر

ممبر کے دستخط

_____ گواہ شد _____ گواہ شد
_____ دستخط _____ دستخط
_____ نام _____ نام
_____ پتہ _____ پتہ
_____ شناختی کارڈ نمبر _____ شناختی کارڈ نمبر

نوٹ:

- 1- پراکسی فارم کو لازمی طور پر کمپنی سے رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل جمع کروائیں۔
- 2- CDC شیئرز ہولڈرز اجلاس میں شامل ہونے اور ووٹ دینے کے اہل اپنا شناختی کارڈ / پاسپورٹ اپنی شناخت کے طور پر پیش کریں گے اور پراکسی کی صورت میں لازمی تصدیق شدہ شناختی کارڈ یا پاسپورٹ کی کاپی منسلک کریں گے۔ کارپوریٹ ممبرز کے نمائندگان اس مقصد کیلئے عمومی کاغذات ہمراہ لائیں گے۔

آئی سی سی انڈسٹریز لمیٹڈ

ڈائریکٹرز رپورٹ

یورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جون 2023 کو ختم ہونے والے مالی سال کی سالانہ آڈٹ شدہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی کارکردگی

ادارے کی مجموعی فروخت 45.322 ملین روپے رہی اور بعد از ٹیکس نقصان 5.206 ملین روپے رہا جبکہ گزشتہ سال مجموعی فروخت 39.028 ملین روپے اور بعد از ٹیکس منافع 3.279 ملین روپے تھا۔

مجموعی فروخت	45,321,933 روپے
مجموعی فائدہ	15,655,792 روپے
عملی منافع	1,584,770 روپے
مالیاتی لاگت	83,653,028 روپے
انوسٹمنٹ پراپرٹی کی فیئر ویلیو میں تبدیلی	86,655,700 روپے
نقصان بعد از ٹیکس	5,206,218 روپے
جمع شدہ نقصان	756,053,798 روپے
منافع فی حصہ شیئر	(0.17) روپے

زیر جائزہ مدت

اس مالی سال کے دوران ادارے کی کارکردگی پر مندرجہ ذیل عوامل اثر انداز ہوئے:

- سال کے دوران فروخت میں اضافہ 6.293 ملین روپے ہوا، جو کہ 39.028 ملین روپے سے 45.322 ملین روپے ہو گئی۔ جس کی وجہ ٹیکسری بلڈنگ کے بڑے حصے کو نومبر 2021 سے کرائے پر دیا جانا ہے۔
- مالیاتی لاگت جو کہ 83.653 ملین روپے میں 79.997 ملین روپے کی بلا سود قرضوں کی ایڈجسٹمنٹ شامل ہے جو کہ صرف ایک کتابی ایڈجسٹمنٹ ہے۔ ڈائریکٹرز کے قرضوں کا کوئی مارک اپ نہیں ہے کیونکہ تمام قرضے بغیر سود کے دیئے گئے ہیں۔
- جائیداد کی مالیت میں اس سال 86.556 ملین روپے (2022: 90.316 ملین روپے) اضافہ ہوا۔
- پراپرٹی سے متعلق اخراجات میں 5.137 ملین روپے اضافہ کم سے اجرت اور مرمت کے اخراجات زیادہ ہونے کی وجہ سے ہوا۔

مستقبل کی حکمت عملی اور امکانات

2022-2023 کے دوران ملک کو مالیاتی مسائل درپیش رہے جو کہ روپے کی ویلیو میں کمی، سود کی شرح میں اضافہ اور بجلی اور دیگر اشیاء کی قیمتوں میں غیر معمولی اضافہ ہے۔ اب IMF سے معاہدے کے بعد ہم بہتری کی امید رکھتے ہیں۔ پچھلے سال تقریباً 9 ماہ ہمارا تمام کورڈ ایریا کرایہ پر رہا۔ آخری سہ ماہی میں ہمارے کرائے دار ٹیکسری بلڈنگ کے زیادہ تر حصے کو خالی کر گئے لیکن جولائی 2023 کے بعد ہم کافی رقبے کو بہتر ریٹ پر کرایہ پر دے چکے ہیں اور باقی کے لئے بات چیت جاری ہے۔

امکانات اور یقین دہانی

مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کے مالی حالات پر اثر انداز ہونے والی کوئی بڑی مادی تبدیلیاں اور وعدے وقوع پر نہیں ہوئے جو اس پبلکس شیٹ سے متعلق ہوں۔ سوائے جن کا ذکر مالی حسابات میں کیا گیا ہے۔

بقایا قانونی واجبات

کوئی ٹیکسز، ڈیوٹی، لیویز اور چارجز کی مد میں قانونی ادائیگیاں نہیں ہیں جو 30 جون 2023 کو بقایا ہوں سوائے جن کا ذکر مالی حسابات میں کیا گیا ہے۔

تنظیمی سماجی ذمہ داری

آپکا ادارہ معاشرے، ملازم اور ماحول کے بارے میں اپنی مجموعی ذمہ داری سے مکمل طور پر آگاہ ہے۔

کارپوریٹ اور مالی رپورٹنگ

کوڈ آف کارپوریٹ گورننس کی تعمیل کے بارے میں مندرجہ ذیل بیانات دیئے جارہے ہیں۔

مالی حسابات کی اشاعت

ادارے کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کیا گیا ہے۔

کھاتہ جات

ادارے کے کھاتہ جات مناسب طور پر بنائے گئے ہیں۔

کھاتہ جات کی حکمت عملی

مالی حسابات کی تیاری میں مناسب حکمت عملی کو تسلسل کے ساتھ لاگو کیا گیا ہے اور کھاتوں کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں 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 لاگو کیا گیا ہے۔

ادارے کا کاروباری تسلسل

ادارے کے آڈیٹرز نے اپنی رپورٹ میں، اپنی رائے کو شروط کئے بغیر، آپ کی توجہ سالانہ مالی حسابات کی رپورٹ کے 1.2 نوٹ کی طرف مبذول کرائی ہے جس کے مطابق کمپنی کے موجودہ واجبات اس کے موجودہ اثاثوں سے 261.316 ملین روپے زیادہ

ہیں اور ادارے کا موجودہ مجموعی خسارہ 756.054 ملین روپے ہے۔ یہ غیر یقینی حالات ادارے کے جاری رہنے کی صلاحیت بارے قابل ذکر شکوک و شبہات کی جانب اشارہ کرتے ہیں۔

یہ مالی رپورٹ ایک جاری رہنے والے کاروباری ادارے کی بنیاد پر تیار کی گئی ہے کیونکہ ادارہ مستقبل میں تسلی بخش منافع کمانے کی صلاحیت رکھتا ہے۔ بورڈ آف ڈائریکٹرز کے منظور شدہ پلان کے مطابق کمپنی کے وسائل کو یکجا کیا گیا ہے۔ تمام کسٹائل مشینری فروخت کر کے اور ڈائریکٹرز نے قرضہ بلا سود مہیا کر کے بنکوں کے تمام قرضے ادا کر دیئے ہیں اور اب کمپنی اپنی خالی عمارات اور کالونی کو کرایہ پر دے کر آمدن حاصل کر رہی ہے۔

کارپوریٹ گورننس

اسٹاک ایکسچینج کے فہرستی قواعد و ضوابط میں شامل کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں کیا گیا۔

چھ سال کا مالیاتی گوشوارہ Directors' Report میں دیا گیا ہے۔

سٹاف ریٹائرمنٹ بینیفٹ

گر پیوینٹی کی حقیقی قدر سال کے اختتام پر 35.495 ملین روپے ہے جو کہ 2022 کے اختتام پر 33.319 ملین روپے تھی۔

بورڈ اور کمیٹی کے اجلاس

سال جولائی 2022 سے جون 2023 کے دوران بورڈ آف ڈائریکٹرز کے 16 اجلاس منعقد ہوئے، آڈٹ کمیٹی کے 7 اور ایچ آر اینڈ آر کمیٹی کا ایک اجلاس منعقد ہوا جن کی حاضری حپ ذیل تھی۔

ڈائریکٹرز کے نام	حاضری	آڈٹ کمیٹی
بورڈ آف ڈائریکٹرز		
1- جاوید شفیق صدیقی	6 عدد	1- عارف محمود خان
2- پرویز شفیق صدیقی	3 عدد	2- پرویز شفیق صدیقی
3- فوزیہ جاوید	6 عدد	3- سلمان جاوید صدیقی
4- سلمان جاوید صدیقی	6 عدد	
5- عاصم پرویز صدیقی	4 عدد	
6- عارف محمود خان	4 عدد	
7- نوید حاشم رضوی	3 عدد	

ڈائریکٹرز کے نام

ایچ آراہنڈ آرکشی

- | | | |
|----|-------------------|-------|
| 1- | نوید حاشم رضوی | 1 عدد |
| 2- | پرویز شفیق صدیقی | 1 عدد |
| 3- | سلمان جاوید صدیقی | 1 عدد |

پٹرین آف شیئرز ہولڈنگ

کوڈ آف کارپوریٹ گورننس کے تحت پٹرین آف شیئرز ہولڈنگز رپورٹ منسلک ہے۔

ادارے کے شیئرز کی خرید و فروخت

مالی سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، کمپنی سیکریٹری، چیف فنانس افسر اور دیگر افسران (مجمع اہل و عیال) نے ادارے کے شیئرز کی کوئی خرید و فروخت نہیں کی ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی تین ممبران پر مشتمل ہے اور سب نان ایگزیکٹو ڈائریکٹر ہیں۔

ایچ آراہنڈ آرکشی

ایچ آراہنڈ آرکشی تین ممبران پر مشتمل ہے اور سب نان ایگزیکٹو ڈائریکٹر ہیں۔

آڈیٹرز

شیئرز ہولڈرز کی آئندہ سالانہ میٹنگ مکمل ہونے پر موجودہ آڈیٹرز ریٹائر ہو جائیں گے اور آڈٹ کمیٹی کی تجویز پر، ادارے کے بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لئے میسرز عامر سلمان رضوان چارٹرڈ اکاؤنٹنٹس کی تقرری کی تجویز دی ہے۔

ڈیویڈنڈ

معاشی نتائج کے باعث بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لئے کسی ڈیویڈنڈ کی تجویز نہیں دی ہے۔

اظہار تشکر

ادارے کے ڈائریکٹرز اپنے ملازمین کو ان کی لگن اور محنت کی تعریف کرتے ہوئے خراج تحسین پیش کرتے ہیں۔

مخائب بورڈ آف ڈائریکٹرز

جاوید شفیق صدیقی

چیف ایگزیکٹو آفیسر

پرویز شفیق صدیقی

ڈائریکٹر

لاہور

نومبر 2023, 07