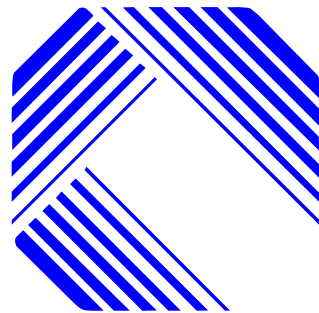


(REVIEWED)

**INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
December 31, 2016**



I C C Textiles Limited

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, I hereby present the interim financial information of the company for the half year ended on December 31, 2016.

The Sales decreased to Rs. 17.506 million during the half year as compared to Rs. 253.380 million for the corresponding period of the previous year. The company incurred an after tax loss of Rs. 38.586 million as against Rs.78.185 million in the corresponding period resulting in loss per share of Rs. 1.29 (Jul - Dec 2015 Rs. 2.61).

The drastic decrease in sales is attributed to curtailment of operations as most of non-efficient looms have been sold out as per management plan.

Without qualifying their report to members, the auditors have drawn attention to note 1.2 to the interim financial information. Considering continuous support from sponsors / directors / financial institutions, the management's commitment and plan drawn up by the management, we are of the view that there are no significant doubts about the company's ability to continue as a going concern. Therefore, this interim information has been prepared on going concern basis.

Our plan to consolidate company's position by repaying the banks' borrowings through sponsors loans, company's operations and sale of inefficient machinery is underway. In this regard 23 Sulzer looms and 78 Air-jet looms with back process have been sold. Loan of Rs. 200 million due towards MCB Bank has been fully repaid as per settlement agreement dated May 28, 2015. Moreover, finance facilities settlement agreement with Faysal Bank has also been finalized which allows finance facilities to be repaid by May 28, 2018 (Refer note 7.2).

Going forward, the notification for lifting of government ban on Industrial gas connections is still awaited. Moreover, the impact of delayed announced export package has not been felt as yet. Meanwhile, according to plan, a sizable portion of the available industrial building of the company has been rented out w,e,f Feb 01, 2017 to generate cash flow. The plan to operate 40 Sulzer Dobby looms , after long overdue major overhauling, with right sizing of staff and reduced factory overheads is in progress.

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

For and on behalf of the Board of Directors

Lahore:
Dated: February 28, 2017

JAVAID S. SIDDIQI
Chief Executive

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of ICC Textiles Limited (the Company) as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity together with notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1.2 in the condensed interim financial information, which indicates that there is an inherent uncertainty about the company's ability to generate sufficient cash flows from operations to meet its future obligations. This condition, along with other matters set forth in Note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

GRANT THORNTON ANJUM RAHMAN
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Shaukat Naseeb
Lahore
Dated: February 28, 2017

I C C Textiles Limited

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2016

	Note	Un-audited	Audited
		Dec 31, 2016 Rupees	June 30, 2016 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital		300,011,200	300,011,200
Accumulated loss		(839,276,513)	(816,970,385)
		<u>(539,265,313)</u>	<u>(516,959,185)</u>
SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS		507,408,074	523,687,940
NON CURRENT LIABILITIES			
Long term financing from directors	6	496,991,674	270,570,409
Long term financing from commercial banks	7	62,126,294	-
Deferred liabilities	8	112,338,301	142,772,428
		<u>671,456,269</u>	<u>413,342,837</u>
CURRENT LIABILITIES			
Trade and other payables	9	148,361,841	161,006,389
Mark-up accrued		13,921,698	30,453,900
Short term borrowings	10	5,227,868	124,319,088
Current portion of long term liabilities	7	16,000,000	192,496,743
		<u>183,511,407</u>	<u>508,276,120</u>
		<u>823,110,437</u>	<u>928,347,712</u>
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	11	662,472,686	675,842,075
Long term loans and advances		55,000	29,000
Long term deposits		1,629,034	1,629,034
		<u>664,156,720</u>	<u>677,500,109</u>
CURRENT ASSETS			
Stores, spares and loose tools		23,011,808	25,123,900
Stock in trade		2,607,827	14,551,946
Trade debts		1,753,918	9,576,623
Loans and advances		4,415,158	3,603,334
Trade deposits, short term prepayments and other receivables		8,274,455	12,109,674
Income tax refundable - net		29,136,726	27,838,952
Cash and bank balances		32,228,824	11,442,103
		<u>101,428,716</u>	<u>104,246,532</u>
Non - current assets classified as held for sale	12	57,525,001	146,601,071
		<u>823,110,437</u>	<u>928,347,712</u>
CONTINGENCIES AND COMMITMENTS			
	13		

The annexed notes from 1 to 23 forms an integral part of this interim financial information.

Chief Executive

Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)**

Note	Half Year Ended		Quarter Ended	
	Dec 2016 Rupees	Dec 2015 Rupees	Dec 2016 Rupees	Dec 2015 Rupees
SALES - NET	17,505,690	253,380,141	1,234,369	132,435,325
COST OF SALES	(53,948,651)	(314,741,987)	(16,606,882)	(162,201,728)
GROSS LOSS	(36,442,961)	(61,361,846)	(15,372,513)	(29,766,403)
OPERATING EXPENSES				
Administrative expenses	(15,266,771)	(17,410,007)	(6,789,516)	(8,777,708)
Distribution cost	(1,429,784)	(3,341,054)	(735,112)	(1,164,485)
Other expenses	(431,805)	(418,732)	(240,067)	(219,496)
	(17,128,360)	(21,169,793)	(7,764,695)	(10,161,689)
OPERATING LOSS	(53,571,321)	(82,531,639)	(23,137,208)	(39,928,092)
OTHER INCOME	34,123,989	27,191,015	24,827,886	7,355,098
OPERATING LOSS BEFORE FINANCE COST	(19,447,332)	(55,340,624)	1,690,678	(32,572,994)
FINANCE COST	(26,849,845)	(25,974,173)	(13,230,299)	(12,921,699)
LOSS BEFORE TAXATION	(46,297,177)	(81,314,797)	(11,539,621)	(45,494,693)
TAXATION	7,711,183	3,129,792	1,577,766	1,620,572
LOSS AFTER TAXATION	(38,585,994)	(78,185,005)	(9,961,855)	(43,874,121)
LOSS PER SHARE - BASIC AND DILUTED	(1.29)	(2.61)	(0.33)	(1.46)

The annexed notes from 1 to 23 forms an integral part of this interim financial information.

Chief Executive

Director

I C C Textiles Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

Particulars	Subscribed and paid-up share capital	Revenue	Total equity
		Accumulated profit / (loss)	
Balance as at July 01, 2015 (audited)	300,011,200	(625,212,279)	(325,201,079)
Loss for the period after taxation	-	(78,185,005)	(78,185,005)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period - net of tax	-	(78,185,005)	(78,185,005)
Surplus on revaluation of fixed assets realized - net of tax	-	7,036,628	7,036,628
Balance as at December 31, 2015 (un-audited)	300,011,200	(696,360,656)	(396,349,456)
Balance as at July 01, 2016 (audited)	300,011,200	(816,970,385)	(516,959,185)
Loss for the period after taxation	-	(38,585,994)	(38,585,994)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period - net of tax	-	(38,585,994)	(38,585,994)
Surplus on revaluation of fixed assets realized - net of tax	-	16,279,866	16,279,866
Balance as at December 31, 2016 (un-audited)	300,011,200	(839,276,513)	(539,265,313)

The annexed notes from 1 to 23 forms an integral part of this interim financial information.

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2016 Rupees	December 31, 2015 Rupees	December 31, 2016 Rupees	December 31, 2015 Rupees
Loss after taxation for the period	(38,585,994)	(78,185,005)	(9,961,855)	(43,874,121)
Other comprehensive income:				
Items that may be reclassified to profit and loss account	-	-	-	-
Items that will not be reclassified to profit and loss account subsequently	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(38,585,994)	(78,185,005)	(9,961,855)	(43,874,121)

The annexed notes from 1 to 23 forms an integral part of this interim financial information.

Chief Executive

Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)**

	December 31, 2016 Rupees	December 31, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(46,297,177)	(81,314,797)
Adjustments for:		
Depreciation on own assets	13,892,077	20,245,179
(Gain) / Loss on disposal of property, plant and equipment	19,385	(589,774)
Amortization of interest free loans (P.V. adjustment)	(8,604,541)	(26,228,994)
Amortization of transaction cost	714,286	714,286
Unwinding of discount	15,533,665	13,888,123
Staff gratuity	3,887,541	7,168,208
Finance cost	10,601,895	11,371,764
	36,044,308	26,568,792
	(10,252,869)	(54,746,005)
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,112,093	3,662,770
Stock in trade	11,944,119	7,342,937
Trade debts	7,822,705	(3,463,649)
Loans and advances	(811,823)	(394,327)
Trade deposits and short term prepayments & other receivables	3,835,219	(2,481,096)
	24,902,313	4,666,635
Increase / (decrease) in current liabilities		
Trade and other payable	(12,644,548)	17,450,143
Cash used in operations	2,004,896	(32,629,227)
Finance costs paid	(27,134,097)	(3,874,464)
Income taxes paid	(1,470,702)	(3,436,167)
Gratuity paid	(31,347,288)	(3,907,683)
	(59,952,087)	(11,218,314)
Net cash used in operating activities	(57,947,191)	(43,847,541)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase / (decrease) in long term advances and deposits	(26,000)	711,000
Proceeds from sale of property, plant and equipment / assets held for sale	89,056,685	645,000
Purchase of property, plant and equipment	(522,688)	(667,570)
Net cash flows from investing activities	88,507,997	688,430
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) in short term borrowings	(119,091,220)	(14,031,884)
Repayment of long term financings from commercial banks - net	(113,803,596)	-
Mark up deferred by the bank	4,909,730	-
Long term loans obtained from directors	218,211,001	46,059,001
Net cash flows from / (used in) financing activities	(9,774,085)	32,027,117
Net increase / (decrease) in cash and cash equivalents	20,786,721	(11,131,994)
Cash and cash equivalents at the beginning of the period	11,442,103	12,378,280
Cash and cash equivalents at the end of the period	32,228,824	1,246,286

The annexed notes from 1 to 23 forms an integral part of this interim financial information.

Chief Executive

Director

ICC Textiles Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 ICC Textiles Limited (the "Company") was incorporated in Pakistan on May 25, 1989 as a public limited Company under the Companies Ordinance, 1984. The shares of the Company are listed on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of grey fabric. The registered office of the Company is situated at 242-A, Anand Road, Upper Mall, Lahore.
- 1.2 During the period, the Company's operations were curtailed as most of non-efficient looms have been sold out and accordingly, it has incurred loss amounting to Rs. 38.585 million (Jul-Dec 2015: Rs. 78.185 million) and has accumulated losses amounting to Rs. 839.276 million at the period end (June 30, 2016: Rs. 816.970 million). Further, the Company's current liabilities exceeded its current assets by Rs. 82.082 million at the period end (June 30, 2016 Rs. 404.030 million). Continuation of the Company as a going concern is dependent on its ability to attain satisfactory levels of profitability in the future and continuous support of sponsors / financial institutions by bringing its liabilities to serviceable levels and availability of adequate working capital through continuous support from:

- (a) Principal lenders of the Company; and
(b) Sponsors of the Company.

This condensed interim financial information has 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 following plans drawn up by the management for this purpose and bringing its liabilities to serviceable levels and availability of adequate working capital from its lenders and sponsors:

- i Currently, Management's plan to consolidate the company's position by settlement of bank's borrowings through sponsors loans, sale of inefficient machinery and company's operations is under progress. In this regard, 23 Sulzer looms and 78 Air-jet looms with back process have been sold, sale proceeds have been received, however, shipment of looms is still under process,
- ii few directors of the Company have invested as long term interest bearing loans amounting to Rs. 218.211 million during July 01, 2016 to Dec 31, 2016. The sponsors of the Company would also continue such support in future;
- iii the Company managed to fully repay, during the period under review, loan of Rs. 200 million due towards MCB as per settlement agreement dated May 28, 2015;
- iv balance of finance facilities extended by Faysal Bank Limited has also been reduced from Rs. 117.778 million to Rs. 86.216 million by making re-payment of Rs. 31.562 million during the period under review. Moreover, finance facilities settlement (rescheduling) agreement with Faysal Bank Limited has been finalized which allows finance facilities to be repaid by May 28, 2018, and mark up waiver (Refer note No. 7.2);
- v about 50% of the industrial buildings of the Company have been rented out w.e.f., Feb 01, 2017 to generate cash flows; and
- vi the directors plan to operate 40 Sulzer Dobby looms, after long overdue major overhauling, with right sizing of staff and reduced factory overheads is in progress.

This condensed interim financial information consequently does not include any adjustment relating to the realization of the assets and liquidation of its liabilities that might be necessary would Company be unable to continue as a going concern.

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information is un-audited and is being submitted to the shareholders in accordance with the requirements of section 245 of the companies Ordinance 1984.
- 2.2 This condensed interim financial information of the Company for the half year ended December 31, 2016 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial information are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2016.

The Company follows a consistent practice of conducting actuarial valuation annually at each year end and also considers that the above does not have material impact on Company's Condensed Interim Profit and Loss Account and basic & diluted Loss per share.

In addition, few amendments and interpretation of IFRSs became effective during the current period, However, that were either considered not to be relevant to the Company's operations or did not have significant effect on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied to the preceding annual published financial statements of the Company for the year ended June 30, 2016.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2016.

Note	Un-audited	Audited
	Dec 31, 2016 Rupees	Jun 30, 2016 Rupees

6 LONG TERM FINANCING FROM DIRECTORS - unsecured

Interest free Loans	6.1	143,425,035	136,816,906
Interest bearing Loans - 1	6.2	135,355,638	133,753,503
Interest bearing Loans - 2	6.3	118,211,001	-
Interest bearing Loans - 3	6.4	100,000,000	-
		<u>496,991,674</u>	<u>270,570,409</u>
6.1 Interest free Loans			
Original Loan amounts		321,531,223	321,531,223
Less: present value adjustment		206,132,600	206,132,600
		<u>115,398,623</u>	<u>115,398,623</u>
Add: Interest charged to profit and loss account		28,026,412	21,418,283
		<u>143,425,035</u>	<u>136,816,906</u>

- 6.1.1 These interest free loans have been measured at amortized cost by using the weighted average interest rate ranging from 8.06% to 11.64%.

I C C Textiles Limited

	Note	Un-audited	Audited
		Dec 31, 2016 Rupees	Jun 30, 2016 Rupees
6.2 Interest bearing Loans - 1			
Original Loan amounts		140,000,000	140,000,000
Less: present value adjustment	6.2.1	9,653,031	9,653,031
		<u>130,346,969</u>	<u>130,346,969</u>
Add: Interest charged to profit and loss account		5,008,669	3,406,534
		<u>135,355,638</u>	<u>133,753,503</u>
6.2.1	The mark-up is charged equal to cost of funds of MCB Bank for the relevant period i.e. 5.65% to 6.21%. The long term loan has been measured at amortized cost by using the weighted average interest rate ranging from 8.06% to 11.64% less cost of funds of the bank.		
6.3	This loan covers mark-up @ One Month KIBOR plus 2% and the loans are repayable in lump sum on December 31, 2022.		
6.4	This loan covers mark-up @ One Month KIBOR plus 2% and the loan is repayable in lump sum on December 31, 2020.		
7 LONG TERM FINANCING FROM COMMERCIAL BANKS - secured			
MCB Bank Limited	7.1	-	-
Faysal Bank Limited	7.2	62,126,294	-
		<u>62,126,294</u>	<u>-</u>
7.1 MCB Bank Limited			
Original Loan amount		355,819,424	355,819,424
Less: Re- payments up to end of period		355,819,424	155,800,000
Less: Present value adjustment		27,641,477	27,641,477
Add: Interest charged to profit and loss account		27,641,477	20,833,082
		-	193,211,029
Deferred transaction cost incurred		2,500,000	2,500,000
Less: Amortized by the end of period / year		2,500,000	1,785,714
		-	714,286
		-	192,496,743
Less: Current portion		-	192,496,743
		-	-
7.2 Faysal Bank Limited			
Original Loan amount	7.2.1	86,215,829	-
Less: present value adjustment	7.2.5	8,604,541	-
		<u>77,611,288</u>	<u>-</u>
Add: Interest charged to profit and loss account		515,006	-
Less: Current portion		16,000,000	-
		<u>62,126,294</u>	<u>-</u>
7.2.1	The loan has been obtained from Faysal Bank Limited in accordance with Finance Facilities Settlement Agreement dated December 15, 2016, short term financing as on December 15, 2016 is now repayable by May 28, 2018. The facility is secured against joint pari passu charge by way of hypothecation of stock in trade & current assets, second joint pari passu charge on property, plant and equipment of the Company, ranking change on current assets, security of an associated company and subordination of directors interest free loans to the extent of Rs. 162.712 million. Repayment schedule is as under:		
		Rupees	
June 30, 2017		16,000,000	
May 28, 2018		70,215,829	
		<u>86,215,829</u>	
7.2.2	Under this restructuring arrangement, only the mark up amounting to Rs. 4.910 million pertaining to the period up to March 31, 2015, will be paid in equal quarterly installments within a period of 18 months, after full payment of principal liability by May 28, 2018 in accordance with such restructuring agreement.		
7.2.3	The loan has been measured at amortized cost by using weighted average interest rate of 8.26%.		

	Note	Un-audited	Audited
		Dec 31, 2016 Rupees	Jun 30, 2016 Rupees
8 DEFERRED LIABILITIES			
Deferred liabilities - gratuity		45,317,709	69,994,972
Deferred taxation		62,110,862	72,777,456
Deferred mark up	8.1	4,909,730	-
		<u>112,338,301</u>	<u>142,772,428</u>
8.1 This represents the mark up deferred by Faysal Bank limited In accordance with Finance Facilities Settlement Agreement dated December 15, 2016 (Refer to note 7.2.2).			
9 TRADE AND OTHER PAYABLES			
Creditors		27,629,967	65,564,535
Accrued liabilities		5,261,447	10,972,962
Advance from customers		49,815,919	35,339,280
Unclaimed dividend		1,662,656	1,662,656
Income tax deducted at source		6,522,959	5,605,095
Sales tax deducted at source		1,198,742	1,243,448
Final dues payable		28,702,858	12,992,560
Others		27,567,293	27,625,853
		<u>148,361,841</u>	<u>161,006,389</u>
10 SHORT TERM BORROWINGS			
Commercial bank - secured	10.1 & 7.2.1	-	117,776,829
Commercial bank - current account (bank overdraft)	10.2	1,713,665	2,694,256
Associated Company - unsecured	10.3	3,514,203	3,848,003
		<u>5,227,868</u>	<u>124,319,088</u>
10.1 The facilities are secured against joint pari passu charge by way of hypothecation of stock in trade & current assets, second joint pari passu charge on property, plant and equipment of the Company, ranking change on current assets, security of an associated company and subordination of directors interest free loans to the extent of Rs. 162.712 million. Mark-up is payable at rates ranging from 8.60% to 12.26% (2016 8.24% to 11.66%) per annum and is payable on quarterly basis.			
10.2 The unfavorable balance has risen due to cheques issued prior to the year end. However, concerned bank statements show favorable balances.			
10.3 Mark-up charged at the same rates which are being charged by the bank to the associated company ranging from 8.22% to 8.25% (2016: 8.41% to 8.96%) per annum.			
11 PROPERTY, PLANT AND EQUIPMENT			
11.1 OPERATING FIXED ASSETS			
Written down value - opening		675,842,075	928,705,541
Add: Cost of additions during the period / year	11.1.1	522,688	809,080
		<u>676,364,763</u>	<u>929,514,621</u>
Disposal during the period / year (W.D.V.)	11.1.2	-	59,603
Depreciation charge for the period / year		13,892,077	40,510,759
		<u>13,892,077</u>	<u>40,570,362</u>
Less: Transfer to non -current assets classified as held for sale		-	(213,102,184)
Written down value - closing		<u>662,472,686</u>	<u>675,842,075</u>
11.1.1 Cost of additions during the period / year			
Plant and machinery		-	702,230
Office equipment		522,688	106,850
		<u>522,688</u>	<u>809,080</u>

I C C Textiles Limited

	Note	Un-audited	Audited
		Dec 31, 2016 Rupees	Jun 30, 2016 Rupees
11.1.2 Disposals during the period / year- vehicle			
Cost		-	715,557
Less: Accumulated depreciation		-	(655,954)
Written down value		-	59,603
12 NON- CURRENT ASSETS CLASSIFIED AS HELD FOR SALE			
This represents realizable value of following assets classified as held for sale. The proceeds will be utilized to settle / reduce banks' finance facilities in order to reduce dependency on external debts and finance cost of the company, as per plan approved by Board of Directors:			
Plant and equipment:			
Sulzer Looms, warping and sizing machine	12.1	10,500,000	31,409,070
Air-jet looms with back process and allied equipment	12.2	47,025,001	115,192,001
		57,525,001	146,601,071
12.1 Sulzer Looms, warping and sizing machine			
Opening balance:			
1 Warping machine		3,500,000	3,500,000
1 Sizing machine		7,000,000	7,000,000
23 Sulzer Looms		20,909,070	22,942,500
		31,409,070	33,442,500
Decrease in value		-	(2,033,430)
Sale of 23 Sulzer Looms during the period		(20,909,070)	-
		10,500,000	31,409,070
12.2 Air- jet Looms with back process and allied equipment			
Opening balance:			
		115,192,001	-
Carrying value transferred from operating fixed assets		-	213,102,184
Decrease in revaluation surplus		-	(52,718,032)
Impairment charged to profit & loss account		-	(45,192,151)
Sale of 60 air-jet looms and back process equipment during the period		(68,167,000)	-
		47,025,001	115,192,001

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There is no significant change in status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended June 30, 2016.

13.2 Commitments

There were no commitments to report at the balance sheet date (June 30, 2016: Nil).

	Half Year Ended		Quarter Ended	
	December 31, 2016 Rupees	December 31, 2015 Rupees	December 31, 2016 Rupees	December 31, 2015 Rupees
14 COST OF SALES				
Raw materials consumed	1,848,612	155,626,736	1,423,262	71,964,626
Salaries, wages and other benefits	16,029,311	49,129,794	5,568,548	24,927,587
Depreciation	13,602,186	19,946,438	6,801,093	9,977,336
Other factory overheads	10,779,958	79,922,461	3,747,255	38,466,808
	42,260,067	304,625,429	17,540,158	145,336,357
(Increase)/Decrease in work in Process				
Opening work in process	4,880,817	12,744,852	-	21,851,770
Closing work in process	(413,927)	(12,714,936)	(413,927)	(12,714,936)
	4,466,890	29,916	(413,927)	9,136,834
Cost of goods manufactured	46,726,957	304,655,345	17,126,231	154,473,191
(Increase)/Decrease in finished goods				
Cloth purchases	860,982	-	451,705	-
Opening Stock	8,489,330	20,657,576	1,157,564	18,299,471
Closing Stock	(2,128,618)	(10,570,934)	(2,128,618)	(10,570,934)
	7,221,694	10,086,642	(519,349)	7,728,537
	53,948,651	314,741,987	16,606,882	162,201,728

	Half Year Ended	
	Un-audited	Un-audited
	Dec 31, 2016	Dec 31, 2015
	Rupees	Rupees
15 OTHER INCOME		
Amortization of interest free loans (P.V. adjustment)	8,604,541	26,228,995
Gain on disposal of fixed assets	-	589,774
Liabilities written back	25,515,939	-
Others	3,509	372,246
	34,123,989	27,191,015
16 FINANCE COST		
Mark up on Long Term loan from directors - unsecured	5,194,203	4,007,111
Mark up on loan from associated company	159,210	220,592
Mark up on short term borrowings	5,067,730	6,498,984
Unwinding of discount	15,533,665	13,888,123
Amortization of transaction cost	714,286	714,286
Bank charges	180,751	645,077
	26,849,845	25,974,173
17 TAXATION		
Current	172,927	336,010
Prior years	-	-
Deferred tax	(7,884,110)	(3,465,802)
	(7,711,183)	(3,129,792)
18 TRANSACTIONS WITH RELATED PARTIES		
Related parties comprise of associated undertakings, directors and their close family members, key management personnel and major shareholders of the company. Transactions with related parties are as follows:		
Long term financing obtained from directors - interest bearing	218,211,001	-
Long term financing obtained from directors - interest free	-	46,059,001
Short term borrowing repaid to ICC (Private) Limited - interest bearing	333,800	456,992
Interest on short term borrowing debited by ICC (Pvt.) Limited	159,210	220,592
Interest on Loan obtained from directors	5,194,203	4,007,111
Reimbursable expenses incurred on behalf of ICC (Pvt.) Limited	635,929	677,585
Reimbursable expenses incurred by ICC (Pvt.) Limited	142,919	-
Unwinding of discount on interest free loan from directors	8,210,264	5,311,078
	Un-audited	Audited
	Dec 31, 2016	June 30, 2016
	Rupees	Rupees
Short term borrowings - associated undertaking	3,514,203	3,848,003
	Half Year Ended	Half Year Ended
	Un-audited	Un-audited
	Dec 31, 2016	Dec 31, 2015
	Rupees	Rupees
19 LOSS PER SHARE - BASIC AND DILUTED		
Loss for the period	(38,585,994)	(78,185,005)
Weighted average number of ordinary shares	30,001,120	30,001,120
Loss per share (Rupees)	(1.29)	(2.61)

I C C Textiles Limited

20 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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 or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

International Financial Reporting Standards (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).

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

FINANCIAL INSTRUMENTS BY CATEGORY

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, 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 and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Loans and receivables	Carrying Amount				Fair Value			
	Available for sale instruments	Fair value through income statement	Other financial instruments	Total	Level 1	Level 2	Level 3	Total

December 31, 2016 (Un-audited)

Financial assets not measured at fair value

	Available for sale instruments	Fair value through income statement	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
Non-current								
Long term loans and advances	55,000	-	-	55,000	-	-	-	-
Long term deposits	1,629,034	-	-	1,629,034	-	-	-	-
Current								
Trade debts	1,753,918	-	-	1,753,918	-	-	-	-
Loans and advances	4,415,158	-	-	4,415,158	-	-	-	-
Trade deposits	16,228	-	-	16,228	-	-	-	-
Cash and bank balances	32,228,824	-	-	32,228,824	-	-	-	-
	40,098,162	-	-	40,098,162				

Financial liabilities not measured at fair value

	Available for sale instruments	Fair value through income statement	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
Non-current								
Long term loan from directors	-	-	496,991,674	496,991,674	-	-	-	-
Long term financing from commercial banks	-	-	62,126,294	62,126,294	-	-	-	-
Deferred liabilities	-	-	112,338,301	112,338,301	-	-	-	-
Current								
Trade and other payables	-	-	148,361,841	148,361,841	-	-	-	-
Mark-up accrued	-	-	13,921,698	13,921,698	-	-	-	-
Short term borrowings	-	-	5,227,868	5,227,868	-	-	-	-
Current portion of long term liabilities	-	-	16,000,000	16,000,000	-	-	-	-
	-	-	854,967,676	854,967,676				

Loans and receivables	Carrying Amount				Fair Value			
	Available for sale instruments	Fair value through income statement	Other financial instruments	Total	Level 1	Level 2	Level 3	Total

June 30, 2016 (Audited)

Financial assets not measured at fair value

Non-current

Long term loans and advances	29,000	-	-	-	29,000	-	-	-	-
Long term deposits	1,629,034	-	-	-	1,629,034	-	-	-	-
Current									
Trade debts	9,576,623	-	-	-	9,576,623	-	-	-	-
Loans and advances	3,603,334	-	-	-	3,603,334	-	-	-	-
Trade deposits	9,228	-	-	-	9,228	-	-	-	-
Cash and bank balances	11,442,103	-	-	-	11,442,103	-	-	-	-
	26,289,322	-	-	-	26,289,322	-	-	-	-

Financial liabilities not measured at fair value

Non-current

Long term loan from directors	-	-	-	270,570,409	270,570,409	-	-	-	-
Long term financing from commercial banks	-	-	-	-	-	-	-	-	-
Current									
Trade and other payables	-	-	-	161,006,389	161,006,389	-	-	-	-
Mark-up accrued	-	-	-	30,453,900	30,453,900	-	-	-	-
Short term borrowings	-	-	-	124,319,088	124,319,088	-	-	-	-
Current portion of long term liabilities	-	-	-	192,496,743	192,496,743	-	-	-	-
	-	-	-	778,846,529	778,846,529	-	-	-	-

	Un-audited	Audited
	Dec 31, 2016	June 30, 2016
	Rupees	Rupees

21 NUMBER OF LOOMS INSTALLED

No. of looms installed (including assets held for sale) as on balance sheet date 58 141

22 GENERAL

22.1 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2016 and 2015 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

22.2 This financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

22.3 Figures have been rounded off to the nearest rupee.

22.4 Corresponding figures are re-arranged and / or restated, wherever considered necessary, for the purpose of better presentation of the financial information. However, no significant restatement / re-arranging has been made.

23 DATE OF AUTHORIZATION

This condensed interim financial information was authorised for issue on February 28, 2017 by the Board of directors of the Company .

Chief Executive

Director

BOOK POST

If undelivered, Please Return to:
I C C Textiles Limited
242 - A, Anand Road, Upper Mall,
P.O. Box 1280, Lahore 54000. Pakistan.