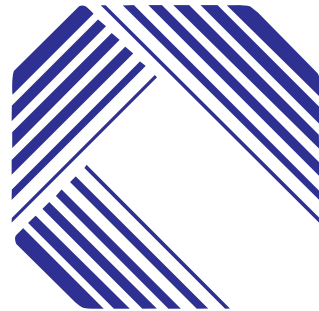


(UN-AUDITED)

INTERIM FINANCIAL INFORMATION
HALF YEARLY ENDED
December 31, 2017



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, 2017.

The company earned a profit after tax amounting to Rs. 13.126 million on revenue of Rs. 4.229 million comprising rental income as against after tax loss of Rs. 38.586 million against sale of fabric of Rs. 17.506 million in the corresponding period resulting in earning per share of Rs. 0.44 (Jul-Dec 2016 Rs. 1.29 loss per share). Reason for reduced revenue is the disposal of substantial quantity of the machinery comprising of all air-jet looms alongwith associated back process & allied equipment and 23 sulzer cam looms which were disposed off during the year ended on June 30, 2017, as per our plan to consolidate company's position by repaying bank borrowings through sale of inefficient / obsolete machinery and sponsors funds injection, and to rent out vacant premises to generate revenue.

Without qualifying conclusion, in their report to members, the auditors have drawn attention to note 1.2 to the interim financial information. Considering continuous support from sponsors / directors, the management's commitment and plan drawn up by the management elaborated in the cited note, 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.

The bank borrowing had been substantially reduced from Rs. 473.596 million as of March 31, 2015 to Rs. 55.216 million as of Dec 31, 2017.

Considering the negative textile sentiments coupled with depressed fabric demand, high cost of doing business, exceptionally high electricity and RLNG prices, the shareholders of the company, in EOGM held on Dec 04, 2017 have decided to dispose off the balance Sulzer looms with accessories, equipment and parts and to focus on renting out precious vacant factory building and / or open land to generate revenue. In February 2017, the Company had started renting out vacant factory buildings to generate cash flow. By February 2018, rental agreements of approximately 190,000 square feet area of company's premises having an annual rental potential of Rs. 45.6 million have been executed. However, as our huge textile infrastructure is still intact, we may decide to invest in the new textile weaving technology in future. During the period the Company's textiles operations were discontinued, accordingly profit and loss account of the discontinued operations has been separately prepared and included in the above cited results.

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

For and on behalf of the Board of Directors

Lahore:
Dated: March 01, 2018

JAVAI D S. SIDDIQI
Chief Executive Officer

AUDITOR'S 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** as at **December 31, 2017** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity together with the 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 condensed interim financial information based on our review. The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and 2016 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 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, 2017 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 exist 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: March 01, 2018

I C C Textiles Limited

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2017

	Note	Un-audited Dec. 31, 2017 Rupees	Audited June 30, 2017 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 32,000,000 (June 2017:32,000,000) shares of Rs. 10 each		320,000,000	320,000,000
Issued, subscribed and paid-up share capital		300,011,200	300,011,200
Accumulated loss		(756,775,235)	(787,599,476)
		(456,764,035)	(487,588,276)
SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS	6	583,129,540	603,715,735
NON CURRENT LIABILITIES			
Long term financing from directors	7	517,642,729	501,588,618
Long term financing from commercial banks	8	-	-
Deferred liabilities	9	99,525,201	112,787,495
		617,167,930	614,376,113
CURRENT LIABILITIES			
Trade and other payables		94,458,244	106,354,396
Security deposits		7,853,730	7,853,730
Accrued interest / mark-up		39,142,987	25,923,989
Short term borrowings		3,958,544	4,331,979
Current portion of long term financing	8	52,931,836	65,288,898
		198,345,341	209,752,992
TOTAL EQUITY AND LIABILITIES		941,878,775	940,256,564
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	10	14,570,398	242,182,764
Investment property	11	802,269,885	620,349,770
Long term loans and advances		167,000	209,000
Long term deposits		1,629,034	1,629,034
		818,636,317	864,370,568
CURRENT ASSETS			
Stores, spares and loose tools		15,543,923	15,801,172
Stock in trade		1,035,767	1,035,767
Trade debts		191,342	127,448
Loans and advances		464,873	429,907
Short term prepayments and other receivables		1,272,446	1,345,669
Tax refunds due from Government		37,819,770	40,000,826
Cash and bank balances	12	10,272,548	455,207
		66,600,669	59,195,996
Non - current assets classified as held for sale	13	56,641,789	16,690,000
TOTAL ASSETS		941,878,775	940,256,564
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

Lahore: Dated March 01, 2018 Chief Executive Officer Director Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS
ACCOUNT FOR THE HALF YEAR
ENDED DECEMBER 31, 2017 (UN-AUDITED)**

	Note	Half Year Ended		Quarter Ended	
		31 Dec 2017 Rupees	31 Dec 2016 Rupees	31 Dec 2017 Rupees	31 Dec 2016 Rupees
REVENUE		4,229,110	-	1,908,000	-
DIRECT COST	15	(6,469,975)	-	(3,324,002)	-
GROSS LOSS		(2,240,865)	-	(1,416,002)	-
OPERATING EXPENSES:					
ADMINISTRATIVE EXPENSES		(12,843,661)	-	(5,719,987)	-
DISTRIBUTION COST		(382,116)	-	(135,708)	-
OTHER EXPENSES		(427,088)	-	(235,166)	-
		(13,652,865)	-	(6,090,860)	-
OPERATING LOSS		(15,893,730)	-	(7,506,862)	-
OTHER INCOME		2,654	-	-	-
OPERATING LOSS		(15,891,076)	-	(7,506,862)	-
CHANGE IN FAIR VALUE OF					
INVESTMENT PROPERTY	11	48,501,125	-	48,501,125	-
PROFIT BEFORE TAXATION		32,610,049	-	40,994,263	-
TAXATION	16	(333,827)	-	64,802	-
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		32,276,222	-	41,059,064	-
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS	17	(19,149,792)	(38,585,994)	(3,952,301)	(9,961,855)
PROFIT / (LOSS) AFTER TAXATION		13,126,430	(38,585,994)	37,106,763	(9,961,855)
EARNING / (LOSS) PER SHARE - BASIC AND DILUTED:					
- FROM CONTINUING OPERATIONS		1.08	0.00	1.37	0.00
- FROM DISCONTINUED OPERATIONS		(0.64)	(1.29)	(0.13)	(0.33)
		0.44	(1.29)	1.24	(0.33)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

I C C Textiles Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

PARTICULARS	Issued, subscribed and paid-up share capital	Revenue Reserve	Total equity
		Accumulated (loss)	
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)
Balance as at July 01, 2017 (audited)	300,011,200	(787,599,476)	(487,588,276)
Profit for the period after taxation	-	13,126,430	13,126,430
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period - net of tax	-	13,126,430	13,126,430
Surplus on revaluation of fixed assets realized - net of tax	-	17,697,811	17,697,811
Balance as at December 31, 2017 (un-audited)	300,011,200	(756,775,235)	(456,764,035)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
Profit / (loss) after taxation for the period	13,126,430	(38,585,994)	37,106,763	(9,961,855)
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/loss for the period	13,126,430	(38,585,994)	37,106,763	(9,961,855)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED
DECEMBER 31, 2017 (UN-AUDITED)**

	Note	December 31, 2017 Rupees	December 31, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations:			
Net cash (used in) continuing operations	20	(11,804,624)	-
Net cash (used in) / generated from discontinued operations	20	(15,895,231)	2,004,896
		(27,699,855)	2,004,896
Finance costs paid		(247,973)	(27,134,097)
Income taxes paid		1,242,193	(1,470,702)
Gratuity paid		(2,976,515)	(31,347,288)
		(1,982,295)	(59,952,087)
Net cash used in operating activities		(29,682,150)	(57,947,191)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase / (decrease) in long term advances and deposits		42,000	(26,000)
Proceeds from sale of property, plant and equipment and assets held for sale		47,690,923	89,056,685
Purchase of property, plant and equipment		-	(522,688)
Net cash from investing activities		47,732,923	88,507,997
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) in short term borrowings		(373,432)	(119,091,220)
Repayment of long term financings from commercial banks- net		(15,000,000)	(113,803,596)
Mark up deferred by the bank		-	4,909,730
Long term loans obtained from directors		7,140,000	218,211,001
Net cash (used in) financing activities		(8,233,432)	(9,774,085)
Net increase in cash and cash equivalents		9,817,341	20,786,721
Cash and cash equivalents at the beginning of the period		455,207	11,442,103
Cash and cash equivalents at the end of the period		10,272,548	32,228,824

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

ICC Textiles Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

I 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 and 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.

1.2 During the period, the Company's textile operations were discontinued as most of non-efficient looms have been sold out and its accumulated losses amounted to Rs. 756.775 million at the period end and its current liabilities exceeded its current assets by Rs. 131.745 million at the period end. 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 banks' borrowings through sponsors loans and sale of machinery is in progress. In this regard, during this period, 24 Sulzer dobby looms with accessories, allied equipment and parts had been sold and the members of the Company in Extra Ordinary meeting held on Dec 04, 2017 have also decided to dispose off 16 sulzer dobby looms of 1990 model with accessories, equipment and parts enabling company to rent out additional area. The members have further decided to focus on renting out additional area, however, as Company's textile infrastructure is intact, the Board of Directors will continue to monitor the general textile environment and may decide to invest in new textile weaving technology in future;
- ii Few directors of the Company have invested as long term interest bearing loans amounting to Rs. 7.140 million during July 01, 2017 to December 31, 2017. The sponsors of the Company would also continue such support in future;
- iii Finance facilities from the bank has also been reduced from Rs. 70.216 million to Rs. 55.216 million by making re-payment of Rs. 15 million during the period under review;
- iv As a result of implementation of the plan of Board of directors, to consolidate the company's position, approved in May 2015, the bank borrowing which was at Rs. 473.596 million as of Mar 2015 has been reduced to Rs. 55.216 million as of Dec 31, 2017, by making a total payment of Rs. 418.380 million during the cited period;
- v In February 2017, the Company had started renting out vacant factory buildings to generate cashflows. By February 2018, rental agreements of approximately 190,000 square feet area of Company's premises having an annual rental potential of Rs. 45.6 million have been executed.

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, as required by the Companies Act, 2017.
- 2.2 Effective 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the Companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies ordinance, 1984. Furthermore

Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial information of the Companies for period ending or before December 31, 2017 shall also be prepared in accordance of with the provision of repealed Companies Ordinance, 1984. Accordingly, these condensed interim financial information of the Company for the half year ended December 31, 2017 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, 2017. Currently, the Company is assessing the impact of these requirements on the financial statements. It is expected that it will result in change in accounting treatments and enhanced disclosures in the financial statements which will be incorporated in subsequent financial statements of the Company.

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, 2017.

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 earning/(loss) per share.

In addition, new standards, amendments to approved accounting standards and interpretation of IFRSs became effective during the current accounting 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, 2017.

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, 2017.

Note	Un-audited	Audited
	Dec 31, 2017 Rupees	Jun 30, 2017 Rupees
6 SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF TAX		
Surplus on revaluation	6.1 634,844,911	668,375,265
Less: Deferred tax arising on revaluation	51,715,371	64,659,530
	<u>583,129,540</u>	<u>603,715,735</u>
6.1 Opening balance of surplus on revaluation	668,375,265	593,682,912
Add: Surplus arising during the period	8,919,244	110,701,498
Less: Incremental Depreciation:		
Building	1,941,954	4,285,782
Plant & machinery	3,159,615	12,039,397
	5,101,569	16,325,179
Less: Revaluation relating to plant & machinery disposed off	20,547,433	15,423,966
Less: Revaluation decrease in non current assets classified as held for sale	13.6 16,800,596	4,260,000
	<u>634,844,911</u>	<u>668,375,265</u>
7 LONG TERM FINANCING FROM DIRECTORS- unsecured		
Interest free Loans	7.1 157,631,055	150,357,690
Interest bearing Loan - 1	7.2 138,617,709	136,976,963
Interest bearing Loans - 2	7.3 221,393,965	214,253,965
	<u>517,642,729</u>	<u>501,588,618</u>

I C C Textiles Limited

	Note	Un-audited Dec 31, 2017 Rupees	Audited Jun 30, 2017 Rupees
7.1 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		42,232,432	34,959,067
		<u>157,631,055</u>	<u>150,357,690</u>
7.1.1 These interest free loans have been measured at amortized cost by using the weighted average interest rate ranging from 8.06% to 11.64%.			
7.2 Interest bearing Loan - I			
Original Loan amounts		140,000,000	140,000,000
Less: Present Value adjustment	7.2.1	9,653,031	9,653,031
		<u>130,346,969</u>	<u>130,346,969</u>
Add: Interest charged to profit and loss account		8,270,740	6,629,994
		<u>138,617,709</u>	<u>136,976,963</u>
7.2.1 The mark-up is charged equal to cost of funds of MCB Bank Limited 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			
7.3 These loans covers mark-up @ one month KIBOR plus 2% and the loans are repayable in lump sum on December 31, 2020.			
8 LONG TERM FINANCING FROM COMMERCIAL BANKS - secured			
MCB Bank Limited	8.1	-	-
Faysal Bank Limited	8.2	-	-
		<u>-</u>	<u>-</u>
8.1 MCB Bank Limited			
Original Loan amount		-	355,819,424
Less: Re- payments up to end of period		-	355,819,424
Less: Present value adjustment		-	27,641,477
Add: Interest charged to profit and loss account		-	27,641,477
		<u>-</u>	<u>-</u>
Deferred transaction cost incurred		-	2,500,000
Less: Amortized up to the end of period		-	2,500,000
		<u>-</u>	<u>-</u>
Less: Current portion		-	-
		<u>-</u>	<u>-</u>
8.2 Faysal Bank Limited			
Original Loan amount	8.2.1	86,215,829	86,215,829
Less: Re- payments up to end of period		31,000,000	16,000,000
Less: Present Value adjustment	8.2.5	8,604,541	8,604,541
		<u>46,611,288</u>	<u>61,611,288</u>
Add: Interest charged to profit and loss account		6,320,548	3,677,610
Less: Current portion		52,931,836	65,288,898
		<u>-</u>	<u>-</u>
8.2.1 The loan has been obtained from Faysal Bank Limited in accordance with Finance Facilities Settlement Agreement dated December 15, 2016. This is repayable by May 28, 2018.			
8.2.2 Mark-up for the period April 01, 2015 to December 15, 2016 amounting to Rs. 21.884 million has been waived off / (relinquished) and onward no mark-up is being charged by the bank, provided the entire principal liability			

would be repaid by May 28, 2018. Repayment schedule is as under:

	Rupees
June 30, 2017	16,000,000
May 28, 2018	<u>70,215,829</u>
	<u>86,215,829</u>

8.2.3 The Company, on the basis of matters stated in note 1.2, would be able to repay liabilities of Faysal Bank Limited by due dates and accordingly, such waiver / (relinquishment) by the Bank has been recognized as other income in condensed interim financial information for the period ended December 2016 and no mark-up is being accrued onward.

8.2.4 Under this restructuring arrangement, balance mark up payable 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 within agreed period of two and a half years.

8.2.5 The loan has been measured at amortized cost by using weighted average interest rate of 8.26%.

	Un-audited	Audited
Note	Dec 31, 2017 Rupees	Jun 30, 2017 Rupees
9 DEFERRED LIABILITIES		
Staff retirement benefits - gratuity	42,900,100	43,218,235
Deferred taxation	51,715,371	64,659,530
Deferred mark up	4,909,730	4,909,730
	<u>99,525,201</u>	<u>112,787,495</u>
10 PROPERTY, PLANT AND EQUIPMENT		
10.1 OPERATING FIXED ASSETS		
Written down value - opening	242,182,763	675,842,075
Add: Surplus on revaluation of fixed assets during the period / year	8,919,244	110,701,498
Add: Cost of additions during the period/year	10.1.1 -	542,488
	<u>251,102,007</u>	787,086,061
Disposals during the period / year (W.D.V)	10.1.2 27,789,401	167,928
Depreciation charge for the period / year	8,120,833	25,560,599
	<u>35,910,234</u>	25,728,527
Less: Transfer to non-current assets classified as held for sale	(67,202,385)	-
Less: Transfer to investment property	11 (133,418,990)	(519,174,770)
Written down value - closing	<u>14,570,398</u>	<u>242,182,764</u>
10.1.1 Cost of additions during the period / year		
Office equipment	-	542,488
	-	542,488
10.1.2 Disposals during the period / year		
Cost	29,223,772	210,000
Less: Accumulated depreciation	(1,434,371)	(42,072)
Written down value	<u>27,789,401</u>	<u>167,928</u>
11 INVESTMENT PROPERTY		
Opening Balance:		
Free hold land	487,900,000	-
Buildings on freehold land	132,449,770	-
	<u>620,349,770</u>	-
Transferred from property, plant and equipment during the period/year		
Free hold land	88,125,000	387,450,000
Buildings on freehold land	45,293,990	131,724,770
	<u>133,418,990</u>	519,174,770

I C C Textiles Limited

	Note	Un-audited	Audited
		Dec 31, 2017 Rupees	Jun 30, 2017 Rupees
Additions in buildings during the period/year		-	722,190
Carrying value before revaluation			
Free hold land		576,025,000	387,450,000
Buildings on freehold land		177,743,760	132,446,960
		753,768,760	519,896,960
Change in fair values during the period/year:			
Free hold land		50,225,000	100,450,000
Buildings on freehold land		(1,723,875)	2,810
		48,501,125	100,452,810
Fair values as at December 31/June 30			
Free hold land		626,250,000	487,900,000
Buildings on freehold land		176,019,885	132,449,770
		802,269,885	620,349,770
12 CASH AND BANK BALANCES			
Cash in hand		662,102	58,959
Cash at banks:			
Current accounts	12.1	9,605,285	393,128
Deposits accounts		5,161	3,120
		9,610,446	396,248
		10,272,548	455,207
12.1 Deposit accounts carry interest @ 7% (June 2017: 7%) per annum.			
13 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	13.1	56,641,789	6,240,000
Air jet looms with back process and allied equipment	13.2	-	10,450,000
		56,641,789	16,690,000
13.1 Sulzer Looms, warping and sizing machine			
Opening balance:			
1 Warping machine		2,080,000	3,500,000
1 Sizing machine		4,160,000	7,000,000
23 Sulzer looms		-	20,909,070
		6,240,000	31,409,070
Carrying value of 16 sulzer dobby looms with accessories and allied equipment transferred from operating fixed assets		67,202,385	-
Decrease in revaluation surplus		(16,800,596)	(4,260,000)
Sale of 23 Sulzer looms during the period/year		-	(20,909,070)
		56,641,789	6,240,000
13.2 Air-jet Looms with back process and allied equipment			
Opening balance (4 looms)		10,450,000	115,192,001
Sale of air jet looms and back process equipment during the period/year		(10,450,000)	(104,742,001)
		-	10,450,000
Closing balance		-	10,450,000

14 CONTINGENCIES AND COMMITMENTS

14.1 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, 2017.

14.2 Commitments

There were no commitments to report at the balance sheet date (June 30, 2017: Nil).

	Half Year Ended		Quarter Ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
15 DIRECT COST				
Salaries, wages and other benefits	4,033,344	-	2,134,605	-
Depreciation	875,452	-	437,726	-
Others	1,561,179	-	751,671	-
	6,469,975	-	3,324,002	-
			Half Year Ended Un-audited	Half Year Ended Un-audited
			Dec 31, 2017 Rupees	Dec 31, 2016 Rupees
16 TAXATION				
Current			938,864	-
Deferred tax			(605,036)	-
			333,828	-
			Half Year Ended	Quarter Ended
	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
17 LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS				
Revenue	-	17,505,690	-	1,234,369
Direct cost	17.1 (10,923,449)	(53,948,651)	(4,319,747)	(16,606,882)
Gross loss	(10,923,449)	(36,442,961)	(4,319,747)	(15,372,513)
Operating expenses:				
Administrative expenses	-	(15,266,771)	-	(6,789,516)
Distribution cost	-	(1,429,784)	-	(735,112)
Other expenses	-	(431,805)	-	(240,067)
	-	(17,128,360)	-	(7,764,694)
	(10,923,449)	(53,571,321)	(4,319,747)	(23,137,208)
Other income	17.2 9,451,522	34,123,989	7,979,983	24,827,886
Operating (loss)/profit before finance cost	(1,471,927)	(19,447,332)	3,660,236	1,690,678
Finance cost	17.3 (25,024,020)	(26,849,845)	(12,532,349)	(13,230,299)
(Loss) / profit before taxation	(26,495,947)	(46,297,177)	(8,872,113)	(11,539,621)
Taxation:				
- CURRENT	-	(172,927)	-	(13,793)
- DEFERRED	7,346,155	7,884,110	4,919,812	1,591,559
	7,346,155	7,711,183	4,919,812	1,577,766
Profit/(loss) after taxation - discontinued operations	(19,149,792)	(38,585,994)	(3,952,301)	(9,961,855)
17.1 Direct cost				
Raw materials consumed	-	1,848,612	-	1,423,262
Salaries, wages and other benefits	3,054,897	16,029,311	1,407,005	5,568,548
Depreciation	6,983,362	13,602,186	2,311,010	6,801,093
Other factory overheads	885,190	10,779,958	601,732	3,747,255
	10,923,449	42,260,067	4,319,747	17,540,158
(Increase)/Decrease in work in Process				
Opening work in process	272,832	4,880,817	272,832	-
Closing work in process	(272,832)	(413,927)	(272,832)	(413,927)
	-	4,466,890	-	(413,927)
Cost of goods manufactured	10,923,449	46,726,957	4,319,747	17,126,231
(Increase)/Decrease in finished goods				
Cloth purchases	-	860,982	-	451,705
Opening Stock	762,935	8,489,330	762,935	1,157,564
Closing Stock	(762,935)	(2,128,618)	(762,935)	(2,128,618)
	-	7,221,694	-	(519,349)
	10,923,449	53,948,651	4,319,747	16,606,882

ICC Textiles Limited

	Half Year Ended Un-audited	Half Year Ended Un-audited
	Dec 31, 2017 Rupees	Dec 31, 2016 Rupees
17.2 OTHER INCOME		
Income from financial assets:		
Amortization of interest free loans (PV adjustment)	-	8,604,541
Mark up waived off	-	21,884,405
Trade creditors written back	-	3,631,534
Income from assets other than financial assets:		
Gain on disposal of fixed assets	9,451,522	-
Others	-	3,509
	<u>9,451,522</u>	<u>34,123,989</u>
17.3 FINANCE COST		
Mark up on long term loan from directors	13,218,998	5,194,203
Mark up on loan from associated company	146,479	159,210
Mark up on short term borrowings	-	5,067,730
Unwinding of discount	11,557,049	15,533,665
Amortization of transaction cost	-	714,286
Bank charges	101,494	180,751
	<u>25,024,020</u>	<u>26,849,845</u>

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:

	Un-audited	Audited
	Dec 31, 2017 Rupees	Jun 30, 2017 Rupees
Long term financing obtained from directors - interest bearing	7,140,000	218,211,001
Short term borrowing repaid to ICC (Private) Limited - interest bearing	-	333,800
Interest on short term borrowing debited by ICC (Pvt.) Limited	146,479	159,210
Interest on loan obtained from directors	13,218,998	5,194,203
Reimbursable expenses incurred on behalf of ICC (Pvt.) Limited	5,390,331	635,929
Reimbursable expenses incurred by ICC (Pvt.) Limited	-	142,919
Unwinding of discount on interest free loan from directors	8,914,111	8,210,264
Balances with related parties, except elsewhere stated in this condensed interim financial:		
Short term borrowings - associated undertaking	3,514,203	3,514,203

19 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.

Description	Carrying Amount					Fair Value		
	Loans and receivables	Available for sale instruments	Fair value through profit & loss	Other financial instruments	Total	Level 1	Level 2	Level 3
December 31, 2017 (Un-audited)								
Financial assets not measured at fair value								
Non-current								
Long term deposits	1,629,034	-	-	-	1,629,034	-	-	-
Long term loans & advances	167,000	-	-	-	167,000	-	-	-
Current								
Trade debts	191,342	-	-	-	191,342	-	-	-
Loans and advances	464,873	-	-	-	464,873	-	-	-
Cash and bank balances	10,272,548	-	-	-	10,272,548	-	-	-
	12,724,797	-	-	-	12,724,797	-	-	-

Financial liabilities not measured at fair value

Non-current								
Long term loan from directors	-	-	-	517,642,728	517,642,728	-	-	-
Long term financing from commercial banks	-	-	-	-	-	-	-	-
Deferred liabilities	-	-	-	4,909,730	4,909,730	-	-	-
Current								
Trade and other payables	-	-	-	82,376,790	82,376,790	-	-	-
Mark-up accrued	-	-	-	39,142,987	39,142,987	-	-	-
Short term borrowings	-	-	-	3,958,544	3,958,544	-	-	-
Current portion of long term liabilities	-	-	-	52,931,836	52,931,836	-	-	-
	-	-	-	700,962,615	700,962,615	-	-	-

June 30, 2017 (Audited)

Financial assets not measured at fair value

Non-current								
Long term deposits	1,629,034	-	-	-	1,629,034	-	-	-
Long term loans & advances	209,000	-	-	-	209,000	-	-	-
Current								
Trade debts	127,448	-	-	-	127,448	-	-	-
Loans and advances	429,907	-	-	-	429,907	-	-	-
Cash and bank balances	455,207	-	-	-	455,207	-	-	-
	2,850,596	-	-	-	2,850,596	-	-	-

Financial liabilities not measured at fair value

Non-current								
Long term loan from directors	-	-	-	501,588,618	501,588,618	-	-	-
Long term financing from commercial banks	-	-	-	-	-	-	-	-
Deferred liabilities	-	-	-	4,909,730	4,909,730	-	-	-
Current								
Trade and other payables	-	-	-	97,428,708	97,428,708	-	-	-
Mark-up accrued	-	-	-	25,923,989	25,923,989	-	-	-
Short term borrowings	-	-	-	4,331,979	4,331,979	-	-	-
Current portion of long term liabilities	-	-	-	65,288,898	65,288,898	-	-	-
	-	-	-	699,471,922	699,471,922	-	-	-

I C C Textiles Limited

	July - Dec 2017		Jul-Dec 2016
	Continuing Operations Rupees	Discontinued Operations Rupees	Discontinued Operations Rupees
20 CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit / (loss) for the period before taxation	32,610,049	(26,495,947)	(46,297,177)
Adjustment for:			
Depreciation on property, plant and equipment	1,728,281	6,392,552	13,892,077
(Gain) / Loss on disposal of property, plant and equipment	-	(9,451,522)	19,385
Amortization of interest free loans	-	-	(8,604,541)
Amortization of transaction cost	-	-	714,286
Unwinding of discount	-	11,557,049	15,533,665
Change in fair value of investment property	(48,501,125)	-	-
Staff gratuity	2,658,379	-	3,887,541
Financial cost	-	13,466,971	10,601,895
	(44,114,465)	21,965,050	36,044,308
	(11,504,416)	(4,530,897)	(10,252,869)
(Increase) / Decrease in current assets			
Stores, spares and loose tools	(274,571)	531,820	2,112,093
Stock in trade	-	-	11,944,119
Trade debts	(63,894)	-	7,822,705
Loans and advances	(34,966)	-	(811,823)
Short term prepayments and other receivables	73,223	-	3,835,219
	(300,208)	531,820	24,902,313
(Decrease) in current liabilities			
Trade and other payables	-	(11,896,154)	(12,644,548)
	-	(11,896,154)	(12,644,548)
Net cash (used in) / generated from operations	(11,804,624)	(15,895,231)	2,004,896

21 REPORTABLE SEGMENTS

The Company has following two strategic divisions, which are reportable segments.

REPORTABLE SEGMENTS

1. TEXTILES UNIT (DISCONTINUING OPERATIONS)
2. REAL ESTATE SEGMENT

NATURE OF OPERATIONS:

Manufacturing and sale of greige fabric
Renting out of factory buildings and /
or open area plus appreciation in
investment properties

The management reviews internal management of each divisions.

21.1 INFORMATION ABOUT REPORTING SEGMENTS

Information to each reportable segment is given below.

21.1.1: SEGMENT PROFIT AND LOSS ACCOUNT

	Un-audited December 31, 2017			Un-audited December 31, 2016		
	Textiles	Real Estate	Total	Textiles	Real Estate	Total
	----- Rupees -----			----- Rupees -----		
Sales	-	4,229,110	4,229,110	17,505,690	-	17,505,690
Cost of sales	(10,923,449)	(6,469,975)	(17,393,424)	(53,948,651)	-	(53,948,651)
Gross loss	(10,923,449)	(2,240,865)	(13,164,314)	(36,442,961)	-	(36,442,961)
Distribution cost	-	(382,116)	(382,116)	(1,429,784)	-	(1,429,784)
Administrative expenses	-	(12,843,661)	(12,843,661)	(15,266,771)	-	(15,266,771)
Other expenses	-	(427,088)	(427,088)	(431,805)	-	(431,805)
Other income	9,451,522	2,654	9,454,175	34,123,989	-	34,123,989
Operating loss	(1,471,927)	(15,891,076)	(17,363,003)	(19,447,332)	-	(19,447,332)
Change in fair value of investment property	-	48,501,125	48,501,125	-	-	-
Profit/(Loss) before taxation and unallocated income and expenses	(1,471,927)	32,610,048	31,138,121	(19,447,332)	-	(19,447,332)
Unallocated expenses:						
Finance cost	-	-	(25,024,020)	(26,849,845)	-	(26,849,845)
Taxation	7,346,155	(333,827)	7,012,329	7,711,183	-	7,711,183
Profit / (loss) after taxation	5,874,228	32,276,222	13,126,430	(38,585,994)	-	(38,585,994)

21.1.2: SEGMENT ASSETS AND LIABILITIES	Un-audited December 31, 2017			Audited June 30, 2017		
	Textiles	Real Estate	Total	Textiles	Real Estate	Total
	----- Rupees -----			----- Rupees -----		
Segment assets for reportable segment	73,412,820	818,636,317	892,049,137	33,654,387	620,349,770	654,004,157
Unallocated corporate assets	-	-	49,829,637	-	-	286,252,407
Total assets as per balance sheet as at 31 December 2017/June 2017			941,878,774			940,256,564
Segment liabilities for reportable segment	-	7,853,730	7,853,730	-	7,853,730	7,853,730
Unallocated corporate liabilities	-	-	807,659,541	-	-	816,275,375
Total liabilities as per balance sheet as at 31 December 2017/June 2017			815,513,271			824,129,105

22 NUMBER OF LOOMS INSTALLED	Un-audited	Audited
	Dec 31, 2017	Jun 30, 2017
No. of looms (including assets held for sale) as on balance sheet date	16	40

23 GENERAL

- 23.1 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and 2016 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.
- 23.2 This financial information is presented in Pakistani Rupees, which is the Company's functional and presentation currency.
- 23.3 Figures have been rounded off to the nearest rupee.
- 23.4 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 except for disclosure of discontinuing operations.

24 DATE OF AUTHORIZATION

This condensed interim financial information was authorised for issue on March 01, 2018 by the Board of directors of the Company.

Chief Executive Officer

Director

Chief Financial Officer

BOOK POST

If undelivered, Please Return to:
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