

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
DECEMBER 31, 2019.**



**ICC Textiles Limited**

# ICC TEXTILES LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, I hereby present the condensed interim financial statements of the company for the half year ended on December 31, 2019.

The company suffered a loss after tax amounting to Rs. 50.140 million on revenue of Rs. 18.419 million comprising rental income as against after tax profit of Rs. 21.951 million against revenue of Rs. 12.058 million in the corresponding period resulting in loss per share of Rs. 1.67 ( Jul-Dec 2018 earning per share Rs. 0.74 ). Reason for increase in revenue is renting of additional covered area of mills premises as our all looms and substantial allied equipment has been disposed off. This is 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. Following factors influenced the company's performance during the period:

- Change in fair value of investment property amounts to Rs. Nil ( 2016: Rs. 66.8 million).
- Increase in markup rates.

Without qualifying their conclusion, in their review report to the members, the auditors have drawn attention to note 1.2 in the condensed interim financial statements which describes that Company's accumulated loss is Rs. 777.293 million and at the end of the period its current liabilities exceeded its current assets by Rs. 214.650 million. These conditions indicate existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern. 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, these condensed interim financial statements have been prepared on going concern basis.

The members of the Company may recall that in EOGM held on Dec 04, 2017 it was decided to dispose off the balance Sulzer looms with accessories, equipment and parts and to focus on renting out precious vacant factory building and open available land. Moreover, considering intact huge textile infrastructure, it was also decided to keep monitoring the textile environment to explore an opportunity, enabling us, to consider investing in new textile weaving technology in future. However, the current financial environment prevailing in the country has slowed down the business activity in all spheres of the economy. Therefore, we are now continuing to focus on renting out additional covered area to enhance our existing rental revenue of Rs. 3 million per month, which we believe, has a potential to rise to Rs. 5 million per month.

During the period the Company's textiles operations remained suspended as non-efficient looms with allied equipment have already been sold out, accordingly, profit and loss account of the discontinued operations has been separately prepared and included in the above cited results. Moreover, considering the rental revenue, subsequent to balance sheet date, the company has obtained members and SECP approval for changing its principal activity in object clause and accordingly change of name to "ICC Industries Limited" as per requirements of the Companies Act 2017.

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

For and on behalf of the Board of Directors



**PERVAIZ S. SIDDIQI**

Chairman



**JAVAID S. SIDDIQI**

Chief Executive Officer

Lahore:

Dated: March 03, 2020



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**Grant Thornton Anjum Rahman**

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

T +92 42 37423 621-23, 37422 987

F +92 42 37425 485

www.gtpak.com

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ICC TEXTILES LIMITED

Report on review of interim financial statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **ICC Textiles Limited** as at **December 31, 2019** and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2019 and 2018 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2019.

### 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 statements 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 interim financial statements, is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

*GR*

**Chartered Accountants**

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad

**Emphasis of Matter**

We draw attention to note 1.2 in the interim financial statements which describes that as at December 31, 2019, the Company's current liabilities exceeded its current assets by Rs. 214.650 million and its accumulated losses stood at Rs. 777.293 million. These factors, along with other matters as set forth in note 1.2 indicate existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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

*Grant Thornton Imran Afzal*  
CHARTERED ACCOUNTANTS

Lahore

Dated: *March 3, 2020*

# ICC TEXTILES LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019 (UN-AUDITED)

	Note	Un-audited Dec 31, 2019 Rupees	Audited Jun 30, 2019 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 32,000,000 ( June 2019: 32,000,000) ordinary shares of Rs. 10 each		320,000,000	320,000,000
Issued, subscribed and paid-up share capital		300,011,200	300,011,200
<b>Capital reserves</b>			
Surplus on revaluation of property, plant and equipment	6	569,262,323	572,329,953
<b>Revenue reserves</b>			
Accumulated loss		(777,292,832)	(730,220,157)
		91,980,691	142,120,996
<b>NON CURRENT LIABILITIES</b>			
Long term financing from directors	7	581,329,347	573,984,269
Deferred liabilities	8	76,321,770	75,385,391
		657,651,117	649,369,660
<b>CURRENT LIABILITIES</b>			
Trade and other payables		114,740,125	106,658,562
Security deposits		7,095,000	5,756,363
Accrued interest / mark-up		110,316,508	79,650,376
Short term borrowings		35,784,203	35,942,755
Unclaimed dividend		1,662,656	1,662,656
		269,598,492	229,670,712
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,019,230,300</b>	<b>1,021,161,368</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	8,223,018	12,295,695
Investment properties	10	944,348,225	944,348,225
Long term loans and advances		11,000	74,000
Long term deposits		1,469,034	1,469,034
		954,051,277	958,186,954
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		11,393,764	11,569,336
Trade debts		5,492,198	604,318
Loans and advances		761,548	716,610
Short term prepayments and other receivables		666,570	1,439,290
Tax refunds due from Government		33,137,648	36,032,351
Cash and bank balances	11	3,496,840	973,834
		54,948,568	51,335,739
Non - current assets classified as held for sale	12	10,230,455	11,638,675
<b>TOTAL ASSETS</b>		<b>1,019,230,300</b>	<b>1,021,161,368</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		

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

*GR*



Chief Executive Officer



Director



Chief Financial Officer

# ICC TEXTILES LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	31 Dec 2019 Rupees	31 Dec 2018 Rupees	31 Dec 2019 Rupees	31 Dec 2018 Rupees
<b>REVENUE (RENTAL INCOME)</b>	18,418,792	12,057,869	9,295,680	5,735,211
<b>DIRECT COST</b>	14 (4,970,835)	(6,096,267)	(1,396,684)	(2,333,538)
<b>GROSS PROFIT</b>	13,447,957	5,961,602	7,898,996	3,401,673
<b>OPERATING EXPENSES :</b>				
<b>ADMINISTRATIVE EXPENSES</b>	(14,768,841)	(14,515,476)	(7,687,533)	(7,479,776)
<b>OTHER EXPENSES</b>	15 (2,880,300)	(451,571)	(271,571)	(253,978)
	(17,649,141)	(14,967,047)	(7,959,104)	(7,733,754)
	(4,201,184)	(9,005,445)	(60,108)	(4,332,081)
<b>OTHER INCOME</b>	-	89	-	-
<b>OPERATING LOSS</b>	(4,201,184)	(9,005,356)	(60,108)	(4,332,081)
<b>FINANCE COST</b>	16 (42,352,108)	(31,247,098)	(21,251,786)	(17,187,635)
<b>CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES</b>	10 -	66,800,000	-	66,800,000
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	(46,553,292)	26,547,546	(21,311,894)	45,280,284
<b>TAXATION</b>	17 (2,963,449)	(2,361,829)	(2,132,170)	(1,071,094)
<b>(LOSS) / PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS</b>	(49,516,741)	24,185,717	(23,444,064)	44,209,190
<b>LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS</b>	18 (623,564)	(2,234,311)	(172,807)	(3,303)
<b>(LOSS) / PROFIT AFTER TAXATION</b>	(50,140,305)	21,951,406	(23,616,871)	44,205,887
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified to profit or loss				
Revaluation decrease in non-current assets classified as held for sale (net of tax)	-	(3,318,000)	-	-
	-	(3,318,000)	-	-
<b>TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD</b>	-	(3,318,000)	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	(50,140,305)	18,633,406	(23,616,871)	44,205,887
<b>(LOSS) / EARNING PER SHARE - BASIC AND DILUTED:</b>				
- FROM CONTINUING OPERATIONS	(1.65)	0.81	(0.78)	1.47
- FROM DISCONTINUED OPERATIONS	(0.02)	(0.07)	(0.01)	(0.00)
	(1.67)	0.74	(0.79)	1.47

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



Chief Executive Officer



Director



Chief Financial Officer

# ICC TEXTILES LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

Particulars	Issued, subscribed and paid-up share capital	Capital Reserves - Revaluation surplus	Revenue Reserves - Accumulated Losses	Total equity
<b>Balance as at July 01, 2018 (audited)</b>	300,011,200	574,923,456	(741,670,613)	133,264,043
Profit for the period after taxation	-	-	21,951,406	21,951,406
Other comprehensive loss for the period	-	(3,318,000)	-	(3,318,000)
Total comprehensive (loss) / income for the period	-	(3,318,000)	21,951,406	18,633,406
Transfer to accumulated losses on account of incremental depreciation and disposal of fixed assets- net of tax	-	(650,976)	650,976	-
<b>Balance as at December 31, 2018 (un-audited)</b>	<u>300,011,200</u>	<u>570,954,480</u>	<u>(719,068,231)</u>	<u>151,897,449</u>
<b>Balance as at July 01, 2019 (audited)</b>	300,011,200	572,329,953	(730,220,157)	142,120,996
Loss for the period after taxation	-	-	(50,140,305)	(50,140,305)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(50,140,305)	(50,140,305)
Transfer to accumulated loss on account of incremental depreciation and disposal of fixed assets- net of tax	-	(3,067,630)	3,067,630	-
<b>Balance as at December 31, 2019 (un-audited)</b>	<u>300,011,200</u>	<u>569,262,323</u>	<u>(777,292,832)</u>	<u>91,980,691</u>

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

4/11/19



Chief Executive Officer



Director



Chief Financial Officer

# ICC TEXTILES LIMITED

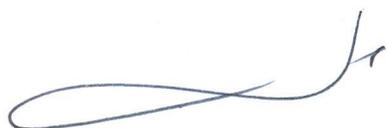
## CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

	Note	December 31, 2019 Rupees	December 31, 2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (used in) operations:</b>			
Net cash generated from / (used in) in continuing operations	21	40,308,238	(10,500,102)
Net cash (used in) / generated from discontinued operations	21	(32,978,178)	13,409,255
		7,330,060	2,909,153
Finance costs paid		(2,870,899)	(215,141)
Income taxes paid		(1,691,773)	(1,308,815)
Gratuity paid		(535,000)	(2,766,084)
		(5,097,672)	(4,290,040)
<b>Net cash from / (used in) operating activities</b>		<b>2,232,388</b>	<b>(1,380,887)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in long term advances and deposits		63,000	132,000
Purchase of property plant and equipment		(43,830)	-
Proceeds from sale of property, plant and equipment & assets held for sale		1,900,000	965,151
<b>Net cash from investing activities</b>		<b>1,919,170</b>	<b>1,097,151</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Decrease)/Increase in short term borrowings		(158,552)	31,219
(Repayment of) / proceeds from long term financing from directors		(1,470,000)	3,450,000
<b>Net cash (used in) / from financing activities</b>		<b>(1,628,552)</b>	<b>3,481,219</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,523,006</b>	<b>3,197,483</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>973,834</b>	<b>1,362,310</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>3,496,840</b>	<b>4,559,793</b>

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

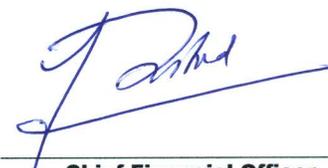
*GM*



Chief Executive Officer



Director



Chief Financial Officer

# ICC TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (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 repealed Companies Ordinance, 1984 ( Now Companies Act, 2017 ). 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. Subsequent to 31 December 2019, the Company has got members and SECP approval for changing its name to "ICC Industries Limited".
- 1.2 During the period, the Company's textile operations remained suspended as non-efficient looms have already been sold out and its accumulated loss is Rs. 777.293 million and at the end of the period its current liabilities exceeded its current assets by Rs. 214.650 million resulting in short fall of working capital. These conditions indicate existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern. Continuation of the Company as a going concern is dependent on its ability to attain satisfactory levels of profitability in the future and continuous financial support that would enable it to bring its liabilities to serviceable levels and availability of adequate working capital. Continuous support is required from:
- (a) principal lenders of the Company; and
  - (b) sponsors of the Company.

This condensed interim financial statement 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 by bringing its liabilities to serviceable levels and availability of adequate working capital through adequate financial support from its lenders and sponsors.

To substantiate its going concern assumptions:

- i Currently, management's plan to consolidate the Company's position by settlement of banks' borrowings through sponsor's loans and sale of machinery has been almost completed. In order to consolidate the Company's resources, due to uncertainty in securing the industrial gas connection, which is essential for cheaper and continuous gas based electricity, the Company had disposed off all its looms with allied equipment and parts, which were no more financially viable and were causing continuous losses. 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. Accordingly, the Company has rented out portion of its factory buildings and labour colony to generate cash flows;
- ii 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 has been fully repaid by April 2018.

These condensed interim financial statements consequently do not include any adjustment relating to the realization of the assets and liquidation of its liabilities that might be necessary in case the Company is unable to continue as a going concern.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act 2017 have been followed.

6/18/19

# ICC TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial information is the same as those applied in the preparation of the financial statements for the year ended June 30, 2019.

For valuation of unfunded gratuity scheme (defined benefit plan), 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 statement of profit or loss and basic & diluted earning / (loss) per share.

Any new standards, amendments to approved accounting standards and interpretation of IFRSs that became effective during the current accounting period were either considered not relevant to the Company's operations or did not have significant effect on the accounting policies of the Company.

### 4 ACCOUNTING ESTIMATES AND JUDGMENTS

Basis of judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the preceding annual published financial statements of the Company for the year ended June 30, 2019.

### 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, 2019.

	Note	Un-audited	Audited
		Dec 31, 2019 Rupees	Jun 30, 2019 Rupees
<b>6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
Surplus on revaluation	6.1	610,618,780	614,939,385
Less: deferred tax arising on revaluation	6.2	41,356,457	42,609,432
		<u>569,262,323</u>	<u>572,329,953</u>
<b>6.1 Opening balance of surplus on revaluation</b>		614,939,385	620,738,736
Less: Incremental Depreciation:			
Plant & machinery		502,608	1,492,993
Less: Revaluation surplus relating to assets disposed off		3,817,997	4,306,358
		<u>610,618,780</u>	<u>614,939,385</u>
<b>6.2 Related deferred tax liability on July 01</b>		42,609,432	45,815,280
Tax effect on incremental depreciation & disposal of assets during the year		(1,252,975)	(1,739,805)
Effect of change in tax rate		-	(1,466,043)
		<u>41,356,457</u>	<u>42,609,432</u>

	Note	Un-audited	Audited
		Dec 31, 2019 Rupees	Jun 30, 2019 Rupees
<b>7 LONG TERM FINANCING FROM DIRECTORS- Unsecured</b>			
Interest free Loans	7.1	190,484,880	181,669,802
Interest bearing Loans - 1	7.2	185,844,467	182,314,467
Interest bearing Loans - 2	7.3	65,000,000	70,000,000
Interest bearing Loans - 3	7.4	140,000,000	140,000,000
		<u>581,329,347</u>	<u>573,984,269</u>

6/10/19

# ICC TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

	Un-audited	Audited
	Dec 31, 2019 Rupees	Jun 30, 2019 Rupees
<b>7.1 Interest free Loans</b>		
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 statement of profit or loss (Unwinding of discount)	75,086,257	66,271,179
	<u>190,484,880</u>	<u>181,669,802</u>

**7.1.1** These interest free loans are repayable in lump sum on June 30, 2025.

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

**7.2** These loans carry mark-up @ one month KIBOR plus 2% ( ranging from 14.84% to 15.66%) and are repayable in lump sum on March 31, 2023.

**7.3** The loan carries mark-up @ one month KIBOR plus 2% ( ranging from 14.84% to 15.66%) and is repayable in lump sum on June 30, 2025.

**7.4** The loan carries mark-up @ one month KIBOR plus 2% ( ranging from 14.84% to 15.66%) and is repayable in lump sum on June 30, 2025.

	Un-audited	Audited
	Dec 31, 2019 Rupees	Jun 30, 2019 Rupees
<b>8 DEFERRED LIABILITIES</b>		
Staff retirement benefits-gratuity	34,965,313	32,775,959
Deferred taxation	41,356,457	42,609,432
	<u>76,321,770</u>	<u>75,385,391</u>

	Note	Un-audited	Audited
		Dec 31, 2019 Rupees	Jun 30, 2019 Rupees
<b>9 PROPERTY, PLANT AND EQUIPMENT</b>			
<b>9.1 OPERATING FIXED ASSETS</b>			
Written down value - opening		12,295,695	13,453,832
Add: Cost of additions during the period/year		43,830	1,081,000
		<u>12,339,525</u>	<u>14,534,832</u>
Disposals during the period / year (W.D.V.)	9.1.1	3,281,557	45,243
Depreciation charge for the period / year		834,950	2,193,894
		<u>4,116,507</u>	<u>2,239,137</u>
Written down value - closing		<u>8,223,018</u>	<u>12,295,695</u>
<b>9.1.1 Disposals during the period / year</b>			
Cost of assets disposed off		5,148,000	1,239,815
Less: Accumulated depreciation of such assets		(1,866,443)	(1,194,572)
		<u>3,281,557</u>	<u>45,243</u>

GPR

# ICC TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

	Note	Un-audited Dec 31, 2019 Rupees	Audited Jun 30, 2019 Rupees
<b>10 INVESTMENT PROPERTIES</b>			
Free hold land		772,375,000	772,375,000
Buildings on freehold land		171,973,225	171,973,225
	<b>10.1</b>	<b>944,348,225</b>	<b>944,348,225</b>
<b>10.1</b>	There is no significant change in fair values of the investment properties during this period. The fair value of investment property falls under level 2 of fair value hierarchy (i.e. significant unobservable inputs).		
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		1,114,861	165,900
Cash at banks:			
Current accounts		2,381,225	807,336
Deposits accounts		754	598
		2,381,979	807,934
		<b>3,496,840</b>	<b>973,834</b>

### 12 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Note	Un-audited Dec 31, 2019 Rupees	Audited Jun 30, 2019 Rupees
<b>Sulzer warping and sizing machine and allied equipment</b>	<b>12.1</b>	<b>10,230,455</b>	<b>11,638,675</b>
		<b>10,230,455</b>	<b>11,638,675</b>
<b>12.1 Sulzer warping and sizing machine and allied equipment</b>			
Opening balance		11,638,675	18,567,862
Carrying value of assets disposed off during the period / year	<b>12.1.1</b>	(1,408,220)	(6,929,187)
Closing balance		<b>10,230,455</b>	<b>11,638,675</b>

**12.1.1** During six months ended December 31, 2018, decrease in fair value of revalued assets (classified as non current assets held for sale) has been recognised in Other Comprehensive Income. Later on, during six months ended 30 June 2019, few of such assets have been disposed off and accordingly, such fair value loss has been recognised as loss on disposal of fixed assets in statement of profit or loss for the year ended 30 June 2019.

### 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, 2019.

#### 13.2 Commitments

There were no commitments to report at the date of condensed interim statement of financial position (June 30, 2019: Rs. Nil).

	Half Year Ended		Quarter Ended	
	December 31, 2019 Rupees	December 31, 2018 Rupees	December 31, 2019 Rupees	December 31, 2018 Rupees
<b>14 DIRECT COST</b>				
Salaries and other overheads	4,337,775	5,221,415	1,155,375	1,896,112
Depreciation	633,060	874,852	241,309	437,426
	<b>4,970,835</b>	<b>6,096,267</b>	<b>1,396,684</b>	<b>2,333,538</b>

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# ICC TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
<b>15 OTHER EXPENSES</b>				
Loss on disposal of fixed assets	2,381,557	-	-	-
Others	498,743	451,571	271,571	253,978
	<b>2,880,300</b>	<b>451,571</b>	<b>271,571</b>	<b>253,978</b>
			Half year ended Un-audited	Half year ended Un-audited
			Dec 31, 2019	Dec 31, 2018
			Rupees	Rupees
<b>16 FINANCE COST</b>				
Mark up on loan obtained from directors			30,736,798	21,311,283
Mark up on loan obtained from associated company			2,794,809	1,900,364
Unwinding of discount			8,815,078	8,006,660
Bank charges			5,423	28,791
			<b>42,352,108</b>	<b>31,247,098</b>
<b>17 TAXATION</b>				
Current			3,952,673	2,587,619
Deferred tax			(989,224)	(225,790)
			<b>2,963,449</b>	<b>2,361,829</b>
			Half Year Ended	Quarter Ended
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
<b>18 LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS</b>				
Direct cost and overheads	(479,094)	(2,080,703)	(172,807)	119,162
Gross (loss) / profit	(479,094)	(2,080,703)	(172,807)	119,162
Operating Expenses:				
Other expenses	(408,220)	(240,653)	-	-
	(408,220)	(240,653)	-	-
	(887,314)	(2,321,356)	(172,807)	119,162
Other income	-	33,845	-	(155,876)
Loss before taxation	(887,314)	(2,287,511)	(172,807)	(36,714)
Taxation:				
- Current	-	-	-	-
- Deferred	263,750	53,200	(76,360)	33,411
	<b>263,750</b>	<b>53,200</b>	<b>(76,360)</b>	<b>33,411</b>
Loss after taxation from discontinued operations	<b>(623,564)</b>	<b>(2,234,311)</b>	<b>(249,167)</b>	<b>(3,303)</b>

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# ICC TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

### 19 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 Dec 31, 2019 Rupees	Un-audited Dec 31, 2018 Rupees
Long term financing obtained from directors	3,530,000	3,450,000
Long term financing repaid to directors	5,000,000	-
Interest on loan obtained from ICC (Pvt.) Limited - net	2,794,809	1,900,364
Interest on loan obtained from directors	30,736,798	21,311,282
Reimbursable expenses incurred on behalf of ICC (Pvt.) Limited	5,277,088	5,656,637
Reimbursable expenses incurred by ICC (Pvt.) Limited	376,382	-
Unwinding of discount on interest free loan from directors	8,815,078	8,006,660

### Balances with related parties, except elsewhere stated in this condensed interim financial statements:

	Un-audited Dec 31, 2019 Rupees	Audited June 30, 2019 Rupees
Short term borrowings - ICC (Pvt.) Limited	35,784,203	35,784,203
Remuneration payable to CEO	23,192,598	18,975,762
Accrued interest on loans (Directors and ICC (Pvt.) Limited)	110,316,508	79,650,376
Trade and other payables - ICC (Pvt.) Limited	-	106,999

### 20 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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			
	Fair value through profit/loss	Fair value through OCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
.....Rs.....								
<b>December 31, 2019 (Un-audited)</b>								
<b>Financial assets not measured at fair value</b>								
<b>Non-current</b>								
Long term deposits	-	-	1,469,034	1,469,034	-	-	-	-
Long term loans and advances	-	-	11,000	11,000	-	-	-	-
<b>Current</b>								
Loans and advances	-	-	590,514	590,514	-	-	-	-
Trade debts	-	-	5,492,198	5,492,198	-	-	-	-
Cash and bank balances	-	-	3,496,840	3,496,840	-	-	-	-
	-	-	11,059,586	11,059,586	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
<b>Non-current</b>								
Long term financing from directors	-	-	581,329,347	581,329,347	-	-	-	-
<b>Current</b>								
Trade and other payables	-	-	114,740,125	114,740,125	-	-	-	-
Unclaimed dividend	-	-	1,662,656	1,662,656	-	-	-	-
Security deposits	-	-	7,095,000	7,095,000	-	-	-	-
Accrued interest / markup	-	-	110,316,508	110,316,508	-	-	-	-
Short term borrowings	-	-	35,784,203	35,784,203	-	-	-	-
	-	-	850,927,839	850,927,839	-	-	-	-

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# ICC TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

Description	Carrying amount				Fair Value			
	Fair value through profit/loss	Fair value through OCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rs.								
<b>June 30, 2019 (Audited)</b>								
<b>Financial assets not measured at fair value</b>								
<b>Non-current</b>								
Long term deposits	-	-	1,469,034	1,469,034	-	-	-	-
Long term loans and advances	-	-	74,000	74,000	-	-	-	-
<b>Current</b>								
Loans and advances	-	-	545,113	545,113	-	-	-	-
Trade debt	-	-	604,318	604,318	-	-	-	-
Cash and bank balances	-	-	973,834	973,834	-	-	-	-
	-	-	3,666,299	3,666,299	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
<b>Non-current</b>								
Long term financing from directors	-	-	573,984,269	573,984,269	-	-	-	-
<b>Current</b>								
Trade and other payables	-	-	106,658,562	106,658,562	-	-	-	-
Unclaimed dividend	-	-	1,662,656	1,662,656	-	-	-	-
Security deposits	-	-	5,756,363	5,756,363	-	-	-	-
Mark-up accrued	-	-	79,650,376	79,650,376	-	-	-	-
Short term borrowings	-	-	35,942,755	35,942,755	-	-	-	-
	-	-	803,654,981	803,654,981	-	-	-	-

### 21 CASH FLOWS FROM OPERATING ACTIVITIES

	July - Dec 2019		July - Dec 2018	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations
	Rupees		Rupees	
(Loss) / profit for the period before taxation	(46,553,292)	(887,314)	26,547,546	(2,287,511)
Adjustment for:				
Depreciation on property, plant and equipment	834,950	-	1,103,497	-
Loss / (gain) on disposal of property, plant and equipment	2,381,557	408,220	-	(33,845)
Unwinding of discount	8,815,078	-	8,006,660	-
Change in fair value of investment property	-	-	(66,800,000)	-
Staff gratuity	2,724,354	-	2,493,630	-
Finance cost	33,537,030	-	23,240,438	-
	48,292,969	408,220	(31,955,775)	(33,845)
	1,739,677	(479,094)	(5,408,229)	(2,321,356)
<b>(Increase) / Decrease in current assets</b>				
Stores, spares and loose tools	175,572	-	2,426,294	1,449,829
Stock in trade	-	-	-	(198,684)
Trade debts	(4,887,880)	-	-	-
Loans and advances	(44,938)	-	133,887	-
Short term prepayments and other receivables	1,406,523	-	144,406	-
	(3,350,723)	-	2,704,587	1,251,145
<b>Increase / (Decrease) in current liabilities</b>				
Trade and other payables	40,580,647	(32,499,084)	-	6,472,806
Security deposits	1,338,637	-	210,200	-
	41,919,284	(32,499,084)	210,200	6,472,806
<b>Net cash (used in) / generated from operations</b>	<b>40,308,238</b>	<b>(32,978,178)</b>	<b>(2,493,442)</b>	<b>5,402,595</b>

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# ICC TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

### 22 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.

### 22.1 INFORMATION ABOUT REPORTING SEGMENTS

#### 22.1.1 SEGMENT STATEMENT OF PROFIT OR LOSS

	Un-audited December 31, 2019			Un-audited December 31, 2018		
	Textiles	Real Estate	Total	Textiles	Real Estate	Total
	.....Rupees.....			.....Rupees.....		
Sales	-	18,418,792	18,418,792	-	12,057,869	12,057,869
Cost of sales	(479,094)	(4,970,835)	(5,449,929)	(2,080,703)	(6,096,267)	(8,176,970)
Gross (loss) / profit	(479,094)	13,447,957	12,968,863	(2,080,703)	5,961,602	3,880,899
Administrative expenses	-	(14,768,841)	(14,768,841)	-	(14,515,476)	(14,515,476)
Other expenses	(408,220)	(2,880,300)	(3,288,520)	(240,653)	(451,571)	(692,224)
Other income	-	-	-	33,845	89	33,934
Operating loss	(887,314)	(4,201,184)	(5,088,498)	(2,287,511)	(9,005,356)	(11,292,867)
Change in fair value of investment property	-	-	-	-	66,800,000	66,800,000
(Loss) / Profit before taxation and unallocated income and expenses	(887,314)	(4,201,184)	(5,088,498)	(2,287,511)	57,794,644	55,507,133
Unallocated expenses:						
Finance cost	-	(42,352,108)	(42,352,108)	-	(31,247,098)	(31,247,098)
Taxation	263,750	(2,963,449)	(2,699,699)	53,200	(2,361,829)	(2,308,629)
(Loss) / profit after taxation	(623,564)	(49,516,741)	(50,140,305)	(2,234,311)	24,185,717	21,951,406

	Un-audited December 31, 2019			Audited June 30, 2019		
	Textiles	Real Estate	Total	Textiles	Real Estate	Total
	.....Rupees.....			.....Rupees.....		
Segment assets for reportable segment	21,624,219	954,051,277	975,675,496	23,812,329	958,186,954	981,999,283
Unallocated corporate assets	-	-	43,554,804	-	-	39,162,085
Total assets as per statement of financial position as at 31 December 2019/June 2019			<u>1,019,230,300</u>			<u>1,021,161,368</u>
Segment liabilities for reportable segment	-	8,966,727	8,966,727	-	8,057,707	8,057,707
Unallocated corporate liabilities	-	-	918,282,882	-	-	870,982,665
Total liabilities as per statement of financial position as at 31 December 2019/June 2019			<u>927,249,609</u>			<u>879,040,372</u>

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# ICC TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

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### 23 GENERAL

- 23.1** These condensed interim financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.
- 23.2** Figures have been rounded off to the nearest rupee.
- 23.3** 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-arrangement has been made.

### 24 DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue on March 03, 2020 by the Board of directors of the Company .

*gmc*



Chief Executive Officer



Director



Chief Financial Officer