

(UN-AUDITED)

**ACCOUNTS
FOR THE QUARTER ENDING
March 31, 2013**



I C C Textiles Limited

I C C Textiles Limited

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, I hereby present the financial statements of the company for the nine months ended on March 31, 2013.

The Sales decreased by 5.8% to Rs. 1,299.880 million during the nine months period as compared to Rs. 1,380.342 million for the corresponding period of the previous year. The company incurred an after tax loss of Rs. 55.021 million as against an after tax loss of Rs. 66.287 million in the corresponding period resulting in loss per share of Rs. 1.83 (Jul 2011 - Mar 2012 Rs. 2.21).

The decrease in sales due to reduced production is mainly attributed to extra ordinary scheduled and unscheduled electricity load shedding. Load shedding encountered during the month of Jan 2013 was the worst ever for the entire textile industry in Punjab. Moreover, the negative impact felt by us was even more severe due to nonavailability of an industrial gas connection. Our efforts are continuing to secure the long overdue gas connection from SNGPL.

Fuel and power cost reduced by Rs. 22.939 million (14.2%) i.e. from Rs. 161.314 million during Jul 2011 to Mar 2012 to Rs. 138.375 million for the current corresponding period despite increase in electricity tariff and oil prices. The decrease was mainly due to induction of wood fired boiler and reduced consumption of electricity on account of load shedding.

There is an overdue partial instalment amounting to Rs. 13.896 million of our LTF-EOP loan due to tight cashflow. As the company has always fulfilled its financial commitments, various options are being considered for early settlement of this issue.

On the positive side, markup rates are declining i.e. 6 month KIBOR has dropped from 12.01% by end Apr 2012 to 9.58% on Apr 29, 2013. Although US\$ exchange rate increased from Rs. 90.50 in Mar 2012 to Rs. 98.10 in Mar 2013, the benefit was not substantial due to depressed exports.

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

For and on behalf of the Board of Directors

Lahore
Dated: April 30, 2013

SHAFIQ A. SIDDIQI
Chief Executive

**BALANCE SHEET AS AT
MARCH 31, 2013**

EQUITY AND LIABILITIES	Note	March 31, 2013	June 30, 2012
SHARE CAPITAL		Rupees	Rupees
Authorised share capital 32,000,000 ordinary shares (Jun. 2012: 32,000,000) of Rs.10 each		320,000,000	320,000,000
Issued, Subscribed & Paid up share capital 30,001,120 ordinary shares (Jun. 2012: 30,001,120) of Rs.10 each fully paid in cash		300,011,200	300,011,200
UNAPPROPRIATED LOSS		(598,181,496)	(555,875,616)
		(298,170,296)	(255,864,416)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		503,041,630	515,756,669
NON CURRENT LIABILITIES			
Long term financing from associated company		48,114,297	32,735,219
Long term financing from commercial banks		-	31,792,208
Deferred liabilities		61,099,832	52,570,529
Deferred taxation		140,051,418	146,897,979
		249,265,547	263,995,935
CURRENT LIABILITIES			
Trade and other payables		177,482,860	175,707,591
Accrued markup		16,944,333	18,173,212
Short term borrowings		597,592,934	555,275,726
Current portion of long term liabilities		61,584,414	31,897,696
		853,604,541	781,054,225
CONTINGENCIES AND COMMITMENTS	4	-	-
		1,307,741,423	1,304,942,413
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		984,801,750	1,015,371,462
Assets subject to finance lease		-	305,343
		984,801,750	1,015,676,805
LONG TERM LOANS AND ADVANCES		78,000	88,333
LONG TERM DEPOSITS AND PREPAYMENTS		1,629,034	1,629,034
CURRENT ASSETS			
Stores, spares and loose tools		39,274,515	37,755,124
Stock in trade		187,183,456	144,696,470
Trade debts		32,069,706	27,659,498
Loans and advances		8,216,030	6,924,062
Trade deposits and short term prepayments		2,229,246	1,950,001
Other receivables		27,321,839	22,525,439
Income tax refundable		8,905,249	8,008,788
Cash and bank balances		16,032,598	38,028,859
		321,232,639	287,548,241
		1,307,741,423	1,304,942,413

The annexed notes form an integral part of these financial statements.

Lahore

Dated: April 30, 2013

Chief Executive

Director

PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS
ENDED MARCH 31, 2013

Note	Jul 2012 to Mar 2013 Rupees	Jul 2011 to Mar 2012 Rupees	Jan-Mar 2013 Rupees	Jan-Mar 2012 Rupees
SALES	1,299,880,143	1,380,342,113	439,399,356	471,575,068
COST OF SALES	1,292,512,295	1,417,995,942	435,082,402	500,226,904
GROSS PROFIT / (LOSS)	7,367,848	(37,653,830)	4,316,954	(28,651,836)
OPERATING EXPENSES				
Distribution cost	11,855,417	15,287,592	3,120,604	5,675,024
Administrative expenses	24,955,258	24,306,096	8,722,369	7,965,834
Other operating expenses	605,015	588,896	183,394	183,041
	37,415,690	40,182,584	12,026,367	13,823,899
OPERATING PROFIT / (LOSS)	(30,047,842)	(77,836,414)	(7,709,413)	(42,475,735)
OTHER OPERATING INCOME	34,141,779	86,788,781	3,517	13,983
	4,093,937	8,952,367	(7,705,896)	(42,461,752)
FINANCIAL COST	58,183,746	68,081,026	18,800,200	20,766,773
LOSS BEFORE TAXATION	(54,089,809)	(59,128,659)	(26,506,097)	(63,228,525)
TAXATION	931,110	7,158,189	141,011	2,510,012
LOSS AFTER TAXATION	(55,020,919)	(66,286,848)	(26,647,108)	(65,738,537)
LOSS PER SHARE				
- BASIC AND DILUTED	7 (1.83)	(2.21)	(0.89)	(2.19)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

**CASH FLOW STATEMENT
FOR THE NINE MONTHS
ENDED MARCH 31, 2013**

	Jul 2012 to Mar 2013 Rupees	Jul 2011 to Mar 2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period before taxation	(54,089,809)	(59,128,659)
Adjustments for:		
Depreciation on property, plant and equipment	35,227,478	37,831,781
Depreciation on leased assets	30,953	137,804
(Gain) / Loss on disposal of property, plant and equipment	2,420	-
Amortization of interest free loans	(34,132,228)	(86,755,608)
Unwinding of discount	4,511,306	2,369,888
Staff gratuity	10,811,519	10,082,048
Financial cost	58,183,746	68,081,026
	<u>74,635,194</u>	<u>31,746,939</u>
	20,545,385	(27,381,720)
 (Increase) / Decrease in current assets		
Stores, spares and loose tools	(1,519,391)	(3,767,564)
Stock in trade	(42,486,986)	55,567,586
Trade debts	(4,410,208)	(11,702,394)
Loans and advances	(1,291,968)	(13,896,873)
Trade deposits and short term prepayments	(279,245)	(873,466)
Other receivables	(4,796,400)	(6,679,161)
	<u>(54,784,197)</u>	<u>18,648,128</u>
 Increase / (Decrease) in current liabilities		
Trade and other payables	<u>1,831,304</u>	<u>3,035,704</u>
 Cash generated from operations	<u>(32,407,508)</u>	<u>(5,697,888)</u>
 Financial charges paid	(59,468,660)	(73,517,478)
Taxes paid	(8,674,132)	(12,706,835)
Gratuity paid	(2,282,216)	(2,263,150)
	<u>(70,425,008)</u>	<u>(88,487,463)</u>
 Net cash flow from operating activities (A)	<u>(102,832,517)</u>	<u>(94,185,350)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Long term loans and advances	10,333	19,000
Long term deposits and prepayments	-	70,400
Sale proceeds of property, plant and equipment	2,500	-
Fixed capital expenditure	(4,388,295)	(4,229,618)
Capital work in progress	-	(109,674)
 Net cash flow from investing activities (B)	<u>(4,375,462)</u>	<u>(4,249,892)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings - secured	42,317,208	99,311,871
Long term financing from commercial banks - Secured	(2,000,000)	(15,896,103)
Long term loans from associated co.	45,000,000	-
Liabilities against assets subject to finance lease	(105,490)	(411,159)
Dividend paid	-	-
 Net cash flow from financing activities (C)	<u>85,211,718</u>	<u>83,004,609</u>
 Net Increase in cash and bank balances (A+ B+ C)	<u>(21,996,261)</u>	<u>(15,430,632)</u>
Cash and bank balances at the beginning of the period	<u>38,028,859</u>	<u>32,684,207</u>
 Cash and bank balances at the end of the period	<u>16,032,599</u>	<u>17,253,575</u>

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS
ENDED MARCH 31, 2013

	Paid-up Capital Rupees	Unappropriated Loss Rupees	Total Rupees
Balance as at June 30, 2011	300,011,200	(489,971,155)	(189,959,955)
Net loss for the nine months ended March 31, 2012	-	(66,286,848)	(66,286,848)
Incremental depreciation - net of tax	-	12,744,208	12,744,208
Balance as at March 31, 2012	300,011,200	(543,513,795)	(243,502,595)
Balance as at June 30, 2012	300,011,200	(555,875,617)	(255,864,417)
Net loss for the nine months ended March 31, 2013	-	(55,020,919)	(55,020,919)
Incremental depreciation - net of tax	-	12,715,040	12,715,040
Balance as at March 31, 2013	300,011,200	(598,181,496)	(298,170,296)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

NOTES TO THE ACCOUNTS
FOR THE NINE MONTHS ENDED MARCH 31, 2013

1. These accounts have been prepared in accordance with the requirements of International Accounting Standard No. 34 "Interim Financial Reporting".
2. The accounts are being submitted to the shareholders as required by Section 245 of The Companies Ordinance, 1984.
3. The accounting policies adopted for the preparation of the accounts are the same as those of applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2012.
4. CONTINGENCIES AND COMMITMENTS
 - 4.1 Contingencies
There have been no change in contingencies since the last audited financial statements.

4.2 Commitments

Commitments against irrevocable letters of credit were as under:

	March 31, 2013 Rupees	June 30, 2012 Rupees
Import of machinery, raw material and stores	-	-
	Jul 2012 to Mar 2013 Rupees	Jul 2011 to Mar 2012 Rupees

5. Following is the cost of fixed assets that have been added / disposed off during the nine months ended:

Additions in fixed assets	4,388,295	4,229,618
Deletions in fixed assets	6,600	-

6. TRANSACTIONS WITH ASSOCIATED COMPANIES

Interest on loan debited by associated company	4,045,361	1,997,054
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7. EARNING PER SHARE - BASIC

Profit / (Loss) after tax	(55,020,919)	(66,286,848)
Weighted average number of ordinary shares	30,001,120	30,001,120
Earning per share - Basic	(1.83)	(2.21)

8. DATE OF AUTHORISATION

These accounts have been approved by the Board of directors on April 30, 2013.

9. COMPARITIVE FIGURES

- have been rearranged wherever necessary, for the purpose of comparison.
- have been rounded off to the nearest rupee.

Chief Executive

Director

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