

(UN-AUDITED)

**INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED
March 31, 2018**



ICC Textiles Limited

ICC 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 nine months ended on March 31, 2018.

The company suffered a loss after tax amounting to Rs. 13.136 million on revenue of Rs. 10.063 million comprising rental income as against after tax loss of Rs. 68.762 million against revenue of Rs. 23.771 million in the corresponding period resulting in loss per share of Rs. 0.44 (Jul 2016 - Mar 2017 Rs. 2.30 loss per share). Reason for reduced revenue is the disposal of balance textile looms & certain allied equipment, as per our plan to consolidate company's position by repaying bank borrowings through sale of inefficient / obsolete machinery, sponsors funds injection and to rent out vacant premises to generate revenue.

During the period no revenue was generated from textile operations of the company, accordingly, profit and loss account of the discontinued operations has been separately prepared and included in the above cited results.

The shareholders of the company, in EOGM held on Dec 04, 2017 decided to dispose off the balance Sulzer looms with accessories, equipment and parts and to focus on renting out precious vacant factory buildings and / or open land to generate revenue. Accordingly, during the reporting period the balance Sulzer looms with allied equipment and accessories have been sold and company managed to fully repay its bank borrowings after balance sheet date.

One rental agreement for 84,971 square feet area of factory buildings finalized with a Party for storage of goods of Punjab govt. health department in Feb 2018 could not materialize due to the recent slowdown in Punjab govt. decision making process. Meanwhile, we are in the process of renting out the available and additional vacant factory buildings to enhance revenue.

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: April 30, 2018

JAVAIID S. SIDDIQI
Chief Executive Officer

ICC TEXTILES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

EQUITY AND LIABILITIES		March, 2018	June 2017
	Note	Rupees	Rupees
SHARE CAPITAL			
Authorised share capital			
32,000,000 ordinary shares (June 2017: 32,000,000) of Rs.10 each		320,000,000	320,000,000
Issued, Subscribed & Paid up share capital			
30,001,120 ordinary shares (June 2017: 30,001,120) of Rs.10 each fully paid in cash		300,011,200	300,011,200
		(773,561,170)	(787,599,476)
ACCUMULATED LOSS			
		(473,549,970)	(487,588,276)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		573,653,115	603,715,735
NON CURRENT LIABILITIES			
Long term financing from directors	4	523,240,186	501,588,618
Long term financing from commercial banks	5	-	-
Deferred liabilities		96,139,415	112,787,495
		619,379,602	614,376,113
CURRENT LIABILITIES			
Trade and other payables		94,819,066	106,354,396
Security deposits		5,546,163	7,853,730
Accrued interest / mark-up		45,775,505	25,923,989
Short term borrowings		3,714,844	4,331,979
Current portion of long term liabilities		54,293,159	65,288,898
		204,148,737	209,752,992
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		923,631,483	940,256,564
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		14,014,075	242,182,764
Investment Property		802,269,886	620,349,770
Long term loans and advances		167,000	209,000
Long term deposits		1,629,034	1,629,034
		818,079,995	864,370,568
CURRENT ASSETS			
Stores, spares and loose tools		15,657,720	15,801,172
Stock in trade		1,035,767	1,035,767
Trade debts		128,587	127,448
Loans and advances		511,392	429,907
Short term prepayments and other receivables		2,005,872	1,345,669
Tax refunds due from Government		38,817,445	40,000,826
Cash and bank balances		28,826,843	455,207
		86,983,626	59,195,996
Non-current assets classified as held for sale		18,567,862	16,690,000
		923,631,483	940,256,564

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

ICC TEXTILES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE
NINE MONTHS ENDED MARCH 31, 2018

	Note	Jul 2017 to Mar 2018 Rupees	Jul 2016 to Mar 2017 Rupees	Jan-Mar 2018 Rupees	Jan-Mar 2017 Rupees
REVENUE	8	10,062,552	3,963,820	5,833,442	3,963,820
DIRECT COST		(10,213,747)	-	(3,743,772)	-
GROSS LOSS		(151,195)	3,963,820	2,089,670	3,963,820
OPERATING EXPENSES					
Distribution cost		(429,756)	-	(47,640)	-
Administrative expenses		(18,921,881)	(237,829)	(6,078,220)	(237,829)
Other operating expenses		(630,831)	-	(203,743)	-
		(19,982,468)	(237,829)	(6,329,603)	(237,829)
OPERATING LOSS		(20,133,663)	3,725,991	(4,239,933)	3,725,991
OTHER INCOME		222,735	-	220,081	-
OPERATING LOSS		(19,910,928)	3,725,991	(4,019,852)	3,725,991
CHANGE IN FAIR VALUE OF INVESTMENT PROPERTY		48,501,126	-	-	-
PROFIT BEFORE TAXATION		28,590,198	3,725,991	(4,019,852)	3,725,991
TAXATION	9	1,514,727	909,300	1,180,900	909,300
PROFIT / (LOSS) AFTER TAXATION					
CONTINUING OPERATIONS		27,075,471	2,816,691	(5,200,752)	2,816,691
PROFIT / (LOSS) AFTER TAXATION					
DISCONTINUED OPERATIONS	10	(40,211,401)	(71,578,750)	(21,061,609)	(32,992,755)
PROFIT / (LOSS) AFTER TAXATION		(13,135,930)	(68,762,059)	(26,262,361)	(30,176,064)
LOSS PER SHARE - BASIC AND DILUTED					
PROFIT / LOSS PER SHARE - CONTINUING OPERATIONS		0.90	0.09	(0.17)	0.09
LOSS PER SHARE - DISCONTINUED OPERATIONS		(1.34)	(2.39)	(0.70)	(1.10)
		(0.44)	(2.30)	(0.87)	(1.01)

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

Lahore: Dated April 30, 2018

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED
MARCH 31, 2018

Balance as at July 1, 2016

Net loss for the nine months ended March 31, 2017

Transfer from surplus on revaluation of fixed
assets - net of tax

Balance as at March 31, 2017

Balance as at July 1, 2017

Net loss for the nine months ended March 31, 2018

Transfer from surplus on revaluation of fixed
assets - net of tax

Balance as at March 31, 2018

	Paid-up Capital Rupees	Revenue		Total Equity
		Accumulated Profit / (loss)		
Balance as at July 1, 2016	300,011,200	(816,970,385)		(516,959,185)
Net loss for the nine months ended March 31, 2017	-	(68,762,059)		(68,762,059)
Transfer from surplus on revaluation of fixed assets - net of tax	-	19,405,292		19,405,292
Balance as at March 31, 2017	300,011,200	(866,327,152)		(566,315,952)
Balance as at July 1, 2017	300,011,200	(787,599,475)		(487,588,275)
Net loss for the nine months ended March 31, 2018	-	(13,135,930)		(13,135,930)
Transfer from surplus on revaluation of fixed assets - net of tax	-	27,174,235		27,174,235
Balance as at March 31, 2018	300,011,200	(773,561,170)		(473,549,970)

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

Lahore: Dated April 30, 2018

Chief Executive Officer

Director

Chief Financial Officer

ICC TEXTILES LIMITED
CASH FLOW STATEMENT FOR THE
NINE MONTHS ENDED MARCH 31, 2018

		Jul 2017 to Mar 2018 Rupees	Jul 2016 to Mar 2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash used in continuing Operations	11	(17,088,827)	26,814,726
Net cash used in discontinued Operations	11	(16,522,026)	(40,156,333)
		(33,610,853)	(13,341,607)
Financial charges paid		(445,168)	(27,224,807)
Taxes paid		(1,050,507)	(2,280,798)
Gratuity paid - discontinued operations		(3,433,965)	(33,327,188)
		(4,929,640)	(62,832,793)
Net cash flow from operating activities	(A)	(38,540,493)	(76,174,400)
CASH FLOW FROM INVESTING ACTIVITIES			
Long term loans and advances		42,000	(36,000)
Sale proceeds of property, plant and equipment		74,347,268	94,337,812
Fixed capital expenditure		-	(1,241,728)
Net cash flow from investing activities	(B)	74,389,268	93,060,084
CASH FLOW FROM FINANCING ACTIVITIES			
Short term borrowings - secured		(617,139)	(119,457,134)
Long term financing from commercial banks - Secured		(15,000,000)	(113,803,596)
Long term loans from directors		8,140,000	201,853,964
Deferred Markup		-	4,909,730
		(7,477,139)	(26,497,036)
Net Increase in cash and bank balances	(A+B+C)	28,371,636	(9,611,352)
Cash and bank balances at the beginning of the period		455,207	11,442,103
Cash and bank balances at the end of the period		28,826,843	1,830,750

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

ICC TEXTILES LIMITED
NOTES TO THE ACCOUNTS FOR THE
NINE MONTHS ENDED MARCH 31, 2018

- 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, 2017.

		March 31, 2018 Rupees	June 30, 2017 Rupees
4	LONG TERM FINANCING FROM DIRECTORS- Unsecured		
	Interest free loans 4.1	161,400,785	150,357,690
	Interest bearing loan 4.2	139,445,436	136,976,963
	Interest bearing loans 4.3	222,393,965	214,253,965
		523,240,186	501,588,618

4.1	Original Loan amounts	321,531,223	321,531,223
	Less: Present Value Adjustment	206,132,600	206,132,600
		115,398,623	115,398,623
	Add: Interest charged to profit and loss account	46,002,162	34,959,067
		161,400,785	150,357,690

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

4.2	Original Loan amounts	140,000,000	140,000,000
	Less: Present Value Adjustment	9,653,031	9,653,031
		130,346,969	130,346,969
	Add: Interest charged to profit and loss account	9,098,467	6,629,994
		139,445,436	136,976,963

4.2.1 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.

4.3 These loans carry mark-up @ One Month KIBOR plus 2% and the loans are repayable in lump sum on December 31, 2020.

5 LONG TERM FINANCING FROM COMMERCIAL BANKS-Secured

	Original Loan amount - Interest free 5.1	86,215,829	86,215,829
	Less: Repayments up to end of period	(31,000,000)	(16,000,000)
		55,215,829	70,215,829
	Less: Present value adjustment	(8,604,541)	(8,604,541)
		46,611,288	61,611,288
	Add: Interest charged to profit and loss account	7,681,871	3,677,610
		54,293,159	65,288,898
	Less: Current portion	54,293,159	65,288,898
		-	-

5.1 This interest free loan, has been obtained from Faysal Bank Limited in accordance with short term finance facilities settlement agreement dated Dec 15, 2016 and is repayable by May 28, 2018. The loan has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instrument: Recognition and Measurement, and has been discounted using the weighted average interest rate of 8.26%.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There have been no change in contingencies since the last audited financial statements.

		Jul 2017 to Mar 2018 Rupees	Jul 2016 to Mar 2017 Rupees
7 ADDITIONS/DELETIONS IN FIXED ASSETS DURING THE PERIOD			
Additions in fixed assets		-	522,688
Deletions in fixed assets		29,223,772	210,000
Deletions in non-current assets held for sale		48,523,927	94,307,196
8 REVENUE			
- Sale of cloth - Discontinued operations	10.2	-	19,807,283
- Rental income - Continued operations		10,062,552	3,963,820
		10,062,552	23,771,103
9 TAXATION			
- Current		2,233,886	909,300
- Deferred		(719,159)	-
		1,514,727	909,300
10 LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS			
Sales		-	19,807,283
Cost of sales	10.1	(11,922,383)	(70,341,464)
Gross loss		(11,922,383)	(50,534,181)
Operating expenses:			
Administrative		-	(22,278,346)
Distribution cost		-	(1,978,653)
Other expenses		-	(729,774)
		-	(24,986,773)
		(11,922,383)	(75,520,954)
Other Income		(1,966,060)	34,123,998
Loss before finance cost		(13,888,443)	(41,396,956)
Finance cost		(37,812,514)	(39,304,008)
Loss before taxation		(51,700,957)	(80,700,964)
Taxation - Current		-	195,943
- Deferred		(11,489,556)	(9,318,157)
		(11,489,556)	(9,122,214)
Loss after taxation		(40,211,401)	(71,578,750)
10.1 Cost of Sales			
Raw materials consumed		-	2,578,472
Salaries, wages and benefits		4,013,217	20,972,544
Fuel & power		-	3,610,979
Stores & spares consumed		543,135	5,472,065
Insurance		-	441,995
Repair & maintenance		211,670	2,185,014
Processing charges		-	300,173
Depreciation		6,983,361	20,392,851
Others		171,000	932,000
		11,922,383	56,886,093
Adjustment of work-in-process:			
Opening Stock		68,500	4,880,817
Closing Stock		(68,500)	(91,441)
		-	4,789,376
Adjustment of finished goods:			
Opening Stock		762,935	8,489,330
Cloth purchased		-	860,982
Closing Stock		(762,935)	(684,317)
		-	8,665,995
		11,922,383	70,341,464

10.2 The loss after taxation from discontinued business pertains to sulzer dobby looms not in operation, hence generated nil revenue. By the end of reporting period, the company has sold balance sulzer dobby looms with accessories, equipment and parts enabling the company to rent out additional area.

	Jul 2017 - Mar 2018		Jul 2016 - Mar 2017	
	Continuing Operation Rupees	Discontinued Operation Rupees	Continuing Operation Rupees	Discontinued Operation Rupees
11 CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) for the period before taxation	28,590,198	(51,700,957)	3,725,991	(80,700,964)
Adjustments for:				
Depreciation on property, plant and equipment	2,284,604	6,392,552	-	20,816,968
(Gain) / Loss on disposal of property, plant and equipment	-	1,966,060	-	137,313
Amortization of interest free loans	-	-	-	(8,604,541)
Amortization of transaction cost	-	-	-	714,286
Unwinding of discount	-	17,515,830	-	21,332,298
Change in fair value of investment property	(48,501,126)	-	-	-
Staff gratuity	3,987,568	-	5,831,311	-
Financial cost	-	20,296,684	17,257,424	-
	(42,228,954)	46,171,126	23,088,735	34,396,324
	(13,638,756)	(5,529,831)	26,814,726	(46,304,640)
(Increase) / Decrease in current assets				
Stores, spares and loose tools	(399,683)	543,135	-	2,132,962
Stock in trade	-	-	-	13,655,716
Trade debts	(1,134)	-	-	7,783,024
Loans and advances	(81,486)	-	-	(343,743)
Short term prepayments and other receivables	(660,203)	-	-	(446,972)
	(1,142,505)	543,135	-	22,780,987
increase / (Decrease) in current liabilities				
Trade and other payables	-	(11,535,330)	-	(16,632,680)
Security deposits	(2,307,567)	-	-	-
Net cash used in operations	(17,088,828)	(16,522,026)	26,814,726	(40,156,333)

12 DATE OF AUTHORISATION

These accounts have been approved by the Board of directors on April 30, 2018.

13 COMPARITIVE FIGURES

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

Lahore: Dated April 30, 2018

Chief Executive Officer

Director

Chief Financial Officer

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