

(UN-AUDITED)

**ACCOUNTS
FOR THE QUARTER ENDING
September 30, 2011**



I C C Textiles Limited

I C C Textiles Limited

DIRECTORS' REVIEW

On behalf of the Board of Directors, I hereby present the accounts of the company for the first quarter which ended on September 30, 2010.

The Sales increased by 53.7% to Rs.524.680 million during the quarter as compared to Rs. 341.343 million for the corresponding period of the previous year. The company incurred a pre tax loss of Rs. 21.290 million as against a pretax loss of Rs. 37.152 million in the corresponding period.

The better results are mainly due to improved fabric market conditions and exemption from electricity load shedding for industrial units based primarily on Pepco grids.

There is an increase in our fuel and power cost by Rs. 10.642 million (31%), due to hike in electricity tariff, as compared to previous corresponding period and additional tax impact of Rs. 4.290 million due to imposition of 1% minimum tax on local sales w,e,f July 01 2010.

Moreover, due to depreciation of Pak Rupee there is a continued inflationary pressure and accordingly markup rates are on the rise.

On the positive side, we see a healthy demand for fabrics, however, the continuous escalation in cotton & yarn rates are posing a real challenge.

The European Union has almost finalized the import duty waiver for numerous textile products from Pakistan which includes a number of Greige fabric categories.

The directors of the company wish to record appreciation for the continued commitment and dedication of employees at all levels.

For and on behalf of the Board of Directors

Lahore
October 29, 2010

SHAFIQ A. SIDDIQI
Chief Executive

**BALANCE SHEET AS AT
SEPTEMBER 30, 2010**

	Note	September 2010 Rupees	June 2010 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorised share capital 16,000,000 ordinary shares (Jun. 2010: 16,000,000) of Rs.10 each		160,000,000	160,000,000
Issued, Subscribed & Paid up share capital 10,000,800 ordinary shares (Jun. 2010: 10,000,800) of Rs.10 each fully paid in cash		100,008,000	100,008,000
ACCUMULATED LOSSES		(428,077,133)	(408,027,287)
		(328,069,133)	(308,019,287)
SURPLUS ON REVALUATION OF LAND		474,166,225	478,414,294
LOANS FROM DIRECTORS AND MEMBERS		40,003,200	40,003,200
NON CURRENT LIABILITIES			
Long term financing from associated company		169,150,000	169,150,000
Long term financing from commercial banks		79,480,518	95,376,622
Liabilities against assets subject to finance lease		347,147	566,793
Deferred liabilities		36,143,209	33,853,029
Deferred taxation		133,495,433	135,782,855
CURRENT LIABILITIES			
Trade and other payables		150,772,134	152,058,736
Accrued markup		17,440,477	20,913,778
Short term borrowings		561,560,671	529,417,143
Current portion of long term liabilities		34,134,861	34,134,861
Provision for taxation		732,428	-
		764,640,571	736,524,518
CONTINGENCIES AND COMMITMENTS	4	-	-
		1,369,357,170	1,381,652,024
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		984,259,235	992,440,514
Assets subject to finance lease		1,757,145	5,218,846
		986,016,380	997,659,360
LONG TERM LOANS AND ADVANCES		136,180	148,000
LONG TERM DEPOSITS AND PREPAYMENTS		1,853,884	1,853,884
CURRENT ASSETS			
Stores, spares and loose tools		30,550,951	27,905,515
Stock in trade		180,436,671	228,873,000
Trade debts		90,823,124	60,212,200
Loans and advances		20,840,307	9,925,869
Trade deposits and short term prepayments		4,614,856	2,686,347
Other receivables		47,223,753	43,970,737
Income tax refundable		-	2,304,115
Cash and bank balances		6,861,066	6,112,997
		381,350,726	381,990,780
		1,369,357,170	1,381,652,024

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

Lahore
October 29, 2010

Director

Chief Executive

**PROFIT AND LOSS ACCOUNT
FOR THE QUARTER
ENDED SEPTEMBER 30, 2010**

	Note	Jul-Sep 2010 Rupees	Jul-Sep 2009 Rupees
SALES		524,679,884	341,342,667
COST OF SALES		506,726,433	340,027,568
GROSS PROFIT		17,953,451	1,315,099
OPERATING EXPENSES:			
Administrative		6,715,494	6,101,605
Distribution cost		3,257,020	4,954,596
Other operating expenses		192,084	165,307
		10,164,599	11,221,508
OPERATING PROFIT / (LOSS)		7,788,852	(9,906,409)
FINANCIAL COST		29,080,756	27,227,465
		(21,291,905)	(37,133,874)
OTHER OPERATING INCOME / (CHARGES)		2,387	(18,216)
LOSS BEFORE TAXATION		(21,289,517)	(37,152,090)
TAXATION	6	3,008,398	(2,369,009)
LOSS AFTER TAXATION		(24,297,915)	(34,783,081)
LOSS PER SHARE - BASIC AND DILUTED		(2.43)	(3.48)

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

Director

Chief Executive

**CASH FLOW STATEMENT
FOR THE QUARTER
ENDED SEPTEMBER 30, 2010**

	Jul-Sep 2010 Rupees	Jul-Sep 2009 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period before taxation	(21,289,517)	(37,152,090)
Adjustments for:		
Depreciation on property, plant and equipment	12,368,730	20,163,919
Depreciation on leased assets	92,481	248,730
(Gain) / Loss on disposal of property, plant and equipment	-	(6,551)
Staff gratuity	2,642,130	2,386,585
Financial cost	29,080,756	27,227,465
	<u>44,184,097</u>	<u>50,020,148</u>
	22,894,580	12,868,058
 (Increase) / Decrease in current assets		
Stores, spares and loose tools	(2,645,435)	1,454,732
Stock in trade	48,436,329	20,764,648
Trade debts	(30,610,923)	17,633,397
Loans and advances	(10,914,438)	(2,989,565)
Trade deposits and short term prepayments	(1,928,509)	457,638
Other receivables	(3,253,016)	(1,054,738)
	<u>(915,992)</u>	<u>36,266,112</u>
 Increase / (Decrease) in current liabilities		
Trade and other payables	(1,286,601)	(19,930,841)
	<u>20,691,987</u>	<u>29,203,329</u>
Cash generated from operations		
Financial charges paid	(32,554,057)	(31,109,075)
Taxes paid	(2,259,277)	(1,732,829)
Gratuity paid	(351,950)	(1,058,650)
	<u>(35,165,284)</u>	<u>(33,900,554)</u>
Net cash flow from operating activities (A)	(14,473,297)	(4,697,225)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term advances, deposits and deferred costs	11,820	53,600
Sale proceeds of property, plant and equipment	-	33,000
Fixed capital expenditure	(818,232)	(1,874,461)
Net cash flow from investing activities (B)	(806,412)	(1,787,861)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings - Secured	32,143,528	9,598,974
Long term financing from commercial banks - Secured	(15,896,104)	-
Liabilities against assets subject to finance lease	(219,646)	(510,601)
Dividend paid	-	-
Net cash flow from financing activities (C)	<u>16,027,778</u>	<u>9,088,373</u>
Net Increase/(Decrease) in cash and bank balances (A + B + C)	748,069	2,603,287
Cash & bank balances at the beginning of the period	6,112,997	5,913,744
Cash & bank balances at the end of the period	<u>6,861,066</u>	<u>8,517,031</u>

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

Director

Chief Executive

**STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER
ENDED SEPTEMBER 30, 2010**

	Paid-up Capital Rupees	Accumulated (Loss) Rupees	Total Rupees
Balance as at June 30, 2009	100,008,000	(279,881,271)	(179,873,271)
Net loss for the period		(34,783,081)	(34,783,081)
Incremental depreciation - net of tax		6,729,011	6,729,011
Balance as at September 30, 2009	100,008,000	(307,935,341)	(207,927,341)
Balance as at June 30, 2010	100,008,000	(408,027,287)	(308,019,287)
Net loss for the period		(24,297,915)	(24,297,915)
Incremental depreciation - net of tax		4,248,069	4,248,069
Balance as at September 30, 2010	100,008,000	(428,077,133)	(328,069,133)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

- These accounts have been prepared in accordance with the requirements of International Accounting Standard No. 34 "Interim Financial Reporting".
- The accounts are being submitted to the shareholders as required by Section 245 of The Companies Ordinance, 1984.
- 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, 2010.
- CONTINGENCIES AND COMMITMENTS

4.1 Commitments

Commitments against irrevocable letters of credit were as under:

	September, 2010 Rupees	June, 2010 Rupees
Import of stores and raw materials	655,120	6,992,000

4.2 Others

There are no other significant activities since June 30, 2010 affecting financial statements.

5. ADDITIONS / DELETIONS IN FIXED ASSETS
DURING THE PERIOD

	2010 Rupees	2009 Rupees
Additions in fixed assets	818,232	1,874,462
Deletions in fixed assets	-	55,940



	2010 Rupees	2009 Rupees
6. TAXATION		
- Current	5,295,820	1,254,304
- Deferred	(2,287,422)	(3,623,313)
	<u>3,008,398</u>	<u>(2,369,009)</u>
7. EARNING PER SHARE - BASIC AND DILUTED		
Profit / (Loss) after tax	(24,297,915)	(34,783,081)
Weighted average number of ordinary shares	10,000,800	10,000,800
Basic earning per share	(2.43)	(3.48)

8. DATE OF AUTHORISATION

These accounts have been approved by the Board of directors on October 29, 2010.

9. COMPARATIVE FIGURES

- have been rounded of to the nearest rupee.

Director

Chief Executive

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