

**(UN-AUDITED)**

**ACCOUNTS  
FOR THE QUARTER ENDED  
September 30, 2014**



**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 accounts of the company for the first quarter which ended on September 30, 2014.

During the first quarter, the Sales decreased to Rs. 132.094 million as compared to Rs. 405.403 million for the corresponding period of the previous year. The company incurred an after tax loss of Rs. 48.821 million as against an after tax loss of Rs. 19.422 million in the corresponding period.

The decrease in sales is mainly due to loom stoppage as a result of excessive load shedding and depressed market conditions. Fabric production in Sq Meters at 60 picks reduced by 2.986 million (55%) i.e., from 5.380 million to 2.394 million. The problem has been further compounded by a hike in industrial electricity tariff by 60% since Aug 05, 2013.

Moreover, the negative impact felt by us was even more severe due to non-availability of an industrial gas connection. Our efforts are continuing to secure the long overdue gas connection from SNGPL.

On the positive side US\$ exchange rate increased from Rs. 98.40 in June 2014 to Rs. 102.50 in Sep 2014, however, the benefit was not substantial due to depressed exports.

There is an overdue installment of term loan obtained from MCB Bank amounting to Rs. 15.896 million and effort is being made to clear it as soon as possible.

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

For and on behalf of the Board of Directors

Lahore  
October 31, 2014

**SHAFIQA. SIDDIQI**  
Chief Executive

**BALANCE SHEET AS AT  
SEPTEMBER 30, 2014**

<b><u>EQUITY AND LIABILITIES</u></b>	Note	September, 2014 Rupees	June 2014 Rupees
<b>SHARE CAPITAL</b>			
<b>Authorised share capital</b> 32,000,000 ordinary shares (June 2014: 32,000,000) of Rs.10 each		<b>320,000,000</b>	320,000,000
<b>Issued, Subscribed &amp; Paid up share capital</b> 30,001,120 ordinary shares (June 2014: 30,001,120) of Rs.10 each fully paid in cash		<b>300,011,200</b>	300,011,200
<b>ACCUMULATED LOSSES</b>		<b>(636,699,923)</b>	(592,182,052)
		<b>(336,688,723)</b>	(292,170,852)
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		<b>481,221,784</b>	485,525,336
<b>NON CURRENT LIABILITIES</b>			
Long term financing from directors	4	<b>56,374,844</b>	52,184,882
Deferred liabilities		<b>188,140,239</b>	186,852,338
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>184,838,868</b>	152,455,451
Accrued markup		<b>38,146,535</b>	30,495,553
Short term borrowings		<b>520,506,579</b>	501,895,294
Current portion of long term liabilities		<b>15,896,104</b>	15,896,104
		<b>759,388,086</b>	700,742,402
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-	-
		<b>1,148,436,230</b>	1,133,134,106
<b><u>ASSETS</u></b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		<b>921,549,620</b>	933,610,584
<b>LONG TERM LOANS AND ADVANCES</b>		<b>134,500</b>	190,000
<b>LONG TERM DEPOSITS AND PREPAYMENTS</b>		<b>1,629,034</b>	1,629,034
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		<b>33,138,386</b>	35,161,902
Stock in trade		<b>44,742,957</b>	76,581,261
Trade debts		<b>78,662,512</b>	20,595,390
Loans and advances		<b>7,417,686</b>	5,429,554
Trade deposits and short term prepayments		<b>2,892,316</b>	1,844,399
Other receivables		<b>36,998,222</b>	36,683,679
Income tax refundable		<b>19,932,586</b>	19,505,959
Cash and bank balances		<b>1,338,411</b>	1,902,344
		<b>225,123,076</b>	197,704,488
		<b>1,148,436,230</b>	1,133,134,106

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

Lahore:  
October 31, 2014

Director

Chief Executive

**PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER  
ENDED SEPTEMBER 30, 2014**

	Note	July-Sep 2014 Rupees	July-Sep 2013 Rupees
<b>SALES</b>		<b>132,093,781</b>	405,403,435
<b>COST OF SALES</b>		<b>161,840,719</b>	413,278,587
<b>GROSS PROFIT / ( LOSS )</b>		<b>(29,746,938)</b>	(7,875,152)
<b>OPERATING EXPENSES</b>			
Distribution cost		2,651,867	3,848,134
Administrative expenses		9,034,334	8,881,964
Other operating expenses		211,244	204,109
		<b>11,897,445</b>	12,934,207
		<b>(41,644,384)</b>	(20,809,359)
<b>OTHER OPERATING INCOME</b>		<b>7,608,262</b>	17,780,332
<b>OPERATING PROFIT / ( LOSS )</b>		<b>(34,036,122)</b>	(3,029,027)
<b>FINANCE COST</b>		<b>16,727,954</b>	16,145,500
<b>LOSS BEFORE TAXATION</b>		<b>(50,764,076)</b>	(19,174,527)
<b>TAXATION</b>	7	<b>(1,942,653)</b>	247,766
<b>LOSS AFTER TAXATION</b>		<b>(48,821,423)</b>	(19,422,293)
<b>LOSS PER SHARE - BASIC AND DILUTED</b>		(1.63)	(0.65)

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

Director

Chief Executive

**CASH FLOW STATEMENT  
FOR THE QUARTER  
ENDED SEPTEMBER 30, 2014**

	July-Sep 2014 Rupees	July-Sep 2013 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) for the period before taxation</b>	<b>(50,764,076)</b>	(19,174,527)
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	11,818,649	11,720,387
(Gain) / Loss on disposal of property, plant and equipment	(1,269,865)	-
Amortization of interest free loans	(6,336,455)	(17,768,201)
Unwinding of discount	1,428,917	949,980
Staff gratuity	3,858,122	3,845,455
Financial cost	15,299,037	16,062,958
	<b>24,798,404</b>	14,810,579
	<b>(25,965,672)</b>	(4,363,948)
<b>(Increase) / Decrease in current assets</b>		
Stores, spares and loose tools	2,023,514	3,036,868
Stock in trade	31,838,303	14,157,963
Trade debts	(58,067,122)	(14,699,555)
Loans and advances	(1,988,131)	(20,653,197)
Trade deposits and short term prepayments	(1,047,917)	(1,571,655)
Other receivables	(314,543)	(7,636,269)
	<b>(27,555,896)</b>	(27,365,845)
<b>Increase / (Decrease) in current liabilities</b>		
Trade and other payables	32,383,418	(6,024,764)
<b>Cash generated from operations</b>	<b>(21,138,150)</b>	(37,754,557)
Financial charges paid	(7,648,056)	(15,407,196)
Taxes paid	(700,955)	(3,222,476)
Gratuity paid	(353,239)	(1,525,744)
	<b>(8,702,250)</b>	(20,155,416)
<b>Net cash flow from operating activities (A)</b>	<b>(29,840,400)</b>	(57,909,973)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Long term loans & advances	55,500	14,000
Sale proceeds of property, plant and equipment	1,733,333	-
Fixed capital expenditure	(221,152)	(709,800)
<b>Net cash flow from investing activities (B)</b>	<b>1,567,681</b>	(695,800)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings - Secured	18,611,285	36,453,857
Long term financing from commercial banks	-	(1,000,000)
Long term loans from directors	9,097,500	21,622,970
<b>Net cash flow from financing activities (C)</b>	<b>27,708,785</b>	57,076,827
<b>Net Increase/(Decrease) in cash and bank balances (A+B+C)</b>	<b>(563,934)</b>	(1,528,946)
<b>Cash &amp; bank balances at the beginning of the period</b>	<b>1,902,343</b>	5,498,515
<b>Cash &amp; bank balances at the end of the period</b>	<b>1,338,411</b>	3,969,570

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, 2014**

	Paid-up Capital Rupees	Accumulated (Loss) Rupees	Total Rupees
<b>Balance as at June 30, 2013</b>	300,011,200	(535,938,713)	(235,927,513)
Net loss for the period	-	(19,422,293)	(19,422,293)
Incremental depreciation - net of tax	-	4,238,346	4,238,346
<b>Balance as at September 30, 2013</b>	<b>300,011,200</b>	<b>(551,122,660)</b>	<b>(251,111,460)</b>
<b>Balance as at June 30, 2014</b>	300,011,200	(592,182,052)	(292,170,852)
Net loss for the period	-	(48,821,423)	(48,821,423)
Incremental depreciation - net of tax	-	4,303,552	4,303,552
<b>Balance as at September 30, 2014</b>	<b>300,011,200</b>	<b>(636,699,923)</b>	<b>(336,688,723)</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

- 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, 2014.

	September, 2014 Rupees	June 2014 Rupees
<b>4. LONG TERM FINANCING FROM DIRECTORS</b>		
Original Loan amounts	<b>171,809,520</b>	162,712,020
Less: present value adjustment	<b>(120,269,693)</b>	(113,933,238)
	<b>51,539,827</b>	48,778,782
Interest charged to profit and loss account	<b>4,835,017</b>	3,406,100
	<b>56,374,844</b>	52,184,882

These interest free loans have 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 ranging 10.24% to 11.64%.

September, 2014  
Rupees

June 2014  
Rupees

**5. CONTINGENCIES AND COMMITMENTS**

**5.1 Commitments**

Commitments against irrevocable letters of credit were as under:

Import of stores and raw materials - -

**5.2 Others**

There are no other significant activities since June 30, 2014 affecting financial statements.

2014  
Rupees

2013  
Rupees

**6. ADDITIONS / DELETIONS IN FIXED ASSETS DURING THE PERIOD**

Additions in fixed assets 221,152 709,800  
Deletions in fixed assets 2,800,000 -

**7. TAXATION**

- Current 274,329 2,529,953  
- Deferred (2,216,982) (2,282,187)  
(1,942,653) 247,766

**8. EARNING PER SHARE - BASIC AND DILUTED**

Profit / (Loss) after tax (48,821,423) (19,422,293)  
Weighted average number of ordinary shares 30,001,120 30,001,120  
Basic earning per share (1.63) (0.65)  
(1.63) (0.65)

**9. DATE OF AUTHORISATION**

These accounts have been approved by the Board of directors on October 31, 2014.

**10. COMPARATIVE FIGURES**

- have been rounded off to the nearest rupee.

Director

Chief Executive

## BOOK POST

*If undelivered, Please Return to:*  
**I C C Textiles Limited**  
242 - A, Anand Road, Upper Mall,  
P.O. Box 1280, Lahore 54000. Pakistan.

 Spharitech  
Tel: 3608223