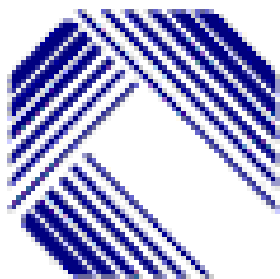

**FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2018
(UN-AUDITED)**



ICC Textiles Limited



DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, we hereby present the interim financial information of the company for the nine months ended on September 30, 2018.

The company suffered a loss after tax amounting to Rs. 22.254 million and registered revenue of Rs. 6.323 million as against after tax loss of Rs. 23.980 million against revenue of Rs. 2.321 million in the corresponding period resulting in loss per share of Rs. 0.74 (Jul 2018 - Sep 2018 Rs. 0.80 loss per share). Revenue comprising of rental income only attributed to disposal of all its looms & certain allied equipment, 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. Accordingly, profit and loss account of the discontinued textiles operations has been separately prepared and included in the above cited results.

We continue to focus on enhancing our revenue by renting out additional covered area of mills premises. Meanwhile, we are in negotiation with various buyers for disposal of our remaining textile equipment / assets classified as held for sale.

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: December 01, 2018

PERVAIZ S. SIDDIQI
Director

JAVAI D S. SIDDIQI
Chief Executive Officer

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

EQUITY AND LIABILITIES	Note	September, 2018 Rupees	June 2018 Rupees
SHARE CAPITAL			
Authorised share capital			
32,000,000 ordinary shares (June 2018: 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 2018: 30,001,120) of Rs.10 each fully paid in cash		300,011,200	300,011,200
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX		574,613,860	574,923,455
ACCUMULATED LOSS		(763,615,498)	(741,670,612)
		111,009,562	133,264,043
NON CURRENT LIABILITIES			
Long term financing from directors	4	556,850,512	551,524,401
Long term financing from commercial banks	5	0	0
Deferred liabilities		78,596,016	85,887,966
		635,446,528	637,412,367
CURRENT LIABILITIES			
Trade and other payables		99,465,539	91,949,560
Security deposits		5,923,376	5,546,163
Accrued mark-up		39,268,575	29,833,050
Short term borrowings		35,784,203	35,810,966
Un-claimed dividend		1,662,656	1,662,656
		182,104,349	164,802,395
CONTINGENCIES AND COMMITMENTS	6	928,560,439	935,478,805
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		12,889,589	13,453,832
Investment property		844,019,885	844,019,885
Long term loans and advances		0	58,000
Long term deposits		1,469,034	1,629,034
		858,378,508	859,160,751
CURRENT ASSETS			
Stores, spares and loose tools		11,970,479	15,880,663
Stock in trade		734,477	734,477
Loans and advances		1,135,231	734,665
Short term prepayments and other receivables		1,035,755	1,392,421
Tax refunds due from Government		36,196,525	37,645,656
Cash and bank balances		623,983	1,362,310
		51,696,450	57,750,192
Non-current assets classified as held for sale		18,485,481	18,567,862
		928,560,439	935,478,805

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

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR
THE QUARTER ENDED SEP 30, 2018**

	Note	Jul-Sep 2018 Rupees	Jul-Sep 2017 Rupees
REVENUE	8	6,322,658	2,321,110
DIRECT COST		(3,762,729)	(3,145,973)
GROSS PROFIT / (LOSS)		2,559,929	(824,863)
DISTRIBUTION COST		-	(246,408)
ADMINISTRATION COST		(7,035,700)	(7,123,674)
OTHER EXPENSES		(197,592)	(191,922)
OTHER INCOME		89	2,654
OPERATING LOSS		(4,673,274)	(8,384,213)
FINANCE COST		(14,059,463)	(12,491,671)
LOSS BEFORE TAXATION		(18,732,737)	(20,875,884)
TAXATION	9	(1,290,735)	(398,628)
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS		(20,023,472)	(21,274,512)
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	10	(2,231,009)	(2,705,820)
LOSS AFTER TAXATION		(22,254,481)	(23,980,332)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		(22,254,481)	(23,980,332)
LOSS PER SHARE- BASIC AND DILUTED			
- LOSS PER SHARE FROM CONTINUING OPERATIONS		(0.67)	(0.71)
- LOSS PER SHARE FROM DISCONTINUED OPERATIONS		(0.07)	(0.09)
		(0.74)	(0.80)

**STATEMENT OF CHANGES IN
EQUITY FOR THE QUARTER
ENDED SEPTEMBER 30, 2018**

	Paid-up Capital Rupees	Revaluation Surplus Rupees	Accumulated (Loss) Rupees	Total Rupees
Balance as at June 30, 2017	300,011,200	603,715,735	(787,599,477)	116,127,458
Other comprehensive income for the period			-	-
Net loss for the period			(23,980,332)	(23,980,332)
Incremental depreciation - net of tax		(5,400,570)	5,400,570	0
Balance as at September 30, 2017	300,011,200	598,315,165	(806,179,239)	92,147,126
Balance as at June 30, 2018	300,011,200	574,923,455	(741,670,612)	133,264,043
Other comprehensive income for the period			-	-
Net loss for the period			(22,254,481)	(22,254,481)
Incremental depreciation - net of tax		(309,595)	309,595	0
Balance as at September 30, 2018	300,011,200	574,613,860	(763,615,498)	111,009,562

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

**STATEMENT OF CASH FLOWS FOR THE
THE QUARTER ENDED SEP 30, 2018**

	Note	Jul-Sep 2018 Rupees	Jul-Sep 2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash flow from continuing Operations	11	7,449,237	(7,615,834)
Net cash flow from discontinued Operations	11	(933,467)	(10,630,589)
		6,515,770	(18,246,423)
Financial charges paid		(897,827)	(118,438)
Taxes paid		(24,757)	170,090
Gratuity paid		(8,406,083)	(1,302,465)
		(9,328,667)	(1,250,813)
Net cash flow from operating activities	(A)	(2,812,897)	(19,497,236)
CASH FLOW FROM INVESTING ACTIVITIES			
Long term loans & advances		218,000	49,000
Sale proceeds of property, plant and equipment & assets held for sale		283,333	18,689,421
Fixed capital expenditure		-	-
Net cash flow from investing activities	(B)	501,333	18,738,421
CASH FLOW FROM FINANCING ACTIVITIES			
Short term borrowings - Secured		(26,764)	44,300
Long term loans from directors		1,600,000	700,000
Net cash flow from financing activities	(C)	1,573,236	744,300
Net Increase/(Decrease) in cash and bank balances	(A+B+C)	(738,328)	(14,515)
Cash & bank balances at the beginning of the period		1,362,310	455,207
Cash & bank balances at the end of the period		623,983	440,693

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

Lahore: Dated Dec. 01, 2018

Chief Executive Officer

Director

Chief Financial Officer

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
THE QUARTER ENDED SEP 30, 2018**

- 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 237 of The Companies Act, 2017.
- 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.

		Sep, 2018 Rupees	June 2018 Rupees
4 LONG TERM FINANCING FROM DIRECTORS- Unsecured			
Interest free loan	4.1	168,988,245	165,262,134
Interest bearing loan - 1	4.2	140,000,000	140,000,000
Interest bearing loan - 2	4.3	167,862,267	166,262,267
Interest bearing loan - 3	4.4	80,000,000	80,000,000
		556,850,512	551,524,401
4.1	Original Loan amounts	321,531,222	321,531,223
	Less: Present value adjustment	206,132,600	206,132,600
		115,398,622	115,398,623
	Add: Interest charged to profit and loss account	53,589,622	49,863,511
		168,988,244	165,262,134



- 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** This loan carries mark-up @ One Month KIBOR plus 2% and the loans are repayable in lump sum on June 2025.
- 4.3** This loan carries mark-up @ One Month KIBOR plus 2% and the loans are repayable in lump sum on December 31, 2020.
- 4.4** This loan carries mark-up @ One Month KIBOR plus 2% and the loan is repayable in lump sum on December 31, 2020.

5 LONG TERM FINANCING FROM COMMERCIAL BANK-Secured

Original Loan amount - Interest free	5.1	-	86,215,829
Less: Repayments up to end of period		-	(86,215,829)
Less: Present value adjustment		-	(8,604,541)
		-	(8,604,541)
Add: Interest charged to profit and loss account		-	8,604,541
		-	-

- 5.1** This interest free loans was 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%. The loan was fully repaid in April 2018.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There are no other significant activities since June 30, 2018 affecting financial statements.

7 ADDITIONS / DELETIONS IN FIXED ASSETS DURING THE PERIOD

		Jul-Sep 2018 Rupees	Jul-Sep 2017 Rupees
Written down value - opening		13,453,832	242,182,763
Cost of addition		-	-
Disposal during the year - WDV	7.1	11,231	6,767,884
Depreciation charge for the period		553,013	5,240,062
		564,244	12,007,946
		12,889,588	230,174,817
7.1 Disposal during the period:			
Cost		504,520	6,936,804
Less: Accumulated depreciation		(493,289)	(168,920)
		11,231	6,767,884
8 REVENUE			
- Rental income		6,322,658	2,321,110
9 TAXATION			
- Current		1,403,630	515,286
- Deferred		(112,895)	(116,658)
		1,290,735	398,628
10 LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS			
Sales		-	-
Cost of sales	10.1	2,199,865	6,603,702
Gross loss		(2,199,865)	(6,603,702)
Other expenses		240,654	-
Other income		189,721	1,471,539
Loss before taxation		(2,250,798)	(5,132,163)
Taxation - Current		-	-
- Deferred		(19,789)	(2,426,343)
		(19,789)	(2,426,343)
Loss after taxation		(2,231,009)	(2,705,820)

10.1 Cost of Sales

Salaries, wages and benefits	683,523	1,647,892
Spares consumed	1,507,052	64,558
Repair & maintenance	-	119,900
Depreciation	-	4,672,352
Others	9,290	99,000
	2,199,865	6,603,702
Adjustment of work-in-process:		
Opening Stock	-	68,500
Closing Stock	-	(68,500)
	-	-
	Jul-Sep 2018 Rupees	Jul-Sep 2017 Rupees
Adjustment of finished goods:		
Opening Stock	734,477	762,935
Closing Stock	(734,477)	(762,935)
	-	-
	2,199,865	6,603,702

	Jul 2018 - Sep 2018		Jul 2017 - Sep 2017	
	Continuing Operation	Discontinued Operation	Continuing Operation	Discontinued Operation
11 CASH FLOW FROM OPERATING ACTIVITIES				
Loss) before taxation	(18,732,737)	(2,250,798)	(20,875,884)	(5,132,163)
Adjustments for:				
Depreciation	553,013	-	567,710	4,672,352
(Gain)/Loss on disposal of property plant and equipment	-	(189,721)	-	(1,471,539)
Amortization of interest free loans	-	-	-	-
Amortization of transaction cost	-	-	-	-
Unwinding of discount	3,726,111	-	5,719,341	-
Staff gratuity	1,246,816	-	1,329,189	-
Financial cost	10,333,352	-	6,772,331	-
	15,859,292	(189,721)	14,388,571	3,200,813
	(2,873,445)	(2,440,519)	(6,487,313)	(1,931,350)
(Increase) / Decrease in current assets				
Stores, spares and loose tools	2,403,131	1,507,052	(6,259)	64,558
Stock in trade	-	-	-	-
Trade debts	-	-	85	-
Loans and advances	(400,566)	-	(16,569)	-
S.T prepayments & other receivables	426,924	-	(1,105,778)	-
	2,429,489	1,507,052	(1,128,521)	64,558
Increase / (Decrease) in current liabilities				
Trade and other payables	7,515,980	-	-	(8,763,797)
Security deposits	377,213	-	-	-
Net cash used in operations	7,449,237	(933,467)	(7,615,834)	(10,630,589)

12 DATE OF AUTHORISATION

These accounts have been approved by the Board of Directors on November 30, 2018.

13 COMPARATIVE FIGURES

- have been rounded off to the nearest rupee.
- have been re-arranged and / or reclassified, wherever considered necessary. However, no significant reclassification has been made in these financial statements, except for reclassification of surplus on revaluation and disclosure of discontinued operations.