CONTENTS

COMPANY INFORMATION

Board of Directors

Mr. Shafiq A. Siddiqi	Chief Executive
Mr. Javaid S. Siddiqi	
Mr. Pervaiz S. Siddiqi	
Mrs. Fauzia Javaid	
Mr. Salman Javaid Siddiqi	
Mr. Asim Pervaiz Siddiqi	
Mr. Adnan Javaid Siddiqi	

Audit Committee

Mr. Javaid S. Siddiqi	Chairman
Mr. Pervaiz S. Siddiqi	Member
Mr. Salman Javaid Siddiqi	Member

HR&R Committee

Mr. Pervaiz S. Siddiqi	Chairman
Mr. Javaid S. Siddiqi	Member
Mr. Asim Pervaiz Siddiqi	Member

Company Secretary

- Mr. Sohail Ashraf

Chief Financial Officer

- Mr. Javed Rashid

Auditors

- Grant Thornton Anjum Rahman
  Chartered Accountants
  01-Inter Floor, Eden Centre,
  Jail Road, Lahore.

Bankers

- MCB Bank Limited
- Faysal Bank Limited
- Bank AL Habib Limited
- United Bank Limited
- National Bank of Pakistan
- Allied Bank Limited
- Habib Metropolitan Bank Limited

Legal Advisor

- Imtiaz Siddiqi Associates
  179/180-A, Scotch Corner, Upper Mall Scheme,
  Lahore-Pakistan. Tel: 042-35758573-35758574
  Fax: 042-35758572

Shares Registrar

- Corplink (Pvt.) Ltd.
  Wings Arcade, 1-K Commercial,
  Model Town, Lahore.
  Ph: 042-35916714, 35916719
  Fax : 042-35869037

Registered Office

242-A, Anand Road,
Upper Mall, Lahore.
Ph: 042-35751765-67
Fax : 042-35789206
Web site : www.icctextiles.com

Factory

32-K.M. Lahore-Multan Road,
Sunder, Distt. Lahore.
Ph: 042-35975426-27
Fax : 042-35975428

Notice of Annual General Meeting

Notice is hereby given that the Twenty Seventh (27th) Annual General Meeting of ICC Textiles Limited will be held at Company's Registered Office at 242-A, Anand Road, Upper Mall, Lahore on Saturday, October 31, 2015 at 10:30 a.m. to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on October 31, 2014.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2015 together with the Directors' and Auditors' Reports thereon.
3. To appoint auditors for the year ending June 30, 2016 and to fix their remuneration.
4. To approve Board of Directors' plan to consolidate the company's resources by repaying / reducing finance facilities extended by the banks, mainly through sponsors' loans injection, company's operations and sale of inefficient, almost 25 years old, sulzer looms installed in 1991 with back process equipment in order to reduce dependency on external debt and finance cost of the company.
5. Any other business with the permission of the Chair.

By Order of the Board

Sd/-
SOHAIL ASHRAF
Company Secretary

LAHORE:
October 09, 2015

Notes:

1. The Share Transfer Books of the Company will remain closed from 22.10.2015 to 31.10.2015 (both days inclusive). No transfer will be accepted for registration during this period.
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. The CDC Account Holders are requested to bring their original CNIC and participant ID to attend the meeting.
3. Shareholders are requested to promptly notify the change in their address, if any to the Company's Shares Registrar M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore.

STATEMENT U/S 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts pertaining to the special business, item No. 4 of the agenda, to be transacted at the Annual General Meeting of the company scheduled to be held on October 31, 2015.

The company is operating a weaving textile unit located at 32 K.M. Multan Road, Lahore. Consent of Shareholders is sought in the general meeting for disposal of plant & machinery. The board of directors has already approved the disposal of such assets subject to the consent / authorization of the company's shareholders in coming general meeting. The information required under notification No. SRO 1227/2005 dated December 12, 2005 is as follows:

The detail of assets to be disposed off or sold is as under:

PARTICULARS OF ASSETS	QUANTITY NO.s	COST Mill Rs.
Sulzer Looms - P7100 390 cm (Switzerland)	23	69.569
Warping Machine - Benninger Zell (Switzerland)	1	8.917
Sizing Machine - Benninger Zell (Germany)	1	15.065
	Total	93.551

Book value as on June 30, 2015 is Rs. 33.443 million.

The proposed manner of disposal

The plant and machinery will be disposed off on competitive prices offered or settled through negotiations with the buyers.

Reason for disposal of assets

The machinery is inefficient, almost 25 years old.

Benefits expected to accrue to the shareholders

The proceeds from disposal of such assets will be utilized in reduction of company’s banks borrowings and thus to reduce finance cost of the company.

Directors of the company or their spouses have no direct or indirect interest in the above said business except as shareholders of the company.

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the board of directors, I take pleasure in presenting the audited financial statements of the company pertaining to the financial year ended on June 30, 2015.

Financial Highlights

The company incurred an after tax loss of Rs. 63.965 million on total sales of Rs. 540.948 million as against an after tax loss of Rs. 73.401 million on total sales of Rs. 1,234.768 million in the preceding period.

• Sales	Rs.	540,947,637
• Gross Profit / (Loss)	Rs.	-118,157,964
• Operating Profit / (Loss)	Rs.	-13,035,630
• Finance Cost	Rs.	62,866,923
• Profit / (Loss) after tax	Rs.	-63,964,762
• Unappr. (Loss) brought forward	Rs.	-592,182,052
• Total Accumulated (Loss)	Rs.	-625,212,279
• Earning/(Loss) per share	Rs.	-2.13

Period under Review

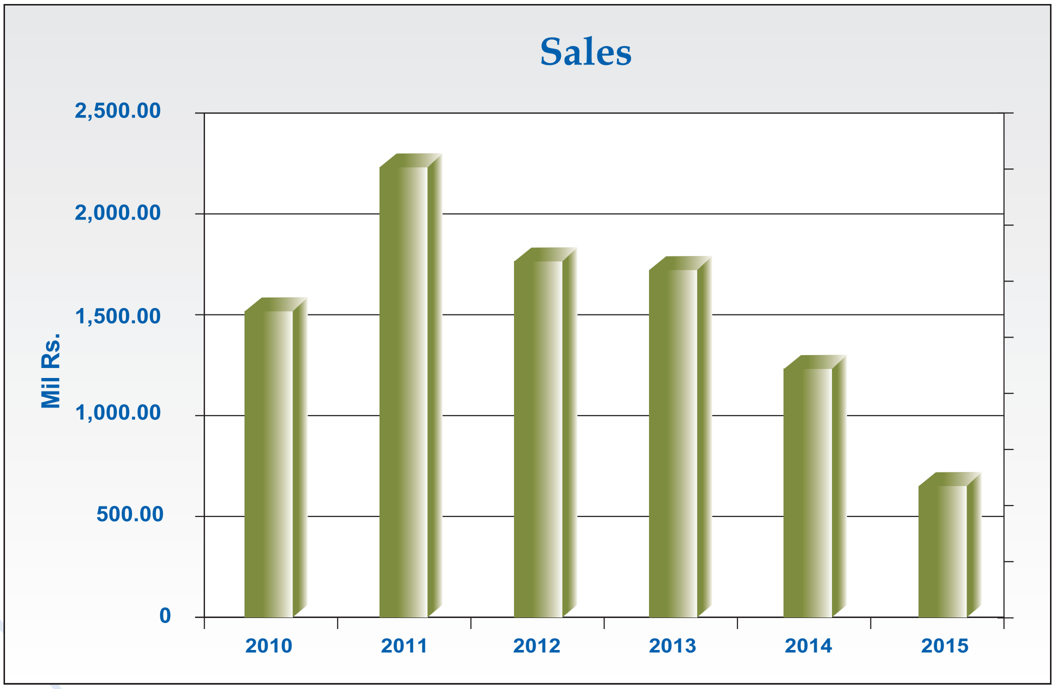
The weaving sector, in particular, and textile industry, in general, has witnessed yet another difficult year with low demand and falling prices causing the market to remain in a depressed state for the length of the year. Overall export of greige fabric from the country declined mainly due to an overvalued Pak Rupee exchange rate as compared to other world currencies. The depreciation of the Euro against the US dollar slowed sales to the European market. Furthermore, the situation remained aggravated as the global fabric market kept its bearish sentiment.

Contrary to government's claims of improvement in the energy situation, the problem further worsened in the industrial sector due to the persistent problem of non-availability of continuous electric power. Fabric production was adversely impacted due to excessive scheduled and un-scheduled WAPDA load-shedding resulting in production delays and losses. Being the only modern weaving unit in the organized sector, without a captive power gas connection, we have been deprived access to cheaper continuous power, thus incurring a higher loss as compared to other domestic competitors. The financial suffering of the Pakistan industrial sector was further compounded due to government's reluctance to pass on the relief in Oil prices to the Electricity tariff, wherein additional surcharges were imposed to offset the savings in fuel cost.

The following factors influenced the performance of the company during this period:

- Fabric production in Sq Meters at 60 picks reduced by 8.333 million (45%) as compared to previous year i.e. from 18.312 million to 9.979 million. The low production was attributed to only two shifts working due to power load shedding and closure of one shed comprising inefficient almost twenty five years old sixty sulzer looms.

- The Company's sales in Sq Meters at 60 picks reduced by 8.804 Million (46.6%), i.e. 10.074 Million from 18.878 Million. The cost of sales reduced by Rs. 3.63 per sq meter (at 60 picks), mainly due to curtailed production, i.e. from Rs. 69.06 to Rs. 65.43, however, the net sale rate per sq meter (at 60 picks) also reduced by Rs. 11.71 i.e. from Rs. 65.41 to Rs. 53.70. The negative financial impact works out at Rs. 49 million approx.

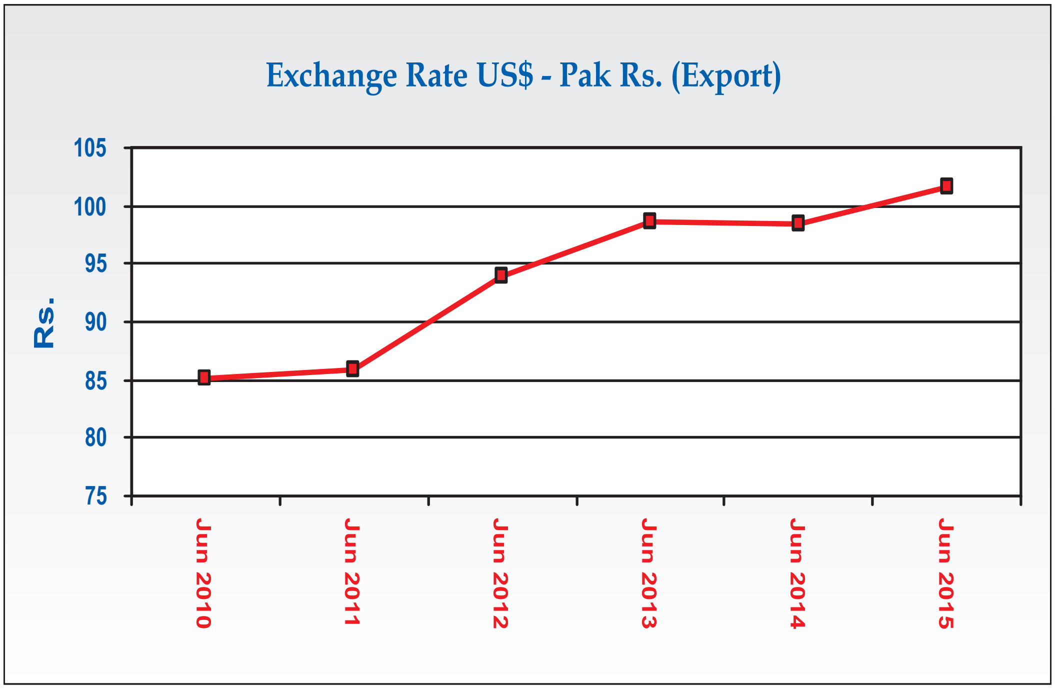


- The fuel and power, including steam cost, reduced by Rs. 85.405 million i,e from Rs. 189.664 million to Rs. 104.259 million, mainly due to reduced production attributed to power load shedding, short fall of working capital and depressed fabric market.

- Finance cost decreased from Rs. 65.576 million to Rs. 62.867 million.

- The interest free / reduced rates loans have been measured at amortized cost and discounted using weighted average interest rate resulting in for the year NPV adjustment of Rs. 79.226 million (2014: Rs. 106.632 million).

- US$ exchange rate increased from Rs. 98.35 on June 30, 2014 to Rs. 101.70 on June 30, 2015.

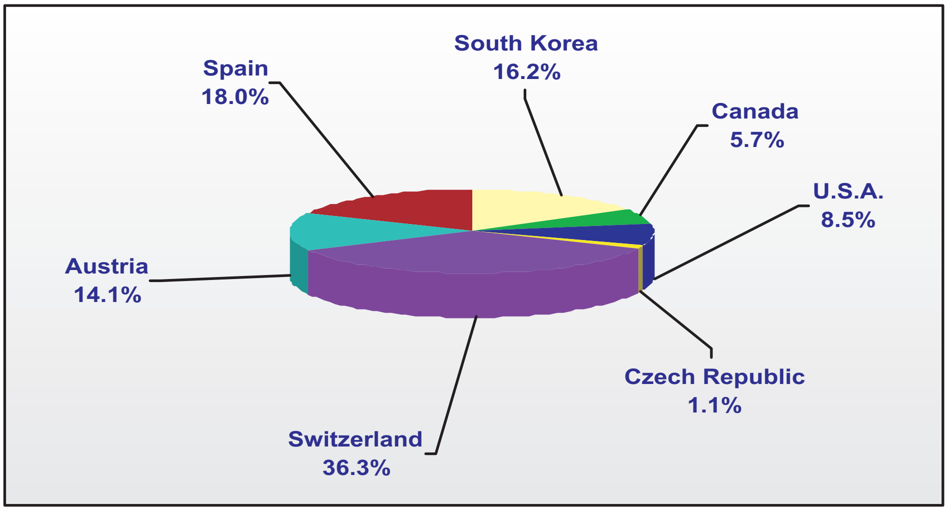


Future Strategy and Prospects

Continuous affordable energy being the key element for financial viability, we continue to follow up our efforts to secure the long overdue gas connection from SNGPL and ministry of petroleum, alongwith support from APTMA. Moreover, APTMA is aggressively pursuing the Ministry of Water & Power for relief in Load Shedding for the Sole PEPCO based units having independent feeders which do not have Gas based back up power. We do believe that the chronic load shedding problem will be resolved in not too distant a future, and hopefully we will succeed in securing a gas connection. However, to sustain this interim period, the Board of directors has decided to consolidate the company's position, to pass through this difficult time. Accordingly, directors of the company planned to repay term loan of Rs. 14.896 million and settle / reduce the running finance facilities extended by the banks amounting to Rs. 480 million mainly through sponsors' loans injection, company's operations and sale of, almost 25 years old sulzer looms with back process equipment in order to reduce dependency on external debts and finance cost of the company. During the year the company has managed to repay the term loam and reduce the running finance facilities from Rs. 480 million to Rs. 330 million. Till June 30, 2015, thirty seven Sulzer looms, have been disposed off. Meanwhile, the Sponsors remained committed to provide financial aid to the company.

Our export distribution in term of value is for the year is as follows:

- Europe & North America	84%
- Far East	16%



Corporate Social Responsibility

Your company is a responsible corporate citizen and fully recognizes its responsibility towards community, employees and environment.

Corporate and Financial Reporting Framework

In order to follow the SECP Code of Corporate Governance, the following statements are given:

Presentation of Financial Statements

The financial statements, prepared by the management of the Company, fairly present its state of affairs, the result of its operations, cash flow and changes in equity.

Books of Accounts

Proper books of accounts have been maintained by the Company.

Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

Internal Control System

The system of internal control is sound in design and has been effectively implemented and monitored.

Going Concern

Without qualifying their opinion, Company's auditors, in their report, have drawn your attention to note 1.2 and 7.2 to the financial statements, which states that the Company's current liabilities exceeded its current assets by Rs. 276.713 million, and its accumulated losses stood at Rs. 625.212 million and during the year the company has also got rescheduling of its liabilities due towards one bank and markup savings thereof as mentioned in note 7.2 subject to repayment of outstanding liabilities by December 31, 2016. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements have, however, been prepared on going concern basis on the grounds that the company will be able to achieve satisfactory levels of profitability in the future based on plan drawn up by the management for this purpose and bringing its liabilities to serviceable levels and availability of the adequate working capital from its lenders and sponsors.

To substantiate its going concern assumption the directors have decided to consolidate the company resources and settle / reduce bank's finance facilities, as elaborated in "Future Strategy" to pass through this difficult time, and;

- i One director of the company has sold his property to MCB Bank Limited under buy-back arrangements, and advanced the proceeds amounting to Rs. 140 million as long term loan to the company for partial settlement of finance facilities of the bank. Only cost of funds of MCB Bank Limited is payable to the bank by the company at the time of exercise of buy-back option by the director.
- ii Directors of the company have invested as long term interest free loans amounting to Rs. 88.360 million during the year, thus making total interest free loans amounting to Rs. 251.072 million as on June 30, 2015 (2014: Rs. 162.712 million) to meet working capital requirements. The sponsors of the company are committed to continue such support in future.
- iii The company had installed Six additional Air-jet looms (190cm) in May 2013, through sponsors' financing, which increased the rated capacity of the plant.
- iv In a meeting held on May 13, 2013 board of directors of ICC (Pvt.) Ltd., an associated company, has decided to waived off the following loans advanced to ICC Textiles Limited from time to time:
  - Long term interest free loans amounting to Rs. 189.150 million having carrying value in ICC Textiles books, of Rs. 48.801 million; and
  - Short term interest bearing loans of Rs. 30.850 million.
- v In April 2011, the company had raised its paid-up capital by Rs. 200.003 million by converting loans from associated company, directors and their family members by issuing further 20,000,320 ordinary shares of Rs. 10 each at par in order to reduce dependency on external debts and financial cost of the company.

Corporate Governance

The Company's auditors, in their review report to the members have mentioned regarding non appointment of independent director(s) as required by the Code of Corporate Governance. The company is making effort to resolve the issue. There has been no other material departure from the best practices of corporate governance, as detailed in the listing regulations of stock exchanges.

Operating and Financial Data

Key operating and financial data of last six years is as under:

SIX YEARS AT A GLANCE

						(Rs. in million)
	2010	2011	2012	2013	2014	2015
● Sales (Rs.)	1,522.531	2,246.377	1,778.224	1,728.459	1,234.768	540.948
● Gross profit/(loss) (Rs.)	11.391	64.754	(55.374)	4.794	(68.916)	(118.158)
● Net profit/(loss) after tax (Rs.)	(145.138)	(98.936)	(82.897)	2.984	(73.401)	(63.965)
● Fixed assets (Rs.)	997.659	952.641	1,015.677	979.040	933.611	928.706
● Long term liabilities (Rs.)	265.093	172.840	64.527	33.299	52.185	274.612
● Retained earnings (Rs.)	(408.027)	(489.971)	(554.301)	(535.519)	(592.182)	(625.212)
● Gross profit rate	0.7%	2.9%	(3.1%)	0.3%	(5.6%)	(21.8%)
● Net profit rate	(9.5%)	(4.4%)	(4.7%)	0.2%	(5.9%)	(11.8%)
● Current ratio	0.52:1	0.55:1	0.37:1	0.35:1	0.28:1	0.34:1
● Share break up value (Rs.)	(30.80)	(18.99)	(8.47)	(7.85)	(9.74)	(10.84)
● Earning per share (Rs.)	(14.51)	(6.80)	(2.76)	0.10	(2.45)	(2.13)
● Dividend	Nil	Nil	Nil	Nil	Nil	Nil

Staff Retirement Benefits

Value of unfunded gratuity scheme, based on actuarial valuation, at the period end was Rs.69.014 million (2014: Rs. 61.887 million).

Board and Committees Meetings

During the year July 2014 to June 2015, ten meetings of the Board of Directors, seven meetings of audit committee and one meeting of HR & R committee were held. Attendances by the Directors were as follows

Name of Directors	Attendance	Remarks
Board of Directors		
Mr. Shafiq A. Siddiqi	10	
Mr. Javaid S. Siddiqi	10	
Mr. Pervaiz S. Siddiqi	10	
Mrs. Fauzia Javaid	3	
Mr. Salman Javaid Siddiqi	9	
Mr. Asim Pervaiz Siddiqi	10	
Mr. Adnan Javaid Siddiqi	3	
Audit Committee		
Mr. Javaid S. Siddiqi	7	
Mr. Pervaiz S. Siddiqi	7	
Mr. Salman Javaid Siddiqi	7	
HR & R Committee		
Mr. Pervaiz S. Siddiqi	1	
Mr. Javaid S. Siddiqi	1	
Mr. Asim Pervaiz Siddiqi	1	

Pattern of Shareholding

The Pattern of shareholding as required by the Code of Corporate Governance is attached with this report.

Trading of Company Shares

During the financial year there was no trading in shares of the company by Directors, Company Secretary, CEO, CFO and Executives of the Company (including their spouses and minor children).

Audit Committee

The Audit Committee comprises 3 members, of whom 2 are non-executive directors.

HR and Remuneration Committee

The HR and Remuneration Committee comprise 3 members, of whom 2 are non-executive directors.

Auditors

M/s Grant Thornton Anjum Rahman, Chartered Accountants will retire at the conclusion of 27th Annual General Meeting. They have expressed their willingness for reappointment. The Audit Committee has recommended their reappointment.

Dividend

Considering the results for the year, the board is not recommending disbursement of any dividend for the period ended June 30, 2015.

Acknowledgement

The opportunity is also being availed to convey appreciation for continued hard work and devotion of the employees of the company.

For and on behalf of the Board of Directors

LAHORE:
October 09, 2015

SHAFIQ A. SIDDIQI
Chief Executive

Statement of Compliance with Best Practices of Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the relevant listing regulations of Karachi & Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manners:

1. Although company encourages representation of independent non-executive directors, no independent director was on Board of Directors of the company. At present, the Board includes:

Category	**Names**
Independent	–
Executive Directors	Mr. Shafiq A. Siddiqi Mr. Javaid S. Siddiqi
Non-Executive Directors	Mr. Pervaiz S. Siddiqi Mrs. Fauzia Javaid Mr. Salman Javaid Siddiqi Mr. Asim Pervaiz Siddiqi Mr. Adnan Javaid Siddiqi

2.. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFI or being a member of a stock exchange, has been declared as a defaulter that stock exchange.

4. No casual vacancy arose in the Board of Directors during the year.

5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of Chief Executive and other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by a director elected as chairman by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranged an orientation course for its directors during the year to apprise them of their duties and responsibilities. Mr. Salman Javaid Siddiqi, Director of the company has completed Directors Training Program during the year. Two of the Directors of the Company are exempted from the requirement of the directors' training program and rest of the Directors appointed on or after 22nd May 2013, will be trained within specified time.

10. Mr. Sohail Ashraf has been appointed as company secretary in place of Mr. Usman Haq who resigned during the year. No new appointment of CFO and Head of Internal Audit made during the year.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an audit committee. It comprises three members, one of them, the chairman is executive director and two are non-executive directors.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of references of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Recourse and Remuneration Committee. It comprises 3 members, of whom 2 are non-executive directors and the chairman is non-executive director.

18. The Board has set up an effective internal audit function comprised of personnel considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period' prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

Sd/-

LAHORE: **SHAFIQ A. SIDDIQI**

October 09, 2015 Chief Executive

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2015 prepared by the Board of Directors of **ICC Textiles Limited** (the Company) to comply with the Listing Regulation No. 35 of Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement covers all risks or controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee and upon recommendations of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendations of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Codes as applicable to the Company for the year ended June 30, 2015.

Further, we highlighted below instance of non-compliance with the requirement of the Code as reflected in paragraph 1 where it is stated in the Statement of Compliance:

Paragraph:

Reference	**Description**
1.	The Board of the Company does not have any independent director as required by the Code of Corporate Governance.

GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Engagement Partner: Imran Afzal
Lahore
Dated: October 09, 2015

Auditors' Report to the Members

We have audited the annexed balance sheet of **ICC Textiles Limited** ("the Company") as at **June 30, 2015** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the loss, total comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention towards note 1.2 and 7.2 to the financial statements which describes that as at June 30, 2015, the Company's current liabilities exceeded its current assets by Rs. 276.713 million and its accumulated losses stood at Rs. 625.212 million and during the year ended 30 June 2015, it has also got rescheduling of its liabilities due towards one bank and markup savings thereof as mentioned in note 7.2 subject to repayment of outstanding liabilities by December 31,2016. These conditions indicate existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern. These financial statements have, however, been prepared on a going concern basis for the reasons, as more fully explained in note 1.2 to the financial statements.

GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Engagement Partner: Imran Afzal
Lahore
Dated: October 09, 2015

BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
32,000,000 (2014: 32,000, 000) ordinary shares of Rs. 10 each		**320,000,000**	320,000,000
Issued, subscribed and paid-up share capital	4	**300,011,200**	300,011,200
ACCUMULATED LOSS		**(625,212,279)**	(592,182,052)
		(325,201,079)	(292,170,852)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	5	**572,767,763**	485,525,336
NON CURRENT LIABILITIES			
Long term financing from directors	6	**228,862,462**	52,184,882
Long term financing from commercial banks	7	**45,749,597**	-
Deferred liabilities	8	**165,660,057**	186,852,338
		440,272,116	239,037,220
CURRENT LIABILITIES			
Trade and other payables	9	**116,041,846**	152,455,451
Accrued markup	10	**12,238,172**	30,495,553
Short term borrowings	11	**149,947,765**	501,895,294
Current portion of long term liabilities	12	**138,200,000**	15,896,104
		416,427,783	700,742,402
		1,104,266,583	1,133,134,106
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 40 form an integral part of these financial statements.

LAHORE:
October 09, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Owned assets	14	**928,705,541**	933,610,584
LONG TERM LOANS AND ADVANCES	15	**775,000**	190,000
LONG TERM DEPOSITS	16	**1,629,034**	1,629,034
CURRENT ASSETS			
Stores, spare parts and loose tools	17	**31,517,543**	35,161,902
Stock in trade	18	**39,747,498**	76,581,261
Trade debts	19	**15,101,797**	20,595,390
Loans and advances	20	**4,130,187**	5,429,554
Short term prepayments and other receivables	21	**13,955,548**	38,528,078
Income tax refundable - net		**22,883,655**	19,505,959
Cash and bank balances	22	**12,378,280**	1,902,344
		139,714,508	197,704,488
Non-current assets classified as held for sale	23	**33,442,500**	-
		1,104,266,583	1,133,134,106

The annexed notes 1 to 40 form an integral part of these financial statements.

Sd/-
Director

Sd/-
Chief Executive

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
SALES	24	**540,947,637**	1,234,768,403
COST OF SALES	25	**(659,105,601)**	(1,303,684,051)
GROSS LOSS		**(118,157,964)**	(68,915,648)
OPERATING EXPENSES			
Distribution cost	26	**(10,330,726)**	(16,193,690)
Administrative expenses	27	**(36,321,687)**	(35,600,834)
Other operating expenses	28	**(784,075)**	(786,124)
		(47,436,488)	(52,580,648)
OPERATING LOSS		**(165,594,452)**	(121,496,296)
OTHER INCOME	29	**152,558,822**	106,995,445
OPERATING LOSS BEFORE FINANCE COST		**(13,035,630)**	(14,500,851)
FINANCE COST	30	**(62,866,923)**	(65,575,619)
LOSS BEFORE TAXATION		**(75,902,553)**	(80,076,470)
TAXATION	31	**11,937,791**	6,675,018
LOSS AFTER TAXATION FOR THE YEAR		**(63,964,762)**	(73,401,452)
LOSS PER SHARE - BASIC AND DILUTED	32	**(2.13)**	(2.45)

The annexed notes 1 to 40 form an integral part of these financial statements.

LAHORE:
October 09, 2015

Sd/-
Director

Sd/-
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
LOSS AFTER TAXATION FOR THE YEAR		**(63,964,762)**	(73,401,452)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss		**-**	-
Items that will not be reclassified to profit or loss:			
Remeasurement chargeable in other comprehensive income	8.1	**4,579,795**	(215,170)
Total other comprehensive income for the year		**4,579,795**	(215,170)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(59,384,967)**	(73,616,622)

The annexed notes 1 to 40 form an integral part of these financial statements.

LAHORE:
October 09, 2015

Sd/-
Director

Sd/-
Chief Executive

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year before taxation		**(75,902,553)**	(80,076,470)
Adjustments for:			
Depreciation on owned assets		**46,935,751**	47,461,071
Gain on disposal of fixed assets		**(34,624,330)**	(319,570)
Amortization of interest free loan		**(79,225,819)**	(106,632,189)
Unwinding of discount		**13,616,227**	3,406,100
Amortization of transaction cost		**357,143**	-
Staff gratuity		**16,608,373**	14,566,516
Finance cost		**49,250,696**	62,169,519
		12,918,041	20,651,447
		(62,984,512)	(59,425,023)
(Increase) / Decrease in current assets			
Stores, spare parts and loose tools		**3,644,359**	1,905,218
Stock in trade		**36,833,762**	63,580,935
Trade debts		**5,493,593**	5,067,165
Loans and advances		**1,299,367**	870,584
Short term prepayments and other receivables		**24,572,530**	(5,293,389)
		71,843,611	66,130,513
Increase / (Decrease) in current liabilities			
Trade and other payables		**(36,413,605)**	(11,107,344)
Net cash used in operation		**(27,554,506)**	(4,401,854)
Finance cost paid		**(67,508,077)**	(44,915,047)
Taxes paid		**(5,016,589)**	(10,254,053)
Gratuity paid		**(4,902,290)**	(15,529,620)
Transaction cost paid		**(2,500,000)**	-
		(79,926,956)	(70,698,720)
Net cash used in operating activities		**(107,481,462)**	(75,100,574)
CASH FLOWS FROM INVESTING ACTIVITIES			
Long term loans and advances		**(585,000)**	(176,000)
Sale proceeds of assets		**58,749,707**	351,000
Fixed capital expenditure incurred		**(743,302)**	(2,062,909)
Net cash from / (used in) investing activities		**57,421,405**	(1,887,909)

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		**(351,947,529)**	(16,927,502)
Long term financing obtained from directors		**228,360,202**	122,112,020
Long term financing obtained from / (repaid) to commercial banks		**184,123,320**	(31,792,206)
Net cash from financing activities		**60,535,993**	73,392,312
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**10,475,936**	(3,596,171)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**1,902,344**	5,498,515
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	**12,378,280**	1,902,344

The annexed notes 1 to 40 form an integral part of these financial statements.

LAHORE:
October 09, 2015

Sd/-
Director

Sd/-
Chief Executive

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

Description	Paid-up Capital Rupees	Accumulated Loss Rupees	Total Rupees
	A	B	C=A+B
Balance as at July 01, 2013 - restated	300,011,200	(535,518,818)	(235,507,618)
Other comprehensive income for the year	-	(215,170)	(215,170)
Loss for the year	-	(73,401,452)	(73,401,452)
Total comprehensive income for the year	-	(73,616,622)	(73,616,622)
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	16,953,388	16,953,388
Balance as at June 30, 2014	**300,011,200**	**(592,182,052)**	**(292,170,852)**
Other comprehensive income for the year	**-**	**4,579,795**	**4,579,795**
Loss for the year	**-**	**(63,964,762)**	**(63,964,762)**
Total comprehensive income for the year	**-**	**(59,384,967)**	**(59,384,967)**
Transfer from surplus on revaluation of property, plant and equipment - net of tax	**-**	**26,354,740**	**26,354,740**
Balance as at June 30, 2015	**300,011,200**	**(625,212,279)**	**(325,201,079)**

The annexed notes 1 to 40 form an integral part of these financial statements.

LAHORE:
October 09, 2015

Sd/-
Director

Sd/-
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1 STATUS AND NATURE OF BUSINESS

1.1 ICC Textiles Limited ("the Company") was incorporated in Pakistan on May 25, 1989 as a public limited company under the Companies Ordinance, 1984. The shares of the Company are listed on the Lahore and Karachi Stock Exchanges in Pakistan. The principal activity of the Company is manufacturing and sale of grey fabric. The registered office of the Company is situated at 242-A, Anand Road, Upper Mall, Lahore.

1.2 During the year, the Company incurred a loss amounting to Rs. 63.965 million and has accumulated losses amounting to Rs. 625.212 million at the year end. In addition, the Company's current liabilities exceeded its current assets by Rs. 276.713 million at the year end. These conditions indicate existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. Continuation of the Company as a going concern is dependent on its ability to attain satisfactory levels of profitability in the future and continuous support of financial institutions by bringing its liabilities to serviceable levels and ability of adequate working capital through continued support from:

(a) the principal lenders of the Company; and

(b) the sponsors of the Company.

These financial statements have been prepared on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of profitability in the future based on the plans drawn up by the management for this purpose, bringing its liabilities to serviceable levels and availability of the adequate working capital from its lenders and sponsors.

To substantiate its going concern assumption:

i Considering uncertainty, regarding reduction in electric load shedding in near future and possibility of securing industrial gas connection which is essential for cheaper and continuous gas based electricity, the Board of directors has decided to consolidate the Company's resources, to pass through this difficult time. Accordingly, the directors of the company planned to repay term loan of Rs. 14.896 million (Note 7) and settle / reduce the running finance facilities extended by the banks amounting to Rs. 480 million mainly through company's operations, sponsors' loans and sale of inefficient, almost 25 years old sulzer looms with back process equipment in order to reduce dependency on external debt and finance cost of the company. During the year, the company has managed to repay the term loan and reduce the running finance facilities from Rs. 480 million to Rs. 330 million. Till June 30, 2015, thirty seven sulzer looms have also been disposed off and one director of the company has sold his property to MCB Bank Limited under buy-back arrangement, and advanced such proceeds amounting to Rs. 140 million as long term loan to the company for partial settlement of the finance facilities. Only cost of funds of MCB Bank Limited is payable to the bank by the Company at the time of exercise of buy-back option by the director.

ii Directors of the company have invested as long term interest free loans amounting to Rs. 88.360 million during the year, thus making total interest free loans amounting to Rs. 251.072 million as on June 30, 2015 to meet working capital requirements of the company and settlement of banks' finance facilities. The sponsors of the company would continue such support in future.

iii The company had installed six additional air-jet looms during May 2013, through sponsors' financing, which increased the rated capacity of the plant.

iv In a meeting held on May 13, 2013, Board of Directors of ICC (Pvt.) Limited, associated undertaking, had decided to write off following outstanding loans advanced to ICC Textiles Limited from time to time:

- Long term interest free loans amounting to Rs. 189.150 million having carrying value, in ICC Textiles books, of Rs. 48.801; and

- Short term interest bearing loans of Rs. 30.850 million.

v During April 2011, the Company had raised its paid-up capital by Rs. 200,003,200 by converting already received loans from associated company, directors and their family members by issuing further 20,000,320 ordinary shares of Rs. 10 each at par.

The financial statements consequently do not include any adjustment relating to the realization of the assets and liquidation of its liabilities that might be necessary would the Company be unable to continue as a going concern.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Standards, amendments or interpretations that became effective during the year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standard or Interpretation		Effective Date
IFRS 2	Share based payment	1-Jul-14
IFRS 3	Business combinations	1-Jul-14
IFRS 8	Operating segments	1-Jul-14
IAS 16	Property, Plant and Equipment	1-Jul-14
IAS 19	Employee Benefits	1-Jul-14
IAS 24	Related party disclosures	1-Jul-14
IAS 27	Separate Financial Statements	1-Jan-14
IAS 32	Financial Instruments: Presentation	1-Jan-14
IAS 36	Impairment of assets	1-Jan-14
IAS 38	Intangible Assets	1-Jul-14
IAS 39	Financial Instruments: Recognition and Measurement	1-Jan-14
IAS 40	Investment property	1-Jul-14
IFRIC 21	Levies	1-Jul-14

The adoption of above amendments to IAS, IFRS and new interpretations did not have any significant effect on the financial statements.

2.3 Standards that are not yet effective

The following standards and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard		Effective Date
IFRS 5	Noncurrent Assets Held for Sale and Discontinued Operations	1-Jan-16
IFRS 7	Financial Instruments Disclosures	1-Jan-16
IFRS 9	Financial Instruments	1-Jan-15
IFRS 10	Consolidated Financial Statements	1-Jan-15
IFRS 11	Joint Arrangements	1-Jan-16
IFRS 12	Disclosure of Interests in Other Entities	1-Jan-15
IFRS 13	Fair Value Measurement	1-Jan-15
IFRS 14	Regulatory Deferral Accounts	1-Jan-16
IAS 1	Presentation of Financial Statements	1-Jan-16
IAS 16	Property, Plant and Equipment	1-Jan-16
IAS 19	Employee Benefits	1-Jan-16
IAS 27	Separate Financial Statements	1-Jan-16
IAS 28	Investments in Associates and Joint Ventures	1-Jan-15
IAS 34	Interim Financial Reporting	1-Jan-16
IAS 38	Intangible Assets	1-Jan-16
IAS 41	Agriculture: Bearer Plants	1-Jan-16

The company is in process of assessing the impact of these Standards and amendments to the published standards on the financial statements of the Company.

2.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

In addition to the above, following standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan ;

Standard		Effective Date
IFRS-9	Financial Instruments	January 1, 2018
IFRS-14	Regulatory Deferral accounts	January 1, 2016
IFRS-15	Revenue from Customers	January 1, 2018

The company is in process of assessing the impact of these Standards on the financial statements of the Company.

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- staff retirement benefits which are measured at present value of defined benefit obligation (refer note 3.1);
- free hold land, buildings and plant and machinery which are measured at revalued amount (refer note 3.2); and

- financial liabilities which are measured at fair value (refer note 3.7).

2.6 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are discussed in note 38.

2.7 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all eligible employees, payable at the cessation of employment. The liability is provided on the basis of actuarial valuation using Projected Unit Credit (PUC) Actuarial Method while movement in the liability is included in the profit or loss. The Company has a policy of carrying out actuarial valuations annually with the assistance of independent actuarial appraisers to cover the obligations under the scheme.

Principal actuarial assumptions used in the actuarial valuation carried out as at June 30 are as follows:

- Discount rate used for year end obligation	9.75% (2014:13.25%) per annum
- Expected rate of salary increase in future	8.75% (2014: 12.25%) per annum
- Average expected remaining working life of employees	5 years (2014: 5 years)

- Mortality rate assumed were based on the SLIC 2001-2005 mortality table (2014: SLIC 2001-2005 mortality table)

3.2 Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company’s management.

Furniture and fittings, vehicles, electrical appliances and office equipment

Subsequently, furniture and fittings, vehicles, electrical appliances and office equipment are measured using cost model at cost less subsequent accumulated depreciation and impairment losses, if any. Depreciation is charged to profit or loss on diminishing balance method at the rates as disclosed in note 14 so as to write off the depreciable amount of furniture and fittings, vehicles, electrical appliances and office equipment over their estimated useful lives.

Freehold land, building on freehold land and plant and machinery

Free hold land is subsequently measured using revaluation model at the revalued amount. Buildings and plant and machinery are subsequently measured using revaluation model at revalued amount less subsequent accumulated depreciation and impairment losses, if any. Any surplus on revaluation of freehold land, building on freehold land, and plant and machinery is credited to the surplus on revaluation of property, plant and equipment account. Revaluation is carried with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred tax) is transferred directly to accumulated profit / (loss).

Depreciation on buildings and plant and machinery is charged to profit or loss on straight line method at the rates as disclosed in note 14 so as to write off the depreciable amount of these assets over their estimated useful lives.

Depreciation on additions to property, plant and equipment except freehold land is charged from the date of acquisition / capitalization / start of commercial production of the assets and depreciation on assets disposed off during the year is charged up to the date of disposal.

Gain / loss on disposal of property, plant and equipment is reflected in the income during the period in which they are incurred. Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

The asset's residual values and estimated useful lives are reviewed as required, but at least annually whether or not the asset is revalued and adjusted if impact on depreciation is significant.

3.3 Finance leases

Assets subject to finance lease in which the Company bears substantially all risks and rewards of ownership of the assets are recognized at the inception of lease at the lower of present value of the minimum lease payments under the lease agreements and the fair value of the assets.

The related obligations of leases, net of finance cost, are included in liabilities against assets subject to finance lease.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate of financial cost on the balance outstanding. The interest element of the rental is charged to income over the lease term.

Assets acquired under a finance lease are depreciated over the useful life of the asset on reducing balance method. Depreciation of the leased assets is charged to income currently.

Depreciation on additions to leased assets is charged from the date of acquisition of the assets and depreciation on assets disposed off during the year is charged up to the date of disposal.

3.4 Capital work in progress

Capital work in progress is stated at cost less any identified impairment losses.

3.5 Stores, spare parts and loose tools

These are stated at cost using moving average method except goods in transit which are stated at cost.

3.6 Stock in trade

Stock in trade is stated principally at lower of cost and net realizable value.
Cost of major components of stock in trade is determined as follows:-

Raw materials	-	At annual average cost
Work in process and finished goods	-	At prime cost plus appropriate production overheads using weighted average
Wastes	-	At net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale.

3.7 Financial instruments

3.7.1 Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets are described below. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial assets of the Company are classified as follows:

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. These are included in current assets, except for maturities for greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables with less than twelve months maturities are classified as current assets. The Company's cash and cash equivalents, trade debts, loans and advances, deposits and other receivables fall into this category of financial instruments. Loans and receivables are subject to review for impairment at each reporting date to identify whether there is objective evidence that the financial asset is impaired.

b) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the categories of loans and receivables, financial assets at fair value through profit or loss and financial assets held to maturity. They are included in non-current assets unless management intends to dispose off the investments within twelve months from the end of reporting period.

After initial recognition, available-for-sale investments are measured at fair value in accordance with IAS 39 “Financial Instruments: Recognition and Measurement". Gains or losses on available-for-sale investments are recognized through other comprehensive income until the investment is sold or derecognized, at which time the cumulative gain or loss previously reported is included in profit or loss.

Dividends on available-for-sale equity instruments are recognized in the profit or loss when the Company's right to receive payments is established.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses at each balance sheet date whether there is objective evidence, that a financial asset or group of financial assets is impaired. If any such evidence exists for 'available-for-sale' financial assets, the cumulative loss is removed from equity and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments are not reversed through profit and loss account.

3.7.2 Financial liabilities

The Company's financial liabilities include borrowings and trade and other payables.

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are measured initially at fair value, less attributable transaction costs. Financial liabilities are measured subsequently at amortized cost using the effective interest method, in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same the lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of original liability and the recognition of new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, if any, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, if any, pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized as expense in the period in which they are incurred.

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.8 Foreign currencies

Transactions in currencies other than Pak Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into wherein the rates contracted for are used.

Gains and losses arising on retranslation are recorded in net profit or loss for the period.

3.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

- Export sales are recorded at the time of shipment. Exchange differences, if any, are adjusted in the period of realization.

- Local sales are recorded on dispatch of goods to the customers.

- Export rebates are accounted for on accrual basis.

- Interest income is recognized on time proportion basis.

3.10 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemption available, if any, and tax paid on presumptive basis.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" issued by the Institute of Chartered Accountants of Pakistan.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses can be utilized. Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

3.11 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that assets excluding inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed recoverable amount, assets are written down to their recoverable amount and the difference is charged to the profit or loss.

3.12 Provisions

A provision is recognized in the financial statements when the Company has legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of obligation.

3.13 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and bank balances and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.14 Contingent liability

Contingent liability is disclosed when:

- There is possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

	Note	2015 Rupees	2014 Rupees
4 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
30,001,120 (2014 : 30,001,120) ordinary shares of Rs. 10 each fully paid in cash		**300,011,200**	300,011,200

	Note	2015 Rupees	2014 Rupees
5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Surplus arising on revaluation	5.1	**669,414,234**	610,490,376
Less: Deferred tax arising on surplus on revaluation	5.2	**96,646,471**	124,965,040
		572,767,763	485,525,336
5.1 Opening balance of surplus on revaluation		**610,490,376**	636,572,512
Add: Surplus arising during the year - net		**98,855,282**	-
Less: Incremental depreciation:			
Buildings		**4,094,129**	4,094,129
Plant and machinery		**35,837,295**	21,988,007
		39,931,424	26,082,136
		669,414,234	610,490,376

The revaluation of free - hold land, buildings on free - hold land and plant and machinery was carried out by Arch-e-decon (Evaluators, Surveyors, Architects and Engineers) as at June 30, 2015. The revaluation resulted in followings:

	Rupees
Increase in carrying value of free - hold land	**133,600,000**
Increase in carrying value of buildings on free - hold land	**31,901,785**
Decrease in carrying value of plant and machinery	**(66,646,503)**
	98,855,282

Incremental depreciation represents the difference between actual depreciation on revalued property, plant and equipment and equivalent depreciation based on historical cost of property, plant and equipment.

Surplus on revaluation of property, plant and equipment can be utilized by the Company only for the purposes specified in section 235 of the Companies Ordinance, 1984.

	2015 Rupees	2014 Rupees
5.2 Related deferred tax liability on July 01	**124,965,040**	137,769,231
Deferred tax liability arising on revaluation	**(11,813,204)**	-
Tax effect on incremental depreciation	**(13,576,684)**	(9,128,748)
Effect of change in tax rate	**(2,928,681)**	(3,675,443)
	96,646,471	124,965,040

Deferred tax asset amounting to Rs. 212.280 million (2014: Rs. 222.486 million) arising on account of temporary differences mainly for property, plant and equipment, finance lease liabilities and gratuity and unused tax losses and unused tax credits has not been accounted for due to uncertainty regarding its recoverability in the foreseeable future.

	Note	2015 Rupees	2014 Rupees
6 LONG TERM FINANCING FROM DIRECTORS - Unsecured			
Interest free loans	6.1	**93,775,173**	52,184,882
Interest bearing loan	6.2	**135,087,289**	-
		228,862,462	52,184,882
6.1 Original Loan amounts	6.1.1	**251,072,222**	162,712,020
Less: Present Value Adjustment	6.1.2	**167,489,773**	113,933,238
		83,582,449	48,778,782
Add: Interest charged to profit and loss account		**10,192,724**	3,406,100
		93,775,173	52,184,882

6.1.1 These interest free loans are repayable in lump sum on June 30, 2025 (2014: June 30, 2025).

6.1.2 These long term interest free loans have been measured at amortized cost by using weighted average interest rate ranging from 8.06% to 11.64% (2014: 10.24% to 11.64%).

		Note	2015 Rupees	2014 Rupees
6.2	Original Loan amounts	**6.2.1**	**140,000,000**	-
	Less: Present Value Adjustment	**6.2.3 & 6.2.4**	**5,180,528**	-
			134,819,472	-
	Add: Interest charged to profit and loss account		**267,817**	-
			135,087,289	-

6.2.1 A director of the company has sold, on June 11, 2015, his property amounting to Rs. 140 million to MCB Bank Limited, with a buy back option on the same price alongwith cost of fund, within a period of three years thereof in accordance with Finance Facilities Settlement Agreement dated May 28, 2015. The sale proceeds have been advanced to the company as long term loan and has been utilized for settlement of finance facilities extended by the Bank. The cost of fund would be paid by the Company to the Bank on exercise of buy-back option by the director.

6.2.2 The loan is repayable in lump sum on Dec 31, 2016 as the director intends to exercise the buy back option on December 31, 2016.

6.2.3 The markup, payable to the Bank, is charged equal to cost of funds of MCB Bank Limited for the relevant period i.e. 5.65% (2014: Nil).

6.2.4 The long term loan has been measured at amortized cost by using weighted average interest rate i.e. 8.06% less cost of fund of the Bank i.e. 5.65%.

		Note	Sanctioned limit Rupees	2015 Rupees	2014 Rupees
7	**LONG TERM FINANCING FROM COMMERCIAL BANKS - Secured**				
	MCB Bank Ltd. - Demand Finance - 1	**7.1**	**63,584,416**	**-**	31,792,208
	MCB Bank Ltd.	**7.2**			
	Running finance facility			**339,967,656**	-
	Demand Finance - 1			**14,896,104**	-
	Cost of Documents - Import Letter of Credit			**955,664**	-
				355,819,424	31,792,208
	Less: Repayments during the year			**155,800,000**	15,896,104
	Balance as on June 30, 2015 - Running Finance Facility			**200,019,424**	15,896,104
	Less: Present Value Adjustment	**7.3**		**20,488,756**	-
				179,530,668	15,896,104
	Add: Interest charged to profit and loss account			**6,561,786**	-
				186,092,454	15,896,104
	Less: Deferred transaction cost (cost of professional services for settlement of finance facilities)				
	Transaction cost incurred during the year			**(2,500,000)**	-
	Less: Amortized during the year			**357,143**	-
				(2,142,857)	-
				183,949,597	15,896,104
	Current portion :				
	Not yet due			**(138,200,000)**	-
	Overdue			**-**	(15,896,104)
				(138,200,000)	(15,896,104)
				45,749,597	-

7.1 Demand finance was obtained from MCB Bank Limited under rescheduling arrangement of LTF-EOP facility. Repayment was required to be made in 2 equal installments on September 30, 2013 and March 29, 2014. The mark-up was charged @ 6 month KIBOR plus 1% (2014: 6 month KIBOR plus 1%) per annum. The loan is secured against first pari passu charge on property, plant and equipment of the Company.

7.2 The loan has been obtained from MCB Bank Limited, in accordance with Finance Facilities Settlement Agreement dated May 28, 2015, under restructuring arrangement of running finance facility, last instalment of demand finance facility and cost of documents payable under import letter of credit. Running finance facility outstanding as on June 30, 2015 is repayable within three years from the date of the settlement agreement.

The facility is secured against joint pari passu charge by way of hypothecation of current assets and second joint pari passu charge on property, plant and equipment of the Company. No mark-up is being charged by the bank, provided the entire principal liability plus agreed markup of Rs. 10 million would be repaid by December 31, 2016. Tentative repayment schedule is as under:

September 2015	20,200,000
December 2015	56,000,000
June 2016	62,000,000
December 2016	61,819,424
	200,019,424

However, in the event the accrued mark up of Rs. 40 million becomes payable, due to lack of full payment by Dec 31, 2016, it will be paid in equal quarterly installments within a period of 18 months, after full payment of principal liability within the agreed period of three years.

Under this restructuring arrangement, out of total unpaid markup as on March 31, 2015, agreed payable was fixed at Rs. 10 million while balance was relinquished by the Bank subject to the condition that entire principal liability referred above would be paid by Dec 31, 2016. The Company, on the basis of matters stated in note 1.2, would be able to repay liabilities of the bank by due date and accordingly, such relinquishment by the Bank has been recognised as other income.

7.3 The loan has been measured at amortised cost by using weighted average interest rate 8.06% (2014: Nil)

	Note	2015 Rupees	2014 Rupees
8 DEFERRED LIABILITIES			
Deferred tax	5.2	96,646,471	124,965,040
Staff retirement benefits - gratuity	8.1	69,013,586	61,887,298
		165,660,057	186,852,338

The scheme provides for gratuity benefits for all permanent employees who attain the minimum qualifying period. Provision has been made on the basis of latest actuarial valuation made on June 30, 2015 using projected unit credit method.

	Note	2015 Rupees	2014 Rupees
8.1 Changes in Present Value of Defined Benefit Obligations:			
Opening liability		61,887,298	62,635,232
Charge for the year	8.2	16,608,373	14,566,516
Remeasurement chargeable in other comprehensive income-Experience adjustment		(4,579,795)	215,170
Benefits paid		(4,902,290)	(15,529,620)
Closing liability		69,013,586	61,887,298
8.2 Charge for the year			
Current service cost		8,733,083	8,805,122
Interest cost		7,875,290	5,761,394
		16,608,373	14,566,516

8.3 The present value of defined benefit obligation is as follows:

	2015 Rupees	2014 Rupees	2013 Rupees Restated	2012 Rupees Restated	2011 Rupees
Present value of defined benefit obligation as at June 30	**69,013,586**	61,887,298	62,635,232	50,995,711	43,473,190

	Note	2015 Rupees	2014 Rupees
8.4 Charge for the year has been allocated as under:			
Cost of sales	**25.2**	**8,795,361**	7,433,933
Distribution cost	**26.1**	**804,116**	721,692
Administrative expenses	**27.1**	**7,008,896**	6,410,891
		16,608,373	14,566,516

9 TRADE AND OTHER PAYABLES

	2015 Rupees	2014 Rupees
Creditors	**69,415,829**	89,844,102
Accrued liabilities	**12,414,958**	11,855,334
Payable to employees	**37,600**	191,729
Advance from customers	**18,538,048**	36,798,164
Unclaimed dividend	**1,662,656**	1,662,656
Tax deducted at source	**3,049,245**	900,773
Final dues payable	**10,853,140**	11,159,603
Others	**70,370**	43,090
	116,041,846	152,455,451

10 ACCRUED MARKUP

	2015 Rupees	2014 Rupees
Accrued mark-up / interest on long term financing	**303,397**	865,466
Accrued mark-up / interest on short term borrowings	**11,934,775**	29,630,087
	12,238,172	30,495,553

11 SHORT TERM BORROWINGS

	Note	Sanctioned limit Rupees	2015 Rupees	2014 Rupees
Commercial banks- secured	**11.1**	**155,000,000**	**129,976,829**	479,886,672
Commercial bank- current account (bank overdraft)	**11.2**		**14,965,162**	9,276,706
Associated company - unsecured	**11.3**		**5,005,774**	6,539,720
Ex-Sponsor member - unsecured	**11.4**		**-**	6,192,196
			149,947,765	501,895,294

11.1 The facilities are secured against joint pari passu charge by way of hypothecation of stock in trade & current assets, second joint pari passu charge on property, plant and equipment of the Company & ranking charges on current assets and security of the associated company. Mark-up is payable at rates ranging from 9.51% to 12.35% (2014: 10.01% to 12.36%) per annum and is payable on quarterly basis.

11.2 The unfavourable balance has arisen due to cheques issued prior to the year end. However, concerned bank statements show favourable balances.

11.3 Mark-up is charged at the same rates which are being charged by the bank to the associated company ranging from 9.52% to 11.46% (2014: 10.34% to 11.61%) per annum.

11.4 Mark-up was charged at the same rates which were being charged by the bank to the ex-sponsor member i.e. @ 12.87% (2014: 13.38%) per annum.

	Note	2015 Rupees	2014 Rupees
12 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing from commercial banks	**7**	**138,200,000**	15,896,104
		138,200,000	15,896,104

13 CONTINGENCIES AND COMMITMENTS

13.1 During previous year, Assistant Commissioner Inland Revenue issued order u/s 161 demanding tax liability amounting to Rs. 50,349,214. The Company preferred appeal before Commissioner Inland Revenue Lahore. The learned Commissioner Inland Revenue Appeal (CIR – A) reduced the demand to Rs. 1,686,268 and remanded back the case in respect of remaining demand. The Company however, preferred appeal before the Income Tax Appellate Tribunal Lahore which is pending adjudication. However, no provision has been made in these financial statements as management of the company is confident of favourable outcome.

13.2 During the year, Deputy Commissioner Inland Revenue (DCIR) issued order u/s 161/205 for tax year 2009 and raised impugned demand of Rs. 1,968,012. The Company preferred appeal before the Commissioner Inland Revenue Appeals which is pending adjudication. However, no provision has been made in these financial statements as management of the company is confident of favourable outcome.

13.3 Commitments against irrevocable letter of credit for import of chemicals amounted to Rs. Nil (2014: Rs. 0.952 million).

14 OWNED ASSETS

DESCRIPTION	Cost or assessed value as on July 01, 2014	Cost of additions / (deletion)	Surplus on revaluation	Assets classified as held for Sale	Gross book value as on June 30, 2015	Rate %	DEPRECIATION As on July 01, 2014	Revaluation adjustments	For the year/ (adjustments on disposals)	As on June 30, 2015	Net book value as on June 30, 2015
	Rupees						Rupees				
Land - freehold	250,500,000	-	133,600,000	-	384,100,000	-	-	-	-	-	384,100,000
Building on freehold land	143,102,475	-	31,901,785	-	156,338,719	3.8 - 10	12,443,694	(18,665,541)	6,221,847	-	156,338,719
		-	(18,665,541)	-							
Plant and machinery	626,550,940	456,102	(178,590,257)	(33,442,500)	382,967,726	4.8 - 10	80,265,334	(111,943,755)	40,028,641	-	382,967,726
		(32,006,559)	-	-					(8,350,220)		
Furniture and fittings	3,155,305	-	-	-	3,155,305	10	2,426,840	-	72,847	2,499,687	655,618
Vehicles	7,001,937	-	-	-	4,201,937	20	5,486,227	-	213,108	3,362,803	839,134
		(2,800,000)	-	-					(2,336,532)		
Electrical appliances	2,096,639	4,900	-	-	2,101,539	10	1,220,518	-	87,952	1,308,470	793,069
Office equipment	8,712,367	282,300	-	-	8,987,667	10	5,666,466	-	311,356	5,976,392	3,011,275
		(7,000)	-	-					(1,430)		
2015 Rupees	1,041,119,663	743,302	(31,754,013)	(33,442,500)	941,852,893		107,509,079	(130,609,296)	46,935,751	13,147,352	928,705,541
		(34,813,559)		-					(10,688,182)		

DESCRIPTION	Cost or assessed value as on July 01, 2013	Cost of additions / (deletion)	Surplus on revaluation	Assets classified as held for Sale	Gross book value as on June 30, 2014	Rate %	DEPRECIATION As on July 01, 2013	Revaluation adjustments	For the year/ (adjustments on disposals)	As on June 30, 2014	Net book value as on June 30, 2014
	Rupees						Rupees				
Land - freehold	250,500,000	-	-	-	250,500,000	-	-	-	-	-	250,500,000
Building on freehold land	143,102,475	-	-	-	143,102,475	3.8 - 10	6,221,847	-	6,221,847	12,443,694	130,658,781
			-	-				-			
Plant and machinery	624,751,374	1,799,566	-	-	626,550,940	4.8 - 10	39,916,355	-	40,348,979	80,265,334	546,285,606
			-	-				-			
Furniture and fittings	3,155,305	-	-	-	3,155,305	10	2,345,899	-	80,941	2,426,840	728,465
Vehicles	7,950,236	-	-	-	7,001,937	20	6,020,147	-	382,949	5,486,227	1,515,710
		(948,299)	-	-				-	(916,869)		
Electrical appliances	2,092,839	3,800	-	-	2,096,639	10	1,123,480	-	97,038	1,220,518	876,121
Office equipment	8,452,824	259,543	-	-	8,712,367	10	5,337,149	-	329,317	5,666,466	3,045,901
2014 Rupees	1,040,005,053	2,062,909	-	-	1,041,119,663		60,964,877	-	47,461,071	107,509,079	933,610,584
		(948,299)							(916,869)		

14.1 Depreciation for the year has been allocated as under :

	Note	2015 Rupees	2014 Rupees
Cost of sales	25	**46,250,488**	46,570,826
Administrative expenses	27	**685,263**	890,245
		46,935,751	47,461,071

14.2 Disposal of fixed assets

The following are details of disposals during the year:

Particulars	Cost/Revalued amount Rs.	Book value Rs.	Sale proceeds Rs.	Gain/(loss) on disposal Rs.	Mode of disposal	Name and address
BMW Car (LZV-530)	2,800,000	463,468	1,733,333	1,269,865	By Negotiation	ICC (Pvt) Ltd. (Related Party) 242-A, Anand Road, Upper Mall, Lhr.
HP 4100 Laser Printer	7,000	5,570	1,500	(4,070)	By Negotiation	I. A. Enterprises 1-Mian Meer Road, Upper Mall, Lhr.
12 Sulzer Looms (P7100 168")	9,721,548	7,421,306	32,014,874	24,593,568	By Negotiation	Ideal Machineries & Heavy Equipment P.O Box 20282, Sharjah, U.A.E.
25 Sulzer Looms (P7100 153")	22,285,011	16,235,033	25,000,000	8,764,967	By Negotiation	H. N. Textiles (Pvt) Ltd. 129-Sector A-1, Town Ship Lhr.
2015 Rupees	**34,813,559**	**24,125,377**	**58,749,707**	**34,624,330**		
2014 Rupees	948,299	31,430	351,000	319,570		

14.3 Free - hold land, buildings on free - hold land and plant and machinery were most recently revalued on June 30, 2015 by an independent valuer, Arch-e-decon (Evaluators, Surveyors, Architects and Engineers), resulting in surplus of Rs. 98.855 million and incorporated in the financial statements for the year ended June 30, 2015. Previously, three revaluations had been carried out by Arch-e-decon, an independent valuer. First revaluation was carried out during 2006, second during 2009 and third during 2012. The basis used for revaluation of property, plant and equipment are as follows:

Free - hold land : The value of free - hold land ascertained according to the local market value;

Buildings on free - hold land : Present day construction rates for different types of building structure depreciated to account for the age and condition of the building; and

Plant and machinery : The value has been determined with reference to prevailing prices of similar plants and machinery depreciated to account for the age, usage and physical condition.

14.4 Free - hold land, buildings on free - hold land and plant and machinery represent values subsequent to revaluations. Had there been no revaluation, the carrying amount of the revalued assets would have been as follows:

	Note	2015 Rupees	2014 Rupees
Free - hold land		**7,553,867**	7,553,867
Buildings on free - hold land		**42,554,355**	44,682,072
Plant and machinery		**237,326,490**	264,718,070
		287,434,712	316,954,009

15 LONG TERM LOANS AND ADVANCES

	Note	2015 Rupees	2014 Rupees
Advances - considered good	15.1	**775,000**	190,000
15.1 Advances to:			
Executives		**860,000**	387,219
Employees		**107,000**	120,000
		967,000	507,219
Current portion:			
Executives		**(132,000)**	(287,219)
Employees		**(60,000)**	(30,000)
		(192,000)	(317,219)
		775,000	190,000

15.2 Loans to employees are secured against retirement benefits.

	Note	2015 Rupees	2014 Rupees
16 LONG TERM DEPOSITS			
Security deposits	**16.1**	**1,629,034**	1,629,034
		1,629,034	1,629,034

16.1 Security deposits mainly include security deposits for electricity connection.

17 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		**10,360,793**	10,402,502
Spare parts		**17,699,880**	20,792,840
Packing materials		**444,276**	976,361
Loose tools		**3,012,594**	2,990,199
		31,517,543	35,161,902
18 STOCK IN TRADE			
Raw materials		**6,345,070**	12,438,450
Work in process		**12,744,852**	25,570,931
Finished goods		**20,039,872**	38,439,142
Scrap / waste		**617,704**	132,738
		39,747,498	76,581,261
19 TRADE DEBTS - Considered good			
Export - Secured against letters of credit		**339,408**	2,858,525
Local - Unsecured		**14,762,389**	17,736,865
		15,101,797	20,595,390
20 LOANS AND ADVANCES			
Advances - unsecured, considered good:			
to executives - against salaries and expenses		**526,821**	287,219
to employees - against salaries and expenses		**1,309,430**	1,253,821
to suppliers		**2,293,936**	3,888,514
		4,130,187	5,429,554
		4,130,187	5,429,554

20.1 The maximum aggregate amount due from executives at the end of any month was Rs.1,254,821 (2014: Rs. 407,219).

21 SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		**1,388,778**	1,361,074
Export rebate receivable		**577,080**	483,325
Sales tax refundable		**11,967,092**	36,662,117
Letter of credit		**-**	6,336
Others		**22,598**	15,226
		13,955,548	38,528,078
22 CASH AND BANK BALANCES			
Cash in hand		**106,475**	153,889
Cash at banks:			
Current accounts		**12,271,419**	1,721,623
Deposit accounts	**22.1**	**386**	26,832
		12,271,805	1,748,455
		12,378,280	1,902,344

22.1 Deposit accounts carry interest @ 3% to 5% (2014: 3% to 5%) per annum.

	Note	2015 Rupees	2014 Rupees
23 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		**33,442,500**	-

This represents realizable value of inefficient and almost 25 years used, 23 sulzer looms, warping machine and sizing machine of 1990 models, not in operations, to be sold during next year. The proceeds will be utilized to settle / reduce banks' finance facilities in order to reduce dependency on external debts and finance cost of the company, as per plan approved by Board of Directors.

24 SALES

Cloth:			
- Export		**134,057,702**	310,280,513
- Local		**348,100,278**	839,573,962
		482,157,980	1,149,854,475
Waste		**5,707,868**	11,305,345
Export rebate		**93,755**	129,966
Processing income		**54,287,281**	77,094,701
		542,246,884	1,238,384,487
Commission		**(1,299,247)**	(3,616,084)
		540,947,637	1,234,768,403

24.1 Sales are exclusive of sales tax amounting to Rs. 32,973,680 (2014: Rs. 25,505,639).

25 COST OF SALES

Raw materials consumed	**25.1**	**338,367,158**	842,385,818
Salaries, wages and other benefits	**25.2**	**95,458,827**	100,187,653
Fuel and power		**104,258,819**	189,663,899
Stores consumed		**39,036,612**	70,190,905
Processing charges		**9,600**	377,881
Insurance		**2,712,425**	2,704,654
Repairs and maintenance		**1,748,969**	3,103,821
Depreciation on owned assets	**14.1**	**46,250,488**	46,570,826
Others		**522,320**	1,552,500
		628,365,218	1,256,737,957
Adjustment of work-in-process			
Opening stock		**25,570,931**	40,205,024
Closing stock		**(12,744,852)**	(25,570,931)
		12,826,079	14,634,093
Adjustment of finished goods and waste			
Opening stock		**38,571,880**	70,883,881
Closing stock		**(20,657,576)**	(38,571,880)
		17,914,304	32,312,001
		659,105,601	1,303,684,051

25.1 Raw materials consumed

Opening stock	**12,438,450**	29,073,291
Purchases	**326,660,715**	819,577,044
Freight and octroi	**5,613,063**	6,173,933
	332,273,778	825,750,977
Closing stock	**(6,345,070)**	(12,438,450)
	338,367,158	842,385,818

25.2 Salaries, wages and other benefits include retirement benefits amounting to Rs. 8,795,361 (2014: Rs. 7,433,933).

	Note	2015 Rupees	2014 Rupees
26 DISTRIBUTION COST			
Salaries and other benefits	26.1	**4,432,844**	4,918,610
Vehicles running and maintenance		**504,605**	732,525
Communication		**309,861**	390,865
Freight, shipment and others		**4,800,982**	9,761,689
Other expenses		**282,434**	390,001
		10,330,726	16,193,690

26.1 Salaries and other benefits include retirement benefits amounting to Rs. 804,116 (2014: Rs. 721,692).

	Note	2015 Rupees	2014 Rupees
27 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	27.1	**20,916,722**	19,847,647
Travelling and conveyance		**1,228,943**	1,510,431
Rent, rates and taxes		**3,979,419**	3,261,973
Printing and stationery		**992,448**	825,159
Communication		**986,912**	1,140,591
Vehicles running and maintenance		**3,478,981**	3,820,989
Entertainment		**765,297**	822,495
Repairs and maintenance		**457,401**	472,336
Utility expenses		**892,091**	804,847
Legal and professional		**467,600**	408,200
Subscription		**852,759**	911,174
Insurance		**591,751**	814,697
Advertisement		**26,100**	70,050
Depreciation on owned assets	14.1	**685,263**	890,245
		36,321,687	35,600,834

27.1 Salaries and other benefits include retirement benefits amounting to Rs. 7,008,896 (2014: Rs. 6,410,891).

	Note	2015 Rupees	2014 Rupees
28 OTHER OPERATING EXPENSES			
Auditors' remuneration	28.1	**740,228**	749,828
Others		**43,847**	36,296
		784,075	786,124
28.1 Auditors' remuneration			
Audit fee		**500,000**	500,000
Half yearly review		**50,000**	50,000
Code of Corporate Governance review		**25,000**	25,000
Tax representation and consultancy fee		**127,128**	137,128
Out of pocket expenses		**38,100**	37,700
		740,228	749,828
29 OTHER INCOME			
Income on financial assets			
Interest on deposit accounts		**2,841**	32,002

Income on assets other than financial assets	Note	2015 Rupees	2014 Rupees
Gain on disposal of fixed assets		**34,624,330**	319,570
Markup waived off	7.2	**38,705,582**	-
Amortization of interest free loans:			
- from directors interest free loan	6.1.2	**53,556,535**	106,632,189
- from directors interest bearing loan		**5,180,528**	-
- from Commercial bank interest free loan		**20,488,756**	-
		79,225,819	106,632,189
Others		**250**	11,684
		152,558,822	106,995,445

30 FINANCE COST

Mark-up on:			
- Long term financing		**1,274,784**	3,364,107
- Financing from directors		**303,397**	-
- Financing from associated company		**697,217**	1,001,809
- Short term borrowings		**45,102,688**	55,338,078
Unwinding of discount		**13,616,227**	3,406,100
Amortization of transaction cost		**357,143**	-
Bank charges		**1,515,467**	2,465,525
		62,866,923	65,575,619

31 TAXATION

Current		**1,638,893**	3,190,085
Prior years		**-**	(736,355)
Deferred tax	5.2	**(13,576,684)**	(9,128,748)
		(11,937,791)	(6,675,018)

31.1 Provision for income tax has been made in the accounts for withholding tax deducted on export proceeds @ 1% under final tax regime u/s 154 of the Income Tax Ordinance, 2001.

31.2 As the Company is under final tax regime, the reconciliation of applicable and effective tax rate is not meaningful.

32 (LOSS) / EARNING PER SHARE - BASIC AND DILUTED

Loss per share is calculated by dividing loss after tax for the period by weighted average number of shares outstanding during the period as follows:

(Loss) / Profit attributable to ordinary shareholders	**(63,964,762)**	(73,401,452)
Weighted average number of ordinary shares	**30,001,120**	30,001,120
(Loss) / Earning per share - Basic and diluted	**(2.13)**	(2.45)

32.1 No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

33 FINANCIAL ASSETS AND LIABILITIES

The Company has exposures to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

33.1 Credit risk and concentration of credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if the counter parties fail completely to perform as contracted.

Credit risk arises principally from loans and advances, trade debts, deposits, other receivables and bank balances. Out of total financial assets of Rs. 34.014 million (2014: Rs. 29.746 million), the financial assets that are subject to credit risk amounted to Rs. 33.908 million (2014: Rs. 29.592 million).

The Company monitors the credit quality of the financial assets with reference to the historical performance of such assets and available external credit ratings.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows the bank balances and investment held with some major counterparties at the balance sheet date.

Banks	Rating		Agency	June 2015	June 2014
	Short term	Long term		(Rupees)	(Rupees)
Allied Bank Limited	A 1+	AA+	PACRA	**848**	18,513
MCB Bank Limited	A 1+	AAA	PACRA	**57,091**	58,703
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	**-**	3,495
Habib Metropolitan Bank Limited	A 1+	AA+	PACRA	**20,008**	67,995
National Bank of Pakistan	A 1+	AAA	JCR-VIS	**7,255**	7,255
Faysal Bank Limited	A 1+	AA	PACRA	**-**	26,405
United Bank Limited	A - 1+	AA+	JCR-VIS	**10,046,157**	1,018
Bank Al Habib Limited	A 1+	AA+	PACRA	**2,140,446**	1,565,071
Total				**12,271,805**	1,748,455

The aging of trade receivables at the reporting date is:	2015 (Rupees)	2014 (Rupees)
Past due 1-30 days	**3,845,513**	6,873,308
Past due 31-150 days	**902,086**	5,555,839
Past due over 150 days	**10,354,198**	8,166,243
	15,101,797	20,595,390

33.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation.

The following are the contractual maturities of financial liabilities as at 30 June 2015:

	Carrying amount (Rupees)	Less than one year (Rupees)	One to five years (Rupees)	More than five years (Rupees)
Long term financing from directors	**228,862,462**	**-**	**-**	**228,862,462**
Long term financing from commercial banks	**186,092,454**	**138,200,000**	**47,892,454**	**-**
Trade and other payables	**116,041,846**	**116,041,846**	**-**	**-**
Accrued markup	**12,238,172**	**12,238,172**	**-**	**-**
Short term borrowings	**149,947,765**	**149,947,765**	**-**	**-**
Total	**693,182,699**	**416,427,783**	**47,892,454**	**228,862,462**

The following are the contractual maturities of financial liabilities as at 30 June 2014:

	Carrying amount (Rupees)	Less than one year (Rupees)	One to five years (Rupees)	More than five years (Rupees)
Long term financing from directors	52,184,882	-	-	52,184,882
Long term financing from commercial banks	15,896,104	15,896,104	-	-
Trade and other payables	152,455,451	152,455,451	-	-
Accrued markup	30,495,553	30,495,553	-	-
Short term borrowings	501,895,294	501,895,294	-	-
Total	752,927,284	700,742,402	-	52,184,882

33.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's value of its financial instruments.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on trade debts denominated in US Dollars. The Company's exposure to foreign currency risk for US Dollars is as follows:

	2015 (Rupees)	2014 (Rupees)
Foreign debtors	**339,408**	2,858,525

The following significant exchange rates have been applied:

Rupees per USD		
Average rate	**101.69**	98.28
Reporting date rate	**101.70**	98.35

As at year end, had the exchange of USD depreciated or appreciated against the currency with all other variables held constant, the change in post tax loss, mainly as a result of foreign exchange gain/loss on translation of foreign currency denominated receivable, would have been as follows:

Currency	% change	2015 (Rupees)	2014 (Rupees)
US $	10%	**33,941**	285,853

b) Interest risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the variable interest rate profile of the Company's significant interest bearing financial instruments was as follows:

Variable rate instruments	2015 Effective rate of interest	2014 Effective rate of interest	June 2015 Carrying value in Rupees	June 2014 Carrying value in Rupees
Financial liabilities				
Long term financing from directors	**5.65%**	-	**140,000,000**	-
Long term financing from commercial banks	-	7.0% to 11.21%	-	15,896,104
Short term borrowings	**9.52% to 12.35%**	10.01 % to 13.38%	**149,947,765**	501,895,294
Total			**289,947,765**	517,791,398
Financial assets				
Cash at bank - deposit accounts	3% to 5%	3% to 5%	**386**	26,832
Total			**386**	26,832

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	Profit or loss 100 basis points Increase Rupees	Profit or loss 100 basis points Decrease Rupees
As at 30 June 2015		
Cash flow sensitivity-Variable rate financial liabilities	**2,899,478**	**(2,899,478)**
As at 30 June 2014		
Cash flow sensitivity-Variable rate financial liabilities	5,177,914	(5,177,914)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

c) Equity price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as the Company does not hold investments whose fair value or future cash flows will fluctuate because of changes in fair value.

33.4 Financial instruments by categories

	Available for sale June 2015	Available for sale June 2014	Loans and receivables June 2015	Loans and receivables June 2014	Total June 2015	Total June 2014
Financial assets						
Loans and advances	-	-	**4,905,187**	5,619,554	**4,905,187**	5,619,554
Deposits	-	-	**1,629,034**	1,629,034	**1,629,034**	1,629,034
Trade debts	-	-	**15,101,797**	20,595,390	**15,101,797**	20,595,390
Cash and bank balances	-	-	**12,378,280**	1,902,344	**12,378,280**	1,902,344
Total	-	-	**34,014,298**	29,746,322	**34,014,298**	29,746,322

	Financial liabilites at amortised cost	
	June 2015	June 2014
Financial liabilities		
Long term financing from directors	**228,862,462**	52,184,882
Long term financing from commercial banks	**186,092,454**	15,896,104
Trade and other payables	**116,041,846**	152,455,451
Accrued markup	**12,238,172**	30,495,553
Short term borrowings	**149,947,765**	501,895,294
Total	**693,182,699**	752,927,284

33.5 Fair values of financial assets and liabilities

The carrying values of financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

33.6 Capital risk management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total borrowings ("long term financing" and "short term borrowings" as shown in the balance sheet). Total capital comprises shareholders' equity as shown in the balance sheet under "share capital, reserves and surplus on revaluation and net debt".

The salient information relating to capital risk management of the Company at year end were as follows:

	2015 Rupees	2014 Rupees
Total borrowings	**562,759,824**	569,976,280
Less: Cash and cash equivalents	**12,378,280**	1,902,344
Net debt	**550,381,544**	568,073,936
Total equity (including surplus on revaluation)	**247,566,684**	193,354,484
Total capital	**797,948,228**	761,428,420
Gearing ratio	**68.97**	74.61

34 RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, directors and their close family members, executives and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of their employment. Outstanding balances at balance sheet dates are disclosed in relevant notes. Transactions with related parties during the year other than those disclosed elsewhere in the financial statements are as follows:

	Note	2015 Rupees	2014 Rupees
Long term borrowing obtained from director - interest bearing		**140,000,000**	-
Long term borrowing obtained from directors - interest free		**88,360,202**	122,112,020
Short term borrowing repaid to ICC (Private) Limited - interest bearing		**1,533,946**	2,510,280
Short term borrowing repaid to ex-sponsor member - interest bearing		**6,192,196**	9,000,000
Interest on loan debited by ICC (Private) Limited	34.1	**697,217**	1,001,809
Interest on loan obtained from ex-sponsor member	34.1	**283,504**	1,775,902
Vehicle sold to ICC (Private) Limited		**1,733,333**	-
Reimbursable expenses incurred on behalf of ICC (Private) Limited		**2,237,292**	3,965,036
Reimbursable expenses incurred by ICC (Private) Limited		**7,129**	1,690,536
Unwinding of discount on loans from directors	6	**7,054,441**	3,406,100
Interest on loan obtained from directors	30	**303,397**	-

34.1 Interest on interest bearing long term financing and short term borrowing is charged at the same rates which are charged by the banks to the associated company / sponsor member / director.

34.2 ICC (Private) Limited is associated due to common directorship.

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Description	2015			2014		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial remuneration	-	-	6,351,322	-	-	6,604,489
House rent allowance	-	-	2,310,141	-	-	2,409,416
Other allowances	-	-	867,528	-	-	893,189
Medical expenses	-	-	225,475	-	-	350,191
Rupees	-	-	9,754,466	-	-	10,257,285
No. of persons	1	7	7	1	7	7

35.1 The directors of the Company have opted not to take any remuneration from the Company voluntarily.

35.2 Some executives are provided with Company maintained cars as per rules.

35.3 No meeting fee was paid to the directors for attending the meetings of the board.

36 NUMBER OF EMPLOYEES

	2015	2014
Number of employees at the end of the year	**436**	525
Average number of employees during the year	**498**	559

37 CAPACITY INSTALLED AND ACTUAL PRODUCTION

	2015	2014
No. of looms installed	**141**	178
No. of looms worked	**118**	178
Shifts per day	**2**	2
No. of days actually worked	**362**	362
Rated capacity (Square Meters in millions)	**34.0**	41.1
Actual production (Square Meters in millions)	**11.30**	22.94

It is difficult to determine precisely the production / rated capacity in textile weaving mills since it fluctuates widely depending on various factors such as speed, width and construction of cloth woven etc.

Reduced production was mainly attributed to power load shedding, shortfall of working capital and demand in international market.

38 ACCOUNTING ESTIMATES AND JUDGEMENTS

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Trade debts and other receivables

Impairment loss against doubtful trade and other debts is made on a judgment basis, which provisions may differ in the future years based on the actual experience. The difference in provision if any, is recognized in the future period.

Property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its plant and equipment. The estimates for revalued amounts of different classes of property, plant and equipment are based on valuation performed by external professional valuers and recommendations of technical teams of the Company. The said recommendation also includes estimates with respect to residual values and depreciable lives. Further, the Company reviews the values of the assets for possible impairment on an annual basis. Any change in the estimate in the future years might affect the carrying amounts of the respective item of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Stock in trade and stores, spare parts and loose tools

The Company's management reviews the net realizable value (NRV) and impairment of stock in trade and stores, spare parts and loose tools to assess any diminution in the respecting carrying values and wherever required provision for NRV / impairment is made. The difference in provision, if any, is recognized in the future period.

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 3.1 to the financial statements for the valuation of present value of defined benefit obligation. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

Provision for contingencies

The Company's management uses assumptions and estimates in disclosure and assessment of provision for contingencies.

39 FIGURES

- Figures in these financial statements have been rounded off to the nearest rupee.
- Corresponding figures have been re-arranged and / or reclassified, wherever considered necessary, for the purpose of better presentation of the financial statements. However, no significant reclassification has been made in these financial statements.

40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 09, 2015.

LAHORE:	Sd/-	Sd/-
October 09, 2015	**Director**	**Chief Executive**

FORM - 34

PATTERN OF SHAREHOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS ON JUNE 30, 2015

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
169	1	100	12,455
992	101	500	463,685
116	501	1,000	113,592
129	1,001	5,000	381,314
43	5,001	10,000	346,989
18	10,001	15,000	221,192
9	15,001	20,000	158,573
9	20,001	25,000	204,100
4	25,001	30,000	110,000
1	30,001	35,000	30,500
4	35,001	40,000	152,500
1	45,001	50,000	50,000
1	90,001	95,000	92,000
1	95,001	100,000	99,500
1	105,001	110,000	110,000
1	115,001	120,000	119,500
5	125,001	130,000	633,612
1	130,001	135,000	130,500
1	135,001	140,000	139,900
1	155,001	160,000	158,900
2	175,001	180,000	354,720
2	195,001	200,000	400,000
1	215,001	220,000	220,000
1	230,001	235,000	235,000
2	235,001	240,000	473,000
1	440,001	445,000	440,570
1	2,190,001	2,195,000	2,194,788
1	4,455,001	4,460,000	4,457,918
1	7,710,001	7,715,000	7,714,933
1	9,780,001	9,785,000	9,781,379
1,520			**30,001,120**

DETAIL OF SHAREHOLDING

AS ON JUNE 30, 2015

Categories of Shareholders		Shares held	Percentage
1	**Directors, Chief Executive Officer and their spouse and minor children**		
	Mr. Shafiq A. Siddiqi	175,420	0.58
	Mr. Shafiq A. Siddiqi (CDC)	128,000	0.43
	Mr. Javaid Shafiq Siddiqi	4,457,918	14.86
	Mr. Javaid Shafiq Siddiqi (CDC)	9,781,379	32.60
	Mr. Pervaiz Shafiq Siddiqi (CDC)	7,714,933	25.72
	Mrs. Fauzia Javaid	179,300	0.60
	Mrs. Fauzia Javaid (CDC)	2,194,788	7.32
	Mr. Salman Javaid Siddiqi (CDC)	1,000	0.00
	Mr. Asim Pervaiz Siddiqi (CDC)	1,000	0.00
	Mr. Adnan Javaid Siddiqi	1,000	0.00
	Total	**24,634,738**	**82.11**
2	**Associated Companies, undertakings and related parties**	**-**	**0.00**
3	**NIT & ICP**		
	Investment Corp. of Pakistan	**1,400**	**0.00**
	Public Sector Companies and Corporations		
4	Banks, Development Financial Institutions and Non Banking Financial Institutions	5,092	0.02
5	Insurance Companies	158,900	0.53
6	Modaraba and Mutual Funds	-	0.00
	Total	**163,992**	**0.55**
7	**General Public**		
	a. Local	**5,173,287**	**17.24**
	b. Foreign	**-**	**0.00**
8	**Other (to be specified)**		
	Joint Stock Companies	12,101	0.04
	Pension Funds	15,073	0.05
	Others	529	0.00
	Total	**27,703**	**0.09**
	Grand Total	**30,001,120**	**100.00**
9	**Shareholders holding 10% or more voting interest**		
	Mr. Javaid S. Siddiqi	14,239,297	47.46
	Mr. Pervaiz S. Siddiqi	7,714,933	25.72
	Total	**21,954,230**	**73.18**
10	**Shareholders holding 5% or more voting interest**		
	Mr. Javaid S. Siddiqi	14,239,297	47.46
	Mr. Pervaiz S. Siddiqi	7,714,933	25.72
	Mrs. Fauzia Javaid	2,374,088	7.91
	Total	**24,328,318**	**81.09**

FORM OF PROXY

The Company Secretary
ICC Textiles Limited
242-A, Anand Road,
Upper Mall, Lahore

I/We --

of -- being a member of **ICC TEXTILES LIMITED** and holder of -- Ordinary shares as per Share
(Number of Shares)

Register Folio No. ---------- and/or CDC Participant I.D. NO. ------------ and Sub Account No. ----------

hereby appoint --

of --

or failing him ---

of --

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at its Registered Office 242-A, Anand Road, Upper Mall, Lahore on Saturday, the October 31, 2015 at 10:30 a.m. and at every adjournment thereof.

Signed this ------------------------------------- Day of -- 2015.

WITNESSES:

1. Signature:

   Name: -----------------------------

   Address: ---------------------------

   CNIC or -----------------------------

   Passport No. ----------------------

2. Signature:

   Name: -----------------------------

   Address: ---------------------------

   CNIC or -----------------------------

   Passport No. ----------------------

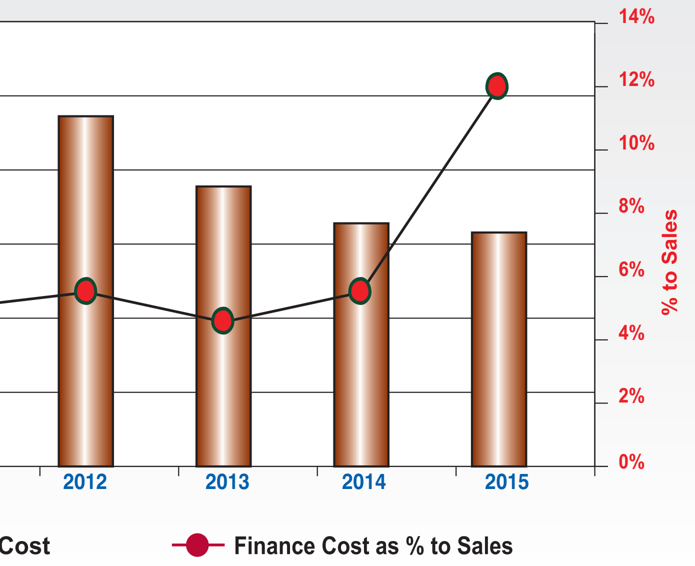
Signature

AFFIX
REVENUE
STAMP
RS. 5/-

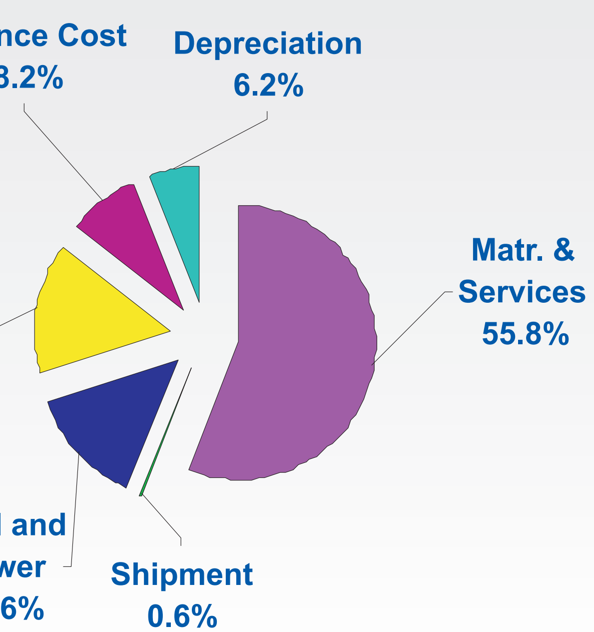
Note: Proxies, in order to be effective must be received by the Company not less than 48 hours before the meeting duly completed in all respects. A proxy need not to be a member of the Company.

CDC shareholders and their Proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with the proxy form before submission to the Company.

Finance Cost



BREAKUP OF COST



SIX YEARS AT A GLANC

	2010	2011	2012
• Sales (Rs.)	1,522.531	2,246.377	1,778.224
• Gross profit/(loss) (Rs.)	11.391	64.754	(55.374)
• Net profit/(loss) after tax (Rs.)	(145.138)	(98.936)	(82.897)
• Fixed assets (Rs.)	997.659	952.641	1,015.677
• Long term liabilities (Rs.)	265.093	172.840	64.527
• Retained earnings (Rs.)	(408.027)	(489.971)	(554.301)
• Gross profit rate	0.7%	2.9%	(3.1%)
• Net profit rate	(9.5%)	(4.4%)	(4.7%)
• Current ratio	0.52:1	0.55:1	0.37:1
• Share break up value (Rs.)	(30.80)	(18.99)	(8.47)
• Earning per share (Rs.)	(14.51)	(6.80)	(2.76)
• Dividend	Nil	Nil	Nil