

ANNUAL REPORT 2020



ICC Industries Limited

(Formerly ICC Textiles Limited)

COMPANY INFORMATION

Board of Directors

- Mr. Javaid S. Siddiqi Chief Executive
- Mr. Pervaiz S. Siddiqi Chairman
- Mrs. Fauzia Javaid
- Mr. Salman Javaid Siddiqi
- Mr. Asim Pervaiz Siddiqi
- Mr. Adnan Javaid Siddiqi
- Mr. Arsalan Javaid Siddiqi

Audit Committee

- Mr. Salman Javaid Siddiqi Chairman
- Mr. Pervaiz S. Siddiqi Member
- Mrs. Fauzia Javaid Member
-

HR&R Committee

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

Company Secretary

- Mr. Shahid Ali Ahmad

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
- 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

ICC INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 32nd Annual General Meeting of the Company will be held at the registered office of the Company, 242-A, Anand Road, Upper Mall, Lahore on Wednesday October 28, 2020 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Extraordinary General Meeting held on March 28, 2020.
2. To receive consider and adopt the audited financial statements of the Company for the year ended 30th June 2020 together with the Directors and Auditors Report thereon.
3. To appoint statutory auditors for the year ending 30th June 2021 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

Lahore
October 08, 2020

By Order of the Board

Company Secretary

NOTES:

1. The members register will remain closed from October 22, 2020 to October 28, 2020 (both days inclusive). Transfers received at Share Registrar Office, Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on 21 October 2020 will be entertained.
2. A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the registered office not later than 48 hours before the time for holding meeting.
3. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D numbers, to prove his/her identity, and in case of proxy must enclose and attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/sub account holders of CDC will further have to follow the guidelines as laid down in Circular No.1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan

4. Pursuant to Section 132(2) of the Companies Act 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.
5. In accordance with the provisions of section 223 and 237 of the Companies Act, 2017, the audited financial statements of the Company for the year ended on June 30, 2020 are available on the Company's website (www.icctextiles.com.pk).
6. Shareholders are requested to immediately notify the change in address, if any to the Company's Share Registrar M/s Corplink (Pvt.) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore.
7. All shareholders who had not yet submitted the valid copies of CNIC, NTN certificate(s) and IBAN are requested to send the same to the Share Registrar. Shareholders of the Company who holds shares in scrip-less form on Central Depository Company of Pakistan Ltd. (CDC) are requested to update their IBAN details directly to their CDC participant (brokers)/CDC Investor Account Services.
8. All possible safety measures shall be taken in respect of COVID-19 and relevant SOPs shall be strictly followed including checking of temperature, wearing of face masks, use of hand sanitizer and maintenance of proper social/physical distance. All members attending the meeting are requested and expected to cooperate in this respect.

ICC Industires Limited

(Formerly ICC Textiles Limited)

CHAIRPERSON'S REVIEW REPORT ON BOARD PERFORMANCE

ICC Textiles Limited ("the Company") has a seven member Board of Directors ("the Board") and members have been vigilant in performing their individual and collective performance while working on the Board or in its committees.

The board is responsible for overall management of the company as it devices strategies and policies and thus played a vital role in company's operations by ensuring a diligent governance framework for effective and prudent management of business matters.

The Composition of the Board is in accordance with the requirements of Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019, with exception of appointment of independent directors in Board and Audit Committee, and its duties, obligations, responsibilities and rights are as defined therein..

During the financial year 2020 the BOD met ten times. All its members are committed to serve the company with the same zeal, while taking into consideration all material facts, information and circumstances in a manner to ensure that appropriate decisions.

The Board has developed a mechanism for annual evaluation of Board's own performance. in compliance with the provisions of Listed Companies (Code of Corporate Governance) Regulations 2019. The performance evaluation mechanism facilitate and enable the Board members to play an effective role as a coordinated team for ongoing decision making. For the year ended June 30, 2020 the Board's overall performance and effectiveness has been found satisfactory.



LAHORE:
October 08, 2020

PERVAIZ S. SIDDIQI
Chairman

ICC Industries Limited

(Formerly ICC Textiles Limited)

Directors' report to the members

On behalf of the board of directors, we take pleasure in presenting the audited financial statements of the company pertaining to the financial year ended on June 30, 2020.

Financial Highlights

The company suffered an after tax loss of Rs. 1.561 million and registered a revenue of Rs. 33.811 million as against an after tax profit of Rs. 4.393 million and revenue of Rs. 24.395 million in the preceding period from continuing business.

	Rupees
• Revenue	33,811,152
• Gross profit	21,460,205
• Operating profit	81,095,022
• Finance Cost	79,298,129
• Change in fair value of investment property	2,539,325
• Loss after tax	1,560,753
• Accumulated losses	724,272,986
• Loss per share	0.05

Period under Review

Enhanced revenue attributed to renting out additional covered area of mills premises as almost all textile machinery has been disposed off as per our plan to consolidate company's resources by repaying bank borrowings through sale of inefficient / obsolete machinery and sponsors funds injection, and to rent out vacant premises to generate revenue.

The following transactions / factors influenced the company's financial position and performance during this period:

- The company's financial were negatively impacted during the last quarter, due to the spread of the deadly covid19 global epidemic resulting in social and business lockdowns, having far reaching viability adverse consequences in almost all spheres of business activity. This impacted our rental business which faced a slowdown and partial termination of the rented space.
- Despite the covid19 negative impact in the last quarter, the overall Company's rental revenue increased by Rs. 9.415 million.

- Positive change in fair value of the investment property was only Rs. 2.539 million mainly due to Covid19 problem (2019: Rs. 100.328 million), which has been accounted for as income during the year.
- Other income increased by Rs.95.888 million mainly attributed to amortization of directors loans' conversion in interest free loans.
- The company has disposed off assets from property, plant and equipment and non-current assets held for sale having written down value of Rs. 4.721 million (2019: Rs. 6.974 million).

Future Strategy and Prospects

Pakistan has been exceptionally lucky, as so far, it has escaped from the huge anticipated damage of covid19 virus. However, most countries of the world, including our neighbor are still fighting the crisis and business is far from usual. While in Pakistan, business activity was restored in September, there is a huge concern of a second wave, as such it will take some time for the business environment to regain normal status.

It is now our endeavor to rent out the space vacated during the covid19 period, and, moreover, even rent out the previous additional space available at our premises.

Considering future prospects of Real Estate Business and Company's huge covered area and land situated at Sundar, Lahore having potential of substantial earning, the members of the Company in their meeting held on January 27, 2020, after due consideration approved to adopt new line of business comprising of providing facilities for storage on proprietary as well as rental basis and to undertake real estate development including investment, construction, purchase, sale, lease and disposal of real estate assets;

Accordingly, in February 2020 the company adopted the cited new line of business and to reflect the new line of business changed its name as "ICC Industries Limited". The implementation of the future plan is, however, subject to a conducive business environment presently trying to cope and recover from the affects of the covid19 and the political and economic situation of the country.

Contingencies and commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the statement of financial position relates and the date of Directors' Report, except as disclosed in the financial statements.

Outstanding Statutory Dues

There are no outstanding statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2020 except for those disclosed in the financial statements.

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 flows 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 the 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 to the financial statements, which describes that the Company's current liabilities exceeded its current assets by Rs. 222.277 million, and its accumulated losses stood at Rs. 724.273 million. These conditions indicate the 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 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 had implemented a plan to consolidate the company's position by repaying the banks' borrowings through sponsors' loans and sale of inefficient textile machinery and renting out vacant buildings to generate revenue. Moreover, the company has taken steps mentioned in note 1.2 (iii - viii) to the financial statements.

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 continuing its effort to resolve the issue shortly. 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

	2015	2016	2017	2018	(Rs. in million)	
					2019	2020
Revenue :						
- Textiles (Rs.)	540.948	443.604	21.974	0.191	0.933	0
- Rental (Rs.)	-	-	9.910	15.363	23.462	33.811
Net profit/(loss) after tax (Rs.)	(63.965)	(211.063)	4.739	16.034	4.393	(1.561)
Fixed assets (Rs.)	928.706	675.842	242.183	13.454	12.296	8.154
Investment property (Rs.)	-	-	620.350	844.020	944.348	962.419
Retained earnings (Rs.)	(625.212)	(816.970)	(787.600)	(741.671)	(730.220)	(724.273)
Current ratio	0.34:1	0.21:1	0.28:1	0.35:1	0.22:1	0.16:1
Share breakup value (Rs.)	8.25	0.22	3.87	4.44	4.74	4.81
Earnings per share (Rs.)	(2.13)	(7.04)	0.16	0.53	0.15	(0.05)
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. 33.445 million (2019: Rs. 32.776 million).

Board and Committees Meetings

During the year July 2019 to June 2020, Twelve meetings of the Board of Directors, Eight 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
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Board of Directors

Mr. Javaid S. Siddiqi	11	
Mr. Pervaiz S. Siddiqi	12	
Mrs. Fauzia Javaid Siddiqi	10	
Mr. Salman Javaid Siddiqi	12	
Mr. Asim Pervaiz Siddiqi	12	
Mr. Adnan Javaid Siddiqi	2	
Mr. Arsalan Javaid Siddiqi	12	

Audit Committee

Mr. Salman Javaid Siddiqi	8
Mr. Pervaiz S. Siddiqi	8
Mrs. Fauzia Javaid Siddiqi	8

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 all 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 32nd 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, 2020.

Acknowledgement

The directors of the company wish to extend their appreciation and gratitude to all staff members and workers for their continued hard work and quality standard.



PERVAIZ S. SIDDIQI
Chairman

For and on behalf of
the Board of Directors



JAVAID S. SIDDIQI
Chief Executive

LAHORE:
October 08, 2020

ICC Industries Limited

(Formerly ICC Textiles Limited)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: ICC Industries Limited

Year Ending : June 30, 2020

The Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

1. The total number of directors are seven as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent Director	-
Executive Director	Mr. Javaid S. Siddiqi
Non-Executive Director	Mr. Pervaiz S. Siddiqi Mr. Arsalan Javaid Siddiqi Mr. Salman Javaid Siddiqi Mr. Asim Pervais Siddiqi Mr. Adnan Javaid Siddiqi
Female Director	Mrs. Fauzia Javaid Siddiqi

The Company does not have any independent director on its Board.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4. 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.
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approved or updating is maintained by the Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the

Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged directors' training program for one director i.e. Mr. Salman S. Siddiqi whereas two directors i.e. Mr. Javaid S. Siddiqi and Mr. Pervaiz S. Siddiqi are exempt from the requirements of directors' training program.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee

1. Mr. Salman S. Siddiqi - (Non-Executive Director) – Chairman
2. Mr. Pervaiz S. Siddiqi - (Non-Executive Director)
3. Mrs. Fauzia Javaid Siddiqi - (Non-Executive Director)

b) HR & Remuneration Committee

1. Mr. Pervaiz S. Siddiqi - (Non-Executive Director) – Chairman
2. Mr. Javaid S. Siddiqi - (Executive Director)
3. Mr. Asim Pervaiz Siddiqi - (Non-Executive Director)

The Chairman of the Audit Committee is not an independent director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following :

- a) Audit Committee - 08 meetings
- b) HR & Remuneration Committee - 01 meeting

15. The Board has set up an effective internal audit function which comprises the persons who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. 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 (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics

as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parents, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the Regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. The Chairman of HR and Remuneration committee is not an independent director as there is no independent director of the Company.



PERVAIZ S. SIDDIQI
Chairman



JAVAID S. SIDDIQI
Chief Executive

LAHORE:
October 08, 2020



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ICC INDUSTRIES LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of ICC Industries Limited (the Company) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the 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 of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Further, we highlighted below instances of non-compliances with the requirements of the Regulations as reflected in following paragraphs where these are stated in the Statement of Compliance:

GR

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad

Paragraph

Sr. No.	Paragraph	Description
1	2	The Board of Directors of the Company do not have any independent director as required by the Code.
2	12	The Chairman of Audit Committee is not an independent director.

Grant Thornton Anjum Rahman
Grant Thornton Anjum Rahman

Chartered Accountants

Lahore.

Dated: *October 8, 2020*



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICC INDUSTRIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of *ICC Industries Limited* (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, (here-in-after referred to as "the financial statements") 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, 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, 2020 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (the Code)* as adopted by the Institute of Chartered Accountants of Pakistan (*the institute*) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad

Material Uncertainty Relating to Going Concern

We draw attention to note 1.2 in the financial statements which describes that the Company has accumulated losses amounting to Rs. 724.273 million. The Company's current liabilities have also exceeded its current assets resulting in short fall of working capital and negative cash flows from operating activities. These conditions indicate 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 a going concern basis for the reasons, as more fully explained in note 1.2 to the financial statements. Our opinion is not modified in this respect.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Investment Properties	
	<p>Refer to note 15 to the annexed financial statements. The Company owns freehold land and building at 32-Km Multan Road, Sundar, Lahore. As at June 30, 2020, the fair value of investment properties was Rs. 962.419 million, representing 94% of the Company's total assets as at that date.</p> <p>The fair values of the Company's investment properties were assessed by management based on independent valuations prepared by external property valuers.</p> <p>We identified valuation of investment properties as a key audit matter because the determination of the fair values involves significant judgement and estimation, particularly in selecting the appropriate valuation methodology and in determining the underlying assumptions, which increase the risk of error or potential management bias, and because the valuations are sensitive to the key assumptions applied.</p>	<p>Our audit procedures to assess the valuation of investment properties included the following:</p> <ul style="list-style-type: none"> • evaluating the qualifications, experience and competence of the external valuer engaged by management and holding discussions with the external valuer, without the presence of management, to understand their valuation methods and the assumptions applied; • evaluating the valuation methodology used by the external valuer by comparison with the valuation methodologies applied by other valuers for similar property types; • assessing the key assumptions adopted in the valuations, including those relating to sale price per square foot/kanal and the discount rates applied to determine forced sale value, by comparing them with historical rates and available industry data and considering the possibility of error or management bias in the selection of assumptions adopted; and • assessing fair value gain recorded during the year.

GAOR

2.	Valuation of Gratuity	
	<p>Refer to note 8.2 to the annexed financial statements.</p> <p>As at June 30, 2020 the Company's obligation in respect of defined benefit plan of its existing employees amounted to Rs. 33.445 million.</p> <p>In determining the obligation in respect of defined benefit plans, the Company engaged an actuarial expert to perform the actuarial valuation of the defined benefit obligation, which involves use of key assumptions including discount rates, expected rate of increase in future salaries and mortality rates. Changes in any of these key assumptions can have a material impact on the calculation of these liabilities.</p> <p>We identified retirement benefit obligation as a key audit matter because of significant management judgment relating to valuation assumptions that are inherently complex and require specialist actuarial input.</p>	<p>Our audit procedures amongst others, comprised understanding the management valuation process, including the involvement of actuarial expert in performing the actuarial valuation of plan assets and defined benefit obligation:</p> <ul style="list-style-type: none"> • we assessed the competence and objectivity of the qualified actuary engaged by the Company to value the defined benefit obligation under IAS 19 'Employee Benefits'; • we assessed the appropriateness of the methodology and assumptions used to determine the obligation in respect of defined benefit plans by comparison with the valuation methodologies applied by other actuaries; • we reviewed data provided by the Company to actuary for the purpose of valuation; • we also reviewed the adequacy of the related disclosures in the financial statements; and • we verified payments made during the year.
3.	Transactions with related parties	
	<p>As referred to in note 7 to the annexed financial statements, the Company has obtained significant financing amounting to Rs. 539.393 million from its related parties including directors and the associated Company. These loans also include interest free loans which need amortization.</p> <p>We identified transactions with related parties as a key audit matter because of amounts involved.</p>	<p>Our audit procedures among others comprised:</p> <ul style="list-style-type: none"> • reviewed terms of loan from agreement. • reviewed the minutes of meetings of the Board of Directors to ensure approval of related party transactions. • obtained independent confirmations from directors. • recalculated markup expense by applying applicable markup rates defined in such agreements. • ensured appropriateness of disclosures in financial statements. • ensured compliance of IFRS-9.

Information Other than the Financial Statements and Auditor's Report Thereon

The Board of Directors are responsible for the other information. Other information comprises the information included in the annual report for the year ended June 30, 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017;
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of account and returns;

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- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Afzal.

Grant Thornton Anjum Rahman
Grant Thornton Anjum Rahman
Chartered Accountants
Lahore

Date: *October 8, 2020*

ICC INDUSTRIES LIMITED

(FORMERLY ICC TEXTILES LIMITED)

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020


EQUITY AND LIABILITIES	Note	2020 Rupees	2019 Rupees
SHARE CAPITAL AND RESERVES			
Authorized share capital			
32,000,000 (2019: 32,000,000) ordinary shares of Rs. 10 each		<u>320,000,000</u>	<u>320,000,000</u>
Share capital			
Issued, subscribed and paid-up share capital	5	300,011,200	300,011,200
Capital reserves			
Revaluation surplus	6	568,462,515	572,329,953
Revenue reserves			
Accumulated loss		<u>(724,272,986)</u>	<u>(730,220,157)</u>
Total equity		144,200,729	142,120,996
NON-CURRENT LIABILITIES			
Long term financing from directors	7	539,392,610	573,984,269
Deferred liabilities	8	74,474,465	75,385,391
		613,867,075	649,369,660
CURRENT LIABILITIES			
Trade and other payables	9	91,850,752	106,658,562
Security deposits	10	2,363,923	5,756,363
Accrued interest / mark-up	11	131,176,347	79,650,376
Short-term borrowings	12	36,247,863	35,942,755
Unclaimed dividend		<u>1,662,656</u>	<u>1,662,656</u>
		263,301,541	229,670,712
TOTAL EQUITY AND LIABILITIES		<u>1,021,369,345</u>	<u>1,021,161,368</u>

CONTINGENCIES AND COMMITMENTS

13

The annexed notes from 1 to 41 form an integral part of these financial statements.

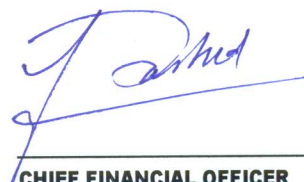
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CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED

(FORMERLY ICC TEXTILES LIMITED)

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

ASSETS	Note	2020 Rupees	2019 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	14	8,154,124	12,295,695
Investment properties	15	962,418,550	944,348,225
Long term loans and advances	16	5,000	74,000
Long term deposits	17	1,469,034	1,469,034
		972,046,708	958,186,954
CURRENT ASSETS			
Stores, spare parts and loose tools	18	4,450,577	11,569,336
Trade debts	19	1,439,907	604,318
Loans and advances	20	925,227	716,610
Short term prepayments and other receivables	21	572,159	1,439,290
Tax refunds due from Government	22	32,882,669	36,032,351
Cash and bank balances	23	754,388	973,834
		41,024,927	51,335,739
Non-current assets classified as held for sale	24	8,297,710	11,638,675
TOTAL ASSETS		1,021,369,345	1,021,161,368

The annexed notes from 1 to 41 form an integral part of these financial statements.

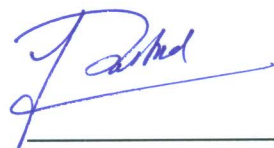




CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED

(FORMERLY ICC TEXTILES LIMITED)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
REVENUE	25	33,811,152	24,395,184
DIRECT COST	26	(12,350,947)	(15,129,869)
GROSS PROFIT		<u>21,460,205</u>	<u>9,265,315</u>
OPERATING EXPENSES:			
ADMINISTRATIVE EXPENSES	27	(29,261,641)	(29,777,339)
OTHER EXPENSES	28	(7,749,798)	(6,182,670)
		<u>(37,011,439)</u>	<u>(35,960,009)</u>
		(15,551,234)	(26,694,694)
OTHER INCOME	29	<u>96,646,256</u>	<u>758,930</u>
OPERATING PROFIT / (LOSS)		81,095,022	(25,935,764)
FINANCE COST	30	(79,298,129)	(66,692,532)
CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES	15	<u>2,539,325</u>	<u>100,328,340</u>
PROFIT BEFORE TAXATION		4,336,218	7,700,044
TAXATION FOR THE YEAR	31	<u>(5,896,971)</u>	<u>(3,306,810)</u>
(LOSS) / PROFIT AFTER TAXATION FOR THE YEAR		(1,560,753)	4,393,234
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Actuarial gain on employee benefit obligations		4,180,958	2,997,676
Revaluation surplus on property, plant and equipment (net of tax)		421,245	-
Revaluation decrease in non-current assets classified as held for sale (net of tax)		(961,717)	-
Effect of change in tax rates		-	1,466,043
		<u>3,640,486</u>	<u>4,463,719</u>
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>3,640,486</u>	<u>4,463,719</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>2,079,733</u></u>	<u><u>8,856,953</u></u>
EARNING/(LOSS) PER SHARE - BASIC AND DILUTED		<u><u>(0.05)</u></u>	<u><u>0.15</u></u>

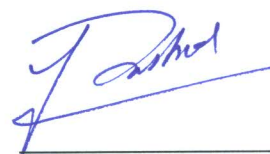
The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED

(FORMERLY ICC TEXTILES LIMITED)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
	Cash generated from operations	36 6,220,825 5,583,628
	Finance cost paid	(5,594,014) (467,537)
	Income tax paid	(4,937,659) (3,529,328)
	Gratuity paid	(1,726,236) (9,857,742)
		(12,257,909) (13,854,607)
	Net cash used in operating activities	(6,037,084) (8,270,979)
CASH FLOWS FROM INVESTING ACTIVITIES		
	(Increase) / decrease in long term loans and advances	69,000 (16,000)
	Decrease in long term deposits	- 160,000
	Proceeds from disposals of property, plant and equipment & non-current assets classified as held for sale	2,720,000 2,635,513
	Purchase of fixed assets	(88,830) (1,081,000)
	Net cash from investing activities	2,700,170 1,698,513
CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from long term financing obtained from directors	2,812,360 6,052,200
	Proceeds from short term borrowings	305,108 131,790
	Net cash from financing activities	3,117,468 6,183,990
	NET DECREASE IN CASH AND CASH EQUIVALENTS	(219,446) (388,476)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	973,834 1,362,310
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23 754,388 973,834

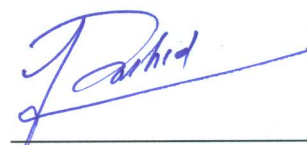
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CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED

(FORMERLY ICC TEXTILES LIMITED)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

Description	Paid-up Capital Rupees	Capital Reserves - Revaluation Surplus Rupees	Revenue Reserves - Accumulated Losses Rupees	Total Shareholders' Equity Rupees
Balance at July 01, 2018	300,011,200	574,923,456	(741,670,613)	133,264,043
Other comprehensive income for the year	-	1,466,043	2,997,676	4,463,719
Profit for the year	-	-	4,393,234	4,393,234
Total comprehensive income for the year	-	1,466,043	7,390,910	8,856,953
Transfer to accumulated loss on account of disposal of revalued assets and incremental depreciation (net of tax)	-	(4,059,546)	4,059,546	-
Balance at June 30, 2019	300,011,200	572,329,953	(730,220,157)	142,120,996
Other comprehensive (loss) / income for the year	-	(540,472)	4,180,958	3,640,486
Loss for the year	-	-	(1,560,753)	(1,560,753)
Total comprehensive income for the year	-	(540,472)	2,620,205	2,079,733
Transfer to accumulated loss on account of disposal of revalued assets and incremental depreciation (net of tax)	-	(3,326,966)	3,326,966	-
Balance at June 30, 2020	300,011,200	568,462,515	(724,272,986)	144,200,729

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CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ICC INDUSTRIES LIMITED (Formerly ICC Textiles Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

1 STATUS AND NATURE OF BUSINESS

1.1 ICC Industries Limited (Formerly ICC Textiles Limited) "the Company" was incorporated in Pakistan on May 25, 1989 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The registered office of the Company is situated at 242-A, Anand Road, Upper Mall, Lahore. The shares of the Company are listed on Pakistan Stock Exchange. The principal activity of the Company is renting out vacant buildings and / or open area of the Company's premises that is located at 32-Km Multan Road, Sundar, Lahore.

1.2 The Company has accumulated losses amounting to Rs. 724.273 million at the year end and the Company's current liabilities exceeded its current assets by Rs. 222.277 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 and therefore, may be unable to realize its assets and discharge its liabilities in normal course of business. Continuation of the Company as a going concern is dependent on its ability to attain satisfactory levels of profitability and liquidity in the future by bringing its liabilities to serviceable levels and availability of adequate working capital through continued support from its customers and :

- (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 and liquidity 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** In order to consolidate the Company's resources, due to uncertainty in securing industrial gas connection, which was essential for cheaper and continuous gas based electricity, the Company had disposed off all its looms.
- ii** The Company has rented out its partial factory buildings and labour colony to generate cash flows;
- iii** Bank borrowings had been fully repaid by April 2018;
- iv** During the year 2015, the Company had also repaid long term loan amounting to Rs. 14.896 million and had reduced the running finance facilities from Rs. 480 million to Rs. 330 million, as 37 sulzer looms were disposed off and one director of the Company 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;
- v** Directors of the Company have decided to convert interest bearing loans extended to the Company amounting to Rs. 187.644 million into interest free loans w.e.f Mar 31, 2020 and also extended further long term interest free loans during the year to meet working capital requirements of the Company. The sponsors of the Company would continue such support in future;
- vi** Few directors of the Company had also invested Rs. 321.531 million through long term interest free loans during May 2013 to June 2016 to meet working capital requirements of the Company;
- vii** During 2013, the Board of Directors of ICC (Private) Limited, an associated undertaking, had decided to write off following outstanding loans advanced to the Company:
 - Long term interest free loans amounting to Rs. 189.150 million with carrying value, in ICC Industries Limited books, amounting to Rs. 48.801 million; and
 - Short term interest bearing loans amounting to Rs. 30.850 million.

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 International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail.

ICC INDUSTRIES LIMITED (Formerly ICC Textiles Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

2.2 Standards, amendments and interpretations to approved accounting standards that became effective during the year

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.3 Standards, amendments and interpretations to the approved accounting standards that are not yet effective

There are certain new standards, amendments and interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

2.4 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 obligations (refer note 4.1);
- free hold land, buildings and plant and machinery which are measured at revalued amounts (refer note 4.2);
- financial assets and liabilities which are measured at fair value (refer note 4.8); and
- non current assets classified as held for sale which are measured at fair value (refer note 4.17).

2.5 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 below:

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

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds trade debts with objective of collecting contractual cash flows and therefore, measures its trade debts subsequently at amortised cost using the effective interest method. The Company reviews annually its trade debts for impairment.

Property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property, 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 its assets for possible impairment on an annual basis. Any change in use of assets in future years might affect carrying amounts of the respective item of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Non current assets held for sale

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through a continuing use.

Investment property and assets classified as held for sale

Valuation is performed by external professional valuers. Further, the Company reviews its assets for possible impairment on an annual basis. Any change use of assets in future years might affect carrying amounts of the respective item with a corresponding effect on the impairment.

ICC INDUSTRIES LIMITED (Formerly ICC Textiles Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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 statement of profit or loss for the year.

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in Note 4.1 to the financial statements for the valuation of present value of defined benefit obligation. Any changes in these assumptions might affect unrecognized gains and losses in those years.

Provision for contingencies

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

3 FUNCTIONAL AND PRESENTATION CURRENCY

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Staff retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all eligible directors and employees, payable at the cessation of employment. The liability is provided on the basis of actuarial valuation applying Projected Unit Credit (PUC) Actuarial Method. The Company has a policy of carrying out actuarial valuation on annual basis 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 8.50% (2019: 14.25%) per annum
- Expected rate of salary increase in future 7.50% (2019: 13.25%) per annum
- Average duration of the defined benefit obligation 2 years (2019: 2 years)
- Mortality rate assumed were based on the SLIC 2001-2005 mortality table (2019:SLIC 2001-2005 mortality table)

4.2 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 i.e. cost less subsequent accumulated depreciation and impairment losses, if any. Depreciation is charged to statement of 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 amounts.

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 loss.

ICC INDUSTRIES LIMITED (Formerly ICC Textiles Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

Depreciation on buildings and plant and machinery is charged to statement of 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 statement of profit or loss during the year in which they are incurred. Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

The assets' residual values and estimated useful lives are reviewed as required, but at least annually and adjusted if impact on depreciation is significant.

4.3 Investment properties

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. The fair value is determined annually by an independent professional valuer based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable willing parties in an arm length transaction. Any gain or loss arising from a change in fair value is charged to the statement of profit or loss.

When an item of property, plant and equipment is transferred to investment property, following a change in its use, any difference arising at the date of transfer between the carrying amount of the item and its fair value is recognized in revaluation surplus of property, plant and equipment. Upon disposal, the related revaluation surplus is transferred to accumulated loss. Any gain or loss arising in this manner is credited to statement of profit or loss.

When an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

4.4 Capital work-in-progress

Capital work-in-progress is stated at cost accumulated upto the date of statement of financial position less accumulated impairment losses, if any. Capital work-in-progress is recognized as operating fixed asset when it is made available for intended use.

4.5 Right of use asset

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset.

4.6 Stores, spare parts and loose tools

These are stated at lower of cost & net realizable value. Cost is determined by applying moving average method except goods in transit which are stated at lower of cost.

4.7 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

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

ICC INDUSTRIES LIMITED (Formerly ICC Textiles Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

4.8 Financial instruments

4.8.1 Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets of the Company are classified as follows:

a) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss account.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss account in the period in which it arises. Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be.

Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss account for the period in which it arises.

Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss account following the derecognition of the equity instruments.

Financial assets are derecognised 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. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss account, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

4.8.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss account.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

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

ICC INDUSTRIES LIMITED (Formerly ICC Textiles Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

4.8.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.9 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 date of statement of financial position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the date of statement of financial position.

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

4.10 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding government levies.

Rental income is recognised over time.

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be estimated reliably. Interest income is accrued on a time basis, by reference to the principal balance outstanding and at the interest rate applicable.

4.11 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 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 date of statement of financial position. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to equity or OCI in which case it is included in equity or statement of comprehensive income.

4.12 Impairment non-financial assets

The carrying amounts of non-financial assets are assessed at each date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.13 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.

4.14 Cash and cash equivalents

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.

ICC INDUSTRIES LIMITED (Formerly ICC Textiles Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

4.15 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.

4.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

4.17 Non current assets held for sale

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through a continuing use.

4.18 Lease liability

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of short term and low value leases are not recognised and payments against such leases are recognised as expense in profit or loss.

4.19 Trade and other payables

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received. These are recognized at amortized cost.

4.20 Borrowings

Borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

ICC INDUSTRIES LIMITED (Formerly ICC Textiles Limited)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
30,001,120 (2019 : 30,001,120) ordinary shares of Rs. 10 each fully paid in cash		<u>300,011,200</u>	<u>300,011,200</u>
6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX			
Surplus arising on revaluation	6.1	609,492,290	614,939,385
Less: Deferred tax arising on surplus on revaluation	6.2	<u>41,029,775</u>	<u>42,609,432</u>
		<u>568,462,515</u>	<u>572,329,953</u>
6.1 Opening balance of surplus on revaluation		614,939,385	620,738,736
Add: Surplus arising during the year		593,303	-
Less: Incremental depreciation:			
Plant & machinery		<u>867,870</u>	1,492,993
		867,870	1,492,993
Less: Revaluation relating to plant & machinery disposed off		3,817,997	4,306,358
Less: Revaluation decrease in non-current assets classified as held for sale	24	1,354,531	-
		<u>609,492,290</u>	<u>614,939,385</u>
The revaluation of free - hold land and buildings on free - hold land was carried out by Arch-e'-decon (Evaluators, Surveyors, Architects and Engineers) as at June 30, 2020. The revaluations resulted in followings:			
		Rupees	
Increase in carrying value of plant and machinery		<u>593,303</u>	
6.1.2	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.		
		2020 Rupees	2019 Rupees
6.2	Related deferred tax liability on July 01	42,609,432	45,815,280
	Deferred tax liability arising on revaluation	172,058	-
	Tax effect on incremental depreciation & disposal of assets during the year	(1,358,901)	(1,739,805)
	Tax effect on revaluation decrease in non-current assets classified as held for sale	(392,814)	-
	Effect of change in tax rate	-	(1,466,043)
		<u>41,029,775</u>	<u>42,609,432</u>
Deferred tax asset amounting to Rs. 214.710 million (2019: Rs. 226.227 million) arising on account of temporary differences mainly for property, plant and equipment, gratuity, unused tax losses and unused tax credits has not been accounted for due to uncertainty regarding its recoverability in the foreseeable future.			
	Note	2020 Rupees	2019 Rupees
7 Long term financing from directors- Unsecured			
Interest free loans - 1	7.1	199,734,727	181,669,802
Interest bearing loan - 2	7.2	-	182,314,467
Interest bearing loan - 3	7.3	65,000,000	70,000,000
Interest bearing loan - 4	7.4	140,000,000	140,000,000
Interest free loan - 5	7.5	134,657,883	-
		<u>539,392,610</u>	<u>573,984,269</u>

	Note	2020 Rupees	2019 Rupees
7.1 Original Loan amounts	7.1.2	321,531,223	321,531,223
Less: Present Value Adjustment	7.1.3	206,132,600	206,132,600
		<u>115,398,623</u>	<u>115,398,623</u>
Add: Interest charged to statement of profit or loss (Unwinding of discount)	7.1.1	84,336,104	66,271,179
		<u>199,734,727</u>	<u>181,669,802</u>
7.1.1 Interest charged to statement of profit or loss:			
Opening balance		66,271,179	49,863,511
Unwinding of discount for the year		18,064,925	16,407,668
Closing balance		<u>84,336,104</u>	<u>66,271,179</u>

7.1.2 These interest free loans are repayable in lump sum on June 30, 2025 (2019: June 30, 2025).

7.1.3 These long term interest free loans have been measured at amortized cost by applying weighted average interest rate ranging from 8.06% to 11.64% (2019: 8.06% to 11.64%).

7.2 These loans carry mark-up @ one month KIBOR plus 2% (2019: one month KIBOR plus 2%) and were repayable in lump sum on December 31, 2020. During the year, these loans have been converted into interest free loans and are repayable in lump sum on March 31, 2023 (Refer note 7.5).

7.3 This loan carries mark-up @ one month KIBOR plus 2% (2019: one month KIBOR plus 2% and is repayable to in lump sum on June 30, 2025.

7.4 The loan carries mark-up @ one month KIBOR plus 2% (2019: one month KIBOR plus 2% and is repayable in lump sum on June 30, 2025.

	Note	2020 Rupees	2019 Rupees
0.0 Interest bearing loan converted into Interest free loan	7.2	187,644,467	-
Interest free loans obtained during the year		2,482,360	-
		<u>190,126,827</u>	<u>-</u>
Less: Present value adjustment on initial recognition		59,582,163	-
Add: Interest charged to statement of profit or loss		4,113,219	-
		<u>134,657,883</u>	<u>-</u>

7.5.1 These long term interest free loans have been measured at amortized cost by applying weighted average interest rate ranging from 9.44% to 13.42%.

7.5.2 These loans are payable in lumpsum on March 31, 2023.

8 DEFERRED LIABILITIES

	Note	2020 Rupees	2019 Rupees
Deferred tax	6.2	41,029,775	42,609,432
Staff retirement benefits - gratuity	8.2	33,444,690	32,775,959
		<u>74,474,465</u>	<u>75,385,391</u>

8.1 The scheme provides for gratuity benefits for all permanent employees who attain minimum qualifying period of one year. Provision has been made on the basis of latest actuarial valuation made on June 30, 2020 by applying projected unit credit method.

	Note	2020 Rupees	2019 Rupees
8.2 Changes in Present Value of Defined Benefit Obligations:			
Opening liability		32,775,959	40,072,687
Charge for the year	8.3	6,575,925	5,558,690
Remeasurement gain recognised in other comprehensive income (experience adjustments)		(4,180,958)	(2,997,676)
Benefits paid during the year		(1,726,236)	(9,857,742)
Closing liability		<u>33,444,690</u>	<u>32,775,959</u>

	2020 Rupees	2019 Rupees
8.3 Charge for the year in statement of profit or loss		
Current service cost	2,028,345	2,395,747
Interest cost	4,547,580	3,162,943
	6,575,925	5,558,690

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

	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees
Present value of defined benefit obligation as at June	33,444,690	32,775,959	4,072,687	43,218,235	72,777,456

8.5 Charge for the year has been allocated as under:	Note	2020 Rupees	2019 Rupees
Direct Cost	26.1	1,213,637	1,106,183
Administrative expenses	27.1	5,362,288	4,452,507
		6,575,925	5,558,690

8.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in present value of defined benefit obligation as stated below:

	2020 Rupees	2019 Rupees
Discount rate + 1%	32,962,083	26,348,919
Discount rate - 1%	33,980,221	27,055,024
Salary increase + 1%	33,985,700	27,061,845
Salary increase - 1%	32,948,478	26,336,849

	Note	2020 Rupees	2019 Rupees
9 TRADE AND OTHER PAYABLES			
Creditors		10,773,858	11,520,692
Due to associated company		133,333	106,999
Accrued liabilities	9.1	52,528,675	28,695,012
Payable to employees		-	17,885
Advances from customers		3,081,518	3,221,322
Income tax deducted at source		9,242,883	8,251,388
Sales tax deducted at source		1,318,834	1,296,144
Final dues payable		14,664,321	26,027,507
Others		107,330	27,521,613
		91,850,752	106,658,562

9.1 This includes an amount of Rs. 27.406 million (2019: Rs. 18.976 million) payable to Chief Executive Officer (related party).

10 SECURITY DEPOSITS

These amounts have been received as security deposits from tenants which have not been kept in a separate bank account and are being utilized as working capital of the Company in accordance with written agreements executed with such tenants.

	2020 Rupees	2019 Rupees
11 ACCRUED MARKUP		
Accrued mark-up / interest on long term financing - related parties	121,980,288	75,235,013
Accrued mark-up / interest on short term borrowings - related party	9,196,059	4,415,363
	131,176,347	79,650,376

	Note	2020 Rupees	2019 Rupees
12 SHORT TERM BORROWINGS			
Banking companies - unsecured			
Commercial bank- current account (bank overdraft)	12.1	463,660	158,552
Related parties - unsecured			
Associated company- unsecured	12.2	35,784,203	35,784,203
		<u>36,247,863</u>	<u>35,942,755</u>

12.1 The unfavourable balance has been arisen due to issuance of cheques near year end. However, concerned bank statement shows favourable balance.

12.2 The short term financing has been obtained to meet working capital requirements of the Company and to settle bank's borrowings. This is payable on demand to the associated Company.

12.3 Mark-up is charged at the same rates which are being charged by the bank to the associated company ICC (Private) Limited i.e. one month KIBOR plus 2% (2019: One month KIBOR plus 2%) per annum.

13 CONTINGENCIES AND COMMITMENTS

13.1 CONTINGENCIES

13.1.1 Withholding Tax Compliance proceedings u/s 161/205 of the Income Tax Ordinance, 2001 for the Tax Year 2009 were initiated by the Deputy Commissioner Inland Revenue (DCIR). The Company duly replied the said notice and the DCIR after considering the said replies, passed Order u/s 161/205 of the Ordinance raising impugned demand of Rs. 1,968,012/- u/s 161 of the Ordinance.

Being aggrieved, the Company preferred appeal before the CIR-A against the Order passed by the DCIR. The CIR-A without considering the arguments put forth, passed Order u/s 129(1A), and confirmed the demand raised by the DCIR. Being aggrieved the Company preferred appeal before Honorable Appellate Tribunal Inland Revenue which is pending for fixation till date. The Company has also filed a rectification application u/s 221 of the Ordinance against the Order passed by the Learned DCIR. No rectification order has yet been received till date. However, no provision has been made in these financial statements as the management of the company is confident of favourable outcome.

13.1.2 During 2011, Withholding Tax Compliance proceedings u/s 161/205(3) of the Ordinance for the Tax Year 2010 were initiated by the Assistant Commissioner Inland Revenue (ACIR) creating a demand of Rs. 50,349,214/-. Being aggrieved, the Company preferred appeal before the Commissioner Inland Revenue Appeals-II (CIR-A) Lahore. On the basis of this appeal, the CIR-A reduced the demand to Rs.2,044,547/- and remanded back the case in respect of remaining demand. The Company, however, preferred appeal before Income Tax Appellate Tribunal Lahore (ITAT).

At the same time, ACIR finalized the proceedings u/s 124/161/205 and demanded Rs. 4,460,664/- comprising demand u/s 161 and default surcharge u/s 205 amounting to Rs. 2,115,578/- and Rs. 2,345,086/- respectively. The Company preferred an appeal before the CIR-A against the said default surcharge of Rs. 2,345,086/- whereby the CIR-A after considering the arguments remanded back the case to the assessing officer to revisit the issue. The Company also filed a rectification application u/s 221 of the Ordinance which is still pending for adjudication till date. Further, remand back proceedings in respect of imposition of default surcharge were initiated and the Company had duly complied the notice. The Company had filed a rectification application u/s 221 of the ordinance which has been disposed off. No correspondence have been received from the department till date. However, no provision has been made in these financial statements as the management of the company is confident of favourable outcome.

13.1.3 During 2016, proceedings under section 122(5A) of the Ordinance were initiated by the ACIR in respect of Tax Year 2010. The Company replied the said notice duly responding the objections. The DCIR after considering the submitted reply, passed the Order u/s 122(5A) of the Ordinance, whereby raising impugned demand of Rs. 4,187,861/- in respect of issue of Minimum Tax u/s 113 of the Ordinance.

Being aggrieved, the Company preferred appeal before the CIR-A against the order passed by the DCIR. The CIR-A after considering the arguments put forth, passed the Order in favour of the Company and remanded back the proceedings to the department. No further correspondence from the department has been received till date. However, no provision has been made in these financial statements as the management of the company is confident of favourable outcome.

14 PROPERTY PLANT AND EQUIPMENT

14.1 Operating fixed assets

DESCRIPTION	Cost or assessed value as on July 01, 2019	Cost of additions / (deletion)	Surplus/deficit on revaluation of assets	Gross book value as on June 30, 2020	Rate %	DEPRECIATION				Net book value as on June 30, 2020
						As on July 01, 2019	Revaluation	For the year/ (adjustments on disposals)	As on June 30, 2020	
Rupees					Rupees					
Plant and machinery	12,101,746	-	593,303	4,823,572	6.2-16.7	3,482,112	(2,723,477)	1,107,808	-	4,823,572
		(5,148,000)						(1,866,443)		
Furniture and fittings	3,107,005	43,830	-	3,150,835	10	2,682,437	-	45,487	2,727,924	422,911
Vehicles	2,244,065	-	-	1,544,065	20	1,960,456	-	60,649	1,351,967	192,098
		(700,000)						(669,138)		
Electrical appliances	2,101,539	45,000	-	2,146,539	10	1,581,207	-	52,586	1,633,793	512,746
Office equipment	9,625,605	-	-	9,625,605	10	7,178,053	-	244,755	7,422,808	2,202,797
		-	-					-		
	29,179,960	88,830	(2,130,174)	21,290,616		16,884,265	(2,723,477)	1,511,285	13,136,492	8,154,124
		(5,848,000)						(2,535,581)		

DESCRIPTION	Cost or assessed value as on July 01, 2018	Cost of additions / (deletion)	Surplus/deficit on revaluation of assets	Gross book value as on June 30, 2019	Rate %	DEPRECIATION				Net book value as on June 30, 2019
						As on July 01, 2018	Revaluation	For the year/ (adjustments on disposals)	As on June 30, 2019	
Rupees					Rupees					
Plant and machinery	11,020,746	1,081,000	-	12,101,746	6.2-16.7	1,739,068	-	1,743,044	3,482,112	8,619,634
Furniture and fittings	3,107,005	-	-	3,107,005	10	2,635,263	-	47,174	2,682,437	424,568
Vehicles	3,483,880	-	-	2,244,065	20	3,081,117	-	73,911	1,960,456	283,609
		(1,239,815)						(1,194,572)		
Electrical appliances	2,101,539	-	-	2,101,539	10	1,523,392	-	57,815	1,581,207	520,332
Office equipment	9,625,605	-	-	9,625,605	10	6,906,103	-	271,950	7,178,053	2,447,552
		-	-					-		
	29,338,775	1,081,000	-	29,179,960		15,884,943	-	2,193,894	16,884,265	12,295,695
		(1,239,815)						(1,194,572)		

14.1.1 Depreciation for the year has been allocated as under :

	Note	2020 Rupees	2019 Rupees
Direct cost	26	1,107,808	1,743,044
Administrative expenses	27	403,477	450,850
		<u>1,511,285</u>	<u>2,193,894</u>

14.1.2 Disposal of fixed assets & assets held for sale

Particulars	Cost / Revalued amount Rs.	Book value Rs.	Sale proceeds Rs.	Gain/(loss) on disposal Rs.	Mode of disposal	Name and address
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Non-current assets classified as held for sale

Clearing and shearing machine machine 72" width	1,500,000	1,408,220	1,000,000	(408,220)	By Negotiation	Al-Razzaq Fibers (Pvt) Ltd, 28-B. P.E.C.H S Block - 6, Off Shahrah e Faisal, Karachi.
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Operating fixed assets

2 Humidification plants	5,148,000	3,281,557	900,000	(2,381,557)	By Negotiation	M TECH Textile Traders, Street No.1, Rashid Town, Main Bazar, Manga Mandi, Lahore.
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Other assets having book value of less than Rs. 500,000	700,000	30,862	820,000	789,138	-	-
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2020 Rupees	7,348,000	4,720,639	2,720,000	(2,000,639)		
2019 Rupees	9,069,115	6,974,429	2,635,513	(4,338,916)		

The Company does not have any direct or indirect relation with the buyers of such assets.

14.1.3 At the time of transfer of Land and Building to Investment property on December 31, 2017, Free - hold land and buildings on free - hold land were revalued by an independent valuer, Arch-e'-decon (Evaluators, Surveyors, Architects and Engineers), resulting in surplus of Rs. 8.919 million and incorporated in the financial statements for the year ended June 30, 2018. Previously, five revaluations had been carried out by Arch-e'-decon, an independent valuer. First revaluation was carried out during 2006, second during 2009, third during 2012, fourth during 2015, fifth during 2017.

The basis used for revaluation of plant and equipment are as follows:

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

14.1.4 Plant and machinery represent values subsequent to revaluations. Had there been no revaluation, carrying amount of the revalued fixed assets would have been as follows:

	2020 Rupees	2019 Rupees
Plant and machinery	1,875,452	2,484,032
	<u>1,875,452</u>	<u>2,484,032</u>

14.1.5 Forced sale value of revalued fixed assets amounts to Rs. 3,617,454 (2019: Rs. 5,659,010).

15 INVESTMENT PROPERTIES

Fair values as at July 01

	2020 Rupees	2019 Rupees
Free hold land	772,375,000	668,000,000
Buildings on freehold land	171,973,225	176,019,885
	<u>944,348,225</u>	<u>844,019,885</u>

Carrying value before revaluation as at June 30

	2020 Rupees	2019 Rupees
Free hold land	772,375,000	668,000,000
Buildings on freehold land	171,973,225	176,019,885
	<u>944,348,225</u>	<u>844,019,885</u>

Changes in fair values during the year:

	2020 Rupees	2019 Rupees
Free hold land	4,175,000	104,375,000
Buildings on freehold land	(1,635,675)	(4,046,660)
	<u>2,539,325</u>	<u>100,328,340</u>

Other changes (recognition of related liabilities) during the year

15,531,000	-
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Fair values as at June 30

	2020 Rupees	2019 Rupees
Free hold land	792,081,000	772,375,000
Buildings on freehold land	170,337,550	171,973,225
	<u>962,418,550</u>	<u>944,348,225</u>

15.1 As of reporting date, investment properties comprise of freehold land and buildings on freehold land transferred from property, plant and equipment on January 31, 2017 and December 31, 2017.

15.2 Latest valuation of these properties has been carried out on June 30, 2020 by an independent valuer, M/s Arch-e' Decon.

15.3 The different levels to measure fair value have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1],
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (i.e. derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Recurring fair value measurements

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2020.

Valuation techniques used to derive level 2 fair values:

At the end of each financial year, the management updates its assessment of the fair value of the investment properties, taking into account the most recent independent valuation. The management determines the properties' value within a range of reasonable fair value Estimates. Level 2 fair value of investment properties has been derived using a sales comparison approach. Sale prices of comparable land and in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per kanal and square feet.

15.4 Particulars of immovable investment property (i.e. land & building) are as follows:

The investment properties comprise of 167 kanal land and civil structure thereon having 250,720 Sq. feet covered area situated at 32 K.m Multan Road, Sunder, Lahore.

15.5 Forced sale value of such free hold land and buildings on free hold land on June 30, 2020 was Rs. 660,067,500 (2019: Rs. 656,518,750) and Rs.144,786,918 (2019: Rs. 146,177,241) respectively.

15.6 The title of land lies with the former name of the Company i.e. ICC Textiles Limited.

	Note	2020 Rupees	2019 Rupees
16 LONG TERM LOANS AND ADVANCES			
Advances - secured and considered good	16.1	5,000	74,000
16.1 Advances to:			
Employees		17,000	98,000
Less: Current portion		(12,000)	(24,000)
		5,000	74,000
16.2 Advance to employees are secured against retirement benefits. Maximum aggregate amount in respect of loan extended to employees is at the discretion of the Board of Directors.			
	Note	2020 Rupees	2019 Rupees
17 LONG TERM DEPOSITS			
Security deposits	17.1	1,469,034	1,469,034
		1,469,034	1,469,034
17.1 Security deposits mainly include security deposits for electricity connection.			
18 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		1,817,152	1,837,702
Spare parts		1,957,032	8,393,826
Packing materials		17,921	17,921
Loose tools		658,472	1,319,887
		4,450,577	11,569,336
19 TRADE DEBTS			
Local - Unsecured but considered good		1,439,907	604,318
20 LOANS AND ADVANCES			
Advances - unsecured but considered good:			
to executives - against salaries and expenses	20.1	652,620	401,589
to employees - against salaries and expenses		105,044	143,524
to suppliers		167,563	171,497
		925,227	716,610
		925,227	716,610
20.1 The maximum aggregate amount due from executives at the end of any month was Rs.652,620 (2019: Rs. 401,589).			
		2020 Rupees	2019 Rupees
21 SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		3,828	870,786
Export rebate receivable		568,331	568,331
Profit receivable on saving accounts		-	173
		572,159	1,439,290
22 TAX REFUNDS DUE FROM GOVERNMENT			
Income tax refundable - net		23,928,351	26,246,564
Sales tax refundable		8,954,318	9,785,787
		32,882,669	36,032,351

	Note	2020 Rupees	2019 Rupees
23 CASH AND BANK BALANCES			
Cash in hand		669,266	165,900
Cash at banks:			
Current accounts	23.1	81,990	807,336
Deposit accounts		3,132	598
		85,122	807,934
		<u>754,388</u>	<u>973,834</u>

23.1 Deposit accounts earn interest ranging 9.50% to 11.25% (2019: 8.0% to 10.25%) per annum.

23.2 These bank accounts are in the previous name of the Company "ICC Textiles Limited".

24 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

These represent realizable value of following assets. The proceeds will be utilized as working capital and to reduce debt burden in order to reduce finance cost of the Company, as per plan approved by Board of Directors. (mentioned in note 1.2):

	Note	2020 Rupees	2019 Rupees
Plant and equipment:			
Textiles related equipment	24.1	8,297,710	11,638,675
24.1 Textiles related equipment			
Opening balance		11,638,675	18,567,862
Carrying amount of assets disposed off during the year	14.1.2	(1,408,220)	(6,929,187)
Decrease in revaluation surplus during the year		(1,354,531)	-
Impairment of non-current assets held for sale		(578,214)	-
Closing balance		<u>8,297,710</u>	<u>11,638,675</u>

24.2 The management expects sale of these assets within 12 months after reporting date.

	Note	2020 Rupees	2019 Rupees
25 REVENUE			
Rental income		33,811,152	23,462,023
Sale of cloth		-	933,161
		<u>33,811,152</u>	<u>24,395,184</u>

25.1 Rental income pertains to investment properties (refer note 15).

26 DIRECT COST

Salaries and other benefits	26.1	6,681,773	7,006,942
Fuel and power		2,000,123	1,374,416
Repairs and maintenance	26.2	2,561,243	5,005,467
Depreciation on plant and equipment	14.1.1	1,107,808	1,743,044
		<u>12,350,947</u>	<u>15,129,869</u>

26.1 Salaries, wages and other benefits include post retirement benefits amounting to Rs. 1,213,637 (2019: Rs. 1,106,183).

26.2 Repair and maintenance includes NRV adjustment of spares and tools amounting to Rs. 2,156,068 (2019: Rs. Nil).

	Note	2020 Rupees	2019 Rupees
27 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	27.1	19,949,075	20,250,494
Travelling and conveyance		79,571	43,418
Rent, rates and taxes		3,492,706	3,466,854
Printing and stationery		209,833	284,966
Communication		491,910	560,398
Vehicles running and maintenance		1,363,832	1,646,012
Entertainment		487,622	512,955
Repairs and maintenance		543,629	389,755
Utility expenses		728,814	627,191
Legal and professional		1,067,500	1,015,000
Subscription		231,173	258,356
Insurance		156,499	246,090
Advertisement		56,000	25,000
Depreciation	14.1.1	403,477	450,850
		<u>29,261,641</u>	<u>29,777,339</u>

27.1 Salaries and other benefits include post retirement benefits amounting to Rs. 5,202,586 (2019: Rs. 4,452,507).

	Note	2020 Rupees	2019 Rupees
28 OTHER EXPENSES			
Auditors' remuneration	28.1	924,668	770,091
Loss on sale of fixed assets		1,592,419	-
Loss on sale of non-current assets held for sale		408,220	5,028,673
Impairment of non-assets held for sale		578,214	-
Loss on sale of spares		3,786,639	-
Others		459,638	383,906
		<u>7,749,798</u>	<u>6,182,670</u>
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
Free float review		30,000	30,000
CDC certification		10,000	10,000
Tax representation and consultancy fee		291,118	141,691
Out of pocket expenses		18,550	13,400
		<u>924,668</u>	<u>770,091</u>
29 OTHER INCOME			
Trade creditors and other liabilities written back		37,061,450	4,750
Interest on saving accounts		2,643	2,523
Amortization of interest free loans	7.5	59,582,163	-
Gain on sale of property, plant and equipment		-	689,757
Others		-	61,900
		<u>96,646,256</u>	<u>758,930</u>
30 FINANCE COST			
Mark-up on:			
- Financing from directors		51,806,027	46,007,008
- Financing from associated company		5,301,548	4,225,261
Unwinding of discount	7.1 & 7.5	22,178,144	16,407,668
Bank charges		12,410	52,595
		<u>79,298,129</u>	<u>66,692,532</u>

	Note	2020 Rupees	2019 Rupees
31 TAXATION			
Provision for taxation:			
Current tax expense	31.1	7,255,872	5,046,616
Deferred tax income	6.2	(1,358,901)	(1,739,806)
		<u>5,896,971</u>	<u>3,306,810</u>

31.1 Provision for rental income has been made at the current rate of corporate tax after taking into account allowable deductions / exemptions available under the Income Tax Ordinance, 2001.

31.2 As the Company's taxable income fall under final tax regime and there are carry forward business losses, the reconciliation of applicable and effective tax rate is not meaningful.

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

Earning / (Loss) per share is calculated by dividing profit / (loss) after tax for the period by weighted average number of shares outstanding during the year as follows:

	2020	2019
(Loss) / Profit attributable to ordinary shareholders (Rupees)	(1,560,753)	4,393,234
Weighted average number of ordinary shares (number of shares)	30,001,120	30,001,120
(Loss) / earning per share - Basic and diluted (Rupees)	<u>(0.05)</u>	<u>0.15</u>

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. 4.426 million (2019: Rs. 3.666 million), the financial assets that are subject to credit risk amounted to Rs. 3.671 million (2019: Rs. 3.666 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 date of statement of financial position.

Banks	Rating		Agency	June 2020 (Rupees)	June 2019 (Rupees)
	Short term	Long term			
Allied Bank Limited	A 1+	AAA	PACRA	6,635	5,610
MCB Bank Limited	A 1+	AAA	PACRA	59,514	781,691
Habib Metropolitan Bank Limited	A 1+	AA+	PACRA	4,637	4,724
National Bank of Pakistan	A 1+	AAA	PACRA	1,648	1,830
United Bank Limited	A 1+	AAA	VIS	4,503	5,123
Faysal Bank Limited	A 1+	AA	PACRA	5,668	8,956
Bank Al Habib Limited	A 1+	AA+	PACRA	2,612	-
Total				85,217	807,934

The aging of trade receivables at the reporting date is:

	2020 (Rupees)	2019 (Rupees)
Past due 1-30 days	1,385,707	604,318
Past due 31-150 days	-	-
Past due over 150 days	54,200	-
Total	1,439,907	604,318

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, with support from sponsors.

The following are the contractual maturities of financial liabilities as at 30 June 2020:

	Carrying amount (Rupees)	Less than one year (Rupees)	One to five years (Rupees)	More than five years (Rupees)
Long term financing from directors	539,392,610	-	539,392,610	-
Trade and other payables	91,850,752	91,850,752	-	-
Accrued markup	131,176,347	131,176,347	-	-
Short term borrowings	36,247,863	36,247,863	-	-
Total	798,667,572	259,274,962	539,392,610	-

The following are the contractual maturities of financial liabilities as at 30 June 2019:

	Carrying amount (Rupees)	Less than one year (Rupees)	One to five years (Rupees)	More than five years (Rupees)
Long term financing from directors	573,984,269	-	268,722,135	305,262,134
Trade and other payables	106,658,562	106,658,562	-	-
Accrued markup	79,650,376	79,650,376	-	-
Short term borrowings	35,942,755	35,942,755	-	-
Total	796,235,962	222,251,693	268,722,135	305,262,134

33.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, markup 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 not materially exposed to any currency risk.

b) Interest rate 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 markup rate profile of the Company's significant interest bearing financial instruments

	2020	2019	June 2020	June 2019
			Rupees	
Financial liabilities				
Long term financing from directors	10.33%	14.80%	339,657,883	392,314,467
Short term borrowings	10.58%	14.80%	36,247,863	35,942,755
Total			375,905,746	428,257,222
Financial assets				
Cash at bank - deposit accounts	9.50-11.25 %	4.5-8.00 %	3,132	598
Total			3,132	598

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 2019.

	Profit or loss 100 basis points	
	Increase Rupees	Decrease Rupees
As at 30 June 2020		
Cash flow sensitivity-Variable rate financial liabilities	2,412,479	(2,412,479)
As at 30 June 2019		
Cash flow sensitivity-Variable rate financial liabilities	4,282,572	(4,282,572)

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

	Financial assets at amortised cost	
	June 2020 (Rupees)	June 2019 (Rupees)
Financial assets		
Loans and advances	762,664	619,113
Deposits	1,469,034	1,469,034
Trade debts	1,439,907	604,318
Cash and bank balances	754,388	973,834
Total	4,425,993	3,666,299
	Financial liabilities at amortised cost	
	June 2020 (Rupees)	June 2019 (Rupees)
Financial liabilities		
Long term financing from directors	539,392,610	573,984,269
Trade and other payables	91,850,752	106,658,562
Accrued markup/interest	131,176,347	79,650,376
Security deposits	2,363,923	5,756,363
Unclaimed dividend	1,662,656	1,662,656
Short term borrowings	36,247,863	35,942,755
Total	802,694,151	803,654,981

33.5 Fair values of financial instruments

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 Fair Value

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13, 'Fair value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The following table shows the categories as well as carrying amounts and fair values of financial assets according to their respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is reasonable approximation of fair value:

Particulars	Carrying amount (Rupees)			Fair Value			Total
	Amortised Cost	FVTPL	Total	Level 1	Level 2	Level 3	
	Rupees			Rupees			

June 30, 2020

Financial assets not measured at fair value

Non Current Assets

Long term deposits & advances	1,469,034	-	1,469,034	-	-	-	-
Long term loans and advances	5,000	-	5,000	-	-	-	-

Current Assets

Trade debts- unsecured	1,439,907	-	1,439,907	-	-	-	-
Loans and advances	757,664	-	757,664	-	-	-	-
Cash & bank balances	754,388	-	754,388	-	-	-	-
Total	4,425,993	-	4,425,993	-	-	-	-

June 30, 2019

Financial assets not measured at fair value

Non Current Assets

Long term deposits & advances	1,469,034	-	1,469,034	-	-	-	-
Long term loans and advances	74,000	-	74,000	-	-	-	-

Current Assets

Trade debts- unsecured	604,318	-	604,318	-	-	-	-
Loans and advances	545,113	-	545,113	-	-	-	-
Cash & bank balances	973,834	-	973,834	-	-	-	-
Total	3,666,299	-	3,666,299	-	-	-	-

The Company does not hold any financial liability at fair value.

	2020 Rupees	2019 Rupees
Financial liabilities at amortised cost		
Trade and other payables	91,850,752	106,658,562
Short term borrowings	36,247,863	35,942,755
Unclaimed dividend	1,662,656	1,662,656
Long term financing from directors	539,392,610	573,984,269
Accrued interest / mark-up	131,176,347	79,650,376
Security deposits	2,363,923	5,756,363
	802,694,151	803,654,981

33.7 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 statement of financial position). 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:

	2020 Rupees	2019 Rupees
Total borrowings	575,640,473	609,927,024
Less: Cash and cash equivalents	754,388	973,834
Net debt	574,886,085	608,953,190
Total equity (including surplus on revaluation)	144,200,729	142,120,996
Total capital	719,086,814	751,074,186
Gearing ratio	79.95	81.08

34 RELATED PARTY TRANSACTIONS AND BALANCES

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 with related parties at reporting 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:

Nature of Transactions	2020 Rupees	2019 Rupees
Long term borrowing obtained from directors	2,812,360	6,052,200
Interest on loan debited by ICC (Private) Limited	5,301,548	4,225,261
Reimbursable expenses incurred on behalf of ICC (Private) Limited	9,583,389	11,175,310
Reimbursable expenses incurred by ICC (Private) Limited	392,142	21,766
Unwinding of discount on loans obtained from directors	22,178,144	16,407,668
Interest on loan obtained from directors	51,806,027	46,007,008
Present value adjustment on conversion of loan obtained from directors	59,582,163	-

34.1 Interest on short term borrowing is charged at the same rates which are charged by the banks to the associated company.

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

35 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Description	2020			2019		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	----- Rupees -----					
Managerial remuneration	5,816,328	-	2,302,413	5,816,328	-	2,791,667
House rent allowance	2,617,344	-	920,965	2,617,344	-	876,667
Other allowances	-	-	230,241	-	-	519,166
	8,433,672	-	3,453,620	8,433,672	-	4,187,500
No. of person(s)	1	6	2	1	6	2

- 35.1** The Chief executive officer is provided with the Company maintained car as per rules of the Company.
- 35.2** Chief executive officer and executives are entitled for retirement benefits under un-funded gratuity scheme (Note 4.1).
- 35.3** No meeting fee was paid to the directors for attending meetings of the Board.
- 35.4** Other directors of the Company have opted not to take any remuneration from the Company voluntarily.

36 CASH FLOWS FROM OPERATING ACTIVITIES**Profit for the year before taxation**

June 2020 Rupees	June 2019 Rupees
4,336,218	7,700,044

Adjustments for non cash income and expenses:

Depreciation on property, plant and equipment

Impairment of non-current assets held for sale

Loss on disposal of property, plant and equipment & non-current assets classified as held for sale

Amortization of interest free loans

Unwinding of discount

Changes in fair value of investment properties

Gratuity

Finance cost

1,511,285	2,193,894
578,214	
2,000,639	4,338,916
(59,582,163)	-
22,178,144	16,407,668
(2,539,325)	(100,328,340)
6,575,925	5,558,690
57,119,985	50,284,864
27,842,704	(21,544,308)
32,178,922	(13,844,264)

Change in working capital:**Increase / (decrease) in Current assets:**

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans and advances

Short term prepayments and other receivables

Sales tax refundable

(7,118,759)	(4,311,327)
-	(734,477)
835,589	604,318
208,617	(18,055)
(867,131)	46,869
(831,469)	(96,017)
(7,773,153)	(4,508,689)

Increase / (decrease) in Current liabilities:

Trade and other payables

Security deposits

(30,338,810)	14,709,003
(3,392,440)	210,200
(33,731,250)	14,919,203

Increase / (Decrease) in working capital

(25,958,097)	19,427,892
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Net cash from operations

6,220,825	5,583,628
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ICC INDUSTRIES LIMITED (Formerly ICC Textiles Limited)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

37 REPORTABLE SEGMENT

The Company has one segment i.e. real estate. Earlier it had two reportable segments (i.e. real estate and textiles). Due to discontinuation of textiles, now only segment is of real estate.

38 NUMBER OF EMPLOYEES

Number of employees at the end of the year
Average number of employees during the year

2020	2019
34	40
37	45

39 COVID - 19

The novel coronavirus (COVID-19) emerged and on March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19 which was lifted subsequently in June 2020. The accounting implications of such developments on these financial statements has been assessed . Due to such lockdown, a tenant opted to reduce the area of tenancy resulting into decrease in security deposits and revenue in last three months.

40 GENERAL

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

41 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 08, 2020

GMK



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

FORM 34

THE COMPANIES ACT, 2017

(Section 227(2)(f))

**PATTERN OF SHAREHOLDING OF THE SHARES
HELD BY THE SHAREHOLDERS AS ON JUNE 30, 2020**

No. of Shareholders	Shareholding From	To	Total Shares Held
171	1	100	12,929
981	101	500	458,185
116	501	1,000	114,047
140	1,001	5,000	414,613
46	5,001	10,000	369,091
22	10,001	15,000	273,198
11	15,001	20,000	189,737
8	20,001	25,000	176,600
3	25,001	30,000	81,500
3	35,001	40,000	109,000
3	45,001	50,000	147,000
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
1	120,001	125,000	125,000
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
1	165,001	170,000	168,950
2	175,001	180,000	354,720
1	190,001	195,000	194,500
1	195,001	200,000	200,000
1	230,001	235,000	235,000
2	235,001	240,000	473,000
1	270,001	275,000	271,120
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
1,530			30,001,120

PATTERN OF SHAREHOLDING
FORM-34 AS ON JUNE 30, 2020

Categories of Shareholders

	<u>Shares held</u>	<u>Percentage</u>
1 Directors, Chief Executive Officer and their spouse and minor children		
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
Mr. Arsalan Javaid Siddiqi	500	0.00
	<u>24,331,818</u>	<u>81.10</u>
2 Associated Companies, undertakings and related parties	-	-
3 <u>NIT & ICP</u>		
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	<u>0</u>	<u>0.00</u>
Total	<u>163,992</u>	<u>0.55</u>
7 General Public		
a. Local	5,476,207	18.25
b. Foreign	-	-
8 Other (to be specified)		
Joint Stock Companies	12,101	0.04
Pension Funds	15,073	0.05
Others	529	0.00
Total	<u>27,703</u>	<u>0.09</u>
Grand Total	<u><u>30,001,120</u></u>	<u><u>100.00</u></u>

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	<u>21,954,230</u>	<u>73.18</u>
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	<u>24,328,318</u>	<u>81.09</u>

آئی سی سی انڈسٹریز لمیٹڈ

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جون 2020 کو ختم ہونے والے مالی سال کی سالانہ آڈٹ شدہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی کارکردگی

ادارے کی مجموعی فروخت 33.811 ملین روپے رہی اور بعد از ٹیکس نقصان 1.561 ملین روپے رہا جبکہ گزشتہ سال مجموعی فروخت 24.395 ملین روپے اور بعد از ٹیکس منافع 4.393 ملین روپے تھا۔

مجموعی فروخت	33,811,152 روپے
مجموعی فائدہ	21,460,205 روپے
عملی منافع	81,095,022 روپے
مالیاتی لاگت	79,298,129 روپے
انوشٹنٹ پراپرٹی کی فیئر ویلیو میں تبدیلی	2,539,325 روپے
نقصان بعد از ٹیکس	1,560,753 روپے
نقصان فی حصہ شیئر	0.05 روپے

زیر جائزہ مدت

مجموعی فروخت میں اضافے کی وجہ سے کمپنی کے وسائل کو جمع کرنے کا ہمارا منصوبہ، یعنی پرانی اور فرسودہ مشینری کو فروخت کر کے قرضے ادا کیے جائیں اور اپنے اخراجات اور بقایا جات کو کم سے کم سطح پر لایا جائے، اور یہ بھی فیصلہ کیا گیا کہ اپنی توجہ خالی عمارات کو کرایہ پر دینے پر مرکوز رکھی جائے۔

اس مالی سال کے دوران ادارے کی کارکردگی پر مندرجہ ذیل عوامل اثر انداز ہوئے:

- کمپنی کی کرایہ داری کی مد میں آمدنی میں 9.415 ملین روپے اضافہ ہوا۔
- جائیداد کی مالیت میں اس سال صرف 2.539 ملین روپے کا اضافہ ہوا ہے جس کی وجہ سے کرایہ کی وجہ سے جو کہ 2019 میں 100.328 ملین روپے تھا۔
- سال کے دوران کمپنی کی اضافی آمدنی 95.888 ملین رہی جس کی بڑی وجہ ڈائریکٹرز کے قرضوں کی بلا سود قرضوں میں تبدیلی ہے۔
- کمپنی نے 4.721 ملین مالیت کی مشینری وغیرہ فروخت کی ہے۔
- کروٹا کی وبا کی وجہ سے کمپنی کو بھی نقصان ہوا ہے اور کچھ کرایہ دار عمارات خالی کر گئے ہیں۔

مستقبل کی حکمت عملی اور امکانات

Real Estate Development کا کاروبار حکومت کی ترجیح میں شامل ہے اور اسے سہولیات مہیا کی جارہی ہیں۔ کمپنی کے پاس بڑی عمارات کرائے پر دینے کے لئے موجود ہیں اور کچھ عمارات کرائے پر دی جا چکی ہیں اس لئے کمپنی نے گوداموں کو کرایہ پر دینا اور Real Estate Development کو بنیادی کاروبار کے طور پر اختیار کر لیا ہے۔ اور کمپنی کا نام بھی تبدیل کر کے آئی سی سی انڈسٹریز لمیٹڈ رکھ لیا ہے۔

امکانات اور یقین دہانی

مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کے مالی حالات پر اثر انداز ہونے والی کوئی بڑی مادی تبدیلیاں اور وعدے وقوع پر نہیں ہوئے جو اس بیلنس شیٹ سے متعلقہ ہوں۔ سوائے جن کا ذکر مالی حسابات میں کیا گیا ہے۔

ہٹایا قانونی واجبات

کوئی ٹیکسسز، ڈیوٹیز، لیویز اور چارجز کی مد میں قانونی ادائیگیاں نہیں ہیں جو 30 جون 2020 کو بقایا ہوں سوائے جن کا ذکر مالی حسابات میں کیا گیا ہے۔

تنظیمی سماجی ذمہ داری

آپکا ادارہ معاشرے، ملازم اور ماحول کے بارے میں اپنی تنظیمی ذمہ داری سے مکمل طور پر آگاہ ہے۔

کارپوریٹ اور مالی رپورٹنگ

کوڈ آف کارپوریٹ گورننس کی تعمیل کے بارے میں مندرجہ ذیل بیانات دیئے جا رہے ہیں۔

مالی حسابات کی اشاعت

ادارے کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کیا گیا ہے۔

کھاتہ جات

ادارے کے کھاتہ جات مناسب طور پر بنائے گئے ہیں۔

کھاتہ جات کی حکمت عملی

مالی حسابات کی تیاری میں مناسب حکمت عملی کو تسلسل کے ساتھ لاگو کیا گیا ہے اور کھاتوں کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

بین الاقوامی مالی رپورٹنگ معیار (IFRS)

مالی حسابات پاکستان میں لاگو بین الاقوامی مالی رپورٹنگ کے معیار کے مطابق بنائے گئے ہیں۔

داخلی کنٹرول کا نظام

داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے۔

ادارے کا کاروباری تسلسل

ادارے کے آڈیٹرز نے اپنی رپورٹ میں، اپنی رائے کو شرط کئے بغیر، آپکی توجہ سالانہ مالی حسابات کی رپورٹ کے 1.2 نوٹ کی طرف مبذول کرائی ہے جس کے مطابق کمپنی کے موجودہ واجبات اس کے موجودہ اثاثوں سے 222.277 ملین روپے زیادہ ہیں اور ادارے کا موجودہ مجموعی خسارہ 724.273 ملین روپے ہے۔ یہ غیر یقینی حالات ادارے کے جاری رہنے کی صلاحیت بارے قابل ذکر شکوک و شبہات کی جانب اشارہ کرتے ہیں۔ یہ مالی رپورٹ ایک جاری رہنے والے کاروباری ادارے کی بنیاد پر تیار کی گئی ہے کیونکہ ادارہ مستقبل میں تسلی بخش منافع کمانے کی صلاحیت رکھتا ہے جس کا دارومدار ڈائریکٹرز کے اس منصوبے پر ہے کہ قرضہ جات اور ذمہ داریوں کو قابل عمل حد تک نیچے لے کر آئیں اور ڈائریکٹرز کی جانب سے کاروباری سرمایہ فراہم کیا جائے۔ اس مقصد کے لئے ڈائریکٹرز نے ادارے کے وسائل کو جمع کرتے ہوئے اور بینک کے واجبات کو ختم کرنے کے لئے نوٹ نمبر 1.2 میں دیئے گئے اقدامات کئے ہیں۔ کمپنی کا اپنے وسائل جمع کرنے کا منصوبہ تقریباً مکمل ہو چکا ہے۔ بینکوں کے تمام واجبات ادا ہو چکے ہیں اور کمپنی اپنی عمارت کا خاصہ حصہ کرایہ پر دے چکی ہے اور مزید حصہ کرایہ پر دینے کے لئے کوشاں ہے۔

کارپوریٹ گورننس

ادارے کے آڈیٹرز نے اپنے جائزہ برائے ممبران میں کہا ہے کہ کوڈ آف کارپوریٹ گورننس کے تحت آزاد ڈائریکٹرز کا تقریباً نصف کیا گیا۔ اس بارے میں ادارہ مسلسل کوشش کر رہا ہے اور عنقریب یہ مسئلہ حل کر لیا جائے گا۔ اس کے علاوہ اسٹاک ایکسچینج کے فہرستی قواعد و ضوابط میں شامل کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اہم انحراف نہیں کیا گیا۔

سٹاف ریٹائرمنٹ بینیفٹ

گریجویٹ کی حتمی قدر سال کے اختتام پر 33.445 ملین روپے ہے جو کہ 2019 کے اختتام پر 32.776 ملین روپے تھی۔

بورڈ اور کمیٹی کے اجلاس

سال جولائی 2019 سے جون 2020 کے دوران بورڈ آف ڈائریکٹرز کے 12 اجلاس منعقد ہوئے، آڈٹ کمیٹی کے 8 اور ایگزیکٹو کمیٹی کا ایک اجلاس منعقد ہوا جن کی حاضری حسب ذیل تھی۔

ڈائریکٹرز کے نام	حاضری	آڈٹ کمیٹی
1- جاوید شفیق صدیقی	11 عدد	1- سلمان جاوید صدیقی
2- پرویز شفیق صدیقی	12 عدد	2- پرویز شفیق صدیقی
3- فوزیہ جاوید	10 عدد	3- فوزیہ جاوید
4- سلمان جاوید صدیقی	12 عدد	
5- عاصم پرویز صدیقی	12 عدد	
6- عدنان جاوید صدیقی	2 عدد	

7- ارسلان جاوید صدیقی 12 عدد

ڈائریکٹرز کے نام
ایچ آرایڈ آرکمیٹی

- 1- پرویز شفیق صدیقی 1 عدد
2- جاوید شفیق صدیقی 1 عدد
3- عاصم پرویز صدیقی 1 عدد

پیٹرن آف شیئر ہولڈنگ

کوڈ آف کارپوریٹ گورننس کے تحت پیٹرن آف شیئر ہولڈنگز رپورٹ منسلک ہے۔

ادارے کے شیئرز کی خرید و فروخت

مالی سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، کمپنی سیکریٹری، چیف فنانسئل آفیسر اور دیگر افسران (مجمع اہل و عیال) نے ادارے کے شیئرز کی کوئی خرید و فروخت نہیں کی ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی تین ممبران پر مشتمل ہے اور سب نان ایگزیکٹو ڈائریکٹرز ہیں۔

ایچ آرایڈ آرکمیٹی

ایچ آرایڈ آرکمیٹی تین ممبران پر مشتمل ہے اور دو نان ایگزیکٹو ڈائریکٹرز ہیں۔

آڈیٹرز

آڈٹ کمیٹی کی تجویز پر، ادارے کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے ادارے کے موجودہ آڈیٹرز کی دوبارہ تقرری کی تجویز دی ہے۔

ڈیویڈنڈ

سالانہ نتیجے کے باعث بورڈ آف ڈائریکٹرز نے 30 جون 2020 کو ختم ہونے والے سال کے لئے کسی ڈیویڈنڈ کی تجویز نہیں دی ہے۔

اظہار تشکر

ادارے کے ڈائریکٹرز اپنے ملازمین کو ان کی لگن اور محنت کی تعریف کرتے ہوئے خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

جاوید شفیق صدیقی

پرویز شفیق صدیقی

چیف ایگزیکٹو آفیسر

ڈائریکٹر

لاہور

اکتوبر 08 2020

FORM OF PROXY

The Company Secretary
ICC Industries Ltd.
242-A, Anand Road
Upper Mall, Lahore

I/We

of being a member of ICC INDUSTRIES

LIMITED and holder of Ordinary Shares as per share

Register Folio No. and/or CDC Participant ID No. and Sub Account No.

Hereby appoint

of

or failing him

of

as my/our proxy to vote for me/us and 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 Wednesday, the October 28, 2020 at 10:30 a.m. and at every adjournment thereof.

Signed this Day of *October* *2020*.

WITNESSES

1. Signature:
Name:
Address:
.....
CNIC or
Passport No.

Signature

2. Signature:
Name:
Address:
.....
CNIC or
Passport No.

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

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

پراکسی فارم

بکریٹری

آئی سی ٹیکسٹائلز لمیٹڈ، 242-A آندر روڈ، اپر مال، لاہور

میں رہم _____ ساکن _____
ضلع _____ بحیثیت ممبر آئی سی ٹیکسٹائلز لمیٹڈ (سی ڈی سی فوئیو نمبر _____ بذریعہ ہذا
محترم مجتہد _____ ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا ہوں، تاکہ وہ میری جگہ
اور میری طرف سے کمپنی کے 32 ویں سالانہ عام اجلاس جو بتاریخ 28 اکتوبر 2020 بروز بدھ 10:30 بجے کمپنی کے رجسٹرڈ آفس آئی سی ٹیکسٹائلز لمیٹڈ، 242-A آندر روڈ، اپر
مال، لاہور میں منعقد ہو رہا ہے میں یا اس کے کسی متولی ہونے والے عام اجلاس میں ووٹ ڈالے۔
یہ پراکسی فارم آج مورخہ _____ کو درج ذیل گواہان کی موجودگی میں دستخط ہوا۔

دستخط شیئر ہولڈر:

گواہان _____
برائے مہربانی، روپے مالیت کی ریونیوسٹپ چسپاں کریں۔
دستخط _____ نام _____
دستخط _____ نام _____
پتہ _____ پتہ _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
پاسپورٹ نمبر _____ پاسپورٹ نمبر _____

نوٹ:- پراکسی (نمائندے) کو فعال بنانے کے لیے نامزدگی کا فارم (پراکسی) مینٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو وصول ہو جانا چاہیے، کوئی بھی شخص پراکسی (نمائندہ) مقرر نہیں کیا جاسکتا اور نہ ووٹ دینے کا اہل ہو سکتا ہے جو کمپنی کا ممبر نہ ہو، ماسوائے کہ کمپنی کا پوریشن ایسے شخص کو عام اجلاس میں شرکت اور ووٹ دینے کے لئے نامزد کر سکتی ہے جو ممبر نہ ہو۔
سی ڈی سی اکاؤنٹ ہولڈر اور ان کے نمائندوں سے درخواست ہے کہ وہ پراکسی فارم کے ہمراہ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول جمع کروائیں۔