



International Knitwear Limited

**REVIEW OF FINANCIAL INFORMATION
FOR THE 3RD QUARTER ENDED
MARCH 31, 2015**



International Knitwear Limited



International Knitwear Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Naeem Shafi Chief Executive
Mr. Waseem Shafi
Mr. Javed Khan
Mr. Muhammad Shafi
Mr. Zahid Ali
Mr. Muhammad Sajid Hussain
Mr. Arshad Ahmed

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Javed Khan

AUDIT COMMITTEE

Mr. Waseem Shafi Chairman
Mr. Arshad Ahmed Member
Mr. Zahid Ali Member

AUDITORS

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

LEGAL ADVISOR

S. Akhtar & Company

BANKERS

Bank AL-Habib Limited
Habib Bank Limited

REGISTERED OFFICE & FACTORY

F-2A/(L), S.I.T.E., Karachi-75730.

REGISTRAR

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B", S.M.C.H.S.
Main Shahra-e-Faisal, Karachi-74400

WEBSITE

www.internationalknitwear.com



International Knitwear Limited

Directors' Report

The Board of Directors of International Knitwear Limited (IKL) is pleased to present the un-audited financial statements of the Company for the 3rd Quarter ended March 31, 2015

The Directors' Report is prepared under section 236 of the Companies Ordinance, 1984 and Clause XIX of the Code of Corporate Governance.

FINANCIAL PERFORMANCE

Continuing Operation

	March-2015 Rupees	March-2014 Rupees
Sales	134,225,749	98,884,891
Cost of goods sold	(114,728,005)	(86,416,953)
Gross Profit	19,497,744	12,467,938
Operating Profit	9,284,475	4,128,052
Taxation	(1,342,257)	(997,228)
Profit after taxation	5,392,646	2,147,914
Profit from discontinued Operation	3,383,489	2,251,844
Profit for the period	8,776,135	4,399,758
Earnings per share for the period	1.36	1.37

OVERVIEW

The gross sales of the Company during the period under review are Rs. 134.25 Million increasing by 35.74 % when compared to the same period last year. There is a gross profit of Rs.19.49 million during this period against gross profit of Rs. 12.46 million when compared with same period of last year.

The operating profit for the last nine months has been Rs.9.28 Million as compared to the profit of Rs. 4.12 Million for the same period last year. After incorporating administrative & selling expenses, financial and other charges, there is profit after taxation (for the 3rd quarter) of Rs. 5.39 million against profit of Rs. 2.14 million in the corresponding period last year.

The textile industry of Pakistan plays an important role in earning foreign exchange. Pakistan textile products will have a big potential to capture big share of world trade but there are lots of reasons which forces to step back from using the full capacity to earn more and more foreign exchange for the country. The textile industry in Pakistan continues to be in deep trouble. The major factors being the worsening energy crisis and the very low prices of its products in the world market. Your company has not been able to avoid the adverse effect of these conditions.

The cost of doing business has been increasing and although cotton prices have declined during this period, this has been more than offset by very low prices of the end products. Pakistan's major customer of textile products has reduced, it's off take from Pakistan and whatever sales are possible at extremely low prices.

FUTURE PROSPECTS

The Management is doing its level best to achieve local as well as export targets. Your directors have managed to keep the wheel moving and keep the company in profits. The future results are depended on economic and political behaviour in the Country.

ACKNOWLEDGEMENT

The Directors would like to express their gratitude to the Customer, Bankers and other stakeholders for their continued support and encouragement and also place on record the appreciation of the valuable services rendered by the employees of the Company.

On behalf of the Board

NAEEM SHAFI
Chief Executive

Karachi: April 24, 2015



International Knitwear Limited

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

	(Un-Audited) March 2015 (Rupees)	(Audited) June 2014 (Rupees)
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	22,016,513	23,271,594
Long term deposits	1,607,669	1,607,669
Investments	31,608,004	1,054,415
	55,232,186	25,933,678
Current Assets		
Stock in trade	36,270,462	25,479,584
Trade debts - considered good	22,149,794	25,770,417
Loan and advances	1,444,788	1,210,745
Other receivables	2,457,733	934,422
Taxation - net	5,803,367	3,693,045
Cash and bank balances	2,757,176	124,646
	70,883,319	57,212,860
TOTAL ASSETS	126,115,505	83,146,537
EQUITY & LIABILITIES		
SHARE CAPITAL & RESERVES		
Share capital	64,500,000	32,250,000
Unappropriated profit	13,690,799	4,914,664
	78,190,799	37,164,664
Unrealized (loss) / gain on revaluation of investments- available for sale	(363,867)	458,172
	77,826,932	37,622,836
Current Liabilities		
Short term finances under mark-up arrangements	13,016,470	4,511,029
Trade and other payables	35,272,104	41,012,672
	48,288,574	45,523,701
CONTINGENCIES & COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	126,115,505	83,146,537

The annexed notes form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE 3RD QUARTER AND NINE MONTHS ENDED MARCH 31, 2015

	NINE MONTHS ENDED		3RD QUARTER ENDED	
	March 2015 (Rupees)	March 2014 (Rupees)	March 2015 (Rupees)	March 2014 (Rupees)
Continuing Operation				
Sales - net	134,225,749	98,884,891	30,777,836	34,614,123
Cost of goods sold	(114,728,005)	(86,416,953)	(26,317,704)	(31,653,831)
Gross profit	19,497,744	12,467,938	4,460,132	2,960,292
Administrative and selling expenses	(10,213,269)	(8,339,886)	(3,434,505)	(1,916,013)
Operating profit	9,284,475	4,128,052	1,025,627	1,044,279
Financial charges	(2,433,352)	(874,056)	(617,852)	(309,203)
Other income	633,693	291,138	300,754	3,741
Workers profit participation fund	(543,415)	(289,849)	(84,690)	(131,487)
Workers welfare fund	(206,498)	(110,143)	(32,183)	(49,696)
Profit before taxation from continuing operation	6,734,903	3,145,142	591,656	557,634
Taxation	(1,342,257)	(997,228)	(307,778)	(128,747)
Profit after taxation from continuing operation	5,392,646	2,147,914	283,878	428,887
Discontinued Operations				
Profit from discontinued operations	3,383,489	2,251,844	985,279	1,890,928
Profit for the period	8,776,135	4,399,758	1,269,157	2,319,815
Earnings per share-basic and diluted				
From continuing operations	0.84	0.67	0.04	0.13
From discontinued operation	0.52	0.70	0.15	0.59

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 3RD QUARTER AND NINE MONTHS ENDED MARCH 31, 2015

	NINE MONTHS ENDED		3RD QUARTER ENDED	
	March 2015 (Rupees)	March 2014 (Rupees)	March 2015 (Rupees)	March 2014 (Rupees)
Profit after taxation for the period	8,776,135	4,399,758	1,269,157	2,319,815
Other comprehensive income/(loss)	(822,039)	237,151	(883,839)	111,650
Total comprehensive income for the period	7,954,096	4,636,909	385,318	2,431,465

The annexed notes form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2015

	March 2015 (Rupees)	March 2014 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,118,392	5,396,986
Adjustment for non cash items:		
Depreciation	2,584,284	3,504,411
Gain on sale of property, plant and equipment	(5,297,904)	(4,793,574)
Finance charges of right shares	164,306	-
Finance charges	2,269,046	874,056
	<u>(280,268)</u>	<u>(415,107)</u>
Profit before changes in working capital	9,838,125	4,981,879
(Increase) / Decrease in current assets		
Stock in trade	(10,790,878)	(8,453,533)
Trade debtors	3,620,623	586,577
Loan and advances	(234,043)	283,307
Other receivables	(1,523,311)	(2,074,456)
	<u>(8,927,608)</u>	<u>(9,658,105)</u>
Increase / (Decrease) in current liabilities		
Short term finances under mark-up arrangements	4,185,000	3,916,666
Trade and other payables	(5,740,048)	(7,416,910)
	<u>(1,555,048)</u>	<u>(3,500,244)</u>
Financial charges paid	(2,269,046)	(874,056)
Taxes paid	(3,452,580)	(2,757,279)
Net cash inflow from operating activities	(6,366,157)	(11,807,805)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issuance of right shares-net	32,085,694	-
Dividend paid	(521)	-
Net cash (used in) financing activities	32,085,174	-
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(3,312,800)	(3,340,854)
Proceeds from sale of property, plant and equipment	7,281,500	15,568,250
Investments	(31,375,627)	(138,136)
Net cash (used in) investing activities	(27,406,927)	12,089,261
Net increase / (decrease) in cash and cash equivalents	(1,687,910)	281,456
Cash and cash equivalents at the beginning of the year	(536,384)	(4,674,031)
Cash and cash equivalents at the end of the year	(2,224,294)	(4,392,575)

The annexed notes form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2015

	Issued, Subscribed and Paid up Share Capital	Unrealized gain/ (loss) on revaluation of investments available for sale	Unappropriated Profit	Total
	----- (Rupees) -----			
Balance as at June 30, 2013	32,250,000	136,471	1,194,840	33,581,311
Net Profit for the year ended June 30, 2014	-	-	3,719,824	3,719,824
Unrealized gain on revaluation of investments -available for sale	-	321,701	-	321,701
Balance as at June 30, 2014	32,250,000	458,172	4,914,664	37,622,836
Issued Right Shares	32,250,000			32,250,000
Net profit for the period ended March 31, 2015			8,776,135	8,776,135
Unrealized (loss) on revaluation of investments -available for sale		(822,039)		(822,039)
Balance as at March 31, 2015	64,500,000	(363,867)	13,690,799	77,826,932

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE 3RD QUARTER ENDED MARCH 31, 2015

STATUS AND NATURE OF BUSINESS

International Knitwear Limited (hereinafter referred as the Company or IKL) is a public limited company listed on Karachi and Islamabad stock exchanges. The Registered office of the Company is located at Plot # F-2A/L, SITE, Karachi. Its principal activities are knitting, dyeing, stitching, export of garments and providing dyeing facilities.

BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial information of the Company for the year ended June 30, 2014.

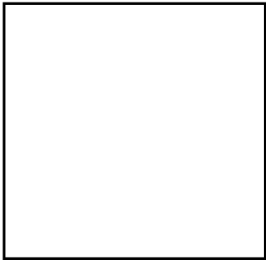
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NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited



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