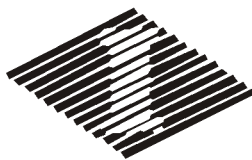




International Knitwear Limited

**REVIEW OF FINANCIAL INFORMATION
FOR THE 3RD QUARTER ENDED
MARCH 31, 2016**



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. Muhammad Bilal Zuberi
Mr. Muhammad Sajid Hussain
Mr. Arshad Ahmed

**CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY** Mr. Javed Khan

AUDIT COMMITTEE Mr. Waseem Shafi Chairman
Mr. Arshad Ahmed
Mr. Muhammad Shafi

**HR & REMUNERATION
COMMITTEE** Mr. Muhammad Bilal Zuberi Chairman
Mr. Arshad Ahmed
Mr. Muhammad Sajid Hussain

AUDITORS Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

LEGAL ADVISOR Ali Associates

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, 2016

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-2016 Rupees	March-2015 Rupees
Sales	124,099,840	134,225,749
Cost of goods sold	(113,472,013)	(114,728,005)
Gross Profit	10,627,827	19,497,744
Operating Profit	568,097	9,284,475
Other Income	10,643,515	633,694
Profit before taxation	9,348,456	6,734,904
Profit after taxation- Continuing operation	6,834,549	5,392,646
(Loss)/Profit from Discontinued operation	(1,687,097)	3,383,489
Profit for the period	5,053,112	8,776,135

Earnings per share-basic and diluted

From continuing operation	1.04	0.84
From discontinued operation	(0.26)	0.52

PROFIT AND LOSS ANALYSIS

The gross sales of the Company during the period under review are Rs. 124.09 Million decreasing by 7.54 % when compared to the same period last year. There is a gross profit of Rs.10.62 million during this period against gross profit of Rs. 19.49 million when compared with same period of last year.

The operating profit for the last nine months has been Rs.0.56 Million as compared to the profit of Rs. 9.28 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. 6.74 million against profit of Rs. 5.39 million in the corresponding period last year.

SALES

During the period under review, decrease in sales was the result of carry over stock of our present customers due to low sales in previous season. The adverse effect results in negative margins due to the increase in cost of various inputs and capacity utilization.

The other income of Rs. 10.64 million includes Rs. 9.12 million gross income from disposal of Shares in investment as compared to Rs. 0.15 million same period last year

FUTURE OUTLOOK

We aim to carry on our journey of sustainable and profitable growth in future. Sales volume is expected to increase with the addition of new foreign and local buyers with good gross margin. We expect better performance in the last quarter of this financial year.

ACKNOWLEDGEMENT

The board is pleased to thanks to valued shareholders for the confidence and moral support to the company. In particular, we want to express our appreciation to all our Bankers who have supported us throughout the period. We also record its appreciation for the sincerity and hard work of the staff and workers.

On behalf of the Board

NAEEM SHAFI
Chief Executive

Karachi: April 26, 2016



International Knitwear Limited

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

	(Un-Audited) March 2016 (Rupees)	(Audited) June 2015 (Rupees)
ASSETS		
Non-Current Assets		
Property, Plant & Equipment owend	26,297,904	20,095,361
Long term deposits	2,006,200	1,500,000
Investments	60,482,785	42,677,438
	88,786,889	64,272,799
Current Assets		
Stock in trade	36,585,533	27,607,551
Trade debts - considered good	11,424,011	15,547,426
Loan and advances	3,342,092	2,362,492
Other receivables	1,300,855	1,718,339
Taxation - net	7,876,708	6,039,056
Cash and bank balances	2,176,559	6,188,564
	62,705,759	59,463,429
TOTAL ASSETS	151,492,647	123,736,227
EQUITY & LIABILITIES		
SHARE CAPITAL & RESERVES		
Share capital	64,500,000	64,500,000
Unappropriated profit	13,151,357	14,548,245
	77,651,357	79,048,245
Unrealized gain on revaluation of investments- available for sale	20,793,635	11,855,847
	98,444,993	90,904,092
Non-Current Liabilities		
Liability against assets subject to finance lease	2,324,442	-
	2,324,442	-
Current Liabilities		
Short term finances under mark-up arrangements	12,322,388	2,846,046
Trade and other payables	38,245,500	29,986,089
Liability against assets subject to finance lease	155,324	-
	50,723,212	32,832,135
CONTINGENCIES & COMMITMENTS		
	-	-
TOTAL EQUITY AND LIABILITIES	151,492,647	123,736,227

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, 2016

	NINE MONTHS ENDED		3RD QUARTER ENDED	
	March 2016 (Rupees)	March 2015 (Rupees)	March 2016 (Rupees)	March 2015 (Rupees)
Continuing Operation				
Sales - net	124,099,840	134,225,749	32,681,495	30,777,836
Cost of goods sold	(113,472,013)	(114,728,005)	(31,476,954)	(26,317,704)
Gross profit	10,627,827	19,497,744	1,204,541	4,460,132
Administrative and selling expenses	(10,059,730)	(10,213,269)	(3,227,728)	(3,434,505)
Operating profit/(loss)	568,097	9,284,475	(2,023,187)	1,025,627
Financial charges	(1,170,307)	(2,433,353)	771,736	(617,852)
Other income	10,643,515	633,694	2,117,113	300,754
Workers profit participation fund	(502,065)	(543,415)	(100,065)	(84,690)
Workers welfare fund	(190,785)	(206,498)	(36,785)	(32,183)
Profit before taxation from continuing operation	9,348,456	6,734,904	728,813	591,656
Taxation	(2,608,246)	(1,342,257)	(1,694,246)	(307,778)
Profit/(loss) after taxation from continuing operation	6,740,209	5,392,646	(965,434)	283,878
Discontinued Operations				
(Loss)/profit from discontinued operations	(1,687,097)	3,383,489	(551,160)	985,279
Profit/(loss)/ for the period	5,053,112	8,776,135	(1,516,594)	1,269,157
Earnings/ (loss) per share-basic and diluted				
From continuing operations	1.04	0.84	(0.15)	0.04
From discontinued operation	(0.26)	0.52	(0.09)	0.15

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 3RD QUARTER AND NINE MONTHS ENDED MARCH 31, 2016

	NINE MONTHS ENDED		3RD QUARTER ENDED	
	March 2016 (Rupees)	March 2015 (Rupees)	March 2016 (Rupees)	March 2015 (Rupees)
Profit/(loss) after taxation for the period	5,053,112	8,776,135	(1,516,594)	1,269,157
Other comprehensive income/(loss)	8,937,789	(822,039)	4,428,447	(883,839)
Total comprehensive income for the period	13,990,901	7,954,096	2,911,853	385,318

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, 2016

	March 2016 (Rupees)	March 2015 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,661,359	10,118,392
Adjustment for non cash items:		
Depreciation	2,374,441	2,584,284
Gain on sale of property, plant and equipment	-	(5,297,904)
Finance charges of right shares	-	164,306
Finance charges	1,170,307	2,269,046
Gain on disposal of Investment	(9,118,503)	-
	<u>(5,573,755)</u>	<u>(280,267)</u>
Profit before changes in working capital	2,087,603	9,838,125
(Increase) / Decrease in current assets		
Stock in trade	(8,977,982)	(10,790,878)
Trade debtors	6,603,181	3,620,623
Loan and advances	(979,600)	(234,043)
Other receivables	417,484	(1,523,311)
	<u>(2,936,918)</u>	<u>(8,927,608)</u>
Increase / (Decrease) in current liabilities		
Short term finances under mark-up arrangements	5,698,000	4,185,000
Trade and other payables	7,997,371	(5,740,048)
	<u>13,695,371</u>	<u>(1,555,048)</u>
Financial charges paid	(1,170,307)	(2,269,046)
Taxes paid	(4,445,898)	(3,452,580)
Net cash inflow from operating activities	7,229,851	(6,366,157)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issuance of right shares-net	-	32,085,694
Dividend paid	(6,187,961)	(521)
Net cash (used in) financing activities	(6,187,961)	32,085,174
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(8,576,983)	(3,312,800)
Proceeds from sale of property, plant and equipment	-	7,281,500
Sale of Investments	36,619,973	(31,375,627)
Purchase of Investments	(36,369,027)	-
Long term Deposit	(506,200)	-
Net cash (used in) investing activities	(8,832,237)	(27,406,927)
Net increase / (decrease) in cash and cash equivalents	(7,790,347)	(1,687,911)
Cash and cash equivalents at the beginning of the year	5,842,517	(536,384)
Cash and cash equivalents at the end of the period	(1,947,830)	(2,224,294)

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, 2016

	Issued, Subscribed and Paid up Share Capital	Unrealized gain on revaluation of investments available for sale	Unappropriated Profit	Total
	----- (Rupees) -----			
Balance as at June 30, 2014	32,250,000	458,172	4,914,664	37,622,836
Share issue cost			(164,306)	(164,306)
Issued right shares	32,250,000			32,250,000
Net Profit for the year ended June 30,2015		-	9,797,887	9,797,887
Unrealized gain on revaluation of investments				
-available for sale		11,397,674	-	11,397,674
Balance as at June 30, 2015	64,500,000	11,855,846	14,548,245	90,904,092
Net profit for the period ended March 31,2016			5,053,112	5,053,112
Unrealized gain on revaluation of investments				
-available for sale		8,937,789		8,937,789
10% Cash dividend paid for the year ended June 30,2015			(6,450,000)	(6,450,000)
Balance as at March 31,2016	64,500,000	20,793,635	13,151,357	98,444,993

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE 3RD QUARTER ENDED MARCH 31, 2016

STATUS AND NATURE OF BUSINESS

International Knitwear Limited (hereinafter referred as the Company or IKL) is a public limited company listed on Pakistan 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, 2015.

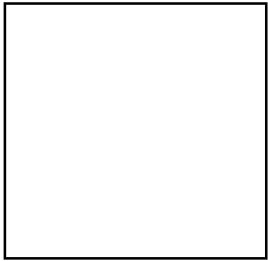
The annexed notes form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited



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