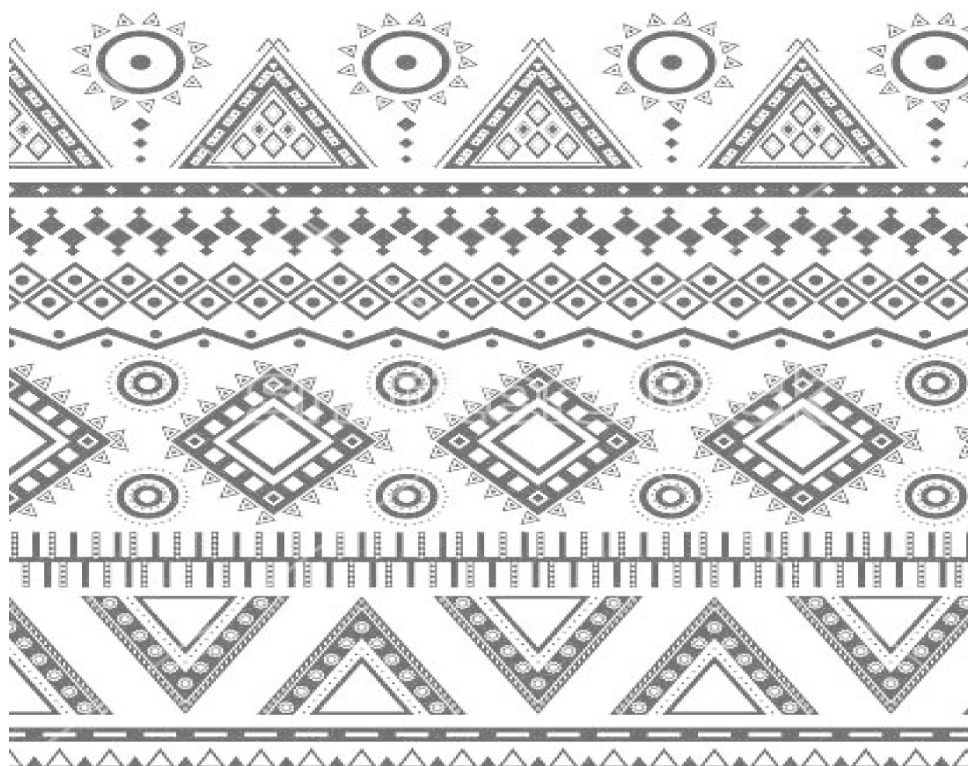


International Knitwear Limited



**REVIEW OF FINANCIAL INFORMATION
FOR THE 3RD QUARTER ENDED
MARCH 31, 2017**



International Knitwear Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Waseem Shafi	Chairman
Mr. Naeem Shafi	Chief Executive
Mr. Javed Khan	
Mr. Muhammad Shafi	
Mr. Muhammad Sajid Hussain	
Mr. Arshad Ahmed	
Mr. Javed Akhter Malik	

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Javed Khan

AUDIT COMMITTEE

Mr. Arshad Ahmed	Chairman
Mr. Waseem Shafi	
Mr. Javed Akhter Malik	

HR & REMUNERATION COMMITTEE

Mr. Muhammad Sajid Hussain	Chairman
Mr. Muhammad Shafi	
Mr. Javed Akhter Malik	

AUDITORS

RSM Avais Hyder Liaquat Nauman
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 Shakra-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, 2017

This financial information is submitted in accordance with section 245 of the Companies Ordinance, 1984.

Operating Results

	March-2017	March-2016
	Rupees	Rupees
Sales	91,480,355	124,099,840
(Loss)/profit before taxation	(1,638,238)	6,294,110
Provision of taxation	(914,804)	(1,240,998)
(Loss)/profit after taxation	(2,553,041)	5,053,112
(Loss)/earnings per share-basic and diluted	(0.29)	0.78

PROFIT AND LOSS ANALYSIS

The gross sales of the Company during the period under review were Rs. 91.48 Million decreasing by 26.27 % when compared to the same period last year.

The loss before taxation for the period Rs.1.64 Million as compared to the profit of Rs. 6.29 Million for the same period last year. After incorporating administrative & selling expenses, financial and other charges, there is loss after taxation of Rs. 2.55 million against profit of Rs. 5.05 million in the corresponding period last year.

SALES

The overall performance of the Company were under pressure, main reason being low sales which could not take care of the fix overheads as being in transition phase where some customers had to be parted and new clients were inducted for future benefits.

The management is very hopeful in overcoming the current crises by increasing sales volume and keeping close eye on market situation and putting all effort to demonstrate good performance and to register positive growth in rest of the fiscal 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 27, 2017



International Knitwear Limited

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2017

	(Un-Audited) March 2017	(Audited) June 2016
	------(Rupees)-----	
ASSETS		
Non-Current Assets		
Property, plant and equipment	22,560,828	26,849,520
Long term deposits	1,500,000	2,006,200
Long term investments	96,734,097	75,600,145
	120,794,925	104,455,865
Current Assets		
Stock-in-trade	40,355,447	27,943,941
Short term investment	48,325,520	-
Trade debts - considered good	12,940,597	24,777,191
Loans and advances	3,302,068	3,315,091
Other receivables	368,974	1,065,043
Taxation - net	11,606,973	10,134,651
Cash and bank balances	1,075,490	2,961,810
	117,975,069	70,197,727
TOTAL ASSETS	238,769,994	174,653,592
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	96,750,000	64,500,000
Reserves	7,972,513	17,864,065
	104,722,513	82,364,065
Unrealized gain on revaluation of investments- available for sale	58,702,929	38,043,729
	163,425,442	120,407,794
Non-Current Liabilities		
Liability against assets subject to finance lease	-	1,678,130
Current Liabilities		
Short term finance under mark-up arrangement	19,939,049	15,028,512
Current maturity of liability against assets subject to finance lease	-	646,313
Payable against purchase of investment	21,341,468	-
Creditors, accrued and other payables	34,064,036	36,892,843
	75,344,552	52,567,668
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	238,769,994	174,653,592

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 ENDED MARCH 31, 2017

	NINE MONTH ENDED		3RD QUARTER ENDED	
	March 2017	March 2016	March 2017	March 2016
	(Rupees)			
Continuing Operation	(Restated)		(Restated)	
Sales - net	91,480,355	124,099,840	22,313,328	32,681,495
Cost of goods sold	(101,354,288)	(113,472,013)	(23,247,694)	(31,476,954)
Gross(loss)/ profit	(9,873,932)	10,627,827	(934,365)	1,204,541
Administrative and selling expenses	(10,342,674)	(10,059,730)	(3,122,379)	(3,227,728)
Operating (loss)/profit	(20,216,606)	568,097	(4,056,744)	(2,023,187)
Capital Gain Net	13,646,315	7,751,255	(930,360)	1,675,420
Financial charges	(1,966,738)	(1,170,307)	(377,753)	771,736
Other income	3,046,838	1,525,012	927,626	441,693
Workers profit participation fund	-	(502,065)	-	(100,065)
Workers welfare fund	(73,184)	(190,785)	(17,850)	(36,785)
(Loss)/profit before taxation from continuing operation	(5,563,376)	7,981,207	(4,455,082)	728,812
Taxation	(914,804)	(1,240,998)	(223,134)	(1,694,246)
(Loss)/profit after taxation from continuing operation	(6,478,179)	6,740,209	(4,678,215)	(965,434)
Discontinued Operations				
(Loss) /profit from discontinued operations	3,925,138	(1,687,097)	1,312,052	(574,269)
(Loss)/ profit for the period	(2,553,041)	5,053,112	(3,366,163)	(1,539,703)
(Loss)/earning per share-basic and diluted				
From continuing operations	(0.74)	1.04	(0.54)	(0.15)
From discontinued operation	0.45	(0.26)	0.15	(0.09)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED MARCH 31, 2017

	NINE MONTH ENDED		3RD QUARTER ENDED	
	March 2017	March 2016	March 2017	March 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
(Loss)/ profit after taxation for the period	(2,553,041)	5,053,112	(3,366,163)	(1,539,703)
Other comprehensive income	20,659,200	4,509,342	7,044,326	4,509,342
Total comprehensive income for the period	18,106,159	9,562,454	3,678,163	2,969,639

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, 2017

	March 2017	March 2016
	------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,638,238)	7,661,359
Adjustment for non cash items:		
Depreciation	1,730,562	2,374,441
(Gain) on sale of property, plant and equipment	(4,948,543)	-
Financial charges	1,966,738	1,170,307
(Gain) on disposal of investment	(13,646,315)	(9,118,503)
	<u>(14,897,558)</u>	<u>(5,573,755)</u>
(Loss) / profit before changes in working capital	(16,535,796)	2,087,604
Decrease / (increase) in current assets		
Stock in trade	(12,411,506)	(8,977,982)
Trade debts	11,836,594	6,603,181
Loans and advances	13,023	(979,600)
Other receivables	696,069	417,484
	<u>134,180</u>	<u>(2,936,917)</u>
(Decrease) / increase in current liabilities		
Short term financing under markup arrangements	4,910,537	5,698,000
Creditors, accrued and other payables	(5,393,857)	7,997,371
	<u>(483,320)</u>	<u>13,695,371</u>
Financial charges paid	(1,966,738)	(1,170,307)
Taxes paid	(2,387,126)	(4,445,898)
Proceed from issuance of right-net	31,361,489	
Dividend paid	(6,209,393)	(6,187,961)
Net cash (used in) operating activities	3,913,296	1,041,892
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,525,944)	(8,576,983)
Proceeds from sale of property, plant and equipment	9,540,000	-
Long term deposit	-	(506,200)
(Purchase) / sale of investments - net	(34,223,676)	250,946
Net cash (used in) / generated from investing activities	(27,209,620)	(8,832,237)
CASH FLOW FROM FINANCING ACTIVITIES		
Payable against purchase of investment	21,341,468	-
Net cash generated from financing activities	21,341,468	-
Net (decrease) in cash and cash equivalents	(1,954,857)	(7,790,345)
Cash and cash equivalent at the beginning of the period	(2,966,701)	5,842,517
Cash and cash equivalent at the end of the period	(4,921,558)	(1,947,828)

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, 2017

	Issued, subscribed and paid-up share capital	Unrealized gain on revaluation of investment	Unappropriated profit /(loss)	Total
	Rupees			
Balance as at June 30, 2015 (Audited)	64,500,000	11,855,847	14,548,245	90,904,092
Total comprehensive income for the period				
Profit for the year ended June 30, 2016	-	-	9,765,820	9,765,820
Gain on revaluation of investment		26,187,882		26,187,882
Transaction with owners:				
10% Cash dividend paid for the year ended June 30, 2015	-		(6,450,000)	(6,450,000)
	-	26,187,882	3,315,820	29,503,702
Balance as at June 30, 2016 (Audited)	64,500,000	38,043,729	17,864,065	120,407,794
Total comprehensive income for the period				
(Loss) for the 3rd quarter ended March 31, 2017	-	-	(2,553,041)	(2,553,041)
Gain on revaluation of investment		20,659,200		20,659,200
share issue cost			(888,511)	(888,511)
Issued right shares	32,250,000			32,250,000
Transaction with owners:				
10% Cash dividend paid for the year ended June 30, 2016	-	-	(6,450,000)	(6,450,000)
	32,250,000	20,659,200	(9,891,552)	43,017,648
Balance as at March 31, 2017 (Un-Audited)	96,750,000	58,702,929	7,972,513	163,425,442

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE 3RD QUARTER ENDED MARCH 31, 2017

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, 2016.

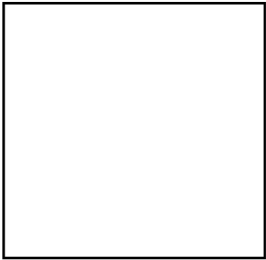
The annexed notes form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited



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