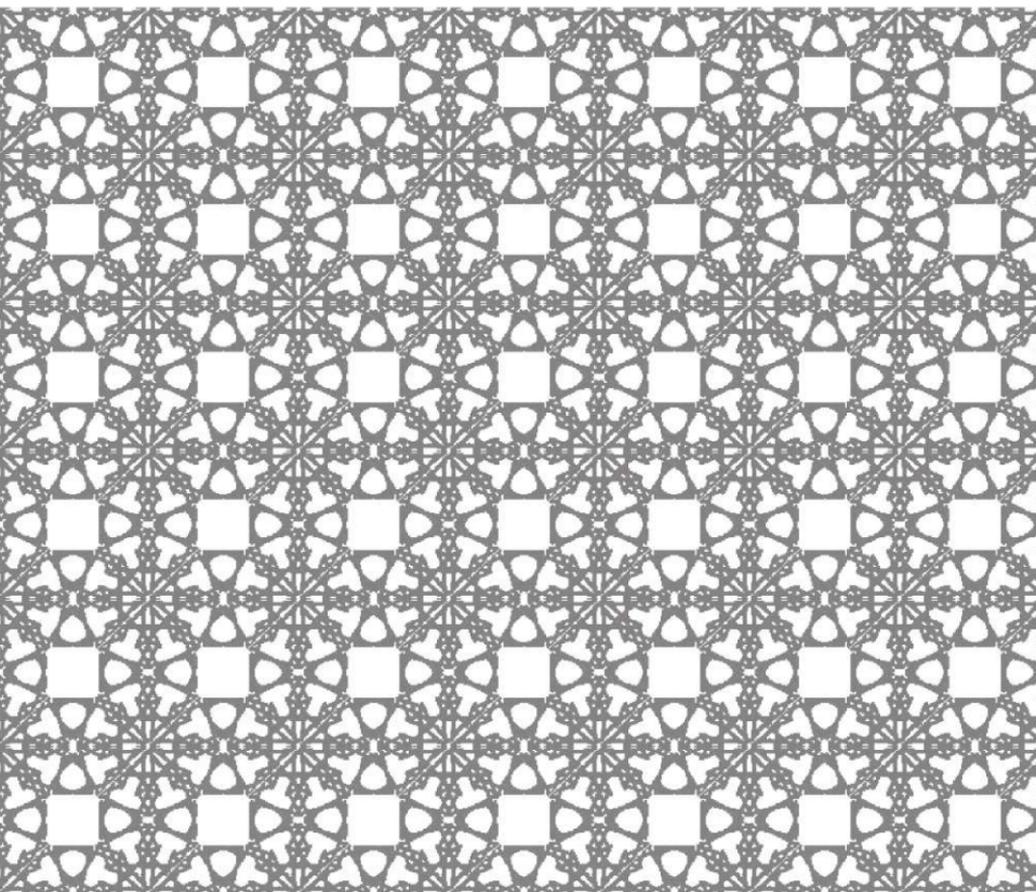


International Knitwear Limited



**REVIEW OF FINANCIAL INFORMATION
FOR THE 3RD QUARTER ENDED
MARCH 31, 2018**



COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Waseem Shafi Mr. Naeem Shafi Mr. Javed Khan Mr. Muhammad Shafi Mr. Muhammad Sajid Hussain Mr. Arshad Ahmed Mr. Javed Akhter Malik	Chairman Chief Executive
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CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Mr. Javed Khan
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AUDIT COMMITTEE	Mr. Arshad Ahmed Mr. Waseem Shafi Mr. Javed Akhter Malik	Chairman
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HR & REMUNERATION COMMITTEE	Mr. Muhammad Sajid Hussain Mr. Muhammad Shafi Mr. Javed Akhter Malik	Chairman
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AUDITORS	RSM Avais Hyder Liaquat Nauman Chartered Accountants
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LEGAL ADVISOR	Ali Associates
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BANKERS	Bank AL-Habib Limited Habib Bank Limited
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REGISTERED OFFICE & FACTORY	F-2A/(L), S.I.T.E., Karachi-75730.
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REGISTRAR	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shakra-e-Faisal, Karachi-74400
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WEBSITE	www.internationalknitwear.com
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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, 2018

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

FINANCIAL PERFORMANCE

	March-2018	March-2017
	Rupees	Rupees
Sales	258,327,889	91,480,355
Gross profit/ (loss)	32,500,736	(9,873,932)
Other income	(18,878,587)	16,693,153
(Loss) before taxation	(2,863,632)	(1,638,238)
Provision of taxation	(2,583,279)	(914,804)
(Loss) after taxation	(5,446,911)	(2,553,041)
(Loss)per share-basic and diluted	(0.56)	(0.29)

PROFIT AND LOSS ANALYSIS

The company has achieved a gross profit of Rs. 32.50 million during the period under review – a significant improvement on last year's 9.87 million gross loss, underpinned by gross sales of Rs. 258.33 million, depicting growth of 182.38% against the corresponding period (March – 2017: Rs. 91.48 million).

However, the company incurred a loss before taxation of Rs. 2.86 million as compared to Rs. 1.64 million for the same period last year. This is an effect of the continued deteriorating market behaviour of the Pakistan Stock Exchange (PSX), where the company sustained a realized and unrealized loss of Rs. (20.41) million against a gain of 13.65 million compared with last year.

Furthermore, after incorporating administrative and selling expenses, financial charges and other charges, loss after taxation for the period under review has amounted to Rs. (5.45) million in contrast to a loss of Rs. (2.55) million in the 3rd quarter of 2017.

EXPORT SALES

The continuing focus on Export sales and providing quality products. The company has achieved sales of Rs. 147.73 Million against Rs.60.92 Million when compared with last year. We succeeded in increasing our export sales by Rs. 86.81 Million showing an increase 142.49% when compared with the last year.

LOCAL SALES

The Company has Local Sales of Rs. 110.60 Million against Rs. 30.56 Million when compared with last year. Showing an increase of Rs.80.04 Million showing an increase 261.91% when compared with the last year.

FUTURE OUTLOOK

The management remains committed to increasing the sales & performance of the company by utilizing its resources efficiently and through investment in value addition of existing facilities to cope with the growing demand for our product.

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



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2018

	(Un-Audited) MARCH 2018 (Rupees)	Restated (Audited) JUNE 2017 (Rupees)
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	25,186,204	23,704,246
Long term deposits	1,500,000	1,500,000
Long term investments	23,777,609	35,182,728
	50,463,813	60,386,974
Current Assets		
Stock in trade	53,252,534	20,563,258
Short term investments	28,536,358	74,847,959
Trade debts - considered good	76,244,306	58,302,099
Loan and advances	2,125,487	2,106,145
Other receivables	7,006,554	5,698,375
Taxation - net	15,792,818	13,237,537
Cash and bank balances	1,113,525	336,491
	184,071,582	175,091,863
TOTAL ASSETS	234,535,395	235,478,839
EQUITY & LIABILITIES		
SHARE CAPITAL & RESERVES		
Share capital	96,750,000	96,750,000
Reserves	(1,087,490)	4,359,421
	95,662,510	101,109,421
Unrealized gain on revaluation of investments- available for sale	20,690,445	25,701,369
	116,352,954	126,810,790
Current Liabilities		
Short term finances under mark-up arrangements	44,682,397	34,568,172
Payable against purchase of investment	-	33,094,570
Trade and other payables	73,500,044	41,005,307
	118,182,441	108,668,049
CONTINGENCIES & COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	234,535,395	235,478,839

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

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE 3RD QUARTER & NINE MONTH ENDED MARCH 31, 2018

	3RD QUARTER ENDED		NINE MONTH ENDED	
	March 2018 (Rupees)	March 2017 (Rupees)	March 2018 (Rupees)	March 2017 (Rupees)
Sales - net	134,782,804	22,313,328	258,327,889	91,480,355
Cost of goods sold	(113,518,624)	(23,247,694)	(225,827,153)	(101,354,288)
Gross profit/ (loss)	21,264,180	(934,365)	32,500,736	(9,873,932)
Administrative and selling expenses	(4,232,362)	(3,122,379)	(12,176,012)	(10,342,674)
Operating profit/(loss)	17,031,818	(4,056,744)	20,324,724	(20,216,606)
Unrealized gain/(loss) of investments-held for trading	1,958,012	(930,360)	(6,534,714)	13,646,315
Other income	2,026,688	927,626	(12,343,873)	3,046,838
	3,984,700	(2,734)	(18,878,587)	16,693,153
	21,016,518	(4,059,478)	1,446,137	(3,523,453)
Financial charges	(1,048,705)	(377,753)	(4,103,107)	(1,966,738)
Other charges	(107,826)	(17,850)	(206,662)	(73,184)
	(1,156,531)	(395,603)	(4,309,769)	(2,039,922)
Profit/(loss) before taxation from continuing operation	19,859,987	(4,455,081)	(2,863,632)	(5,563,375)
Taxation	(1,349,219)	(223,134)	(2,583,279)	(914,804)
Profit/(loss) after taxation from continuing operation	18,510,768	(4,678,215)	(5,446,911)	(6,478,179)
Discontinued Operations				
Profit from discontinued operations	-	1,312,052	-	3,925,138
Profit/(loss) for the period	18,510,768	(3,366,163)	(5,446,911)	(2,553,041)
Earnings/(Loss) per share-basic and diluted				
From continuing operations	1.91	(0.54)	(0.56)	(0.74)
From discontinued operation	-	0.15	-	0.45

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE 3RD QUARTER & NINE MONTH ENDED MARCH 31, 2018

	3RD QUARTER ENDED		NINE MONTH ENDED	
	March 2018 (Rupees)	March 2017 (Rupees)	March 2018 (Rupees)	March 2017 (Rupees)
Profit/(loss) after taxation for the period	18,510,768	(3,366,163)	(5,446,911)	(2,553,041)
Other comprehensive income/(loss)	2,462,894	7,044,326	(5,010,924)	20,659,200
Total comprehensive income/(loss) for the period	20,973,662	3,678,163	(10,457,835)	18,106,159

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

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2018

	March 2018 (Rupees)	March 2017 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(2,863,632)	(1,638,238)
Adjustment for non cash items:		
Depreciation	2,256,578	1,730,562
(Gain) on sale of property, plant and equipment	(135,700)	(4,948,543)
Finance charges	4,103,107	1,966,738
(Gain)/loss on disposal of Investment	-	(13,646,315)
	<u>6,223,985</u>	<u>(14,897,558)</u>
Profit/(loss) before changes in working capital	3,360,353	(16,535,796)
(Increase) / Decrease in current assets		
Stock in trade	(32,689,276)	(12,411,506)
Trade debtors	(17,942,207)	11,836,594
Loan and advances	(19,342)	13,023
Other receivables	(1,308,179)	696,069
	<u>(51,959,004)</u>	<u>134,180</u>
Increase / (Decrease) in current liabilities		
Short term finances under mark-up arrangements	10,114,225	4,910,537
Trade and other payables	41,029,976	15,947,611
	<u>51,144,201</u>	<u>20,858,148</u>
Financial charges paid	(4,103,107)	(1,966,738)
Taxes paid	(5,177,483)	(2,387,126)
Net cash inflow from operating activities	(6,735,040)	102,668
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issuance of right shares-net	-	31,361,489
Dividend paid	-	(6,209,393)
Net cash (used in) financing activities	-	25,152,096
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(4,512,084)	(2,525,944)
Proceeds from sale of property, plant and equipment	1,485,710	9,540,000
(Purchase)/sale of Investments	4,556,051	(34,223,676)
Net cash (used in) generated from investing activities	1,529,677	(27,209,620)
Net (decrease) in cash and cash equivalents	(5,205,363)	(1,954,856)
Cash and cash equivalents at the beginning of the period	336,491	(2,966,701)
Cash and cash equivalents at the end of the period	(4,868,872)	(4,921,557)
Cash and bank balances	1,113,525	1,075,490
Running finance facility	(5,982,397)	(5,997,047)
	<u>(4,868,872)</u>	<u>(4,921,557)</u>

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

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2018

	Issued, subscribed and paid-up share capital	Unrealized gain/(loss) on revaluation of investment	Unappropriated profit/(loss)	Total
Rupees				
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				
Profit for the half year ended December 31, 2016	-	-	813,122	813,121
Gain on revaluation of investment	-	13,614,874	-	13,614,874
Transaction with owners:				
10% Cash dividend paid for the year ended June 30, 2016	-	-	(6,450,000)	(6,450,000)
	-	13,614,874	(5,636,878)	7,977,995
Balance as at December 31, 2016 (Un-Audited)	64,500,000	51,658,603	12,227,187	128,385,789
Total comprehensive income for the period				
(Loss) for the year ended June 30, 2017 - restated	-	-	(6,978,455)	(6,978,455)
(Loss) on revaluation of investment	-	(25,957,234)	-	(25,957,234)
Transaction with owners:				
Share issue cost	-	-	(889,311)	(889,311)
Issued right shares	32,250,000	-	-	32,250,000
	32,250,000	(25,957,234)	(7,867,766)	(1,575,000)
Balance as at June 30, 2017 (Audited) - restated	96,750,000	25,701,369	4,359,421	126,810,790
Total comprehensive income for the period				
(Loss) for the period ended March 31, 2018	-	-	(5,446,911)	(5,446,911)
(Loss) on revaluation of investment	-	(5,010,924)	-	(5,010,924)
Transaction with owners:				
0% Cash dividend paid for the year ended June 30, 2017	-	-	-	-
	-	(5,010,924)	(5,446,911)	(10,457,835)
Balance as at March 31, 2018 (Un-Audited)	96,750,000	20,690,445	(1,087,490)	116,352,954

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE 3RD QUARTER ENDED MARCH 31, 2018

STATUS AND NATURE OF BUSINESS

International Knitwear Limited (hereinafter referred as the Company or IKL) is a public limited company. Its shares are quoted on the Pakistan Stock Exchange. The Registered office of the Company is located at Plot # F-2A/L, SITE, Karachi. We are leaders in creating, developing and manufacturing of knitted and woven apparel products right from basic to highly fashioned garments.

We are engaged in the export of quality Garments. We have established a name of credentials owing to the projected commitments, working speed and quality practices. Our operating philosophy is to provide buyers with product that meets their specification, reliably delivered at a reasonable price in Domestic and International Markets.

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, 2017.

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

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

BOOK POST

Under Postal Certificate

If undelivered, please return to:

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