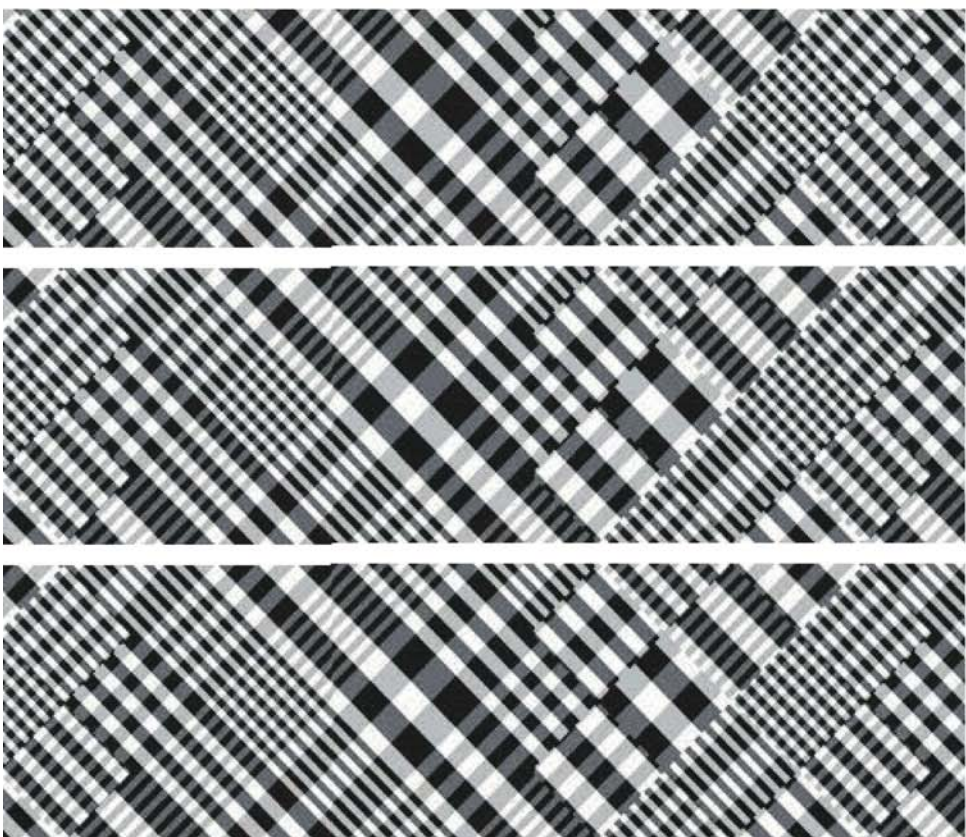


International Knitwear Limited



**REVIEW OF FINANCIAL INFORMATION
FOR THE 3RD QUARTER ENDED
MARCH 31, 2019**



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. Mudassir Habib Khan	
	Ms. Saleha Majid	

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Mr. Javed Khan
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AUDIT COMMITTEE	Ms. Saleha Majid
	Mr. Muhammad Sajid Hussain
	Mr. Mudassir Habib Khan

HR & REMUNERATION COMMITTEE	Ms. Saleha Majid
	Mr. Muhammad Shafi
	Mr. Muhammad Sajid Hussain

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 (INKL) is pleased to present the un-audited financial statements of the Company of the Company for the 3rd Quarter ended March 31, 2019

FINANCIAL PERFORMANCE

	March-2019	March-2018
	Rupees	Rupees
Sales	347,278,153	258,327,889
Gross profit	36,371,652	32,500,736
Other income	2,221,158	(18,878,587)
Profit/(loss) before taxation	13,724,654	(2,863,632)
Profit/(loss) after taxation	10,251,872	(5,446,911)
Earnings (loss) per share-basic and diluted	1.06	(0.56)

PROFIT AND LOSS ANALYSIS

The overall performance of the Company was encouraging. After accounting for administrative & selling expenses, financial and other charges, there was a profit before taxation of Rs. 13.72 million against loss of Rs. (2.86) million in the corresponding period last year. Consequently, the profit after taxation amounted to Rs. 10.25 million against a loss of Rs. (5.44) million in the corresponding period.

SALES

The Company has achieved net sales of Rs. 347.27 million against Rs. 258.32 million when compared with last year, showing a steady growth of 34.43%. The management is confident that the Company can steadily increase sales further, after having invested in increased production capacity over the last quarter.

ACKNOWLEDGEMENT

We wish to thank our customers for their cooperation and continued faith in our products. We would also like to acknowledge our shareholders and financial institutions for their support and assistance.

On behalf of the Board

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

		(Un-Audited) March 2019 Rupees	(Audited) June 2018 Rupees
ASSETS	Note		
Non-Current Assets			
Property, plant and equipment	2	31,916,479	25,728,306
Long term deposits		2,052,600	1,500,000
Long term loans	7	1,031,000	877,500
Long term investments	3	27,264,856	42,052,371
		62,264,935	70,158,177
Current Assets			
Stock-in-trade	5	90,178,482	50,619,309
Short term investment	4	5,957,364	7,108,605
Trade debts - considered good	6	65,992,905	69,310,130
Loans and advances	7	1,512,854	1,588,867
Other receivables	8	14,438,403	11,273,510
Taxation - net		21,298,939	18,230,723
Cash and bank balances	9	431,505	1,661,962
		199,810,452	159,793,106
TOTAL ASSETS		262,075,387	229,951,285
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		96,750,000	96,750,000
Reserves		26,411,839	23,362,841
		123,161,839	120,112,841
Unrealized gain on revaluation of investments - FVTOCI		9,428,186	14,360,264
		132,590,025	134,473,105
Non-Current Liabilities			
Long term liability against assets subject to finance lease		2,450,795	-
Current Liabilities			
Short term finance under mark-up arrangement	11	44,920,818	19,195,460
Short term liability against assets subject to finance lease		95,761	-
Creditors, accrued and other payables	12	80,123,216	74,966,895
Unclaimed dividend		1,894,772	1,315,823
		127,034,567	95,478,178
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		262,075,387	229,951,285

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTH & 3RD QUARTER ENDED MARCH 31, 2019

	3RD QUARTER ENDED		NINE MONTH ENDED	
	March	March	March	March
	2019	2018	2019	2018
	----- (Rupees) -----		----- (Rupees) -----	
Sales - net	145,744,226	134,782,804	347,278,153	258,327,889
Cost of goods sold	(132,064,130)	(113,518,624)	(310,906,501)	(225,827,153)
Gross profit	13,680,096	21,264,180	36,371,652	32,500,736
Administrative and selling expenses	(5,450,209)	(4,232,362)	(16,524,787)	(12,176,012)
Operating profit	8,229,887	17,031,818	19,846,865	20,324,724
Other income	10 (565,465)	2,026,688	3,895,022	(12,343,873)
Unrealized (loss)/gain on revaluation of investments through P&L	(570,678)	1,958,012	(1,673,864)	(6,534,714)
	(1,136,143)	3,984,700	2,221,158	(18,878,587)
	7,093,744	21,016,518	22,068,023	1,446,137
Financial charges	(2,376,451)	(1,048,705)	(7,326,182)	(4,103,107)
Other charges	(325,493)	(107,826)	(1,017,187)	(206,662)
	(2,701,944)	(1,156,531)	(8,343,369)	(4,309,769)
Profit/(loss) before taxation	4,391,800	19,859,987	13,724,654	(2,863,632)
Taxation	(1,457,443)	(1,349,219)	(3,472,782)	(2,583,279)
Profit/(loss) after taxation	2,934,357	18,510,768	10,251,872	(5,446,911)
Earning/(loss) per share-basic and diluted	0.30	1.91	1.06	(0.56)

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



International Knitwear Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH & 3RD QUARTER ENDED MARCH 31, 2019

	3RD QUARTER ENDED		NINE MONTH ENDED	
	March 2019 ----- (Rupees)-----	March 2018	March 2019 ----- (Rupees)-----	March 2018
Profit/ (loss) for the period	2,934,357	18,510,768	10,251,872	(5,446,911)
Other comprehensive (loss) /income				
Unrealised (loss)/Gain on remeasurement of investments classified as fair value through OCI	(710,196)	2,462,894	(7,297,452)	(5,010,924)
Reclassification of OCI on disposal of fair value through OCI investment directly into equity	-	-	2,365,374	-
	(710,196)	2,462,894	(4,932,078)	(5,010,924)
Total comprehensive income/loss for the period	2,224,161	20,973,662	5,319,794	(10,457,835)

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2019

	March 2019	March 2018
	------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	13,724,654	(30,197,436)
Adjustment for non cash items:		
Depreciation	2,880,089	1,478,970
Loss/(gain) on sale of property, plant and equipment	24,373	(211,900)
Financial charges	7,326,182	3,054,402
	10,230,644	4,321,472
Profit / (loss) before changes in working capital	23,955,298	(25,875,964)
Decrease / (increase) in current assets		
Stock in trade	(39,559,173)	(32,081,502)
Trade debts	3,317,225	22,239,557
Loans and advances	(77,487)	(2,291,182)
Other receivables	(3,164,893)	(2,741,138)
	(39,484,328)	(14,874,265)
(Decrease) / increase in current liabilities		
Short term financing under markup arrangements	25,800,000	(1,302,000)
Creditors, accrued and other payables	7,702,877	(14,295,532)
	33,502,877	(15,597,532)
Financial charges paid	(7,326,182)	(3,054,403)
Taxes paid	(6,540,998)	(2,877,727)
Dividend paid	(4,259,151)	-
Net cash (used in) operating activities	(152,485)	(62,279,891)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(9,134,633)	(3,062,424)
Proceeds from sale of property, plant and equipment	42,000	238,000
Sale of investments - net	2,093,843	60,073,761
Net cash (used in) / generated from investing activities	(6,998,790)	57,249,337
Net (decrease) in cash and cash equivalents	(7,151,275)	(5,030,554)
Cash and cash equivalent at the beginning of the period	1,661,962	336,491
Cash and cash equivalent at the end of the period	(5,489,313)	(4,694,063)
Cash and bank balances	431,505	1,095,155
Running finance facility	(5,920,818)	(5,789,218)
	(5,489,313)	(4,694,063)

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2019

	Issued, subscribed and paid-up share capital	Unrealized (loss)/gain on revaluation of investment	Unappropriated profit /(loss)	Total
	Rupees			
Balance as at June 30, 2017 (Audited)	96,750,000	25,701,370	4,359,421	126,810,791
Total comprehensive income for the period				
Loss for the half year ended December 31, 2017	-	-	(23,957,679)	(23,957,679)
Loss on revaluation of investment	-	(7,473,818)	-	(7,473,818)
	-	(7,473,818)	(23,957,679)	(31,431,497)
Balance as at December 31, 2017 (Un-Audited)	96,750,000	18,227,552	(19,598,258)	95,379,294
Total comprehensive income for the period				
Profit for the year ended June 30, 2018	-	-	13,404,981	13,404,981
Loss on revaluation of investment	-	(5,742,669)	-	(5,742,669)
	-	(5,742,669)	13,404,981	7,662,312
Balance as at June 30, 2018 (Audited)	96,750,000	19,958,702	17,764,403	134,473,105
Impact of early adoption of IFRS - 9 - Transfer from unappropriated profit into OCI due to change in accounting policy	-	(5,598,438)	5,598,438	-
Balance as at July 01, 2018	96,750,000	14,360,264	23,362,841	134,473,105
Total comprehensive income for the period				
Profit for the period ended March 31, 2019	-	-	10,251,872	10,251,872
Fair value adjustment on investment classified as FVTOCI	-	(7,297,452)	-	(7,297,452)
Reclassification on disposal of FVTOCI directly into equity	-	2,365,374	(2,365,374)	-
Transaction with owners:				
5% Cash dividend paid for the year ended June 30, 2018	-	-	(4,837,500)	(4,837,500)
	-	(4,932,078)	3,048,998	(1,883,080)
Balance as at March 31, 2019 (Un-Audited)	96,750,000	9,428,186	26,411,839	132,590,025

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



International Knitwear Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2019

1 Status and nature of the business

International Knitwear Limited (hereinafter referred as the "Company" or "IKL") is incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The geographical location and address of the head office and manufacturing plant of the Company is Plot # F-2A/L, SITE, Karachi, Pakistan.

We are leaders in creating, developing and manufacturing 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 products that meet their specification, and are reliably delivered at a reasonable price in domestic and international markets.

Note	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	------(Rupees)-----	
2 Property, plant & equipment		
Property and equipment - at cost less accumulated depreciation	31,704,133	25,728,306
Capital work in progress	212,346	-
	<u>31,916,479</u>	<u>25,728,306</u>
2.1 Additions / adjustments at cost		
Factory building	2,518,432	1,618,157
Plant and machinery	2,538,000	2,300,500
Computers	109,700	186,100
Furniture Fitting	447,155	152,830
Office equipment	334,000	136,000
Motor vehicles	2,897,000	1,457,500
	<u>8,844,287</u>	<u>5,851,087</u>
2.2 Deletions / write-off / adjustments at cost		
Plant and machinery	-	1,050,000
Computers	145,400	85,710
Office equipment	41,000	130,000
Motor vehicles	-	350,000
	<u>186,400</u>	<u>1,615,710</u>
2.3 Movement in Capital Work in Progress		
Opening balances	-	-
Add: Additions during the period	2,730,778	1,618,157
Less: Transfer to operating assets	(2,518,432)	(1,618,157)
	<u>212,346</u>	<u>-</u>
3 Long term investments		
Fair value through other comprehensive income (FVTOCI)		
Quoted securities	3.1 27,264,856	42,052,371
	<u>27,264,856</u>	<u>42,052,371</u>
3.1 FVTOCI - Quoted Securities		
Name of the Company		
- The Searle Company Limited	17,809,853	36,906,027
- Shell Pakistan Limited	26,323	31,609
- Attock Petroleum Limited	4,471,170	294,995
- Engro Corporation Limited	163,615	156,930
- Pakistan Oilfields Limited	1,074,742	337,910
- Pakistan Petroleum Limited	212,738	214,900
- Abbot Laboratories pak Limited	3,506,415	4,110,000
	<u>27,264,856</u>	<u>42,052,371</u>

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	------(Rupees)-----	
4 Short term investments			
Fair value through profit or loss (FVTPL)			
Quoted securities	4.1	5,403,375	6,497,040
Mutual funds	4.2	<u>553,989</u>	<u>611,566</u>
		<u>5,957,364</u>	<u>7,108,606</u>
4.1 FVTPL - Other investments			
Name of the Company			
- Abbot Laboratories pak Limited		255,012	102,750
- The Searle Company Limited.		1,461,004	3,978,940
- Attock Refinery Limited		2,247	-
- AGP Limited		-	355,160
- Attock Petroleum Limited		1,968,590	-
- Sui Northern Gas Company		112,665	150,330
- Pakistan Oilfields Limited		1,162,850	-
- Pakistan State Oil Co. Limited		441,007	1,909,860
		<u>5,403,375</u>	<u>6,497,040</u>
4.2 FVTPL - Mutual funds			
Name of the Fund			
- AKD Opportunity Funds		553,989	611,566
		<u>553,989</u>	<u>611,566</u>
5 STOCK IN TRADE			
Raw material		22,276,687	15,863,455
Work-in-process		65,205,515	28,494,071
Finished goods		2,696,280	6,261,783
		<u>90,178,482</u>	<u>50,619,309</u>
6 Trade debts			
Export - secured, considered good		61,375,620	36,517,285
Local - unsecured			
- Considered good		4,617,285	32,792,845
- Considered doubtful		1,286,162	1,286,162
		5,903,447	34,079,007
Less: Provision for doubtful debts		(1,286,162)	(1,286,162)
		<u>65,992,905</u>	<u>69,310,130</u>
7 Loans and advances			
Loans - unsecured, considered good			
- Loan to employees		1,031,000	877,500
Advances - unsecured, considered good			
- Advance to contractors, employees suppliers and brokers		1,449,254	1,528,037
- Prepayments		63,600	60,830
		<u>1,512,854</u>	<u>1,588,867</u>
		<u>2,543,854</u>	<u>2,466,367</u>
8 Other receivable			
Export rebate receivables		2,104,633	1,655,433
Research and development receivable		10,205,660	8,990,768
Sales tax receivable		1,643,881	-
Other receivable		484,229	627,309
		<u>14,438,403</u>	<u>11,273,510</u>
9 Cash and bank balances			
Cash in hand		-	-
Bank Balances			
- in current account		334,515	34,530
- in saving account		96,990	1,627,432
		<u>431,505</u>	<u>1,661,962</u>



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2019

	(Un-audited) 3rd Quarter ended		(Un-audited) Nine Month ended	
	March 2019	March 2018	March 2019	March 2018
	----- (Rupees) -----		----- (Rupees) -----	
10 Other income				
Income From Financial Assets				
Exchange gain -Net	(1,001,518)	148,993	2,747,353	148,993
Profit on bank accounts	58,595	35,394	177,740	100,616
Dividend Income	354,850	48,000	847,374	1,145,569
Other income		-	34,000	-
(Loss) on disposal of investment	40,709	1,870,501	112,928	(13,874,751)
Income From Non-Financial Assets				
(Loss)/gain on disposal of property, plant and equipment	(18,100)	(76,200)	(24,373)	135,700
	<u>(565,465)</u>	<u>2,026,688</u>	<u>3,895,022</u>	<u>(12,343,873)</u>

11 SHORT TERM FINANCE UNDER MARK-UP ARRANGEMENT

Running finance facility	5,920,818	5,995,461
Export refinance facility	39,000,000	13,200,000
	<u>44,920,818</u>	<u>19,195,461</u>

12 CREDITORS, ACCRUED AND OTHER PAYABLES

Creditors	63,494,164	100,699,263
Accrued expenses	10,323,263	10,633,686
Compensated absences payable	1,354,915	1,230,125
Other fund payable	838,758	794,016
Workers' profit participation fund	737,092	501,227
Workers' welfare fund	2,080,412	1,990,783
Advance from customers	802,291	1,200,069
Others	492,321	491,109
	<u>80,123,216</u>	<u>117,540,278</u>

13 Corresponding figures

Corresponding figures' have been reclassified / rearranged, wherever necessary.

14 Date of authorization

This financial information was authorized on April 29, 2019 by the Board of Directors of the Company.

15 General

Figures have been rounded off to nearest rupees.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



International Knitwear Limited

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If undelivered, please return to:

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