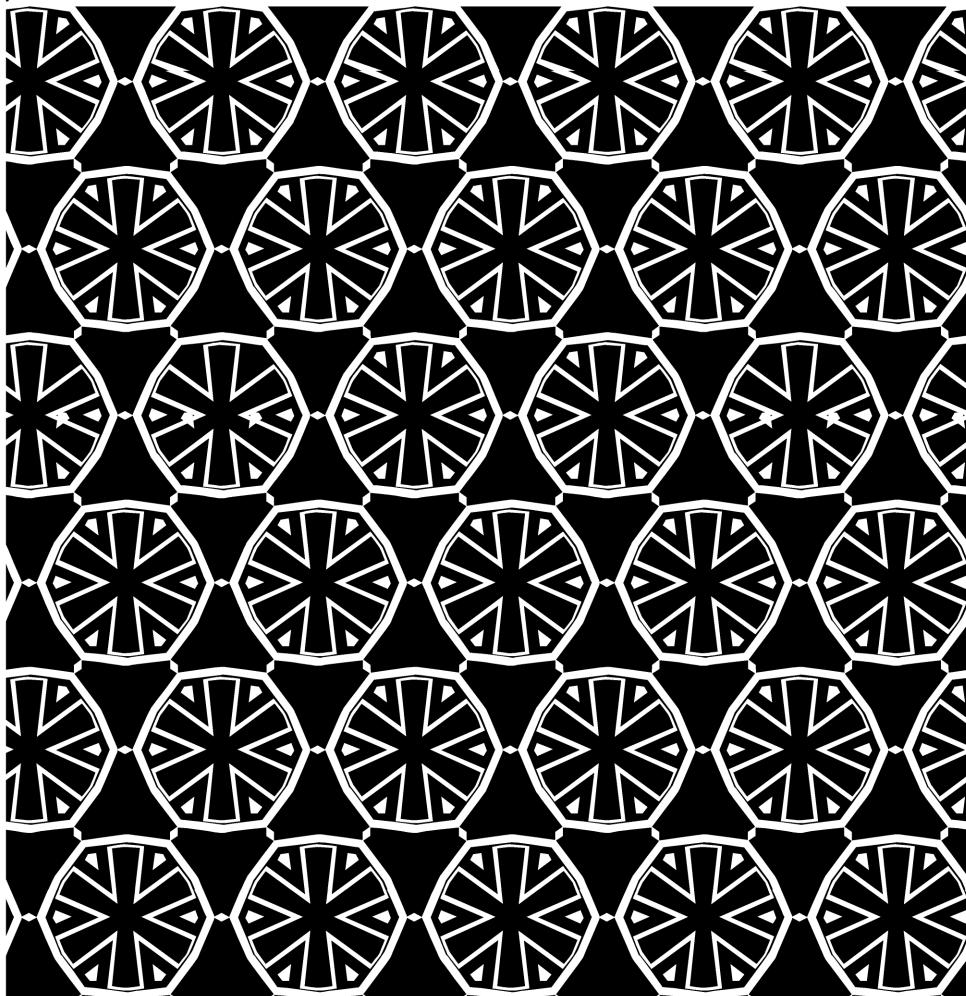
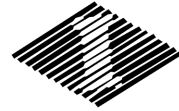


International Knitwear Limited



**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2022**



International Knitwear Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Waseem Shafi
Mr. Naeem Shafi
Mr. Javed Khan
Mr. Muhammad Shafi
Mr. Khalid Jamil Siddiqi
Mr. Mudassir Habib Khan
Ms. Saleha Majid

Chairman
Chief Executive

**CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY**

Mr. Javed Khan

AUDIT COMMITTEE

Ms. Saleha Majid
Mr. Khalid Jamil Siddiqi
Mr. Mudassir Habib Khan

**HR & REMUNERATION
COMMITTEE**

Mr. Muhammad Shafi
Mr. Khalid Jamil Siddiqi
Ms. Saleha Majid

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

CDC Registrar Services 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 (INKL) is pleased to present the un-audited financial statements of the Company for the half year ended December 31, 2022.

FINANCIAL PERFORMANCE

Profit or Loss	Un-Audited	
	July-December 2022	July- December 2021
	Rupees	Rupees
Net Sales	416,218,735	312,296,383
Cost of goods sold	(359,958,610)	(290,438,992)
Gross profit	56,260,125	21,857,391
Profit before taxation	35,877,304	8,311,536
Profit after taxation	28,022,072	5,188,572
Earnings per share	2.90	0.54

PROFIT AND LOSS ANALYSIS

During the period under review, the net sales of the Company amounted to Rs.416.21 million against Rs. 312.29 million in the preceding year showing an increase of Rs. 103.92 million equals to 33.27%. The Company recorded a gross profit of Rs. 56.26 million during the period under review against Rs. 21.85million showing a 157.48% increase as compared to the previous year. Earnings per share (EPS) for the period were Rs.2.90 compared to Rs. 0.54 for the corresponding period.

The overall economy of the country remained volatile and slow. The erratic movement of PKR against USD, increase in financing costs, and energy prices have further increased the cost of doing business. Despite adverse economic conditions, the management of the company has made its best efforts to ensure continuity and profitability of the Company besides safeguarding employees' safety, security, and health.

FUTURE OUTLOOK

Due to the political instability prevailing in the country for the last few months, the pace of overall economic growth has slowed down. The textile industry of Pakistan is currently in a difficult situation due to drastic cost increases in expenses, raw materials, markup rates, and worldwide inflation which has also put an adverse impact on the textile export business. With all these challenges, the management of the Company is putting its best efforts to maintain the current pace.

ACKNOWLEDGEMENT

The Board of directors would like to place on record their appreciation for the efforts of its employees, and the continuous support of customers, suppliers, and bankers.

Karachi: February 24, 2023

On behalf of the Board

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director / CFO



International Knitwear Limited

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **International Knitwear Limited** as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2022 and December 31, 2021 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is Syed Naveed Abbas.

Chartered Accountants

Karachi

Dated: February 27, 2023

UDIN: RR202210239CvXZGDwP9



International Knitwear Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2022

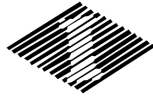
		(Un-Audited) December 2022 Rupees	(Audited) June 2022 Rupees
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	54,396,901	53,236,051
Long term deposits		2,052,600	2,052,600
Loan and advances	10	1,402,665	885,665
Long term investments	6	19,683,651	20,867,356
		77,535,817	77,041,672
Current Assets			
Stock in trade	8	81,002,723	126,572,714
Short term investments	7	36,826,851	17,439,319
Trade debts - considered good	9	176,250,760	144,689,705
Loans and advances	10	9,744,069	10,144,284
Other receivables	11	7,207,977	9,673,404
Taxation - net		22,165,547	25,015,756
Cash and bank balances	12	3,611,058	5,481,510
		336,808,985	339,016,692
TOTAL ASSETS		414,344,802	416,058,364
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed & paid-up capital	13	96,750,000	96,750,000
Revenue Reserves			
Unappropriated profit		65,983,920	45,218,098
		162,733,920	141,968,098
Capital Reserves			
Unrealized gain on revaluation of investments - FVTOCI		761,889	1,945,594
		163,495,809	143,913,692
Non-Current Liabilities			
Deferred liabilities	15	-	-
Lease liabilities		643,386	642,288
		643,386	642,288
Current Liabilities			
Short term finance under mark-up arrangement	16	148,492,918	152,477,501
Current maturity of lease liabilities		262,789	514,441
Current maturity of MTF salary and wages (Covid-19) liabilities	17	-	4,504,707
Creditors, accrued and other payables	18	99,473,970	111,162,376
Unclaimed dividend		1,975,930	1,812,391
Current portion of deferred grant	17	-	1,030,968
		250,205,607	271,502,384
Contingencies and Commitments	19	-	-
TOTAL EQUITY AND LIABILITIES		414,344,802	416,058,364

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

WASEEM SHAFI
Chairman

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director / CFO



International Knitwear Limited

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

Note	QUARTER ENDED		HALF YEAR ENDED	
	December 2022	December 2021	December 2022	December 2021
	----- (Rupees) -----		----- (Rupees) -----	
Sales - net	192,319,684	160,806,715	416,218,735	312,296,383
Cost of goods sold	(162,792,171)	(150,709,929)	(359,958,610)	(290,438,992)
Gross profit	29,527,513	10,096,786	56,260,125	21,857,391
Administrative and selling expenses	(8,231,735)	(6,495,285)	(15,207,950)	(12,771,955)
Operating profit	21,295,778	3,601,501	41,052,175	9,085,436
Other income	563,744	5,115,591	7,538,621	7,109,474
Unrealized (loss) / gain on revaluation of investments through P&L	(732,167)	166,574	(2,209,217)	(1,614,339)
	(168,423)	5,282,165	5,329,404	5,495,135
	21,127,355	8,883,666	46,381,579	14,580,571
Financial charges	(3,887,697)	(4,036,701)	(7,845,269)	(5,653,035)
Other charges	(1,189,537)	(334,441)	(2,659,006)	(616,000)
	(5,077,234)	(4,371,142)	(10,504,275)	(6,269,035)
Profit before taxation	16,050,121	4,512,524	35,877,304	8,311,536
Taxation				
Taxation Current year	(1,923,196)	(1,608,067)	(4,162,187)	(3,122,964)
Taxation prior year	(3,693,045)		(3,693,045)	
Profit after taxation	10,433,880	2,904,457	28,022,072	5,188,572
Earning per share-basic and diluted	1.08	0.30	2.90	0.54

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

WASEEM SHAFI
Chairman

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director / CFO



International Knitwear Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	QUARTER ENDED		HALF YEAR ENDED	
	December 2022	December 2021	December 2022	December 2021
	------(Rupees)-----		------(Rupees)-----	
Profit for the period	10,433,880	2,904,457	28,022,072	5,188,572
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Unrealised (loss) /gain on remeasurement of investments classified as fair value through OCI	1,441,602	(568,858)	(1,183,705)	(1,377,703)
Reclassification of OCI on disposal of fair value through OCI investment directly into equity	-	-	-	-
	1,441,602	(568,858)	(1,183,705)	(1,377,703)
Total comprehensive income for the period	11,875,482	2,335,599	26,838,367	3,810,869

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

WASEEM SHAFI
Chairman

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director / CFO



International Knitwear Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Issued, Subscribed and Paid up Share Capital	Unrealized gain / (loss) on revaluation of investments	Unappropriated profit	Total
	----- Rupees -----			
Balance as at July 01, 2021 (Audited)	96,750,000	905,089	23,133,365	120,788,454
Total comprehensive income:				
Net profit for the half year ended December 31, 2021	-	-	5,188,572	5,188,572
Reclassification on disposal of FVTOCI directly into equity	-	-	-	-
Fair value adjustment on investment classified as FVTOCI	-	(1,377,703)	-	(1,377,703)
Transaction with owners:				
0% cash dividend paid for the year ended June 30, 2021	-	-	-	-
Balance as at December 31, 2021 (Un-audited)	96,750,000	(472,614)	28,321,937	124,599,323
Balance as at June 30, 2022 (Audited)	96,750,000	1,945,594	45,218,098	143,913,692
Total comprehensive income:				
Net profit for the half year ended December 31, 2022	-	-	28,022,072	28,022,072
Reclassification on disposal of FVTOCI directly into equity	-	-	-	-
Fair value adjustment on investment classified as FVTOCI	-	(1,183,705)	-	(1,183,705)
Transaction with owners:				
7.5% cash dividend paid for the year ended June 30, 2022	-	-	(7,256,250)	(7,256,250)
Balance as at December 31, 2022 (Un-Audited)	96,750,000	761,889	65,983,920	163,495,809

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

WASEEM SHAFI
Chairman

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director / CFO



International Knitwear Limited

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	December 2022	December 2021
	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	35,877,304	8,311,536
Adjustment for non cash items:		
Depreciation	3,383,327	2,504,433
Gain on sale of property, plant and equipment	(32,800)	(1,240,000)
Other Income	(3,670,009)	(5,869,474)
Unrealized loss on remeasurement of investment	2,209,217	1,614,339
Finance cost	7,845,269	5,653,035
	<u>9,735,004</u>	<u>2,662,333</u>
Profit before changes in working capital	45,612,308	10,973,869
(Increase)/decrease in current assets		
Stock in trade	45,569,991	(22,271,487)
Trade debts	(31,561,055)	(3,553,298)
Loans and advances	(116,785)	(2,058,556)
Other receivables	2,465,427	7,727,735
	<u>16,357,578</u>	<u>(20,155,606)</u>
Increase/(decrease) in current liabilities		
Creditors, accrued and other payables	(11,688,406)	19,373,040
	<u>(11,688,406)</u>	<u>19,373,040</u>
Financial charges paid	(7,794,417)	(4,944,549)
Taxes paid	(5,005,022)	(3,973,185)
	<u>(12,799,439)</u>	<u>(8,917,734)</u>
Net cash generated from operating activities	37,482,041	1,273,569
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(4,547,377)	(12,326,510)
Additions in investment	(31,312,273)	(8,360,766)
Disposal of investment	7,421,031	5,667,885
Proceeds from sale of property, plant and equipment	36,000	1,240,000
Net cash (used) in investing activities	(28,402,619)	(13,779,391)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash proceeds from short term finance under mark-up arrangement	149,154,390	86,826,000
Repayment of short term finance under mark-up arrangement	(158,648,675)	(78,935,491)
Lease rentals paid	(301,406)	(233,930)
Dividend paid	(7,092,711)	(5,542)
Net cash (used in)/generated from financing activities	(16,888,402)	7,651,037
Net decrease in cash and cash equivalents	(7,808,980)	(4,854,782)
Cash and bank balances at the beginning of the period	5,481,510	577,891
Cash and cash equivalent at the end of the period	(2,327,470)	(4,276,891)
Cash and cash equivalent at the end of the period		
Cash and bank balances	3,611,058	1,717,743
Running finance facility	(5,938,528)	(5,994,634)
	<u>(2,327,470)</u>	<u>(4,276,891)</u>

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

WASEEM SHAFI
Chairman

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director / CFO



International Knitwear Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1 STATUS AND NATURE OF THE BUSINESS

International Knitwear Limited (hereinafter referred as the "Company" or "INKL") 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-24/L, SITE, Karachi, Pakistan.

We are leaders in creating, developing and manufacturing knitted and woven apparel products right from basic to 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

2 STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2022.

2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2022 and 2021 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2022 and 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the consistent as those applied in the preparation of the audited annual financial statements for the year ended 30 June 2022.

3.2 Change in accounting standards, interpretations and amendments to the accounting and reporting standards

a) Standards and amendments to accounting and reporting standards which became effective during the half year ended December 31, 2022

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

b) Standards and amendments to accounting and reporting standards that are not yet effective

There is a new standard an interpretation and certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2022.

4.1 Changes in accounting estimate

During the year, the entity after review of useful lives and residual values of property, plant and equipment, increased the depreciation rate of furniture and fixtures from 10% to 20%. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charges for 2022 increased by Rs. 8,422 and carrying amount of office equipment decreased by Rs. 8,422. The current and deferred tax liabilities have decreased by Rs. 2,422 and Rs. 1,406 respectively. The resultant after-tax effect is a decrease in profit for the year amounting to Rs. 6,923.



International Knitwear Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022	
------(Rupees)-----				
5	PROPERTY, PLANT & EQUIPMENT			
	Property and equipment - at cost less accumulated depreciation	5.1	52,294,474	52,511,801
	Capital work in progress	5.4	1,667,877	-
	Right-of-use assets	5.5	434,550	724,250
			<u>54,396,901</u>	<u>53,236,051</u>
	5.1 Operating assets			
	Opening book value		52,511,801	31,416,026
	Additions during the period	5.2	2,879,500	26,081,317
	Disposals during the period at book value	5.3	(3,200)	-
	Depreciation charged during the period		(3,093,627)	(4,985,542)
			<u>52,294,474</u>	<u>52,511,801</u>
	5.2 Additions during the period/year			
	Factory building		-	20,168,896
	Plant and machinery		210,000	1,207,000
	Computers		352,200	452,644
	Furniture Fitting		242,300	626,052
	Office equipment		-	151,000
	Motor vehicles		2,075,000	3,475,725
			<u>2,879,500</u>	<u>26,081,317</u>
	5.3 Deletions / write-off / adjustments at book value - period/year			
	Plant and machinery		-	100,000
	Computers		291,800	25,000
	Motor vehicles		-	1,400,090
			<u>291,800</u>	<u>1,525,090</u>
	5.4 Movement in Capital Work in Progress			
	Opening balances		-	3,263,852
	Add: Additions during the period		1,667,877	16,905,044
	Less: Transfer to operating assets		-	(20,168,896)
			<u>1,667,877</u>	<u>-</u>
	5.5 Right-of-use assets			
	Opening balances		724,250	1,303,650
	Depreciation for the period		(289,700)	(579,400)
			<u>434,550</u>	<u>724,250</u>
6	LONG TERM INVESTMENTS			
	At fair value through other comprehensive income (FVTOCI)			
	Equity securities- listed	6.1	19,683,651	20,867,356
			<u>19,683,651</u>	<u>20,867,356</u>
	6.1 FVTOCI - Equity Securities			
	Name of Shares			
	- The Searle Company Limited		56,397	83,618
	- Engro fertilizer Limited.		2,037,585	2,348,960
	- Engro Corporation Limited		262,010	257,090
	-The Hub Power Company Limited		914,660	988,465
	- Pakistan Oilfields Limited		15,910,425	16,435,305
	- Millat Tractors Limited		502,574	753,918
			<u>19,683,651</u>	<u>20,867,356</u>



International Knitwear Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
------(Rupees)-----			
7 SHORT TERM INVESTMENTS			
At fair value through profit or loss (FVTPL)			
Equity securities- listed	7.1	11,716,461	14,126,546
Mutual funds- listed	7.2	25,110,390	3,312,773
		<u>36,826,851</u>	<u>17,439,319</u>
7.1 FVTPL - Equity Securities			
Name of Shares			
- The Searle Company Limited.		2,263,904	3,441,216
- Attock Petroleum Limited		811,188	642,620
- Engro Fertilizers Limited.		2,537,370	2,969,440
- Engro Polymer & Chemical Limited		529,000	995,375
- Oil and Gas Development Company Limited - Future		63,728	-
- Pakistan Oilfields Limited		2,514,240	2,597,184
- Pakistan State Oil Co. Limited		2,145,451	2,560,416
-The Hub Power Company Limited		851,580	920,295
		<u>11,716,461</u>	<u>14,126,546</u>
7.2 FVTPL - Mutual funds			
Name of the Fund			
- AKD Islamic income Fund		531,137	493,745
-UBL Liquidity Plus Fund		3,139,855	2,819,028
-UBL Liquidity Plus Fund -2		20,896,453	-
-Mcb Cash Management Optimizer Fund		542,945	-
		<u>25,110,390</u>	<u>3,312,773</u>
8 STOCK IN TRADE			
Raw material		13,619,886	12,197,441
Work-in-process		64,359,737	99,503,116
Finished goods	8.1	3,023,100	14,872,157
		<u>81,002,723</u>	<u>126,572,714</u>
8.1 Finished goods			
Finished stock		-	-
Finished stock in transit		-	9,831,332
Scrap / Left over stock		3,023,100	5,040,825
		<u>3,023,100</u>	<u>14,872,157</u>
9 TRADE DEBTS - CONSIDERED GOOD			
Foreign - secured, considered good		79,669,974	71,303,596
Local - unsecured			
- Considered good		96,580,786	73,386,109
- Considered doubtful		523,270	523,270
		97,104,056	73,909,379
Less: Provision for doubtful debts		(523,270)	(523,270)
		<u>176,250,760</u>	<u>144,689,705</u>
10 LOANS AND ADVANCES			
Loan to employees - Long term portion - unsecured, considered good			
Loan to employees		1,891,665	1,945,165
Less: current portion of loan to employees		(489,000)	(1,059,500)
		<u>1,402,665</u>	<u>885,665</u>
Short term Advances - unsecured, considered good			
Advance to contractor and supplier		9,255,069	1,311,254
Current portion of advances to employees		489,000	1,059,500
Short term deposits (BAH against LC)		-	7,773,530
		<u>9,744,069</u>	<u>10,144,284</u>



International Knitwear Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	(Un-audited) December 31, 2022		(Audited) June 30, 2022	
	------(Rupees)-----			
11 OTHER RECEIVABLES				
Sales tax refundable	2,413,980		5,974,154	
Export rebate receivables	923,686		347,110	
Research and development receivable	2,574,779		2,574,779	
Other receivable	1,295,532		777,361	
	<u>7,207,977</u>		<u>9,673,404</u>	
12 CASH AND BANK BALANCES				
Cash in hand	100,000		100,000	
With banks in:				
Treasures call accounts (deposit accounts)	4,906,828		6,789,175	
Current accounts	104,230		92,335	
	5,011,058		6,881,510	
Security deposit	(1,500,000)		(1,500,000)	
	<u>3,611,058</u>		<u>5,481,510</u>	
13 Share capital				
Authorized share capital				
	<u>December 31, 2022</u>	<u>June 30, 2022</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	------(Rupees)-----			
Number of Shares				
20,000,000	20,000,000	Ordinary Shares of Rs. 10/- each	200,000,000	200,000,000
	<u>20,000,000</u>	<u>20,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up share capital				
	<u>December 31, 2022</u>	<u>June 30, 2022</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	------(Rupees)-----			
Number of Shares				
3,000,000	3,000,000	Ordinary shares of Rs. 10/- each fully paid in cash.	30,000,000	30,000,000
225,000	225,000	Ordinary shares of Rs. 10/- each issued as bonus shares	2,250,000	2,250,000
6,450,000	6,450,000	Right shares of Rs. 10/- each fully paid in cash	64,500,000	64,500,000
<u>9,675,000</u>	<u>9,675,000</u>		<u>96,750,000</u>	<u>96,750,000</u>
14 OTHER INCOME				
Income From Financial Assets				
Exchange gain -Net	(2,063,938)	1,883,908	1,633,692	3,261,717
Grant Income	132,495	524,018	257,495	524,018
Profit on bank accounts	221,755	49,059	380,990	96,822
Dividend Income	1,751,702	1,800,484	4,578,621	2,179,722
(Loss) on disposal of investment	(174,274)	(766,266)	(180,981)	(777,193)
Income from Insurance claim	500,700	-	650,700	-
Reversal of provision against doubtful debts	-	150,000	-	350,000
Gain on translation of foreign currency debtors	185,304	234,388	185,304	234,388
Income From Non-Financial Assets				
Gain / (loss) on disposal of property, plant and equipment	10,000	1,240,000	32,800	1,240,000
	<u>563,744</u>	<u>5,115,591</u>	<u>7,538,621</u>	<u>7,109,474</u>



International Knitwear Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	------(Rupees)-----	
15 Deferred Liabilities - Deferred Taxation Liability/(Asset)		
Deferred tax liability arising in respect of:		
Accelerated tax depreciation	766,147	957,414
Right to use asset	62,661	126,020
Unrealized gain on investments	-	60,574
Deferred tax assets arising in respect of:		
Provision for doubtful debts	(75,455)	(151,748)
Liability against asset subject to finance lease	(130,669)	(201,271)
Unrealized loss on investments	(253,062)	-
Carry forward turnover tax	(2,476,020)	(2,462,463)
	<u>(2,935,206)</u>	<u>(2,815,482)</u>
	(2,106,398)	(1,671,474)
Not recorded due to prudence	<u>2,106,398</u>	<u>1,671,474</u>
	-	-
During the period, the amount of deferred tax asset estimated by the company is Rs. 2,106,398 (June 2022: Rs. 1,671,474), the company has recorded deferred tax asset to the extent of liability charged in current year and not recorded further deferred tax asset on prudence basis.		
16 SHORT TERM FINANCE UNDER MARK-UP ARRANGEMENT		
Running finance facility	5,938,528	5,964,501
Export refinance facility	34,600,000	59,000,000
Short term finance - local sales	5,000,000	5,000,000
Finance against Foreign documentary bills	67,202,000	36,824,000
Finance against local documentary bills	10,752,408	45,689,000
Export refinance scheme (EFS) loan	24,999,982	-
	<u>148,492,918</u>	<u>152,477,501</u>
17 MTF SALARY AND WAGES(COVID-19) LIABILITIES		
MTF salary and wages (Covid-19)	-	5,535,675
MTF salary and wages (Covid-19)		
Up to one year	-	4,504,707
Later than one year and not later than five years	-	-
	<u>-</u>	<u>4,504,707</u>
Deferred Grant		
Up to one year	-	1,030,968
Later than one year and not later than five years	-	-
	<u>-</u>	<u>1,030,968</u>
18 CREDITORS, ACCRUED AND OTHER PAYABLES		
Creditors	74,483,330	89,983,279
Accrued expenses	12,099,215	12,815,221
Compensated absences payable	1,501,755	1,271,959
Other fund payable	638,482	409,080
Workers' profit participation fund	3,408,310	1,481,494
Workers' welfare fund	3,485,902	3,398,893
Contract liability	908,678	489,449
Advance from others	340,000	340,000
Others	2,608,298	973,000
	<u>99,473,970</u>	<u>111,162,376</u>
19 CONTINGENCIES AND COMMITMENTS		
19.1 Contingencies		
There are no significant changes in the status of contingencies as reported in the note 20 to the annual audited financial statements of the Company for the year ended June 30, 2022.		
19.2 Commitments		
Commitments under letter of credit are Rs. 15.210 million (June 30, 2022: Rs 30.57 million)		



International Knitwear Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

20 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

20.1 Financial risk factors

The Company is exposed to market risk (including return rate risk, currency risk and other price risk), credit risk and liquidity risk. The Company's finance and treasury departments oversee the management of these risks.

There have been no changes in the risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

20.2 Fair value hierarchy

The carrying values of financial assets and liabilities approximate their fair values. The table below analyses financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : Inputs for the asset or liability that are not based on observable market data

The Company held the following financial assets at fair value;

	December 31, 2022			June 30, 2022
	(Level 1)	(Level 2)	(Level 3)	
	Rupees			
Investment at FVTOCI	19,683,651	-	-	20,867,356
Investment at FVTPL	36,826,851	-	-	17,439,319
	<u>56,510,502</u>	<u>-</u>	<u>-</u>	<u>38,306,675</u>

21 Transactions with related parties

All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. The related parties comprise staff retirement funds, directors and key management personnel. Transactions with related parties, other than those disclosed elsewhere in these financial statements, are follows:

	December 31 2022	December 31 2021
	----- (Rupees) -----	
Balances:		
Provident Fund - outstanding balance	614,232	1,036,996
Transactions:		
Contribution to staff retirement benefit plans	1,258,645	1,124,630
Key management personnel's remuneration and other benefits	6,230,578	7,296,774

22 DATE OF AUTHORIZATION

These condensed interim financial statements was authorised by the Board of Directors of the Company on February 24, 2023.

23 GENERAL

23.1 Figures have been rounded off to the nearest thousand of PKR, unless otherwise stated.

23.2 Corresponding figures and balances have been rearranged and / or reclassified, where considered necessary, for the purpose of comparison and better presentation the effects of which are not material.

WASEEM SHAFI
Chairman

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director / CFO



International Knitwear Limited

ڈائریکٹران کی رپورٹ

انٹرنیشنل ونڈ ویئر لمیٹڈ (آئی این کے ایل) کے بورڈ آف ڈائریکٹرز 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کیلئے کمپنی کے غیر پڑتال شدہ مالی گوشوارے پیش کرنے میں مسرت محسوس کرتے ہیں۔

مالی کارکردگی

جولائی - دسمبر	جولائی - دسمبر	
2021	2022	
روپے	روپے	منافع یا نقصان
312,296,383	416,218,735	خالص فروخت
(290,438,992)	(359,958,610)	لاگت فروخت کی قیمت
21,857,391	56,260,125	نام منافع
8,311,536	35,877,304	قبل از ٹیکس منافع
5,188,572	28,022,072	بعد از ٹیکس منافع
0.54	2.90	نی ٹھصص آمدن

منافع اور نقصان کا تجزیہ

زیر جائزہ مدت کے دوران کمپنی کی خالص فروخت 103.92 ملین روپے 33.27 فیصد کے مساوی ہیں اضافہ کے ساتھ گزشتہ سال کی 312.29 ملین روپے کے مقابلے میں 416.21 ملین روپے رہی۔ زیر جائزہ مدت کے تحت کمپنی کا خام منافع 157.48 فیصد اضافہ کے ساتھ گزشتہ سال کے 21.85 ملین روپے کے مقابلے میں 56.26 ملین روپے رہا۔ اس مدت کیلئے کمپنی کی فی ٹھصص آمدن گزشتہ سال کی اسی مدت کی 0.54 روپے فی ٹھصص کے مقابلے میں 2.90 روپے فی ٹھصص رہی۔

ملک کی مجموعی معاشی صورتحال ست روی اور ابتری کا شکار رہی۔ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی بے توقیری کے باعث مالی لاگتوں اور توانائی کی قیمتوں میں اضافہ نے کاروبار کی لاگت میں اضافہ کیا۔ منفی معاشی صورتحال کے باوجود کمپنی کی انتظامیہ نے کمپنی کے کاروبار اور منافع کے تسلسل کو یقینی بنانے کے ساتھ ساتھ ملازمین کی سہولت اور فلاح و بہبود کیلئے اقدامات اٹھائے کیلئے بہترین کوششیں کیں۔

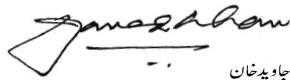
مستقبل کا کاروباری جائزہ

گزشتہ چند ماہ سے ملک میں جاری معاشی عدم استحکام کی وجہ سے اقتصادی ترقی کی رفتار سست ہو گئی۔ پاکستان کی ٹیکسٹائل انڈسٹری اخراجات، خام مال، مارک اپ ریش میں اضافہ اور عالمی سطح پر افراط زر جس نے ٹیکسٹائل ایکسپورٹ بزنس پر منفی اثرات مرتب کئے ہیں۔ نتیجہ میں مشکل صورتحال سے گزر رہی ہے۔ ان تمام مشکلات کے ساتھ کمپنی کی انتظامیہ ترقی کی موجودہ رفتار کو برقرار رکھنے کیلئے اپنی ہر ممکن کوشش کر رہی ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے ملازمین کی کوششوں اور صارفین، سپلائرز اور بینکرز کی مسلسل معاونت کا اعتراف کرتے ہوئے اظہار تشکر کرتے ہیں۔

منجانب بورڈ

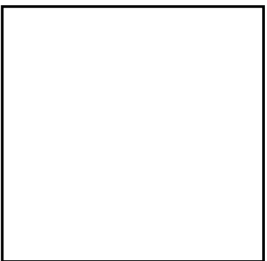


جاوید خان
ڈائریکٹر/اسی ایف او



نعیم شجیق
چیف ایگزیکٹو

کراچی، 24 فروری، 2023



International Knitwear Limited

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