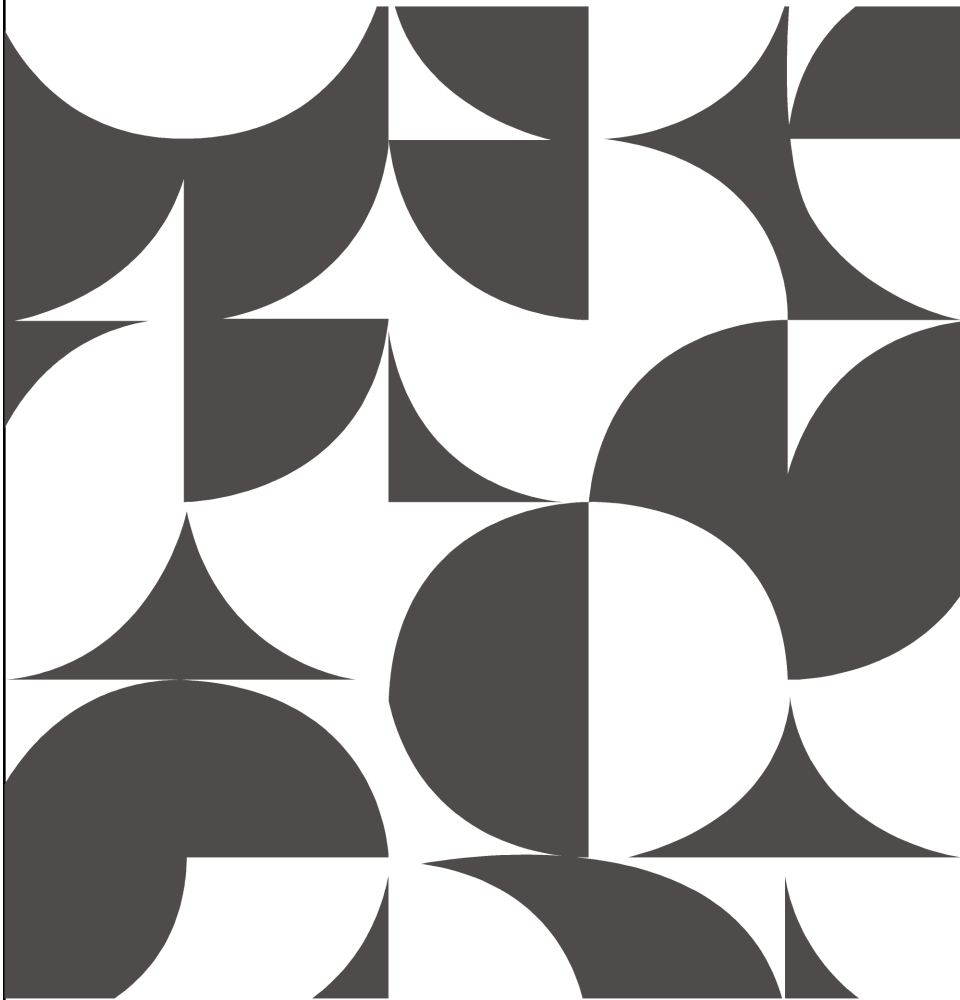


International Knitwear Limited



**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2023**



International Knitwear Limited

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Waseem Shafi	Chairman
Mr. Naeem Shafi	Chief Executive
Mr. Javed Khan	
Mr. Khalid Jamil Siddiqi	
Mr. Abdullah Ahsan Saleem	
Ms. Saleha Majid	
Mr. Muhammad Shafi	

### CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Javed Khan

### AUDIT COMMITTEE

Mr. Khalid Jamil Siddiqi	Chairman
Mr. Abdullah Ahsan Saleem	
Ms. Saleha Majid	

### HR & REMUNERATION COMMITTEE

Mr. Abdullah Ahsan Saleem	Chairman
Ms. Saleha Majid	
Mr. Muhammad Shafi	

### AUDITORS

RSM Avais Hyder Liaquat Nauman  
Chartered Accountants

### LEGAL ADVISOR

Ali Associates

### BANKERS

Bank Al Habib Limited  
Habib Bank Limited  
Bank Alfalah  
Dubai Islamic Bank  
Faysal 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](http://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, 2023.

### FINANCIAL PERFORMANCE

Profit or Loss	Un-Audited	
	July-December 2023	July-December 2022
	Rupees	Rupees
Net Sales	405,123,434	416,218,735
Cost of goods sold	(337,334,608)	(359,958,610)
Gross profit	67,788,826	56,260,125
Profit before taxation	35,057,996	35,877,304
Profit after taxation	23,537,009	28,022,072
Earnings per share	2.43	2.90

### PROFIT AND LOSS ANALYSIS

In the reviewed period, the company faced a marginal decline of 2.66% in net sales, totaling Rs. 405.12 million compared to the previous year's Rs. 416.21 million. However, the silver lining was a substantial 20.49% increase in gross profit, reaching Rs. 67.78 million, showing the company's adeptness in managing operational efficiency.

Earnings per share (EPS) for the period slightly decreased from Rs. 2.90 to Rs. 2.43, reflecting the evolving market dynamics. Despite economic challenges, the company demonstrated agility by realizing a notable 23.36% increase in export sales, amounting to Rs. 255.15 million. Concurrently, domestic sales experienced a decline of 28.37%, reaching Rs. 149.97 million. This strategic shift allowed for the optimization of production capacity.

Other income sources included a dividend income of Rs. 4.76 million and a significant unrealized gain on investment of Rs. 2.63 million, marking a favorable shift from the preceding year's loss of Rs. 2.20 million. However, an exchange loss of Rs. 6.46 million was recorded, contrasting with the gain of Rs. 1.63 million in the same period last year.

Despite a substantial 61.86% increase in finance costs, amounting to Rs. 6.49 million, attributable to a rise in average borrowing rates, the company exhibited resilience and effective financial management, recording a profit after tax of Rs. 23.53 million. This underscores the company's ability to meet challenges while maintaining a focus on sustainable profitability.

### FUTURE OUTLOOK

Despite ongoing challenges due to the international recession and the political instability in the country led to a severe economic slowdown. The high cost of doing business including energy costs and financial costs is also a challenging factor. Management will keep striving to overcome ongoing challenges. We are committed to achieving operational and financial results through strategic management.

We have full confidence in our dedicated team, who will spare no effort to achieve positive results. Insha Allah

### ACKNOWLEDGEMENT

We extend our gratitude to the unwavering support of our customers, financial institutions, shareholders, esteemed Board of Directors and to our dedicated employees.

Karachi: February 28, 2024

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, 2023 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, 2023 and December 31, 2022 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 29, 2024**

**UDIN: RR202310239XQVfgLZ2s**



# International Knitwear Limited

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2023

		(Un-Audited) DECEMBER 2023 Rupees	(Audited) JUNE 2023 Rupees
<b>ASSETS</b>	<b>Note</b>		
<b>Non-Current Assets</b>			
Property, plant and equipment	5	61,234,244	60,017,214
Long term deposits		1,500,000	1,500,000
Loan and advances	9	1,279,648	1,320,500
Long term investments	6	23,048,189	20,394,179
		87,062,081	83,231,893
<b>Current Assets</b>			
Stock in trade	7	181,937,398	139,666,589
Short term investments	6	21,242,901	20,006,622
Trade debts - considered good	8	49,142,737	38,341,450
Short term loans and advances	9	20,031,578	22,739,181
Other receivables	10	23,600,534	9,637,815
Taxation - net		12,765,740	19,370,803
Cash and bank balances	11	3,080,011	1,613,678
		311,800,899	251,376,138
<b>TOTAL ASSETS</b>		<b>398,862,980</b>	<b>334,608,031</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
20,000,000 Ordinary shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed & paid-up capital	12	96,750,000	96,750,000
<b>Revenue Reserves</b>			
Unappropriated profit		73,897,762	60,035,753
		170,647,762	156,785,753
<b>Capital Reserves</b>			
Unrealized (loss) / gain on revaluation of investments - FVTOCI		4,175,202	1,521,192
		174,822,964	158,306,945
<b>Non-Current Liabilities</b>		-	-
<b>Current Liabilities</b>			
Short term finance under mark-up arrangement - Secured	14	117,681,320	96,939,012
Creditors, accrued and other liabilities	15	104,035,186	77,390,503
Unclaimed dividend		2,323,510	1,971,571
		224,040,016	176,301,086
<b>Contingencies and Commitments</b>	16	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>398,862,980</b>	<b>334,608,031</b>

The annexed notes 1 to 21 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, 2023

	QUARTER ENDED		HALF YEAR ENDED	
	December	December	December	December
	2023	2022	2023	2022
Note	----- (Rupees) -----		----- (Rupees) -----	
Sales - net	164,785,839	192,319,684	405,123,434	416,218,735
Cost of goods sold	(144,093,103)	(162,792,171)	(337,334,608)	(359,958,610)
<b>Gross profit</b>	<b>20,692,736</b>	<b>29,527,513</b>	<b>67,788,826</b>	<b>56,260,125</b>
Administrative and selling expenses	(7,883,880)	(8,231,735)	(17,751,838)	(15,207,950)
<b>Operating profit</b>	<b>12,808,856</b>	<b>21,295,778</b>	<b>50,036,988</b>	<b>41,052,175</b>
Other (loss) / income	13 1,620,129	563,744	(609,237)	7,538,621
Unrealized gain / (loss) on revaluation of investments through P&L	2,567,640	(732,167)	2,633,062	(2,209,217)
	4,187,769	(168,423)	2,023,825	5,329,404
	16,996,625	21,127,355	52,060,813	46,381,579
Financial charges	(4,955,756)	(3,887,697)	(14,404,534)	(7,845,269)
Other charges	(830,820)	(1,189,537)	(2,598,283)	(2,659,006)
	(5,786,576)	(5,077,234)	(17,002,817)	(10,504,275)
<b>Profit before taxation</b>	<b>11,210,049</b>	<b>16,050,121</b>	<b>35,057,996</b>	<b>35,877,304</b>
<b>Taxation</b>				
Taxation Current year	(2,375,464)	(1,923,196)	(6,411,331)	(4,162,187)
Taxation prior year	(5,109,656)	(3,693,045)	(5,109,656)	(3,693,045)
<b>Profit after taxation</b>	<b>3,724,929</b>	<b>10,433,880</b>	<b>23,537,009</b>	<b>28,022,072</b>
Earning per share-basic and diluted	0.39	1.08	2.43	2.90

The annexed notes 1 to 21 form an integral part of these financial statements.

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, 2023

	QUARTER ENDED		HALF YEAR ENDED	
	December 2023	December 2022	December 2023	December 2022
	------(Rupees)-----		------(Rupees)-----	
Profit for the period	3,724,929	10,433,880	23,537,009	28,022,072
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Unrealised gain / (loss) on remeasurement of investments classified as fair value through OCI	3,016,007	1,441,602	2,654,010	(1,183,705)
Reclassification of OCI on disposal of fair value through OCI investment directly into equity	-	-	-	-
	3,016,007	1,441,602	2,654,010	(1,183,705)
<b>Total comprehensive income for the period</b>	<b>6,740,936</b>	<b>11,875,482</b>	<b>26,191,019</b>	<b>26,838,367</b>

The annexed notes 1 to 21 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, 2023

	Reserves			Total
	Capital Reserve	Revenue Reserve		
	Issued, Subscribed and Paid up Share Capital	Unrealized gain / (loss) on revaluation of investments	Unappropriated profit	
	Rupees			
Balance as at July 01, 2022	96,750,000	1,945,594	45,218,098	143,913,692
<b>Total comprehensive income:</b>				
Net profit for the half year ended December 31, 2022	-	-	28,022,072	28,022,072
Fair value adjustment on investment classified as FVTOCI	-	(1,183,705)	-	(1,183,705)
Unrealized loss realized and transfer of FVTOCI	-	-	-	-
<b>Transaction with owners:</b>				
7.5% cash dividend paid for the year ended June 30, 2022	-	-	(7,256,250)	(7,256,250)
<b>Balance as at December 31, 2022 (Un-Audited)</b>	<b>96,750,000</b>	<b>761,889</b>	<b>65,983,920</b>	<b>163,495,809</b>
<b>Total comprehensive income:</b>				
Net profit for the half year ended December 31, 2023	-	-	23,537,009	23,537,009
Reclassification on disposal of FVTOCI directly into equity	-	-	-	-
Fair value adjustment on investment classified as FVTOCI	-	2,654,010	-	2,654,010
<b>Transaction with owners:</b>				
10% cash dividend paid for the year ended June 30, 2023	-	-	(9,675,000)	(9,675,000)
<b>Balance as at December 31, 2023 (Un-Audited)</b>	<b>96,750,000</b>	<b>3,415,899</b>	<b>79,845,929</b>	<b>180,011,828</b>

The annexed notes 1 to 21 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, 2023

	31-Dec-23 Rupees	31-Dec-22 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	35,057,996	35,877,304
<b>Adjustment for non cash items:</b>		
Depreciation	4,279,689	3,383,327
Loss / (Gain) on sale of property, plant and equipment	(16,000)	(32,800)
Other (income)/loss	(2,007,825)	(3,670,009)
Unrealized loss on remeasurement of investment	(2,654,010)	2,209,217
Finance cost	14,404,534	7,845,269
	<u>14,006,388</u>	<u>9,735,004</u>
<b>Profit before changes in working capital</b>	<b>49,064,383</b>	<b>45,612,308</b>
<b>(Increase)/ decrease in current assets</b>		
Stock in trade	(42,270,809)	45,569,991
Trade debts	(10,801,287)	(31,561,055)
Loans and advances	2,748,455	(116,785)
Other receivables	(13,962,719)	2,465,427
	<u>(64,286,359)</u>	<u>16,357,578</u>
<b>Increase in current liabilities</b>		
Creditors, accrued and other liabilities	26,644,683	(11,688,406)
	<u>26,644,683</u>	<u>(11,688,406)</u>
Financial charges paid	(13,047,917)	(7,794,417)
Taxes paid	(4,915,924)	(5,005,022)
	<u>(17,963,840)</u>	<u>(12,799,439)</u>
<b>Net cash generated/ (used) in operating activities</b>	<b>(6,541,134)</b>	<b>37,482,041</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(5,296,718)	(4,547,377)
Additions in investment	(21,294,852)	(31,312,273)
Disposal of investment	17,487,479	7,421,031
Proceeds from sale of property, plant and equipment	16,000	36,000
Finance lease rentals paid	-	(301,406)
<b>Net cash (used in) / generated from investing activities</b>	<b>(9,088,091)</b>	<b>(28,704,025)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash proceeds from short term finance under markup arrangement	136,863,843	149,154,390
Repayment of short term finance under markup arrangement	(116,252,140)	(158,648,675)
Dividend paid	(9,323,060)	(7,092,711)
<b>Net cash generated from / (used) financing activities</b>	<b>11,288,643</b>	<b>(16,586,996)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(4,340,581)</b>	<b>(7,808,980)</b>
Cash and cash equivalents at the beginning of the year	1,613,678	5,481,510
<b>Cash and cash equivalents at the end of the period</b>	<b>(2,726,903)</b>	<b>(2,327,470)</b>
<b>Cash and cash equivalent at the end of the period</b>		
Cash and bank balances	3,080,011	3,611,058
Running finance facility	(5,806,914)	(5,938,528)
	<u>(2,726,903)</u>	<u>(2,327,470)</u>

The annexed notes 1 to 21 form an integral part of these financial statements.

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, 2023

### 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-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.

### 2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, 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, 2023.

2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and 2022 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, 2023 and 2022.

### 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 2023.

#### 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, 2023

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2023. 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, 2023. 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, 2023.



# International Knitwear Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees) -----			
<b>5 PROPERTY, PLANT &amp; EQUIPMENT</b>			
Property and equipment - at cost less accumulated depreciation	5.1	59,105,526	60,017,214
Capital work in progress	5.4	2,128,718	-
Right-of-use assets	5.5	-	-
		<u>61,234,244</u>	<u>60,017,214</u>
<b>5.1 Operating assets</b>			
Opening book value		60,017,214	52,511,801
Additions during the period	5.2	3,368,000	14,842,697
Disposals during the period at book value	5.3	(36,500)	(269,887)
Depreciation charged during the period		(4,243,188)	(7,067,397)
		<u>59,105,526</u>	<u>60,017,214</u>
<b>5.2 Additions during the period/year</b>			
Factory building		-	3,988,730
Plant and machinery		226,000	231,000
Computers		429,000	487,200
Furniture Fitting		121,000	289,100
Office equipment		42,000	312,500
Motor vehicles		2,550,000	9,534,167
		<u>3,368,000</u>	<u>14,842,697</u>
<b>5.3 Deletions / write-off / adjustments at book value - period/year</b>			
Plant and machinery		-	266,687
Computers		36,500	3,200
		<u>36,500</u>	<u>269,887</u>
<b>5.4 Movement in Capital Work in Progress</b>			
Opening balances		-	-
Add: Additions during the period		2,128,718	3,988,730
Less: Transfer to operating assets		-	(3,988,730)
		<u>2,128,718</u>	<u>-</u>
<b>5.5 Right-of-use assets</b>			
Opening balances		-	724,250
Transferred from operating assets		-	-
Additions during the period		-	-
Transferred to own assets		-	(241,417)
Disposals		-	-
Depreciation for the period		-	(482,833)
		<u>-</u>	<u>-</u>
<b>6 INVESTMENTS</b>			
<b>Long Term Investments</b>			
<b>At fair value through other comprehensive income (FVTOCI)</b>			
Equity securities - listed	6.1	23,048,189	20,394,179
<b>Short Term Investments</b>			
<b>At fair value through profit or loss (FVTPL)</b>			
Equity securities - listed	6.2	12,266,564	9,532,040
Mutual funds - listed	6.3	8,976,337	10,474,582
		<u>21,242,901</u>	<u>20,006,622</u>
		<u>44,291,090</u>	<u>40,400,801</u>
<b>6.1 Long Term Investments</b>			
<b>Equity Securities - listed</b>			
<b>Name of Shares</b>			
- Engro fertilizer Limited.		2,974,095	2,187,045
- Engro Corporation Limited		294,910	259,890
-The Hub Power Company Limited		1,697,805	1,008,910
- Pakistan Oilfields Limited		17,088,570	16,271,685
- Millat Tractors Limited		992,809	666,649
		<u>23,048,189</u>	<u>20,394,179</u>



# International Knitwear Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	------(Rupees)-----	
<b>6.2 Short Term Investments</b>		
<b>Equity securities - listed</b>		
<b>Name of Shares</b>		
- The Searle Company Limited.	-	21,766
- Attock Petroleum Limited	946,275	750,625
- Engro Fertilizers Limited.	3,366,900	2,723,490
- Engro Polymer & Chemical Limited	464,968	528,125
- Pakistan Oilfields Limited	3,628,684	2,571,328
- Pakistan State Oil Co. Limited	2,191,204	1,543,039
-The Hub Power Company Limited	1,668,533	991,515
-Pakistan Petroleum Limited	-	402,152
	<u>12,266,564</u>	<u>9,532,040</u>
<b>6.3 Short Term Investments</b>		
<b>Mutual Funds - listed</b>		
<b>Name of the Fund</b>		
AKD Islamic Fund	624,048	568,248
MCB Cash Management Optimizer Fund	809,738	741,448
Faysal Funds FIFC	658,974	
UBL Liquidity Plus Fund	6,883,577	7,573,586
UBL Money Market Fund	-	1,591,300
UBL Cash Fund	-	-
	<u>8,976,337</u>	<u>10,474,582</u>
<b>7 STOCK IN TRADE</b>		
Raw material	28,762,874	29,274,943
Work-in-process	125,544,788	105,605,613
Finished goods	27,629,736	4,786,033
	<u>181,937,398</u>	<u>139,666,589</u>
<b>7.1 Finished goods</b>		
Finished stock	14,682,808	1,611,323
Finished stock in transit	9,666,839	-
Scrap / Left over stock	3,280,090	3,174,710
	<u>27,629,736</u>	<u>4,786,033</u>
<b>8 TRADE DEBTS - CONSIDERED GOOD</b>		
Foreign - secured, considered good	12,493,000	700,475
Gain/(loss) on translation of export debtors	-	(2,876)
	12,493,000	697,599
<b>Local - unsecured</b>		
- Considered good	36,649,737	37,643,851
- Considered doubtful	523,270	523,270
	37,173,007	38,167,121
Less: Provision for doubtful debts	(523,270)	(523,270)
	<u>49,142,737</u>	<u>38,341,450</u>
<b>9 LOANS AND ADVANCES</b>		
<b>Loans and advances to employees - Long term portion - unsecured, considered good</b>		
Loan to employees	1,969,148	2,277,289
Less: current portion of loan to employees	(689,500)	(956,789)
	<u>1,279,648</u>	<u>1,320,500</u>
<b>Short term Loans and advances - unsecured, considered good</b>		
Advance to contractor and supplier	19,342,078	21,782,392
Current portion of advances to employees	689,500	956,789
	<u>20,031,578</u>	<u>22,739,181</u>
<b>10 OTHER RECEIVABLES</b>		
Sales tax refundable	18,332,415	6,726,851
Export rebate receivables	2,693,340	336,185
Research and development receivable	2,574,779	2,574,779
	<u>23,600,534</u>	<u>9,637,815</u>





# International Knitwear Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	------(Rupees)-----	
<b>14 SHORT TERM FINANCE UNDER MARK-UP ARRANGEMENT</b>		
Running finance facility	5,806,914	5,676,309
Export refinance facility	29,000,000	8,000,000
Short term finance - local sales	5,000,000	3,498,102
Finance From Twinco Capital Management	65,381,406	68,054,065
Finance against Foreign documentary bills	12,493,000	-
Finance against local documentary bills	-	11,710,536
	<u>117,681,320</u>	<u>96,939,012</u>
<b>15 CREDITORS, ACCRUED AND OTHER PAYABLES</b>		
Creditors	75,920,254	56,499,691
Accrued expenses	13,564,039	9,605,792
Compensated absences payable	2,152,144	1,824,961
Other fund payable	632,621	679,287
Workers' profit participation fund	5,355,979	3,473,165
Workers' welfare fund	3,663,048	2,947,579
Advance from customers	967,537	705,609
Others	1,779,563	1,654,419
	<u>104,035,186</u>	<u>77,390,503</u>
<b>16 CONTINGENCIES AND COMMITMENTS</b>		
<b>16.1 Contingencies</b>		
For tax year 2008, an amended assessment order has been passed under section 122(5A) of the Income Tax Ordinance, 2001 by the Additional Commissioner Inland Revenue (ACIR) against which the company filed an appeal with Commissioner Inland Revenue Appeals-II who passed an order with certain amendments. In pursuance of such order, Company filed an appeal in 2011 before Appellate Tribunal and matter is pending for hearing as reported in the note 20 to the annual audited financial statements of the Company for the year ended June 30, 2023.		
<b>16.2 Commitments</b>		
Commitments under letter of credit are Rs. nil (June 30, 2023: Rs nil million)		
<b>17 TRANSACTIONS WITH RELATED PARTIES</b>		
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:		
	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	------(Rupees)-----	
<b>Transactions:</b>		
PF contribution paid	1,295,981	1,201,305
Key Management Personals remuneration paid	5,249,799	5,054,382
	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	------(Rupees)-----	
<b>Balances:</b>		
PF Contribution payable	426,640	395,690
Key Management Personals remuneration payable	798,390	800,958



# International Knitwear Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

### 18 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 18.1 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.

#### 18.2 Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

December 31, 2023 (Un-Audited)				
Assets	Level 1	Level 2	Level 3	Total
Financial assets - fair value through profit or loss				
- Short-term investments (units of mutual fund)				
- Short-term investment (shares of PSX)	8,976,337	-	-	8,976,337
Financial assets - fair value through other comprehensive income	12,266,564	-	-	12,266,564
- Long-term investment (shares of PSX)	23,048,189	-	-	23,048,189
	<u>44,291,090</u>	<u>-</u>	<u>-</u>	<u>44,291,090</u>

### 19 CORRESPONDING FIGURES

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

### 20 DATE OF AUTHORIZATION

These condensed interim financial statements was authorised by the Board of Directors of the Company on February 28, 2024.

### 21 GENERAL

- 21.1 Figures have been rounded off to the nearest thousand of PKR, unless otherwise stated.
- 21.2 Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison. However no significant reclassification has been made during the period.

WASEEM SHAFI  
Chairman

NAEEM SHAFI  
Chief Executive

JAVED KHAN  
Director / CFO



## International Knitwear Limited

### ڈائریکٹران کی رپورٹ

انٹرنیشنل ون ڈیز لمیٹڈ (آئی این کے ایل) کے بورڈ آف ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی ششماہی کیلئے کمپنی کے غیر پڑتال شدہ مالی گوشوارے پیش کرنے میں مسرت محسوس کرتے ہیں۔

#### مالیاتی نتائج کا سرسری جائزہ

کاروباری کارکردگی کے نتائج	جولائی - دسمبر 2023	جولائی - دسمبر 2022
خالص فروخت	405,123,434	416,218,735
فروخت شدہ سامان کی لاگت	(337,334,608)	(359,958,610)
خام منافع	67,788,826	56,260,125
فصل اورنگینس منافع	35,057,996	35,877,304
بعد ازنگینس منافع	23,537,009	28,022,072
نی حصص آمدن	2.43	2.90

#### منافع اور نقصان کا تجزیہ

زیر جائزہ مدت کے دوران کمپنی کو خالص فروخت سے حاصل ہونے والے منافع میں کمی کا سامنا کرنا پڑا جو گزشتہ سال کے 416.21 ملین روپے کے مقابلے میں 405.12 ملین روپے رہا۔ تاہم کمپنی کے مجموعی منافع میں 20.49 فیصد کے نمایاں اضافہ کے ساتھ 67.78 ملین روپے ریکارڈ کیا گیا جو کمپنی کی آپریشنل کارکردگی کے حوالے سے صلاحیت اور مہارت کو ظاہر کرتا ہے۔

اس مدت کیلئے کمپنی کی نی حصص آمدن مجموعی کمی کے ساتھ 2.90 روپے فی حصص کے مقابلے میں 2.43 روپے فی حصص رہی۔ یہ کمی مارکیٹ کی بدلتی ہوئی صورتحال کی عکاسی کرتی ہے۔ مشکل معاشی حالات کے باوجود کمپنی کی برآمدات میں 23.36 فیصد اضافہ کے ساتھ 255.15 ملین روپے رہی جس سے کمپنی کے حکم مالی کارکردگی کا اظہار ہوتا ہے۔ اس کے ساتھ ساتھ کمپنی کی سطح پر فروخت میں 28.37 فیصد کمی کے ساتھ 149.97 ریکارڈ کی گئی۔ اس تذبذب کو کمپنی نے پیداواری نکتہ عملی نے پیداواری صلاحیت کو بہتر بنانے میں مدد دی۔

دیگر آمدنیوں میں 4.76 ملین روپے کی متنوع آمدن شامل ہے جبکہ سرمایہ کاری سے 2.63 ملین روپے نمایاں منافع حاصل ہوا جو گزشتہ سال کے 2.20 ملین روپے کے نقصان کے مقابلے میں ایک مثبت فرق ہے۔ تاہم گزشتہ سال کی اسی مدت میں حاصل 1.63 ملین روپے کے منافع کے مقابلے میں زرمبادلہ کا نقصان 6.46 ملین روپے ریکارڈ کیا گیا۔

اوسط قرضوں کی شرح میں اضافہ کی وجہ سے مالی لاگتوں میں 61.86 فیصد کے نمایاں اضافہ کے باوجود کمپنی نے مالی نظم و نسق میں مستحکم اور لچک کا مظاہرہ کیا جس کی بدولت کمپنی کے بعد ازنگینس منافع 23.53 ملین روپے رہا۔ یہ کارکردگی کمپنی کی پائیدار منافع پر توجہ مرکوز کرتے ہوئے پیچیدہ سائیکل سے نکلنے کی صلاحیت کو واضح کرتی ہے۔

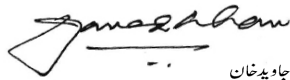
#### مستقبل کا کاروباری جائزہ

عالمی کساد بازاری اور ملک میں جاری سیاسی عدم استحکام شدید معاشی سست روی کا باعث بنے۔ توانائی کی قیمتوں اور مالی لاگتوں سمیت کاروبار کرنے کی لاگت میں اضافہ بھی ان چیلنجز میں اضافہ ہے۔ نتیجتاً جاری چیلنجز پر قابو پانے کیلئے اپنی پھر پورکوششیں جاری رکھے گی۔ ہم تذبذب کو اپنی اہم بنیاد پر مشتمل اور مالیاتی نتائج کے حصول کیلئے پر عزم ہے۔ ہمیں کمپنی کی ٹیم پر مکمل اعتماد ہے کہ وہ کمپنی کی ترقی اور مثبت نتائج کے حصول میں کوئی دقیقہ فروگذاشت نہیں کرے گی۔

#### اظہار تشکر

ہم مساعفین، مالیاتی اداروں، حصص یافتگان، معزز بورڈ آف ڈائریکٹرز اور پر عزم ملازمین کی غیر متزلزل معاونت پر اظہار تشکر کرتے ہیں۔

منجانب بورڈ



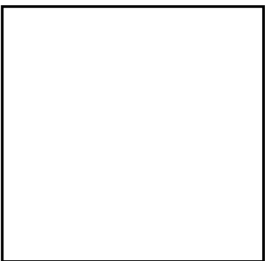
جاوید خان  
ڈائریکٹر/سربراہ ایف او



نعیم شیخ  
چیف ایگزیکٹو

کراچی، 28 فروری، 2024





International Knitwear Limited

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