

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2020**



International Knitwear Limited



## COMPANY INFORMATION

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**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	

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**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

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**HR & REMUNERATION  
COMMITTEE**

Ms. Saleha Majid  
Mr. Muhammad Shafi  
Mr. Muhammad Sajid Hussain

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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**

CDC Registrar Services Limited  
CDC House, 99-B, Block 'B', S.M.C.H.S.  
Main Shahra-e-Faisal, Karachi-74400

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**WEBSITE**

[www.internationalknitwear.com](http://www.internationalknitwear.com)



## 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, 2020.

### FINANCIAL PERFORMANCE

Profit or Loss	Un-Audited	
	July-December 2020	July-December 2019
	Rupees	Rupees
Net Sales	215,112,021	372,867,662
Cost of goods sold	(198,274,911)	(336,056,558)
Gross profit	16,837,110	36,811,104
(Loss)/ profit before taxation	(376,488)	19,115,742
((Loss)/profit after taxation	(5,752,194)	15,387,065
(Loss)/earnings per share	(0.59)	1.59

### PROFIT AND LOSS ANALYSIS

During the period under review the net sales of the Company amounted to Rs. 215.11 million against Rs. 372.86 million in the preceding year showing a decrease of Rs. (157.75) million. The Company recorded a gross profit of Rs. 16.83 million during the period under review against Rs. 36.81 million as compared to the previous year. Earnings per share (EPS) for the period were Rs. (0.59) compared to Rs. 1.59 for the corresponding period.

### REVIEW OF OPERATION

There was a decline in the financial performance of the Company for the 2<sup>nd</sup> quarter and Half year ended December 31, 2020 as compared to the previous period.

Unfortunately, COVID-19 has had a crippling effect on the local and global economy and continues to do so. The uncertainty of the situation has resulted in our customers halting shipments and deferring scheduled order which has had a significant impact on the top and bottom line.

For the year 2020-21, we hope to get back to sustainable levels of business volume subject to second/third waves of the virus being controlled by the authorities. Despite these unique and challenging circumstances, the management of the Company continues to do its utmost to overcome them and aggressively work towards implementing improved measures to control costs and enhance productivity.

### FUTURE OUTLOOK

As the COVID-19 vaccine rollouts are underway around the world, there is hope of economic activity to gradually return to pre-COVID levels. The management is therefore confident in improving results for the remaining period of the year and beyond.

### ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation for the efforts made by the workers and staff of the Company for their devotion to work.

Your Directors would also like to express their thanks to the shareholders, customers, suppliers and Bankers for their support and assistance.

Karachi: February 25, 2021

On behalf of the Board

**NAEEM SHAFI**  
Chief Executive

**JAVED KHAN**  
Director / CFO



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**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, 2020 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, 2020 and December 31, 2019 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 Adnan Zaman.

Chartered Accountants

Karachi

Dated: February 25, 2021



# International Knitwear Limited

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2020


		(Un-Audited) December 2020 Rupees	(Audited) June 2020 Rupees
<b>ASSETS</b>	<b>Note</b>		
<b>Non-Current Assets</b>			
Property, plant and equipment	5	34,064,764	35,942,893
Long term deposits		2,052,600	2,052,600
Long term loans	10	1,639,000	556,000
Long term investments	6	16,888,843	14,478,781
		54,645,207	53,030,274
<b>Current Assets</b>			
Stock-in-trade	8	115,751,789	160,126,086
Short term investment	7	13,058,243	8,506,301
Trade debts - considered good	9	39,818,794	29,420,504
Loans and advances	10	7,962,115	4,559,014
Other receivables	11	28,359,144	33,089,225
Taxation - net		23,206,849	22,410,808
Cash and bank balances	12	1,686,212	885,323
		229,843,147	258,997,261
<b>TOTAL ASSETS</b>		<b>284,488,354</b>	<b>312,027,536</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, Subscribed & paid-up capital		96,750,000	96,750,000
<b>Revenue Reserves</b>			
Unappropriated profit		17,431,294	28,020,988
		114,181,294	124,770,988
Unrealized Gain/loss on revaluation of investments - FVTOCI		821,492	(982,490)
		115,002,786	123,788,498
<b>Non-Current Liabilities</b>			
Long term portion of lease liability		1,603,476	1,651,865
<b>Current Liabilities</b>			
Short term finance under mark-up arrangement	15	92,006,155	82,058,581
Short term portion of lease liability		255,800	419,987
Creditors, accrued and other payables	16	73,569,805	102,377,976
Unclaimed dividend		2,050,331	1,730,629
		167,882,091	186,587,173
<b>CONTINGENCIES AND COMMITMENTS</b>	17	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>284,488,354</b>	<b>312,027,536</b>

The annexed notes 1 to 21 form an integral part of these condensed interim financial

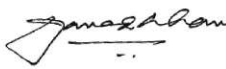
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WASEEM SHAFI  
Chairman

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NAEEM SHAFI  
Chief Executive

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JAVED KHAN  
Director / CFO



# International Knitwear Limited

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	QUARTER ENDED		HALF YEAR ENDED	
	December	December	December	December
	2020	2019	2020	2019
Note	------(Rupees)-----		------(Rupees)-----	
Sales - net	94,573,956	190,627,255	215,112,021	372,867,662
Cost of goods sold	(86,894,211)	(170,378,770)	(198,274,911)	(336,056,558)
<b>Gross profit</b>	<b>7,679,745</b>	<b>20,248,485</b>	<b>16,837,110</b>	<b>36,811,104</b>
Administrative and selling expenses	(6,281,812)	(6,157,212)	(11,593,810)	(12,102,411)
<b>Operating profit</b>	<b>1,397,933</b>	<b>14,091,273</b>	<b>5,243,300</b>	<b>24,708,693</b>
Other income	1,342,614	3,946,674	4,372,927	4,589,155
Unrealized gain/(loss) on revaluation of investments through P&L	792,730	11,571	169,776	(265,014)
	2,135,344	3,958,245	4,542,703	4,324,141
	<b>3,533,277</b>	<b>18,049,518</b>	<b>9,786,003</b>	<b>29,032,833</b>
Financial charges	(3,066,246)	(3,804,054)	(10,209,868)	(8,500,350)
Other charges	(14,095)	(984,455)	47,377	(1,416,741)
	(3,080,341)	(4,788,509)	(10,162,491)	(9,917,091)
<b>(Loss)/ profit before taxation</b>	<b>452,936</b>	<b>13,261,009</b>	<b>(376,488)</b>	<b>19,115,742</b>
Taxation	(3,013,287)	(1,906,273)	(5,375,706)	(3,728,677)
<b>(Loss)/ Profit after taxation</b>	<b>(2,560,351)</b>	<b>11,354,736</b>	<b>(5,752,194)</b>	<b>15,387,065</b>
(Loss)/ earning per share-basic and diluted	(0.26)	1.17	(0.59)	1.59

The annexed notes 1 to 21 form an integral part of these condensed interim financial

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# International Knitwear Limited

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	QUARTER ENDED		HALF YEAR ENDED	
	December 2020	December 2019	December 2020	December 2019
Profit for the period	(2,560,351)	11,354,736	(5,752,194)	15,387,065
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain/(loss) on remeasurement of investments classified as fair value through OCI	(962,341)	1,758,013	1,803,982	540,321
Reclassification of OCI on disposal of fair value through OCI investment directly into equity	-	(1,331,211)	-	(1,495,919)
	(962,341)	426,802	1,803,982	(955,598)
<b>Total comprehensive (loss) / income for the period</b>	<b>(3,522,692)</b>	<b>11,781,538</b>	<b>(3,948,212)</b>	<b>14,431,467</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, 2020

	Issued, subscribed and paid-up share capital	Unrealized gain on revaluation of investment	Unappropriated profit /(loss)	Total
	----- Rupees -----			
Balance as at June 30, 2019 (Audited)	96,750,000	(4,003,372)	28,763,003	121,509,631
<b>Total comprehensive income for the period</b>				
Profit for the half year ended December 31, 2019	-	-	15,387,065	15,387,065
Fair value adjustment on investment classified as FVTOCI	-	540,321	-	540,321
Reclassification on disposal of FVTOCI directly into equity	-	1,495,919	(1,495,919)	-
<b>Transaction with owners:</b>				
5% Cash dividend paid for the year ended June 30, 2019	-	-	(4,837,500)	(4,837,500)
	-	2,036,240	9,053,646	11,089,886
<b>Balance as at December 31, 2019 (Un-Audited)</b>	<b>96,750,000</b>	<b>(1,967,132)</b>	<b>37,816,649</b>	<b>132,599,517</b>
Balance as at June 30, 2020	96,750,000	(982,490)	28,020,988	123,788,498
<b>Total comprehensive income for the period</b>				
Profit for the half year ended December 31, 2020	-	-	(5,752,194)	(5,752,194)
Fair value adjustment on investment classified as FVTOCI	-	1,803,982	-	1,803,982
<b>Transaction with owners:</b>				
5% Cash dividend paid for the year ended June 30, 2020	-	-	(4,837,500)	(4,837,500)
	-	1,803,982	(10,589,694)	(8,785,712)
<b>Balance as at December 31, 2020 (Un-Audited)</b>	<b>96,750,000</b>	<b>821,492</b>	<b>17,431,294</b>	<b>115,002,786</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





## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 2020	December 2019
	------(Rupees)-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(376,488)	19,115,742
<b>Adjustment for non cash items:</b>		
Depreciation	2,412,795	2,206,198
Loss on sale of property, plant and equipment	(178,802)	2,303
Other Income	(4,363,901)	(4,591,457)
Finance cost	10,209,868	8,500,350
	<u>8,079,960</u>	<u>6,117,394</u>
<b>Profit before changes in working capital</b>	<b>7,703,472</b>	<b>25,233,136</b>
<b>Increase in current assets</b>		
Stock in trade	44,374,297	(6,573,574)
Trade debts	(10,135,535)	(4,191,117)
Loans and advances	(4,486,101)	(2,621,163)
Other receivables	4,730,081	(21,966,531)
	<u>34,482,741</u>	<u>(35,352,385)</u>
<b>Increase in current liabilities</b>		
Creditors, accrued and other payables	(28,808,171)	29,839,812
	<u>(28,808,171)</u>	<u>29,839,812</u>
Financial charges paid	(10,209,868)	(8,500,350)
Taxes paid	(6,171,747)	(7,759,693)
	<u>(3,003,572)</u>	<u>3,460,520</u>
<b>Net cash used / generated from in operating activities</b>	<b>(3,003,572)</b>	<b>3,460,520</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(760,862)	(4,850,200)
Additions in investment	(69,364,547)	(89,679,841)
Disposal of investment	62,311,952	85,511,381
Proceeds from sale of property, plant and equipment	405,000	145,000
	<u>(7,408,457)</u>	<u>(8,873,660)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash proceeds from short term finance under mark-up arrangement	92,079,838	127,843,352
Repayment of short term finance under mark-up arrangement	(82,000,000)	(117,636,028)
Payment against lease obligation	(212,576)	(195,841)
Dividend paid	(4,517,798)	(4,628,188)
	<u>5,349,465</u>	<u>5,383,295</u>
<b>Net cash generated from financing activities</b>	<b>5,349,465</b>	<b>5,383,295</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,062,565)</b>	<b>(29,845)</b>
Cash and cash equivalent at the beginning of the period	885,322	2,682,797
<b>Cash and cash equivalent at the end of the period</b>	<b>(4,177,243)</b>	<b>2,652,952</b>

The annexed notes 1 to 21 form an integral part of these condensed interim financial

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive

**JAVED KHAN**  
Director / CFO



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

### 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 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, 2020.
- 2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and 2019 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, 2020 and 2019.

### 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 2020.

#### 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, 2020**

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2020. 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, 2021. 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, 2020.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
------(Rupees)-----			
<b>5 PROPERTY, PLANT &amp; EQUIPMENT</b>			
Property and equipment - at cost less accumulated depreciation	5.1	32,471,415	34,059,843
Right-of-use assets	5.2	1,593,349	1,883,050
		<b>34,064,764</b>	<b>35,942,893</b>
<b>5.1 Operating assets</b>			
Opening book value		34,059,843	29,672,069
Additions during the period		760,862	8,467,905
Disposals during the period at book value		(755,000)	(147,302)
Depreciation charged during the period		(1,594,290)	(3,932,829)
		<b>32,471,415</b>	<b>34,059,843</b>
<b>5.2 Additions during the period/year</b>			
Factory building		-	1,791,705
Plant and machinery		595,500	4,897,000
Computers		24,500	107,200
Furniture Fitting		-	122,000
Office equipment		82,362	-
Motor vehicles		58,500	1,550,000
		<b>760,862</b>	<b>8,467,905</b>
<b>5.3 Deletions / write-off / adjustments at book value - period/year</b>			
Plant and machinery		405,000	147,302
Motor vehicles		350,000	-
		<b>755,000</b>	<b>147,302</b>
<b>5.4 Movement in Capital Work in Progress</b>			
Opening balances		-	-
Add: Additions during the period		-	1,791,705
Less: Transfer to operating assets		-	(1,791,705)
		<b>-</b>	<b>-</b>
<b>4.5 Right-of-use assets</b>			
Opening balances		1,883,050	-
Transferred from operating assets		-	2,462,450
Additions during the period		-	-
Transferred from CWIP		-	-
Disposals		-	-
Depreciation for the period		(289,701)	(579,400)
		<b>1,593,349</b>	<b>1,883,050</b>
<b>6 LONG TERM INVESTMENTS</b>			
<b>At fair value through other comprehensive income (FVTOCI)</b>			
Equity securities- listed	6.1	16,888,843	14,478,781
		<b>16,888,843</b>	<b>14,478,781</b>
<b>6.1 FVTOCI - Equity Securities</b>			
<b>Name of Shares</b>			
- Engro fertilizer Limited.		1,327,830	1,265,880
- Engro Corporation Limited		15,368	14,646
- Pakistan Oilfields Limited		15,420,990	13,078,499
- Pakistan Petroleum Limited		124,655	119,756
		<b>16,888,843</b>	<b>14,478,781</b>



# International Knitwear Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees) -----	
<b>7 SHORT TERM INVESTMENTS</b>			
<b>At fair value through profit or loss (FVTPL)</b>			
Equity securities- listed	7.1	11,929,538	7,412,058
Mutual funds- listed	7.2	1,128,705	1,094,243
		<b>13,058,243</b>	<b>8,506,301</b>
<b>7.1 FVTPL - Equity Securities</b>			
<b>Name of Shares</b>			
- The Searle Company Limited.		8,078,043	4,044,369
- Engro Fertilizers Limited.		1,391,060	-
- Oil and Gas Development Company Limited - Future		-	327,000
- Pakistan Oilfields Limited		1,383,935	525,945
- Pakistan State Oil Co. Limited		1,076,500	2,514,744
		<b>11,929,538</b>	<b>7,412,058</b>
<b>7.2 FVTPL - Mutual funds</b>			
<b>Name of the Fund</b>			
- AKD Islamic income Fund		445,676	431,287
-UBL Liquidity Plus Fund		683,029	662,956
		<b>1,128,705</b>	<b>1,094,243</b>
<b>8 STOCK IN TRADE</b>			
Raw material		30,738,282	29,613,718
Work-in-process		82,279,727	46,308,773
Finished goods		2,733,780	84,203,595
		<b>115,751,789</b>	<b>160,126,086</b>
<b>9 TRADE DEBTS - CONSIDERED GOOD</b>			
Foreign - secured, considered good		12,157,609	-
<b>Local - unsecured</b>			
- Considered good		27,661,185	29,420,504
- Considered doubtful		1,211,162	1,211,162
		28,872,347	30,631,666
Less: Provision for doubtful debts		(1,211,162)	(1,211,162)
		<b>39,818,794</b>	<b>29,420,504</b>
<b>10 LOANS AND ADVANCES</b>			
<b>Loan to employees - Long term portion - unsecured, considered good</b>			
Loan to employees		2,157,000	1,692,000
Less: current portion of loan to employees		(518,000)	(1,136,000)
		<b>1,639,000</b>	<b>556,000</b>
<b>Short term Advances - unsecured, considered good</b>			
Advance to contractor and supplier		7,444,115	3,325,884
Current portion of advances to employees		518,000	1,136,000
Prepayments		-	97,130
		<b>7,962,115</b>	<b>4,559,014</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	(Un-audited) December 31, 2020 ------(Rupees)-----	(Audited) June 30, 2020
<b>11 OTHER RECEIVABLES</b>		
Sales tax refundable	10,216,844	14,131,468
Export rebate receivables	372,678	1,311,664
Research and development receivable	17,535,159	17,453,902
Other receivable	234,463	192,191
	<u>28,359,144</u>	<u>33,089,225</u>
<b>12 CASH AND BANK BALANCES</b>		
Cash in hand	100,000	-
<b>With banks in:</b>		
Treasures call accounts (deposit accounts)	2,943,085	1,822,944
Current accounts	143,127	562,379
	3,086,212	2,385,323
Security deposit	(1,500,000)	(1,500,000)
	<u>1,686,212</u>	<u>885,323</u>
<b>13 Share capital</b>		
<b>Authorized share capital</b>		
<b>Number of Shares</b>		
December 31, 2020	June 30, 2020	
20,000,000	20,000,000	Ordinary Shares of Rs. 10/- each
<u>20,000,000</u>	<u>20,000,000</u>	200,000,000
		<u>200,000,000</u>
<b>Issued, subscribed and paid-up share capital</b>		
<b>Number of Shares</b>		
December 31, 2020	June 30, 2020	
3,000,000	3,000,000	Ordinary shares of Rs. 10/- each fully paid in cash.
225,000	225,000	Ordinary shares of Rs. 10/- each issued as bonus shares
6,450,000	6,450,000	Right shares of Rs. 10/- each fully paid in cash
<u>9,675,000</u>	<u>9,675,000</u>	30,000,000
		2,250,000
		64,500,000
		<u>96,750,000</u>
		<u>96,750,000</u>
	(Un-audited) Quarter ended	(Un-audited) Half year ended
	December 2020	December 2019
	------(Rupees)-----	------(Rupees)-----
<b>14 INCOME FROM FINANCIAL ASSETS</b>		
<b>Income From Financial Assets</b>		
Exchange gain -Net	33,356	349,065
Profit on bank accounts	32,218	76,145
Dividend Income	1,588,495	536,465
Gain on disposal of investment	(543,874)	1,864,001
Commission on Share Trading	(14,128)	(14,128)
Gain on translation of foreign currency debtors	246,548	246,548
<b>Income From Non-Financial Assets</b>		
Gain / (loss) on disposal of property, plant and equipment	-	(2,303)
	<u>1,342,614</u>	<u>4,372,927</u>
	<u>3,946,674</u>	<u>4,589,155</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
		----- (Rupees) -----	
<b>15 SHORT TERM FINANCE UNDER MARK-UP ARRANGEMENT</b>			
Running finance facility		5,863,455	5,995,719
Export refinance facility		59,000,000	59,000,000
Discount against local LC		5,000,000	2,301,062
MTF salary and wages (Covid-19)		22,142,700	14,761,800
		<u>92,006,155</u>	<u>82,058,581</u>
<b>16 CREDITORS, ACCRUED AND OTHER PAYABLES</b>			
Creditors		48,661,042	89,802,944
Accrued expenses		9,218,279	5,544,400
Compensated absences payable		1,520,685	1,365,598
Other fund payable		302,074	593,546
Workers' profit participation fund		871,427	905,758
Workers' welfare fund		2,432,452	2,445,498
Contract liability		9,126,713	1,226,780
Advance from others		340,000	340,000
Others		1,097,132	153,452
		<u>73,569,805</u>	<u>102,377,976</u>

**17 CONTINGENCIES AND COMMITMENTS****17.1 Contingencies**

There are no significant changes in the status of contingencies as reported in the note 19 to the annual audited financial statements of the Company for the year ended June 30, 2020.

**17.2 Commitments**

Commitments under letter of credit are Rs. 5.76 million (June 30, 2020: Rs 20.59 million)

**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 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, 2020			Total	June 30, 2020
	(Level 1)	(Level 2)	(Level 3)		
Rupees					
Investment at FVTOCI	16,888,843	-	-	16,888,843	14,478,781
Investment at FVTPL	13,058,243	-	-	13,058,243	8,506,301
	<u>29,947,086</u>	-	-	<u>29,947,086</u>	<u>22,985,082</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**19 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:

	31-Dec-20	30-Jun-2020
	----- (Rupees) -----	
<b>Balances:</b>		
Provident Fund - outstanding balance	1,089,868	587,452
<b>Transactions:</b>	<b>31-Dec-2020</b>	<b>33-Dec-2019</b>
Contribution to staff retirement benefit plans	1,128,816	1,135,112
Key management personnel's remuneration and other benefits	6,796,774	6,619,129

**20 DATE OF AUTHORIZATION**

These condensed interim financial statements was authorised by the Board of Directors of the Company on February 25, 2021.

**21 GENERAL**

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

21.2 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



## ڈائریکٹران کی رپورٹ

انٹرنیشنل ویزلیمینڈ (INKL) کا بورڈ آف ڈائریکٹرز کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے برائے ششماہی تختہ مدت 31 دسمبر 2020 پیش کرتے ہوئے اظہار مسرت کرتا ہے۔

غیر آڈٹ شدہ		مالیاتی کارکردگی
جولائی تا دسمبر 2019 روپے	جولائی تا دسمبر 2020 روپے	
372,867,662	215,112,021	خالص فروخت
(336,056,558)	(198,274,911)	لاگت فروخت
36,811,104	16,837,110	خام منافع
19,115,742	(376,488)	(خسارہ)/منافع قبل از ٹیکس
15,387,065	(5,752,194)	(خسارہ)/منافع بعد از ٹیکس
1.59	(0.59)	(خسارہ)/منافع فی حصص

### منافع اور خسارہ کا تجزیہ

زیر جائزہ مدت کے دوران کمپنی کی خالص فروخت 215.11 ملین روپے رہیں جبکہ گزشتہ سال 372.86 ملین روپے تھیں جس سے (157.75) ملین روپے کمی کی عکاسی ہوتی ہے۔ زیر جائزہ مدت کے دوران کمپنی کا خام منافع 16.83 ملین روپے رہا جبکہ گزشتہ سال 36.81 ملین روپے تھا۔ مدت کی فی حصص آمدن (EPS) (0.59) روپے رہی جبکہ گزشتہ مدت میں 1.59 روپے تھی۔

### کاروباری افعال کا جائزہ

دوسری سہ ماہی اور ششماہی مدت تختہ 31 دسمبر 2020 میں کمپنی کی مالیاتی کارکردگی میں گزشتہ مدت کی نسبت تنزی رہی۔ بد قسمتی سے COVID-19 نے مقامی اور عالمی معیشت پر بدترین اثرات مرتب کئے اور یہ صورتحال ابھی تک جاری ہے۔ غیر یقینی صورتحال کے نتیجے میں ہمارے گاہکوں نے ٹیکس روک دیں اور جدول شدہ آرڈرز کو موخر کر دیا جس کے نتیجے میں اوپر سے چھٹی سطح تک قابل ذکر اثرات مرتب ہوئے۔ سال 2020-21 میں ہمیں امید ہے کہ پائیدار کاروباری حجم واپس لوٹ آئے گا بشرطیکہ اداروں نے وائرس کی دوسری تیسری لہر پر قابو پایا۔ ان بے مثال اور دشوار گزار حالات پر قابو پانے کے لئے کمپنی کی انتظامیہ مسلسل انتہائی کوشاں رہے گی اور متحرک طور پر لاگتوں میں کمی اور پیداواریت بڑھانے کے اقدامات میں بہتری لائے گی۔

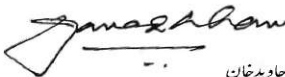
### مستقبل کی پیش بینی

COVID-19 کی ویکسین دنیا بھر میں دی جا رہی ہے جس سے امید ہے کہ معاشی سرگرمی بتدریج COVID سے پہلے کی سطح پر واپس آ جائے گی۔ لہذا انتظامیہ پر اعتماد ہے کہ سال کے بقایا حصے اور مستقبل میں نتائج میں بہتری آئے گی۔

### اعتراف

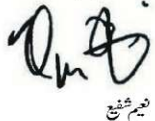
آپ کے ڈائریکٹران کمپنی کے مزدوروں اور ملازمین کی فرمائش کی ادائیگی میں انتھک محنت پر ان کے لئے گہری ستائش ریکارڈ پر لانا چاہتے ہیں۔ آپ کے ڈائریکٹران اپنے حصص یافتگان، گاہکوں، فراہم کنندگان اور بینکاروں کے تعاون اور مدد پر ان کے مشکور ہیں۔

برائے وختیاج



جاوید خان

ڈائریکٹر/سی ایف او



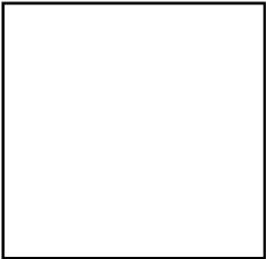
نعیم شیع

چیف ایگزیکٹو

کراچی: 25 فروری 2021







International Knitwear Limited

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