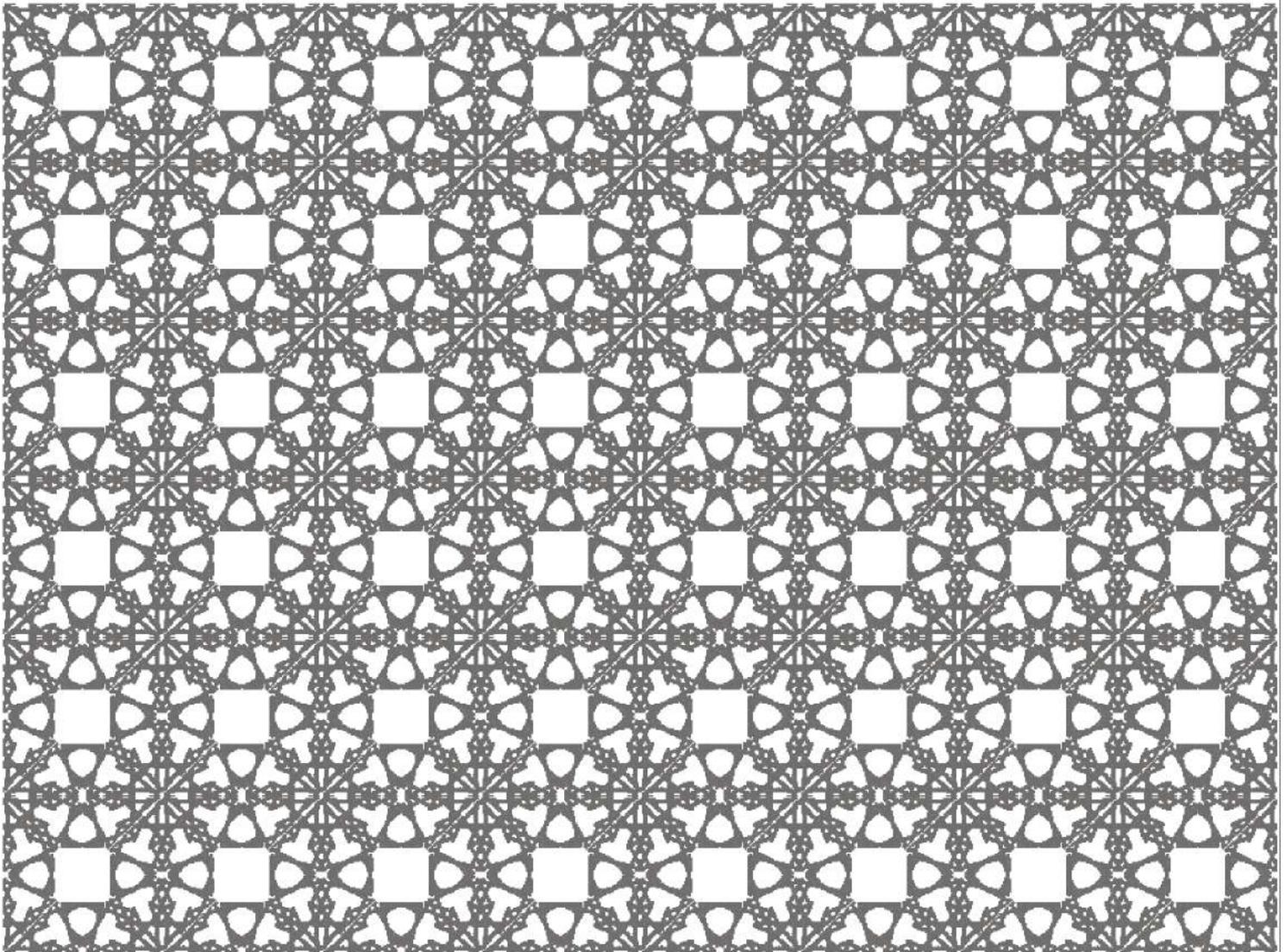


International Knitwear Limited



ANNUAL REPORT 2017



International Knitwear Limited

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International Knitwear Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Waseem Shafi Chairman
Mr. Naeem Shafi Chief Executive
Mr. Javed Khan
Mr. Muhammad Shafi
Mr. Muhammad Sajid Hussain
Mr. Arshad Ahmed
Mr. Javed Akhter Malik

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Javed Khan

AUDIT COMMITTEE

Mr. Arshad Ahmed Chairman
Mr. Waseem Shafi
Mr. Javed Akhter Malik

HR & REMUNERATION COMMITTEE

Mr. Muhammad Sajid Hussain Chairman
Mr. Muhammad Shafi
Mr. Javed Akhter Malik

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

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.
Main Shakra-e-Faisal, Karachi-74400

WEBSITE

www.internationalknitwear.com



International Knitwear Limited

VISION AND MISSION

VISION

Is to achieve and then remain as the most progressive and profitable Company offering a wide range of quality products and service provider in terms of industry standards and stakeholders interest.

MISSION

The Company shall achieve its mission through a continuous process of having sourced, developed, implemented and managed the best leading edge technology, industry best practice, human resource and innovative of superior products, performance and service quality that fully meet the needs of our customers, better returns to our stakeholders and a better quality of life to the employees.



International Knitwear Limited

CODE OF CONDUCT

CODE OF CONDUCT

International Knitwear Limited being engaged in the Local and export of garments and providing dyeing facilities is:

- Committed to provide quality products and services to all its local and international customers.
- Further committed to comply with all applicable Regulatory and Customers' requirements, thereby ensuring achievement of customers' continuous satisfaction.
- An equal opportunity employer which does not differentiate between its employees on the basis of cast, creed, sex or religious affiliations.
- Always willing, through a liberal training policy, to educate, train and groom its employees to enhance their professionalism, commitment and personal growth leading to achievement of greater goals.

Committed to the well-being of its employees by adopting generous welfare policies and practices.

In return International Knitwear Limited expects from its employees that:

- As representatives of the Company they must at all times behave appropriately and strictly follow all rules and regulations of the Company.
- They must devote their time, attention, abilities and energy exclusively for the performance of their duties and must not engage themselves in any other occupation, business or employment whatsoever without prior written consent of the Company.
- They must not disclose any confidential information pertaining to the business of the Company to any person inside or outside the company.
- They must protect all records, reports and other published or unpublished documents of the Company and promptly hand over all these to the Company upon leaving, for whatever reason, the employment of the Company. They must not also remove any or all of the said records, reports and documents from the premises of the Company without appropriate authorization.



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of the shareholders of **International Knitwear Limited** will be held at 04:30 P.M on Saturday , October 28, 2017 at registered office situated at F-2A/L, S.I.T.E , Karachi to transact the following business:

ORDINARY BUSINESS:-

1. To confirm the minutes of the last Annual General Meeting held on Saturday October 29, 2016.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2017 together with Directors' and Auditors' Report thereon.
3. To appoint Auditors of the Company for the Year ending June 30,2018 and fix their remuneration. the present auditors, M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants being eligible, have offered themselves for reappointment.
4. To transact any other business with the permission of the chair.

Karachi: October 07, 2017

By Order of the Board

Javed Khan
Company Secretary

Notes:

1. Closure of share transfer books:

The share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from October 21, 2017 to October 28, 2017 (both days inclusive). Transfers received in order at the office of our Shares Registrar M/s Central Depository Company of Pakistan Limited CDC House , 99-B , Block "B" S.M.C.H.S Main Shahra-e-Faisal , Karachi -74400 by the close of the business on 21 October 2017 will be in time for the purpose of payment of final dividend to the transferees.

2. Participation in the annual general meeting:

A member entitled to attend and vote at the Annual General Meeting is entitled to cast his/ her vote by proxy. Proxies must be deposited at the Company's Registered office F-2A/L, S.I.T.E , Karachi no later than 48 hours before the time for holding the meeting.



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

1. Change of Address :

Any change of address of Members should be immediately notified to the company's share registrars, Central Depository Company of Pakistan Limited CDC House , 99-B , Block "B" S.M.C.H.S Main Shakra-e-Faisal , Karachi -74400

4. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan :

A) For attending the meeting :

- i. In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original computerized national Identity card(CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity , the Board of Directors ' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

B) For appointing proxies:

- i. In case of individuals, the account holder or sub-account holder and / or person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of meeting.
- v. In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature shall be submitted along with proxy form to the Company.

5. Revision of withholding tax on Dividend Income.

- (i) Pursuant to the provisions of the Finance act 2017 effective July 01, 2017, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance,2001 have been revised as follows:

For filer of income tax returns	15%
For non-filer of income tax returns	20%



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

- (ii) Withholding tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to Central Depository Company of Pakistan Limited, by the first day of book closure.
- (iii) Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer / Non-filer' status of principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them (only if not already provided) to our shares registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No of Shares)	Name and CNIC #	Shareholding Proportion (No of Shares)

The required information must reach our shares Registrar within 10 days of this notice , otherwise it will be assumed that the shares are equally held by principal shareholder and Joint holder(s).

6. Payment of cash dividend electronically (e-dividend)

In accordance with the SECP's Circular No. 18 of 2012 dated June 2012 , the shareholders have been given an opportunity to authorize the Company to make payment of cash dividend through direct credit to shareholder's bank account. To opt. for the dividend mandate option as stated, the Dividend Mandate Form is available at Company's website i.e. www.internationalknitwear.com needs to be duly filled and submitted to the Company on its registered address.



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

7. Submission of computerized national identity card (CNIC) Mandatory.

Members are requested to provide attested photocopies of their CNIC to the Company on its registered address in order to meet the mandatory requirements of SRO 831(1) 2012 of 5th July 2012 which provides that the dividend warrant should bear the Computerized National Identity Card (CNIC) number of the registered member.

8. Circulation of Annual Audited Financial Statements to shareholders through email

The directive of SECP contained in SRO 787(1) dated September 8, 2014 whereby Securities and Exchange Commission of Pakistan (SECP) has allowed companies to circulate annual balance sheet, profit and loss account, auditor's report and directors' report etc. (Audited Financial Statements) along with notice of annual general meeting (Notice) to its members through e-mail. Members are requested to provide their email addresses on registered address of the Company.

CDC account holders are requested to submit attested to provide their email addresses to the relevant member stock exchange and CDC if maintaining CDC investor account.

9. The annual report of the Company has been uploaded at the Company Website www.internationalknitwear.com.

10. Members who desire that Zakat should not be deducted from dividend are requested to submit a declaration on non judicial stamp paper duly signed as required under the law.



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

11. Consent for Video Link Facility

Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange Video conference facility in the city subject to availability of such facility in that city

“I/we, _____ of _____, being a member of International Knitwear Limited, holder of _____ ordinary share(s) as per Registered Folio / CDC Account No. _____ hereby opt for video conference facility at _____.”

12. Form of Proxy is enclosed



International Knitwear Limited

DIRECTORS' REPORT

Assalam o Alaikum

The Board of Directors of International Knitwear Limited takes pleasure in presenting this report together with the Audited Financial Statements of the Company for the year ended June 30, 2017.

The Directors' Report is prepared under section 236 of the Companies Ordinance, 1984, Pakistan Stock Exchange Limited regulation 5.19.11 and clause xvi of the Code of Corporate Governance.

Financial performance

	2017 Rupees	2016 Rupees
Net sales	169,496,272	182,671,977
Gross (loss)/profit	(3,667,670)	15,016,205
(Loss)/profit after taxation	(1,657,921)	11,064,677
Profit/ (loss) from discontinued operation	3,809,951	(1,298,857)
Profit for the year	2,152,030	9,765,820
Net earnings per share	0.25	1.52

Business overview

Financial highlights of the year ended June 30, 2017 are summarized below:

The figures calculated above reveal that during the year the Company posted net sales amounting to Rs. 169.49 million as compared to Rs. 182.67 million and profit after tax for the year Rs. 2.15 million as compared to profit of Rs. 9.76 million for the corresponding period last year.

Sales recorded a decrease of Rs.13.17 million in the current year as compared to sales in the previous year ended 30, June 2016. Gross profit of the Company decrease by Rs.18.68 million in the current year as compared to gross profit of the last year. The overall performance of the Company were under pressure , main reason being low sales which could not take care of the fix overheads as being in transition phase where some customers had to be parted and new clients where inducted for future benefits.

The management is very hopeful in overcoming the current crises by increasing expected sales volume and keeping close eye on market situation and putting all effort to demonstrate good performance by registering positive growth in the following term InshaAllah .



International Knitwear Limited

DIRECTORS' REPORT

Earnings per share

Earnings per share after taxation is Rs. 0.25 (2016: Rs. 1.52). The decrease in EPS is due to decrease in profit during the year.

Other Income

A review of gain on disposal of investments and dividend income received shows that contribution from the strategic investments towards bottom line has been a major factor in the profitability of the company.

Gain on disposal of investment Net was Rs. 17.77 million against Rs.10.34 million and dividend income during the year was Rs. 2.48 million against Rs. 1.13 million against the corresponding period last year.

Capital Expenditure

In keeping with the Company's commitment to invest in expansion/ value addition of production facilities new stitching machines & other assets were added amounting to Rs.7.43 million.

Discontinued Operation

All the remaining assets of discontinued operation of December 2012 sold during the year 2016-17.

Dividend

The Board of Directors in its meeting held on September 29, 2017 does not recommend dividend for the year ended June 30, 2017.

Website

All our stake holders and general public can visit the IKL website, www.internationalknitwear.com Which contains information related to company's products, annual, half yearly and quarterly financial statements.

Subsequent event

No material changes and commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of the report.



International Knitwear Limited

DIRECTORS' REPORT

Summary of key operating and financial data of six years at a glance

Below is a summary of key operating and financial results for six years and includes the financial results for the year under review:

	2017	2016	2015	2014	2013	2012
000'.....					
ASSETS EMPLOYED						
Property, plant and equipment	23,704	26,850	20,095	23,272	35,399	51,714
Intangible assets	-	-	-	-	-	-
Long-term investments	35,183	75,600	42,677	1,054	560	398
Long-term deposits	1,500	2,006	1,500	1,608	1,608	1,608
Net current assets	74,741	17,630	26,631	11,689	(3,986)	(3,882)
Total assets employed	135,128	122,086	90,904	37,623	33,580	49,838
FINANCED BY						
Issued, subscribed and paid up capital	96,750	64,500	64,500	32,250	32,250	32,250
Reserve and un-appropriated profit	12,677	17,864	14,548	4,915	1,195	16,755
Gain on revaluation of investments	25,701	38,043	11,856	458	136	(1)
Shareholder's equity	135,128	120,407	90,904	37,623	33,581	49,004
Long term and deferred liabilities	-	1,679	-	-	-	833
Total capital employed	135,128	122,086	90,904	37,623	33,581	49,837
Turnover	169,496	182,672	184,118	145,539	105,441	158,340
Profit/(loss) before tax	3,799	11,626	11,639	4,696	-13,192	7,984
Profit/(loss) after tax	2,152	9,766	9,798	3,720	-13,948	6,826
Earning per share	0.25	1.52	2.05	1.15	(4.33)	2.12
Net income %	1.3%	5.3%	5.3%	2.6%	-13.2%	4.3%
Return on capital employed	1.6%	8.0%	10.8%	9.9%	-41.5%	13.7%
Dividend						
Cash (%)	0%	10%	10%	0%	0%	5%
Stock (%)	0%	0%	0%	0%	0%	0%



International Knitwear Limited

DIRECTORS' REPORT

Compliance with the best practices of Corporate Governance as per clause XVI of Code of Corporate Governance

The Board is pleased to state that the management of the Company is compliant with the best practices of Corporate Governance. The Board acknowledges its responsibilities in respect of the corporate and financial reporting framework and thus states that:

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and deviation from these if any has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the Pakistan Stock Exchange Rule Book.
- The management of the Company is committed to good corporate governance and appropriate steps are taken to comply with best practices.
- The details of outstanding statutory payment have been adequately disclosed in the financial statements.
- There has been no material departure from the best practices of corporate governance. Directors' training program.

Audit committee

The Committee comprises of three members all of them are non- executive Directors including the Chairman of the Committee.

The terms of reference of the Committee have been determined by the Board of Directors in accordance with guidelines provided in the Pakistan Stock Exchange Rule Book and advised to the Committee for compliance. The Committee held four meetings during the year.

Members Name	Meetings attended
Mr. Arshad Ahmed	4
Mr. Waseem Shafi	4
Mr. Javed Akhter Malik	4

Meetings of board of directors

During the year, four meetings of the Board of Directors were held. Attendance by each Director was as under:

Name of director	Meetings attendance
Mr. Naeem Shafi	4
Mr. Waseem Shafi	4
Mr. Javed Khan	4
Mr. Javed Akhter Malik	3
Mr. Muhammad Sajid Hussain	4
Mr. Arshad Ahmed	3
Mr. Muhammad Shafi	4

Further, Leave of absence was granted to the Directors who could not attend some of the Board Meetings.



International Knitwear Limited

DIRECTORS' REPORT

Human resource and remuneration committee

The Board in accordance with the Code of Corporate Governance has also constituted a Human Resource and Remuneration Committee, comprising of the following three Directors:

Members Name	Meetings attendance
Mr. Muhammad Sajid Hussain	2
Mr. Muhammad Shafi	2
Mr. Javed Akhter Malik	2

Statutory auditors

The auditors RSM Avais Hyder Liaquat Nauman Chartered Accountants retire and offer themselves for reappointment the financial year ending June 30, 2018.

Pattern of shareholding

Pattern of Shareholding of the Company as at June 30th, 2017, along with the necessary information is annexed to this report.

There were 1,284 shareholders on the record of the Company as at 30th June 2017.

Future outlook

Although the export opportunities are being chased by fierce competition in the international market but your company remains committed to take proactive measures by responding to challenges and maintain its strategy to focus on selected brands / customers . We aim to carry Journey of sustainable and profitable growth in future. Sales volume is expected to increase InshaAllah with the addition of new departments and customers.

Acknowledgments

The Directors would like to express their gratitude to the Customer, Bankers and other Stakeholders for their continued support and encouragement and also place on record the appreciation of the valuable services rendered by the employees of the Company.

For and on behalf of the Board

NAEEM SHAFI
Chief Executive

Karachi: September 29, 2017



International Knitwear Limited

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the rule book of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of non-executive directors on its board of directors. At present the board includes:

Category	Names
Executive Directors	Mr. Naeem Shafi
	Mr. Javed Khan
Non-Executive Directors	Mr. Waseem Shafi
	Mr. Muhammad Shafi
	Mr. Arshad Ahmed
	Mr. Mohammad Sajid Hussain
Independent Directors	Mr. Javed Akhter Malik

The independent director meets the criteria of independence under clause 1 (b) of the corporate governance.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurring on the board during the period.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its support policies and procedures.



International Knitwear Limited

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. One Director obtained under the Directors' training program and in addition, two of our directors meet the criteria of exemption under clause (xi) of CCG and is accordingly exempted from directors' training program. Apart from that, board will also arrange training programs for its Directors.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance (CCG) and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises of three members, two are non-executive directors one is an executive director and the chairman of the committee is not an independent director.



International Knitwear Limited

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises of three members, two of whom are non-executive directors and one is an independent director.
18. The board has set up an effective internal audit function.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with except for the following:
 - a. Adequate systems and controls are not in place for identification and redress of grievances arising from unethical practices. However, the board has initiated the process to introduce and implement the said systems and controls which shall be approved in the financial year ending June 30, 2018.
 - b. There are no Significant policies approved by the board as required by the Code. However, the said policies have been designed and shall be approved by the board in the financial year ending June 30, 2018.
 - c. There is no approved annual evaluation mechanism for board's own performance. However, the said evaluation mechanism is under consideration which shall be approved and implemented by the board in the financial year ending June 30, 2018.
 - d. There is no Head of internal audit appointed by the Company. However, the board has started the procedure for filling the said vacancy which shall be consummated in the financial year ending June 30, 2018.

NAEEM SHAFI
Chief Executive

Karachi: September 29, 2017



International Knitwear Limited

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **International Knitwear Limited** (the Company) for the year ended June 30, 2017 to comply with the requirements of listing regulation No. 35(Chapter XI) of the Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provision of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risk and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Code of Corporate Governance were observed which are stated in the Statement of Compliance:

S#	Reference of Code	Description
I.	5.19.4. (b) (ii)	Adequate systems and controls are not in place for identification and redress of grievances arising from unethical practices. However, the board has initiated the process to introduce and implement the said systems and controls which shall be approved in the financial year ended June 30, 2018.
II.	5.19.4. (b) (iii)	There are no Significant policies approved by the board as required by the Code. However, the said policies have been designed and shall be approved by the board in the financial year ended June 30, 2018.
III.	5.19.4. (b) (v)	There is no approved annual evaluation mechanism for board's own performance. However, the said evaluation mechanism is under consideration which shall be approved and implemented by the board in the financial year ended June 30, 2018.
IV.	5.19.8.	There is no Head of internal audit appointed by the Company. However, the board has started the procedure for filling the said vacancy which shall be consummated in the financial year ended June 30, 2018.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all materials respects, which the best practices contained in the Code as applicable to the Company, for the year ended June 30, 2017.


Engagement Partner: Adnan Zaman

Karachi.

Date: September 29, 2017



International Knitwear Limited

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of International Knitwear Limited (the Company) as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also include assessing the accounting policies and significant estimates made by management, as well as evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) In our opinion, proper books of accounts have been kept by the company as required by the repealed Companies Ordinance, 1984;
- b) in our opinion:
 - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii. the expenditure incurred during the year was for the purpose of the company's business; and
 - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;



International Knitwear Limited

AUDITORS' REPORT TO THE MEMBERS

- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2017 and of the profit/loss, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the Company for the year ended June 30, 2016 were audited by another auditor who expressed a modified opinion on those statements on September 30, 2016 on the issue of classification and treatment of investments which in their opinion was not in accordance with the requirements of applicable accounting standards. Our opinion is not modified on this issue as the Company during the year has classified its investments in accordance with the requirement of accounting standards as applicable in Pakistan.


Engagement Partner: Adnan Zaman

Karachi.

Date: September 29, 2017



International Knitwear Limited

BALANCE SHEET AS AT JUNE 30, 2017

ASSETS	Note	2017 Rupees	2016 Rupees
Non-Current Assets			
Property, plant and equipment	4	23,704,246	26,849,520
Long term deposits	5	1,500,000	2,006,200
Long term investments	6	35,182,728	75,600,145
		60,386,974	104,455,866
Current Assets			
Stock in trade	7	20,563,258	27,943,941
Short term investments	6	74,847,959	-
Trade debts - considered good	8	58,302,099	24,777,190
Loans and advances	9	2,106,145	3,315,091
Other receivables	10	5,658,896	1,065,043
Taxation - net	16	13,237,537	10,134,651
Cash and bank balances	11	336,491	2,961,811
		175,052,385	70,197,728
TOTAL ASSETS		235,439,359	174,653,593
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	96,750,000	64,500,000
Reserves		12,676,785	17,864,065
		109,426,785	82,364,065
Unrealized gain on revaluation of investments-available for sale		25,701,369	38,043,729
		135,128,154	120,407,794
Non-Current Liabilities			
Liability against assets subject to finance lease	13	-	1,678,131
Current Liabilities			
Short term finance under mark-up arrangement	14	34,568,172	15,028,512
Current maturity of Liability against assets subject to finance lease	15	-	646,314
Payable against purchase of investment		24,777,202	363,403
Creditors, accrued and other payables	16	40,965,828	36,529,439
		100,311,202	52,567,668
Contingencies and Commitments	17	-	-
TOTAL EQUITY AND LIABILITIES		235,439,359	174,653,593

The annexed notes 1 to 37 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Continuing Operations			
Net sales	18	169,496,272	182,671,977
Cost of goods sold	19	(173,163,942)	(167,655,772)
Gross (loss) / profit		(3,667,670)	15,016,205
Administrative and selling expenses	20	(13,649,086)	(13,774,483)
Operating (loss) / profit		(17,316,756)	1,241,722
Other income	21	25,058,664	14,729,699
Unrealized (loss) on revaluation of investments held for trading		(1,733,285)	-
		23,325,379	14,729,699
		6,008,623	15,971,421
Finance cost	22	(5,887,482)	(2,088,883)
Other charges	23	(131,782)	(957,895)
		(6,019,264)	(3,046,778)
(Loss) / Profit before taxation from continuing operation		(10,641)	12,924,643
Taxation	16	(1,647,280)	(1,859,966)
(Loss) / Profit after taxation from continuing operation		(1,657,921)	11,064,677
Discontinued Operations			
Profit/(Loss)from discontinued operations	29	3,809,951	(1,298,857)
Profit for the year		2,152,031	9,765,820
(Loss) / Earnings per share-basic and diluted			
From continuing operations	25	(0.19)	1.72
From discontinued operation	25	0.44	(0.20)

The annexed notes 1 to 37 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
Profit after taxation for the year	2,152,031	9,765,820
Reclassifiable to profit and loss account		
Unrealized (loss) / gain on remeasurement of investments	(12,342,359)	26,187,882
Total comprehensive income for the year	(10,190,328)	35,953,702

The annexed notes 1 to 37 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2017

	Issued, Subscribed and Paid up Share Capital	Unrealized gain on revaluation of investments available for sale	Unappropriated profit	Total
----- Rupees -----				
Balance as at June 30, 2015	64,500,000	11,855,847	14,548,245	90,904,092
Transaction with owners:				
10% Cash dividend paid for the year ended June 30, 2015	-	-	(6,450,000)	(6,450,000)
Total comprehensive income:				
Net profit for the year ended June 30, 2016	-	-	9,765,820	9,765,820
Unrealized gain on revaluation of investments -available for sale	-	26,187,882	-	26,187,882
Balance as at June 30, 2016	64,500,000	38,043,729	17,864,065	120,407,794
Transaction with owner:				
10% cash dividend paid for the year ended June 30, 2016	-	-	(6,450,000)	(6,450,000)
Share issue cost	-	-	(889,311)	(889,311)
Issued right shares	32,250,000	-	-	32,250,000
Total comprehensive income:				
Net profit for the year ended June 30, 2017	-	-	2,152,031	2,152,031
Unrealized (loss) on revaluation of investments -available for sale	-	(12,342,359)	-	(12,342,359)
Balance as at June 30, 2017	96,750,000	25,701,369	12,676,785	135,128,154

The annexed notes 1 to 37 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		3,799,311	11,625,786
Adjustment for non cash items:			
Depreciation		2,905,123	3,434,672
(Gain) on sale of property, plant and equipment		(5,805,882)	(2,136,765)
Finance cost		5,887,482	2,088,883
		2,986,722	3,386,790
Profit before changes in working capital		6,786,033	15,012,576
(Increase) / decrease in current assets			
Stock in trade		7,380,683	(336,390)
Trade debts		(33,524,909)	(9,229,764)
Loans and advances		1,208,946	-
Other receivables		(4,593,853)	(299,303)
		(29,529,132)	(9,865,458)
Increase / (decrease) in current liabilities			
Short term finance under mark-up arrangement		19,539,660	6,600,000
Payable against purchase of investment		24,413,799	-
Creditors, accrued and other payables		4,198,149	6,645,722
		48,151,608	13,245,722
Financial charges paid		(5,887,482)	(2,088,883)
Taxes paid		(4,750,165)	(5,955,561)
Net cash generated from operating activities		14,770,862	10,348,397
CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from issuance of right shares-net		31,360,689	-
Liabilities against assets subject to finance lease		(2,324,445)	2,324,445
Dividend paid		(6,211,760)	(6,188,975)
Net cash generated from / (used in) financing activities		22,824,484	(3,864,530)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(7,432,907)	(10,563,066)
Additions in investment		(6,313,831,042)	(120,938,653)
Disposal of investment		6,275,500,595	114,203,832
Proceeds from sale of property, plant and equipment		10,965,000	2,511,000
Long term deposits		506,200	(506,200)
Net cash (used in) investing activities		(34,292,154)	(15,293,087)
Net increase / (decrease) in cash and cash equivalents		3,303,192	(8,809,219)
Cash and cash equivalents at the beginning of the year		(2,966,701)	5,842,518
Cash and cash equivalents at the end of the year	26	336,491	(2,966,701)

The annexed notes 1 to 37 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1. STATUS AND NATURE OF BUSINESS

International Knitwear Limited (hereinafter referred as the Company or IKL) is a public limited company listed on Pakistan Stock Exchange. The Registered office of the Company is located at Plot # F-2A/L, SITE, Karachi. Its principal activities are knitting, dyeing, stitching, export of garments and providing dyeing facilities.

2. BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP), vide its Circular no. 17 of 2017 dated July 20, 2017 communicated Commission's decision that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

2.2 Standards, interpretations and amendments applicable to financial statements

The accounting policies adopted in the preparation of these financial statements are consistent with those financial statements of the previous financial year except as described below:

2.2.1 New standards, interpretations and amendments

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Company has adopted the following accounting standards and amendments which became effective for the current year.

IFRS - 10 Consolidated financial Statements. IFRS 12 Disclosure of Interests in Other Entities, and IAS 27 Separate Financial Statements: Investment Entities: Applying the consolidation Exception (Amendments).

IFRS- 11 Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment).

IAS- 1 Presentation of Financial Statements: Disclosure Initiative (Amendment)

IAS - 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment).

The adoption of the above accounting standards did not have any effect on the financial statements.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

2.2.2 Standards , interpretations and amendments to approved accounting standards that are not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Accounting standards and interpretations:	Effective date (Annual period beginning on or after)
IFRS 7 Financial Instruments- Disclosure initiative (Amendment)	January 01, 2017
IFRS 9 Financial Instruments - Amendments for incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	January 01, 2018

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

2.2.3 Accounting standards and interpretations:

Effective date (Annual period beginning on or after)

IFRS 9 Financial Instruments - Classification and Measurement	January 01, 2018
IFRS 15 Revenue from Contracts from customers	January 01, 2018
IFRS 16 Leases	January 01, 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below:

3.1 Accounting Convention

These financial statements have been prepared under the "historical cost convention" except investment available for sale and held for trading, which are carried at fair value. In these financial statements, except for the amounts reflected in cash flow statements, all the transactions have been accounted for on accrual basis.

3.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is Company's functional currency. All the financial information presented in Pakistani Rupee has been rounded off to nearest Rupee.

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- Provision for impairment of trade debts;
- Provision for obsolete inventory;
- Taxation; and
- Valuation of Work in Process.

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

3.3 Property, Plant and Equipment

Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method. In respect of additions, depreciation is charged from the month in which assets is put to use to the month prior to disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

Gain and loss arising on disposal of property, plant and equipment is included in income in the year of disposal.

Assets subject to finance lease

The Company accounts for fixed assets acquired under finance lease by recording the asset and the corresponding liability. These amounts are based on discounting value of minimum lease payments. Financial charges are allocated to the income in the period.

Capital work in progress

Capital work-in-progress is stated at cost accumulated up to the balance sheet date and represents expenditure incurred on property, plant and equipment in the course of construction. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation.

3.4 Stock-in-Trade

- a) Raw, Packing and other materials are valued at the lower of cost calculated on a first-in-first-out basis and net realizable value.
- b) Work in Process is valued at material cost plus estimated conversion cost.
- c) Finished Goods are valued at lower of cost and net realizable value (NRV). NRV signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.
- d) Stock-in-transit is valued at cost comprising invoice value plus other charges incurred thereon.

3.5 Trade Debts

Trade debts are carried at nominal values less provisions for doubtful debts. Known bad debts, if any, are written off and provision is made against debts considered doubtful. Provision for doubtful debts is based on management's assessment of customer's creditworthiness.

3.6 Staff Retirement Benefits

The Company operates an approved defined contributory provident fund scheme for eligible employees. Equal contributions are made to the fund by the Company and the employees at the rate of 8.33 % of basic salary.

3.7 Compensated Absences

The company has a policy to provide for compensated absences for all employees in accordance with the rules of the company.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

3.8 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation in accordance with the final tax regime, of the Income Tax Ordinance, 2001. Income not covered under final tax regime is taxed under normal regime.

Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date. However due to application of final tax basis of taxation, deferred taxation would not arise.

3.9 Borrowing Costs

Borrowing costs are recognized as expense in the period in which they are incurred, except to the extent that they are directly attributable to the construction of a qualifying asset in which case they are capitalized as part of the cost of that particular asset.

3.10 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, when it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

3.11 Foreign Currencies Translation

Transactions in foreign currencies are accounted for in Pak Rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the balance sheet date are expressed in rupees at rates of exchange prevailing on that date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange gains and losses are included in income currently.

3.12 Revenue Recognition

Revenue from export sales is recognized upon transfer of risks and rewards which coincides with shipment of goods.

Revenue from knitting and local sales is recognized on completion of services and delivery of goods.

Dividend income is recognized when the company's right to receive is established.

Bank profit and commission income is recognized on accrual basis.

3.13 Financial Instruments

Financial Assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date. These comprise investment in shares.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Financial Liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

Financial liabilities carried on the balance sheet include Medium term finances, short term finances under markup arrangements and trade and other payables.

3.14 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash balances, current and deposit account balances with banks, and Running finance facilities availed by the company, which form an integral part of company's cash management and are included as part of cash and cash equivalents for the purpose of statement of cash flow.

3.15 Off - Setting

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis, or to realize the asset and settle the liability simultaneously.

3.16 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.17 Related Party Transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances, where subject to the approval of the Board of Directors, it is in the interest of the company to do so.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

3.18 Impairment of Assets

The carrying value of fixed assets is reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If such indication exists and the carrying value exceeds the estimated recoverable amount, the assets are written down to the recoverable amount.

3.19 Segments Reporting

There are no reportable segments.

Dyeing segment was discontinued in the year 2012.

Method of pricing inter-segment transfer:

These are transferred on the basis of actual cost.

Basis for allocation for revenue and expenses:

Revenue in respect of each segment is separately identifiable. Expenses against knitting charges, dyeing and other charges, embroidery charges, stitching charges, clearing and forwarding charges, freight octroi and cartrage expenses are allocated on actual basis. However, depreciation and all other general expenses are allocated on pro-rata basis.

4. PROPERTY, PLANT AND EQUIPMENT	Note	2017 Rupees	2016 Rupees
Operating assets	4.1	23,704,246	24,250,580
Capital work in progress:			
- Building development charges	4.2	-	2,538,940
		<u>23,704,246</u>	<u>26,789,520</u>

4.1 Operating Assets

	OWNED ASSETS							LEASED ASSETS		Total	
	Leasehold Land	Factory Building	Plant and Machinery	Furniture and Fittings	Office Equipments	Motor Vehicles	Computers	Sub Total	Motor Vehicles		Sub Total
	-----Rupees-----										
Year ended June 30, 2017											
Opening net book amount	3,872,832	5,083,478	9,789,307	331,269	138,858	2,351,664	320,905	21,888,313	2,362,267	2,362,267	24,250,580
Additions	-	5,814,907	271,000	536,300	246,500	350,000	214,200	7,432,907	-	-	7,432,907
Disposals	-	-	(10,648,582)	-	-	(700,000)	-	(11,348,582)	(2,531,000)	(2,531,000)	(13,879,582)
Depreciation charge	(47,177)	(714,705)	(1,089,787)	(73,428)	(45,146)	(715,167)	(135,346)	(2,820,756)	(84,367)	(84,367)	(2,905,123)
Adjustment	-	-	7,852,364	-	-	700,000	-	8,552,364	253,100	253,100	8,805,464
Closing net book amount	3,825,655	10,183,680	6,174,302	794,141	340,212	1,986,497	399,759	23,704,246	-	-	23,704,246
At June 30, 2017											
Cost	4,717,652	17,242,060	12,962,517	1,481,967	695,372	6,595,090	993,900	44,688,578	-	-	44,688,578
Accumulated depreciation	(891,997)	(7,058,380)	(6,788,215)	(687,846)	(355,159)	(4,608,593)	(594,141)	(20,984,331)	-	-	(20,984,331)
Net book amount	3,825,655	10,183,680	6,174,302	794,141	340,212	1,986,497	399,759	23,704,246	-	-	23,704,246
Year ended June 30, 2016											
Opening net book amount	3,920,008	4,123,649	8,446,664	416,054	183,744	1,439,015	288,634	18,817,768	-	-	18,817,768
Additions	-	1,512,283	3,237,736	-	-	1,825,000	135,700	6,710,719	2,531,000	2,531,000	9,241,719
Disposals	-	-	(1,017,944)	-	-	(1,270,000)	-	(2,287,944)	-	-	(2,287,944)
Depreciation charge	(47,176)	(552,454)	(1,520,858)	(84,785)	(44,885)	(912,351)	(103,429)	(3,265,939)	(168,733)	(168,733)	(3,434,672)
Adjustment	-	-	643,709	-	-	1,270,000	-	1,913,709	-	-	1,913,709
Closing net book amount	3,872,832	5,083,478	9,789,307	331,269	138,858	2,351,664	320,905	21,888,313	4,724,534	2,362,267	24,250,580
At June 30, 2016											
Cost	4,717,652	11,417,153	23,340,099	945,687	448,872	6,945,090	779,700	48,604,253	2,531,000	2,531,000	51,135,253
Accumulated depreciation	(844,820)	(6,343,675)	(13,550,792)	(614,418)	(310,013)	(4,593,426)	(458,795)	(26,715,939)	(168,733)	(168,733)	(26,884,672)
Net book amount	3,872,832	5,083,478	9,789,307	331,269	138,858	2,351,664	320,905	21,888,313	2,362,267	2,362,267	24,250,580
Rate of depreciation	1%	5%	10%	10%	10%	20%	20%	20%	20%	20%	20%



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

4.1.1 Detail of Disposal of Property, Plant and Equipment

	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain	Commission	Net Gain / (Loss)	Mode of disposal	Particular of Purchaser
Rupees									
Plant and machinery									
Boiler	1,850,000	1,850,000	-	1,300,000	1,300,000	26,000	1,274,000	Negotiation	Pakistan Thermosole
Soft Flow/ Fongs 600Kgs	841,038	609,745	231,293						
Winch 400 Kgs	682,019	682,019	-						
Winch 500 Kgs	750,000	750,000	-	725,000	215,788	14,500	201,288	Negotiation	Mumtaz
Hydro Machine	244,800	51,000	193,800						
Calendar	165,500	81,371	84,129						
	2,683,347	2,174,135	509,212	725,000	215,788	14,500	201,288		
Tube Tex	4,628,358	3,509,838	1,118,520	4,300,000	3,181,480	-	3,181,480	Negotiation	Al Hadi Tex(Sarfraz Nawaz)
H.T Jet 250Kg Dyeing Machine	871,877	297,891	573,986	975,000	401,014	19,500	381,514	Negotiation	Al Fazal Dyeing
15 Stitching Machines Lock Stitch Single Needle									
Auto Trimmer	615,000	20,500	594,500	615,000	20,500	-	20,500	Negotiation	IBL Identity
	10,648,582	7,852,364	2,796,218	7,915,000	5,118,782	60,000	5,058,782		
Motor Vehicles									
Honda Civic For N.S	700,000	700,000	-	700,000	700,000	-	700,000	Negotiation	Habib Saitar
Motor Vehicles - Leased									
Honda For Ns	2,531,000	253,100	2,277,900	2,350,000	72,100	25,000	47,100	Negotiation	Shiraz Lalani
	13,879,582	8,805,464	5,074,118	10,965,000	5,890,882	85,000	5,805,882		

4.1.2 Segment wise Allocation of Depreciation charge for the year

	2017					2016				
	Export	Local	Total	Discontinued	Total	Export	Local	Total	Discontinued	Total
	72.80	27.20				56.17	43.83			
Rupees										
Lease hold land	20,608	7,699	28,306	18,871	47,177	7,950	6,202	14,152	33,024	47,176
Factory building	312,193	116,631	428,823	285,882	714,705	93,098	72,638	165,736	386,718	552,454
Plant and machinery	476,033	177,839	653,872	435,915	1,089,787	42,715	33,328	76,043	1,444,815	1,520,858
Cost of goods sold	808,834	302,168	1,111,002	740,667	1,851,669	143,763	112,168	255,931	1,864,557	2,120,488
Furniture and fittings	53,457	19,971	73,428	-	73,428	47,626	37,159	84,785	-	84,785
Office equipments	32,867	12,279	45,146	-	45,146	25,214	19,672	44,886	-	44,886
Motor vehicles	582,078	217,456	799,534	-	799,534	607,271	473,812	1,081,083	-	1,081,084
Computers	98,535	36,811	135,346	-	135,346	58,099	45,330	103,429	-	103,429
Admin and selling expenses	766,938	286,516	1,053,454	-	1,053,454	738,210	575,973	1,314,183	-	1,314,184
	1,575,771	588,685	2,164,456	740,667	2,905,123	881,973	688,141	1,570,114	1,864,557	3,434,672

Depreciation charge to dyeing segment (Cost of good sold) Rs. 740,667 (2016: 1,864,557).

4.2 Movement in Capital Work in Progress

	2017 Rupees	2016 Rupees
Opening balance	2,598,940	1,277,593
Add: Addition during the year	3,215,967	2,833,630
Less: Transfer to operating assets	(5,814,907)	(1,512,283)
	-	2,598,940

5. LONG TERM DEPOSITS

Security deposits	1,500,000	2,006,200
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5.1 This represents the security deposit held by Bank Al-Habib Limited against the guarantee it has provided to Sul Southern Gas Company Limited against supply of gas to the Company. The guarantee provided by the bank to SSGCL is of Rs. 3,000,000, while the bank has held 50% (i.e. Rs. 1,500,000) of this guarantee from the bank account of International Knitwear Limited as security deposit.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

6. INVESTMENTS	Note	2017 Rupees	2016 Rupees
Long term investments - available for sale			
Quoted Securities	6.1	35,182,728	75,568,993
Short term investments - held for trading			
Quoted Securities	6.2	74,141,170	-
Mutual funds	6.3	706,789	31,153
		<u>74,847,959</u>	<u>31,153</u>
		<u>110,030,687</u>	<u>75,600,145</u>

6.1 Available for sales - Quoted Securities

Number of Shares			2017 Rupees	2016 Rupees
2017	2016			
54,394	120,994	The Searle Company Ltd.	27,848,640	64,388,399
1,000	600	Shell Pakistan Ltd.	575,370	174,126
1,000	550	Fauji Fertilizer Company Limited	82,640	63,096
5,500	500	Attock Petroleum Ltd.	3,445,365	218,770
1,000	500	Engro Corporation Ltd.	325,910	166,484
-	2,500	Oil and Gas Development Company Ltd.	-	345,175
4,603	21,203	Pakistan Oilfields Ltd.	2,108,864	7,367,618
5,000	5,000	Pakistan Petroleum Ltd.	740,700	775,250
-	500	Pakistan State Oil Co. Ltd.	-	187,730
1,000	1,100	Engro fertilizer Ltd.	55,240	70,932
-	78,000	Jahangir Siddiqui and Co. Ltd.	-	1,544,401
-	600	ICI Pakistan Ltd.	-	267,013
			<u>35,182,728</u>	<u>75,568,993</u>

6.2 Held for trading - Quoted securities

Number of Shares			2017 Rupees	2016 Rupees
2017	2016			
141,738	-	The Searle Company Ltd.	72,567,021	-
35,000	-	Golden Arrow Slected Stock Fund	461,650	-
1,000	-	National Refinery Limited	725,990	-
1,000	-	Feroz Sons	386,509	-
			<u>74,141,170</u>	<u>-</u>

6.3 Held for trading - Mutual Funds

Number of Units			2017 Rupees	2016 Rupees
2017	2016			
-	481	AI Meezan M CPRFII	-	31,152
7,381.6	-	CDC-Trustee AKD Opportunity Fund	706,789	-
			<u>706,789</u>	<u>31,152</u>



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

7. STOCK IN TRADE	Note	2017 Rupees	2016 Rupees
Raw material		5,039,739	5,526,004
Work-in-process		12,584,465	17,623,034
Finished goods	7.1	2,939,054	4,794,903
		<u>20,563,258</u>	<u>27,943,941</u>
7.1. Finished goods			
Finished stock		877,894	1,449,828
Scrap / Left over stock		2,061,160	3,345,075
		<u>2,939,054</u>	<u>4,794,903</u>
8. TRADE DEBTS - CONSIDERED GOOD			
Export - secured, considered good		51,783,849	7,701,399
Gain on translation of export debtors		832,624	-
		52,616,473	7,701,399
Local - unsecured			
- Considered good		5,685,626	17,075,792
- Considered doubtful		2,255,364	3,230,364
		7,940,990	20,306,156
Less: Provision for bad debts	8.1	(2,255,364)	(3,230,364)
	8.2	<u>58,302,099</u>	<u>24,777,190</u>
8.1. Reconciliation of provision for impairment of trade debts			
Opening provision		3,230,364	4,687,728
Charged for the year		-	-
Reversal during the year		(975,000)	(1,457,364)
		<u>2,255,364</u>	<u>3,230,364</u>
8.2. Age analysis of trade debts is as follows:			
Not yet due		-	-
Past due			
- Upto 3 months		53,608,165	21,209,368
- 3 to 6 months		-	-
- 6 to 12 months		95,748	337,458
- More than one year		4,598,186	3,230,364
		<u>58,302,099</u>	<u>24,777,190</u>



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

9. LOANS AND ADVANCES	Note	2017 Rupees	2016 Rupees
LOANS - unsecured, considered good			
Loan to employees	9.1	1,131,000	1,526,000
ADVANCES - unsecured, considered good			
Advance to contractor, employees and supplier		893,770	1,688,549
Prepayments		81,375	100,542
		<u>2,106,145</u>	<u>3,315,091</u>
<p>9.1 The unsecured loans to employees are granted in accordance with the terms of employment. Loans are recoverable in monthly installments over a period ranging between 3 to 5 years and are interest free. The outstanding balance as at June 30, 2017 pertains to a period between 1 - 2 years.</p>			
10. OTHER RECEIVABLES			
Sales tax payable		(39,479)	-
Export rebate receivables		1,295,734	632,263
Research and development receivable		3,860,533	-
Other receivable		542,108	432,780
		<u>5,658,896</u>	<u>1,065,043</u>
11. CASH AND BANK BALANCES			
Cash in hand		27,103	43,233
With banks in:			
- Treasures call accounts (deposit accounts)	11.1	1,707,975	2,719,576
- Current accounts		101,413	199,001
		1,809,388	2,918,578
Security deposit	5.1	(1,500,000)	-
		<u>336,491</u>	<u>2,961,811</u>
<p>11.1 Deposit accounts carry profit of 3.75% per annum (2016: 3.50% to 3.75% per annum)</p>			
12. SHARE CAPITAL			
Authorized share capital			
Number of Shares			
<u>2017</u>	<u>2016</u>		
<u>20,000,000</u>	<u>10,000,000</u>	Ordinary Shares of Rs. 10/- each	<u>200,000,000</u> <u>100,000,000</u>
Issued, subscribed and paid-up share capital			
Number of Shares			
<u>2017</u>	<u>2016</u>		
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	3,225,000	Right shares of Rs. 10/- each fully paid in cash	64,500,000 32,250,000
<u>9,675,000</u>	<u>6,450,000</u>		<u>96,750,000</u> <u>64,500,000</u>



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

13. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 2017			June 2016		
	Minimum Lease Payments	Financial Charges	Principal	Minimum Lease Payments	Financial Charges	Principal
	----- Rupees -----					
Not later than one year	-	-	-	774,468	128,154	646,314
Later than one year but not later than five years	-	-	-	1,796,980	118,849	1,678,131
	-	-	-	2,571,448	247,003	2,324,445

13.1 The above represents finance lease entered with Bank Al-Habib for lease of motor vehicle. The liability under the agreement was payable by February 19, 2019 in monthly installments and was subject to annual finance charge rate of 9.16% (2016: 9.16%). However, the entire liability outstanding at the beginning of the year has been settled by way of early termination of the lease.

14. SHORT TERM FINANCE UNDER MARK-UP ARRANGEMENT

	Note	2017 Rupees	2016 Rupees
Running finance facility	14.1	568,172	5,928,512
Export refinance facility	14.2	34,000,000	9,100,000
		34,568,172	15,028,512

14.1 Limit Rs. 6 million.

Secured against hypothecation charge over stocks and equitable mortgage over factory property at Plot # F-2A/L, SITE, Karachi amounting to Rs.60 million (2016: Rs. 50 million) (with 50% margin), and lien over export documents and personal guarantees of Directors of the Company. The rate of mark-up is equal to 3 Months KIBOR + 2.5% p.a (2016: 3 Months KIBOR + 2.5% p.a). The facility is renewable and is valid till June 30, 2017.

14.2 Limit Rs. 34 million.

Secured against hypothecation charge over stocks and equitable mortgage over factory property at Plot # F-2A/L, SITE, Karachi amounting to Rs.60 million (2016: Rs. 50 million) (with 50% margin), and lien over export documents and personal guarantees of Directors of the Company. The rate of mark-up is equal to 3 Months KIBOR + 1.0% p.a (2016: 3 Months KIBOR + 1.0% p.a). The facility is renewable and is valid till June 30, 2017.

15. CREDITORS, ACCRUED AND OTHER PAYABLES

	Note	2017 Rupees	2016 Rupees
Creditors		26,229,936	25,237,276
Accrued expenses		5,541,802	6,761,793
Compensated absences payable		774,349	689,914
Other fund payable	15.1	243,798	164,154
Workers' profit participation fund	15.2	-	694,127
Workers' welfare fund		1,446,495	1,314,713
Advance from customers		340,000	385,154
Unclaimed dividend		1,315,823	1,077,583
Payable to director	15.3	4,900,000	-
Others		173,625	204,725
		40,965,828	36,529,439



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
15.1 Other Fund Payable		
Provident fund	238,636	158,992
EOBI payable	5,162	5,162
	243,798	164,154
15.2 Workers' Profit Participation Fund		
Opening balance	694,127	2,099,491
Provision for the year	-	694,127
	694,127	2,793,618
Less: Payments made during the year	(694,127)	(2,099,491)
	-	694,127

15.3 It represents the amount obtained from the director of the Company to meet the working capital requirement of the Company. It is interest free and payable on demand.

16. TAXATION		
Advance tax		
Less: provision for tax	14,884,817	11,994,617
Current year	(1,647,280)	(1,849,247)
Prior year	-	(10,719)
	(1,647,280)	(1,859,966)
	13,237,537	10,134,651

17. CONTINGENCIES AND COMMITMENTS

Commitments

There are no contingencies and commitments at the end of the year.

18. NET SALES	EXPORT		LOCAL		TOTAL	
	2017	2016	2017	2016	2017	2016
Note	----- Rupees -----					
Export	118,153,684	99,433,014	-	-	118,153,684	99,433,014
Sales local	-	-	46,099,278	82,832,640	46,099,278	82,832,640
Export rebates	1,382,777	406,323	-	-	1,382,777	406,323
Export R & D	3,860,533	-	-	-	3,860,533	-
	123,396,994	99,839,337	46,099,278	82,832,640	169,496,272	182,671,977
18.1 Sales local						
Local	-	-	43,657,957	84,069,371	43,657,957	84,069,371
Others	-	-	4,657,617	2,913,386	4,657,617	2,913,386
	-	-	48,315,574	86,982,757	48,315,574	86,982,757
Sales tax Local	-	-	1,996,119	4,008,805	1,996,119	4,008,805
Sales tax others	-	-	220,177	141,312	220,177	141,312
	-	-	2,216,296	4,150,117	2,216,296	4,150,117
	-	-	46,099,278	82,832,640	46,099,278	82,832,640

18.1.1 Others include scrap sales amounting to Rs. 772,983 (2016: Rs. 889,853)



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

EXPORT		LOCAL		TOTAL	
2017	2016	2017	2016	2017	2016
----- Rupees -----					

19. COST OF GOODS SOLD

Raw and packing material consumed

Opening stock	3,104,094	2,824,243	2,421,910	2,004,475	5,526,004	4,828,718
Purchases	53,311,501	42,336,319	19,916,382	33,032,093	73,227,883	75,368,412
Closing stock	(3,669,040)	(3,104,094)	(1,370,699)	(2,421,910)	(5,039,739)	(5,526,004)
	52,746,555	42,056,467	20,967,593	32,614,659	73,714,149	74,671,126

Salaries, allowances and benefits	12,321,344	9,419,730	4,603,070	7,349,561	16,924,414	16,769,291
Provident fund contribution	385,280	302,757	143,935	236,220	529,215	538,977
Knitting charges	1,796,151	1,679,048	671,015	1,310,045	2,467,166	2,989,093
Dyeing and other charges	16,375,139	11,449,313	6,117,508	8,933,105	22,492,647	20,382,418
Embroidery/ Printing charges	3,790,214	3,903,198	1,415,967	3,045,394	5,206,181	6,948,592
Stitching charges	21,863,355	16,288,734	8,167,824	12,708,969	30,031,179	28,997,703
Fuel and power	1,873,480	1,669,057	699,904	1,302,249	2,573,384	2,971,306
Communication	199,163	123,183	74,404	96,111	273,567	219,294
Postage & telegrams	260,870	378,291	97,457	295,154	358,328	673,445
Repairs and maintenance	694,740	523,025	259,545	408,081	954,285	931,106
Staff welfare and medical expenses	6,968	3,660	2,603	2,855	9,571	6,515
Motor vehicle and conveyance	672,675	641,232	251,301	500,308	923,976	1,141,540
Insurance	192,283	176,145	71,834	137,434	264,117	313,579
Depreciation	808,833	143,763	302,168	112,168	1,111,001	255,931
Clearing and forwarding	1,420,297	1,166,908	-	-	1,420,297	1,166,908
Freight, octroi and cartage	3,055,938	2,857,840	1,141,653	2,229,775	4,197,591	5,087,615
Export Development Charges	184,958	249,042	-	-	184,958	249,042
Factory Compliance expenses	306,960	102,420	114,676	79,911	421,636	182,331
Marketing expenses	66,658	84,048	24,902	65,577	91,560	149,625
Travelling expenses	692,936	770,677	258,871	601,305	951,807	1,371,982
Others	850,691	717,579	317,805	559,877	1,168,496	1,277,456
	67,818,932	52,649,649	24,736,443	39,974,101	92,555,375	92,623,749

Work-in-process

Opening stock	73,719	1,206,702	18,999,143	19,048,041	19,072,862	20,254,743
Closing stock	1,478,218	(73,719)	(14,062,683)	(18,999,143)	(12,584,465)	(19,072,862)
	1,551,937	1,132,983	4,936,460	48,898	6,488,397	1,181,881

Cost of goods manufactured

	122,117,425	95,839,099	50,640,496	72,637,657	172,757,921	168,476,757
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Finished goods

Opening stock	1,879,012	1,476,301	1,466,063	1,047,789	3,345,075	2,524,090
Closing stock	(2,139,696)	(1,879,012)	(799,359)	(1,466,063)	(2,939,054)	(3,345,075)
	(260,684)	(402,711)	666,704	(418,274)	406,021	(820,985)

COST OF GOODS SOLD

	121,856,741	95,436,388	51,307,201	72,219,383	173,163,942	167,655,772
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International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

20. ADMINISTRATIVE AND SELLING EXPENSES

Note	EXPORT		LOCAL		TOTAL	
	2017	2016	2017	2016	2017	2016
	Rupees					
Salaries, allowances and benefits	6,769,193	4,669,433	2,528,869	3,643,235	9,298,062	8,312,668
Provident fund contribution	303,926	227,291	113,542	177,340	417,468	404,631
Communication	211,166	86,320	78,888	67,350	290,054	153,670
Postage & telegrams	3,640	10,331	1,360	8,061	5,000	18,392
Staff welfare and medical expenses	66,053	9,269	24,677	7,232	90,730	16,501
Motor vehicle and conveyance	536,738	491,857	200,518	383,762	737,256	875,619
Repair and maintenance	41,356	132,690	15,450	103,528	56,806	236,218
Legal and professional charges	230,324	163,069	86,045	127,231	316,369	290,300
Auditors' remuneration	20.1 228,490	170,175	85,360	132,775	313,850	302,950
Depreciation	4.1.2 766,938	738,209	286,517	575,974	1,053,455	1,314,183
Printing and stationery	128,178	94,118	47,885	73,434	176,063	167,552
Advertisement and publicity	101,668	78,263	37,982	61,064	139,650	139,327
Fee, subscription and periodicals	362,887	507,349	135,569	395,849	498,456	903,198
Rent, rate and taxes	-	2,809	-	2,191	-	5,000
Insurance	63,723	75,285	23,806	58,739	87,529	134,024
Others	122,554	281,003	45,784	219,247	168,338	500,250
	9,936,833	7,737,471	3,712,253	6,037,012	13,649,086	13,774,483

20.1 Auditors' Remuneration

	2017 Rupees	2016 Rupees
Annual audit	187,500	187,500
Half yearly review	70,000	70,000
Out of pocket expenses	32,000	30,000
Sales tax on audit and review fee	20,600	15,450
	310,100	302,950

21. OTHER INCOME

	EXPORT		LOCAL		TOTAL	
	2017	2016	2017	2016	2017	2016
	Rupees					
Income From Financial Assets						
Profit on bank accounts	88,910	79,430	33,216	61,973	122,126	141,403
Dividend income	21.1 1,808,919	639,030	675,785	498,590	2,484,704	1,137,620
Other income	271,001	302,688	101,242	236,166	372,243	538,854
Gain on disposal of investment	21.2 14,199,606	5,809,336	5,304,761	4,532,622	19,504,367	10,341,958
Reversal of provision against doubtful debts	-	-	975,000	1,457,364	975,000	1,457,364
Gain on translation of foreign currency debtors	832,624	-	-	-	832,624	-
Income From Non-Financial Assets						
Gain on disposal of property, plant and equipment	558,830	624,919	208,770	487,581	767,600	1,112,500
	17,759,890	7,455,402	7,298,774	7,274,297	25,058,664	14,729,699

21.2 Gain on disposal of investment

	2017	2016
Investments available for sale	11,328,208	10,341,958
Investments held for trading		
-Quoted securities	8,789,039	-
-Mutual funds	(612,880)	-
	8,176,159	-
	19,504,367	10,341,958



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

22. FINANCE COST

	EXPORT		LOCAL		TOTAL	
	2017	2016	2017	2016	2017	2016
	----- Rupees -----					
Mark-up on export refinance	319,670	112,780	119,424	87,994	439,095	200,774
Mark-up on running finance	331,615	182,639	123,887	142,500	455,502	325,139
Bank charges on export remittances	1,025,778	278,780	-	-	1,025,778	278,780
Bank charges	370,288	315,090	138,334	245,843	508,622	560,933
Mark-up on liability against asset subject to finance lease	44,897	28,984	16,773	22,614	61,670	51,598
Exchange (loss)-net	67,845	153,752	-	-	67,845	153,752
Brokerage and other charges	338,447	290,921	126,439	226,986	464,886	517,907
Mark-up on MTS shares	2,085,116	-	778,968	-	2,864,084	-
	4,583,657	1,362,946	1,303,825	725,937	5,887,482	2,088,883

23. OTHER CHARGES

Workers' profit participation fund	-	389,908	-	304,219	-	694,127
Workers' welfare fund	95,940	148,165	35,842	115,603	131,782	263,768
	95,940	538,074	35,842	419,821	131,782	957,895

24. SEGMENT INFORMATION

A segment is a distinguishable component of the company that is engaged in business activities from which the Company earns revenues and incur expenses and its results are regularly reviewed by the Company's Chief Operating Decision Maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment.

There are no reportable segments as at balance sheet date.

25. (LOSS) / EARNINGS PER SHARE-BASIC AND DILUTED

From continuing operations

	Note	2017 Rupees	2016 Rupees
Profit after taxation		(1,657,921)	11,064,677
Weighted average number of shares		8,721,270	6,450,000
Earnings per share		(0.19)	1.72

From discontinued operation

(Loss) / profit for the year		3,809,951	(1,298,857)
Weighted average number of shares		8,721,270	6,450,000
Earnings per share		0.44	(0.20)

26. CASH AND CASH EQUIVALENTS

	Note	2017 Rupees	2016 Rupees
Cash and bank balances	11	336,491	2,961,811
Running finance facility	14.1	(568,172)	(5,928,512)
		(231,681)	(2,966,701)



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits to the Chief executive, Director and Executives of the Company are as follows:

	2017			2016		
	Directors	Chief Executive	Executives	Directors	Chief Executive	Executives
	----- Rupees -----					
Basic salary	936,774	2,593,548	2,977,742	936,774	2,977,778	1,477,859
Allowances	515,226	1,426,452	1,637,758	515,226	1,042,222	706,141
Company's contribution to provident fund	78,065	216,129	248,145	78,065	248,148	123,155
Medical expenses	5,190	85,540	5,120	-	-	-
fees	-	-	-	-	-	-
managerial remuneration	-	-	-	-	-	-
commission or bonus	-	-	-	-	-	-
reimbursable expenses which are in the nature of a perquisite or benefit	-	-	-	-	-	-
other perquisites and benefits in cash or in kind stating their nature and, where practicable, their approximate money values	-	-	-	-	-	-
	1,535,255	4,321,669	4,868,765	1,530,065	4,268,148	2,307,155
Number of person(s)	1	1	4	1	1	2

27.1 A sum of Rs. 39,000 (2016: Rs. 54,000) was paid being fee for attending the Board of Directors' meeting.

27.2 Chief executive and Other Executives are provided with free use of Company maintained cars. They are also entitled for medical facility to the extent of reimbursement of actual expenditure and other benefits in accordance with their terms of employment.

27.3 Executive means an employee other than Chief Executive and Director whose basic salary exceeds five hundred thousand rupees in the financial year.

28. DISCONTINUED OPERATIONS

In December 2012 the company decided to discontinue its dyeing segment. However, the criteria for classifying the assets as held for sale under IFRS 5 could not be met by the company so the assets are not classified as held for sale.

Furthermore all asset belonging to discontinued operations have been sold completely and currently no asset is held by the Company relating to the discontinued operation.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

29. PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS

	Note	2017 Rupees	2016 Rupees
Net Sales		-	-
Cost of goods sold	29.1	(1,228,331)	(2,323,122)
Gross (loss)		(1,228,331)	(2,323,122)
Other income	29.2	5,038,282	1,024,265
Profit / (loss) before taxation		3,809,951	(1,298,857)
Taxation		-	-
Profit / (loss) from discontinued operation		3,809,951	(1,298,857)
29.1 COST OF GOODS SOLD			
Salaries, allowances and benefits		360,000	360,000
Repairs and maintenance		127,664	98,565
Depreciation	4.1.2	740,667	1,864,557
COST OF GOODS SOLD		1,228,331	2,323,122
29.2 OTHER INCOME			
Income From Non-Financial Assets			
Gain on disposal of property, plant and equipment	4.1.1	5,038,282	1,024,265
		5,038,282	1,024,265

30. 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:

	2017 Rupees	2016 Rupees
Balances:		
Provident Fund - outstanding balance	238,636	158,992
Payable to chief executive	4,900,000	-
Transactions:		
Contribution to staff retirement benefit plans	946,683	943,608
Key management personnel's remuneration and other benefits	27 6,404,020	3,837,219
Amount paid to chief executive against repayment of temporary advance	5,275,000	-
Amount received from chief executive - temporary advance	10,175,000	-



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

31. PROVIDENT FUND RELATED DISCLOSURES	Un-audited 2017	Audited 2016
The following information is based on latest un-audited financial statements of fund:		
Size of the fund - total assets	4,751,678	3,775,057
Percentage of investment made	45.33%	26.98%
Fair value of investments	2,153,988	1,018,400

The cost of above investments amounted to Rs. 2,500,000 (2016: Rs. 1,000,000).

The breakup of fair value of investment is:

	2017 Percentage	2016 Percentage		
CDC-Trustee AKD Opportunity Fund	28.74%	-	619,072	-
Investment in Shares	71.26%	100.00%	1,534,916	1,018,400
	<u>100.00%</u>	<u>100.00%</u>	<u>2,153,988</u>	<u>1,018,400</u>

The investments out of provident fund have not been made in accordance with the provisions of Section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose.

32. FINANCIAL INSTRUMENTS

Financial risk management objective and policies

The Board of Directors of the company have overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's activities expose it to a variety of liquidity risk, credit risk, financial risk, and market risk (including currency risk, interest rate risk and price risk). Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

32.1 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents. The following are the contractual maturities of financial assets and financial liabilities.

(i) On balance sheet assets and liabilities:

Effective rate of interest %	2017						Total
	INTEREST/MARK-UP BEARING			NON-INTEREST/MARK-UP BEARING			
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
	----- Rupees -----						

Financial assets:

Long term deposits	-	-	-	-	1,500,000	1,500,000	1,500,000	
Long term investments	-	-	-	74,847,959	35,182,728	110,030,687	110,030,687	
Trade debts	-	-	-	58,302,099	-	58,302,099	58,302,099	
Other receivables	-	-	-	5,658,896	-	5,658,896	5,658,896	
Cash and bank balances	3.75%	1,707,975	-	1,707,975	128,516	-	128,516	1,836,491
		<u>1,707,975</u>	<u>-</u>	<u>1,707,975</u>	<u>138,937,470</u>	<u>36,682,728</u>	<u>175,620,198</u>	<u>177,328,173</u>

Financial liabilities:

Liability against assets subject to finance lease	1 year KIBOR+ 2.5%	-	-	-	-	-	-	-
Short term finance under mark-up arrangement	3 Months KIBOR +2.5% & SBP rate +1%	34,568,172	-	34,568,172	-	-	-	34,568,172
Creditors, accrued and other payables		-	-	-	40,965,828	-	40,965,828	40,965,828
		<u>34,568,172</u>	<u>-</u>	<u>34,568,172</u>	<u>40,965,828</u>	<u>-</u>	<u>40,965,828</u>	<u>75,534,000</u>
Sensitivity gap		<u>(32,860,197)</u>	<u>-</u>	<u>(32,860,197)</u>	<u>97,971,642</u>	<u>36,682,728</u>	<u>134,654,370</u>	<u>101,794,173</u>

(ii) Off balance sheet liabilities as stated in note 17 amounts to Rs. Nil.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

(i) On balance sheet assets and liabilities:

Effective rate of interest %	2016						Total
	INTEREST/MARK-UP BEARING			NON-INTEREST/MARK-UP BEARING			
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
	----- Rupees -----						

Financial assets:

Long term deposits	-	-	-	-	-	2,006,200	2,006,200	2,006,200
Long term investments	-	-	-	-	75,600,145	75,600,145	151,200,290	151,200,290
Trade debts	-	-	-	-	24,777,190	-	24,777,190	24,777,190
Other receivables	-	-	-	-	4,380,134	-	4,380,134	4,380,134
Cash and bank balances	3.5%	2,719,576	-	2,719,576	242,234	-	242,234	2,961,811
		<u>2,719,576</u>	<u>-</u>	<u>2,719,576</u>	<u>104,999,704</u>	<u>77,606,345</u>	<u>182,606,049</u>	<u>185,325,626</u>

Financial liabilities:

Liability against assets subject to finance lease	1 year KIBOR+ 3%	646,314	1,678,131	2,324,445	-	-	-	2,324,445
Short term finance under mark-up arrangement	3 Months KIBOR +2.5% & SBP rate +1%	15,028,512	-	15,028,512	-	-	-	15,028,512
Creditors, accrued and other payables		694,127	-	694,127	36,198,715	-	36,198,715	36,892,842
		<u>16,368,953</u>	<u>1,678,131</u>	<u>18,047,084</u>	<u>36,198,715</u>	<u>-</u>	<u>36,198,715</u>	<u>54,245,799</u>
Sensitivity gap		<u>(13,649,376)</u>	<u>(1,678,131)</u>	<u>(15,327,507)</u>	<u>68,800,989</u>	<u>77,606,345</u>	<u>146,407,334</u>	<u>131,079,827</u>

(ii) Off balance sheet liabilities as stated in note 17 amounts to Rs. Nil.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

32.2 Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to its trade debts and balances at banks. Local Credit sales are essentially to Khaadi. Receivable from export sales are secured against letter of credit. The credit risk on liquid funds is limited because counter parties are banks with reasonably high credit ratings.

i) Exposure to credit risk

The carrying amount of financial assets represents maximum credit exposure. The maximum exposure to credit risk at the date of reporting is as follows:

	2017 Rupees	2016 Rupees
Financial assets:		
Trade debts	58,302,099	24,777,190
Other receivables	5,658,896	4,380,134
	<u>63,960,995</u>	<u>29,157,325</u>

As on June 30, 2017, trade debts of Rs. 57,469,475 (2016: 24,777,190) were past due but not impaired.

32.3 Market Risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Financial assets include Rs. 51,783,849 (2016 : Rs. 7,701,399) which are subject to currency risk.

(ii) Interest rate risk

Interest rate risk represents the risk that are fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

However, company do possess short term interest bearing financial liabilities which includes Rs. 39,468,172 (2016: Rs. 15,674,826) which are subject to interest rate risk. Applicable interest rate for financial instruments have been indicated in respective notes.

(iii) Other price risk

Price risk represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

32.4 Capital Risk Management

The Company's objective when managing capital are to safeguard the Company's ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the company may adjust the amount of dividends paid to shareholders, issue new share and take other measures commensurating to the circumstances.

The capital structure of the Company is equity based. It has financed all its projects and business expansion through equity financing and never resorted on debt financing. Company has availed short-term borrowing for working capital purposes only.

Fair value of financial assets and liabilities

The carrying value of financial assets and liabilities approximate their fair value.

33. CAPACITY AND PRODUCTION	Installed capacity	Actual production	
		2017	2016
Export and local (Pcs.)	660,000	433,353	464,737
34. NUMBER OF EMPLOYEES			
Number of employees of the company as at balance sheet date are:			
- Permanent Employees		76	69
- Contractual employees		72	138
Average number of employees of the company at the balance sheet date are:			
- Permanent Employees		75	65
- Contractual employees		80	96



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

35. Corresponding figures

Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However no significant reclassification has been made except the following;

<u>Reclassification from</u>	<u>Reclassification to</u>	<u>in "Rupees"</u>
Advances, deposits, prepayments and other receivables	Loans and advances	2,106,145
Advances, deposits, prepayments and other receivables	Other receivables	5,658,896
Creditors accrued and other payables - others	Payable against purchase of investment	363,403

36. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the board of directors of the Company and authorized for issue on September 29, 2017.

37. FIGURES

37.1 Figures have been rounded off to the nearest of rupees.

37.2 Some of the previous year figures have been reclassified and re-arranged to facilitate better presentation in the current year.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director



International Knitwear Limited

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2017

Nos of Shareholders	Shareholdings'Slab			Total Shares Held
249	1	to	100	7,161
218	101	to	500	57,135
635	501	to	1000	359,541
98	1001	to	5000	223,836
24	5001	to	10000	186,444
7	10001	to	15000	80,735
6	15001	to	20000	102,845
11	20001	to	25000	246,857
1	25001	to	30000	30,000
3	35001	to	40000	112,468
6	40001	to	45000	257,158
1	45001	to	50000	46,500
2	60001	to	65000	124,031
4	70001	to	75000	294,008
1	85001	to	90000	85,466
1	90001	to	95000	92,000
1	100001	to	105000	100,382
2	105001	to	110000	217,599
1	110001	to	115000	113,686
1	130001	to	135000	132,225
1	155001	to	160000	158,500
1	160001	to	165000	162,780
2	210001	to	215000	430,000
1	235001	to	240000	238,000
1	320001	to	325000	322,500
1	425001	to	430000	430,000
1	585001	to	590000	585,165
1	665001	to	670000	669,792
1	820001	to	825000	823,653
1	895001	to	900000	896,461
1	2085001	to	2090000	2,088,072
1284				9,675,000



International Knitwear Limited

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2017

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
NAEEM AHMED SHAFI	5	844,044	8.72
WASEEM SHAFI	2	43,233	0.45
MUHAMMAD SHAFI	1	16,125	0.17
JAVED KHAN	2	8,089	0.08
ARSHAD AHMED	1	1,500	0.02
MOHAMMAD SAJID HUSSAIN	1	1,500	0.02
JAVED AKHTAR MALIK	1	750	0.01
HUMAIRA SHAFI	3	1,068,742	11.05
BUSHRA SHAFI	1	3,870	0.04
NOOR SHAFI	1	16,125	0.17
Associated Companies, undertakings and related parties	0	-	-
Executives	-	-	-
Public Sector Companies and Corporations	1	823,653	8.51
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	4	407,460	4.21
Mutual Funds	-	-	-
General Public			
a. Local	1256	6,407,740	66.23
Foreign Investor	-	-	-
OTHERS	5	32,169	0.33
Totals	1284	9,675,000	100.00

Share holders holding 5% or more	Shares Held	Percentage
RASHID ABDULLA	2,162,072	22.35
FAISAL ABDULLAH	645,000	6.67
HUMAIRA SHAFI	1,068,742	11.05
KHALID MALIK	704,035	7.28
NAEEM SHAFI	844,044	8.72
FIRST UDL MODARABA	823,653	8.51



International Knitwear Limited

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2017

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Directors and their spouse(s) and minor children				
1	01826-52175	NAEEM AHMED SHAFI	9,000	0.09
2	2	NAEEM SHAFI	669,792	6.92
3	520	NAEEM AHMED SHAFI	1,722	0.02
4	3041	NAEEM AHMED SHAFI	750	0.01
5	03277-44659	NAEEM AHMED SHAFI	162,780	1.68
6	1	WASEEM SHAFI	39,468	0.41
7	3025	WASEEM SHAFI	3,765	0.04
8	2911	MUHAMMAD SHAFI	16,125	0.17
9	2982	JAVED KHAN	1,500	0.02
10	10629-132285	JAVED KHAN	6,589	0.07
11	2983	ARSHAD AHMED	1,500	0.02
12	2981	MOHAMMAD SAJID HUSSAIN	1,500	0.02
13	3040	JAVED AKHTAR MALIK	750	0.01
14	19	HUMAIRA SHAFI	896,461	9.27
15	2910	HUMAIRA SHAFI	63,531	0.66
16	01826-12062	HUMAIRA SHAFI	108,750	1.12
17	20	BUSHRA SHAFI	3,870	0.04
18	2913	NOOR SHAFI	16,125	0.17
			18	20.71
Associated Companies, undertakings and related parties				
			0	-
Executive				
			NIL	-
Public sector companies and corporations				
1	03277-1651	FIRST UDL MODARABA	823,653	8.51
			1	8.51
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds				
1	02139-29	PREMIER INSURANCE LIMITED	158,500	1.64
2	02113-21	FIRST EQUITY MODARABA	238,000	2.46
3	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	10,893	0.11
4	03889-28	NATIONAL BANK OF PAKISTAN	67	0.00
			4	4.21
Mutual Funds				
			NIL	-
Foreign Investor				
			NIL	-
Others				
1	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	382	0.00
2	02113-3843	APEX FINANCIAL SERVICES (PVT.) LIMITED	11,500	0.12
3	05728-24	STOCK STREET (PRIVATE) LIMITED	537	0.01
4	02113-3611	First UDL Modaraba Staff Provident Fund	1,500	0.02
5	03277-89483	TRUSTEES OF FIRST UDL MODARABA STAFF PROVIDENT FUND	18,250	0.19
			5	0.33
General Public Local			1256	66.23
Total			1284	100.00



International Knitwear Limited

FORM OF PROXY 27th ANNUAL GENERAL MEETING

I/We _____ son/daughter/wife/husband of _____, Shareholder of International Knitwear Limited, holding _____ ordinary shares hereby appoint _____ who is my _____ [state relationship (if any) with the proxy; required by Government regulations] and the son / daughter / wife / husband of _____, (holding _____ ordinary shares in the Company under Folio No. _____) [required by Government] as my / our proxy, to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 28th, 2017 and / or any adjournment thereof.

Signed this _____ day of _____ 2017.

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of Shares held	
				Signature over Revenue Stamp

Witness 1

Signature _____

Name _____

CNIC No. _____

Address _____

Witness 2

Signature _____

Name _____

CNIC No. _____

Address _____

- Notes:
1. The proxy must be a member of the Company.
 1. The signature must tally with the specimen signature/s registered with the company.
 1. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number along with attasted photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
 1. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.



International Knitwear Limited

پراکسی فارم

میں/ہم ولد/بنت/زوجہ/شوہر.....، انٹرنیشنل نٹ ویئر لمیٹڈ کاشیئر ہولڈر ہوں، میرے پاس
..... عمومی حصص ہیں، میں ولد/بنت/زوجہ/شوہر، حامل شناختی کارڈ
نمبر..... کو اپنا پراکسی مقرر کر رہا ہوں (پراکسی کے ساتھ کوئی رشتہ داری ہو تو ظاہر کریں کیونکہ یہ حکومتی ضوابط کے تحت لازمی ہے) جس کے پاس فولیو
نمبر..... (حکومت کے ضوابط کے مطابق فولیو نمبر لکھنا لازمی ہے) کے تحت..... عمومی حصص ہیں جو میری/ہماری جانب سے 28 اکتوبر 2017 کو منعقد
ہونے والے سالانہ اجلاس عام میں شرکت کرے گا اور میری/ہماری طرف سے ووٹ دے گا یا برخاستگی کرے گا۔
مورخہ: 2017 کو میں/ہم نے دستخط کئے۔

فولیو نمبر	سی ڈی سی شراکت دار آئی ڈی نمبر	سی ڈی سی اکاؤنٹ/ذیلی اکاؤنٹ نمبر	حصص کی تعداد

گواہ نمبر ۱	گواہ نمبر ۲
..... دستخط دستخط
..... نام نام
..... CNIC نمبر CNIC نمبر
..... پتہ پتہ
.....

ضروری گزارشات:

- ۱- پراکسی لازمی طور پر کمپنی کا ممبر ہو۔
- ۲- دستخط کا کمپنی کے ریکارڈ میں موجود نمونہ دستخط سے مماثل ہونا لازمی ہے۔
- ۳- اگر کوئی ایسا ممبر پراکسی کو مقرر کرتا ہے جس کے حصص سینٹرل ڈپازٹری کمپنی آف پاکستان میں جمع ہیں، تو پھر پراکسی کو شراکت دار کا آئی ڈی نمبر اور سی ڈی سی اکاؤنٹ نمبر/ذیلی اکاؤنٹ نمبر کے ساتھ اشغالی مالک کی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپیاں ہمراہ لائے گا۔ کارپوریٹ ممبر کی صورت میں ضروری عمومی دستاویز اس مقصد کے لئے لانا ضروری ہے۔
- ۵- مکمل پڑ کیا ہوا پراکسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل جمع کروا دیا جائے۔



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ڈائریکٹرز رپورٹ

4	جناب جاوید خان
3	جناب جاوید اختر ملک
4	جناب محمد ساجد حسین
3	جناب ارشد احمد
4	جناب محمد شفیع

مزید، جو ڈائریکٹر کسی اجلاس میں حاضر نہ ہو سکے انہیں رخصت کی منظوری دے دی گئی۔

انسانی وسائل اور معاوضہ کمیٹی

بورڈ نے کاروباری نظم و نسق کے ضابطوں کے مطابق انسانی وسائل اور معاوضہ کمیٹی تشکیل دی ہے، جس میں مندرجہ ذیل تین ڈائریکٹر شامل ہیں:

اجلاس کی تعداد (حاضری)

2	ممبر کا نام
2	جناب محمد ساجد حسین
2	جناب محمد شفیع
2	جناب جاوید اختر ملک

آئینی آڈیٹرز

موجودہ آڈیٹر، آریس ایم او ایس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہیں، انہوں نے مالی سال 30 جون 2018 کے لئے دوبارہ اپنی تقرری کی پیشکش کی ہے۔

حصص داری کی ساخت

کمپنی کی حصص داری کی ساخت برائے 30 جون 2017 بمع ضروری معلومات کے اس رپورٹ کے ساتھ منسلک کر دی گئی ہے۔ کمپنی کے ریکارڈ کے مطابق 30 جون 2017 کو حصص یافتگان کو تعداد 1,284 تھی۔

مستقبل کے امکانات

اگرچہ عالمی منڈی میں برآمدت کو سخت مسابقت کا سامنا ہے لیکن آپ کی کمپنی اپنی پیش قدمی اقدامات کے ذریعے ان چیلنجز کا مقابلہ کرے گی اور اپنی حکمت عملی کو منتخب برانڈز/گاہکوں پر مرکوز رکھے گی۔ ہمارا عدم ہے کہ مستقبل میں پائیدار اور منافع بخش نمو کا سفر جاری رہے۔ نئے شعبہ جات کے قیام اور نئے گاہکوں کی آمد سے انشاء اللہ فروخت کے حجم میں اضافہ ہوگا۔

اظہار تشکر

ڈائریکٹرز تمام کسٹمرز، پیکرز اور دیگر مستفیدان کا شکر گزار ہیں جنہوں نے نہ صرف مسلسل تعاون کیا بلکہ حوصلہ افزائی بھی کی اور کمپنی کے تمام ملازمین کی انتھک محنت کی قدر دانی کرتے ہیں۔

برائے اور منجانب بورڈ
نیم شفیع
چیف ایگزیکٹو

کراچی، ستمبر 29، 2017



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ڈائریکٹرز رپورٹ

- ضابطہ برائے کاروباری نظم و نسق کی شق XVI کے تحت کاروباری نظم و نسق کے بہترین طور طریقوں کی پاسداری بورڈ اس بات کا بخوشی اقرار کرتا ہے کہ کمپنی کی انتظامیہ کاروباری نظم و نسق کے بہترین طور طریقوں کی پاسداری کر رہی ہے۔ بورڈ کاروباری نظم و نسق اور مالیاتی رپورٹنگ کے ضابطوں کے سلسلے میں اپنی ذمہ داریوں کو تسلیم کرتا ہے اور اقرار کرتا ہے کہ
- ☆ کمپنی کی انتظامیہ کے تیار کئے گئے مالیاتی گوشوارے متعلقہ معاملات، آپریشنز کے نتائج، کیش کی آمد و رفت اور ایکویٹی میں تبدیلی کو واضح طور پر ظاہر کرتے ہیں۔
 - ☆ حسابات کی کتابیں درست انداز میں رکھی گئی ہیں۔
 - ☆ درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران کو ملحوظ خاطر رکھا گیا ہے اور مالیاتی گوشواروں اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
 - ☆ مالیاتی گوشواری کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے اور کسی بھی قسم کے انحراف کو مناسب انداز میں منکشف کیا گیا ہے اور وضاحت کی گئی ہے۔
 - ☆ اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
 - ☆ کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔
 - ☆ کاروباری نظم و نسق کے بہترین طور طریقے جن کی وضاحت پاکستان اسٹاک ایکچینج رول بک میں کی گئی ہے، سے کوئی بڑا انحراف نہیں کیا گیا۔
 - ☆ کمپنی کی انتظامیہ اچھے کاروباری نظم و نسق پر عمل پیرا ہے اور بہترین طور طریقوں کی پاسداری کے لئے مناسب اقدامات کئے گئے ہیں۔
 - ☆ قانونی واجبات کی ادائیگیوں کو مالیاتی گوشواروں میں مناسب انداز میں منکشف کیا گیا ہے۔
 - ☆ کاروباری نظم و نسق کے بہترین طور طریقوں سے کوئی بڑا انحراف نہیں ہوا۔
- ڈائریکٹرز کا تریخی پروگرام

آڈٹ کمیٹی

کمیٹی تین ممبروں پر مشتمل ہے۔ کمیٹی کے چیئرمین سمیت تمام غیر عامل ڈائریکٹرز ہیں۔

بورڈ آف ڈائریکٹرز کی کمیٹی کی شرائط و ضوابط کا تعین پاکستان اسٹاک ایکچینج رول بک میں دی گئی ہدایات کے مطابق کیا گیا ہے اور کمیٹی کو ان پر عمل پیرا رہنے کا مشورہ دیا گیا ہے۔ دوران سال کمیٹی کے چار اجلاس ہوئے:

ممبر کا نام	اجلاس کی تعداد (حاضری)
جناب ارشد احمد	4
جناب وسیم شفیع	4
جناب جاوید اختر ملک	4

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس ہوئے جس میں ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	اجلاس کی تعداد (حاضری)
جناب وسیم شفیع	4
جناب وسیم شفیع	4



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ڈائریکٹرز رپورٹ

گزشتہ چھ سالوں کا اہم مالیاتی اور کاروباری معلومات کا مختصر آسرسری جائزہ
گزشتہ چھ سالوں کا اہم مالیاتی اور کاروباری معلومات کا مختصر آسرسری جائزہ اور بشمول جائزہ سال کے مالیاتی نتائج درج ذیل ہے:

2012	2013	2014	2015	2016	2017	
-----'000'-----						
						استعمال کئے گئے اثاثے
51,714	35,399	23,272	20,095	26,850	23,704	پراپرٹی، پلانٹ اینڈ ایکویٹمنٹ
-	-	-	-	-	-	غیر مرئی اثاثے
398	560	1,054	42,677	75,600	35,183	طویل المیعاد سرمایہ کاریاں
1,608	1,608	1,608	1,500	2,006	1,500	طویل المیعاد جمع شدہ رقومات
(3,882)	(3,986)	11,689	26,631	17,630	74,741	جاری اثاثے
49,838	33,580	37,623	90,904	122,086	135,128	کل استعمال شدہ اثاثے
						استعمال شدہ سرمایہ
32,250	32,250	32,250	64,500	64,500	96,750	جاری کردہ، وصول شدہ اور ادا شدہ سرمایہ
16,755	1,195	4,915	14,548	17,864	12,677	ذخائر اور غیر اختصاص شدہ منافع
(1)	136	458	11,856	38,043	25,701	سرمایہ کاری کی از سر نو تعین قدر پر منافع
49,004	33,581	37,623	90,904	120,407	135,128	حصص یافتگان کی ایکویٹی
833	-	-	-	1,679	-	طویل المیعاد اور پس پشت ذمہ داریاں
49,837	33,581	37,623	90,904	122,086	135,128	کل استعمال شدہ سرمایہ
						کل فروخت
158,340	105,441	145,539	184,118	182,672	169,496	منافع / (خسارہ) قبل از ٹیکس
7,984	-13,192	4,696	11,639	11,626	3,799	منافع / (خسارہ) بعد از ٹیکس
6,826	-13,948	3,720	9,798	9,766	2,152	آمدنی فی حصص
2.12	(4.33)	1.15	2.05	1.52	0.25	خالص آمدنی فیصد
4.3%	-13.2%	2.6%	5.3%	5.3%	1.3%	استعمال شدہ سرمایہ پر منافع
13.7%	-41.5%	9.9%	10.8%	8.0%	1.6%	منافع مضممہ
						نقد (فیصد)
5%	0%	0%	10%	10%	0%	اشاک (فیصد)
0%	0%	0%	0%	0%	0%	



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ڈائریکٹرز رپورٹ

آمدن فی حصص

آمدن فی حصص بعد از ٹیکس 0.25 روپے (2016 میں 1.52 روپے) رہی۔ آمدن فی حصص میں کمی کی وجہ سے دوران سال منافع میں کمی تھی۔

دیگر آمدن

سرمایہ کاریوں سے حاصل ہونے والا آمدنی اور وصول شدہ منافع منقسمہ سے ظاہر ہوتا ہے کہ نچلے درجے سے سرمایہ کاری کی حکمت عملی کا کمپنی کے مالی منفعت میں ایک بڑا اہم عنصر رہا ہے۔

سرمایہ کاری سے حاصل ہونے والی آمدنی 17.77 ملین روپے رہا جو کہ سابقہ سال 10.34 ملین روپے تھی اور دوران سال منافع منقسمہ 2.48 ملین جبکہ گزشتہ سال 1.13 ملین روپے تھا۔

سرمایہ سے اثاثوں کی خرید

کمپنی اپنی پیداواری سہولیات میں وسعت اور قیمتی اشیاء بنانے کے لئے کوشاں ہے اس مقصد کے لئے نئی سلائی مشینیں اور دیگر اثاثوں میں اضافہ کیا گیا جن کی مالیت 7.43 ملین روپے ہے۔

منقطع آپریشنز

2012 میں منقطع ہونے والے آپریشن کے باقی اثاثوں کو مالیاتی سال 2016-17 میں فروخت کر دیا گیا۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ ستمبر 29، 2017 میں منقسمہ سال 30 جون 2017 کے لئے کسی منافع منقسمہ کی سفارش نہیں کی۔

ویب سائٹ

تمام مستفیدان اور عام عوام IKL کی سہولت کے لئے ویب سائٹ www.internationalknitwear.com بنائی گئی ہے جس میں کمپنی کی مصنوعات سے متعلق معلومات، سالانہ، ششماہی اور سہ ماہی مالیاتی گوشوارے موجود ہیں۔

بعد کے واقعات

مالی سال کے اختتام اور اور اس رپورٹ کی تاریخ کے دوران کوئی بڑی تبدیلیاں اور واقعات رونما نہیں ہوئے جو کمپنی کی مالی پوزیشن پر اثر انداز ہوتے ہوں۔



International Knitwear Limited

ڈائریکٹرز رپورٹ

السلام علیکم!

انٹرنیشنلٹ ویئر لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنی رپورٹ کے ساتھ کمپنی کے اختتامہ سال 30 جون 2017 کے آڈٹ شدہ مالیاتی گوشورے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

ڈائریکٹران کی رپورٹ کمپنیز آرڈیننس 1984 کی زبردفعہ 236، پاکستان اسٹاک ایکسچینج لمیٹڈ کے ضابطہ 5.19.11 اور کاروباری نظم و نسق کے ضابطوں کی شق xvi کے تحت تیار کی گئی ہے۔

مالیاتی کارکردگی

2016	2017	
(روپے)	(روپے)	
182,671,977	169,496,272	خالص فروخت
15,016,205	(3,667,670)	خام (خسارہ)/ منافع
11,064,677	(1,657,921)	(خسارہ)/ منافع بعد از ٹیکس
(1,298,857)	3,809,951	(خسارہ)/ منافع منقطع آپریشنز کے ذریعے
9,765,820	2,152,030	اس سال کا منافع
1.52	0.25	آمدن فی حصص

کاروبار کا عمومی جائزہ

سال اختتامہ 30 جون 2017ء کی مالیاتی جھلکیاں درج ذیل ہیں:

مندرجہ بالا تخمینہ شدہ اعداد سے ظاہر ہوتا ہے کہ کمپنی کی خالص فروخت 169.49 ملین روپے رہی جو کہ گزشتہ سال 182.67 ملین روپے تھی اور اس کا منافع قبل از ٹیکس 2.15 ملین روپے رہا جو کہ گزشتہ سال 9.76 روپے ملین تھا۔

سابقہ سال اختتامہ 30 جون 2016 کی بہ نسبت موجودہ سال فروخت میں 13.17 ملین روپے کی کمی واقع ہوئی۔ سابقہ سال کی بہ نسبت موجودہ سال میں کمپنی کے خام منافع میں 18.68 ملین روپے کی کمی ہوئی۔ کمپنی کی مجموعی کارکردگی وباؤ کا شکار رہی۔ فروخت میں کمی کی اہم وجہ یہ تھی کہ کچھ بالائی مصارف کو گرفت میں نہیں لایا گیا۔ اس کا جو کہ اب تغیر پذیر ہے جس کے نتیجے میں کچھ گاہکوں کو چھوڑنا پڑا اور کچھ نئے کلائنٹس کو شامل کرنا پڑا جو کہ مستقبل میں فائدہ مند ثابت ہوگا۔

انتظامیہ پر امید ہے کہ فروخت کے حجم میں متوقع اضافے اور منڈی کی صورتحال پر توجہ مرکوز کر کے موجودہ مسائل پر قابو پایا جائے گا اور مثبت نمو حاصل کرنے کے لئے نمایاں کوششوں کے ذریعے کارکردگی کو بہتر بنایا جائے گا انشاء اللہ۔



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