

International Knitwear Limited



ANNUAL REPORT 2018



International Knitwear Limited

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International Knitwear Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Waseem Shafi Mr. Naeem Shafi Mr. Javed Khan Mr. Muhammad Shafi Mr. Muhammad Sajid Hussain Mr. Arshad Ahmed Mr. Javed Akhter Malik	Chairman Chief Executive
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Mr. Javed Khan	
AUDIT COMMITTEE	Mr. Arshad Ahmed Mr. Waseem Shafi Mr. Javed Akhter Malik	Chairman
HR & REMUNERATION COMMITTEE	Mr. Muhammad Sajid Hussain Mr. Muhammad Shafi Mr. Javed Akhter Malik	Chairman
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 Shahra-e-Faisal, Karachi-74400	
WEBSITE	www.internationalknitwear.com	



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 **Twenty Eight (28th) Annual General Meeting** of International Knitwear Limited will be held on **Saturday, October 27, 2018 at 18:00 hours at F-2A/L S.I.T.E Karachi** to transact the following business:

ORDINARY BUSINESS

1. To confirm minutes of the Annual General Meeting held on October 28, 2017.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2018, together with the Directors' and Auditors' reports thereon.
3. To declare and approve final cash dividend @ 5% i.e. PKR 0.50 per share for the year ended June 30, 2018, as recommended by the Board of Directors.
4. To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2019. The present auditors M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants, retire and being eligible have offered themselves for reappointment.
5. To elect seven (7) Directors of the Company as fixed by the Board pursuant to the provisions of Section 159 of the Companies Act, 2017 for a term of three (3) years commencing immediately after the conclusion of the meeting. The names of retiring Directors are as follows:
 1. Mr. Waseem Shafi
 2. Mr. Naeem Shafi
 3. Mr. Javed Khan
 4. Mr. Muhammad Shafi
 5. Mr. Muhammad Sajid Hussain
 6. Mr. Arshad Ahmed
 7. Mr. Javed Akhter Malik
6. To transact any other business with the permission of the Chair.

By Order of the Board

Javed Khan
Company Secretary

Karachi: October 06, 2018



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. ELECTION OF DIRECTORS

Nomination / Notice of intention to offer himself/herself for election as a director in terms of Section 159(3) of the Companies Act, 2017, shall be filed, with the Company at the Registered Office, F-2A/L S.I.T.E, Karachi, by a member, not later than fourteen (14) days before the date of the above said meeting, along with:

- Consent to act as director on Form-28 duly completed and signed by the candidate as required under section 167(1) of the Companies Act, 2017.
- Candidates detailed profile along with his/her office address as required under SECP's SRO 634(I)/2014 dated July 10, 2014.
- Signed declaration to the effect that the candidate is aware of the duties and powers of directors under the Companies Act, 2017, Memorandum and Articles of Association of the Company, Rule Book of Pakistan Stock Exchange Limited, the Listed Companies (Code of Corporate Governance) Regulations, 2017 and other relevant laws and regulations.
- Signed declaration to the effect that the candidate is compliant with the requirements and eligibility criteria as set out in the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2017 to be appointed as a Director/Independent Director of the listed Company.
- Copy of valid CNIC/Passport and NTN.

Following additional documents are to be submitted by the candidate(s) intending to contest election of directors as an independent director:

- Declaration under Regulation 6(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2017 that the candidate qualifies the criteria of independence notified under the Companies Act, 2017; and
- Undertaking on non-judicial stamp paper that the candidate meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

2. CLOSURE OF SHARE TRANSFER BOOK

The Register of Members of the Company will remain closed and no transfer of shares will be accepted for registration from October 20, 2018 to October 27, 2018 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar:

M/s Central Depository Company of Pakistan Limited

Share Registrar Department

CDC House, 99-B, Block 'B', S.M.C.H.S,

Main Shahra-e-Faisal, Karachi-74400.

Telephone (Toll Free) 0800-23275 / Fax: (92-21) 34326053

Email: info@cdcpak.com / Website: www.cdcpakistan.com

at the close of business on **October 19, 2018** will be treated in time for the purpose of determination of entitlement to the transferees.



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

3. FOR APPOINTING PROXIES

A member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint a proxy to attend, speak and vote instead of him/her. A proxy need not be a member.

Proxy in order to be effective must be duly signed, witnessed, stamped and deposited at the office of the Share Registrar not less than 48 hours before the meeting.

The shareholder/proxy shall produce his/her original CNIC or passport at the time of the meeting.

CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING:

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 CDC Regulations, shall authenticate his identity by showing his original

- Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. FOR APPOINTING PROXIES:

- 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 CDC Regulations, shall submit the proxy form as per the above requirements
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport, of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. VIDEO-LINK FACILITY

At least seven days prior to the date of the meeting, on the demand of members residing in a city who hold at least ten percent of the total paid up capital of the Company, the facility of video-link will be provided to such members in that city enabling them to participate in the annual general meeting through video-link facility.



NOTICE OF ANNUAL GENERAL MEETING

5. FORM OF PROXY

Form of proxy is annexed at the end of annual report as well as available at Company's website i.e., www.internationalknitwear.com

6. CHANGE OF ADDRESS

Members are requested to promptly notify to the Company's Share Registrar of any change in their addresses.

7. COMPUTERIZED NATIONAL IDENTITY CARD NUMBER /NATIONAL TAX NUMBER

In compliance with regulatory directives issued from time to time, members who have not yet provided their Computerized National Identity Card (CNIC) Numbers and/or National Tax Numbers (NTN), as the case may be, are requested to kindly provide copies of their valid CNIC and/or NTN certificates at the earliest as follows:

- The shareholders who hold Company's shares in physical form are requested to submit the above information to the Share Registrar at the address mentioned above.
- Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit the above information directly to relevant Participant/CDC Investor Account Service.

8. PAYMENT OF CASH DIVIDEND ELECTRONICALLY – COMPULSORY

Members of the Company are hereby requested to comply with the provisions of Section 242 of the Companies Act, 2017 and provide the particulars of their bank accounts through E-Dividend Form annexed at the end of annual report as well as available at Company's website i.e., www.internationalknitwear.com as dividends payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders instead of through issuance of Dividend Warrants. In the absence of bank account details or in case of incomplete details, the Company will be constrained to withhold the payment of cash dividend of those shareholders who have not provided the same.

9. DEDUCTION OF INCOME TAX FOR FILER AND NON-FILER AT REVISED RATES

The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment are as follows:

1.	Rate of tax deduction for filers of income tax returns	15%
2.	Rate of tax deduction for non-filers of income tax returns	20%

In case of Joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total Shares	Principal shareholder		Joint Shareholder	
			Name & Shareholding CNIC No. Proportion (no. of shares)		Name & Shareholding CNIC No. Proportion (no. of shares)	



NOTICE OF ANNUAL GENERAL MEETING

The CNIC/NTN number is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued and updated by the Federal Board of Revenue (FBR) from time to time.

10. EXEMPTION FROM DEDUCTION OF INCOME TAX/ZAKAT

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

11. UNCLAIMED SHARES / DIVIDEND

Members of the Company are informed that in compliance with the provisions of Section 244 of the Companies Act, 2017, shares / dividend which remain unclaimed or unpaid for a period of three years from the date it is due and payable will be vested with the Federal Government after lapse of the time period as prescribed by the Securities and Exchange Commission of Pakistan, if no claim is made by respective members. Accordingly, all those members whose shares / dividend remain unclaimed or unpaid for the mentioned period are once again requested to lodge their claims as the Company has already dispatched notices in this respect to all such shareholders at their last known addresses, where available with the Company.

12. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE

The audited financial statements of the Company for the year ended June 30, 2018 have been placed at the Company's website www.internationalknitwear.com.

13. TRANSMISSION OF ANNUAL REPORT ELECTRONICALLY

The SECP vide SRO 787 (1)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Accordingly, members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website www.internationalknitwear.com, to the Company's Share Registrar. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

14. VOTING THROUGH POSTAL BALLOT

In accordance with Companies (Postal Ballot) Regulations, 2018, members may cast their votes through postal ballot. If required, ballot papers will be published in newspapers and requisite information will be made available as per the procedures and timelines provided under the said regulations.



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, 2018.

Financial performance

	2018 Rupees	2017 Rupees
Net sales	393,230,773	169,496,272
Gross profit /(loss)	58,810,769	(3,667,670)
Other income	(16,506,278)	25,058,664
Profit/(loss) after taxation	13,404,982	2,152,031
Net earnings per share	1.39	0.25

Business overview

Financial highlights of the year ended June 30, 2018 are summarized below:

The figures calculated above reveal that during the year the Company posted net sales amounting to Rs. 393.23 million as compared to Rs. 169.49 million and operating profit for the year Rs. 41.81 million as compared to loss of Rs. 17.32 million for the corresponding period last year.

Sales recorded an increase of Rs.223.74 million in the current year as compared to sales in the previous year ended 30, June 2017. Gross profit of the Company reported Rs.58.81 million in the current year as compared to gross loss of Rs.3.67 million of the last year.

International Knitwear has gradually demonstrated strength, with solid growth in top line over the years. The Company has made this possible through the contribution of all our business segments applying the best-selling proficiency together with technical and commercial skills to create value for customers.

The reporting year is comparatively better year due to financial performance of the Company. Despite of the global economic slackness profit after tax of the Company is Rs.13.40 million (after absorbing unrealized loss of Rs. 22.30 million from other Income segment in investments of stocks)

Export Sales

Inspite of unprecedented prices in the international market we managed in increasing our Export sales to Rs.210.52 million against Rs.123.39 million showing an increase of Rs.70.61 million or 57.22% over last year. This increase in sales reflects on the quality and acceptability of finished goods by our customer.



International Knitwear Limited

DIRECTORS' REPORT

Local sales

The continued focus on local sales and providing quality products to the renowned branded stores of Pakistan, the Company has achieved local sales of Rs.182.71 million against Rs.46.09 million when compared with last year, showing an increase of Rs.136.62 million or 296.42% over corresponding period.

Earnings per share

Earnings per share after taxation is Rs. 1.39 as compared to Rs. 0.25 in the last year yielding 456% improved earnings for the shareholders.

Other Income

In other income the company realized and unrealized loss of Rs. 22.30 million against gain of Rs.17.77 million in the corresponding period last year. Dividend income during the year was Rs. 1.45 million against Rs. 2.48 million against the corresponding period last year.

Capital Expenditure

The Company during the year made capital investment of Rs.5.85 million for expanding manufacturing capacity, enhancing productivity and improving plant efficiency.

Dividend

The Board of Directors is pleased to announce a final cash dividend for the year ended June 30, 2018 at 5% i.e. Re.0.50 per share (2017 Rs. Nil) in its meeting held on September 28, 2018.

Communication

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Act 2017. The activities of the Company are updated on its website at www.internationalknitwear.com in a designated section for investors containing relevant information on timely basis.

Material Changes

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

Health, Safety and Environment

We strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who work with us as well as of the communities where we operate.



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:

	2018	2017	2016	2015	2014	2013
	'000'					
ASSETS EMPLOYED						
Property, plant and equipment	25,728	23,704	26,850	20,095	23,272	35,399
Intangible assets	-	-	-	-	-	-
Long-term investments	23,011	35,183	75,600	42,677	1,054	560
Long-term deposits	1,500	1,500	2,006	1,500	1,608	1,608
Net current assets	26,228	74,741	17,630	26,631	11,689	(3,986)
Total assets employed	76,467	135,128	122,086	90,904	37,623	33,580
FINANCED BY						
Issued, subscribed and paid up capital	96,750	96,750	64,500	64,500	32,250	32,250
Reserve and un-appropriated profit	17,764	4,359	17,864	14,548	4,915	1,195
Gain on revaluation of investments	(16,506)	25,701	38,043	11,856	458	136
Shareholder's equity	98,008	126,810	120,407	90,904	37,623	33,581
Long term and deferred liabilities	-	-	1,679	-	-	-
Total capital employed	98,008	126,810	122,086	90,904	37,623	33,581
Turnover	393,230	169,496	182,672	184,118	145,539	105,441
Profit/(loss) before tax	17,337	3,799	11,626	11,639	4,696	-13,192
Profit/(loss) after tax	13,404	2,152	9,766	9,798	3,720	-13,948
Earning per share	1.39	0.25	1.52	2.05	1.15	(4.33)
Net income %	3.4%	1.3%	5.3%	5.3%	2.6%	-13.2%
Return on capital employed	13.67%	1.7%	8.0%	10.8%	9.9%	-41.5%
Dividend						
Cash (%)	5%	0%	10%	10%	0%	0%
Stock (%)	0%	0%	0%	0%	0%	0%



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.
- The Company has maintained proper books of account.
- 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.
- There has been no material departure from the best practices of corporate governance as detailed in the Book Pakistan Stock Exchange.
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- There is no doubt about the Company's ability to continue as a going concern.
- Information about taxes and levies is given in notes to the accounts.

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

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

Meetings attended

4
4
4

The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to share-holders, systems of internal control and risk management and the audit process. It has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the chairman of the Committee reports to the Board. The Committee met 4 times during 2017-18.

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

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

Meetings attendance

4
4
4
3
3
3
4

Performance Evaluation of Board of Directors and Committees of the Board

The evaluation of Board's role of oversight and its effectiveness is continual process, which is appraised by the Board itself. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation for sustainable operation;
- Board's independence; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference.



DIRECTORS' REPORT

Review of CEO 's Performance

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning and corporate success.

Directors' Remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meeting. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors and CEO in 2017-18, please refer notes to the Financial Statements.

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:

Meetings attendance

Mr. Muhammad Sajid Hussain	1
Mr. Muhammad Shafi	1
Mr. Javed Akhter Malik	1

The Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remunerations to the executive director and members of the management committee. The Committee met once during 2017-18.

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

A statement showing the pattern of shareholding in the Company and additional information as on June 30, 2018 is annexed to this report.

There were 1,282 shareholders on the record of the Company as at 30th June 2018.

Future outlook

The textile industry, one of the major contributors in the Country's economy needs to focus on value added products as there is potential in the international market. However this would only be possible with the support of the Government with commitment to policy implementation, improved energy supply and helping exporters to build competitive cost advantage.

Despite challenges faced by our Country and industry the Company has been successful in maintaining increase in turnover when compared with corresponding period last year.

The management remains committed to increase the sales & performance of the Company by utilizing its resources efficiently and investment in value addition of the existing facilities to cope with growing demands of our products.

Hence we are looking forward to the next year with immense optimism and enthusiasm.

Acknowledgments

The Board thanks all staff members and workers for excellent performance during challenging times and look forward to achieve further goals in future.

On behalf of the Board, I would like to record my gratitude to extremely valued shareholders, customers, suppliers, contractors, bankers and other stakeholders for their support, trust and confidence. Thanks are also due to all the employees for their loyalty, dedication and hard work which enabled the Company to achieve its objectives.

For and on behalf of the Board

NAEEM SHAFI
Chief Executive

Karachi: September 28, 2018



International Knitwear Limited

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:

Male: 7 (Seven)

Female: 0 (Zero)

2. The composition of board is as follows:

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

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company.
4. 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 supporting policies and procedures.
5. 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.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. 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. The Board has complied with the requirements of Act and the Regulations with respect to frequency, record in and circulating minutes of meeting of the Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.



International Knitwear Limited

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

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.
10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CEO and CFO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Audit Committee

Arshad Ahmed (Chairman)

Waseem Shafi

Javed Akhter Malik

HR and Remuneration Committee

Muhammad Sajid Hussain (Chairman)

Muhammad Shafi

Javed Akhter Malik

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
 - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2018
 - b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2018
15. The Board has setup an effective internal audit function which is considered suitably qualified, experienced for the purpose and conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), and registered with Audit Oversight Board of Pakistan, 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.



International Knitwear Limited

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditor has confirmed that they have observed IFC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with except for the following towards which reasonable progress is being made by the Company to seek compliances by the year end of next accounting year June 30, 2019:
- a) A formal and effective mechanism is not in place for an annual evaluation of board's own performance, member's of board and of its committees.
 - b) The level of materiality has not been defined, keeping in view the specific circumstances of the Company and the recommendations of any technical or executive sub-committee of the board that may be set up for the purpose.
 - c) Chairman of Audit Committee is not an independent director
 - d) Chairman of Human Resource and Remuneration Committee is not an independent director
 - e) No record is in place for particulars of the significant policies.
 - f) The functions of the CFO and company secretary are handled by same persons.

NAEEM SHAFI
Chief Executive

Karachi: September 28, 2018



International Knitwear Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of International Knitwear Limited (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems 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 risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instances of non-compliance with the requirement(s) of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:



International Knitwear Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

S#	Paragraph reference	Description
I.	18 (a)	A formal and effective mechanism is not in place for an annual evaluation of board's own performance, member's of board and of its committees, however, reasonable progress is being made by the Company to seek compliances by the end of next accounting year ended June 30, 2019.
II.	18 (b)	The level of materiality has not been defined and the reasonable progress is being made by the Company to seek compliances by the end of next accounting year ended June 30, 2019.
III.	18 (c)	Chairman of Audit Committee is not an independent director and reasonable progress is being made by the Company to seek compliances by the end of next accounting year ended June 30, 2019.
IV.	18 (d)	Chairman of Human Resource and Remuneration Committee is not an independent director and reasonable progress is being made by the Company to seek compliances by the end of next accounting year ended June 30, 2019.
V.	18 (e)	No record is in place for particulars of the significant policies and reasonable progress is being made by the Company to seek compliances by the end of next accounting year ended June 30, 2019.
VI.	18 (f)	The functions of the CFO and company secretary are handled by same person and reasonable progress is being made by the Company to seek compliances by the end of next accounting year ended June 30, 2019.

Engagement Partner: Adnan Zaman
Chartered Accountants

Karachi.

Date: September 28, 2018



International Knitwear Limited

AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the annexed financial statements of International Knitwear Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



AUDITORS' REPORT TO THE MEMBERS

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p>Companies Act, 2017 <i>(Refer note 3.2.1 to the financial statements)</i></p> <p>The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of annual financial statements.</p> <p>As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous and the current Fourth Schedule and as a result certain amendments relating to presentation and disclosures were made in the Company's annexed financial statements.</p> <p>In view of the various new disclosures presented in the financial statements, we considered it as a key audit matter.</p>	<p>We reviewed and understood the requirements of the Fourth Schedule to the Companies Act, 2017. Our audit procedures included the following:</p> <ul style="list-style-type: none">-Considered the management's process to identify the additional disclosures required in the Company's financial statements;-Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence; and-Verified on test basis the supporting evidence for the additional disclosure and ensured appropriateness of the disclosures made.
2.	<p>Revenue <i>(Refer note 19 to the financial statements)</i></p> <p>The Company's revenue has increased significantly from Rs. 169.496 million for June 30, 2017, to Rs. 393.230 million for June 30, 2018.</p> <p>We identified this area as key audit matter because of the above reason.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">-Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls;-Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents;-Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period;-Comparing the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation;



AUDITORS' REPORT TO THE MEMBERS

		<p>-Comparing a sample of revenue transactions recorded during the year to trade debtors recorded during the year; and</p> <p>-Confirming the amounts of unpaid accounts receivable as of the end of the reporting period directly from both local and export trade debtors.</p>
3.	<p>Stock in trade <i>(Refer note 9 to the financial statements)</i></p> <p>Stock in trade includes:</p> <ul style="list-style-type: none">- raw materials mainly comprising yarn, fabric, lycra, accessories; and- work-in-process mainly comprising grey cloth and dyed yarn. <p>Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">-Attending physical inventory counts performed by the Company;-Obtaining and reviewed the inventory count report of the management and assessed its accuracy on a sample basis;-Ensuring cut off particulars noted during attendance at client's physical count agree with accounting records;-Ensuring correct classification between raw materials and finished goods;-Ensuring that proper provision has been made for slow moving, obsolete and damaged inventory or items selling below cost;-Comparing inventory cost to sales prices from subsequent sales invoices, price lists, and customer contracts;-Performing NRV test to ensure that the inventory is valued at lower of cost and NRV; and-Verifying appropriateness of allocation of raw materials, work-in-process and finished goods.



AUDITORS' REPORT TO THE MEMBERS

<p>4.</p>	<p>Short term investment <i>(Refer note 8 to the financial statements)</i></p> <p>Short term investment is considered a key audit matter due to complex transactions and its inherent risky nature.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">-Selecting a sample of additions from the schedule and agreeing the amounts recorded and the date of acquisition with supporting documentation;-Selecting a sample of disposals and agreeing with supporting documentation and testing accuracy of the recorded gain or loss;-Ensuring that the financial asset is initially measured at fair value adjusted by financing fees and transactions costs (unless it is subsequently measured at fair value);-Ensuring that the asset is subsequently measured at amortized cost except for equity securities quoted in an active market (measured at fair value);-Ensuring that assets held for trading are reported at fair value with changes recognized in net income;-Ensuring assets available for sale are reported at fair value with changes recognized in other comprehensive income. Securities with no quoted marked price in an active market are reported at cost;-Confirming significant investments held by third parties, including description and number of each investment held; and-Ensuring that dividends have been properly accrued.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



AUDITORS' REPORT TO THE MEMBERS

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

-Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

-Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

-Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

-Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



International Knitwear Limited

AUDITORS' REPORT TO THE MEMBERS

-Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is Adnan Zaman.


Chartered Accountants

Karachi.

Date: September 28, 2018



International Knitwear Limited

BALANCE SHEET AS AT JUNE 30, 2018

ASSETS	Note	2018 Rupees	Restated 2017 Rupees
Non-Current Assets			
Property, plant and equipment	6	25,728,306	23,704,246
Long term deposits	7	1,500,000	1,500,000
Long term investments	8	23,011,500	35,182,729
		50,239,806	60,386,975
Current Assets			
Stock in trade	9	50,619,309	20,563,258
Short term investments	8	26,228,324	74,847,959
Trade debts - considered good	10	69,310,130	58,302,099
Loans and advances	11	2,387,520	2,106,145
Other receivables	12	11,273,510	5,698,375
Taxation - net	17	18,230,723	13,237,537
Cash and bank balances	13	1,661,962	336,491
		179,711,478	175,091,864
TOTAL ASSETS		229,951,285	235,478,839
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	14	96,750,000	96,750,000
Reserves		17,764,403	4,359,421
		114,514,403	101,109,421
Unrealized gain on revaluation of investments-available for sale		19,958,702	25,701,369
		134,473,105	126,810,790
Current Liabilities			
Short term finance under mark-up arrangement	15	19,195,460	34,568,172
Payable against purchase of investment		-	33,094,570
Creditors, accrued and other payables	16	74,966,895	39,689,484
Unclaimed dividend	36	1,315,823	1,315,823
		95,478,179	108,668,049
Contingencies and Commitments			
	18	-	-
TOTAL EQUITY AND LIABILITIES		229,951,285	235,478,839

The annexed notes 1 to 39 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



International Knitwear Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
Continuing Operations			
Net sales	19	393,230,773	169,496,272
Cost of goods sold	20	(334,420,004)	(173,163,942)
Gross (loss) / profit		58,810,769	(3,667,670)
Administrative and selling expenses	21	(17,001,302)	(13,649,086)
Operating profit/ (loss)		41,809,467	(17,316,756)
Other income	22	(16,506,278)	25,058,664
Unrealized (loss) on revaluation of investments held for trading		(384,716)	(1,733,285)
		(16,890,994)	23,325,379
		24,918,474	6,008,624
Finance cost	23	(6,296,250)	(5,887,482)
Other charges	24	(1,284,934)	(131,782)
		(7,581,184)	(6,019,264)
Profit/ (loss) before taxation from continuing operation		17,337,290	(10,640)
Taxation	17	(3,932,308)	(1,647,280)
Profit/ (loss) after taxation from continuing operation		13,404,982	(1,657,920)
Discontinued Operations			
Profit from discontinued operations	30	-	3,809,951
Profit for the year		13,404,982	2,152,031
Earnings/ (loss) per share - basic and diluted			
From continuing operations	26	1.39	(0.19)
From discontinued operation	26	-	0.44

The annexed notes 1 to 39 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



International Knitwear Limited

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rupees	2017 Rupees
Profit after taxation for the year	13,404,982	2,152,031
Reclassifiable to profit and loss account		
Unrealized (loss) on remeasurement of investments	(5,742,669)	(12,342,359)
Total comprehensive income for the year	7,662,313	(10,190,328)

The annexed notes 1 to 39 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



International Knitwear Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2018

	Issued, Subscribed and Paid up Share Capital	Unrealized (loss) on revaluation of investments available for sale	Unappropriated profit	Total
----- Rupees -----				
Balance as at June 30, 2016	64,500,000	38,043,729	17,864,065	120,407,794
<u>Transaction with owners:</u>				
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
<u>Total comprehensive income:</u>				
Net profit/(loss) for the year ended June 30, 2017 before restatement		-	2,152,032	2,152,032
Effect of restatement due to prior period error (refer note 5)		-	(8,317,364)	(8,317,364)
Net (loss) for the year ended June 30, 2017 - restated	-	-	(6,165,332)	(6,165,332)
Unrealized (loss) on revaluation of investments - available for sale	-	(12,342,359)	-	(12,342,359)
Balance as at June 30, 2017- restated	96,750,000	25,701,370	4,359,421	126,810,792
<u>Total comprehensive income:</u>				
Net profit for the year ended June 30, 2018	-	-	13,404,981	13,404,981
Unrealized (loss) on revaluation of investments - available for sale	-	(5,742,669)	-	(5,742,669)
Balance as at June 30, 2018	96,750,000	19,958,702	17,764,403	134,473,105

The annexed notes 1 to 39 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



International Knitwear Limited

STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		17,337,290	3,799,311
Adjustment for non cash items:			
Depreciation		3,042,377	2,905,123
(Gain) on sale of property, plant and equipment		(132,600)	(5,805,882)
Other income		(5,278,454)	-
Finance cost		6,296,250	5,887,482
		<u>3,927,573</u>	<u>2,986,723</u>
Profit before changes in working capital		21,264,863	6,786,034
(Increase) / decrease in current assets			
Stock in trade		(30,056,051)	7,380,683
Trade debts		(11,008,031)	(33,524,909)
Loans and advances		(281,375)	1,208,946
Other receivables		(5,575,135)	(4,593,853)
		<u>(46,920,592)</u>	<u>(29,529,133)</u>
Increase / (decrease) in current liabilities			
Short term finance under mark-up arrangement		(15,372,712)	19,539,660
Payable against purchase of investment		(33,094,570)	24,413,799
Creditors, accrued and other payables		<u>35,277,411</u>	<u>4,198,149</u>
		<u>(13,189,870)</u>	<u>48,151,608</u>
Financial charges paid		(6,296,250)	(5,887,482)
Taxes paid		(8,925,495)	(4,750,165)
Net cash inflow from / (used in) operating activities		(54,067,345)	14,770,862
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)
Dividend paid		-	(6,211,760)
Net cash (used in) / inflow from financing activities		-	22,824,484
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(5,851,087)	(7,432,907)
Additions in investment		(467,905,437)	(6,313,831,042)
Disposal of investment		528,232,090	6,275,500,595
Proceeds from sale of property, plant and equipment		917,250	10,965,000
Long term deposits		-	506,200
Net cash (used in) investing activities		55,392,816	(34,292,154)
Net (decrease)/ increase in cash and cash equivalents		1,325,471	3,303,192
Cash and cash equivalents at the beginning of the year		336,491	(2,966,701)
Cash and cash equivalents at the end of the year	27	<u>1,661,962</u>	<u>336,491</u>

The annexed notes 1 to 39 form an integral part of these financial statements.

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director & Chief Financial Officer



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1. STATUS AND NATURE OF BUSINESS

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

We are leaders in creating, developing and manufacturing knitted and woven apparel products right from basic to highly fashioned garments. We are engaged in the export of quality garments. We have established a name of credentials owing to the projected commitments, working speed and quality practices. Our operating philosophy is to provide buyers with products that meet their specification, and are reliably delivered at a reasonable price in domestic and international markets.

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

The financial position and performance of the Company was affected by the following events and transactions during the year:

- (a) Due to the first time application of financial reporting requirements under the Companies Act, 2017 (the Act) including disclosure and presentation requirements of the fourth schedule of the Act, some of the amounts reported for the previous period have been reclassified.
- (b) During the year both local and export sales have increased significantly in comparison to prior year. (Refer note 19)

3. BASIS OF PREPARATION

3.1 Statement of compliance

The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires 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 disclosed in note 4.3.

3.2 Standards, interpretations and amendments applicable to financial statements

3.2.1 New standards, interpretations and amendments

The fourth schedule to the Companies Act, 2017 (the Act) became applicable to the Company for the first time for the preparation of these financial statements. The Act (including its fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst other, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

The Act has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes include change in nomenclature of primary financial statements. Further, the disclosure requirements contained in the Fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and incorporation of significant additional disclosures.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

The following standards, 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:

Standard or interpretation		Effective date (annual reporting periods beginning on or after)
IAS-19	Employee Benefits (Amendments)	January 01, 2019
IAS-28	Investment in Associates and Joint Ventures (Amendments)	January 01, 2019
IAS-40	Investment property (Amendments)	January 01, 2018
IFRS-2	Share-based Payment (Amendments)	January 01, 2018
IFRS-4	Insurance contracts (Amendments)	January 01, 2018
IFRS-9	Financial Instruments	July 01, 2018
IFRS-15	Revenue from Contracts with Customers	July 01, 2018
IFRS-16	Leases	January 01, 2019
IFRIC-22	Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC-23	Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS-1	First-time Adoption of International Financial Reporting Standards
IFRS-14	Regulatory Deferral Accounts
IFRS-17	Insurance Contracts

The following interpretations issued by the International Accounting Standards Board (IASB) have been waived of by Securities and Exchange Commission of Pakistan (SECP):

IFRIC-4	Determining Whether an Arrangement Contains a Lease
IFRIC-12	Service Concession Arrangements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 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.

4.2 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

4.3 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.

4.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Capital work-in-progress is stated at cost less impairment losses, if any.

Depreciation is charged, from the month when the asset is available for use and ceased prior to the month of disposal, to profit and loss account applying the straight-line method.

Maintenance and repairs are charged to profit and loss account 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.

Gains and losses arising on disposal of property, plant and equipment are taken to profit and loss account 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.

4.5 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.

4.6 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.

4.7 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.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

4.8 Compensated Absences

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

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

4.14 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.

(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.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

4.15 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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.

4.20 Segments Reporting

Identification of segments

Export division
Local division

A new segment was classified last year, which was named "Local division".

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 the following basis.

Basis of allocation	Segment Allocation	
	Export	Local
Depreciation on all assets	53.54%	46.46%

4.21 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

5. PRIOR PERIOD ERROR

During the year ended June 30, 2017, the Company had erroneously not recorded an expenses of Rs. 8.3 million, and as a result the profit was overstated by this amount.

The restatement has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors' and comparative figures have been restated.

The impact on prior year financial statements is as follows:

As at June 30, 2017		
As previously stated	Effect of restatement	As restated
Rupees		

Impact on statement of financial position

Reserves	12,676,785	8,317,368	4,359,417
Payable against purchase of investment	24,777,202	8,317,368	33,094,570

Impact on statement of changes in equity

Net profit/(loss) for the year ended June 30, 2017	2,152,031	(8,317,364)	(6,165,333)
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6. PROPERTY, PLANT AND EQUIPMENT

	Note	2018 Rupees	2017 Rupees
Operating assets	6.1	25,728,306	23,704,246
Capital work in progress:			
- Building development charges	6.2	-	-
		25,728,306	23,704,246



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

6.1 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	
Rupees										

Year ended June 30, 2018

Opening net book amount	3,825,655	10,083,680	6,174,302	794,141	340,212	1,986,497	895,759	23,704,246	-	-	23,704,246
Additions	-	1,618,157	2,300,500	151,600	136,000	1,457,500	166,100	5,851,087	-	-	5,851,087
Disposals	-	-	(1,050,000)	-	(130,000)	(550,000)	(85,710)	(1,615,710)	-	-	(1,615,710)
Depreciation charge	(47,177)	(863,003)	(935,495)	(124,075)	(76,080)	(840,708)	(256,791)	(3,042,377)	-	-	(3,042,377)
Adjustment	-	-	283,700	-	118,910	350,000	78,460	831,060	-	-	831,060
Closing net book amount	3,778,478	10,939,734	6,773,007	822,666	389,024	2,689,289	421,878	25,728,306	-	-	25,728,306

At June 30, 2018

Cost	4,717,652	18,860,217	14,213,017	1,634,817	701,372	7,702,590	1,094,290	48,932,955	-	-	48,932,955
Accumulated depreciation	(939,174)	(7,920,483)	(7,440,010)	(811,921)	(312,347)	(5,099,301)	(672,412)	(23,195,648)	-	-	(23,195,648)
Net book amount	3,778,478	10,939,734	6,773,007	822,666	389,024	2,689,289	421,878	25,728,306	-	-	25,728,306

Year ended June 30, 2017

Opening net book amount	3,672,852	5,083,478	9,789,907	331,269	138,858	2,351,664	300,895	21,888,313	2,362,267	2,362,267	24,250,580
Additions	-	5,614,907	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)	(5,531,000)	(5,531,000)	(13,879,582)
Depreciation charge	(47,177)	(714,705)	(1,089,700)	(73,428)	(45,446)	(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	3,625,675	10,083,680	6,174,302	794,141	340,212	1,986,497	895,759	23,704,246	-	-	23,704,246

At June 30, 2017

Cost	4,717,652	17,242,060	12,962,517	1,481,987	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)	(20,984,321)	-	-	(20,984,321)
Net book amount	3,825,655	10,083,680	6,174,302	794,141	340,212	1,986,497	895,759	23,704,246	-	-	23,704,246

Rate of depreciation	1%	5%	10%	10%	10%	20%	20%	10%		
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International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

6.1.1 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									
Snap button machine	18,000	4,950	13,050	18,000	(8,100)	-	(8,100)	Negotiation	Khatji Traders
Snap button machine	18,000	4,950	13,050						
Feet off machine	135,000	41,750	93,250	110,000	17,750	-	17,750	Negotiation	Khatji Traders
Two needle machine	69,000	21,850	47,150	30,000	(10,317)	-	(10,317)	Negotiation	Khatji Traders
Two needle machine	59,000	18,083	40,917	30,000	(10,317)	-	(10,317)	Negotiation	Khatji Traders
Loop making machine	88,000	27,867	60,133	50,000	(10,133)	-	(10,133)	Negotiation	Khatji Traders
Eyeflag machine	625,000	135,417	489,583	400,000	(85,583)	-	(85,583)	Negotiation	Khatji Traders
Trolley	38,000	27,233	10,767	40,000	29,233	-	29,233	Negotiation	Mr. Muraza
	1,050,000	283,700	766,300	678,000	(88,300)	-	(88,300)		
Motor Vehicles									
Suzuki Alto ADL-721	350,000	350,000	-	220,000	220,000	-	220,000	Negotiation	Habis Sattar
Office equipments									
Window A C scrape	57,000	53,200	3,800	4,000	200	-	200	Negotiation	Mr. Qurban
Window A C scrape	73,000	65,700	7,300	4,000	(3,300)	-	(3,300)	Negotiation	Mr. Qurban
	130,000	118,900	11,100	8,000	(3,100)	-	(3,100)		
Computer/Laptop									
Computer scrape	85,710	78,460	7,250	11,250	4,000	-	4,000	Negotiation	Mr. Gul Nawaz
	1,615,710	831,860	784,650	917,250	132,600	-	132,600		

6.1.2 Segment wise Allocation of Depreciation charge for the year

	2018					2017				
	Export	Local	Total	Discontinued	Total	Export	Local	Total	Discontinued	Total
	Rupees									
	53.54	46.46				72.80	27.20			
Lease hold land	25,257	21,500	47,177	-	47,177	20,608	7,699	28,306	18,871	47,177
Factory building	461,542	400,561	862,103	-	862,103	312,193	116,631	428,823	285,882	714,705
Plant and machinery	300,834	434,661	935,495	-	935,495	476,033	177,839	653,872	435,915	1,089,787
Cost of goods sold	987,633	857,142	1,844,775	-	1,844,775	808,834	302,168	1,111,002	740,667	1,851,669
Furniture and fittings	66,436	57,640	124,075	-	124,075	53,457	19,971	73,428	-	73,428
Office equipments	40,735	35,353	76,088	-	76,088	32,867	12,279	45,146	-	45,146
Motor vehicles	450,088	396,620	846,708	-	846,708	582,078	217,456	799,534	-	799,534
Computers	83,909	77,822	161,731	-	161,731	98,535	36,811	135,346	-	135,346
Admin and selling expenses	641,157	556,445	1,197,602	-	1,197,602	766,938	286,516	1,053,454	-	1,053,454
	1,628,790	1,413,587	3,042,377	-	3,042,377	1,575,771	588,685	2,164,456	740,667	2,905,123

Depreciation charge to dyeing segment (Cost of goods sold) Rs. nil (2017: 740,667).

6.1.3 The leasehold land of 1.069 acre is located at SITE, Karachi.

6.2 Movement in Capital Work in Progress

	2018	2017
	Rupees	Rupees
Opening balance	-	2,158,940
Add: Addition during the year	1,618,157	3,215,967
Less: Transfer to operating assets	(1,618,157)	(5,814,907)
	-	-

7. LONG TERM DEPOSITS

Security deposits	1,500,000	1,500,000
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7.1 This represents the security deposit held by Bank Al-Habib Limited against the guarantee. It has provided to Sui Southern Gas Company Limited against supply of gas to the Company. The guarantee provided by the bank to SSSCL 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, 2018

8. INVESTMENTS	Note	2018 Rupees	2017 Rupees
Available for sale			
Quoted Securities	8.1	23,011,500	35,182,728
Held for trading			
Quoted Securities	8.2	25,616,759	74,141,170
Mutual funds	8.3	611,566	706,789
		49,239,824	110,030,687

8.1 Available for sales - Quoted Securities

Number of Shares

2018	2017			
64,728	54,394	The Searle Company Ltd.	21,975,156	27,848,640
100	1,000	Shell Pakistan Ltd.	31,609	575,370
-	1,000	Fauji Fertilizer Company Limited	-	82,640
500	5,500	Attock Petroleum Ltd.	294,995	3,445,365
500	1,000	Engro Corporation Ltd.	156,930	325,910
503	4,603	Pakistan Oilfields Ltd.	337,910	2,108,864
1,000	5,000	Pakistan Petroleum Ltd.	214,900	740,700
-	1,000	Engro fertilizer Ltd.	-	55,240
			23,011,500	35,182,728

8.2 Held for trading - Quoted securities

Number of Shares

2018	2017			
55,699	141,738	The Searle Company Ltd.	18,909,812	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
6,150	-	Abbot Laboratories Pakistan Ltd	4,212,750	-
4,000	-	AGP Limited	355,160	-
1,500	-	Sui Nothern Gas Pipe Line Limited	150,330	-
6,000	-	Pakistan State Oil Co. Ltd.	1,909,860	-
-	-	BMA Trade	78,847	-
			25,616,759	74,141,170

8.3 Held for trading - Mutual Funds

Number of Units

2018	2017			
7,381.60	7,381.60	CDC - Trustee AKD Opportunity Fund	611,566	706,789
			611,566	706,789



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
		Rupees	Rupees
9.	STOCK IN TRADE		
	Raw material	15,863,455	5,039,739
	Work-in-process	28,494,071	12,584,465
	Finished goods	6,261,783	2,939,054
		<u>50,619,309</u>	<u>20,563,258</u>
	9.1. Finished goods		
	Finished stock	2,364,068	877,894
	Scrap / Left over stock	3,897,715	2,061,160
		<u>6,261,783</u>	<u>2,939,054</u>
10.	TRADE DEBTS - CONSIDERED GOOD		
	Foreign - secured, considered good	35,357,835	51,783,849
	Gain on translation of export debtors	1,159,450	832,624
		36,517,285	52,616,473
	Local - unsecured		
	- Considered good	32,792,845	5,685,626
	- Considered doubtful	1,286,162	2,255,364
		34,079,007	7,940,990
	Less: Provision for bad debts	(1,286,162)	(2,255,364)
		<u>69,310,130</u>	<u>58,302,099</u>
	10.1. Reconciliation of provision for impairment of trade debts		
	Opening provision	2,255,364	3,230,364
	Provision for the year	-	-
	Written-off during the year	(969,202)	(975,000)
		<u>1,286,162</u>	<u>2,255,364</u>
	10.2. Age analysis of trade debts is as follows:		
	Not yet due	-	-
	Past due		
	- 0 to 3 months	67,050,918	53,608,165
	- 3 to 6 months	-	-
	- 6 to 12 months	537,815	95,748
	- Above 12 months	1,721,397	4,598,186
		<u>69,310,130</u>	<u>58,302,099</u>
10.3	In respect of outstanding trade debts against export sales, following particulars relate to exports made during the year:		
	Foreign jurisdiction	Type of transaction	
	Spain	Letter of credit	
			<u>36,517,285</u>
			<u>52,616,473</u>



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

11. LOANS AND ADVANCES	Note	2018 Rupees	2017 Rupees
LOAN - unsecured, considered good			
Loan to employees	11.1	877,500	1,131,000
ADVANCES - unsecured, considered good			
Advance to contractor, employees and supplier		1,449,190	893,770
Prepayments		60,830	81,375
		<u>2,387,520</u>	<u>2,106,145</u>

11.1 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, 2018 pertains to a period between 1 - 2 years.

12. OTHER RECEIVABLES

Export rebate receivables		-	-
Research and development receivable	12.1.	1,655,433	1,295,734
Other receivable		8,990,768	3,860,533
		627,309	542,108
		<u>11,273,510</u>	<u>5,698,375</u>

12.1 According to the notification number 1 (42-A) TID/17 - TR-II issued on December 12th, 2017 for the shipments made from the July 1st, 2017 to June 30th, 2018, the Company is eligible to duty drawback on export sales of manufactured products at the rate of 7%. Out of 7%, fifty percent (50%) of the rate of drawback is provided without further conditions. But the remaining fifty percent (50%) of the rate of drawback is provided on achieving 10% increase in exports during the current year (2017-2018) as compared to the base year (2016-2017). However, as a matter of prudence, the Company has recorded the provision only on 50% of the rate, i.e. 3.5%, during the current year. While in the year 2017, the Company was eligible for duty drawback of last four months (i.e. March-June), hence, 7% of export sales was claimed accordingly.

13. CASH AND BANK BALANCES

Cash in hand		-	27,103
With banks in:			
- Treasures call accounts (deposit accounts)	13.1	3,127,432	1,707,975
- Current accounts		34,530	101,413
		3,161,962	1,809,388
Security deposit	7.1	(1,500,000)	(1,500,000)
		<u>1,661,962</u>	<u>336,491</u>

13.1 Deposit accounts carry profit of 4.50% per annum (2017: 3.50% to 3.75% per annum)



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

14. SHARE CAPITAL

			2018	2017
		Note	Rupees	Rupees
Authorized share capital				
Number of Shares				
	2018	2017		
	<u>20,000,000</u>	<u>20,000,000</u>		
		Ordinary Shares of Rs. 10/- each	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up share capital				
Number of Shares				
	2018	2017		
	<u>3,000,000</u>	<u>3,000,000</u>		
		Ordinary shares of Rs. 10/- each fully paid in cash.	30,000,000	30,000,000
	<u>225,000</u>	<u>225,000</u>		
		Ordinary shares of Rs. 10/- each issued as bonus shares	2,250,000	2,250,000
	<u>6,450,000</u>	<u>6,450,000</u>		
		Right shares of Rs. 10/- each fully paid in cash	64,500,000	64,500,000
	<u>9,675,000</u>	<u>9,675,000</u>	<u>96,750,000</u>	<u>96,750,000</u>

15. SHORT TERM FINANCE UNDER MARK-UP ARRANGEMENT

Running finance facility	15.1	5,995,460	568,172
Export refinance facility	15.2	13,200,000	34,000,000
		<u>19,195,460</u>	<u>34,568,172</u>

15.1 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.100 million (2017: Rs. 60 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 (2017: 3 Months KIBOR + 2.5% p.a). The facility is renewable and is valid till June 30, 2018.

15.2 Limit Rs. 35 million.

Secured against hypothecation charge over stocks and equitable mortgage over factory property at Plot # F-2A/L, SITE, Karachi amounting to Rs.100 million (2017: Rs. 60 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 (2017: 3 Months KIBOR + 1.0% p.a). The facility is renewable and is valid till June 30, 2018.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
		Rupees	Rupees
16. CREDITORS, ACCRUED AND OTHER PAYABLES	Note		
Creditors		58,766,471	26,229,936
Accrued expenses		7,869,139	5,541,802
Compensated absences payable		1,080,684	774,349
Other fund payable	16.1	315,692	243,798
Workers' profit participation fund	16.2	931,112	-
Workers' welfare fund		1,800,317	1,446,495
Advance from customers		340,075	340,000
Sales tax payable		1,367,873	39,479
Payable to Director		2,162,000	4,900,000
Others		333,533	173,625
		74,966,895	39,689,484
16.1 Other Fund Payable			
Provident fund		311,830	238,636
EOBI payable		3,862	5,162
		315,692	243,798
16.2 Workers' Profit Participation Fund			
Opening balance		-	694,127
Provision for the year		931,112	-
		931,112	694,127
Less: Payments made during the year		-	(694,127)
		931,112	-
17. TAXATION			
Advance tax			
Less: Provision for tax		22,163,031	14,884,817
Current year		(3,932,308)	(1,647,280)
Prior year		-	-
		(3,932,308)	(1,647,280)
		18,230,723	13,237,537
Relationship between tax expense and accounting profit			
17.1.			
		The numerical reconciliation between the average tax rate and applicable tax rate has not been presented in these financial statements as the total income of the Company attracts minimum tax under section 113 of the Income Tax Ordinance, 2001 and its export sales fall under final tax regime.	
18. CONTINGENCIES AND COMMITMENTS			
Commitments			
		Commitments under letters of credit as at June 30, 2018 amounted to Rs. 36,517,285 (2017: Rs. 52,616,473).	



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

19. NET SALES

Note	EXPORT		LOCAL		TOTAL	
	2018	2017	2018	2017	2018	2017
	Rupees					
Export	202,070,941	118,153,684	-	-	202,070,941	118,153,684
Sales local	-	-	183,070,393	46,099,278	183,070,393	46,099,278
Sales discount	-	-	(362,620)	-	(362,620)	-
Export rebates	1,515,532	1,382,777	-	-	1,515,532	1,382,777
Export R & D	7,072,483	3,860,533	-	-	7,072,483	3,860,533
R & D Commission	(135,956)	-	-	-	(135,956)	-
	210,523,000	123,396,994	182,707,773	46,099,278	393,210,773	169,496,272

19.1 Sales local

Note	EXPORT		LOCAL		TOTAL	
	2018	2017	2018	2017	2018	2017
	Rupees					
Local	-	-	189,610,299	43,657,957	189,610,299	43,657,957
Others	-	-	4,434,843	4,657,617	4,434,843	4,657,617
	-	-	194,045,142	48,315,574	194,045,142	48,315,574
Sales tax Local	-	-	10,720,190	1,996,119	10,720,190	1,996,119
Sales tax others	-	-	254,559	220,177	254,559	220,177
	-	-	10,974,749	2,216,296	10,974,749	2,216,296
	-	-	181,070,393	46,099,278	181,070,393	46,099,278

18.1.1 Others include scrap sales amounting to Rs. 1,741,808 (2017: Rs. 772983)

20. COST OF GOODS SOLD

Raw and packing material consumed

Note	EXPORT		LOCAL		TOTAL	
	2018	2017	2018	2017	2018	2017
	Rupees					
Opening stock	3,631,684	3,104,094	1,418,055	2,421,910	5,039,739	5,526,004
Purchases	100,972,870	52,623,409	87,631,890	20,604,474	188,604,760	73,227,883
Closing stock	(8,492,779)	(3,621,684)	(7,370,676)	(1,418,055)	(15,869,455)	(5,039,739)
	96,101,775	52,105,820	81,679,269	21,608,329	177,781,043	73,714,149
Salaries, allowances and benefits	13,511,912	12,162,312	11,716,658	4,762,102	25,238,570	16,934,414
Provisional fund contribution	367,856	380,307	319,253	148,908	687,109	529,215
Knitting charges	2,495,545	1,772,968	2,165,823	694,198	4,661,368	2,467,166
Dyeing and other charges	25,683,409	16,163,785	22,290,003	6,328,862	47,973,412	22,942,671
Embroidery/ Printing charges	7,374,299	3,741,293	6,399,975	1,464,888	13,774,274	5,206,181
Stitching charges	33,056,755	21,581,165	28,689,150	8,450,014	61,745,905	30,931,179
Fuel and power	1,546,328	1,849,239	1,342,021	724,085	2,888,349	2,573,348
Communication	198,503	198,503	163,598	76,975	352,101	273,567
Postage & telegrams	167,442	257,503	145,319	100,824	312,761	358,328
Repairs and maintenance	911,419	685,773	790,999	268,512	1,702,418	954,285
Staff welfare and medical expenses	45,526	6,878	39,511	2,693	85,037	9,571
Motor vehicle and conveyance	557,930	663,993	484,214	259,983	1,042,144	923,976
Insurance	156,569	189,801	135,882	74,316	292,451	264,117
Depreciation	987,632	798,383	857,142	312,608	1,844,774	1,111,001
Cleaning and forwarding	1,509,877	1,420,297	-	-	1,509,877	1,420,297
Freight, octroi and cartage	4,134,456	3,016,495	3,588,193	1,181,096	7,722,649	4,197,591
Export Development Charges	507,339	184,958	-	-	507,339	184,958
Factory Compliance expenses	269,628	302,998	234,003	118,638	503,631	421,636
Marketing expenses	27,451	65,797	23,824	25,763	51,275	91,560
Travelling expenses	355,686	683,993	308,691	267,814	664,377	951,807
Others	1,217,888	839,711	1,073,866	328,785	2,311,474	1,168,496
	95,093,050	66,964,312	80,778,245	25,591,064	175,871,295	92,555,375
Work-in-process						
Opening stock	(1,596,469)	73,719	14,180,934	18,999,143	12,584,465	18,072,862
Closing stock	(4,614,817)	1,596,469	(23,879,254)	(14,180,934)	(28,494,071)	(12,584,365)
	(6,211,287)	1,670,188	(9,698,320)	4,818,209	(15,909,606)	6,488,397
Cost of goods manufactured	184,983,538	120,740,320	152,759,194	52,017,602	337,742,732	172,757,921
Finished goods						
Opening stock	2,112,079	1,879,012	826,976	1,466,063	2,939,054	3,345,075
Closing stock	(3,352,355)	(2,112,079)	(2,909,428)	(826,976)	(6,261,783)	(2,939,054)
	(1,240,277)	(23,067)	(2,082,452)	639,087	(3,322,729)	406,021
COST OF GOODS SOLD	183,743,262	120,507,253	150,676,742	52,656,689	334,420,004	173,163,942



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

21. ADMINISTRATIVE AND SELLING EXPENSES

Note	EXPORT		LOCAL		TOTAL	
	2018	2017	2018	2017	2018	2017
	Rupees					
Salaries, allowances and benefits	6,121,709	6,681,823	5,212,882	2,616,239	11,434,591	9,298,062
Provident fund contribution	276,587	300,003	240,044	117,465	516,631	417,468
Communication	208,963	208,440	181,353	81,614	390,316	290,054
Postage & telegrams	2,655	3,593	2,305	1,407	4,960	5,000
Staff welfare and medical expenses	78,755	65,201	68,349	25,529	147,104	90,730
Motor vehicle and conveyance	507,627	529,811	440,558	207,445	948,185	737,256
Repair and maintenance	54,222	40,822	47,058	15,984	101,280	56,806
Legal and professional charges	218,274	227,351	189,435	89,018	407,709	316,369
Auditors' remuneration	179,402	225,541	155,698	88,309	335,100	313,850
Depreciation	641,158	757,039	556,445	296,416	1,197,603	1,053,455
Printing and stationery	137,776	126,523	119,573	49,540	257,349	176,063
Advertisement and publicity	46,018	100,356	39,937	39,294	85,955	139,650
Fee, subscription and periodicals	388,046	358,203	336,776	140,253	724,822	498,456
Rent, rate and taxes	64,860	-	56,290	-	121,150	-
Insurance	50,940	62,901	44,210	24,628	95,150	87,529
Others	124,953	120,972	108,444	47,366	233,397	168,338
	9,101,946	9,808,578	7,899,356	3,840,508	17,001,302	13,649,086

21.1 Auditors' Remuneration

	2018	2017
	Rupees	Rupees
Annual audit	187,500	187,500
Half yearly review	70,000	70,000
Out of pocket expenses	44,500	32,000
Sales tax on audit and review fee	20,600	20,600
	322,600	310,100

22. OTHER INCOME

Income From Financial Assets

	EXPORT		LOCAL		TOTAL	
	2018	2017	2018	2017	2018	2017
	Rupees					
Profit on bank accounts	76,644	87,763	66,517	34,363	143,161	122,126
Dividend income	780,632	1,785,571	677,491	699,133	1,458,123	2,484,704
Exchange gain - net	2,492,720	-	-	-	2,492,720	-
Other income	-	267,504	-	104,740	-	372,243
Gain on disposal of investment net	(11,733,828)	14,016,331	(10,183,503)	5,488,035	(21,917,332)	19,504,367
Reversal of provision against doubtful debts	-	-	25,000	975,000	25,000	975,000
Gain on translation of foreign currency debtors	1,159,450	832,624	-	-	1,159,450	832,624
Income From Non-Financial Assets						
Gain on disposal of property, plant and equipment	70,990	551,617	61,610	215,983	132,600	767,600
	(7,153,393)	17,541,409	(9,352,884)	7,517,255	(16,506,278)	25,058,664

22.1 (Loss) on disposal of investment

Investments available for sale		11,328,208
Investments held for trading		-
-Quoted securities	(21,822,108)	8,789,039
-Mutual funds	(95,223)	(612,880)
	(21,917,332)	8,176,159
	(21,917,332)	19,504,367



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

23. FINANCE COST

	EXPORT		LOCAL		TOTAL	
	2018	2017	2018	2017	2018	2017
	Rupees					
Mark-up on export refinance	567,532	315,544	492,547	123,550	1,060,079	439,095
Mark-up on running finance	274,634	327,335	238,348	128,167	512,981	455,502
Bank charges on export remittances	2,485,915	1,025,778	-	-	2,495,915	1,025,778
Bank charges	534,220	365,509	463,637	143,113	997,857	508,622
Mark-up on liability against asset subject to finance lease	-	44,317	-	17,352	-	61,670
Exchange (loss)-net	-	67,845	-	-	-	67,845
Brokerage and other charges	273,573	334,079	237,428	130,807	511,001	464,886
Mark-up on MTS shares	277,294	2,058,204	240,656	805,881	517,950	2,864,084
Other markup	-	-	200,467	-	200,467	-
	4,423,168	4,538,611	1,873,082	1,348,871	6,296,250	5,887,482
24. OTHER CHARGES						
Workers' profit participation fund	498,487	-	432,625	-	931,112	-
Workers' welfare fund	189,425	95,940	164,397	35,842	353,822	131,782
	687,912	95,940	597,022	35,842	1,284,934	131,782

25. 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.

Based on internal management reporting structure and products produced and sold, the Company is organized into the following two operating segments:

- Export
- Local

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

Segment revenue and segment result for the year are as follows:

	EXPORT		LOCAL		TOTAL	
	2018	2017	2018	2017	2018	2017
	Rupees					
Net Sales	210,523,000	123,396,994	182,707,773	46,099,278	399,230,773	169,496,272
Cost of goods sold	(183,743,262)	(120,507,253)	(150,676,742)	(52,656,689)	(334,420,004)	(173,163,942)
Gross profit	26,779,738	2,889,741	32,031,031	(6,557,411)	58,810,769	(3,667,670)
Administrative and selling expenses	(9,101,946)	(9,808,578)	(7,899,356)	(3,840,508)	(17,001,302)	(13,649,086)
Segment results	17,677,793	(6,918,837)	24,131,675	(10,397,919)	41,809,467	(17,316,756)
Other income	(7,153,393)	17,541,409	(9,352,884)	7,517,255	(16,506,278)	25,058,664
Unrealized gain / (loss) on revaluation of investments held for trading	(205,964)	(1,261,831)	(178,752)	(471,454)	(384,716)	(1,733,285)
Finance cost	(4,423,168)	(4,538,611)	(1,873,082)	(1,348,871)	(6,296,250)	(5,887,482)
Other charges	(687,912)	(95,940)	(597,022)	(35,842)	(1,284,934)	(131,782)
Profit before taxation from continuing operation	5,207,355	4,726,190	12,129,934	(4,736,830)	17,337,290	(10,640)
Taxation						
- Current	(2,105,230)	(1,199,256)	(1,827,078)	(448,024)	(3,932,308)	(1,647,280)
- Prior	-	-	-	-	-	-
	(2,105,230)	(1,199,256)	(1,827,078)	(448,024)	(3,932,308)	(1,647,280)
Profit after taxation from continuing operation	3,102,125	3,526,934	10,302,857	(5,184,854)	13,404,982	(1,657,920)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
26. EARNINGS/ (LOSS) PER SHARE - BASIC AND DILUTED			
26.1 BASIC EARNINGS PER SHARE			
From continuing operations			
Profit after taxation		13,404,982	(1,657,920)
Weighted average number of ordinary shares		9,675,000	8,721,270
Earnings per share		1.39	(0.19)
From discontinued operation			
Profit / (loss) for the year		-	3,809,951
Weighted average number of ordinary shares		9,675,000	8,721,270
Earnings per share		-	0.44
26.2 DILUTED EARNINGS PER SHARE			
There is no dilutive effect on the basic earnings per share of the Company, since there are no convertible instruments in issue as at June 30, 2018 and June 30, 2017 which would have any effect on the earnings per share.			
27. CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	1,661,962	336,491
Running finance facility	15.1	(5,995,460)	(568,172)
		(4,333,498)	(231,680)

28. 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:

	2018			2017		
	Directors	Chief Executive	Executives	Directors	Chief Executive	Executives
	----- Rupees -----					
Basic salary	1,033,548	3,125,806	2,352,903	936,774	2,593,548	2,977,742
Allowances	568,452	1,719,194	1,294,097	515,226	1,426,452	1,637,758
Company's contribution to provident fund	86,129	260,484	196,075	78,065	216,129	248,145
Medical expenses	46,242	58,101	112,226	5,190	85,540	5,120
Fees	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-
Commission or bonus	46,242	322,581	203,226	-	-	-
Reimbursable expenses with nature of a perquisite or benefit	-	-	-	-	-	-
Other perquisites and benefits in cash or in kind stating their nature and, where	-	-	-	-	-	-
	1,780,613	5,486,166	4,158,527	1,535,255	4,321,669	4,868,765
Number of person(s)	1	1	4	1	1	4

28.1 A sum of Rs. 65,000 (2017: Rs. 39,000) was paid being fee for attending the Board of Directors' meeting.

28.2 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.

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

29. 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, and hence the assets were not classified as held for sale.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

30. (LOSS) / PROFIT FROM DISCONTINUED OPERATIONS

	Note	2018 Rupees	2017 Rupees
Net Sales		-	-
Cost of goods sold	30.1	-	(1,228,331)
Gross (loss)		-	(1,228,331)
Other income	30.2	-	5,038,282
Profit / (loss) before taxation		-	3,809,951
Taxation		-	-
(Loss) / profit from discontinued operation		-	3,809,951
30.1 COST OF GOODS SOLD			
Salaries, allowances and benefits		-	360,000
Repairs and maintenance		-	127,664
Depreciation	6.1.2	-	740,667
COST OF GOODS SOLD		-	1,228,331
30.2 OTHER INCOME			
Income From Non-Financial Assets			
Gain on disposal of property, plant and equipment	6.1.1	-	5,038,282
		-	5,038,282

31. 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:

Balances:

Provident Fund - outstanding balance		311,830	238,636
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Transactions:

Contribution to staff retirement benefit plans		1,203,740	946,683
Key management personnel's remuneration and other benefits	28	5,939,140	6,404,020
		Un-audited	Audited
		2018	2017

32. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest un-audited financial statements of fund:

Size of the fund - total assets		5,305,427	4,751,678
Percentage of investment made		50.40%	45.33%
Fair value of investments		2,674,037	2,153,988
The cost of above investments amounted		3,000,000	2,500,000
The breakup of fair value of investment is:		2018	2017
	Percentage	Percentage	
CDC-Trustee AKD Opportunity Fund	20.03%	28.74%	
AKD Islamic Income Fund	37.43%	0.00%	
Investment in Shares	42.54%	71.26%	
	100.00%	100.00%	
		2,674,037	2,153,988

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.

33. 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, 2018

33.1 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 %	2018						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	-	-	-	26,228,324	23,011,500	49,239,824	49,239,824
Trade debts	-	-	-	69,310,130	-	69,310,130	69,310,130
Other receivables	-	-	-	11,273,510	-	11,273,510	11,273,510
Cash and bank balances	4.50%	3,127,432	3,127,432	34,530	34,530	34,530	3,161,962
		<u>3,127,432</u>	<u>3,127,432</u>	<u>106,846,484</u>	<u>24,511,500</u>	<u>131,357,984</u>	<u>134,485,427</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%	19,195,460	19,195,460	-	-	-	19,195,460
Creditors, accrued and other payables		931,112	931,112	74,035,783	74,035,783	74,035,783	74,966,895
		<u>20,126,572</u>	<u>20,126,572</u>	<u>74,035,783</u>	<u>-</u>	<u>74,035,783</u>	<u>94,162,356</u>
Sensitivity gap		<u>(16,999,140)</u>	<u>(16,999,140)</u>	<u>32,810,711</u>	<u>24,511,500</u>	<u>57,322,211</u>	<u>40,323,071</u>

(ii) Off balance sheet liabilities as stated in note 16 amounts to Rs. 3 million.

(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	128,516	1,836,491
		<u>1,707,975</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:							
Medium term finance	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		-	-	39,689,484	39,689,484	39,689,484	39,689,484
		<u>34,568,172</u>	<u>34,568,172</u>	<u>39,689,484</u>	<u>39,689,484</u>	<u>79,378,968</u>	<u>74,257,656</u>
Sensitivity gap		<u>(32,860,197)</u>	<u>(32,860,197)</u>	<u>99,247,986</u>	<u>36,682,728</u>	<u>135,930,714</u>	<u>103,070,517</u>

(ii) Off balance sheet liabilities as stated in note 16 amounts to Rs. 3 million.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

33.2 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:

	2018 Rupees	2017 Rupees
Financial assets:		
Trade debts	69,310,130	58,302,099
Other receivables	11,273,510	5,658,896
	<u>80,583,640</u>	<u>63,960,995</u>

As on June 30, 2017, trade debts of Rs. 69,310,130 (2017: 58,302,099) were past due but not impaired.

33.3 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. 35,357,835 (2017 : Rs. 51,783,849) 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. 19,195,460 (2017: Rs. 34,568,172) 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

33.4 Capital Risk Management

The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

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.

34. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value hierarchy The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2018, the Company has no financial instruments that falls into any of the above category

35. PRODUCTION CAPACITY

	2018	2017
Installed capacity (Pcs.)	<u>1,200,000</u>	<u>660,000</u>
Actual production (Pcs.)	<u>995,601</u>	<u>433,353</u>

It is difficult to describe precisely the production capacity in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, etc.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

36. NUMBER OF EMPLOYEES

	2018	2017
Number of employees as on the date of financial statements:		
- Factory employees	127	72
- Other employees	104	76
Total	<u>231</u>	<u>148</u>
Average number of employees during the year:		
- Factory employees	145	80
- Other employees	94	75
Total	<u>239</u>	<u>155</u>

37. CORRESPONDENCE FIGURES

Prior year's figures have been reclassified for the purpose of better presentation and comparison. Significant changes made during the year are as follows:

Reclassification from	Reclassification to	Amount in Rs.
Creditors, accrued & other liabilities	Current Liabilities	
Unclaimed dividend	Unclaimed dividend	1,315,823

38. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the board of directors of the Company and authorized for issue on September 28 2018.

39. FIGURES

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

39.2 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 & Chief Financial Officer



International Knitwear Limited

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2018

No. Of Shareholders	Shareholdings'Slab			Total Shares Held
251	1	to	100	7,151
221	101	to	500	59,001
632	501	to	1000	357,136
92	1001	to	5000	213,442
27	5001	to	10000	205,044
7	10001	to	15000	83,735
6	15001	to	20000	100,845
11	20001	to	25000	250,278
2	25001	to	30000	56,530
3	35001	to	40000	110,626
5	40001	to	45000	216,500
2	45001	to	50000	95,000
2	50001	to	55000	106,250
1	60001	to	65000	63,531
2	70001	to	75000	145,132
1	80001	to	85000	81,000
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
1	235001	to	240000	238,000
1	300001	to	305000	300,466
1	365001	to	370000	368,571
1	425001	to	430000	430,000
1	610001	to	615000	611,541
1	665001	to	670000	669,792
1	820001	to	825000	823,653
1	895001	to	900000	896,461
1	2205001	to	2210000	2,208,143
1282				9,675,000



International Knitwear Limited

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2018

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
NAEEM AHMED SHAFI	5	844,044	8.72
ARSHAD AHMED	1	1,500	0.02
JAVED AKHTAR MALIK	1	750	0.01
JAVED KHAN	2	8,089	0.08
MOHAMMAD SAJID HUSSAIN	1	1,500	0.02
MUHAMMAD SHAFI	1	16,125	0.17
WASEEM SHAFI	2	43,233	0.45
BUSHRA SHAFI	1	3,870	0.04
HUMAIRA SHAFI	3	1,068,742	11.05
NOOR SHAFI	1	16,125	0.17
Associated Companies, undertakings and related parties	0	-	-
Executives	-	-	-
Public Sector Companies and Corporations	1	67	0.00
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	4	1,231,046	12.72
Mutual Funds	-	-	-
General Public			
a. Local	1253	6,398,240	66.13
Foreign Investor	-	-	-
OTHERS	6	41,669	0.43
Totals	1282	9,675,000	100.00

Share holders holding 5% or more	Shares Held	Percentage
NAEEM AHMED SHAFI	844,044	8.72
HUMAIRA SHAFI	1,068,742	11.05
RASHID ABDULLA	2,208,143	22.82
FIRST UDL MODARABA	823,653	8.51
KHALID MALIK	698,535	7.22



International Knitwear Limited

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2018

S.No.	Folio #	Name of shareholder	Number of shares	Percentage
Directors and their spouse(s) and minor children				
1	01826-52175	NAEEM AHMED SHAFI	9,000	0.09
2	03277-44659	NAEEM AHMED SHAFI	162,780	1.68
3	520	NAEEM AHMED SHAFI	1,722	0.02
4	3041	NAEEM AHMED SHAFI	750	0.01
5	2	NAEEM SHAFI	669,792	6.92
6	2983	ARSHAD AHMED	1,500	0.02
7	3040	JAVED AKHTAR MALIK	750	0.01
8	10629-132285	JAVED KHAN	6,589	0.07
9	2982	JAVED KHAN	1,500	0.02
10	2981	MOHAMMAD SAJID HUSSAIN	1,500	0.02
11	2911	MUHAMMAD SHAFI	16,125	0.17
12	1	WASEEM SHAFI	39,468	0.41
13	3025	WASEEM SHAFI	3,765	0.04
14	20	BUSHRA SHAFI	3,870	0.04
15	01826-12062	HUMAIRA SHAFI	108,750	1.12
16	19	HUMAIRA SHAFI	896,461	9.27
17	2910	HUMAIRA SHAFI	63,531	0.66
18	2913	NOOR SHAFI	16,125	0.17
			18	2,003,978
				20.71
Associated Companies, undertakings and related parties				
			0	-
Executive				
			NIL	-
Public sector companies and corporations				
1	03889-28	NATIONAL BANK OF PAKISTAN	67	0.00
			1	67
				0.00
Banks, development finance institutions, non-banking finance companies, insurance companies, takafui, 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	03277-1651	FIRST UDL MODARABA	823,653	8.51
4	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	10,893	0.11
			4	1,231,046
				12.72
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	13,000	0.13
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
6	02113-3850	CAPITAL FINANCIAL SERVICES (PVT.) LIMITED	8,000	0.08
			6	41,669
				0.43
General Public Local			1253	6,398,240
				66.13
Total			1282	9,675,000
				100.00



International Knitwear Limited

ڈائریکٹرز رپورٹ

ملک اور صنعت کو درپیش چیلنجز کے باوجود گزشتہ سال کی پابست کمپنی اپنی فروخت بڑھانے میں کامیاب رہی۔

انتظامیہ اپنی فروخت اور کارکردگی میں بہتری کے لئے پرعزم ہے، کمپنی کے وسائل کو مستعدی اور موجودہ قیمتی ہولیات میں سرمایہ کاری کاری کر کے اپنی مصنوعات کی بڑھتی ہوئی طلب کو پورا کرے گی۔

یہی وجہ ہے کہ کمپنی اپنے مستقبل کے لئے بہت پر امید اور پرجوش ہے۔

اعتراف

دشوار گزار وقت میں تمام عملے اور ملازمین کی شاندار کارکردگی پر پورڈان کا شکور ہے اور امید کرتا ہے کہ مستقبل میں بھی مزید اہواف حاصل کئے جائیں گے۔ پورڈان کی جانب سے میں اس موقع پر انتہائی قابل قدر حصص یا فنڈان، گاجوں، سپلائرز، ٹھیکیداروں، بینکاروں اور دیگر مستفیدان کے تعاون، اعتماد اور بھروسے پر اپنی تحسین پیش کرتا ہوں۔ اپنے تمام ملازمین کی وقاداری، اخلاص اور انتھک محنت پر شکریہ ادا کرتا ہوں جس کی وجہ سے کمپنی اپنے مقاصد کے حصول میں کامیاب رہی۔

برائے و مخانب پورڈ

نعیم شفیع

چیف ایگزیکٹو

کراچی: 28 ستمبر 2018



International Knitwear Limited

ڈائریکٹرز رپورٹ

انسانی وسائل اور معاوضہ کمیٹی

ادارتی قلم و ضبط کے ضابطہ کے مطابق بورڈ نے ایک انسانی وسائل اور معاوضہ کمیٹی تشکیل دی ہے جو کہ مندرجہ ذیل ڈائریکٹران پر مشتمل ہے:

ڈائریکٹر کا نام	حاضر اجلاسوں کی تعداد
جناب محمد ساجد حسین	1
جناب محمد شفیع	1
جناب جاوید اختر ملک	1

کمیٹی کے اجلاسوں میں معاوضہ ادارے اور اعلیٰ انتظامی عہدیداران سے متعلق ملازمین کی ترقی کے تمام عناصر کا جائزہ اور سفارشات تیار کی جاتی ہیں اور ایگزیکٹو ڈائریکٹران اور مینجمنٹ کمیٹیوں کے ممبران کے معاوضہ سے متعلق تمام معاملات کی منظوری دی جاتی ہے۔ 18-2017 میں کمیٹی کا ایک اجلاس ہوا۔

آئینی آڈیٹرز

آڈیٹرز RSM اویس حیدر ریاضت نعمان چارٹڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور مابقی سال 30 جون 2019 کے لئے انہوں نے اپنی دوبارہ تفریح کی پیشکش کی ہے۔

حصص داری کی ساخت

کمپنی کی حصص داری کی ساخت اور اضافی معلومات 30 جون 2018 کی رپورٹ کے ساتھ ضمیمہ ہیں۔
30 جون 2018 کو کمپنی کے ریکارڈ کے مطابق حصص یافتگان کی تعداد 1,282 تھی۔

مستقبل کی پیش بینی

ٹیکسٹائل کی صنعت سے ملکی معیشت کو ایک بڑی معاونت حاصل ہوتی ہے جس کی ترقی معنوعات پر توجہ دینے کی ضرورت ہے کیونکہ عالمی مارکیٹ میں ان کی بہت مانگ ہے۔ تاہم یہ سب کچھ حکومت کے اقدامات کی وجہ سے ممکن ہو سکتا ہے جس میں پالیسی کا نفاذ، توانائی کی فراہمی میں بہتریں اور برآمد کنندگان کو اپنی مسابقتی لاگت کی برتری کو بہتر بنانے میں مدد فراہم کرنا ہے۔



International Knitwear Limited

ڈائریکٹرز رپورٹ

ادارقی نظم و ضبط کی کے مضابطہ کے بہترین طور طریقوں کی شرح XVI کی پاسداری

بورڈ بخوشی اس بات کا اقرار کرتا ہے کہ آپ کی کمپنی ادارقی نظم و ضبط کے بہترین طور طریقوں کی پاسداری کرتی ہے۔ بورڈ ادارقی اور مالیاتی رپورٹنگ کے فریم ورک کے سلسلے میں اپنی ذمہ داریوں کو تسلیم کرتا ہے اور اقرار کرتا ہے کہ:

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکٹیوٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔
- کمپنی میں حسابات کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
- درست حساباتی پالیسیوں کو مسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران کو ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
- مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں، کو ملحوظ خاطر رکھا گیا ہے۔
- پاکستان اسٹاک ایکچینج کی ایک میں شرح کردہ ادارقی نظم و ضبط کے بہترین طور طریقوں سے کوئی قابل گرفت انحراف نہیں کیا گیا۔
- اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔ اندرونی گرفت کے عمل کی نگرانی کو یوریک اور جاری عمل جاری رہے گی جس کا مقصد گرفت مضبوط کرنا اور نظام میں بہتری لانا ہے۔
- کمپنی کی چیلنجز ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔
- ٹیکسوں اور محصولات سے متعلق معلومات مالیاتی گوشواروں کے متعلق ٹیکس میں دی گئی ہیں۔

آڈٹ کمیٹی

آڈٹ کمیٹی تین ممبران پر مشتمل ہے جس میں نان ایگزیکٹو ڈائریکٹران بشمول کمپنی کا چیئرمین شامل ہیں۔

کمپنی کی ذمہ داریوں کا تعین بورڈ آف ڈائریکٹرز پاکستان اسٹاک ایکچینج کی رول بک میں فراہم کردہ رہنما اصولوں کے مطابق کیا جاتا ہے اور اس پر عملدرآمد کے لئے کمیٹی کو مقرر کیا جاتا ہے۔ سال کے دوران کمیٹی کے چار اجلاس منعقد ہوئے۔

ڈائریکٹرز نام	حاضر اجلاسوں کی تعداد
جناب ارشد احمد	4
جناب دستغیب شیخ	4
جناب جاوید اختر	4

بورڈ کی آڈٹ کمیٹی بورڈ کی نگرانی کی ذمہ داریوں سے عہدہ برآں ہونے خاص طور پر اس کے جائزہ اور مالیاتی معلومات کی حصص یا ڈسکان کو فراموشی، اندرونی گرفت کے نظام اور خطرات سے نمٹنے اور آڈٹ کے عمل میں مدد کرتی ہے۔ اس کو اختیار حاصل ہیں کہ وہ انتظامیہ سے کوئی معلومات طلب کرے اور جیسا بھی وہ درست سمجھے آڈیٹرز یا مشیروں سے بلاوا ملے مشاورت کرے۔ طلب کرنے پر چیف ٹیکسٹائل آفیسر یا قاعدگی سے مالیاتی گوشوارے پیش کرنے کے لئے بورڈ بورڈ کی آڈٹ کمیٹی کے اجلاس میں شرکت کرتا ہے۔

ہر اجلاس کے بعد کمیٹی کا چیئرمین بورڈ کو رپورٹ پیش کرتا ہے۔ 2017-18 کے دوران کمیٹی کے چار اجلاس ہوئے۔



International Knitwear Limited

ڈائریکٹرز رپورٹ

چھ سالوں کے مالیاتی اور کاروباری اعداد و شمار کا مختصر اُسرسری جائزہ
چھ سالوں کے کاروباری اور مالیاتی مختصراً اعداد و شمار کا مختصر آجائزہ بمع موجودہ سال کے مالیاتی نتائج درج ذیل ہیں:

2013	2014	2015	2016	2017	2018	
----- روپے ہزاروں میں -----						
						استعمال ہونے والے اثاثے
35,399	23,272	20,095	26,850	23,704	25,728	پراپرٹی، پلانٹ اینڈ ایکویپمنٹ
-	-	-	-	-	-	غیر مادی اثاثے
560	1,054	42,677	75,600	35,183	23,011	طویل المدت سرمایہ کاریاں
1,608	1,608	1,500	2,006	1,500	1,500	طویل المدت جمع شدہ قومات
(3,986)	11,689	26,631	17,630	74,741	26,228	خالص رواں اثاثے
33,580	37,623	90,904	122,086	135,128	76,467	کل خالص اثاثے
						سرمائے کے ذرائع
32,250	32,250	64,500	64,500	96,750	96,750	چارشہ جمع شدہ اور ادائہ شدہ سرمایہ
1,195	4,915	14,548	17,864	4,359	17,764	ذخائر اور غیر مصرف شدہ منافع
136	458	11,856	38,043	25,701	(16,506)	
33,581	37,623	90,904	120,407	126,810	98,008	حصص یافتگان کی ایکویٹی
-	-	-	1,679	-	-	طویل مدتی اور التوا شدہ واجبات
33,581	37,623	90,904	122,086	126,810	98,008	کل سرمایہ استعمال کیا گیا
105,441	145,539	184,118	182,672	169,496	393,230	کل فروخت (Turnover)
-13,192	4,696	11,639	11,626	3,799	17,337	منافع/ (خسارہ) قبل از ٹیکس
-13,948	3,720	9,798	9,766	2,152	13,404	منافع/ (خسارہ) بعد از ٹیکس
(4.33)	1.15	2.05	1.52	0.25	1.39	فی حصص آمدنی
-13.2%	2.6%	5.3%	5.3%	1.3%	3.4%	خالص آمدنی (فیصد)
-41.5%	9.9%	10.8%	8.0%	1.7%	13.67%	استعمال شدہ سرمائے پر منافع
						منافع منقسمہ
0%	0%	10%	10%	0%	5%	نقد (فیصد)
0%	0%	0%	0%	0%	0%	حصص (فیصد)



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ڈائریکٹرز رپورٹ

گزشتہ سال کی بنیاد 70.61 ملین روپے یعنی 57.22 فیصد اضافہ ہوا۔ فروخت میں اضافہ سے ہمارے معیار اور گاہکوں میں ہماری مصنوعات کی مقبولیت کی عکاسی ہوتی ہے۔

مقامی فروخت

مقامی فروخت پرمسلسل توجہ اور پاکستان کے مشہور زمانہ برانڈز اسٹور پر معیاری مصنوعات کی فراہمی کی وجہ سے کمپنی کی مقامی فروخت 182.71 ملین روپے ہو گئیں جبکہ گزشتہ سال 146.09 ملین روپے تھیں، اس طرح گزشتہ سال کی نسبت 136.62 ملین روپے یعنی 294.42 فیصد اضافہ کیا ہوا۔

فیحصہ آمدنی

بعد ازاں کمپنی فیحصہ آمدنی 1.39 روپے ہو گئی جبکہ گزشتہ سال 0.25 روپے تھی جو کہ آمدنی میں 456 فیصد بہترین منفعہ کی نشاندہی کرتا ہے۔

دیگر آمدن

دیگر آمدن میں کمپنی نے 22.30 ملین روپے حاصل شدہ منافع ہوا جبکہ گزشتہ سال 17.77 ملین روپے تھا۔ گزشتہ سال کی بنیاد اس سال 1.45 ملین روپے کا منافع منقسمہ موصول ہوا۔

سرمایہ جاتی اخراجات

سال کے دوران کمپنی نے 5.85 ملین روپے کی سرمایہ جاتی سرمایہ کاری کی تاکہ پیداواری گنجائش کو وسیع، پیداواریت میں اضافہ اور پلانٹ کی استعداد میں بہتری لائی جاسکے۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے اپنے اجلاس مورخہ 28 ستمبر 2018 میں مختتمہ سال 30 جون 2018 کے لئے حتمی منافع منقسمہ 5 فیصد یعنی 0.50 روپے فی حصص (2017 میں کوئی نہیں) کا اعلان کیا ہے۔

رابطے

کمپنی اپنے حصص یافتگان سے رابطے کی اہمیت کو سمجھتی ہے۔ سالانہ، ششماہی اور سہ ماہی رپورٹیں ان انٹیکٹیز ایکٹ 2017 کے مطابق مقررہ وقت پر تقسیم کی جاتی ہیں۔ کمپنی کی سرگرمیوں سے متعلق حالیہ معلومات کو ویب سائٹ www.internationalknitwear.com پر اپ لوڈ کیا جاتا ہے جو کہ سرمایہ کاروں کے متعلقہ حصے میں وقتاً فوقتاً فراہم کی جاتی ہیں۔

بڑی تبدیلیاں

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ تک کوئی بڑی تبدیلیاں رونما نہیں ہوئیں جن کے کمپنی کی مالیاتی پوزیشن پر اثرات مرتب ہوتے ہوں۔

صحت، تحفظ اور ماحول

جو لوگ ہمارے ساتھ کام کر رہے ہیں اور جن برادریوں کے درمیان ہم کام کر رہے ہیں ان کی خوشحالی کے لئے ہم صحت، تحفظ اور ماحولیات (HSE) کے اعلیٰ معیارات کو برقرار رکھنے پر یقین رکھتے ہیں۔



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ڈائریکٹرز رپورٹ

السلام علیکم!

انٹرنیشنل لنٹ ویئر انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنی رپورٹ کے ساتھ کمپنی کے مالیاتی گوشوارے برائے مختصرہ سال 30 جون 2018 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

مالیاتی کارکردگی

2017	2018	
روپے	روپے	
169,496,272	393,230,773	خالص فروخت
(3,667,670)	58,810,769	خام منافع / (خسارہ)
25,058,664	(16,506,278)	دیگر آمدنی
2,152,031	13,404,982	منافع / (خسارہ) بعد از ٹیکس
0.25	1.39	خال آمدنی فی حصص

کاروباری جائزہ

مالیاتی جھلکیاں برائے سال مختصرہ 30 جون 2018 درج ذیل ہیں:

مندرجہ بالا تخمینہ شدہ اعداد و شمار سے پتا چلتا ہے کہ موجودہ سال فروخت 393.23 ملین روپے رہیں جبکہ گزشتہ سال 169.49 ملین روپے تھیں اور کاروباری منافع 41.81 ملین روپے رہا جبکہ گزشتہ سال 17.32 ملین روپے خسارہ تھا۔

گزشتہ سال 2017 کی پربنسٹ موجودہ سال کی فروخت میں 223.74 ملین روپے اضافہ ہوا۔ گزشتہ سال کے 3.67 ملین روپے خسارہ کے مقابلے میں کمپنی کا خام منافع 58.81 ملین روپے رہا۔

گزشتہ چند سالوں سے انٹرنیشنل لنٹ ویئر میں مضبوط نمونہ کے ساتھ بھرتیج استحکام پیدا ہوا ہے۔ اس کی وجہ یہ ہے کہ کمپنی نے تمام کاروباری شعبہ جات میں فروخت کی بہترین استعداد کے ساتھ تکنیکی اور تجارتی مہارت استعمال کرتے ہوئے گاہکوں پر توجہ مرکوز کی۔

جائزہ سال کے دوران کمپنی کی مالیاتی کارکردگی نسبتاً بہتر رہی۔ عالمی معاشی کساد بازاری کے باوجود کمپنی کا بعد از ٹیکس منافع (حصص میں سرمایہ کاری پر) 22.30 ملین روپے کے غیر تسلیم شدہ خسارہ کے بعد 13.40 ملین روپے رہا۔

برآمدی فروخت

عالمی مارکیٹ میں اتھریڈ ریڈیو کے باوجود ہماری برآمدی فروخت میں اضافہ ہوا جو کہ گزشتہ سال کی 123.39 ملین روپے سے بڑھ کر 210.52 ملین ہو گئیں جو کہ



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سالانہ اجلاس عام کانوٹس

۱۱- غیر دعویٰ شدہ حصص/منافع منقسمہ

کمپنی کے ممبران کو مطلع کیا جاتا ہے کہ بین الاقوامی ایکٹ 2017 کی دفعہ 244 کی شقوں کے تحت اگر حصص/منافع منقسمہ کے واجب الادا ہونے سے تین سالوں تک غیر دعویٰ شدہ یا غیر ادا شدہ اور غیر وصول شدہ رہا تو پھر اس مدت کے خاتمہ کے بعد وہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے اصولوں کے تحت وفاقی حکومت کی تحویل میں چلا جائے گا۔ لہذا وہ تمام ممبران جن کے حصص/منافع منقسمہ مذکورہ بالا مدت تک غیر دعویٰ شدہ یا غیر ادا شدہ رہے ہوں تو ان سے ایک مرتبہ پھر درخواست کی جاتی ہے کہ اپنے دعوے کو دائر کریں کیونکہ ایسے تمام حصص یافتگان کو کمپنی کے ریکارڈ میں موجودان کے بتائے گئے ہوں پر نوٹس بھیج دیئے گئے ہیں۔

۱۲- آڈٹ شدہ مالیاتی گوشواروں کی کمپنی کی ویب سائٹ پر دستیابی

کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مقررہ مدت 30 جون 2018 کو کمپنی کی ویب سائٹ www.internationalknitwear.com پر اپ لوڈ کر دیا گیا ہے۔

۱۳- سالانہ رپورٹ کی برقی ذریعے سے ترسیل

SECP نے اپنے SRO 787 (1)/2014 مورخہ 08 ستمبر 2014 کے تحت حصص یافتگان کو آڈٹ شدہ مالیاتی گوشوارے بمعہ نوٹس برائے سالانہ اجلاس عام برقی طریقہ کار یعنی بذریعہ E-mail وصول کر سکتے ہیں۔ لہذا جو ممبران مستقبل میں سالانہ رپورٹ اور نوٹس برائے سالانہ اجلاس عام کو برقی طریقہ کار کے تحت موصول کرنا چاہیں تو وہ اپنے ای میل ایڈریس کے ساتھ کمپنی کی ویب سائٹ www.internationalknitwear.com پر موجود رجسٹریشن فارم مکمل کر کے کمپنی کے سیکرٹری جسر ایکسچینج دیں۔ تاہم کمپنی ان ممبران کی درخواست پر انہیں سالانہ رپورٹ کی کاغذی نقول مفت فراہم کرے گی۔

۱۴- پوسٹل بیلٹ کے ذریعے ووٹ دینا

کمپنی (پوسٹل بیلٹ) ریگولیشنز 2018 کے تحت ممبران اپنا ووٹ پوسٹل بیلٹ کے ذریعے بھیج سکتے ہیں۔ اگر ضروری ہو تو بیلٹ پیپر زاخاربات میں شائع کئے جائیں گے اور دیگر کارمعلومات، طریقہ کار اور وقت ریگولیشنز کے تحت فراہم کئے جائیں گے۔



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۸- برقی طریقہ کار کے ذریعے منافع منقسمہ کی ادائیگی - لازمی

کمپنی کے ممبران سے درخواست ہے کہ وہ کمپنیز ایکٹ 2017 کی دفعہ 242 کی پاسداری کریں اور اپنے بینک اکاؤنٹ کے کوائف بذریعہ E-Dividend Form (جو کہ سالانہ رپورٹ کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ www.internationalknitwear.com پر بھی موجود ہے) فراہم کر دیں کیونکہ نقد منافع منقسمہ کی ادائیگی نقد منافع منقسمہ کے پروانوں کے اجراء کے بجائے اہل حصص یافتگان کے تفویض کردہ بینک اکاؤنٹ میں برقی طریقہ کار کے ذریعے بلا واسطہ منتقل کی جائے گی، لہذا کمپنی ان حصص یافتگان کی منافع منقسمہ کی ادائیگی روکنے پر مجبور ہوگی جنہوں نے یہ تعینات فراہم نہ کی ہوں۔

۹- تبدیل شدہ نرخوں کے مطابق فائلر اور نان فائلر سے انکم ٹیکس کی کٹوتی

انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت منافع منقسمہ کی ادائیگیوں میں سے انکم ٹیکس کی کٹوتی کی شرح درج ذیل ہوگی:

۱- انکم ٹیکس ریٹرن کے فائلرز کے لئے ٹیکس کی شرح 15 فیصد

۲- انکم ٹیکس ریٹرن کے نان فائلرز کے لئے ٹیکس کی شرح 20 فیصد

مشترک اکاؤنٹ کی صورت میں ہر حصص یافتہ کو انفرادی طور پر یا تو فائلر یا نان فائلر تصور کیا جائے گا اور ہر مشترک حصص یافتہ کی حصص داری کی بنیاد پر ٹیکس کی کٹوتی کی جائے گی جس کے لئے شیئرز رجسٹرار کو مشترک حصص داری میں اپنے حصص سے مطلع کرنا لازمی ہوگا اور اگر پہلے سے مطلع نہ کیا تو سب کی حصص داری برابر تصور کی جائے گی۔

کمپنی کا نام		فویہ/سی ڈی سی		کل حصص	پرنسپل شیئر ہولڈ	جوائنٹ شیئر ہولڈر
					نام اور CNIC نمبر	نام اور CNIC نمبر
					حصص کی تعداد	حصص کی تعداد

CNIC/NTN نمبر فراہم کرنا لازمی ہے جو کہ فیڈرل بورڈ آف ریونیو کی ویب سائٹ پر وقتاً فوقتاً اپ ڈیٹ شدہ فعال ٹیکس دہندگان کی فہرست (ATL) میں حصص یافتہ کی حیثیت جاننے کے لئے ضروری ہے۔

۱۰- انکم ٹیکس/زکوٰۃ کی کٹوتی سے استثناء

جو ممبران انکم ٹیکس سے استثناء یا کم نرخ پر کٹوتی چاہتے ہوں ان سے درخواست ہے کہ وہ اپنا درست ٹیکس استثنائی مطابقت یا ضروری دستاویزی ثبوت پیش کریں۔ وہ ممبران جو کہ زکوٰۃ کی کٹوتی نہ کرانا چاہتے ہوں ان سے درخواست ہے کہ وہ زکوٰۃ کی عدم کٹوتی کا درست حلف نامہ پیش کریں۔



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- B
- ☆ پراکسی کی تقرری کے لئے
- ☆ انفرادی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/یا جس فرد کے حصص گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات CDC کے ضابطوں کے تحت اپ لوڈ کر دی گئی ہوں، وہ پراکسی فارم مندرجہ بالا مطلوبات کے مطابق پیش کر سکتے ہیں۔
- ☆ پراکسی پر دو گواہان کے دستخط ہونے چاہئیں جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔
- ☆ پراکسی اور اتفاقاً مالکان کی CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں گی۔
- ☆ پراکسی اجلاس میں حاضر ہوتے وقت اپنا اصل CNIC یا پاسپورٹ دکھائے گا۔
- ☆ کارپوریٹ اثاثے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اختیار نامہ بمع نمونہ دستخط پراکسی فارم کے ساتھ (اگر یہ پہلے سے فراہم نہ کئے گئے ہوں) تو کمپنی کو پیش کئے جائیں گے۔

-۴ وڈیولنک کی سہولت

اجلاس سے سات دن قبل ان ممبران کی درخواست پر جو کہ شہر سے باہر رہتے ہوں اور کمپنی کے کل ادا شدہ سرمائے کے 10 فیصد کے مالک ہوں، تو ایسے ممبران کو وڈیولنک کی سہولت ان کے شہر میں فراہم کی جاسکتی ہے تاکہ وہ اجلاس میں حاضر ہو سکیں بشرطیکہ وڈیولنک کی سہولت ان کے شہر میں موجود ہو۔

-۵ پراکسی فارم

پراکسی فارم سالانہ رپورٹ کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ www.internationalknitwear.com پر بھی موجود ہے۔

-۶ پتے میں تبدیلی

ممبران سے درخواست ہے کہ وہ کمپنی کے شیئرز رجسٹرار کو اپنے پتے میں کسی بھی تبدیلی سے آگاہ کریں۔

-۷ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر/نیشنل ایکس نمبر

نگران اداروں کی طرف سے وقتاً فوقتاً جاری کردہ ہدایات کے مطابق، وہ ممبران جنہوں نے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) نمبر اور نیشنل ایکس نمبر (NTN) فراہم نہیں کئے ہیں، ان سے درخواست ہے کہ وہ اپنی درست CNIC یا/اور NTN سرٹیفکیٹس جلد از جلد پیش کر دیں:

- ☆ وہ حصص یافتگان جو کہ کمپنی کے طبعی حصص کے مالک ہیں ان سے درخواست ہے کہ مندرجہ بالا دستاویزات شیئرز رجسٹرار کے پتے پر بھیج دیں۔
- ☆ وہ حصص یافتگان جن کی حصص داری سینٹرل ڈپازٹری سسٹم (CDS) کی تحویل میں ہے ان کو مشورہ دیا جاتا ہے کہ وہ مذکورہ بالا دستاویزات متعلقہ شرکا/ CDC انویسٹرا کاؤنٹ سروں کو مہیا کر دیں۔



International Knitwear Limited

سالانہ اجلاس عام کانوٹس

میسرز سینٹرل ڈپازٹری آف پاکستان لمیٹڈ

ٹینیز رجسٹرڈ پارٹنرشپ

سی ڈی سی ہاؤس، بلاک 'B'، ایس ایم سی ایچ ایس

میں شاہراہ فیصل، کراچی 74400

ٹیلیفون (ٹول فری) 0800-23275 / فیکس 34326053 (21-92)

ای میل: info@cdcpak.com ویب سائٹ: www.cdcpakistan.com

19 اکتوبر 2018 کو کٹا میں، بند سے قبل موصول ہونے والی درخواستوں کو جائز منتقلیہ تصور کیا جائے گا۔

۳- پراکسی کی تقرری کے لئے

وہ ممبر جو کہ سالانہ اجلاس عام میں حاضر ہونے، بولنے اور ووٹ دینے کا حق رکھتا ہو وہ اپنی طرف سے حاضر ہونے، بولنے اور ووٹ دینے کے لئے پراکسی مقرر کر سکتا ہے۔ پراکسی کا ممبر ہونا ضروری نہیں ہے۔

پراکسی کے موثر ہونے کے لئے ضروری ہے کہ دستخط شدہ، گواہ شدہ، مہر شدہ فارم سینٹر رجسٹرار کے دفتر میں اجلاس سے کم از کم 48 گھنٹے قبل جمع کر دیا جائے۔

حصص یافتہ/پراکسی اجلاس میں حاضر ہوتے وقت اپنا اصل CNIC یا پاسپورٹ پیش کرے گا۔

CDC کے کھاتے دار مزید سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکل نمبر 1 مورخہ 26 جنوری 2000 میں دیئے گئے رہنما اصولوں کی پاسداری کریں گے۔

A- اجلاس میں حاضری کے لئے

☆ انفرادی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/یا جس کے حصص گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات CDC کے ضابطوں کے تحت اپ لوڈ کر دی گئی ہوں، وہ اجلاس میں حاضر ہوتے وقت اپنی شناخت کی تصدیق کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ دکھائیں۔

☆ کارپوریٹ انٹائی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اختیار نامہ بمع نامزد فرد کے نمونہ دستخط (اگر یہ پہلے سے فراہم نہ کئے گئے ہوں) اجلاس میں حاضری کے وقت پیش کئے جائیں گے۔



International Knitwear Limited

سالانہ اجلاس عام کانوٹس

گزارشات:

- ۱- ڈائریکٹرز کا انتخاب
- ۱- کوئی بھی ممبر کمپنیز ایکٹ 2017 کی دفعہ (3) 159 کے تحت نامزدگی/ اپنے آپ کو ڈائریکٹر کے انتخاب کے لئے پیش کرنے کے ارادے کانوٹس کمپنی کے رجسٹرڈ آفس، F-2A/L، سائٹ، کراچی کو نمذکورہ بالا اجلاس سے 14 دن قبل بھیج سکتا ہے جس کے لئے مندرجہ ذیل دستاویزات پیش کی جائیں گی:
 - ☆ کمپنیز ایکٹ 2017 کی دفعہ (1) 167 کے تحت بضابطہ مکمل شدہ اور دستخط شدہ فارم 28 میں کمپنی کے ڈائریکٹر کی حیثیت سے کام کرنے پر رضامندی
 - ☆ SECP کے SRO 634(I)/2014 مورخہ 10 جولائی 2014 کے تحت امیدواران کا اپنے تفصیلی پرہدفاصل کے ساتھ اپنے دفتری پتے کی فراہمی
 - ☆ دستخط شدہ اقرار نامہ کہ امیدوار کمپنیز ایکٹ 2017، کمپنی کے اغراض و منافع و ضوابط، پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک، لیکچر کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 اور دیگر قوانین اور ضوابط میں تعین کردہ اپنی ذمہ داریوں اور ڈائریکٹر ان کے اختیارات سے آگاہ ہے۔
 - ☆ دستخط شدہ اقرار نامہ کہ امیدوار کمپنیز ایکٹ 2017 اور لیکچر کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 میں دیئے گئے معیار اصول کے مطابق لسنڈ کمپنی کے ڈائریکٹر/ خود مختار ڈائریکٹر کی تقرری کے لئے اہل ہے اور ان کی پاسداری کرتا ہے۔
 - ☆ CNIC / پاسپورٹ اور NTN کی درست نقول
- مزید اضافی دستاویزات ان امکانی امیدواروں کے لئے جو ڈائریکٹر ان کے انتخاب میں بطور خود مختار ڈائریکٹر انتخاب لڑنا چاہتے ہوں:
 - ☆ لیکچر کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 ضابطہ (2) 6 کے تحت اقرار نامہ کہ امیدوار کمپنیز ایکٹ 2017 میں دیئے گئے خود مختار ڈائریکٹر کے معیار اصول کے مطابق اہل ہے۔
 - ☆ غیر عدالتی اسٹامپ پیپر پر ضمانت نامہ کہ امیدوار کمپنیز (ممبر اینڈ سلیکشن آف انڈیپنڈنٹ ڈائریکٹرز) ریگولیشنز کے ضابطہ (1) 4 کے معیارات پر پورا اترتا ہے۔

۲- حصص منتقلی کی کتابوں کی بندش

کمپنی کے ممبران کی کتابیں 20 اکتوبر 2018 سے 27 اکتوبر 2018 (دونوں دن شامل ہونگے) تک بند رہیں گی۔ کمپنی کے شیئرز رجسٹر ا کے دفتر میں اس مدت سے قبل منتقلی کی درخواستیں موصول کی جائیں گی اور اس مدت کے دوران کوئی بھی منتقلی کی درخواست قبول نہیں کی جائے گی۔ منتقلی کی درخواستیں جو اس مدت سے قبل کمپنی کے شیئرز رجسٹر ا کے مندرجہ ذیل دفتری پتے پر موصول ہوگی۔



International Knitwear Limited

سالانہ اجلاس عام کا نوٹس

مطلع کیا جاتا ہے کہ انٹرنیشنل لنٹ ویز لمیٹڈ کا 28 واں سالانہ اجلاس عام بروز ہفتہ 27 اکتوبر 2018 کو شام 6:00 بجے F-2A/L سائٹ، کراچی پر منعقد ہوگا جس میں مندرجہ ذیل امور طے پائیں گے۔

عام امور

- ۱- سالانہ اجلاس عام مورخہ 28 اکتوبر 2017 کی کارروائی کی توثیق
- ۲- کمپنی کے مالیاتی گوشوارے برائے نختہ سال 30 جون 2018 کے ساتھ ڈائریکٹران اور آڈیٹرز کی رپورٹ کی وصولی، نجوم اور ان کی منظوری
- ۳- نختہ سال 30 جون 2018 کے لئے بورڈ آف ڈائریکٹرز کے سفارش کردہ 0.50 روپے فی حصص یعنی 5 فیصد کے حساب سے حتمی نقد منافع منقسمہ کا اعلان اور منظوری
- ۴- سال 30 جون 2019 کے لئے کمپنی کے آڈیٹرز کی تقرری اور ان کا معاوضہ طے کرنا۔ موجودہ آڈیٹرز میسرز کے آر ایس ایم او ایس حیدر ریاض نعمان، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔
- ۵- کمپنیز ایکٹ 2017 کی دفعہ 159 کی شقوں کے تحت نامزد کردہ کمپنی کے 7 ڈائریکٹران کا 3 سال کی مدت کے لئے انتخاب جس کا آغاز اس اجلاس کے اختتام سے ہوگا۔ ریٹائر ہونے والے ڈائریکٹران کے نام درج ذیل ہیں:

۱- جناب وسیم شفیع	۲- جناب نعیم شفیع	۳- جناب جاوید خان	۴- جناب محمد شفیع
۵- جناب محمد ساجد حسین	۶- جناب ارشد احمد	۷- جناب جاوید اختر ملک	

۶- صدر مجلس کی اجازت سے مزید کسی امور کی انجام دہی

بحکم بورڈ

کراچی

اکتوبر 2018-6

جاوید خان
کمپنی سیکریٹری

Consent Required

For Annual Reports through e-mail

Dear Shareholder(s)

The securities & Exchange Commission of Pakistan (SECP) through its Notification (SRO 787(I) 2014) dated 8 September 2014 has allowed the circulation of Company's annual balance sheet and profit and loss account, auditor's report and directors' report etc. (Audited Annual Financial Statements) to shareholders along with notice of Annual General Meeting (AGM) through e-mail.

Therefore, if you wish to receive company's (Audited Annual Financial Statements) along with notice of (AGM) via - email, you are requested to provide this letter duly filled and signed to us or our Share Registrar at their below address:

E – MAIL ADDRESS: _____

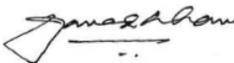
CNIC NUMBER: _____

FOLIO / CDS ACCOUNT # _____

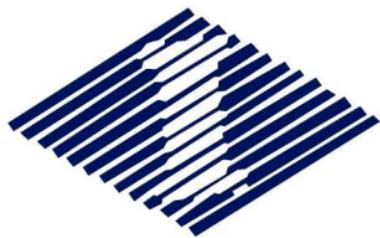
SIGNATURE OF SHAREHOLDER

M/s Central Depository Company of Pakistan Limited
Share Registrar Department
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shakra-e-Faisal, Karachi-74400.
Telephone (Toll Free) 0800-23275 / Fax: (92-21) 34326053
Email: info@cdcpak.com / Website: www.cdcpakistan.com

Yours sincerely
For International Knitwear Limited



Javed Khan
Company Secretary



International Knitwear Limited

E-DIVIDEND MANDATE FORM

To:

Subject: Banka account detail for payment of Dividend through electronic mode.

Dear Sir,

I, Mr./Mrs./Ms _____

S/O,/D/O,W/O _____

hereby authorize International Knitwear Limited to directly credit cash dividend declared by it, if any, in the below mentioned bank account.

(i) Shareholder's Detail	
Name of the Shareholder	
Folio No./CDC Participants ID A/C No.	
CNIC No. **	
Passport No. (in case of foreign Shareholder)***	
Land Line Phone Number	
Cell Number	

(ii) Shareholder's Bank Detail	
Title of Bank Account	
Bank Account Number	
Bank 's Name	
Branch Name and Address	

It is stated that the above-mentioned information is correct and that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the Shareholder

Notes:

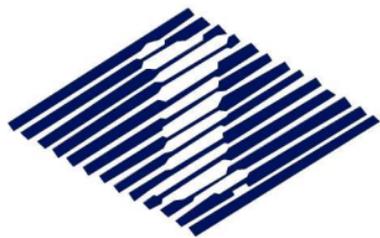
The Shareholders having physical shares have to address the Company Secretary IKL on the address given below:

The Company Secretary
International Knitwear Limited
F2-A1, S.I.T.E
Karachi.

and Shareholders having their accounts with Central Depository Company (CDC) have to communicate mandate information to relevant Member Stock Exchange.

***Please attach attested photocopy of the CNIC.

***Please attach attested photocopy of the Passport.



International Knitwear Limited



International Knitwear Limited

FORM OF PROXY 28th 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 27th, 2018 and / or any adjournment thereof.

Signed this _____ day of _____ 2018.

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

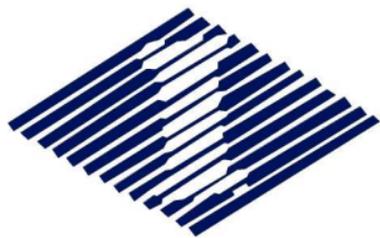
Signature _____

Name _____

CNIC No. _____

Address _____

- Notes:
1. The proxy must be a member of the Company.
 2. The signature must tally with the specimen signature/s registered with the company.
 3. 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 attested 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.
 4. 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



International Knitwear Limited

پراکسی فارم

میں/ ہم ولد/ بنت/ زوجہ/ شوہر، اینٹرنیشنل 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 تکنیکی 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 27 اکتوبر 2018 کو مستعد ہونے والے سالانہ اجلاس عام میں شرکت کرے گا اور میری/ ہماری طرف سے ووٹ دے گا یا برعکس کرے گا۔

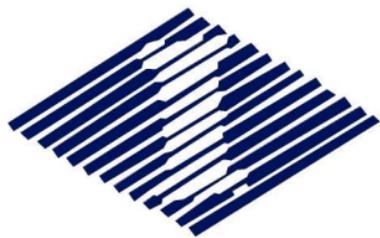
مورخہ: 2018 کو میں/ ہم نے دستخط کئے۔

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

گواہ نمبر	گواہ نمبر
..... دستخط دستخط
..... نام نام
..... CNIC نمبر CNIC نمبر
..... پتہ پتہ

ضروری گزارشات:

- 1- پراکسی لازمی طور پر کینیڈا کا ممبر ہو۔
- 2- دستخط کا کاپی کے ریکارڈ میں موجود ہونا دستخط سے نمائش ہونا لازمی ہے۔
- 3- اگر کوئی ایسا ممبر پراکسی کو مقرر کرتا ہے جس کے حصص سینٹرل ڈیپازٹری کینیڈا 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 اتفاقاً یا لک کی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی کی تصدیق شدہ فوٹو کا پیمانہ فراہم کرنا لازمی ہے۔ کارپوریٹ ممبرز کی صورت میں ضروری عمومی دستاویز اس مقصد کے لئے لازمی ضروری ہے۔
- 5- مکمل پراکسی فارم کینیڈا کے رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل جمع کروا دیا جائے۔



International Knitwear Limited



International Knitwear Limited

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

Phones: 32571463, 32574302-04

Fax: (021) 32564414

Web : www.internationalknitwear.com