



International Knitwear Limited



**ANNUAL REPORT 2019**



# 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. Mudassir Habib Khan  
Ms. Saleha Majid

Chairman  
Chief Executive

**CHIEF FINANCIAL OFFICER  
& COMPANY SECRETARY**

Mr. Javed Khan

**AUDIT COMMITTEE**

Ms. Saleha Majid  
Mr. Muhammad Sajid Hussain  
Mr. Mudassir Habib Khan

**HR & REMUNERATION  
COMMITTEE**

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

**AUDITORS**

RSM Avais Hyder Liaquat Nauman  
Chartered Accountants

**LEGAL ADVISOR**

Ali Associates

**BANKERS**

Bank AL-Habib Limited  
Habib Bank Limited

**REGISTERED OFFICE &  
FACTORY**

F-2A(L), S.I.T.E., Karachi-75730.

**REGISTRAR**

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

**WEBSITE**

[www.internationalknitwear.com](http://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 Ninth (29th) Annual General Meeting** of International Knitwear Limited will be held on **Monday, October 28, 2019 at 02:00 p.m. 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 27, 2018.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2019, 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, 2019, as recommended by the Board of Directors.
4. To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2020. The present auditors M/s RSM AvaisHyderLiaquatNauman, Chartered Accountants, retire and being eligible have offered themselves for re-appointment.

### SPECIAL BUSINESS

#### Ordinary Resolution:

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

RESOLVED that the transaction carried out by the Company in the normal course of business with related parties during the year ended June 30, 2019 be and are hereby ratified, approved and confirmed.

6. To approve the remuneration of Executive Director (s) including the Chief Executive Officer and, if thought appropriate, to pass with or without modification(s) the following resolutions as ordinary resolution:

RESOLVED that the Chief Executive Officer and one full-time working director will be paid an amount not exceeding PKR 15 million which includes allowances and other benefits as per terms of their employment for the year ending June 30, 2020 be and is hereby approved. Further, the Chief Executive Officer and Executive Director are entitled for free use of Company maintained transport for official and private purposes as approved by the Board:

### OTHER BUSINESS

7. To transact any other business with the permission of the Chair.

By Order of the Board

**Javed Khan**  
Company Secretary

Karachi: October 05, 2019



## NOTICE OF ANNUAL GENERAL MEETING

### NOTES:

#### **1. 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 22, 2019 to October 28, 2019 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar:

#### **CDC Share Registrar Services Limited**

Share Registrar Department

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

Main Shahrah-e-Faisal, Karachi-74400.

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

Email: info@cdcsrsl.com / Website: www.cdcsrsl.com

at the close of business on **October 21, 2019** will be treated in time for the purpose of determination of entitlement to the transferees.

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.



# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

### A. 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.

### 2. CONSENT FOR THE FACILITY OF VIDEO-LINK

Pursuant to the provisions of the Companies Act 2017, the company may on the demand of members at least 7 days before the general meeting residing in a city, who hold at least 10% of the total paid up capital of the Company, provide the facility of video-link to such members enabling them to participate in its annual general meeting. If you wish to take benefit of this facility, please fill the form available on the Company's website and submit it to the Company at its registered address at least 10 days prior to the date of the meeting.

The Company will intimate members the venue of the video conference facility, if required criteria have been fulfilled, at least 7 days before the date of general meeting along with complete information necessary to enable them to access such facility.

### 3. SUBMISSION OF COPIES OF CNIC AND NTN CERTIFICATE (MANDATORY)

- Pursuant to the directives of the SECP, the dividend of the shareholders whose CNIC / SNIC or NTN (in case of corporate entities), are not available with the Share Registrar shall be withheld. Shareholders are therefore, requested to submit a copy of their valid CNIC / SNIC (if not already provided) to the Company's Share Registrar, CDC Share Registrar Services Limited.



## NOTICE OF ANNUAL GENERAL MEETING

### 4. PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E-MANDATE)

In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017 it is mandatory that dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Notice in this regard has already been published earlier in newspapers as per Regulations. All shareholders are once again requested to provide details of their bank mandate specifying (i) title of account, (ii) account number, (iii) IBAN number (iv) bank name and (v) branch name, code and address, to the Company's Share Registrar. Shareholders who hold shares with Participants / CDC Share Registrar Services Limited are advised to provide the mandate to the concerned Broker.

### 5. WITHHOLDING TAX ON DIVIDEND

Government of Pakistan through Finance Act, 2019 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These taxes are as under:

1.	For filers of income tax returns	15%
2.	For non-filers of income tax returns	30%

Shareholders who have filed their returns are advised to make sure that their names are entered into latest Active Tax Payer List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as persons not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

### 6. WITHHOLDING TAX ON DIVIDEND IN CASE OF JOINT ACCOUNT HOLDERS

In order to enable the Company to follow the directives of the regulations to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal Shareholder) for deduction of withholding tax on dividends of the Company, shareholders are requested to furnish the shareholding ratio details of themselves as Principal shareholder and Joint Holders, to the Company's Share Registrar, in writing as per format given below enabling the Company to compute withholding tax of each shareholder accordingly.

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

The required information must reach our Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).



## NOTICE OF ANNUAL GENERAL MEETING

### 7. 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.

### 8. 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.

### 9. DISTRIBUTION OF ANNUAL REPORT THROUGH EMAIL (OPTIONAL)

Pursuant to the provision of section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their annual financial statement, along with auditor's report, directors' review report, etc. ("Annual Report") and the notice of annual general meeting ("Notice"), to its shareholder by email. Shareholders of the Company who wish to receive the Company's Annual Report and Notices of annual general meeting by email are requested to provide the completed Electronic Communication Consent Form (available on the Company's Website), to the Company's Share Registrar.

### 10. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE

The audited financial statements of the Company for the year ended June 30, 2019 have been placed at the Company's website [www.internationalknitwear.com](http://www.internationalknitwear.com).

### 11. 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](http://www.internationalknitwear.com)

### 12. CHANGE OF ADDRESS

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



# International Knitwear Limited

## REVIEW REPORT BY THE CHAIRMAN

It gives me immense pleasure to communicate with our valued members and stakeholders to present the financial and other information for the year ended June 30, 2019, to apprise them on the overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's objectives.

The Board of Directors is performing its duties in accordance with law and in the best interest of company and its shareholders. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of International Knitwear Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2019, the Board's overall performance and effectiveness has been assessed as Satisfactory. This is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

International Knitwear Limited Complies with all the requirements set out in the Law with respect to the composition, procedures and meetings of the Board of Directors and its committees. Necessary Board agenda and related supporting documents were duly made available to the board in sufficient time prior to the board and its committee meetings. The Board has exercised all its powers in accordance with relevant laws and regulation and the non- executive and independent directors are equally involved in important decisions of the board.

Here, I would like to place on record my sincere appreciation of our members and other stakeholders for their continued trust and support to the management and the Company.

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**WASEEM SHAFI**  
Chairman

Karachi :

Dated: September 30, 2019



## 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, 2019.

### Financial Position at a Glance

	2019 Rupees	2018 Rupees	Percentage
Net sales	451,098,967	393,230,773	14.72%
Gross profit	32,105,797	58,810,770	(45.41%)
Profit before taxation	14,748,652	17,337,290	(14.93%)
Profit after taxation	10,237,662	13,404,982	(23.63%)
Net earnings per share	1.06	1.39	(23.63%)

### Business overview

Financial highlights of the year ended June 30, 2019 are summarized below:

In the year ending June 30, 2019 business grew about 15%. The Company has achieved Net sales of Rs. 451.09 million as compared to Rs.393.23 million. Profit before taxation was 14.74 million as compared to Rs. 17.33 million for the corresponding period last year.

Sales recorded an increase of Rs.57.86 million in the current year as compared to sales in the previous year ended 30, June 2018. Gross profit of the Company was Rs.32.10 million in the current year as compared to gross profit of Rs.58.81 million of the last year.

During the year the Company has performed well and achieved a required volume of export orders as well as extended demand in local segment which helped in full utilization of operational capacities and absorption of fixed production overheads.

### Sales

By the grace of the Almighty we have managed to steadily increase sales by 14.72% to Rs.451.09 Million on the back of volume, price increase and currency devaluation. This could be realized by consistent supply of quality products to our valued clients internationally and national wide.

### Earnings per share

Earnings per share after taxation is Rs. 1.06 as compared to Rs. 1.39 in the last year earnings for the shareholders.



## DIRECTORS' REPORT

### Other Income

In other income the company realized and unrealized loss of Rs. 2.16 million against loss of Rs.22.30 million in the corresponding period last year. Dividend income during the year was Rs. 1.42 million against Rs. 1.45 million against the corresponding period last year.

During the year under review the company has an Exchange gain of Rs. 11.09 including unrealized exchange gain of Rs.5.31 million as compare in the previous year exchange gain of Rs.3.65 million including unrealized exchange gain of Rs.1.15 million.

### Capital Expenditure

The Company during the year made capital investment of Rs.10.49 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, 2019 at 5 % i.e. Re.0.50 per share (2018 Re. 0.50) in its meeting held on September 30, 2019.

### 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](http://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 has occurred between the end of the financial year of the Company and the date of the report.

### Corporate Environment, Health & Social Responsibility

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. Our focus remains on improving all aspects of safety especially with regards to the safe, production, delivery, storage and handling of the materials. Your company always ensures environment preservation and adopts all possible means for environment protection.

### Materiality Approach

Determining materiality levels is subjective and the methodology varies from one organization to the other. Authorization for transactions and delegation of powers have been clearly defined and documented through formalized processes in the Company. The Company has an approved materiality policy which is reviewed annually to confirm its relevance.



## 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:

	2019	2018	2017	2016	2015	2014
	.....000'					
<b>ASSETS EMPLOYED</b>						
Property, plant and equipment	32,134	25,728	23,704	26,850	20,095	23,272
Intangible assets	-	-	-	-	-	-
Long-term investments	17,769	42,052	35,183	75,600	42,677	1,054
Long-term deposits	2,052	1,500	1,500	2,006	1,500	1,608
Net current assets	4,177	7,108	74,847	17,630	26,631	11,689
<b>Total assets employed</b>	<b>56,132</b>	<b>76,388</b>	<b>135,234</b>	<b>122,086</b>	<b>90,904</b>	<b>37,623</b>
<b>FINANCED BY</b>						
Issued, subscribed and paid up capital	96,750	96,750	96,750	64,500	64,500	32,250
Reserve and un-appropriated profit	28,449	23,362	4,359	17,864	14,548	4,915
Gain / (Loss) on revaluation of Investments	(3,689)	14,360	25,701	38,043	11,856	458
Shareholder's equity	121,509	134,473	126,810	120,407	90,904	37,623
Long term and deferred liabilities	2,048	-	-	1,679	-	-
<b>Total capital employed</b>	<b>123,557</b>	<b>134,473</b>	<b>126,810</b>	<b>122,086</b>	<b>90,904</b>	<b>37,623</b>
Turnover	451,098	393,230	169,496	182,672	184,118	145,539
Profit/(loss) before tax	14,748	17,337	3,799	11,626	11,639	4,696
Profit/(loss) after tax	10,237	13,404	2,152	9,766	9,798	3,720
Earnings per share	1.06	1.39	0.25	1.52	2.05	1.15
Net income %	2.3%	3.4%	1.3%	5.3%	5.3%	2.6%
Return on capital employed	8.3%	10%	1.7%	8.0%	10.8%	9.9%
<b>Dividend</b>						
Cash (%)	5%	5%	0%	10%	10%	0%
Stock (%)	0%	0%	0%	0%	0%	0%

### 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 Knitwear Limited

## DIRECTORS' REPORT

- 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 Chairperson of the Committee.

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

Members Name	Meetings attended
Ms. Saleha Majid	2
Mr. Muhammad Shafi	3
Mr. Muhammad Sajid Hussain	3

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 2018-19.

### Meetings of board of directors

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

Name of director	Meetings attendance
Mr. Naeem Shafi	4
Mr. Waseem Shafi	4
Mr. Javed Khan	4
Mr. Mudassar Habib Khan	3
Mr. Muhammad Sajid Hussain	4
Mr. Muhammad Shafi	4
Ms. Saleha Majid	3

### 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.

### 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. Each year the Board establishes a list of goals and strategies aligned to achieve the mission of the Company. Each milestone is thus measured in order to assess performance. It includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning and corporate success.

### Role of Chairman and CEO

Chairman acts as the custodian of the Company on behalf of the Board and stakeholders. He heads the Board of Directors and is responsible for ensuring the Board's effectiveness. The chairman ensures the development of business and protection of goodwill of the Company. He also ensures the balance of membership of the Board in terms of versatile exposure to various business operations and achievement of the Company's vision, mission and its long term goals. He acts as a link between the Board and management of the Company and communicates with the Board on behalf of the management.

The CEO is responsible for day to day management of the Company's affairs and execution of long term strategy, plans and budgets to increase shareholders' value. CEO also represents the Company to shareholders, government authorities and the public. He is the leader and decision maker who motivates employees, drives change within the Company and takes decisions to achieve targets.



# International Knitwear Limited

## DIRECTORS' REPORT

### 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 2018-19, 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

Ms. Saleha Majid	1
Mr. Muhammad Shafi	1
Mr. Muhammad Sajid Hussain	1

Our aim is to maintain a high performing organization that attracts, develops and retains talented resources. Personal development of our employees is facilitated by empowering them with bigger roles and challenging assignments, as well as through coaching, mentoring and a challenging appraisal system.

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 2018-19.

### Statutory auditors

The present Auditors, RSM Avasi Hyder Liaquat Nauman Chartered Accountants will retire and offer themselves for reappointment the financial year ending June 30, 2020.

### Pattern of shareholding

A statement showing the pattern of shareholding in the Company and additional information as on June 30, 2019 is annexed to this report.

There were 1,277 shareholders on the record of the Company as at 30th June 2019.

### Directors' training Program

Board of directors training helps the board fulfill its role and make a real difference to the company's performance. Therefore keeping the same in mind and requirements of the code one Director namely Mr. Muhammad Shafi has attended the directors' training program conducted by Institute of Chartered Accountants of Pakistan during the year.

### Future outlook

The rupee devaluation by 35% during the outgoing year and there may be further correction against the USD. The inflation is also on the rise and it could put pressure on buying power of consumer and ultimately effect on local segment of business.

Furthermore imposition of GST 17% on Textile export sector will adversely affect the cash flows / would increase borrowing and would make extremely difficult for foreign exchange earning industry that is surviving on negligible margin to compete world wide

### Acknowledgments

The Management would like to place on record its appreciation for the support of Board of Directors, regulatory authorities, shareholders, customers, financial institutions, suppliers and dedication and hard work of the staff and workers.

For and on behalf of the Board

JAVED KHAN

Director & Chief Financial Officer

NAEEM SHAFI

Chief Executive

Karachi: September 30, 2019



## 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: 6 (Six)

Female: 1 (One)

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.Muhammad Sajid Hussain
	Mr.Mudassir Habib Khan
Independent Director	Ms.Saleha Majid

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 matter 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, recording 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. Two directors of the company have acquired certification under Director's training program. However, those who meet the exemption criteria, for them the company has not applied the exemption from the commission.
10. CEO and CFO duly endorsed the financial statements before approval of the Board.
11. The board has approved appointment of 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. However, the CFO has also been assigned the responsibilities of the company secretary.
12. The Board has formed committees comprising of members given below:

#### Audit Committee

Saleha Majid (Chairperson)  
Muhammad Sajid Hussain  
Mudassir Habib Khan

#### HR and Remuneration Committee

Saleha Majid (Chairperson)  
Muhammad Shafi  
Muhammad Sajid Hussain

13. The terms of reference of the Audit committee have been formed, documented and advised to the committee for compliance. However, the term of reference of the HR & Remuneration committee is not formed.
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, 2019
  - b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2019
15. The Board has setup an internal audit function who are considered suitably experience for the purpose and are conversant with the policies and procedures of the company. However, the qualification of head of internal audit does not meet the requirement of the code.



# International Knitwear Limited

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

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.
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 auditors have confirmed that they have observed IFAC 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, 2020:
- a) Level of materiality has not been defined by the board.
  - b) Complete record of significant policies is not maintained by the board.

WASEEM SHAFI  
Chairman

NAEEM SHAFI  
Chief Executive

Karachi: September 30, 2019



# 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, 2019 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, 2019.

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.	9	The company has not applied the exemption from the director's training program from the commission as required under the regulation.
II.	11	CFO also holds the office of the company secretary.
III.	13	The term of reference of HR & R committee is not formed.
IV.	15	Head of internal audit does not meet the qualification criteria prescribed by the regulations.
V.	18 (a)	The level of materiality has not been defined by the board
VI.	18 (b)	The board has not maintained the complete record of significant policies as required under the regulation.

**Sd/-**

**Engagement Partner: Adnan Zaman**  
**Chartered Accountants**

Karachi.

Date: September 30, 2019



# 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, 2019, and the statement of profit or loss, the statement of 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, the 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, 2019 and of the profit and other comprehensive loss, 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><b>Revenue</b> <i>(Refer note 20 to the financial statements)</i></p> <p>The Company generates revenue from sale to export as well as local customers. We considered revenue recognition as key audit matter as it is one of the key performance indicators and because of the potential risk that revenue may not be recorded in the appropriate period.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>-Obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls.</li><li>-Performed test of details on a sample basis with underlying documentations by inspecting and comparing customer orders, delivery challans, bill of lading (in case of export sales), invoices and other related documents.</li><li>-Compared sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to ensure that revenue pertains to the appropriate accounting period.</li><li>-Ensured the adequacy of disclosures in accordance with applicable financial reporting standards and the Companies Act, 2017.</li></ul>
2.	<p><b>Stock in trade</b> <i>(Refer note 9 to the financial statements)</i></p> <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"><li>-Obtained an understanding of internal controls over purchases and valuation of stock in trade and tested, on a sample basis, their design, implementation and operating effectiveness.</li><li>-Attended physical inventory counts performed by the Company.</li><li>-Obtained and reviewed the inventory count report of the management and assessed its accuracy on a sample basis.</li></ul>



## AUDITORS' REPORT TO THE MEMBERS

		<p>-Ensuring that proper provision has been made for slow moving, obsolete and damaged inventory or items selling below cost.</p> <p>-Performed NRV test to ensure that the inventory is valued at lower of cost and NRV.</p>
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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.

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.



## AUDITORS' REPORT TO THE MEMBERS

### 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.



## AUDITORS' REPORT TO THE MEMBERS

-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.

-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.



# International Knitwear Limited

## AUDITORS' REPORT TO THE MEMBERS

### 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, the statement of 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance

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

**Sd/-**

**Chartered Accountants**

Karachi.

Date: September 30, 2019



# International Knitwear Limited

## BALANCE SHEET AS AT JUNE 30, 2019

ASSETS	Note	2019 Rupees	2018 Rupees
<b>Non-Current Assets</b>			
Property, plant and equipment	6	32,134,519	25,728,306
Long term deposits	7	2,052,600	1,500,000
Long term loan	11	703,000	-
Long term investments	8	17,769,756	42,052,371
		52,659,875	69,280,677
<b>Current Assets</b>			
Stock in trade	9	120,400,006	50,619,309
Short term investments	8	4,177,071	7,108,606
Trade debts - considered good	10	54,580,348	69,310,130
Loans and advances	11	4,050,811	2,466,367
Other receivables	12	18,882,741	11,273,510
Taxation - net	18	21,607,985	18,230,723
Cash and bank balances	13	2,682,797	1,661,962
		226,381,759	160,670,607
<b>TOTAL ASSETS</b>		<b>279,041,635</b>	<b>229,951,284</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed & paid-up capital	14	96,750,000	96,750,000
<b>Revenue Reserves</b>			
Unappropriated profit		28,449,084	23,362,841
		125,199,084	120,112,841
<b>Capital Reserves</b>			
Unrealized (loss) / gain on revaluation of investments - FVTOCI		(3,689,453)	14,360,264
		121,509,631	134,473,104
<b>Non-Current Liabilities</b>			
Long term liability against assets subject to finance lease	15	2,048,904	-
<b>Current Liabilities</b>			
Short term finance under mark-up arrangement	16	69,159,154	19,195,461
Current maturity of liability against assets subject to finance lease	15	401,891	-
Creditors, accrued and other payables	17	84,398,930	74,966,895
Unclaimed dividend		1,523,125	1,315,823
		155,483,100	95,478,179
<b>Contingencies and Commitments</b>			
	19	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>279,041,635</b>	<b>229,951,284</b>

The annexed notes 1 to 38 form an integral part of these financial statements.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive Officer

**JAVED KHAN**  
Director / CFO



# International Knitwear Limited

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Net sales	20	451,098,967	393,230,773
Cost of goods sold	21	(418,993,170)	(334,420,003)
<b>Gross profit</b>		<b>32,105,797</b>	<b>58,810,770</b>
Administrative and selling expenses	22	(21,776,647)	(17,001,302)
<b>Operating profit</b>		<b>10,329,150</b>	<b>41,809,468</b>
Other income / (loss)	23	11,129,178	(16,506,278)
Unrealized (loss) on revaluation of investments through P&L		(424,559)	(384,716)
		10,704,619	(16,890,994)
		<b>21,033,769</b>	<b>24,918,474</b>
Finance cost	24	(5,192,037)	(6,296,250)
Other charges	25	(1,093,080)	(1,284,934)
		(6,285,117)	(7,581,184)
<b>Profit before taxation</b>		<b>14,748,652</b>	<b>17,337,290</b>
Taxation	18	(4,510,990)	(3,932,308)
<b>Profit after taxation</b>		<b>10,237,662</b>	<b>13,404,982</b>
Earnings per share - basic and diluted	27	1.06	1.39

The annexed notes 1 to 38 form an integral part of these financial statements.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive Officer

**JAVED KHAN**  
Director / CFO



# International Knitwear Limited

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Profit after taxation for the year	10,237,662	13,404,982
Other comprehensive loss		
<b>Items that will not be subsequently reclassified to statement of profit or loss</b>		
Unrealised loss on remeasurement of investments classified as FVTOCI	(313,919)	-
Reclassification of OCI component on disposal of FVTOCI investment directly into equity	(18,049,717)	-
	(18,363,635)	-
<b>Items that are or will be subsequently reclassified to statement of profit or loss</b>		
Unrealised loss on remeasurement of investments classified as Available for Sale	-	(9,769,124)
Reclassification of OCI component on disposal of Available for Sale investment into Profit or Loss	-	4,026,455
	-	(5,742,669)
<b>Total comprehensive (loss) / income for the year</b>	<b>(8,125,973)</b>	<b>7,662,313</b>

The annexed notes 1 to 38 form an integral part of these financial statements.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive Officer

**JAVED KHAN**  
Director / CFO



# International Knitwear Limited

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

	Reserves		Total	
	Capital Reserve	Revenue Reserve		
	Issued, Subscribed and Paid up Share Capital	Unrealized gain / (loss) on revaluation of investments	Unappropriated profit	
	Rupees			
Balance as at June 30, 2017	96,750,000	25,701,370	4,359,421	126,810,791
<b>Total comprehensive income:</b>				
Net profit for the year ended June 30, 2018		-	13,404,982	13,404,982
Unrealized loss on revaluation of investments - available for sale		(5,742,669)		(5,742,669)
<b>Net profit for the year ended June 30, 2018</b>	<b>96,750,000</b>	<b>19,958,702</b>	<b>17,764,403</b>	<b>134,473,105</b>
Adjustment on initial application of IFRS 9 - (Note 5.1)	-	(5,598,438)	5,598,438	-
<b>Balance as at July 01, 2018</b>	<b>96,750,000</b>	<b>14,360,264</b>	<b>23,362,841</b>	<b>134,473,105</b>
<b>Total comprehensive income:</b>				
Net profit for the year ended June 30, 2019	-	-	10,237,662	10,237,662
Reclassification on disposal of FVTOCI directly into equity	-	-	(313,919)	(313,919)
Fair value adjustment on investment classified as FVTOCI	-	(18,049,717)	-	(18,049,717)
<b>Transaction with owners:</b>				
5% cash dividend paid for the year ended June 30, 2019	-	-	(4,837,500)	(4,837,500)
<b>Balance as at June 30, 2019</b>	<b>96,750,000</b>	<b>(3,689,453)</b>	<b>28,449,084</b>	<b>121,509,631</b>

The annexed notes 1 to 38 form an integral part of these financial statements.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive Officer

**JAVED KHAN**  
Director / CFO



# International Knitwear Limited

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		14,748,652	17,337,290
<b>Adjustment for non cash items:</b>			
Depreciation		3,949,790	3,042,377
Loss / (Gain) on sale of property, plant and equipment		6,209	(132,600)
Other income		1,744,443	(5,278,454)
Finance cost		5,192,037	6,296,250
		10,892,479	3,927,573
<b>Profit before changes in working capital</b>		<b>25,641,131</b>	<b>21,264,863</b>
<b>Increase in current assets</b>			
Stock in trade		(69,780,697)	(30,056,051)
Trade debts		14,729,782	(11,008,031)
Loans and advances		(2,287,444)	(281,375)
Other receivables		(7,609,231)	(5,575,135)
		(64,947,590)	(46,920,592)
<b>Increase / (decrease) in current liabilities</b>			
Payable against purchase of investment		-	(33,094,570)
Creditors, accrued and other payables		9,432,034	35,277,411
		9,432,034	2,182,841
Financial charges paid		(5,192,037)	(6,296,250)
Taxes paid		(7,888,252)	(8,925,495)
<b>Net cash generated used in operating activities</b>		<b>(42,954,714)</b>	<b>(38,694,634)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(7,736,021)	(5,851,087)
Additions in investment		(81,740,898)	(467,905,437)
Disposal of investment		88,846,777	528,232,090
Proceeds from sale of property, plant and equipment		137,000	917,250
Long term deposits		(552,600)	-
Finance lease rentals paid		(312,205)	-
<b>Net cash (used in) / generated from investing activities</b>		<b>1,357,947</b>	<b>55,392,816</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Cash proceeds from short term finance under markup arrangement		189,586,681	103,264,703
Repayment of short term finance under markup arrangement		(139,622,987)	(118,637,414)
Dividend paid		(4,630,198)	-
<b>Net cash generated from / (used in) financing activities</b>		<b>45,333,496</b>	<b>(15,372,711)</b>
<b>Net (decrease)/ Increase in cash and cash equivalents</b>		<b>1,020,835</b>	<b>1,325,471</b>
Cash and cash equivalents at the beginning of the year		1,661,962	336,491
<b>Cash and cash equivalents at the end of the year</b>	<b>28</b>	<b>2,682,797</b>	<b>1,661,962</b>

The annexed notes 1 to 38 form an integral part of these financial statements.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive Officer

**JAVED KHAN**  
Director / CFO



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 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) During the year Company has adopted IFRS 9 and IFRS 1 which is disclosed in note # 5.1
- (b) The company has obtained short term financing for managing working capital which is disclosed in note # 16.

### 3. BASIS OF PREPARATION

#### 3.1 Statement of compliance

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

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

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

#### 3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as stated otherwise in these financial statements.

#### 3.3 Functional and presentation currency

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

#### 3.4 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:

- Classification of financial instruments; (note 5.2)
- Provision for impairment; (note 5.4)
- Valuation of work in process; (note 5.7) and
- Provision for obsolete inventory; (note 5.8)
- Taxation; (note 5.11)
- Determination and measurement of useful life and residual value of property, plant and equipment. (note 5.5 and 6)

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. Standards, interpretations and amendments applicable to financial statements

#### 4.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	<b>Effective from accounting period beginning on or after:</b>
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 1, 2018
IFRS 4 'Insurance Contracts' - Amendments regarding the interaction of IFRS 4 and IFRS 9.	January 1, 2018
IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 1, 2018
IFRS 15 'Revenue' - This standard will supersede IAS 18, IAS 11 and related interpretations	July 1, 2018
IFRIC 13, 15 and 18 and SIC 31 upon its effective date	
Amendments to IAS 40 'Investment Property' - Clarification on transfers of property to or from investment property	January 1, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration' - Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 1, 2018
Certain annual improvements have also been made to a number of IFRSs	
<b>4.2 New accounting standards and amendments that are not yet effective</b>	
The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.	
	<b>Effective from accounting period beginning on or after:</b>
Amendments to IFRS 3 'Business Combinations' - Amendments January 01, 2020 regarding the definition of business	January 1, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 1, 2019
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture.	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases' - This standard will supersede IAS 17 'Leases' upon its effective date.	January 1, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 1, 2019
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 1, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments' - Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'	January 1, 2019



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material. January 1, 2020

Amendments to References to the Conceptual Framework in IFRS Standards January 1, 2020  
Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

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

### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below in note 4.1, the significant accounting policies are consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

#### 5.1 Changes in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018 and for reporting period / year ending on or after 30 June 2019 respectively.

The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

##### 5.1.1 IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers' is effective for accounting period beginning on or after July 1, 2018. This standard has replaced IAS 18, IAS 11 & Revenue and related interpretations and it applies to all revenue arising from contracts with customers. The IFRS 15 establish a five-steps mode to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires the entities to exercise judgment, taking in to consideration all of the relevant facts and circumstances when applying each step of the model to contracts with the customers. Hence, the Company has concluded that the impact of adoption of revenue recognition model as laid down in IFRS 15 is not material. There is no material impact of transition to IFRS 15 on the financial position of the Company and there is no effect on the accounting policies of the Company in respect of revenue from contracts with Customers.

##### 5.1.2 IFRS 9 'Financial Instruments'

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard has replaced the provisions of IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

#### Classification and measurement of financial assets

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL); and
- measurement at amortised cost

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

### Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### a) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

#### c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The accounting policies that apply to financial instruments are stated in note 4.2 to the financial statements.

On initial application of IFRS 9, in accordance with the transitional provisions in IFRS 9, comparative figures have not been restated and the reclassification is recognised in the opening statement of financial position.

The effect of change in accounting policy is as follows:

	As at June 30, 2018	Reclassification (Rupees)	As at 1 July, 2018
<b>Impact on statement of financial position</b>			
Investments - Fair value through other	23,011,500	19,040,871	42,052,371
Investments - at fair value through profit or loss	26,149,476	(19,040,871)	7,108,605
<b>Impact on statement of changes in equity</b>			
Unrealized appreciation on re-measurement of	19,958,702	(5,598,438)	14,360,264
Unappropriated profit	17,764,403	5,598,438	23,362,841

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at July 1, 2018:



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
(Rupees)				
Long term deposits	Loans and receivables	Amortised cost	1,500,000	1,500,000
Long term investments	Available for sale	FVTOCI	23,011,500	42,052,371
Short term investments	Held for trading	FVTPL	26,228,324	7,108,605
Trade debts - considered good	Loans and receivables	Amortised cost	69,310,130	69,310,130
Loans and advances	Loans and receivables	Amortised cost	877,500	877,500
Other receivables	Loans and receivables	Amortised cost	627,309	627,309
Cash and bank balances	Loans and receivables	Amortised cost	1,661,962	1,661,962

### Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables and all loans and advances.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and loans and advances, the company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## 5.2 Financial Instruments

### Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

### Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

**Financial assets at FVTPL** These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in income statement.

**Financial assets at amortised cost** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

**Debt investments at FVOCI** These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

**Equity investments at FVOCI** These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

**Derecognition of Financial Assets**

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred

**Non-derivative financial assets**

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes long term loans, accruals, prepayments, advances and other receivables and cash and cash equivalent. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

**5.3 Regular way contracts**

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sell the assets.

**5.4 Impairment**

**Financial assets**

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for other securities and bank balances which are measured at 12 months expected credit losses. Since these assets are short term in nature, therefore no credit loss is expected on these balances.

**Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

**5.5 Financial liabilities**

Financial liabilities are initially recognised on trade date i.e. date on which the company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

**5.6 Off-setting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset and the Company intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 5.7 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and 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.

### 5.8 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.

### 5.9 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.

### 5.10 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.

### 5.11 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.

### 5.12 Compensated Absences

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

### 5.13 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.

### 5.14 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 5.15 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.

### 5.16 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.

### 5.17 Revenue Recognition

- Revenue from sale of goods is recognised when the Company satisfies a performance obligation by transferring promised goods to customer. Goods are transferred when the customer obtains their control (i.e. on dispatch of goods to customers). Revenue is recognised at transaction price (which excludes estimates of variable consideration).
- Profit on bank balances is recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.
- Gains / (losses) arising on disposal of investments are recognised on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities measured at fair value are included in profit or loss / other comprehensive income in the period in which they arise.
- The aforesaid change in accounting policy did not result in any significant change.

### 5.18 Balances from contract with customers

#### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

#### Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 5.19 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.

### 5.20 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.

### 5.21 Segments Reporting

#### Identification of segments

Export division

Local division

A new segment was classified last year(2018) , 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	83.13%	16.87%

### 5.22 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.

### 5.23 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

6. PROPERTY, PLANT AND EQUIPMENT	Note	2019	2018
		Rupees	Rupees
Operating assets	6.1	32,134,519	25,728,306
Capital work in progress	6.2	-	-
		<u>32,134,519</u>	<u>25,728,306</u>

### 6.1 Operating assets

	OWNED ASSETS							LEASED ASSETS		Total
	Residential Land	Factory Building	Plant and Machinery	Furniture and Fittings	Office Equipments	Motor Vehicles	Computers	Sub Total	Motor Vehicles	
Rupees										

#### Year ended June 30, 2019

Opening net book amount	3,778,478	10,899,734	6,779,007	822,896	389,024	2,603,289	421,878	25,728,306	-	-	25,728,306
Additions - cost	-	2,859,166	2,558,000	520,255	357,000	1,029,500	196,900	7,640,000	2,850,000	2,850,000	10,490,000
Disposals - cost	-	-	(1,210,145)	(666,045)	(277,150)	-	(306,790)	(2,450,090)	-	-	(2,450,090)
Depreciation charge	(47,177)	(1,018,302)	(1,173,730)	(24,107)	(85,889)	(890,293)	(158,115)	(3,515,240)	(434,550)	(434,550)	(3,949,790)
Adjustment	-	-	1,194,320	628,323	246,420	-	256,017	2,325,280	-	-	2,325,280
Closing net book amount	<u>3,731,301</u>	<u>12,880,438</u>	<u>6,179,422</u>	<u>1,165,462</u>	<u>635,360</u>	<u>2,742,095</u>	<u>469,890</u>	<u>29,672,089</u>	<u>2,415,450</u>	<u>2,415,450</u>	<u>32,134,519</u>

#### At June 30, 2018

Cost	4,717,652	21,819,483	15,812,872	1,480,167	785,214	8,723,080	434,400	54,057,878	2,850,000	2,850,000	56,954,878
Accumulated depreciation	(986,351)	(8,938,785)	(7,418,460)	(24,205)	(151,613)	(5,999,894)	(174,500)	(24,265,808)	(434,550)	(434,550)	(24,820,158)
Net book amount	<u>3,731,301</u>	<u>12,880,698</u>	<u>8,139,412</u>	<u>1,165,462</u>	<u>633,600</u>	<u>2,742,095</u>	<u>469,890</u>	<u>29,672,089</u>	<u>2,415,450</u>	<u>2,415,450</u>	<u>32,134,519</u>

#### Year ended June 30, 2018

Opening net book amount	3,825,855	10,189,680	6,174,302	794,140	340,212	1,986,487	399,759	23,704,246	-	-	23,704,246
Additions - cost	-	1,618,157	2,390,500	152,890	196,000	1,457,500	186,100	5,851,087	-	-	5,851,087
Disposals - cost	-	-	(1,050,000)	-	(130,000)	(350,000)	(85,700)	(1,615,700)	-	-	(1,615,700)
Depreciation charge	(47,177)	(862,103)	(935,493)	(124,875)	(76,088)	(840,298)	(156,731)	(3,042,277)	-	-	(3,042,277)
Adjustment	-	-	287,701	-	110,900	351,000	78,400	821,000	-	-	821,000
Closing net book amount	<u>3,778,478</u>	<u>10,899,734</u>	<u>6,779,007</u>	<u>822,896</u>	<u>389,024</u>	<u>2,603,289</u>	<u>421,878</u>	<u>25,728,306</u>	<u>-</u>	<u>-</u>	<u>25,728,306</u>

#### At June 30, 2018

Cost	4,717,652	18,066,217	14,219,017	1,634,817	701,372	7,703,590	1,094,280	48,923,955	-	-	48,923,955
Accumulated depreciation	(986,351)	(7,500,483)	(7,440,010)	(811,521)	(132,347)	(5,099,301)	(672,412)	(23,195,648)	-	-	(23,195,648)
Net book amount	<u>3,731,301</u>	<u>10,899,734</u>	<u>6,779,007</u>	<u>822,896</u>	<u>389,024</u>	<u>2,603,289</u>	<u>421,878</u>	<u>25,728,306</u>	<u>-</u>	<u>-</u>	<u>25,728,306</u>

#### Rate of depreciation

1%	5%	10%	10%	10%	20%	20%	20%	20%
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# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 6.11 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								
<b>Plant and machinery</b>									
Plant and machinery scrap	1,218,145	1,194,320	23,825	30,000	6,175	-	6,175	Negotiation	Mr. Khan Mohammad
	<b>1,218,145</b>	<b>1,194,320</b>	<b>23,825</b>	<b>30,000</b>	<b>6,175</b>	<b>-</b>	<b>6,175</b>		
<b>Furniture and fittings</b>									
Furniture Scrap	666,005	628,323	37,682	40,000	2,318	-	2,318	Negotiation	Mr. Khan Mohammad
	<b>666,005</b>	<b>628,323</b>	<b>37,682</b>	<b>40,000</b>	<b>2,318</b>	<b>-</b>	<b>2,318</b>		
<b>Office equipments</b>									
Photo Copier	41,000	16,400	24,600	10,000	(14,600)	-	(14,600)	Negotiation	Isard Copier Service
Office equipment scrap	738,158	729,829	8,329	10,000	3,671	-	3,671	Negotiation	Mr. Khan Mohammad
	<b>779,158</b>	<b>746,229</b>	<b>8,329</b>	<b>20,000</b>	<b>(10,929)</b>	<b>-</b>	<b>(10,929)</b>		
<b>Computer/Laptop</b>									
Computer scrap	106,400	98,727	7,673	15,000	8,327	-	8,327	Negotiation	Mr. Ashraf
LapTop HP C8 Pie Book 43rd G	30,000	3,900	26,100	17,000	(8,100)	-	(8,100)	Negotiation	Tech AGC Computer
Computer scrap	161,300	152,300	9,000	15,000	6,000	-	6,000	Negotiation	Mr. Khan Mohammad
	<b>306,700</b>	<b>256,817</b>	<b>50,773</b>	<b>47,000</b>	<b>(3,773)</b>	<b>-</b>	<b>(3,773)</b>		
	<b>2,468,058</b>	<b>2,234,885</b>	<b>143,209</b>	<b>137,000</b>	<b>(6,209)</b>	<b>-</b>	<b>(6,209)</b>		

### 6.12 Segment wise allocation of depreciation charge for the year

	2019					2018				
	Export	Local	Total	Discontinued	Total	Export	Local	Total	Discontinued	Total
	89.13	16.87				53.54	46.46			
	Rupees									
Lease hold land	39,218	7,959	47,177	-	47,177	25,257	21,929	47,177	-	47,177
Factory building	846,499	171,808	1,018,307	-	1,018,307	461,542	430,561	892,103	-	892,103
Plant and machinery	975,757	195,053	1,170,770	-	1,170,770	500,834	434,661	935,495	-	935,495
<b>Cost of goods sold</b>	<b>1,861,453</b>	<b>373,796</b>	<b>2,235,249</b>	<b>-</b>	<b>2,235,249</b>	<b>987,633</b>	<b>857,142</b>	<b>1,844,775</b>	<b>-</b>	<b>1,844,775</b>
Furniture and fittings	117,300	23,807	141,107	-	141,107	66,426	57,643	124,075	-	124,075
Office equipments	71,479	14,507	85,986	-	85,986	40,735	35,353	76,088	-	76,088
Motor vehicles	1,101,729	223,604	1,325,333	-	1,325,333	450,060	300,620	840,708	-	840,708
Computers	131,439	26,676	158,115	-	158,115	83,898	72,822	156,721	-	156,721
<b>Admin and selling expenses</b>	<b>1,421,947</b>	<b>288,594</b>	<b>1,710,541</b>	<b>-</b>	<b>1,710,541</b>	<b>641,158</b>	<b>556,444</b>	<b>1,197,602</b>	<b>-</b>	<b>1,197,602</b>
	<b>3,283,400</b>	<b>666,380</b>	<b>3,949,780</b>	<b>-</b>	<b>3,949,780</b>	<b>1,518,791</b>	<b>1,413,586</b>	<b>3,042,377</b>	<b>-</b>	<b>3,042,377</b>

### 6.13 The leasehold land of 1.025 acre is located at SITE, Karachi.

### 6.2 Movement in capital work in progress

	2019 Rupees	2018 Rupees
Opening balance	-	-
Add: Addition during the year	2,955,266	1,618,157
Less: Transfer to operating assets	(2,955,266)	(1,618,157)
	<b>-</b>	<b>-</b>
<b>7. LONG TERM DEPOSITS</b>		
Security deposits - SSC	1,500,000	1,500,000
Security deposits - against finance lease	553,600	-
	<b>2,053,600</b>	<b>1,500,000</b>

7.1 This includes the security deposit held by Bank Al-Habib Limited against the guarantee it has provided to Sai Southern Gas Company Limited against supply of gas to the Company. The guarantee provided by the bank to SSC is of Rs. 3,000,000, while the bank has held 50% (i.e. 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, 2019

8. INVESTMENTS	Note		
<b>At fair value through other comprehensive income (FVTOCI)</b>			
Equity securities - listed	8.1	17,769,756	42,052,371
<b>At fair value through profit or loss (FVTPL)</b>			
Equity securities - listed	8.2	3,717,501	6,497,040
Mutual funds - listed	8.2.1	459,570	611,566
		<b>21,946,826</b>	<b>49,160,977</b>

### 8.1 FVTOCI - Equity Securities

Number of Shares			2019	2018
2019	2018		Rupees	Rupees
108,601	108,707	The Searle Company Ltd.	15,916,564	36,906,027
-	100	Shell Pakistan Ltd.	-	31,609
1,280	-	Indus Motor Company Ltd	1,541,018	-
-	500	Attock Petroleum Ltd.	-	294,995
550	500	Engro Corporation Ltd.	146,080	156,930
-	503	Pakistan Oilfields Ltd.	-	337,910
1,150	1,000	Pakistan Petroleum Ltd.	166,095	214,900
-	6,000	Abbot Laboratories Pakistan Ltd	-	4,110,000
			<b>17,769,756</b>	<b>42,052,371</b>

### 8.2 FVTPL - Equity securities

Number of Shares			2019	2018
2019	2018		Rupees	Rupees
24,215	11,720	The Searle Company Ltd.	3,548,952	3,978,940
140	-	Indus Motor Company Ltd	168,549	-
-	150	Abbot Laboratories Pakistan Ltd	-	102,750
-	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
			<b>3,717,501</b>	<b>6,497,040</b>

### 8.2.1 FVTPL - Mutual Funds

Number of Units			2019	2018
2019	2018		Rupees	Rupees
6,963	7,382	CDC - Trustee AKD Opportunity Fund	459,570	611,566
			<b>459,570</b>	<b>611,566</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>9. STOCK IN TRADE</b>			
Raw material		26,710,382	15,863,455
Work-in-process		59,404,553	28,494,071
Finished goods	<b>9.1</b>	34,285,071	6,261,783
		<b>120,400,006</b>	<b>50,619,309</b>
<b>9.1 Finished goods</b>			
Finished stock		20,781,706	2,364,068
Finished stock in transit		10,724,605	-
Scrap / Left over stock		2,778,760	3,897,715
		<b>34,285,071</b>	<b>6,261,783</b>
The finished goods includes left over stock of Rs 2.77M (2018: 3.89M) recorded at NRV.			
<b>10. TRADE DEBTS - CONSIDERED GOOD</b>			
Foreign - secured, considered good		38,390,880	35,357,835
Gain on translation of export debtors		5,313,961	1,159,450
		43,704,841	36,517,285
<b>Local - unsecured</b>			
- Considered good		10,875,507	32,792,845
- Considered doubtful		1,236,162	1,286,162
		12,111,669	34,079,007
<b>Less: Provision for bad debts</b>	<b>10.1</b>	(1,236,162)	(1,286,162)
	<b>10.2</b>	<b>54,580,348</b>	<b>69,310,130</b>
<b>10.1 Reconciliation of provision for impairment of trade debts</b>			
Opening provision		1,286,162	2,255,364
Provision for the year		(50,000)	(969,202)
Reversal of provision			
		<b>1,236,162</b>	<b>1,286,162</b>
<b>10.2 Age analysis of trade debts is as follows:</b>			
Not yet due		-	-
Past due			
- 0 to 3 months		51,044,447	67,050,918
- 3 to 6 months		3,535,901	-
- 6 to 12 months		-	537,815
- Above 12 months		-	1,721,397
		<b>54,580,348</b>	<b>69,310,130</b>
<b>11. LOANS AND ADVANCES</b>			
<b>Loan to employees - Long term portion - unsecured, considered good</b>			
Loan to employees	<b>11.1</b>	1,267,500	877,500
Less: current portion of loan to employees		(564,500)	(877,500)
		703,000	-
<b>Short term Advances - unsecured, considered good</b>			
Advance to contractor and supplier		3,422,711	1,528,037
Current portion of advances to employees		564,500	877,500
Prepayments		63,600	60,830
		<b>4,050,811</b>	<b>2,466,367</b>
<b>11.1</b> 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, 2019 pertains to a period between 1 - 2 years.			



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>12. OTHER RECEIVABLES</b>			
Sales tax refundable		2,643,021	-
Export rebate receivables		2,501,493	1,655,433
Research and development receivable	12.1	13,056,054	8,990,768
Other receivable		682,173	627,309
		<b>18,882,741</b>	<b>11,273,510</b>

**12.1** According to the notification number 1 (42-B) TID/18 - TR-II issued on August 03rd, 2018 The duty drawback under this order shall be allowed for the shipments made from the July 1st, 2018 to June 30th, 2021, 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 2018-19 as compared to the base year 2017-18 or exports in financial year 2019-20 as compared to financial year 2018-19 or exports in financial year 2020-21 as compared to financial year 2019-20.

However, as a matter of prudence, the Company has recorded the provision only 2.03% on 100% sales during the current year.

		2019 Rupees	2018 Rupees
<b>13. CASH AND BANK BALANCES</b>			
Cash in hand		100,000	-
<b>With banks in:</b>			
- Treasuries call accounts (deposit accounts)	13.1	3,944,447	3,127,432
- Current accounts		138,350	34,530
		4,082,797	3,161,962
Security deposit	7.1	(1,500,000)	(1,500,000)
		<b>2,682,797</b>	<b>1,661,962</b>

**13.1** Deposit accounts carry profit of 4.5%-6.10% per annum (2018: 4.50% per annum)

### 14. ISSUED, SUBSCRIBED & PAID-UP CAPITAL

#### Authorized share capital

##### Number of Shares

2019	2018
20,000,000	20,000,000

20,000,000      20,000,000 Ordinary Shares of Rs. 10/- each

200,000,000	200,000,000
-------------	-------------

#### Issued, subscribed and paid-up share capital

##### Number of Shares

2019	2018
3,000,000	3,000,000
225,000	225,000
6,450,000	6,450,000
9,675,000	9,675,000

3,000,000      3,000,000 Ordinary shares of Rs. 10/- each fully paid in cash.

225,000      225,000 Ordinary shares of Rs. 10/- each issued as bonus shares

6,450,000      6,450,000 Right shares of Rs. 10/- each fully paid in cash

30,000,000	30,000,000
------------	------------

2,250,000	2,250,000
-----------	-----------

64,500,000	64,500,000
------------	------------

96,750,000	96,750,000
------------	------------

### 15. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Up to one year	15.1	401,891	-
Later than one year and not later than five years	15.2	2,048,504	-
		<b>2,450,795</b>	<b>-</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	June 2019			June 2018		
	Minimum Lease Payments	Financial Charges	Present Value of Minimum Lease Payment	Minimum Lease Payments	Financial Charges	Present Value of Minimum Lease Payment
	Rupees					
Not later than one year	560,788	158,897	401,891	-	-	-
Later than one year but not later than five years	2,391,966	343,082	2,048,904	-	-	-
	<b>2,952,754</b>	<b>501,979</b>	<b>2,450,795</b>	-	-	-

The above represents finance lease entered into with Bank Al-Habib for lease of motor vehicle. The liability under the agreement is payable by August 20, 2023 in monthly instalments and is subject to annual KIBOR 12M+2.5% & finance charge rates 10.95%.

### 16. SHORT TERM FINANCE UNDER MARK-UP ARRANGEMENT

	Note	2019 Rupees	2018 Rupees
Running finance facility	16.1	5,909,632	5,995,461
Export refinance facility	16.2	59,000,900	13,200,000
Discount against local LC		4,249,522	-
		<b>69,159,154</b>	<b>19,195,461</b>

#### 16.1 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.184 million (2018: Rs. 100 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 (2018: 3 Months KIBOR + 2.5% p.a). The facility is renewable and is valid till June 30, 2019.

#### 16.2 Limit Rs. 20 million.

Secured against hypothecation charge over stocks and equitable mortgage over factory property at Plot # F-2A/L, SITE, Karachi amounting to Rs.184 million (2018: Rs. 100 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 (2018: 3 Months KIBOR + 1.0% p.a). The facility is renewable and is valid till June 30, 2019; and also availing one off limit 30 million of the closing period of June 30, 2019.

### 17. CREDITORS, ACCRUED AND OTHER PAYABLES

	Note	2019 Rupees	2018 Rupees
Creditors		68,687,752	58,766,471
Accrued expenses		9,585,111	7,869,139
Compensated absences payable		1,624,468	1,080,684
Other fund payable		487,306	315,692
Workers' profit participation fund	17.1	792,087	931,112
Workers' welfare fund	17.2	2,101,310	1,800,317
Contract liability		485,748	-
Advance from others		340,075	340,075
Sales tax payable		-	1,367,073
Payable to director		-	2,152,060
Others		295,073	333,533
		<b>84,398,930</b>	<b>74,966,895</b>

#### 17.1 Other fund payable

President fund	481,732	311,830
EOBI payable	5,574	3,862
	<b>487,306</b>	<b>315,692</b>

#### 17.2 Workers' profit participation fund

Opening balance	931,112	-
Provision for the year	855,008	931,112
	1,786,120	931,112
Less: Payments made during the year	(994,033)	-
	<b>792,087</b>	<b>931,112</b>

### 18. TAXATION

#### Advance tax

Less: Provision for tax	26,118,975	22,163,031
Current year	(4,510,990)	(3,932,308)
Prior year	(4,510,990)	(3,932,308)
	<b>21,607,985</b>	<b>18,230,723</b>

#### 18.1 Relationship between tax expense and accounting profit

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.

### 19. CONTINGENCIES AND COMMITMENTS

#### Commitments

Commitments under letters of credit as at June 30, 2019 amounted to Rs. 22,210,000 (2018: Rs. 36,517,285).



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 20. NET SALES

	EXPORT		LOCAL		TOTAL	
	2019	2018	2019	2018	2019	2018
Note	Rupees					
Export	376,708,338	202,070,941	-	-	376,708,338	202,070,941
Sales local			76,868,624	183,070,393	76,868,624	183,070,393
20.1 Sales discount	(11,709,232)	-	(761,225)	(362,620)	(12,470,557)	(162,620)
Export rebates	2,874,719	1,515,532	-	-	2,874,719	1,515,532
Export R & D	7,665,917	7,072,483	-	-	7,665,917	7,072,483
R & D Commission	(548,074)	(135,956)	-	-	(548,074)	(135,956)
	<b>374,991,668</b>	<b>210,523,009</b>	<b>76,107,299</b>	<b>182,707,773</b>	<b>451,098,967</b>	<b>393,230,773</b>
20.1 Sales local						
Local	-	-	69,593,984	189,610,399	69,593,984	189,610,399
Others	-	-	13,802,188	4,474,843	13,802,188	4,474,843
	-	-	<b>83,396,172</b>	<b>194,085,242</b>	<b>83,396,172</b>	<b>194,085,242</b>
Sales tax local	-	-	5,746,292	10,720,190	5,746,292	10,720,190
Sales tax others	-	-	783,256	254,559	783,256	254,559
	-	-	6,527,548	10,974,749	6,527,548	10,974,749
	-	-	<b>76,868,624</b>	<b>183,070,393</b>	<b>76,868,624</b>	<b>183,070,393</b>

18.1.1 Others include scrap sales amounting to Rs. 1,741,808 (2018: Rs. 772,983)

### 21. COST OF GOODS SOLD

	EXPORT		LOCAL		TOTAL	
	2019	2018	2019	2018	2019	2018
	Rupees					
<b>Raw and packing material consumed</b>						
Opening stock	8,492,779	3,621,684	7,370,676	1,418,055	15,863,455	5,039,739
Purchases	215,017,094	100,972,870	49,639,290	87,631,890	258,656,385	188,604,760
Closing stock	(22,203,937)	(8,092,778)	(4,506,450)	(2,370,676)	(26,710,382)	(15,869,455)
	<b>201,305,942</b>	<b>96,501,776</b>	<b>46,503,516</b>	<b>81,679,269</b>	<b>247,809,458</b>	<b>171,781,043</b>
Salaries, allowances and benefits	35,903,635	13,511,912	7,206,722	11,726,658	42,709,357	25,238,570
Provident fund contribution	852,837	397,856	173,090	318,233	1,025,027	482,109
Knitting charges	7,355,352	2,495,545	1,492,822	2,165,823	8,848,174	4,661,368
Dyeing and other charges	55,760,234	35,683,409	11,316,947	22,290,003	67,077,181	47,973,412
Embroidery / Printing charges	6,450,995	7,374,259	1,309,277	6,399,575	7,760,272	13,774,274
Stitching charges	51,184,551	33,056,755	10,386,279	26,689,150	61,572,830	61,745,905
Fuel and power	4,088,963	1,546,329	829,885	1,342,021	4,918,848	2,888,349
Communication	279,046	188,505	56,635	165,598	355,681	352,101
Postage & telegrams	376,983	187,442	76,512	145,319	451,495	312,761
Repairs and maintenance	1,229,568	911,419	249,550	290,999	1,479,118	1,202,418
Staff welfare and medical expenses	111,396	45,526	27,609	39,511	134,005	85,037
Motor vehicle and conveyance	1,466,908	557,930	297,720	484,214	1,764,628	1,042,144
Insurance	302,958	155,569	61,487	135,882	364,445	292,451
Depreciation	4,861,453	987,632	377,706	857,142	2,239,248	1,844,774
Clearing and forwarding	5,022,390	1,509,877	-	-	5,022,390	1,509,877
Freight, octroi and cartage	15,246,330	4,134,456	3,297,311	3,588,193	19,543,641	7,722,649
Export development charges	976,665	507,339	-	-	976,665	507,339
Factory compliance expenses	435,711	269,628	88,431	234,003	524,142	503,631
Marketing expenses	-	27,451	-	23,834	-	51,275
Travelling expenses	842,755	355,686	171,043	308,691	1,013,798	664,377
Others	1,956,542	1,237,488	397,085	1,073,866	2,353,617	2,311,474
	<b>192,305,274</b>	<b>95,093,050</b>	<b>37,812,208</b>	<b>80,778,245</b>	<b>230,117,482</b>	<b>175,871,295</b>
Work-in-process						
Opening stock	4,614,817	(1,586,469)	23,879,254	34,180,934	28,494,071	32,584,465
Closing stock	(22,382,096)	(4,614,817)	(37,022,457)	(23,879,254)	(59,404,553)	(28,494,071)
	<b>(17,767,279)</b>	<b>(6,211,287)</b>	<b>(13,143,203)</b>	<b>(9,698,320)</b>	<b>(30,910,482)</b>	<b>(15,909,606)</b>
<b>Cost of goods manufactured</b>	<b>375,843,397</b>	<b>184,983,538</b>	<b>71,172,521</b>	<b>152,750,194</b>	<b>447,016,458</b>	<b>337,742,732</b>
<b>Finished goods</b>						
Opening stock	3,352,355	2,112,079	3,909,428	826,976	6,261,783	2,939,054
Closing stock	(28,500,655)	(5,352,355)	(5,784,416)	(7,009,428)	(34,285,071)	(6,261,783)
	<b>(25,148,299)</b>	<b>(1,240,277)</b>	<b>(2,874,989)</b>	<b>(2,082,452)</b>	<b>(28,023,288)</b>	<b>(3,322,729)</b>
<b>COST OF GOODS SOLD</b>	<b>350,695,098</b>	<b>183,743,261</b>	<b>68,297,532</b>	<b>150,676,742</b>	<b>418,993,170</b>	<b>334,420,004</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 22. ADMINISTRATIVE AND SELLING EXPENSES

Note	EXPORT		LOCAL		TOTAL	
	2019	2018	2019	2018	2019	2018
	Rupees					
Salaries, allowances and benefits	12,099,196	6,121,709	2,455,612	5,912,882	14,554,768	11,434,591
Provident fund contribution	512,892	276,587	104,095	240,044	616,987	516,631
Communication	461,353	208,963	93,635	181,353	554,988	390,316
Postage & telegrams	39,812	2,655	8,080	2,305	47,892	4,960
Staff welfare and medical expenses	351,956	78,755	71,434	68,349	423,400	147,104
Motor vehicle and conveyance	894,295	507,527	181,563	448,558	1,075,858	946,185
Repair and maintenance	61,025	54,222	12,385	47,058	73,410	101,280
Legal and professional charges	503,359	218,274	102,167	189,435	605,540	407,709
Auditors' remuneration	22.1	283,685	179,402	57,576	155,698	341,261
Depreciation	6.1.2	1,421,768	641,158	288,562	556,445	1,719,650
Printing and stationery	223,700	137,776	45,400	129,573	269,102	257,349
Advertisement and publicity	128,105	46,018	26,000	39,217	154,105	85,955
Fee, subscription and periodicals	574,743	388,046	116,548	336,776	691,391	724,822
Rent, rate and taxes	-	64,860	-	56,290	-	121,150
Insurance	181,868	50,940	36,911	44,210	218,780	95,150
Others	364,323	124,953	79,943	108,444	438,265	233,397
	<b>18,102,593</b>	<b>9,101,946</b>	<b>3,674,054</b>	<b>7,899,356</b>	<b>21,776,647</b>	<b>17,021,302</b>

#### 22.1 Auditors' Remuneration

	2019	2018
	Rupees	
Annual audit	187,500	187,500
Half yearly review	70,000	70,000
Out of pocket expenses	38,472	44,500
Sales tax on audit and review fee	20,289	20,600
	<b>316,261</b>	<b>322,600</b>

### 23. OTHER INCOME / (LOSS)

	EXPORT		LOCAL		TOTAL	
	2019	2018	2019	2018	2019	2018
	Rupees					
<b>Income From Financial Assets</b>						
Profit on bank accounts	225,467	76,644	45,760	66,517	271,228	143,161
Dividend income	2.1.1	1,186,258	780,632	240,760	677,491	1,428,123
Exchange gain - net	5,783,623	2,492,720	-	-	5,783,623	2,492,720
Other income	28,264	-	5,736	-	34,000	-
Loss on disposal of investment - net	2.2.2	(1,450,128)	(11,733,828)	(294,314)	(10,183,503)	(1,744,443)
Reversal of provision against doubtful debts	-	-	50,000	25,000	50,000	25,000
Gain on translation of foreign currency debtors	5,311,961	1,158,450	-	-	5,311,961	1,158,450
<b>Income From Non-Financial Assets</b>						
(Loss)/gain on disposal of property, plant and equipment	(5,161)	70,990	(1,048)	61,610	(6,209)	132,600
	<b>11,082,284</b>	<b>(7,153,393)</b>	<b>46,895</b>	<b>(8,552,884)</b>	<b>11,129,178</b>	<b>(16,506,278)</b>

#### 23.1 Dividend Income

FVTOCI (shares held at reporting date)	430,883	940,633
FVTOCI (shares disposed during the period)	601,785	156,250
FVTPL	394,350	361,240
	<b>1,427,018</b>	<b>1,458,123</b>

#### 23.2 Loss on disposal of investment

FVTPL		
-Quoted securities	(1,586,228)	(17,795,653)
-Mutual funds	(158,213)	(95,223)
	<b>(1,744,443)</b>	<b>(17,890,876)</b>
FVTOCI		
-Quoted securities	-	(4,026,455)
	<b>(1,744,443)</b>	<b>(21,917,331)</b>





# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 29. 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:

	2019			2018		
	Directors	Chief Executive	Executives	Directors	Chief Executive	Executives
	Rupees					
Basic salary	1,107,097	3,870,968	-	1,033,548	3,125,806	-
Allowances	608,903	2,129,032	-	568,452	1,719,194	-
Company's contribution to provident fund	92,258	322,581	-	86,129	260,484	-
Medical expenses	88,756	110,127	-	46,242	58,101	-
Fees	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-
Commission or bonus	96,774	322,581	-	46,242	322,581	-
Reimbursable expenses with nature of a perquisite or benefit	-	-	-	-	-	-
Other perquisites and benefits in cash or in kind stating their nature and, where	-	-	-	-	-	-
	<b>1,992,788</b>	<b>6,755,289</b>	<b>-</b>	<b>1,780,613</b>	<b>5,486,166</b>	<b>-</b>
Number of person(s)	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

29.1 A sum of Rs. 147,000 (2018: Rs. 65,000) was paid being fee for attending the Board of Directors' meeting.

29.2 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.

### 30. TRANSACTIONS WITH RELATED PARTIES

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

	2019		2018	
	Rupees	Rupees	Rupees	Rupees
<b>Balances:</b>				
Provident Fund - outstanding balance	481,792	311,830		
Advance to CEO	-	130,302		
	<b>481,792</b>	<b>442,132</b>		
<b>Transactions:</b>				
Advance to CEO				
Opening balance		130,302		103,538
Paid advance during the year		653,230		150,600
		783,532		254,138
Refund advance during the year		(783,532)		(123,836)
		-		130,302
Contribution to staff retirement benefit plans		1,642,924		1,203,740
Key management personnel's remuneration and other benefits	29	7,781,634		5,930,140

### 30.1. PROVIDENT FUND RELATED DISCLOSURES

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

Size of the fund - total assets		5,936,094	5,305,427
Percentage of investment made		21.25%	50.40%
Fair value of investments		1,261,639	2,674,037
Cost of above investments		-	3,000,000
The breakup of fair value of investment is:			
	2019	2018	
	Percentage	Percentage	
CDC-Trustee AKD Opportunity Fund	0.00%	20.03%	535,667
AKD Islamic Income Fund	0.00%	37.43%	-
Bank Al Habib Munafa Fund	79.26%	42.54%	1,000,000
Investment in Shares	20.74%	0.00%	261,640
	<b>100.00%</b>	<b>100.00%</b>	<b>1,261,640</b>
			<b>2,674,037</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 31 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2019			
	Amount in Rupees			
	At Amortised Cost	FVTPL	FVTOCI	Other financial liabilities
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalent	2,682,797	-	-	-
Investments	-	4,177,071	17,769,756	-
Long term deposits	2,052,600	-	-	-
Microfinance facility	-	-	-	-
Trade debts - considered good	54,580,248	-	-	-
Loans and advances	3,267,500	-	-	-
Other receivables	687,173	-	-	-
<b>Total Financial Assets</b>	<b>61,265,418</b>	<b>4,177,071</b>	<b>17,769,756</b>	-
<b>June 30, 2019</b>				
<b>FINANCIAL LIABILITIES</b>				
Liability against assets subject to finance lease	-	-	-	-
Short term finance under mark-up arrangement	-	-	-	69,155,154
Creditors, accrued and other payables	-	-	-	84,748,933
<b>Total Financial Liabilities</b>	-	-	-	<b>153,558,084</b>
<b>As at June 30, 2018</b>				
	At Amortised Cost	FVTPL	FVTOCI	Other financial liabilities
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalent	1,661,962	-	-	-
Investments	-	26,228,324	23,011,500	-
Long term deposits	3,530,000	-	-	-
ARFI	877,500	-	-	-
Trade debts - considered good	69,310,130	-	-	-
Loans and advances	396,144	-	-	-
<b>Total Financial Assets</b>	<b>73,775,736</b>	<b>26,228,324</b>	<b>23,011,500</b>	-
<b>FINANCIAL LIABILITIES</b>				
Liability against assets subject to finance lease	-	-	-	-
Short term finance under mark-up arrangement	-	-	-	39,195,461
Creditors, accrued and other payables	-	-	-	74,966,895
<b>Total Financial Liabilities</b>	-	-	-	<b>114,162,356</b>

### 32 FINANCIAL RISK MANAGEMENT

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, 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.

#### 32.1 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 Khado. 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.

	2019 Rupees	2018 Rupees
<b>Financial assets:</b>		
Trade debts	54,580,248	69,310,130
Loans and advances	4,253,811	2,466,367
Other receivables	19,893,741	11,273,530
Bank balances	4,167,797	3,161,962
	<b>78,215,907</b>	<b>83,050,007</b>

The trade debts are due from foreign and local customers for export and local sales respectively. Majority of the trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. Loans to employees are secured against their PF balances.

The Company always measures the loss allowance for trade debts at an amount equal to Lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 32.2 Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates or the market prices of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of risk: currency risk, profit rate risk and other price 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. 43,704,841 (2018: Rs. 36,517,389) which are subject to currency risk.

#### (ii) Interest rate risk

Interest rate risk represents the risk that the 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. 69,159,154 (2018: Rs. 13,139,460) which are subject to interest rate risk. Applicable interest rate for financial instruments have been indicated in respective ratios.

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through of profit or loss. Therefore, a change in interest rate at the reporting date would not affect the statement of profit or loss.

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in MIBOR / SSP Base Rate, financial liabilities at the reporting date would have increased / (decreased) equity and profit or loss by Rs. 0.681 million (2018: Rs. 0.192 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as in previous year.

#### (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 these 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.

### 32.3 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 % / Range %	2019						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						
<b>Financial assets:</b>							
Long term deposits	-	-	-	-	2,052,600	2,052,600	2,052,600
Investments	-	-	-	4,177,071	17,169,756	21,346,826	21,946,826
Trade debts	-	-	-	54,580,348	-	54,580,348	54,580,348
Other receivables	-	-	-	18,882,741	-	18,882,741	18,882,741
Cash and bank balances	4.5% - 6.10%	3,944,447	-	3,944,447	138,350	138,350	4,082,797
		<b>3,944,447</b>	<b>-</b>	<b>3,944,447</b>	<b>77,778,510</b>	<b>19,822,356</b>	<b>97,600,866</b>
<b>Financial liabilities:</b>							
Long term liability against assets subject to finance	1 year KIBOR+ 2.5%	401,891	2,048,904	2,450,795	-	-	2,450,795
Short term finance under mark-up arrangement	3 Months KIBOR +2.5% & SSP rate +1%	69,159,154	-	69,159,154	-	-	69,159,154
Creditors, accrued and other payables		84,398,930	-	84,398,930	-	-	84,398,930
Unclaimed dividend		-	-	-	1,523,125	-	1,523,125
		<b>153,959,975</b>	<b>2,048,904</b>	<b>156,008,879</b>	<b>1,523,125</b>	<b>-</b>	<b>157,532,004</b>
<b>Sensitivity gap</b>		<b>(150,015,528)</b>	<b>(2,048,904)</b>	<b>(152,064,432)</b>	<b>76,255,385</b>	<b>19,822,356</b>	<b>(67,078,741)</b>

(i) Off balance sheet liabilities as stated in note 19 amounts to Rs. 22.21 million.

(ii) On balance sheet assets and liabilities:



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Effective rate of interest % / Range %	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	23,031,500	49,259,824	49,259,824
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	-	3,161,962
		<u>3,127,432</u>	<u>-</u>	<u>3,127,432</u>	<u>106,846,494</u>	<u>24,511,500</u>	<u>131,357,994</u>
							<u>134,485,426</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%	19,195,460	-	19,195,460	-	-	19,195,460
Creditors, accrued and other payables		-	-	-	74,035,784	-	74,035,784
Unclaimed dividend		-	-	-	1,315,823	-	1,315,823
		<u>19,195,460</u>	<u>-</u>	<u>19,195,460</u>	<u>75,351,607</u>	<u>-</u>	<u>94,547,067</u>
Sensitivity gap		<u>(16,068,028)</u>	<u>-</u>	<u>(16,068,028)</u>	<u>31,494,888</u>	<u>24,511,500</u>	<u>56,006,388</u>
							<u>39,938,360</u>

(ii) Off balance sheet liabilities as stated in note 19 amounts to Rs.36.52 million.

### 32.4 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 expansions through equity financing and never resorted on debt financing. However, the Company has availed short-term borrowing for working capital purposes only.

### 33. 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, 2019, the Company has no material level 1, 2 or 3 assets or liabilities except equity instruments disclosed at level 1 of fair value hierarchy.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

34. PRODUCTION CAPACITY	2019	2018
Installed capacity (Pcs.)	1,300,000	1,200,000
Actual production (Pcs.)	982,061	995,601

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.

35. NUMBER OF EMPLOYEES	2019	2018
Number of employees as on the date of financial statements:	191	127
Average number of employees during the year:	160	145

### 36. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the board of directors of the Company and authorized for issue on September 30, 2019.

### 37. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on September 30, 2019 has proposed a final cash dividend of Rs. 0.5 per share amounting to Rs. 4.84 million (2018: Rs 0.5 per share amounting to Rs. 4.84 million) for the year ended June 30, 2019. The approval of the shareholders of the Company shall be obtained at the upcoming Annual General Meeting for the year ended June 30, 2019. The financial statements for the year ended June 30, 2019 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2020.

### 38. FIGURES

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

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

WASEEM SHAFI  
Chairman

NAEEM SHAFI  
Chief Executive Officer

JAVED KHAN  
Director / CFO



# International Knitwear Limited

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2019

No Of Shareholders	Shareholdings'Slab		Total Shares Held	
255	1	to	100	7,302
223	101	to	500	58,850
625	501	to	1000	351,720
90	1001	to	5000	206,522
25	5001	to	10000	192,326
7	10001	to	15000	83,735
6	15001	to	20000	102,345
10	20001	to	25000	225,978
3	25001	to	30000	82,330
1	30001	to	35000	33,658
2	35001	to	40000	75,468
4	40001	to	45000	173,000
3	45001	to	50000	148,054
2	50001	to	55000	105,750
1	60001	to	65000	63,531
2	70001	to	75000	145,132
1	85001	to	90000	87,000
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	830001	to	835000	832,153
1	895001	to	900000	896,461
1	2205001	to	2210000	2,208,143
<b>1277</b>				<b>9,675,000</b>



# International Knitwear Limited

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
NAEEM AHMED SHAFI	5	844,044	8.72
HUMAIRA SHAFI	3	1,068,742	11.05
WASEEM SHAFI	2	43,233	0.45
JAVED KHAN	2	8,089	0.08
MUHAMMAD SHAFI	1	16,125	0.17
BUSHRA SHAFI	1	3,870	0.04
MOHAMMAD SAJID HUSSAIN	1	1,500	0.02
SALEHA MAJID	1	750	0.01
MUDASSIR HABIB KHAN	1	1,500	0.02
<b>Associated Companies, undertakings and related parties</b>	0	-	-
<b>Executives</b>	-	-	-
<b>Public Sector Companies and Corporations</b>	1	67	0.00
<b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b>	4	1,239,546	12.81
<b>Mutual Funds</b>	-	-	-
<b>General Public</b>			
a. Local	1250	6,406,865	66.22
Foreign Investor	-	-	-
<b>OTHERS</b>	5	40,669	0.42
<b>Totals</b>	<b>1277</b>	<b>9,675,000</b>	<b>100.00</b>

Share holders holding 5% or more	Shares Held	Percentage
RASHID ABDULLA	2,208,143	22.82
NAEEM AHMED SHAFI	844,044	8.72
HUMAIRA SHAFI	1,068,742	11.05
FIRST UDL MODARABA	832,153	8.60
KHALID MALIK	611,541	6.32



# International Knitwear Limited

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2019

S.No.	Folio #	Name of shareholder	Number of shares	Percentage
<b>Directors and their spouse(s) and minor children</b>				
1	3041	NAEEM AHMED SHAFI	750	0.01
2	2	NAEEM SHAFI	669,792	6.92
3	520	NAEEM AHMED SHAFI	1,722	0.02
4	01826-52175	NAEEM AHMED SHAFI	9,000	0.09
5	03277-44659	NAEEM AHMED SHAFI	162,780	1.68
6	19	HUMAIRA SHAFI	896,461	9.27
7	2910	HUMAIRA SHAFI	63,531	0.66
8	01826-12062	HUMAIRA SHAFI	108,750	1.12
9	1	WASEEM SHAFI	39,468	0.41
10	3025	WASEEM SHAFI	3,765	0.04
11	2982	JAVED KHAN	1,500	0.02
12	10629-132285	JAVED KHAN	6,589	0.07
13	2911	MUHAMMAD SHAFI	16,125	0.17
14	20	BUSHRA SHAFI	3,870	0.04
15	2981	MOHAMMAD SAJID HUSSAIN	1,500	0.02
16	3057	SALEHA MAJID	750	0.01
17	3058	MUDASSIR HABIB KHAN	1,500	0.02
			<b>17</b>	<b>1,987,853</b>
				<b>20.55</b>
<b>Associated Companies, undertakings and related parties</b>				
NIL				
			<b>0</b>	<b>-</b>
<b>Executive</b>				
NIL				
<b>Public sector companies and corporations</b>				
1	03889-28	NATIONAL BANK OF PAKISTAN	67	0.00
			<b>1</b>	<b>67</b>
				<b>0.00</b>
<b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b>				
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	832,153	8.60
4	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	10,893	0.11
			<b>4</b>	<b>1,239,546</b>
				<b>12.81</b>
<b>Mutual Funds</b>				
NIL				
			<b>-</b>	<b>-</b>
<b>Foreign Investor</b>				
NIL				
			<b>-</b>	<b>-</b>
<b>Others</b>				
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	03277-80483	TRUSTEES OF FIRST UDL MODARABA STAFF PROVIDENT FUND	19,750	0.20
5	02113-3850	CAPITAL FINANCIAL SERVICES (PVT.) LIMITED	7,000	0.07
			<b>5</b>	<b>40,669</b>
				<b>0.42</b>
<b>General Public Local</b>			<b>1250</b>	<b>6,406,865</b>
				<b>66.22</b>
<b>Total</b>			<b>1277</b>	<b>9,675,000</b>
				<b>100.00</b>



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

انسانی وسائل اور معاہدہ سہیلی بورڈ نے اداریہ نظم و ضبط کے تحت ایک انسانی وسائل اور معاہدہ سہیلی تشکیل دی ہے جو کہ مندرجہ ذیل میں ڈائریکٹران پر مشتمل ہے:

- 1 محترمہ صدیقہ ماجد
- 1 جناب محمد شفیع
- 1 جناب محمد ساجد حسین

ہمارا عزم ایک اعلیٰ کارکردگی کا حامل ادارہ بنانا ہے جو کہ باصلاحیت افراد کو کشش کرنے اور ان کی ترویج کو برقرار رکھے۔ ہمارے ملازمین کی ذاتی ترقی کے لئے انہیں اہم ذمہ داریوں اور خوشوارگزر کارکنوں کے لئے اختیارات سونپی جاتی ہیں اور اس کے ساتھ ساتھ تنظیمی نظام کے ذریعے ان کی تربیت، رہنمائی اور چیلنجز سے نمٹنے کی صلاحیت برقرار رکھی جاتی ہیں۔

سہیلی کے اجلاس اعلیٰ انتظامیہ کے معاہدہ سے متعلق ملازمان اور ادارے کی ترقی اور معاہدہ سے متعلق تمام عناصر کا جائزہ لیتی ہے اور ان کی منظوری دی جاتی ہے اور اس کے علاوہ ایگزیکٹو ڈائریکٹرز اور اعلیٰ انتظامیہ سہیلی کے ممبران کے معاہدہ سے متعلق تمام معاملات کی منظوری دیتی ہے۔ سہیلی کا سال 2018-19 کے دوران ایک اجلاس ہوا۔

آئی ٹی ڈیپارٹمنٹ  
موجودہ آڈیٹرز RSM اور ایس جی بی ریلیٹیو لیمان، چارٹرڈ اکاؤنٹنٹس سبکدوش ہو جائیں گے اور مالیاتی سال 30 جون 2020 کے لئے انہوں نے اپنی دو بارہ تقرری کی پیشکش کی ہے۔

حصص داری کی ساخت  
30 جون 2019 کو سہیلی کی حصص داری اور دیگر معلومات پر مشتمل ایک گوشوارہ اس رپورٹ کے ساتھ منسلک ہے۔  
30 جون 2019 کو سہیلی کے ریکارڈ میں 1,277 حصص یافتگان تھے۔

ڈائریکٹران کا ترقیاتی پروگرام  
یورپ آف ڈائریکٹرز کی تربیت یورپ کی ذمہ داریوں میں مدد کرتی ہے اور سہیلی کی کارکردگی میں حقیقی فرق آتی ہے۔ لہذا ان باتوں کو مد نظر رکھتے ہوئے اور مشاہدہ کی ضروریات کو پورا کرتے ہوئے سال کے دوران سہیلی کے ایک ڈائریکٹر جناب محمد شفیع نے ڈائریکٹران کے ترقیاتی پروگرام میں شرکت کی جسے انٹینیویٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان نے مستعد کیا تھا۔

مستقبل کی پیش بینی  
گزشتہ ہونے سے سال میں روپیہ کی قدر میں 35 فیصد کمی ہوئی اور مستقبل میں USD کے مقابلے میں اس میں مزید کمی ہو سکتی ہے۔ افراط زر میں اضافہ جو رہا ہے اور یہ ساری چیزیں کی قیمت خریداری پر باڈوال سکتا ہے اور جس کے نتیجے میں مقامی کاروباری شعبے کی فروخت پر اثرات مرتب ہو سکتے ہیں۔ مزید برآں ٹیکسٹائل کے برآمدی شعبے پر 17 فیصد GST کے نفاذ سے تقاضی کے بھارے پر منفی اثرات مرتب ہو سکتے اور قرضے لینے میں اضافہ ہوگا اور زر سپاءلر کمانے والی صنعت کے لئے زخمی رہنا انتہائی دکھوار ہو جائے گا جو کہ دنیا بھر میں انتہائی تھیل نتائج پر مسابقت کے ساتھ کام کر رہی ہے۔ یورپ آف ڈائریکٹرز بنگران اداروں، حصص یافتگان ہا کولوں، مالیاتی اداروں اور سپلائرز کے تعاون اور ملازمین و مزدوروں کی انتظامیہ محنت اور جدوجہد سہیلی کے سٹاک ہولڈرز پر لا رہی ہے۔

برائے وختیانہ

نعم شفیع  
چیف ایگزیکٹو

جاید خان  
ڈائریکٹر / CFO



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس ہوئے۔ جن میں ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام	حاضر اجلاسوں کی تعداد
جناب نعیم شفیق	4
جناب وسیم شفیق	4
جناب جاوید خان	4
جناب مدثر حبیب خان	3
جناب محمد ساجد حسین	4
جناب محمد شفیق	4
محترمہ صالحہ ماجد	3

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی کارکردگی کی تفصیلات بورڈ پڑاؤ میں درج ہیں۔

بورڈ کی نگرانی کے کردار اور اس کی اشرافیہ بری کی تفصیلات ایک جاری عمل ہے جسے بورڈ پڑاؤ میں خود اہتمام دیتا ہے۔ بنیادی شعبے جن پر توجہ دی جاتی ہے وہ درج ذیل ہیں:

- ☆ کمپنی کے نصب العین اور مژمن کی اہداف اور مقاصد سے مطابقت
- ☆ پائیدار کاروباری عمل کے لئے سمکت عملی کی تشکیل
- ☆ بورڈ کی آزادی اور
- ☆ بورڈ کی کمیٹیوں کی طے شدہ ذمہ داریوں کے حوالے سے ان کی کارکردگی کی جائزہ

CEO کی کارکردگی کا جائزہ  
CEO کی کارکردگی کی تفصیلات ایک تفصیلی عمل کے ذریعے کی جاتی ہے جس کی بنیاد مقننہ اور معیاری قدروں پر مشتمل ہے۔ ہر سال بورڈ اہداف اور سمکت عملیوں کی ایک فہرست بناتا ہے جو کہ کمپنی کے مژمن سے مطابقت رکھتے ہوں۔ کارکردگی کی تفصیلات کے لئے ہر سبک سیل کی پیمائش کی جاتی ہے۔ جس میں کاروباری کارکردگی، منافع کے حوالے سے مقاصد کا حصول، ادارے کی تعمیر، چابقتی منصوبہ بندی اور ادارتی کامیابی شامل ہیں۔

چیز میں اور CEO کا کردار  
بورڈ اور مشیڈان کی طرف سے ایک مٹولی کی حیثیت سے چیز میں اپنا کردار اہتمام دیتا ہے۔ وہ بورڈ آف ڈائریکٹرز کی قیادت کرتا ہے۔ چیز میں کاروباری ترقی اور کمپنی کی سادھ کے تھنڈا کو یقینی بناتا ہے۔ وہ بورڈ کی ممبر شپ کو سواڑن بناتا ہے جس کے تحت مختلف کاروباری فرائض اہتمام دینے جاتے ہیں اور کمپنی کے نسب العین، مژمن اور ملوعل مدتی اہداف حاصل کئے جاتے ہیں۔ وہ بورڈ اور انٹھامیہ کے درمیان ایک چل کا کام کرتا ہے اور انتھامیہ کی جانب سے بورڈ سے گفٹ و شپ کرتا ہے۔

CEO کمپنی کے روزمرہ معاملات اور حصص یافتگان کی منفعیت میں اضافے کے لئے طویل مدتی سمکت عملی، منصوبوں اور سبٹ کی تکمیل کا ذمہ دار ہوتا ہے۔ CEO حصص یافتگان، سرکاری اداروں اور عوام کی نمائندگی کرتا ہے۔ وہ ایک قائم اور فیصلہ ساز ہوتا ہے جو کہ ملوعل مژمن کو تھیب، کمپنی کے اندر تبدیلی اور اہداف کے حصول کے لئے فیصلے کرتا ہے۔

ڈائریکٹران کا معاوضہ  
بورڈ کے ممبران کا معاوضہ بورڈ پڑاؤ میں خود کرتا ہے۔ تاہم ادارتی نظم و ضبط کے ضابطہ کے تحت اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضہ سے متعلق فیصلے میں شریک نہ ہو۔ کمپنی ان ایگزیکٹو ڈائریکٹران کو اجلاس میں حاضر ہونے کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتا۔ بہترین صلاحیتوں کے حامل افراد کو رکھنے کے لئے کمپنی کی معاوضہ جاتی پالیسیوں کو اس طرح تشکیل دیا گیا ہے کہ وہ جاری صنعتی رجحانات اور کاروباری طور پر بلقوں سے مطابقت رکھتے ہوں۔ 2018-19 میں ڈائریکٹران اور سی ای او سے متعلق معلومات کے لئے براہ مہربانی مالیاتی گوشواروں کے نوٹس کا مطالعہ کریں۔



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

کوڈ آف کارپوریشن کی شیخ XVI کے تحت ادارتی نظم و ضبط کے بہترین طور طریقوں کی پاسداری بورڈ انٹوزیجٹاے ہوئے اہلکار سرست کرتا ہے کہ کمپنی کی انتظامیہ ادارتی نظم و ضبط کے بہترین طور طریقوں پر عمل پیرا ہے۔ بورڈ ادارتی اور مالیاتی رپورٹنگ سے متعلق اپنی ذمہ داریوں کو تسلیم کرتا ہے اور لہذا اقرار کرتا ہے کہ:

- ☆ کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکیٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔
- ☆ کمپنی میں حسابات کی کتابیں مناسب انداز میں تیاری گئی ہیں۔
- ☆ درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معتدل 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 ایکسچینج کے مضامین کردہ ادارتی نظم و ضبط کے بہترین طور طریقوں سے آگرونی قابل ذکر انحرافات نہیں ہوا۔
- ☆ 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 نظام کی نگرانی ایک جاری عمل ہے جس کا مقصد گرفت کا مضبوط کرنا اور نظام میں بہتریاں لانا ہے۔
- ☆ کمپنی کی چلنے ہوئے اور اسے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔
- ☆ ٹیکسوں اور محصولات سے متعلق معلومات مالیاتی گوشواروں کے نوٹس میں دی گئی ہیں۔

### آڈٹ کمپنی

یہ کمپنی میں نان ایگزیکٹو ممبران پر مشتمل ہے جس میں کمپنی کا چیئر پرسن بھی شامل ہے۔ کمپنی کی ذمہ داریوں کا تعین پاکستان اسٹاک ایکسچینج کی قواعد تک میں دینے کے رہنما اصولوں کے مطابق بورڈ آف ڈائریکٹرز نے کیا ہے اور کمپنی کو مشورہ دیا ہے کہ وہ ان کی پاسداری کرے۔ سال کے دوران کمپنی کے چار اجلاس ہوئے۔

ممبر کا نام	حاضر اجلاسوں کی تعداد
محترمہ مرصالحہ ماجد	2
جناب محمد شفیق	3
جناب محمد ساجد حسین	3

بورڈ کی آڈٹ کمپنی بورڈ کی نگرانی کی ذمہ داریوں میں مدد کرتی ہے خاص طور پر جس میں مالیاتی اور غیر مالیاتی معلومات کو حصص یافتگان کے جائزہ کے لئے فراہم کرنا، اندرونی گرفت کا نظام، خطرہ اس کا انتظام اور آڈٹ کا عمل شامل ہیں۔ انتظامیہ کو خود کا خطرہ پینتکار کے تحت اس کے مطالبہ پر معلومات فراہم کی جاتی ہیں اور وہ جیسا بھی مناسب سمجھتی ہے تو ان معلومات کی بنیاد پر بیرونی آڈٹرز اور مشیروں سے بلا واسطہ مشاورت کرتی ہے۔ بورڈ کے اجلاسوں میں چیف نیشنل آفیسر کو اکاؤنٹس پیش کرنے کے لئے باقاعدگی کے ساتھ مدعو کیا جاتا ہے۔ ہر اجلاس کے بعد کمپنی کا چیئر مین بورڈ کو رپورٹ پیش کرتا ہے۔ 2018-19 کے دوران بورڈ کے چار اجلاس ہوئے۔



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

گزشتہ پچھتر سالوں کے اہم کاروباری اور مالیاتی اعداد و شمار کا مختصر اجماعہ  
گزشتہ پچھتر سالوں بشمول جائزہ سال کے اہم کاروباری اور مالیاتی اعداد و شمار مختصر اور ذیل میں پیش کئے گئے ہیں:

2014	2015	2016	2017	2018	2019	
.....000'.....						
23,272	20,095	26,850	23,704	25,728	32,134	استعمال کئے گئے اثاثے
-	-	-	-	-	-	پراپرٹی، پلانٹ اینڈ ایکویپمنٹ
1,054	42,677	75,600	35,183	42,052	17,769	غیر محسوس اثاثے
1,608	1,500	2,006	1,500	1,500	2,052	طویل مدتی سرمایہ کاریاں
11,689	26,631	17,630	74,847	7,108	4,177	طویل مدتی جمع شدہ قوامت
37,623	90,904	122,086	135,234	76,388	56,132	خالص رواں اثاثے
						کل اثاثوں کی مالیت
						سرمائے کے ذرائع
32,250	64,500	64,500	96,750	96,750	96,750	جاری کردہ، خرید شدہ اور ادا شدہ سرمایہ
4,915	14,548	17,864	4,359	23,362	28,449	ذخائر اور غیر مصرف شدہ منافع
458	11,856	38,043	25,701	14,360	(3,689)	سرمایہ کاریوں کی از سر نو مالیت پر منافع / (خسارہ)
37,623	90,904	120,407	126,810	134,473	121,509	حصص یافتگان کی ایکویٹی
-	-	1,679	-	-	2,048	طویل مدتی اور پینس پیش واجبات
37,623	90,904	122,086	126,810	134,473	123,557	کل سرمائے کی مالیت
145,539	184,118	182,672	169,496	393,230	451,098	فروخت
4,696	11,639	11,626	3,799	17,337	14,748	منافع / (خسارہ) قبل از ٹیکس
3,720	9,798	9,766	2,152	13,404	10,237	منافع / (خسارہ) بعد از ٹیکس
1.15	2.05	1.52	0.25	1.39	1.06	فی حصص آمدن
2.6%	5.3%	5.3%	1.3%	3.4%	2.3%	خالص آمدن (فیصد)
9.9%	10.8%	8.0%	1.7%	10%	8.3%	لگائے گئے سرمائے پر منفعت
						منافع منقسمہ
0%	10%	10%	0%	5%	5%	نقد (فیصد)
0%	0%	0%	0%	0%	0%	حصص (فیصد)



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

### دیگر آمدن

کپنی کی دیگر آمدن میں تسلیم شدہ اور غیر تسلیم شدہ خسارہ 2.16 ملین روپے شامل رہا جبکہ گزشتہ سال خسارہ 22.30 ملین روپے تھا۔ سال کے دوران منافع منقسمہ کی صورت میں حاصل ہونے والی آمدن 1.42 ملین روپے رہی جبکہ گزشتہ سال 1.45 ملین روپے تھی۔

زیر جائزہ سال کے دوران کپنی کو زرمبادلہ پر 11.09 ملین روپے کا منافع ہوا جبکہ غیر تسلیم شدہ منافع 5.31 ملین روپے تھا اور گزشتہ سال زرمبادلہ کا منافع 3.65 ملین روپے رہا جس میں غیر تسلیم شدہ منافع 1.15 ملین روپے تھا۔

### سرمایہ جاتی اخراجات

سال کے دوران کپنی نے اپنی پیداواری تنصیبات، پیداوار ریت اور پلانٹ کی استعداد میں بہتری کے لئے 10.49 ملین روپے کی سرمایہ جاتی سرمایہ کاری کی۔

### منافع منقسمہ

بورڈ آف ڈائریکٹرز سمرٹ کے ساتھ بتا ہے کہ اس نے اپنے اجلاس مورخہ 30 ستمبر 2019 میں سالانہ منقسمہ 30 جون 2019 کے لئے 5 فیصد یعنی 0.50 روپے فی حصص (2018 میں 0.50 روپے) کے حساب سے حتمی نقد منافع منقسمہ کا اعلان کیا ہے۔

### محلہ و کتابت

کپنی حصص یافتگان کے ساتھ تعلقات کی اہمیت کو سمجھتی ہے۔ سالانہ ششماہی اور سہ ماہی رپورٹیں کمپنیز ایکٹ 2017 کے تحت مقررہ مدت میں ترسیل کی جاتی ہیں۔ کپنی کی سرگرمیوں کو ویب سائٹ [www.internationalknitwear.com](http://www.internationalknitwear.com) پر بروقت اپ ڈیٹ کیا جاتا ہے جس میں سرمایہ کاروں سے متعلقہ معلومات کے لئے ایک الگ حصہ مخصوص ہے۔

### اہم تبدیلیاں

سال کے اختتام اور اس رپورٹ کی تاریخ تک کوئی اہم وعدے یا تبدیلیاں رونما نہیں ہوئیں جن سے کپنی کی مالیاتی پوزیشن متاثر ہو۔

### ادارتی ماحول صحت اور سماجی ذمہ داری

ہم اپنے لوگوں کے ساتھ قرب و جوار میں رہنے والی لوگوں کی فلاح و بہبود کے لئے ان کی صحت، تحفظ اور ماحولیات (HSE) کے اعلیٰ معیارات برقرار رکھنے پر مضبوط یقین رکھتے ہیں۔ ہماری توجہ کا مرکز تحفظ کے تمام پہلوؤں کی بہتری ہے جس میں تحفظ، پیداوار، ترسیل، ذخیرہ اور مادوں کا استعمال شامل ہے۔ آپ کی کپنی ہمیشہ ماحولیات کے تحفظ کو یقینی بناتی ہے اور ماحولیات تحفظ کے تمام تمام ذرائع کو اختیار کرتی ہے۔

### ترجیحات کے تعین کی رسائی

ترجیحات کی سطح کا تعین فاعلی ہے اور ہر ادارے کا دوسرے سے مختلف ہوتا ہے۔ ٹرانزیکشنز کے لئے مجاز بنانے اور اختیارات سوچنے کا عمل واضح طور پر وضاحت شدہ ہے اور اسے کپنی میں باضابطہ دستاویزی شکل دی گئی ہے۔ کپنی نے ترجیحات کی پالیسی منظور کی ہے جس کی مطابقت کا سالانہ بنیاد پر کیا جاتا ہے۔



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

السلام علیکم

انٹرنیشنل ٹ ویز لمیٹڈ کا بورڈ آف ڈائریکٹرز اپنی رپورٹ کے ساتھ سال بختمہ 30 جون 2019 کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے انکھار مسرت کرتا ہے۔

مالیاتی نتائج کا سرسری جائزہ

شرح فیصد	2018	2019	
	روپے	روپے	
14.72%	393,230,773	451,098,967	خالص فروخت
(45.41%)	58,810,770	32,105,797	خام منافع
(14.93%)	17,337,290	14,748,652	منافع قبل از ٹیکس
(23.63%)	13,404,982	10,237,662	منافع بعد از ٹیکس
(23.63%)	1.39	1.06	نی حصص منافع

کاروباری جائزہ

سال 30 جون 2019 کے اختتام پر مختصر مالیاتی جھلکیاں درج ذیل ہیں:

سال 30 جون 2019 کے اختتام پر کاروبار میں 15 فیصد نمو ہوئی۔ کتنی ہی خالص فروخت 451.09 ملین روپے رہیں جبکہ گزشتہ سال 393.23 ملین روپے تھیں۔ بعد از ٹیکس منافع 14.74 ملین روپے رہا جبکہ گزشتہ سال 17.33 ملین روپے تھا۔

فروخت میں گزشتہ سال بختمہ 30 جون 2018 کی نسبت 57.86 ملین روپے کا اضافہ ہوا۔ سال کے دوران کتنی کا خام منافع 32.10 ملین روپے رہا جبکہ گزشتہ سال خام منافع 58.81 ملین روپے تھا۔

سال کے دوران کتنی کی کارکردگی بہت اچھی رہی اور برآمدی آرڈرز کے ساتھ مقامی شعبے میں بھی وسعت ہوئی جس کی وجہ سے مکمل پیداواری گنجائش سے استفادہ کیا گیا اور جامد پیدائشی لاگتیں کم ہو گئیں۔

فروخت

اللہ رب العزت کی رحمت سے ہماری فروخت 14.72 فیصد کے تیز ترین اضافہ کے ساتھ 451.09 ملین روپے تک پہنچ گئیں جس کی وجوہات میں فروخت کے حجم اور قیمتوں میں اضافہ اور کرنسی کی قدر میں کمی شامل تھی۔ یہ صرف اس وجہ سے ممکن ہوا کہ ہم نے اپنے عالمی سطح پر اور ملک بھر کے قابل قدر کلائنٹس کو تسلسل کے ساتھ معیاری مصنوعات فراہم کیں۔

نی حصص منافع

حصص یافتگان کے لئے بعد از ٹیکس نی حصص منافع 1.06 روپے رہا جبکہ گزشتہ سال نی حصص منافع 1.39 روپے تھا۔



# International Knitwear Limited

## چیئر مین کی جائزہ رپورٹ

میں سال 30 جون 2019 کی مالیاتی اور دیگر معلومات اپنے قابل قدر ممبران اور حصص یافتگان کو پیش کرتے ہوئے انتہائی مسرت محسوس کرتا ہوں جن سے بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کی اثر پذیری کی عکاسی ہوتی ہے۔

بورڈ نے اپنی ذمہ داریاں قانون کے مطابق کمپنی و حصص یافتگان کے مفاد میں انجام دیں۔ ادارتی نظم و ضبط کے ضابطے کے تحت نٹ ویز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی سالانہ تشخیص کی جاتی ہے، اس تشخیص کا مقصد بورڈ کی مجموعی کارکردگی اور اس کی اثر پذیری کی پیمائش کو یقینی بنانا اور کمپنی کے طے کردہ مقاصد کے تناظر میں شیئنگ مارک کی توقعات پر پورا اترتا ہے۔

مالیاتی سال 30 جون 2019 میں بورڈ کی مجموعی کارکردگی اور اثر پذیری تسلی بخش پائی گئی۔ اس تشخیص کی بنیاد انفرادی اجزاء جیسے نصاب العین، مشن اور اقدار، کلیدی منصوبہ بندی میں مصروفیت، پالیسیوں کی تشکیل، ادارے کی کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالیاتی نگرانی، تمام ملازمین کے ساتھ یکساں سلوک اور بورڈ کی ذمہ داریوں کی مستعدی کے ساتھ انجام دی شامل ہیں۔

انٹرنیشنل نٹ ویز لمیٹڈ تشکیل بندی، طریقہ کار اور بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاس قوانین میں دی گئی ضروریات کی پاسداری کے مطابق منعقد کرتا ہے۔ بورڈ کا ضروری ایجنڈا اور متعلقہ تائیدی دستاویزات بورڈ اور اس کی کمیٹیوں کے اجلاس کے لئے درست وقت پر دستیاب ہوتی ہیں۔ بورڈ نے متعلقہ قوانین و ضوابط کے تحت اپنے تمام اختیارات کا استعمال کیا اور آڈٹرز، ڈائریکٹران اور نان ایگزیکٹو ڈائریکٹران بورڈ کے اہم فیصلوں میں یکساں طور پر شریک رہے۔

یہاں پر میں اپنی مخلصانہ ستائش اپنے تمام ممبران اور مستفیدان کے لئے ریکارڈ پر لانا چاہتا ہوں جنہوں نے اختتامیہ اور کمپنی پر تسلسل کے ساتھ اعتماد کیا اور اپنا تعاون فراہم کیا۔

وسیم شیخ

چیئر مین

کراچی:

مورخہ 30 ستمبر 2019



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9- سالانہ رپورٹ کی بذریعہ ای میل ترسیل

کمپنیز ایکٹ 2017 کی دفعہ (6) 223 کی شقوں کے مطابق کمپنیز کو اپنے سالانہ مالیاتی گوشواروں کے ساتھ آڈیٹرز رپورٹ، ڈائریکٹران کی جائزہ رپورٹ وغیرہ (آڈیٹرز رپورٹ) اور سالانہ اجلاس عام کے نوٹس (نوٹسز) اپنے حصص یافتگان کو بذریعہ ای میل بھیجنے کی اجازت دی ہے۔ کمپنی کے حصص یافتگان جو کہ کمپنی کی سالانہ رپورٹ اور سالانہ اجلاس عام کے نوٹسز بذریعہ ای میل موصول کرنا چاہیں ان سے درخواست ہے کہ اپنا پُر کیا ہوا الیکٹرانک کیونٹیکیشن کنفیڈنٹ فارم (جو کمپنی کی ویب سائٹ پر بھی دستیاب ہے) کمپنی کے شیئر رجسٹرار کو بھیج دیں۔

10- کمپنی کی ویب سائٹ آڈٹ شدہ مالیاتی گوشواروں کی دستیابی

کمپنی کے آڈٹ شدہ گوشوارے برائے مختتمہ مدت 30 جون 2019 کمپنی کی ویب سائٹ [www.internationalknitwear.com](http://www.internationalknitwear.com) پر اپ لوڈ کر دیئے گئے ہیں۔

11- پراکسی فارم

پراکسی فارم سالانہ رپورٹ کے آخر میں منسلک ہونے کے ساتھ کمپنی کی ویب سائٹ [www.internationalknitwear.com](http://www.internationalknitwear.com) پر بھی دستیاب ہے۔

12- پتے میں تبدیلی

ممبران سے درخواست ہے کہ وہ فوری طور پر کمپنی کے شیئر رجسٹرار کو اپنے پتے میں کسی بھی تبدیلی سے مطلع کر دیں۔



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## 6- مشرکہ کھاتے داروں کے منافع منقسمہ میں سے کوٹنی

ضابطوں کی ہدایات پر عمل کرتے ہوئے وہ ہولڈنگ ٹیکس کوٹنی کے لئے اگر بنیادی حصص یافتہ نے مشرکہ کھاتے داروں کی حصص داری کے تناسب کا تعین نہ کیا ہو تو حصص یافتگان سے گزارش ہے کہ وہ بنیادی حصص یافتہ اور مشرکہ کھاتے داروں کے حصص داری کے تناسب بذات خود کوٹنی کے شیئرز رجسٹر اراکومند رجسٹرڈ میل فارم کے مطابق بھیج دیں تاکہ کوٹنی ہر حصص یافتہ کی حصص داری کے حساب سے وہ ہولڈنگ ٹیکس کی کوٹنی کر سکے:

کوٹنی کا نام	فولیو / CDS اکاؤنٹ نمبر	کل حصص	بنیادی حصص یافتہ	مشرکہ حصص یافتہ
			نام اور CNIC (حصص کی تعداد)	نام اور CNIC (حصص داری کا تناسب)
			نام اور CNIC نمبر	نام اور CNIC نمبر (تعداد کی تناسب)

مذکورہ بالا معلومات ہمارے شیئرز رجسٹر اراکومند کوٹنی کے اجراء کے 10 دن کے اندر موصول ہو جائیں، بصورت دیگر بنیادی حصص یافتہ اور مشرکہ حصص یافتہ کے حصص کو براہ تصور کیا جائے گا۔

## 7- انکم ٹیکس / زکوٰۃ کی کوٹنی

ممبران جو کہ انکم ٹیکس کی کوٹنی سے استثناء چاہتے ہوں یا کم نرخ پر کوٹنی کے اہل ہوں ان سے درخواست ہے کہ اپنا درست ٹیکس استثنائی سرٹیفکیٹ یا ضروری دستاویزی ثبوت جو بھی دستیاب ہو فراہم کریں۔ ممبران جو کہ زکوٰۃ کی کوٹنی نہیں کرانا چاہتے وہ اپنا درست حلف نامہ برائے زکوٰۃ عدم کوٹنی فراہم کریں۔

## 8- غیر دعویٰ شدہ حصص / منافع منقسمہ

کوٹنی کے ممبران کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کی دفعہ 244 کی شکوہ کے مطابق وہ حصص / منافع منقسمہ جو کہ اپنے تاریخ وجوب اور واجب الادائیگی کی تاریخ سے تین سال تک غیر دعویٰ شدہ یا غیر ادا شدہ رہا ہو تو اس مدت کے گزر جانے کے بعد اگر متعلقہ ممبران سے کوٹنی دعویٰ موصول نہ ہو تو اسے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق وفاقی حکومت کے پاس جمع کرا دیا جائے گا۔ لہذا وہ تمام ممبران جن کے حصص / منافع منقسمہ مذکورہ بالا مدت تک غیر دعویٰ شدہ یا غیر ادا شدہ رہے ہوں ان سے ایک مرتبہ پھر درخواست کی جاتی ہے کہ وہ اپنے دعوے ارسال کر دیں کیونکہ کوٹنی نے ایسے تمام حصص یافتگان کو کوٹنی کے پاس دستیاب ان کے آخری معلوم ہونے پر نوٹس ارسال کر دیے ہیں۔



# International Knitwear Limited

## سالانہ اجلاس عام کانوٹس

اس صورت میں کمپنی معیار اہلیت پر پورا اترنے والے ممبران کے لئے وڈیو کانفرنس کے مقام اور دیگر ضروری معلومات سے ممبران کو 7 دن قبل مطلع کرے گی تاکہ وہ وڈیو کانفرنس کی سہولت سے استفادہ کر سکیں۔

### 3- CNIC اور NTN/شیکٹیکٹ کی نقول (لازمی)

SECP کی ہدایات کے مطابق حصص یافتگان کا منافع منقسمہ جن کے CNIC/NTN یا CNIC (کارپوریٹ انٹیلیجنس کی صورت میں) اگر شیئر رجسٹرار کے پاس دستیاب نہ ہوئے تو ان کا منافع منقسمہ روک لیا جائے گا۔ لہذا حصص یافتگان سے گزارش ہے کہ اپنے CNIC/NTN کی کمپنی کے شیئر رجسٹرار CDC شیئر رجسٹرار سرورسز لمیٹڈ کو ارسال کر دیں۔

### 4- نقد منافع منقسمہ (ای مینڈیٹ) کی ادائیگی

کمپنی ایکٹ 2017 کی دفعہ 242 اور کنٹینر (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز 2017 کے تحت نقد واجب الادا منافع منقسمہ بذریعہ برقی طریقہ کار بلا واسطہ اہل حصص یافتگان کے صراحت شدہ بینک اکاؤنٹ میں منتقل کیا جائے گا۔ اس سلسلے میں ایک نوٹس ریگولیشنز کے تحت پہلے ہی اخبارات میں شائع کیا جا چکا ہے۔ تمام حصص یافتگان سے ایک مرتبہ پھر گزارش ہے کہ بینک مینڈیٹ (i) نائل آف اکاؤنٹ، (ii) اکاؤنٹ نمبر، (iii) IBAN نمبر، (iv) بینک کا نام اور (v) برانچ کا نام، گواڈ اور پتہ کمپنی کے شیئر رجسٹرار کو بھیج دیں۔ وہ حصص یافتگان جن کے حصص شریک کار CDC شیئر رجسٹرار سرورسز لمیٹڈ میں موجود ہیں ان کو مشورہ دیا جاتا ہے کہ متعلقہ برہ کرکواپنا مینڈیٹ فراہم کر دیں۔

### 5- منافع منقسمہ پروڈیو ہولڈنگ

حکومت پاکستان نے فنانس ایکٹ 2019 کے تحت مخصوص اکٹہ ٹیکس آرڈیننس 2001 کی دفعہ 150 مخصوص ترامیم کی ہیں جس میں کمپنیوں کے منافع منقسمہ کی ادا شدہ رقم پر کوئی درج ذیل نرخوں پر کی جائے گی:

1- اکٹہ ٹیکس ریٹرنز کے فائلرز کے لئے 15 فیصد

2- اکٹہ ٹیکس ریٹرنز کے نان فائلرز کے لئے 30 فیصد

وہ حصص یافتگان جنہوں نے اپنے ریٹرن فائل کر دیئے ہیں ان کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے نام FBR کی ویب سائٹ پر دستیاب حالیہ فعال ٹیکس دہندگان کی فہرست (ATL) میں موجود ہوں، بصورت دیگر ATL میں نام موجود نہ ہونے کی صورت میں 15 فیصد کے بجائے 30 فیصد کوئی کی جائے گی۔



# International Knitwear Limited

سالانہ اجلاس عام کانوٹس

## A - اجلاس میں حاضری کے لئے

☆ انفرادی افراد کی صورت میں کھاتے دار یا ذیلی کھاتے اور/ یا وہ افراد جن کے حصص گروپ کی شکل میں ہوں اور ان کی رجسٹریشن کی تفصیلات CDC ریگولیشنز کے تحت اپ لوڈ کر دی گئی ہوں وہ اجلاس میں حاضر ہوتے وقت اپنی شناخت کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھائیں گے۔

☆ کارپوریٹ انٹینیٹی کی صورت میں ڈائریکٹران کی قرارداد/اختیار نامہ/مجمع نامہ و فرد کے نمونہ دستخط اجلاس میں حاضر ہوتے وقت پیش کئے جائیں گے (اگر پہلے فراہم نہ کئے ہوں)

## B - پراسیکیوٹرز کی تقرری کے لئے

☆ انفرادی افراد کی صورت میں کھاتے دار یا ذیلی کھاتے اور/ یا وہ افراد جن کے حصص گروپ کی شکل میں ہوں اور ان کی رجسٹریشن کی تفصیلات CDC ریگولیشنز کے تحت اپ لوڈ کر دی گئی ہوں وہ مندرجہ بالا ضروریات کے تحت پراسیکیوٹرز کی تقرری کے لئے پیش کر سکتے ہیں۔

☆ پراسیکیوٹرز پر دو گواہان کے دستخط ہونے چاہیں جن کے نام، پتے اور CNIC نمبر فارم پر درج کئے جائیں گے۔

☆ انتقالی مالکان اور پراسیکیوٹرز کے پاسپورٹ یا CNIC کی مصدقہ نقول پراسیکیوٹرز کے ساتھ پیش کی جائیں گی۔

☆ پراسیکیوٹرز میں حاضر ہوتے وقت اپنا اصل CNIC یا اصل پاسپورٹ دکھائے گا۔

☆ کارپوریٹ انٹینیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/اختیار نامہ/مجمع نمونہ دستخط پراسیکیوٹرز کے ساتھ پیش کئے جائیں گے (اگر پہلے فراہم نہ کئے ہوں)

## 2 - وڈیولنٹ کی سہولت

کمپنیز ایکٹ 2017 کی سیکشن 2 کے تحت کمپنی کے وہ ممبران جن کی کمپنی کے کل ادا شدہ سرمائے میں 10 فیصد یا اس سے زیادہ حصص داری ہے اور وہ کسی دیگر شہر میں رہائش پذیر ہوں اور اجلاس میں شرکت کرنا چاہتے ہوں تو ایسے ممبران سے اجلاس سے 7 دن قبل درخواست موصول ہونے کی صورت میں ان کے اجلاس میں شرکت کے لئے وڈیولنٹ کی سہولت کا اہتمام کرے گی۔ اگر آپ اس سہولت سے استفادہ کرنا چاہتے ہیں تو براہ مہربانی کمپنی کی ویب سائٹ پر موجود فارم بھریں اور کمپنی کے رجسٹریٹر سے پتے پر اجلاس سے کم از کم 10 دن قبل بھیج دیں۔



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کی منظوری سے چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹر کمپنی کے شرچے پر اپنے دفتری اور نجی مقاصد کے لئے ٹرانسپورٹ کی سہولت استعمال کرنے کے استحقاق رکھیں گے۔

دیگر امور

7- صدر مجلس کی اجازت سے مزید کسی دیگر امور کی انجام دہی

حسب الحکم بورڈ

جاوید خان

کمپنی سیکریٹری

کراچی

05 اکتوبر 2019

گزارشات:

1- حصص منتقلی کی کتابوں کی بندش

کمپنی کی حصص منتقلی کی کتابیں 22 اکتوبر 2019 سے 28 اکتوبر 2019 تک (بشمول دونوں دن) بند رہیں گی۔ اس مقصد کے لئے

ہمارے شیئرز رجسٹرار کے دفتر

CDC شیئرز رجسٹرار سروسز لمیٹڈ

شیئرز رجسٹرڈ پارٹنرشپ

CDC ہاؤس، 99-B، بلاک 'B'، ایس ایم سی ایچ ایس،

میں شاہراہ فیصل، کراچی 74400

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

ای میل: [info@cdcsrsl.com](mailto:info@cdcsrsl.com) / ویب سائٹ: [www.cdcsrsl.com](http://www.cdcsrsl.com)

کونٹا بوں کی بندش سے قبل 21 اکتوبر تک موصول ہونے والی منتقلیوں کو منافع منقسمہ کے لئے اہل تصور کیا جائے گا۔

وہ ممبر جو کہ سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کا حق رکھتا ہو، وہ اپنی طرف سے اجلاس میں شرکت کرنے،

بولنے اور ووٹ دینے کے لئے پراکسی مقرر کر سکتا ہے۔ پراکسی کے لئے ممبر ہونا لازمی نہیں ہے۔ پراکسی کے موثر ہونے کے لئے ضروری

ہے کہ پراکسی فارم دستخط شدہ ہو، اس پر گواہان کے دستخط ہوں، ممبر شدہ ہو اور اسے شیئرز رجسٹرار کے دفتر میں اجلاس سے کم از کم 48 گھنٹے

قبل فراہم کر دیا جائے۔ حصص یافتہ/پراکسی اجلاس میں حاضر ہوتے وقت اپنا اصل CNIC یا اصل پاسپورٹ فراہم کریں گے۔



# International Knitwear Limited

## سالانہ اجلاس عام کانوٹس

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ انٹرنیشنل ٹ ویز لمیٹڈ کا 29 واں سالانہ اجلاس عام بروز پیر، 28 اکتوبر 2019 کو دوپہر 2:00 بجے F-2A/L، سائٹ کراچی پر مندرجہ ذیل امور کی انجام دہی کے لئے منعقد ہوگا:

### عمومی امور

- 1- اجلاس عام مورخہ 27 اکتوبر 2018 کی کارروائی کی توثیق
- 2- کمپنی کے سال مختتمہ 30 جون 2019 کے آڈٹ شدہ مالیاتی گھنٹوں کے ساتھ ان پروڈیکٹران اور آڈیٹرز کی رپورٹ کی وصولی، غور و خوض اور منظوری
- 3- بورڈ آف ڈائریکٹرز نے سال 30 جون 2019 کے لئے 5 فیصد یعنی 0.50 روپے فی حصص کے حساب سے حتمی نقد منافع منقسمہ کی سفارش کی ہے اس کا اعلان اور منظوری
- 4- سال 30 جون 2020 کے لئے کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین - موجودہ آڈیٹرز مینسٹرز RSM اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس سکدوش ہو چکے ہیں اور اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

### خصوصی امور

- 5- مندرجہ ذیل قرارداد پر غور اور اگر درست سمجھا گیا تو اس میں ترامیم کے ساتھ یا ترامیم کے بغیر بطور عمومی قرارداد منظوری ”متفقہ طور پر سال مختتمہ 30 جون 2019 میں کمپنی کے ماتحت پارٹیوں کے ساتھ عمومی طریقہ کار کے مطابق کئے گئے سودوں کی توثیق، تصدیق اور منظوری دی جاتی ہے۔“
  - 6- ایگزیکٹو ڈائریکٹران بشمول چیف ایگزیکٹو کے معاوضہ کی منظوری اور اگر مناسب سمجھا گیا تو اس میں ترامیم کے بغیر یا ترامیم کے ساتھ ایک قرارداد کی بطور عمومی قرارداد منظوری
- ”متفقہ منظور کیا جاتا ہے کہ چیف ایگزیکٹو آفیسر اور ایک کل وقتی ڈائریکٹر کو سال 30 جون 2020 کی ملازمت کے لئے اس ذمہ داریوں کے مطابق کے لئے مالا ڈسنسز اور دیگر مراعات ادا کی جائیں جن کی رقم 15 ملین سے زیادہ نہ ہو۔ مزید یہ کہ بورڈ

## 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 CDC Share Registrar Services Limited**

Share Registrar Department

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

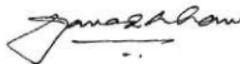
Main Shakra-e-Faisal, Karachi-74400.

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

Email: info@cdcsrsl.com/website: www.cdcsrsl.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.

<b>(i) Shareholder's Detail</b>	
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	

<b>(ii) Shareholder's Bank Detail</b>	
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:

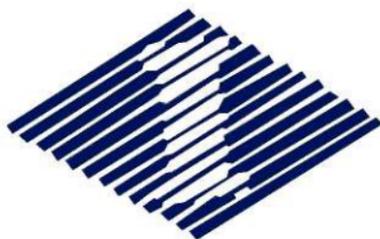
The Shareholders having physical shares have to address the Company Secretary IKL on the address given below:

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

and Shareholders having their accounts with CDC Share Registrar Services Limited 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 29th ANNUAL GENERAL MEETING

I/We \_\_\_\_\_ son/daughter/wife/husband of \_\_\_\_\_, Shareholder of International Knitwear Limited, holding \_\_\_\_\_ ordinary shares hereby appoint \_\_\_\_\_ who is my \_\_\_\_\_ [state relationship (if any) with the proxy; required by Government regulations] and the son / daughter / wife / husband of \_\_\_\_\_, (holding \_\_\_\_\_ ordinary shares in the Company under Folio No. \_\_\_\_\_) [required by Government] as my / our proxy, to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 28th, 2019 and / or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

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 CDC Share Registrar Services 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

پراسی فارم  
29 واں سالانہ اجلاس عام

میں/ہم..... سائن.....  
 بحیثیت رکن/ارکان صف ویز لیٹڈ..... حصص کے حامل ہیں، بذریعہ بڑا محترم/محترمہ.....  
 سائن..... (پراسی کے ساتھ کوئی رشتہ داری ہے تو ظاہر کریں کیونکہ یہ حکومتی ضوابط کے تحت لازمی ہے) جو کہ بذریعہ رجسٹرڈ فوئیلر/ CDC نمبر..... (حکومت کے ضوابط کے مطابق فوئیلر نمبر لکھنا لازمی ہے) کھنی کے رکن بھی ہیں، انہیں کھنی کے سالانہ اجلاس عام مورچہ 28 اکتوبر 2019 میں میری/ہماری جانب سے بحیثیت ممتاز (پراسی) حاضر ہونے، پولے اور ووٹ دینے کا اختیار ہوگا اور اجلاس ملتوی ہونے کی صورت میں بھی یہی میرے ممتاز (پراسی) ہونگے۔  
 مورچہ..... 2019 کو روبرو کابان میں/ہم نے دستخط کیے۔

فویلر نمبر	سی ڈی سی شراکت دار آئی ڈی نمبر	سی ڈی سی اکاؤنٹ/ فویلر اکاؤنٹ نمبر	حصص کی تعداد

دستخط.....

5/- روپے کا ریجسٹرڈ اسٹامپ

دستخط کھنی کے رجسٹر میں موجود دستخطوں سے مماثل ہونے چاہئیں

گواہ نمبر 1-.....	گواہ نمبر 2-.....
نام:.....	نام:.....
پتہ:.....	پتہ:.....
نمبر:.....	نمبر:.....
CNIC نمبر:.....	CNIC نمبر:.....
دستخط:.....	دستخط:.....

## گزارشات

- 1- پراسی کے لئے کھنی کا ممبر ہونا لازمی ہے۔
- 2- دستخط کا کھنی کے ریکارڈ میں موجود ہونا دستخطوں سے مماثل ہونا لازمی ہے۔
- 3- اگر کوئی ممبر پراسی متحرک کرنا ہے جس کے حصص CDC شیئر رجسٹر اور رجسٹرڈ لیٹڈ میں ہیں تو پھر پراسی کو شراکت دار کا آئی ڈی نمبر اور سی ڈی سی اکاؤنٹ نمبر/ فویلر اکاؤنٹ نمبر کے ساتھ اتفاقاً مالک کی گینڈا فراڈ تو فی شناختی کارڈ یا پاسپورٹ کی تصدیق سے نقل اپنے ہمراہ لائے گا۔ کارپوریٹ ممبر کی صورت میں ضروری نموی دستاویز اسے اس تصدیق کے لئے لانا ضروری ہیں۔
- 4- عمل پرائیوہ پراسی فارم کھنی کے رجسٹر ڈ آفس میں اجلاس سے 48 گھنٹے قبل متحرک کروایا جائے۔



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