

ANNUAL REPORT

**2020  
2021**



International Knitwear Limited



# International Knitwear Limited

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# International Knitwear Limited

## COMPANY INFORMATION

**BOARD OF DIRECTORS**

Mr. Waseem Shafi  
Mr. Nacem 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 Shahra-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 31<sup>st</sup> Annual General Meeting of the Company will be held on Wednesday, October 27, 2021 at 15:00 p.m at F-2A/L, S.I.T.E., Karachi through video link, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and approve the audited financial statements of the Company together with Directors' and Auditor's Reports for the year ended June 30, 2021.
2. To appoint Auditors and fix their remuneration for the year ending June 30, 2022. The present Auditors, M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants, retire and being eligible, offer themselves for re- appointment.
3. To elect seven (7) Directors of the Company as fixed by the Board pursuant to the provisions of Section 159 of Companies Act, 2017 (The Act) for a term of three (3) years commencing immediately after the conclusion of the meeting. The names of retiring Directors are as follows:

- |                       |                               |
|-----------------------|-------------------------------|
| 1) Mr. Waseem Shafi   | 5. Mr. Muhammad Sajid Hussain |
| 2) Mr. Naeem Shafi    | 6. Mr. Mudassar Habib Khan    |
| 3) Mr. Javed Khan     | 7. Ms. Saleha Majid           |
| 4) Mr. Muhammad Shafi |                               |

### **SPECIAL BUSINESS:**

4. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2021 by passing the following special resolution with or without modification:

“**RESOLVED THAT** the transactions conducted with Related Parties as disclosed in the note 32 of the financial statements for the year ended June 30, 2021 be and are hereby ratified, approved and confirmed.”

### **ANY OTHER BUSINESS:**

1. To transact such other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board

JAVED KHAN  
Company Secretary

Karachi: October 05, 2021



# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

### **NOTES:**

#### **NOTES:**

#### **COVID-19 CONTINGENCY PLANNING FOR ANNUAL GENERAL MEETING (AGM):**

In light of the threat posed by the COVID-19 situation, particularly in the wake of its subsequent waves, the Securities and Exchange Commission of Pakistan (SECP) has advised companies to modify their usual planning for general meetings in order to ensure safety and well-being of shareholders and the public at large through Circular No .4 of 2021 dated February 15, 2021 and Circular No.06 of 2021 dated March 03, 2021.

Accordingly, the Company will be providing the facility to all shareholders to participate in Annual General Meeting via video link while ensuring compliance with the quorum requirements.

The shareholders intending to participate in the AGM via video-link are hereby requested to share the following information with the office of the Company Secretary at the earliest but not later than 48 hours before the time of the AGM i.e. before 15:00 p.m. on October 25,2021:

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	Mobile No.	Email Address
---------------------	----------	---------------------------	------------	---------------

*\* Shareholders are requested to provide their relive mobile number and email address to ensure timely Communication.*

#### **Modes of Communication:**

The above mentioned information can be provided through following modes:

- 1) Mobile/ WhatsApp: 0300-8227586
- 2) Email: javed@internationalknitwear.com

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who have shown their intent to attend the meeting containing all the particulars as mentioned above on or before October 25, 2021 by 15:00 p.m.

#### **FOR ATTENDING THE MEETING:**

- I. A member of the Company entitled to attend and vote at this meeting may appoint a proxy to attend and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.
- II. In case of individuals, the account holder or sub-account holder shall authenticate his/her identity by sharing a copy of his/her CNIC or passport through email (as mentioned in the notes on proxy form) at least 48 hours before the AGM.
- III. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be shared through email (as mentioned in the notes on proxy form) (unless it has been provided earlier) at least 48 hours before the AGM.



# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

### FOR APPOINTING PROXIES:

- In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the 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.
- In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- Proxies attending meeting on behalf of members are also required to provide below information for the purpose of attending the meeting through video link. Video link details and login credentials will be shared with proxy after verification.

Name of Proxy	CNIC No.	Folio No./CDC Account No.	Mobile No.	Email Address

### COMPUTERIZED NATIONAL IDENTITY CARD NUMBER/ NATIONAL TAX NUMBER:

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

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

### DEDUCTION OF INCOME TAX FOR FILER AND NON-FILER:

The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment, if any, effective July 1, 2021 are as follows:

1. Rate of tax deduction for shareholders appearing in Active Taxpayer List (ATL)	15%
2. Rate of tax deduction for shareholders not appearing in Active Taxpayer List (ATL)	30%

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

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

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





# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

### **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.

### **CLOSURE OF SHARE TRANSFER BOOKS:**

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 21, 2021 to October 27, 2021 (both days inclusive). Transfers received in order at the office of Share Registrar M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahr-e-Faisal, Karachi-74400, Pakistan at the close of business on October 20, 2021 will be treated in time for the purpose of Annual General Meeting.

### **CIRCULATION /TRANSMISSION OF ANNUAL REPORTS THROUGH ELECTRONIC FORM:**

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

### **CONSENT FOR VIDEO CONFERENCE FACILITY:**

In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted to the Company Secretary on given address:

The Company Secretary,  
International Knitwear Limited  
F-2A/L, S.I.T.E., Karachi

### **CHANGE OF ADDRESS:**

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

### **AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY' SWEBSITE:**

The audited financial statements of the Company for the year ended June 30, 2021 have been made available on the Company's website [www.internationalknitwear.com](http://www.internationalknitwear.com) in addition to annual and quarterly financial statements for the prior years.



# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

### **PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE (MANDATORY):**

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly in to bank account designated by the entitled shareholders. In order to receive dividend directly into their bank account, shareholders are requested to fill in E-Dividend Form available on Company's website i.e. [www.internationalknitwear.com](http://www.internationalknitwear.com) and send the duly signed Form alongwith a copy of CNIC to the Share Registrar of the Company, M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B' , S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Pakistan, in case of physical shares. In case shares are held in CDC then E-Dividend Form must be submitted directly to shareholder's broker/participant/CDC account services.

In the absence of bank account details or in case of incomplete details, the Company will be constrained to withhold the payment of cash dividend of those shareholders who have not provided the same.

### **UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:**

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amount and/or undelivered share certificates.

### **DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT:**

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further, SECP vide its letter dated March 26, 2021 has advised to comply Section 72 of the Act and encourage shareholders to convert their shares in book entry form.

In light of above, the shareholders having physical shareholding are requested to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.



# International Knitwear Limited

## REVIEW REPORT BY THE CHAIRMAN

### Dear Shareholders,

I am pleased to present the review report to the shareholders on the Board's overall performance and effectiveness in achieving the Company's objectives of International Knitwear Limited (the "Company") for the year ended 30 June 2021.

### Review of Overall Performance and Effectiveness of the Board.

The Company follows the best practices relating to corporate governance and complies with all the relevant requirements of Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to composition, meetings and procedures of the Board of Directors (the "Board") and its Committees.

The Board has carried out its roles and responsibilities diligently and contributed to the Company's strategic leadership.

The Board has reviewed the Company's financial statements periodically along with all governance matters such as the transparency of disclosures, policies, corporate plans, budgets and regulatory requirements.

In addition to reviewing strategic and critical business matters, the Board has specifically assessed the risks posed by COVID-19 pandemic to the Company. Appropriate safeguards have been taken to minimize the impacts of pandemic on the Company.

Elections of the Board will be held on the date of Annual General Meeting 27, October 2021 to elect the directors for the next term of three years as present Board is going to complete its tenure. I would also like to take this opportunity to thank our outgoing directors for their excellent input and support to the Board over the years and to welcome the incoming directors on the Board for the next tenure.

### Acknowledgement

On behalf of the Board of Directors, I would like to extend my special gratitude to all shareholders for their continued trust and support. I acknowledge with thanks our employees' dedication and hard work at all levels and look forward to their continued support next year. I would also like to appreciate the commendable efforts and dedication of our Board Members and CEO in providing strategic leadership to the Company.

WASEEM SHAFI  
Chairman

Karachi  
September 30, 2021



## DIRECTORS' REPORT

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, 2021.

### Financial Position at a Glance

	2021 Rupees	2020 Rupees	Increase/(Decrease) Percentage
Net sales	488,090,150	537,457,423	(9.18%)
Gross profit	40,362,880	51,287,652	(21.30%)
Profit before taxation	6,620,308	16,865,217	(60.74%)
Profit after taxation	(50,124)	7,735,146	(100.64%)
Net (loss)/ earnings per share	(0.01)	0.80	(100.64%)

### Business overview

Financial highlights of the year ended June 30, 2021 are summarized below:

In the year ending June 30, 2021 the Company has achieved Net sales of Rs. 488.09 million as compared to Rs. 537.45 million. Profit before taxation was 6.62 million as compared to Rs. 16.86 million for the corresponding period last year.

Sales recorded a decrease of Rs.49.36 million in the current year as compared to sales in the previous year ended 30, June 2020. Gross profit of the Company was Rs.40.36 million in the current year as compared to gross profit of Rs.51.28 million of the last year.

### Sales

First nine months of the current financial year were very tough for the textile sector because coronavirus outbreak severely affected the world economy. During this time, second and third wave of the pandemic hit the world, which, once again, led to lockdowns and restrictions all over the world.

The second major factor to affect the company has been global cotton & yarn increasing prices and timely availability. The company was also faced with revision in Gas Tariff along with some supply issues in the winter months. These resulted in increase in cost of production which adversely affects the profitability of the Company.

Lastly, the retail sector has been affected significantly due to Covid-19 globally. In Pakistan the year started off with limited operational hours and SOP's in place that have dented local business of the Company.



# International Knitwear Limited

## DIRECTORS' REPORT

### **Profit or Loss**

The Company has demonstrated steady growth in revenue every year. Improved profitability and margins since FY 2014 till FY 2020 and faced downturn in the current FY2021.

The decline in profitability ratios in primarily because of lower sales volumes and shrunk gross margins. Political uncertainty, significant PKR devaluation and hike in borrowing cost hampered the profit margins in FY2021

Moreover, effects of global pandemic COVID-19 resulted in further decline in the Company's profitability.

### **Earnings per share**

An earnings per share after taxation is Rs. (0.01) as compared to Rs. 0.80 in the last year earnings for the shareholders.

### **Other Income**

In other income the company realized and unrealized gain of Rs. 1.43 million against loss of Rs.0.23 million in the corresponding period last year. Dividend income during the year was Rs. 2.86 million against Rs. 1.39million against the corresponding period last year.

During the year under review the company has an Exchange gain of Rs. 0.48against loss of Rs.1.75 million as compare in the previous year.

### **Capital Expenditure**

The Company during the year made capital investment of Rs.1.72 million for expanding manufacturing capacity, enhancing productivity and improving plant efficiency.

### **Dividend**

The year under review was tough for liquidity generation from market. In order to conserve cash flows, the Board of Directors in its meeting held on September 30, 2021 has recommended nil dividend for the year ended June 30, 2021.

### **Communication**

The Companies focused on the importance of communication with the shareholders. The annual, half yearly and quarterly reports are distributed 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. The company is committed to ensuring environmental preservation and sustainability.

### **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.



# International Knitwear Limited

## DIRECTORS' REPORT

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

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

	2021	2020	2019	2018	2017	2016
	'000'					
<b>ASSETS EMPLOYED</b>						
Property, plant and equipment	35,983	35,942	32,134	25,728	23,704	26,850
Intangible assets	-	-	-	-	-	-
Long-term investments	16,979	14,478	17,769	42,052	35,183	75,600
Long-term deposits	2,052	2,052	2,052	1,500	1,500	2,006
Short-term investments	16,781	8,506	4,177	26,228	74,847	-
Net current assets	71,626	72,410	70,898	65,192	74,741	17,630
<b>Total assets employed</b>	<b>143,421</b>	<b>133,388</b>	<b>127,030</b>	<b>160,700</b>	<b>209,975</b>	<b>122,086</b>
<b>FINANCED BY</b>						
Issued, subscribed and paid up capital	96,750	96,750	96,750	96,750	96,750	64,500
Reserve and un-appropriated profit	23,133	28,020	28,763	23,362	4,359	17,864
Gain / (Loss) on revaluation of investments	905	(982)	(4,003)	14,360	25,701	38,043
Shareholder's equity	120,788	123,788	121,509	134,473	126,810	120,407
Long term and deferred liabilities	6,693	12,723	2,048	-	-	1,679
<b>Total capital employed</b>	<b>127,481</b>	<b>136,511</b>	<b>123,557</b>	<b>134,473</b>	<b>126,810</b>	<b>122,086</b>
Turnover	488,090	537,457	451,098	393,230	169,496	182,672
Profit before tax	6,620	16,865	14,748	17,337	3,799	11,626
(Loss)/ profit after tax	(50)	7,735	10,237	13,404	2,152	9,766
(Loss)/earnings per share	(0.01)	0.80	1.06	1.39	0.25	1.52
Net income %	(0.10%)	1.4%	2.3%	3.4%	1.3%	5.3%
Return on capital employed	(0.04%)	5.6%	8.3%	8.3%	1.0%	8.0%
<b>Dividend</b>						
Cash (%)	0%	5%	5%	5%	0%	10%
Stock (%)	0%	0%	0%	0%	0%	0%



## DIRECTORS' REPORT

### Code of Corporate Governance

The Directors of your Company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule book of Pakistan Stock Exchange. Your Company has taken all necessary steps to ensure good corporate governance and full compliance of the Code and we confirm the following:

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 inequity;

- Proper books of account of the Company have been maintained;
- Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval of the Board;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the company's ability to continue as a going concern;
- Statement of pattern of shareholding has been included as part of this Annual Report; and
- Statement of shares held by associated undertakings and related persons have also been disclosed separately.

### Chairman's Review

The Chairman's review included in the Annual Report deals inter alia with the performance and effectiveness of the Board, performance of the Company for the year ended June 30, 2021 and future prospects. The Directors endorse the contents of the Chairman's review.

### Board of Directors and its Committees

#### Board of Directors

The Board comprises of two executive and five non-executive directors. All the Directors keenly take interest in the proper stewardship of the Company's affairs. The non-executive directors are independent of the management of the Company.

#### Audit Committee

Audit Committee assists the Board of Directors in discharging their responsibilities in accordance with the Corporate Governance and Financial Reporting framework.

The Committee consists of three members all of whom are non-executive directors. The Chairperson of the Committee is an independent director.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attended all the four meetings held during the year by invitation.



## DIRECTORS' REPORT

### Human Resource and Remuneration Committee

Human Resource and Remuneration Committee also assists the Board of Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies and practices within the Company. It also assists the Board in selection, evaluation, compensation and succession planning of key management personnel.

The Committee consists of three members all of whom are non-executive directors. The Chairperson of the Committee is an independent director.

### Meeting of the Board and its Committees

During the year, four meetings of Board of Directors (BOD), four meetings of Audit Committee (AC) and one meeting of Human Resource and Remuneration Committee (HRRC) were held. The attendance of the Directors and the number of their directorship in listed companies, including International Knitwear Limited, is as follows:

Sr. No.	Name of Directors	Directorship	Status	Executive Directors	Committee Members		Attendance		
					AC	HRRC	BOD	AC	HRRC
1	Mr. Waseem Shafi	1	Re-elected w.e.f 27-10-2018	No	-	-	3/4	-	-
2	Mr. Naeem Shafi	3	Re-elected w.e.f 27-10-2018	Yes	-	-	4/4	-	-
3	Mr. Javed Khan	1	Re-elected w.e.f 27-10-2018	Yes	-	-	4/4	-	-
4	Mr. Muhammad Shafi	1	Re-elected w.e.f 27-10-2018	No	-	√	3/4	-	1/1
5	Mr. Muhammad Sajid Hussain	1	Re-elected w.e.f 27-10-2018	No	√	√	3/4	4/4	1/1
6	Mr. Mudassir Habib Khan	1	Appointed on 27-10-2018	No	√	-	4/4	4/4	-
7	Ms. Saleha Majid	1	Appointed on 27-10-2018	No	√	√	4/4	4/4	1/1

### Management Committee

The Management Committee comprises of senior management headed by Chief Executive Officer (CEO), who ensures that a proper system is developed and implemented across the Company that enable swift and appropriate decision-making. It acts in an advisory capacity to CEO at the operating level, providing recommendations relating to business and other corporate affairs. It is responsible for reviewing and forwarding long-term plans, capital and expense budget development and stewardship of business plans. The Committee is organized on a functional basis and meets monthly to review the performance of each function against set targets. CEO also ensures that all decisions and directions given by the Board are properly communicated and implemented.





## DIRECTORS' REPORT

### Evaluation Criteria for the Board

Apart from their mandatory job requirements, the performance of the Board of our Company is evaluated regularly along the following parameters, both at individual and team levels.

1. Effectiveness in bringing in a mix of gender, talents, skills and philosophical perspectives;
2. Integrity, credibility, trustworthiness and active participation of members;
3. Follow-up and review of annual targets set by the management;
4. Ability to provide guidance and direction to the Company;
5. Ability to identify aspects of the organization's performance requiring action;
6. Review of succession planning of management;
7. Ability to assess and understand the risk exposures of the Company;
8. Contribution and interest in regard to improving health safety and environment, employment and other policies and practices in the Company; and
9. Safeguarding the Company against unnecessary litigation and reputational risk.

### Performance Evaluation of the Board

The overall performance of the Board measured on the basis of above-mentioned parameters for the year was satisfactory. A separate report by the Chairman on Board's overall performance, as required under section 192 of the Companies Act, 2017 is included in this Annual Report.

### Director's 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 2020-21, please refer notes to the Financial Statements.

### CEO Performance Review

The Board of Directors of International Knitwear Limited regularly evaluates the Performance of the CEO based on the financial and non-financial Key Performance Indicator (KPIs) presented by him at the start of the year. The Board has reviewed the performance of the CEO for the latest financial year and is satisfied with the achievements for the year. The Board has full confidence in his abilities to manage the company in the most professional and competent manner. He is also responsible for setting the corporate objectives and its alignment with the KPIs for his management team and regularly updates the Board about the Performance of the management team in achieving the desired goals.

### 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.

### Vision, Mission and Overall Corporate Strategy approval by the Board

The Board of directors has carefully reviewed and approved the vision, mission, and overall corporate strategy of your Company and believes that it comprehensively states the ideology with which International Knitwear Limited was incorporated. We ensure that our vision and mission sets the direction for our overall corporate strategy and our future journey in everything we do at all levels. The entire organization is connected and driven by this purpose and it serves as the main decision-making criterion in our day-to-day business.

### Pattern of Shareholding

Pattern of shareholding of the Company in accordance with the Section 227 (2)(f) of the Companies Act, 2017 as at June 30, 2021 is annexed to this report.

There were 1,281 shareholders on the record of the Company as at 30th June 2021.



# International Knitwear Limited

## DIRECTORS' REPORT

### Auditors

The financial statements of the company for the current year 2020-21 were audited by M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants. The auditors will retire at the end of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the appointment of M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants as auditors for the ensuing year, as recommended by the Audit Committee, subject to the approval of the members in the forthcoming Annual General Meeting.

### Subsequent Events

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

### Directors' Training Program

Two Directors have attended the Directors Training Program and two have minimum of 14 years of education and 15 years of experience on the Board of listed companies and therefore are exempt from the Directors Training Program. During the year, no training was carried out, however the Company has plans to conduct required trainings of director during the next fiscal year.

### Future Outlook

Now vaccination process has started, we hope vaccination of people in USA and Europe will be completed by the end of this year which will enable millions of Americans and Europeans to move freely. This is expected to stimulate demand. Despite optimism and positive future outlook, Textile industry is currently under tremendous pressure because of skyrocketing raw material cost. We have been facing an unprecedented rise in the price of cotton and synthetic fiber. Apart from that, adverse exchange rate movement and sharp increase in ocean freight are going to seriously impact in days to come.

As a result of unprecedented rise in raw material cost, inflow of new orders has taken a direct hit; therefore, sales order pipeline for upcoming months is shrinking. Buyers in foreign countries, whose economies have not fully recovered, are unable to pay competitive prices; therefore, they have started to reduce order quantities.

### 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 & hard work of the Staff and Workers.

For and on behalf of the Board

JAVED KHAN  
Director

NAEEM SHAFI  
Chief Executive

Karachi: September 30, 2021



# International Knitwear Limited

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

### International Knitwear Limited For the Year Ended June 30, 2021

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
Female Director	Ms. Saleha Majid

3. The directors have confirmed that none of them is serving as a director on more than seven 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. The board is doing a reasonable progress to complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.



# International Knitwear Limited

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Two directors are Certified Director and two directors meet the criteria of exemption and are accordingly exempted from directors' training program. Remaining Director will acquire the required directors' training certification within the time specified in the Regulations.
10. The board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the regulations. However, the Chief Financial Officer has also been assigned the responsibilities of the company secretary;  
The position of Head of Internal Audit remained vacant during the year
11. Chief Financial Officer and Chief executive Officer duly endorsed the financial statements before approval of the Board.
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 aforesaid committees have been formed, documented and advised to the committee for compliance
14. The frequency of meetings of the committee were as per following:
  - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2021
  - b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2021
15. The Board has not yet setup an internal audit function as required by regulation 31 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.



# International Knitwear Limited

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
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 requirements of regulations 3, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3,7,8,27,32,33 and 36 are below.
  - I. The Company is non-compliant of the number of Independent Directors required under the regulation 6 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The requirement to have the representation of number of Independent Directors in the Company's board will be complied upon reconstitution of the Board.
  - II. The Chief Financial Officer also holds the office of the company secretary. The Company is struggling for the survival , specially for the last two years due to Covid-19 Pandemic, the cash flow /Financials of the Company does not allow to appoint for separate function of Chief Financial Officer and company secretary.
  - III. The Company will setup the Internal Audit Function and will hire head of Internal Audit as required by the Regulation 31 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 as soon as the cash flow allows to bear an additional cost.
  - IV. The board has not maintained the complete record of significant policies as required under the regulations.

A reasonable progress is being made by the Company to seek above compliances by the year end of next accounting year June 30, 2022.

**WASEEM SHAFI**  
Chairman



# International Knitwear Limited

## REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of International Knitwear Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 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. 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.

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, 2021.

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, 2019

S#	Paragraph reference	Description
I.	19(I)	The Company is non-compliant of the number of Independent Directors required under the regulation 6 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
II.	10 & 19(II)	The Chief Financial Officer also holds the office of the company secretary.
III.	15 & 19(III)	The Board has not setup an internal audit function as required by regulation 31 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
IV.	5 & 19(IV)	The board has not maintained the complete record of significant policies as required under the regulations.

**Sd/-**

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

Karachi.

Date: September 30, 2021



# 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, 2021, and the statement of profit or loss, the statement of 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 statement of 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, 2021 and of the profit and comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

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





## AUDITORS' REPORT TO THE MEMBERS

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p><b>Revenue</b> (Refer note 22 to the financial statements)</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> (Refer note 9 to the financial statements)</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 count 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.



## AUDITORS' REPORT TO THE MEMBERS

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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



## 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 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, 2021



# International Knitwear Limited

## BALANCE SHEET AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	35,983,528	35,942,893
Long term deposits	7	2,052,600	2,052,600
Loan and advances	11	839,500	556,000
Long term investments	8	16,979,356	14,478,781
		55,854,984	53,030,274
<b>Current Assets</b>			
Stock in trade	9	123,104,618	160,126,086
Short term investments	8	16,781,296	8,506,301
Trade debts - considered good	10	47,994,608	29,420,504
Loans and advances	11	10,360,220	4,559,014
Other receivables	12	26,536,086	33,089,225
Taxation - net	20	22,182,146	22,410,808
Cash and bank balances	13	577,892	885,322
		247,536,866	258,997,261
<b>TOTAL ASSETS</b>		<b>303,391,850</b>	<b>312,027,536</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		23,133,365	28,020,988
		119,883,365	124,770,988
<b>Capital Reserves</b>			
Unrealized (loss) / gain on revaluation of investments - FVTOCI		905,089	(982,490)
		120,788,454	123,788,498
<b>Non-Current Liabilities</b>			
Lease liabilities	15	1,156,087	1,651,865
Deferred Liabilities - Deferred Taxation Liability/(Asset)	16	-	-
MTF salary and wages(Covid-19) liabilities	17	5,537,218	10,765,250
Deferred grant	17	-	306,100
		6,693,305	12,723,215
<b>Current Liabilities</b>			
Short term finance under mark-up arrangement	18	59,761,396	67,296,781
Current maturity of lease liabilities	15	477,387	419,987
Current maturity of MTF salary and wages(Covid-19) liabilities	17	10,618,722	2,840,567
Creditors, accrued and other payables	19	102,783,569	102,377,977
Unclaimed dividend		1,817,933	1,730,629
Current portion of deferred grant		451,084	849,883
		175,910,091	175,515,823
<b>Contingencies and Commitments</b>	21	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>303,391,850</b>	<b>312,027,536</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive

**JAVED KHAN**  
Director / CFO



# International Knitwear Limited

## STATEMENT OF PROFIT OR LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Net sales	22	488,090,150	537,457,423
Cost of goods sold	23	(447,727,269)	(486,169,771)
<b>Gross profit</b>		<b>40,362,881</b>	<b>51,287,652</b>
Administrative and selling expenses	24	(22,196,667)	(21,458,557)
<b>Operating profit</b>		<b>18,166,214</b>	<b>29,829,095</b>
Other income	25	6,130,567	2,179,917
Unrealized gain/(loss) on revaluation of investments through P&L		371,395	(589,705)
		6,501,963	1,590,212
		<b>24,668,177</b>	<b>31,419,307</b>
Finance cost	26	(17,657,396)	(13,304,144)
Other charges	27	(390,472)	(1,249,946)
		(18,047,868)	(14,554,090)
<b>Profit before taxation</b>		<b>6,620,309</b>	<b>16,865,217</b>
Taxation	20	(6,670,432)	(9,130,071)
<b>(Loss)/Profit after taxation</b>		<b>(50,123)</b>	<b>7,735,146</b>
Earnings / (loss) per share - basic and diluted	29	(0.01)	0.80

The annexed notes 1 to 41 form an integral part of these financial statements.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive

**JAVED KHAN**  
Director / CFO



# International Knitwear Limited

## STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
(Loss)/Profit after taxation for the year	(50,123)	7,735,146
<b>Other comprehensive loss</b>		
<b>Items that will not be subsequently reclassified to statement of profit or loss</b>		
Unrealised loss on remeasurement of investments classified as FVTOCI	1,885,146	(2,040,503)
Reclassification of OCI component on disposal of FVTOCI investment directly into equity	2,433	1,421,724
	1,887,579	(618,779)
<b>Total comprehensive income for the year</b>	<b>1,837,456</b>	<b>7,116,367</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

WASEEM SHAFI  
Chairman

NAEEM SHAFI  
Chief Executive

JAVED KHAN  
Director / CFO





# International Knitwear Limited

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

	-----Reserves-----			Total
	--Capital Reserve--	--Revenue Reserve--	Unappropriated profit	
	Issued, Subscribed and Paid up Share Capital	Unrealized gain / (loss) on revaluation of investments	Unappropriated profit	Total
	----- Rupees -----			
<b>Balance as at June 30, 2019</b>	96,750,000	(4,003,372)	28,763,003	121,509,631
<b>Total comprehensive income:</b>				
Net profit for the year ended June 30, 2020	-	-	7,735,146	7,735,146
Reclassification on disposal of FVTOCI directly into equity	-	1,421,724	-	1,421,724
Fair value adjustment on investment classified as FVTOCI	-	(2,040,503)	-	(2,040,503)
Unrealized loss realized and transfer of FVTOCI	-	3,639,661	(3,639,661)	
<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 July 01, 2020</b>	96,750,000	(982,490)	28,020,988	123,788,498
<b>Total comprehensive income:</b>				
Net (loss)/profit for the year ended June 30, 2021	-	-	(50,123)	(50,123)
Reclassification on disposal of FVTOCI directly into equity	-	1,885,146	-	1,885,146
Fair value adjustment on investment classified as FVTOCI	-	2,433	-	2,433
<b>Transaction with owners:</b>				
5% cash dividend paid for the year ended June 30, 2020	-	-	(4,837,500)	(4,837,500)
<b>Balance as at June 30, 2021</b>	96,750,000	905,089	23,133,365	120,788,454

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive

**JAVED KHAN**  
Director / CFO



# International Knitwear Limited

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		6,620,309	16,865,217
<b>Adjustment for non cash items:</b>			
Depreciation		4,698,771	4,512,229
(Gain)/Loss on sale of property, plant and equipment		(177,302)	(12,698)
Other income		(2,280,791)	(350,644)
Finance cost		17,657,396	13,304,144
		19,898,074	17,453,031
<b>Profit before changes in working capital</b>		<b>26,518,383</b>	<b>34,318,248</b>
<b>Increase in current assets</b>			
Stock in trade		37,021,469	(39,726,080)
Trade debts		(18,574,104)	25,159,844
Loans and advances		(6,084,706)	(361,203)
Other receivables		6,553,139	(14,206,484)
		18,915,798	(29,133,923)
<b>Increase in current liabilities</b>			
Creditors, accrued and other payables		405,593	17,979,047
		405,593	17,979,047
Financial charges paid		(16,428,429)	(13,304,144)
Taxes paid		(9,774,866)	(12,664,453)
Cash proceed from Sales tax		13,254,496	-
Cash proceed from Income tax		3,333,051	2,686,109
<b>Net cash used in operating activities</b>		<b>36,224,026</b>	<b>(119,116)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(5,121,104)	(8,601,905)
Additions in investment		(194,743,553)	(133,571,252)
Disposal of investment		174,225,313	132,530,399
Proceeds from sale of property, plant and equipment		425,000	160,000
Lease rentals paid		(438,378)	(378,943)
<b>Net cash used in investing activities</b>		<b>(25,652,722)</b>	<b>(9,861,702)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Cash proceeds from short term finance under markup arrangement		172,979,654	223,699,024
Repayment of short term finance under markup arrangement		(178,374,053)	(210,971,770)
Dividend paid		(4,750,196)	(4,629,997)
<b>Net cash generated from financing activities</b>		<b>(10,144,595)</b>	<b>8,097,258</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>426,709</b>	<b>(1,883,560)</b>
Cash and cash equivalents at the beginning of the year		(5,110,395)	(3,226,835)
<b>Cash and cash equivalents at the end of the year</b>	<b>30</b>	<b>(4,683,687)</b>	<b>(5,110,395)</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive

**JAVED KHAN**  
Director / CFO



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 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. IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

As in the rest of the world, COVID-19 adversely affected lifestyles and business operations in Pakistan. The Company complied with the SOPs prescribed by Federal and Provincial Governments. Sales and production activities were affected during lockdowns, however, the factory reopened after necessary permissions to produce orders for exports and local services. The Company remained up to date in all its financial commitments. The Management believes that the going concern assumption of the Company remains valid.

The evolution of COVID-19 as well as its impact on the global and the local economy is hard predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Company's financial condition or results of operations.

The Company availed employee refinance facility for payment of salaries and wages under SBP's Infrastructure, Housing & SME Finance department (IH&SMEFD) Circular No. 6 of 2020 dated April 10, 2020.

### 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 5.3)
- Provision for impairment; (note 5.5)
- Valuation of work in process; (note 5.10) and
- Provision for obsolete inventory; (note 5.11)
- Taxation; (note 5.14)
- Provision for obsolete inventory; (note 5.11)

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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 4 STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLICABLE TO FINANCIAL STATEMENTS

#### 4.1 New or Amendments / Interpretations to Existing Standards, Interpretations

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

#### 4.2 New accounting standards and amendments that are not yet effective

The following amendments to the approved accounting and reporting standards, applicable in Pakistan, would be effective from the dates mentioned below against the respective standards and interpretation have not been adopted early by the Company:

Standard or Interpretation		Effective from accounting period beginning on or after:
IAS 1	Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.	January 1, 2022
IFRS 4	Insurance contracts to clarify extension of the Temporary Exemption from Applying IFRS 9 defers the fixed expiry date of the following temporary exemptions from applying IFRS 9 to annual periods beginning on or after January 01, 2023.	January 1, 2023
IFRS 10 & IAS 28	Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - (Amendment)	Not yet finalized
IAS 16	Property, plant and equipment to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	01-Jan-22
IAS 37	Provisions, contingent liabilities and contingent assets to specify which costs should be included in an entity's assessment whether a contract will be loss-making.	01-Jan-22

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

In addition to the above new standards and amendments to standard and interpretations, The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

In addition to the above new standards and amendments to standard and interpretations, The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual 2020 for preparers of financial statements who develop accounting policy improvements to various accounting standards have also been issued by the IASB in May 2020. Such improvements are generally effective for accounting periods beginning on or after 01 January 2020. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

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

Standard		IASB effective date (annual periods beginning on or
IFRS 1	- First time adoption of International Financial Reporting Standards	01-Jul-09
IFRS 17	- Insurance Contracts	01-Jan-23

The Company expects that the adoption of the above revision, amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Government Grant (IAS 20)

Grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

The benefit of a long-term finance at a below-market rate of interest is treated as a deferred grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Grants related to long-term finances are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as finance cost related to long-term finances at market rate of interest.

#### 5.2 IFRS 16 'Leases'

IFRS 16 has introduced a single, on-balance sheet accounting model for lessees. As a result, the entity, as a lessee has recognized right-of-use asset representing its rights to use the underlined assets and lease liabilities representing its obligation to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach. Under this approach the comparative information presented for 2019 has not been restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company did not have any property leases arrangement therefore, adoption of IFRS 16 at 1 July 2019 did not have an effect on the financial statements of the Company except the reclassification of leased assets as Right-of-use assets (refer note 6.3).

#### 5.3 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 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.

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.

#### 5.4 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.

#### 5.5 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.

#### 5.6 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 5.7 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.

### 5.8 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.

### 5.9 Assets subject to finance lease

#### 5.9.1 Policy applicable before 1 July 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. All other leases are classified as operating leases.

Assets held under finance leases along with corresponding lease liabilities are initially recognized at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognized in statement of profit or loss.

#### 5.9.2 Policy applicable after 1 July 2019

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

### 5.10 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.

### 5.11 Stock-in-Trade

- Raw, packing and other materials are valued at the lower of cost calculated on a first-in-first-out basis and net realizable value.
- Work in process is valued at material cost plus estimated conversion cost.
- 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.
- Stock-in-transit is valued at cost comprising invoice value plus other charges incurred thereon.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 5.12 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.

### 5.13 Compensated Absences

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

### 5.14 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.

### 5.15 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.

### 5.16 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.

### 5.17 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.

### 5.18 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.

### 5.19 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.





# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 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.

### 5.20 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.

### 5.21 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.

### 5.22 Segments Reporting

Identification of segments  
Export division  
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 cartage 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	48.80%	51.20%

### 5.23 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.

### 5.24 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, 2021

6. PROPERTY, PLANT AND EQUIPMENT	Note	2021	2020
		Rupees	Rupees
Operating assets	6.1	31,416,025	34,059,843
Capital work in progress	6.2	3,263,852	-
Right-of-use assets	6.3	1,303,650	1,083,050
		<u>35,983,527</u>	<u>35,142,893</u>

### 6.1 Operating Assets

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

#### Year ended June 30, 2021

Opening net book amount	3,684,124	13,848,762	11,377,110	1,134,088	554,655	3,032,274	357,910	34,059,843	-	34,059,843
Additions - cost	-	-	1,151,440	14,200	181,012	200,100	176,500	1,713,252	-	1,713,252
Disposals - cost	-	-	(347,508)	-	(20,000)	(350,000)	(66,500)	(954,000)	-	(954,000)
Depreciation charge	(47,177)	(834,751)	(1,677,454)	(661,690)	(8,895)	(1,080,178)	(232,144)	(4,119,371)	-	(4,119,371)
Adjustment	-	-	388,469	-	8,000	233,333	66,500	706,302	-	706,302
Closing net book amount	<u>3,636,947</u>	<u>13,014,011</u>	<u>10,792,025</u>	<u>986,518</u>	<u>636,792</u>	<u>2,105,529</u>	<u>301,264</u>	<u>31,416,026</u>	-	<u>31,416,026</u>

#### At June 30, 2021

Cost	4,717,852	23,611,188	30,168,602	1,676,167	942,226	30,132,130	1,311,600	62,389,815	-	62,389,815
Accumulated depreciation	(1,080,725)	(10,597,177)	(19,436,578)	(639,649)	(247,433)	(8,026,661)	(600,336)	(30,983,800)	-	(30,983,800)
Net book amount	<u>3,636,947</u>	<u>13,014,011</u>	<u>10,792,025</u>	<u>986,518</u>	<u>636,792</u>	<u>2,105,529</u>	<u>301,264</u>	<u>31,416,026</u>	-	<u>31,416,026</u>

#### Year ended June 30, 2020

Opening net book amount	3,731,311	12,880,688	8,113,412	1,185,462	629,300	2,742,006	409,880	29,672,069	-	29,672,069
Additions - cost	-	1,791,705	4,893,000	127,000	-	1,550,000	147,200	8,467,905	-	8,467,905
Disposals - cost	-	-	(895,209)	-	-	-	-	(895,209)	-	(895,209)
Depreciation charge	(47,177)	(823,641)	(1,496,108)	(153,454)	(74,645)	(1,198,732)	(159,180)	(3,932,829)	-	(3,932,829)
Adjustment	-	-	747,898	-	-	-	-	747,898	-	747,898
Closing net book amount	<u>3,684,124</u>	<u>13,848,762</u>	<u>11,377,110</u>	<u>1,134,088</u>	<u>554,655</u>	<u>3,032,274</u>	<u>357,910</u>	<u>34,059,843</u>	-	<u>34,059,843</u>

#### At June 30, 2020

Cost	4,717,852	23,611,188	19,534,672	1,612,167	781,214	30,282,000	1,091,600	61,690,583	-	61,690,583
Accumulated depreciation	(1,083,528)	(9,762,426)	(8,157,562)	(478,159)	(226,558)	(7,178,816)	(733,680)	(27,570,739)	-	(27,570,739)
Net book amount	<u>3,684,124</u>	<u>13,848,762</u>	<u>11,377,110</u>	<u>1,134,088</u>	<u>554,655</u>	<u>3,032,274</u>	<u>357,910</u>	<u>34,059,843</u>	-	<u>34,059,843</u>

#### Rate of Depreciation

1%	5%	10%	10%	10%	20%	33%	29%
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# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 6.1.1 Detail of disposal of property, plant and equipment

	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain	Commission	Net Gain / (Loss)	Mode of disposal	Particular of Purchaser
	Rupees								
<b>Plant and machinery</b>									
Plant and machinery scrap	405,000	295,469	109,531	205,000	95,469	-	95,469	Negotiation	Mr. Danish
Plant and machinery scrap	112,500	803,000	9,500	36,667	7,167	-	7,167	Negotiation	Mr. Abid Ali
	<b>517,500</b>	<b>398,469</b>	<b>119,031</b>	<b>221,667</b>	<b>102,636</b>	-	<b>102,636</b>		
<b>Motor Vehicles</b>									
Vehicle (ADE-310)	350,000	233,333	116,667	200,000	83,333	-	83,333	Negotiation	Mr. Bilal
	<b>350,000</b>	<b>233,333</b>	<b>116,667</b>	<b>200,000</b>	<b>83,333</b>	-	<b>83,333</b>		
<b>Office equipments</b>									
A.C. iscap	20,000	8,000	12,000	3,333	(8,667)	-	(8,667)	Negotiation	Mr. Abid Ali
	<b>30,000</b>	<b>8,000</b>	<b>12,000</b>	<b>3,333</b>	<b>(8,667)</b>	-	<b>(8,667)</b>		
<b>Computer/Laptop</b>									
LapTop HP 450	66,500	66,500	-	-	-	-	-	Gift	Mr. M Ejaz Khan
	<b>66,500</b>	<b>66,500</b>	-	-	-	-	-		
	<b>954,000</b>	<b>706,302</b>	<b>247,698</b>	<b>425,000</b>	<b>177,302</b>	-	<b>177,302</b>		

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

	2021				2020				
	Export	Local	Total	Discontinued	Export	Local	Total	Discontinued	Total
	48.80	51.20			53.54	46.46			
	Rupees								
Lease hold land	23,023	24,154	47,177	-	47,177	28,376	18,801	47,177	47,177
Factory building	497,378	427,379	894,757	-	854,751	495,399	326,242	823,641	823,641
Vehicle and machinery	818,856	858,838	1,677,694	-	1,677,494	893,792	502,208	1,486,000	1,486,000
<b>Cost of goods sold</b>	<b>1,349,057</b>	<b>1,310,365</b>	<b>2,559,422</b>	-	<b>2,559,422</b>	<b>1,117,567</b>	<b>939,252</b>	<b>2,356,818</b>	<b>2,356,818</b>
Furniture and fittings	78,908	82,782	161,690	-	161,690	92,299	61,255	152,454	152,454
Office equipments	40,962	42,973	83,935	-	83,935	44,697	29,746	74,645	74,645
Motor vehicles	527,640	553,538	1,081,178	-	1,081,178	714,992	473,740	1,188,732	1,188,732
Computers	113,781	118,365	232,146	-	232,146	95,743	63,437	159,180	159,180
<b>Admin and selling expenses</b>	<b>761,291</b>	<b>798,658</b>	<b>1,559,949</b>	-	<b>1,559,949</b>	<b>947,931</b>	<b>628,080</b>	<b>1,576,011</b>	<b>1,576,011</b>
	<b>2,010,348</b>	<b>2,109,023</b>	<b>4,119,371</b>	-	<b>4,119,371</b>	<b>2,365,497</b>	<b>1,567,332</b>	<b>3,932,829</b>	<b>3,932,829</b>

### 6.1.3 The leasehold land of 1.099 acre is located at SITE, Karachi.

### 6.2 Movement in capital work in progress

	2021	2020
	Rupees	Rupees
Opening balance	-	-
Add: Addition during the year	3,263,852	1,791,705
Less: Transfer to operating assets	-	(1,791,705)
	<b>3,263,852</b>	-

### 6.3 Right-of-use assets

	2021	2020
	Rupees	Rupees
<b>Motor Vehicle</b>		
Opening balances	-	-
Transferred from leased assets	1,883,050	2,462,450
Additions during the period	-	-
Transferred from CWIP	-	-
Disposals	-	-
Depreciation charge for the period	(579,400)	(579,400)
	<b>1,303,650</b>	<b>1,883,050</b>

### 6.3.1 Depreciation expense relating to right to use assets - Motor Vehicle of Rs. 579,400/- has been charged in 'Admin and selling expenses'

### 7. LONG TERM DEPOSITS

Security deposits - SSGL	1,500,000	1,500,000
Security deposits - against finance lease	552,600	552,600
	<b>2,052,600</b>	<b>2,052,600</b>

### 7.1 This includes the security deposit held by Bank Al-Habib Limited against the guarantee it has provided to Sul Southern Gas Company Limited against supply of gas to the Company. The guarantee provided by the bank to SSGL is of Rs. 3,000,000, while the bank has held 50% (i.e. Rs. 1,500,000) of this guarantee from the bank account of International Knitwear Limited as security deposit.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

8. INVESTMENTS	Note	2021 Rupees	2020 Rupees
<b>At fair value through other comprehensive income (FVTOCI)</b>			
Equity securities - listed	8.1	16,979,356	14,478,781
<b>At fair value through profit or loss (FVTPL)</b>			
Equity securities - listed	8.2	15,624,645	7,412,058
Mutual funds - listed	8.2.1	1,156,651	1,094,243
		<u><b>33,760,652</b></u>	<u><b>22,985,082</b></u>
<b>8.1 FVTOCI - Equity Securities</b>			
<b>Number of Shares</b>			
	<b>2021</b>	<b>2020</b>	
	590	-	The Searle Company Ltd.
	21,000	21,000	Engro Fertilizer Limited.
	-	50	Engro Corporation Ltd.
	39,000	37,300	Pakistan Oilfields Ltd.
	-	1,380	Pakistan Petroleum Ltd.
			<u>143,146</u>
			<u>1,475,670</u>
			<u>14,646</u>
			<u>15,360,540</u>
			<u>13,078,499</u>
			<u>119,756</u>
		<u><b>16,979,356</b></u>	<u><b>14,478,781</b></u>
<b>8.2 FVTPL - Equity securities</b>			
<b>Number of Shares</b>			
	<b>2021</b>	<b>2020</b>	
	20,410	20,300	The Searle Company Ltd.
	2,000	-	Attock Petroleum Limited
	-	3,000	Oil & Gas Development Company Ltd
	5,100	1,500	Pakistan Oilfields Ltd.
	24,000	-	Engro Fertilizer Limited.
	10,000	15,900	Pakistan State Oil Co. Ltd.
	3,000	-	Service Global Footwear Limited
	6,000	-	The Hub Power Company Limited
	112,000	-	Jahangir Siddiqui And Co. Ltd
	5,500	-	TRG Pakistan Limited
			<u>4,951,874</u>
			<u>642,060</u>
			<u>327,000</u>
			<u>2,008,686</u>
			<u>1,686,480</u>
			<u>2,242,500</u>
			<u>2,514,744</u>
			<u>173,490</u>
			<u>478,020</u>
			<u>2,526,720</u>
			<u>914,815</u>
		<u><b>15,624,645</b></u>	<u><b>7,412,058</b></u>
<b>8.2.1 FVTPL - Mutual Funds</b>			
<b>Number of Units</b>			
	<b>2021</b>	<b>2020</b>	
	9,061	8,590	AKD Islamic Fund
	6,960	6,576	UBL Liquidity Plus Fund
			<u>454,908</u>
			<u>701,743</u>
		<u><b>1,156,651</b></u>	<u><b>1,094,243</b></u>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

9.	STOCK IN TRADE	Note	2021 Rupees	2020 Rupees
	Raw material		26,057,594	29,613,718
	Work-in-process		76,022,003	46,308,773
	Finished goods	9.1	21,025,021	84,203,595
			<b>123,104,618</b>	<b>160,126,086</b>
9.1	<b>Finished goods</b>			
	Finished stock		-	74,933,942
	Finished stock in transit		12,376,546	3,534,308
	Scrap / Left over stock		8,648,475	5,735,345
			<b>21,025,021</b>	<b>84,203,595</b>
	The finished goods includes left over stock of Rs 8.64 M (2020: 2.67 M) recorded at NRV.			
10.	<b>TRADE DEBTS - CONSIDERED GOOD</b>			
	Foreign - secured, considered good		13,008,465	-
	Gain on translation of export debtors		-	-
			<b>13,008,465</b>	<b>-</b>
	<b>Local - unsecured</b>			
	- Considered good		34,986,143	29,420,504
	- Considered doubtful		1,161,162	1,211,162
			<b>36,147,305</b>	<b>30,631,666</b>
	Less: Provision for bad debts	10.1	(1,161,162)	(1,211,162)
		10.2	<b>47,994,608</b>	<b>29,420,504</b>
10.1	<b>Reconciliation of provision for impairment of trade debts</b>			
	Opening provision		1,211,162	1,236,162
	Provision for the year		-	-
	Reversal of provision		(50,000)	(25,000)
			<b>1,161,162</b>	<b>1,211,162</b>
10.2	<b>Age analysis of trade debts is as follows:</b>			
	Not yet due		-	-
	Past due			
	- 0 to 3 months		47,994,608	29,420,504
	- 3 to 6 months		-	-
	- 6 to 12 months		-	-
	- Above 12 months		-	-
			<b>47,994,608</b>	<b>29,420,504</b>
11.	<b>LOANS AND ADVANCES</b>			
	<b>Loan to employees - Long term portion - unsecured, considered good</b>			
	Loan to employees	11.1	1,577,165	1,692,000
	Less: current portion of loan to employees		(737,665)	(1,136,000)
			<b>839,500</b>	<b>556,000</b>
	<b>Short term Advances - unsecured, considered good</b>			
	Advance to contractor and supplier		9,622,555	3,325,884
	Current portion of advances to employees		737,665	1,136,000
	Prepayments		-	97,130
			<b>10,360,220</b>	<b>4,559,014</b>
11.1	The unsecured loans to employees are granted in accordance with the terms of employment. Loans are recoverable in monthly installments over a period ranging between 3 to 5 years and are interest free. The outstanding balance as at June 30, 2021 pertains to a period between 1 - 2 years.			
	Transactions:			
	Opening balance		-	-
	Paid advance during the year		54,443.00	104,592.00
			<b>54,443.00</b>	<b>104,592.00</b>
	Refund advance during the year		(54,443.00)	(104,592.00)
			<b>-</b>	<b>-</b>
11.2	Advance for miscellaneous payments made to CEO during the year which was subsequently received. The closing balance is Nil as on June 30, 2021			



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>12. OTHER RECEIVABLES</b>			
Sales tax refundable		7,046,103	14,131,468
Export rebate receivables		257,054	1,311,664
Research and development receivable	12.1	18,262,851	17,453,902
Other receivable		970,078	192,191
		<u>26,536,086</u>	<u>33,089,225</u>
12.1 The Company has recorded the provision only 2% on 100% sales during the current year.			
<b>13. CASH AND BANK BALANCES</b>			
Cash in hand		100,000	-
With banks in:			
- Treasuries call accounts (deposit accounts)	13.1	1,931,502	1,822,944
- Current accounts		45,989	562,379
		1,977,891	2,385,322
Security deposit	7.1	(1,500,000)	(1,500,000)
		<u>577,892</u>	<u>885,322</u>
13.1 Deposit accounts carry profit of 5.5% per annum (2020: 4.5- 6.10% per annum)			

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

### Authorized share capital

#### Number of Shares

2021	2020		
<u>20,000,000</u>	<u>20,000,000</u>	Ordinary Shares of Rs. 10/- each	<u>200,000,000</u> <u>200,000,000</u>

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

#### Number of Shares

2021	2020		
3,000,000	3,000,000	Ordinary shares of Rs. 10/- each fully paid in cash.	30,000,000      30,000,000
225,000	225,000	Ordinary shares of Rs. 10/- each issued as bonus shares	2,250,000      2,250,000
6,450,000	6,450,000	Right shares of Rs. 10/- each fully paid in cash	64,500,000      64,500,000
<u>9,675,000</u>	<u>9,675,000</u>		<u>96,750,000</u> <u>96,750,000</u>

The Company has one class of ordinary shares which carries no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at company. All share rank equal with regards to the company's residual assets.

## 15. LEASE LIABILITIES

Up to one year	477,387	419,987
Later than one year and not later than five years	1,156,087	1,651,865
	<u>1,633,474</u>	<u>2,071,852</u>

	June 2021			June 2020		
	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	582,325	104,938	477,387	643,164	223,177	419,987
Later than one year but not later than five years	1,329,951	173,864	1,156,087	1,930,667	278,802	1,651,865
	<u>1,912,276</u>	<u>278,802</u>	<u>1,633,474</u>	<u>2,573,831</u>	<u>501,979</u>	<u>2,071,852</u>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

15.1 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 installments and is subject to annual KIBOR 12M+2.5%.

### 16. Deferred Liabilities - Deferred Taxation Liability/(Asset)

#### Deferred tax liability arising in respect of:

Accelerated tax depreciation	889,961
Right to use asset	191,359
Unrealized gain on investments	65,601

#### Deferred tax assets arising in respect of:

Provision for doubtful debts	(336,737)
Liability against asset subject to finance lease	(239,773)
Carry forward turnover tax	(4,229,371)
	<u>(4,805,880)</u>

Not recorded due to prudence

(3,658,960)
<u>3,658,960</u>
<u>-</u>

During the current year the amount of deferred tax asset estimated by the company is Rs. 3,658 M the company has recorded deferred tax asset to the extent of liability charged in the current year and not recorded further deferred tax asset on prudence basis.

17. MTF salary and wages(Covid-19) liabilities	Note	2021 Rupees	2020 Rupees
MTF salary and wages(Covid-19)	17.1	16,607,024	14,761,800
<b>MTF salary and wages(Covid-19)</b>			
Up to one year		10,618,722	2,840,567
Later than one year and not later then five years		<u>5,537,218</u>	<u>10,765,250</u>
		<u>16,155,940</u>	<u>13,605,817</u>
<b>Deferred Grant</b>			
Up to one year		451,084	849,883
Later than one year and not later then five years		-	<u>306,100</u>
		<u>451,084</u>	<u>1,155,983</u>

### 17.1 Limit Rs. 22.14 million.

The Finance against wages and salaries to worker and employees for the month of April, May and June 2020 under the SBP refinance scheme , Concerns announced vide H&SMEFD Circular NO. 6 dated 10th April 2020. The Company will pay a quarterly mark up at a discounted rate of 3% per annum, with eight equal quarterly instalments starting from January 2021. The loan is secured by way of equitable mortgage over factory property of the Company.

Secured against hypothecation charge over stock Rs. 100 million (2020: Nil), equitable Mortgage Charge of Rs. 184 million over Factory at Plot No. P-2/A/L SITE, Karachi, Measuring 1,989 Acres in the name of International Knit Wear, having Market Value of Rs. 183.01 Mn & PSV Rs. 146.41 Mn, Valuation Conducted by KBS Associates Pvt, limited and personal guarantee from all directors for Rs. 250 million each.

### 18.0 under mark-up arrangement

Running finance facility	18.1	5,261,580	5,995,719
Export refinance facility	18.2	49,500,000	59,000,000
Discount against local LC	18.3	4,999,816	2,301,062
		<u>59,761,396</u>	<u>67,296,781</u>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 18.1 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.200.32 million (2020: Rs. 184 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 (2020: 3 Months KIBOR + 2.5% p.a). The facility is renewable and is valid till June 30, 2021.

### 18.2 Limit Rs. 59 million (Including 30.0 million one off (2020: 30 million ))

Secured against hypothecation charge over stocks and equitable mortgage over factory property at Plot # F-2A/L, SITE, Karachi amounting to Rs.200.32 million (2020: Rs. 184 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 (2020: 3 Months KIBOR + 1.0% p.a). The facility is renewable and is valid till June 30, 2021.

### 18.3 Limit Rs. 5 million.

The Finance against invoice of KHAADI (80% of invoice amount) The rate of mark-up is equal to 3 Months KIBOR + 2.5% p.a (2020: 3 Months KIBOR + 2.5% p.a). The facility is renewable and is valid till June 30, 2021.

## 19. CREDITORS, ACCRUED AND OTHER PAYABLES

	Note	2021 Rupees	2020 Rupees
Creditors		86,132,412	89,802,944
Accrued expenses		9,323,281	5,544,400
Compensated absences payable		1,152,500	1,365,598
Other fund payable	19.1	383,566	593,546
Workers' profit participation fund	19.2	-	905,758
Workers' welfare fund		2,835,925	2,445,498
Contract liability		1,986,705	1,226,780
Advance from others		340,000	340,000
Others		629,180	153,452
		<b>102,783,569</b>	<b>102,377,977</b>
<b>19.1 Other fund payable</b>			
Provident fund		368,892	587,452
EOBI payable		14,674	6,094
		<b>383,566</b>	<b>593,546</b>

### 19.2 Workers' profit participation fund

Opening balance	905,758	792,087
Provision for the year	-	905,758
	905,758	1,697,845
Less: Payments made during the year	(905,758)	(792,087)
	-	<b>905,758</b>

## 20. TAXATION

<b>Advance tax</b>		
Less: Provision for tax	28,852,623	31,540,879
Current year	(6,514,596)	(5,374,574)
Prior year	(155,881)	(3,755,497)
	(6,670,477)	(9,130,071)
	<b>22,182,146</b>	<b>22,410,808</b>

### 20.1 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.

## 21. CONTINGENCIES AND COMMITMENTS

### Commitments

Commitments under letters of credit as at June 30, 2021 amounted to Rs. 11,872,715 (2020: Rs. 20,598,241).





# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 22. NET SALES

Note	EXPORT		LOCAL		TOTAL	
	2021	2020	2021	2020	2021	2020
	Rupees					
Export	233,671,583	306,674,121	-	-	233,671,583	306,674,121
Sales local	-	-	248,890,924	214,190,343	248,890,924	214,190,343
Sales discount	(2,241,344)	(5,214,886)	-	-	(2,241,344)	(5,214,886)
Export rebates	2,640,489	3,503,607	-	-	2,640,489	3,503,607
Export R & D	4,673,432	19,731,612	-	-	4,673,432	19,731,612
R&D/ Rebate Commission	(544,934)	(1,427,374)	-	-	(544,934)	(1,427,374)
	<b>238,199,226</b>	<b>323,267,080</b>	<b>248,890,924</b>	<b>214,190,343</b>	<b>488,090,150</b>	<b>537,457,423</b>
<b>22.1 Sales local</b>						
Local	-	-	283,977,809	234,434,349	283,977,809	234,434,349
Others	-	-	8,297,051	16,173,928	8,297,051	16,173,928
	-	-	<b>292,274,860</b>	<b>250,614,177</b>	<b>292,274,860</b>	<b>250,614,177</b>
Sales tax Local	-	-	41,001,094	33,727,305	41,001,094	33,727,305
Sales tax others	-	-	1,382,842	2,696,529	1,382,842	2,696,529
	-	-	<b>42,383,936</b>	<b>36,423,834</b>	<b>42,383,936</b>	<b>36,423,834</b>
	-	-	<b>249,899,924</b>	<b>214,190,343</b>	<b>249,899,924</b>	<b>214,190,343</b>

22.1.1 Others include scrap sales amounting to Rs. Nil (2020: Rs. Nil)

### 23. COST OF GOODS SOLD

	EXPORT		LOCAL		TOTAL	
	2021	2020	2021	2020	2021	2020
	Rupees					
<b>Raw and packing material consumed</b>						
Opening stock	17,811,904	22,203,932	11,801,514	4,506,450	29,613,718	26,710,382
Purchases	94,381,927	158,086,495	89,014,541	104,744,970	183,396,468	262,831,464
Closing stock	(12,716,705)	(17,811,904)	(13,340,888)	(11,801,814)	(26,057,594)	(29,613,718)
	99,477,126	162,478,522	97,475,167	97,449,606	196,952,593	259,928,128
Salaries, allowances and benefits	20,728,288	26,551,716	21,745,708	17,592,639	42,473,996	44,144,355
Provident fund contribution	763,703	955,468	801,189	633,074	1,564,892	1,588,542
Knitting charges	2,408,562	4,227,359	2,526,784	2,800,964	4,935,346	7,028,323
Dyeing and other charges	27,132,158	50,786,556	28,463,905	33,650,163	55,596,603	84,436,719
Embroidery / Printing charges	9,515,800	6,425,070	9,982,871	4,257,124	19,468,671	10,682,194
Sitching charges	30,510,386	48,174,122	32,007,949	31,919,216	62,518,335	80,093,338
Fuel and power	2,715,689	2,339,268	2,848,986	1,682,460	5,564,675	4,221,737
Communication	163,393	227,178	171,413	150,524	334,806	377,702
Postage & telegrams	236,330	147,942	247,930	98,024	484,260	245,966
Repairs and maintenance	1,138,468	1,601,612	1,194,349	1,061,196	2,332,817	2,662,808
Staff welfare and medical expenses	115,653	94,516	121,330	62,624	236,983	157,140
Motor vehicle and conveyance	952,176	1,238,199	998,913	820,406	1,951,089	2,058,605
Insurance	270,278	286,983	283,545	190,149	553,823	477,132
Depreciation	1,249,056	1,411,546	1,310,365	939,251	2,559,421	2,356,811
Clearing and forwarding	3,488,346	3,058,807	-	-	3,488,346	3,058,807
Freight, petrol and cartage	3,750,042	7,554,637	3,934,108	5,005,553	7,684,150	12,560,190
Export development charges	429,948	954,252	-	-	429,948	954,252
Factory compliance expenses	218,732	305,433	229,469	202,374	448,201	507,807
Commission on Sales tax/Income Tax refund	737,586	690,132	773,790	457,268	1,511,376	1,147,400
Traveling expenses	-	480,124	-	318,120	-	798,244
Inspection fees	643,778	-	675,378	-	1,319,156	-
Others	889,655	2,108,956	933,323	1,397,353	1,822,978	3,506,309
	108,058,031	159,825,896	109,251,301	103,238,400	217,309,332	263,064,387
<b>Work-in-process</b>						
Opening stock	27,853,559	22,382,906	18,455,214	37,022,457	46,308,773	59,404,553
Closing stock	(17,100,487)	(27,853,559)	(38,921,516)	(18,455,214)	(76,022,003)	(46,308,773)
	(9,246,928)	(5,471,463)	(20,466,302)	(18,567,243)	(29,713,230)	(13,905,780)
<b>Cost of goods manufactured</b>	<b>198,288,229</b>	<b>316,832,956</b>	<b>186,260,466</b>	<b>219,255,339</b>	<b>384,548,695</b>	<b>536,088,294</b>
<b>Finished goods</b>						
Opening stock	50,646,338	28,500,655	33,557,257	5,794,416	84,203,595	34,285,071
Closing stock	(20,260,694)	(50,646,338)	(10,764,327)	(33,557,257)	(21,025,021)	(48,203,595)
	40,385,644	(22,145,683)	22,792,930	(27,762,841)	63,178,574	(49,918,524)
<b>COST OF GOODS SOLD</b>	<b>238,673,873</b>	<b>294,687,273</b>	<b>209,053,396</b>	<b>191,482,498</b>	<b>447,727,269</b>	<b>486,166,771</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 24. ADMINISTRATIVE AND SELLING EXPENSES

Note	EXPORT		LOCAL		TOTAL		
	2021	2020	2021	2020	2021	2020	
	Rupees						
Salaries, allowances and benefits	2,130,307	9,452,402	2,480,289	5,600,394	14,610,596	14,052,796	
Provident fund contribution	320,284	405,722	336,005	268,823	656,289	674,545	
Communication	220,247	174,178	231,058	115,407	451,305	289,585	
Postage & telegrams	4,226	6,765	4,434	4,482	8,660	11,247	
Staff welfare and medical expenses	353,040	218,330	370,368	144,661	723,408	362,991	
Motor vehicle and conveyance	494,382	613,219	518,649	406,307	1,013,031	1,019,526	
Repair and maintenance	74,591	104,024	78,252	68,935	152,843	172,949	
Legal and professional charges	285,749	323,024	299,774	214,029	585,523	537,053	
Auditors' remuneration	24.1	193,318	255,176	202,807	169,074	396,125	
Depreciation	6.1.2	1,044,052	1,296,426	1,095,298	858,986	2,139,350	
Printing and stationery		91,772	162,910	96,277	107,941	188,049	
Advertisement and publicity		59,617	78,101	62,544	51,749	122,161	
Fees, subscription and periodicals		323,888	393,930	339,890	261,011	663,878	
Rent, rate and taxes		55,233	36,088	57,934	23,312	113,157	
Insurance		67,409	96,702	70,718	64,073	138,127	
Others		114,278	289,782	119,887	192,004	294,165	
		<b>10,832,484</b>	<b>12,906,781</b>	<b>11,364,183</b>	<b>8,551,776</b>	<b>22,186,667</b>	<b>21,458,557</b>

#### 24.1 Auditors' Remuneration

	2021	2020
	Rupees	Rupees
Annual audit	187,500	187,500
Half yearly review	70,000	70,000
Out of pocket expenses	76,875	76,875
Sales tax on audit and review fee	26,750	26,750
	<b>361,125</b>	<b>361,125</b>

### 25. OTHER INCOME / (LOSS)

	EXPORT		LOCAL		TOTAL	
	2021	2020	2021	2020	2021	2020
	Rupees					
<b>Income From Financial Assets</b>						
Profit on bank accounts	80,845	239,092	84,813	158,418	165,658	397,510
Dividend income	25.1	1,397,425	838,495	1,466,016	2,863,441	1,394,065
Exchange gain - net	488,193	-	-	-	488,193	-
Grant Income	599,764	-	675,203	-	1,274,967	-
Gain/(loss) on disposal of investment - net	25.2	513,314	210,904	538,510	139,741	1,051,824
Reversal of provision against doubtful debts	-	-	50,000	25,000	50,000	25,000
Gain on translation of foreign currency debtors	105,182	-	-	-	105,182	-
<b>Income From Non-Financial Assets</b>						
gain/(loss) on disposal of property, plant and equipment	86,527	7,638	90,775	5,060	177,302	12,698
	<b>3,271,252</b>	<b>1,296,128</b>	<b>2,859,316</b>	<b>883,789</b>	<b>6,130,567</b>	<b>2,179,917</b>

#### 25.1 Dividend Income

FVTOCI (shares held at reporting date)	2,223,000	945,450
FVTOCI (shares disposed during the period)	4,450	337,402
FVTPL	562,570	111,213
	<b>2,790,020</b>	<b>1,394,065</b>

#### 25.2 (Loss)/gain on disposal of investment

<b>FVTPL</b>		
-Quoted securities	1,051,824	365,986
-Mutual funds	-	(15,342)
	<b>1,051,824</b>	<b>350,644</b>
<b>FVTOCI</b>		
-Quoted securities	2,433	-
	<b>1,054,257</b>	<b>350,644</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 26. FINANCE COST

	EXPORT		LOCAL		TOTAL	
	2021	2020	2021	2020	2021	2020
	Rupees					
Mark-up on export refinance	1,075,037	1,876,073	1,177,804	1,209,930	2,202,840	3,035,993
Mark-up on running finance	256,978	496,673	269,591	329,086	526,569	825,759
Mark-up on MTF salary and wages (Covid-19)	976,026	19,849	971,479	13,151	1,897,505	33,000
Bank charges	1,200,370	1,238,502	1,359,288	813,961	2,459,658	2,042,483
Mark-up on liability against asset subject to finance lease	75,198	352,194	78,888	100,841	154,086	253,035
Exchange (loss)-net	-	1,759,383	-	-	-	1,759,383
Brokerage and other charges	35,853	36,370	37,433	34,098	52,974	80,468
Capital Gains Tax	(25,675)	31,544	(26,985)	20,966	(22,609)	52,510
Other markup	-	-	10,416,374	5,241,413	10,416,373	5,241,413
	<b>3,533,786</b>	<b>5,550,688</b>	<b>14,123,611</b>	<b>7,753,456</b>	<b>17,657,396</b>	<b>13,304,144</b>

### 27. OTHER CHARGES

Workers' profit participation fund	-	544,781	-	360,867	-	905,758
Workers' welfare fund	190,559	207,020	199,913	137,168	390,472	344,188
	<b>190,559</b>	<b>751,811</b>	<b>199,913</b>	<b>498,135</b>	<b>390,472</b>	<b>1,249,946</b>

### 28. SEGMENT INFORMATION

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

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

- Export
- Local

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

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

	EXPORT		LOCAL		TOTAL	
	2021	2020	2021	2020	2021	2020
	Rupees					
Net Sales	<b>238,199,276</b>	<b>323,267,080</b>	<b>249,890,924</b>	<b>214,190,343</b>	<b>488,090,150</b>	<b>537,457,423</b>
Cost of goods sold	(238,673,873)	(294,687,273)	(209,053,396)	(191,482,498)	(447,727,269)	(486,169,771)
<b>Gross profit</b>	<b>(474,648)</b>	<b>28,579,807</b>	<b>40,837,528</b>	<b>22,707,845</b>	<b>40,362,880</b>	<b>51,287,652</b>
Administrative and selling expenses	(10,832,484)	(12,506,781)	(11,364,183)	(8,551,776)	(22,156,667)	(21,458,557)
<b>Segment results</b>	<b>(11,307,132)</b>	<b>15,673,027</b>	<b>29,473,346</b>	<b>14,156,069</b>	<b>18,166,213</b>	<b>29,829,095</b>
Other income / (loss)	3,271,252	1,296,128	2,859,316	883,789	6,130,568	2,799,917
Unrealized gain / (loss) on revaluation of investments held for trading	181,249	(354,693)	190,146	(235,012)	371,935	(589,705)
Finance cost	(3,533,786)	(5,550,688)	(14,123,611)	(7,753,456)	(17,657,396)	(13,304,144)
Other charges	(190,559)	(751,811)	(199,913)	(498,135)	(390,472)	(1,249,946)
<b>Profit before taxation from continuing operation</b>	<b>(11,578,976)</b>	<b>10,311,964</b>	<b>18,199,384</b>	<b>6,553,254</b>	<b>6,620,308</b>	<b>16,865,218</b>
<b>Taxation</b>						
- Current	(2,336,716)	(3,232,671)	(4,177,835)	(2,141,903)	(6,514,551)	(5,374,574)
- Prior	(76,074)	(2,258,837)	(79,807)	(1,496,660)	(155,881)	(3,755,497)
	(2,412,790)	(5,491,507)	(4,257,642)	(3,638,564)	(6,670,432)	(9,130,071)
<b>Profit after taxation from continuing operation</b>	<b>(13,991,765)</b>	<b>4,820,456</b>	<b>13,941,642</b>	<b>2,914,691</b>	<b>(50,124)</b>	<b>7,735,147</b>

### 29. BASIC EARNINGS PER SHARE

	2021 Rupees	2020 Rupees
Earnings per share - basic and diluted		
Profit after taxation	(50,123)	7,735,146
Number of ordinary shares	9,675,000	9,675,000
<b>Earnings per share</b>	<b>(0.01)</b>	<b>0.80</b>

### 30. CASH AND CASH EQUIVALENTS

Cash and bank balances	<b>13</b>	577,897	585,327
Running finance facility	<b>18.1</b>	(5,261,580)	(5,595,719)
		<b>(4,683,683)</b>	<b>(5,110,396)</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 31. 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:

	2021			2020		
	Directors	Chief Executive	Executives	Directors	Chief Executive	Executives
	----- Rupees -----					
Basic salary	1,161,290	3,870,968	-	1,161,290	3,870,968	-
Allowances	638,710	2,129,032	-	638,710	2,129,032	-
Company's contribution to provident fund	96,774	322,581	-	96,774	322,581	-
Medical expenses	96,774	535,162	-	85,741	98,272	-
Bonus	96,774	322,581	-	-	-	-
	<b>2,090,322</b>	<b>7,180,324</b>	<b>-</b>	<b>1,982,515</b>	<b>6,420,853</b>	<b>-</b>
<b>Number of person(s)</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

31.1 A sum of Rs. 168,000 (2020: Rs. 161,000) was paid being fee for attending the Board of Directors' meeting.

31.2 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.

### 32. TRANSACTIONS WITH RELATED PARTIES

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

	2021 Rupees	2020 Rupees
<b>Balances:</b>		
Provident Fund - outstanding balance	368,892	587,452
Advance to CEO		
	<b>368,892</b>	<b>587,452</b>
<b>Transactions:</b>		
Advance to CEO		
Opening balance	-	-
Paid advance during the year	<b>32.1</b> 54,443	104,592
	54,443	104,592
Refund advance during the year	(54,443)	(104,592)
	-	-

32.1. Advance for miscellaneous payments made to CEO during the year which was subsequently received. The closing balance is Nil as on June 30, 2021

Contribution to staff retirement benefit plans	2,221,181	2,263,087
Key management personnel's remuneration and other benefits	<b>31</b> 9,270,646	8,403,368

### 32.2. PROVIDENT FUND RELATED DISCLOSURES

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

Size of the fund - total assets	10,684,160	9,753,571
Percentage of investment made	48.73%	39.65%
Fair value of investments	5,206,527	3,867,016
Cost of above investments	-	-

The breakup of fair value of investment is:

	2021 Percentage	2020 Percentage		
UBL Money Market Fund	30.39%	39.59%	1,613,272	1,531,102
Bank Al Habib Munafa Fund	38.41%	25.86%	2,000,000	1,000,000
Investment in Shares	30.60%	34.55%	1,593,255	1,335,914
	<b>100.00%</b>	<b>100.00%</b>	<b>5,206,527</b>	<b>3,867,016</b>

32.3 International Knitwear Limited Staff Provident Fund holds the investments which are in accordance with the provisions of section 218 of the Companies Act 2017 and the Rules formulated for this purpose.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 33 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2021			Other financial liabilities
	At Amortised Cost	FVTPL	FVTOCI	
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalent investments	577,892	-	-	-
Long term deposits	2,052,600	16,781,295	16,979,356	-
Trade debts - considered good	47,994,608	-	-	-
Loans and advances	1,577,125	-	-	-
Other receivables	3,30,078	-	-	-
<b>Total Financial Assets</b>	<b>53,172,343</b>	<b>16,781,295</b>	<b>16,979,356</b>	-
<b>FINANCIAL LIABILITIES</b>				
Lease liability	-	-	-	1,633,474
MFF salary and wages (Covid-19) liabilities	16,007,024	-	-	-
Short term finance under mark-up arrangement	59,761,396	-	-	-
Creditors, accrued and other payables	-	-	-	101,783,869
<b>Total Financial Liabilities</b>	<b>75,768,420</b>	-	-	<b>104,417,343</b>
	As at June 30, 2020			Other financial liabilities
	At Amortised Cost	FVTPL	FVTOCI	
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalent investments	885,322	-	-	-
Long term deposits	2,052,600	8,506,301	14,478,781	-
Trade debts - considered good	29,490,504	-	-	-
Loans and advances	1,693,000	-	-	-
Other receivables	100,101	-	-	-
<b>Total Financial Assets</b>	<b>34,221,527</b>	<b>8,506,301</b>	<b>14,478,781</b>	-
<b>FINANCIAL LIABILITIES</b>				
Lease liability	-	-	-	2,071,852
MFF salary and wages (Covid-19) liabilities	14,761,020	-	-	-
Short term finance under mark-up arrangement	67,286,781	-	-	-
Creditors, accrued and other payables	-	-	-	101,291,648
<b>Total Financial Liabilities</b>	<b>82,047,801</b>	-	-	<b>103,363,500</b>

### 34 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.

#### 34.1 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. Total credit sales are essentially to Khadi. Receivables 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.

##### ii 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:

	2021 Rupees	2020 Rupees
Trade debts	47,994,608	29,490,504
Loans and advances	11,199,720	5,115,014
Other receivables	26,380,086	83,089,215
Bank balances	7,077,897	2,385,332
	<b>85,730,451</b>	<b>67,824,244</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 changes in the reporting date.

#### 34.2 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 three types 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. Nil (2020: Rs. Nil) which are subject to currency risk.

##### Sensitivity analysis

The 10 percent strengthening / weakening of Pak Rupee against US\$ at June 30, 2021 would have (decreased) / increased profit and loss accordingly. This analysis assumes that all other variables remain constant.

##### (ii) Interest rate risk

Interest rate risk represents the risk that 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. 76,360,613 (2020: Rs. 83,792,483) which are subject to interest rate risk. Applicable interest rates for financial instruments have been indicated in respective notes.

##### 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 WIBOR / SIB Base Rate, financial liabilities at the reporting date would have increased / (decreased) equity and profit or loss by Rs. 0.763million (2020: Rs. 0.820 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.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 34.3 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 %	2021						Total
	INTEREST/MARK-UP BEARING			NON-INTEREST/MARK-UP BEARING			
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
Rupees							
Financial assets:							
Long term deposits	-	-	-	-	2,052,600	2,052,600	2,052,600
Investments	-	-	-	16,781,296	16,579,356	33,360,652	33,760,652
Trade debts	-	-	-	47,994,608	-	47,994,608	47,994,608
Other receivables	-	-	-	26,536,086	-	26,536,086	26,536,086
Cash and bank balances	5.50%	1,931,902	-	1,931,902	45,989	45,989	1,977,891
		<b>1,931,902</b>	<b>-</b>	<b>1,931,902</b>	<b>91,357,980</b>	<b>19,031,956</b>	<b>110,389,936</b>
Financial liabilities:							
Long term liability against assets subject to finance	1 year KIBOR+ 2.5%	477,387	1,156,087	1,633,474	-	-	1,633,474
Short term finance under mark-up arrangement	3 Months KIBOR +2.5% & SBP rate +1%	59,761,396	-	59,761,396	-	-	59,761,396
Creditors, accrued and other payables		-	-	-	102,783,569	102,783,569	102,783,569
Unclaimed dividend		-	-	-	1,817,933	1,817,933	1,817,933
		<b>60,238,783</b>	<b>1,156,087</b>	<b>61,394,870</b>	<b>104,601,502</b>	<b>104,601,502</b>	<b>165,996,372</b>
		<b>(58,306,881)</b>	<b>(1,156,087)</b>	<b>(59,462,968)</b>	<b>(13,243,522)</b>	<b>19,031,956</b>	<b>(63,674,534)</b>

#### Sensitivity gap

(ii) Off balance sheet liabilities as stated in note 19 amounts to Rs. 20.59 million.

#### (i) On balance sheet assets and liabilities:

Effective rate of interest % / Range %	2020						Total
	INTEREST/MARK-UP BEARING			NON-INTEREST/MARK-UP BEARING			
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
Rupees							
Financial assets:							
Long term deposits	-	-	-	-	2,052,600	2,052,600	2,052,600
Long term investments	-	-	-	-	14,478,781	22,985,082	22,985,082
Trade debts	-	-	-	29,420,504	-	29,420,504	29,420,504
Other receivables	-	-	-	33,089,225	-	33,089,225	33,089,225
Cash and bank balances	7.50%	1,822,944	-	1,822,944	562,379	562,379	2,385,322
		<b>1,822,944</b>	<b>-</b>	<b>1,822,944</b>	<b>71,578,409</b>	<b>16,531,381</b>	<b>88,109,790</b>
Financial liabilities:							
Long term liability against assets subject to finance	1 year KIBOR+ 2.5%	419,987	1,651,865	2,071,852	-	-	2,071,852
Short term finance under mark-up arrangement	3 Months KIBOR +2.5% & SBP rate +1%	82,058,581	-	82,058,581	-	-	82,058,581
Creditors, accrued and other payables		-	-	-	102,491,648	102,491,648	102,491,648
Unclaimed dividend		-	-	-	1,730,629	1,730,629	1,730,629
		<b>82,478,568</b>	<b>1,651,865</b>	<b>84,130,433</b>	<b>104,222,276</b>	<b>104,222,276</b>	<b>188,352,709</b>
		<b>(80,655,624)</b>	<b>(1,651,865)</b>	<b>(82,307,489)</b>	<b>(32,643,867)</b>	<b>16,531,381</b>	<b>(16,112,486)</b>

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 34.4 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.

### 35. 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, 2021, the Company has no material level 1, 2 or 3 assets or liabilities except equity instruments disclosed at level 1 of fair value hierarchy.

### 36. PRODUCTION CAPACITY

	2021	2020
Installed capacity (Pcs.)	<u>1,300,000</u>	<u>1,300,000</u>
Actual production (Pcs.)	<u>750,692</u>	<u>910,639</u>

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

#### Reasons for shortfall

The short fall in actual production during the year when compared with capacity is mainly on account of:

The actual production is planned to meet the internal demand and orders in hand.

The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan has effected the production and sale volumes of the Company due to closure of plant during the lock down period.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

37. The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirement of Companies Act 2017. Following major reclassification have been made during the year:

Description	Reclassified from	Reclassified to	2020 Balance (Rupees)
- Deferred grant		Deferred grant	306,100
- Current portion of deferred grant		Current portion of deferred grant	849,883
- MTF salary and wages(Covid-19) liabilities (non current)	Short term finance under mark-up arrangement	MTF salary and wages(Covid-19) liabilities (non current)	10,765,250
- Current maturity of MTF salary and wages(Covid-19) liabilities		Current maturity of MTF salary and wages(Covid-19) liabilities	2,840,567

38. NUMBER OF EMPLOYEES

	2021	2020
Number of employees as on the date of financial statements:	<u>293</u>	<u>299</u>
- Factory employees	153	152
- Other employees	140	147
Average number of employees during the year:	<u>284</u>	<u>321</u>
- Factory employees	144	174
- Other employees	140	147

39. 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, 2021.

40. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on October 01, 2020 has proposed a final cash dividend of Rs. nil per share amounting to Rs. Nil (2020: Rs 0.5 per share amounting to Rs. 4.84 million) for the year ended June 30, 2020. The approval of the shareholders of the Company shall be obtained at the upcoming Annual General Meeting for the year ended June 30, 2021. The financial statements for the year ended June 30, 2021 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2021.

41. FIGURES

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

41.2 Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison. However no significant reclassification has been made during the year.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive

**JAVED KHAN**  
Director / CFO





# International Knitwear Limited

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021

# Of Shareholders	Shareholdings'Slab			Total Shares Held
266	1	to	100	7,709
222	101	to	500	58,141
621	501	to	1000	350,953
95	1001	to	5000	223,919
23	5001	to	10000	165,150
9	10001	to	15000	108,735
8	15001	to	20000	137,636
10	20001	to	25000	221,619
1	35001	to	40000	39,468
3	40001	to	45000	131,000
2	45001	to	50000	98,218
1	50001	to	55000	53,750
1	60001	to	65000	63,531
2	70001	to	75000	145,132
1	80001	to	85000	81,400
1	85001	to	90000	87,000
1	100001	to	105000	100,382
1	105001	to	110000	108,849
1	110001	to	115000	113,686
1	130001	to	135000	132,225
1	135001	to	140000	135,772
1	155001	to	160000	158,500
1	200001	to	205000	204,158
1	205001	to	210000	210,000
1	300001	to	305000	300,466
1	365001	to	370000	368,571
1	425001	to	430000	430,000
1	695001	to	700000	696,800
1	830001	to	835000	832,153
1	980001	to	985000	981,934
1	2925001	to	2930000	2,928,143
<b>1281</b>				<b>9,675,000</b>



# International Knitwear Limited

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
WASEEM SHAFI	2	43,233	0.45
NAEEM SHAFI	5	844,044	8.72
HUMAIRA SHAFI	3	1,068,742	11.05
JAVED KHAN	2	8,089	0.08
BUSHRA SHAFI	1	3,870	0.04
MUHAMMAD SHAFI	1	16,125	0.17
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>	-	-	-
<b>NIT &amp; ICP</b>	-	-	-
<b>Banks Development Financial Institutions, Non Banking Financial Financial Institutions.</b>	1	67	0.00
<b>Insurance Companies</b>	1	158,500	1.64
<b>Modarabas and Mutual Funds</b>	2	1,042,153	10.77
<b>General Public</b>			
a. Local	1,251	6,438,393	66.55
b. Foreign	3	12,500	0.13
<b>Foreign Companies</b>	-	-	-
<b>Others</b>	6	35,534	0.37
<b>Totals</b>	<b>1,281</b>	<b>9,675,000</b>	<b>100.00</b>
<hr/>			
<b>Share holders holding 10% or more</b>		<b>Shares Held</b>	<b>Percentage</b>
HUMAIRA SHAFI		1,068,742	11.05
RASHID ABDULLA		2,928,143	30.27



# International Knitwear Limited

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021

S.No.	Folio #	Name of shareholder	Number of shares	Per %
<b>Directors and their spouse(s) and minor children</b>				
1	1	WASEEM SHAFI	39,468	0.41
2	3025	WASEEM SHAFI	3,765	0.04
3	2	NAEEM SHAFI	135,772	1.40
4	520	NAEEM AHMED SHAFI	1,722	0.02
5	3041	NAEEM AHMED SHAFI	750	0.01
6	01826-52175	NAEEM AHMED SHAFI	9,000	0.09
7	03277-44659	NAEEM AHMED SHAFI	696,800	7.20
8	19	HUMAIRA SHAFI	23,277	0.24
9	2910	HUMAIRA SHAFI	63,531	0.66
10	03277-97487	HUMAIRA SHAFI	981,934	10.15
11	2982	JAVED KHAN	1,500	0.02
12	10629-132285	JAVED KHAN	6,589	0.07
13	20	BUSHRA SHAFI	3,870	0.04
14	2911	MUHAMMAD SHAFI	16,125	0.17
15	2981	MOHAMMAD SAJJID 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>20.55</b>
<b>Associated companies, undertakings and related parties</b>				
1		Nil	0	-
<b>NIT &amp; ICP</b>				
1		Nil	0	-
<b>Banks Development Financial Institutions, Non Banking Financial Financial Institutions.</b>				
1	03889-28	NATIONAL BANK OF PAKISTAN	67	0.00
			<b>1</b>	<b>0.00</b>
<b>Insurance Companies</b>				
1	02139-29	PREMIER INSURANCE LIMITED	158,500	1.64
			<b>1</b>	<b>158,500 1.64</b>
<b>Modarabas and Mutual Funds</b>				
1	02113-21	FIRST EQUITY MODARABA	210,000	2.17
2	03277-1651	FIRST UDL MODARABA	832,153	8.60
			<b>2</b>	<b>1,042,153 10.77</b>
<b>General Public Foreign</b>				
1	03277-108261	MUHAMMAD MUBEEN	1,000	0.01
2	03277-110031	MUHAMMAD NADEEM	1,000	0.01
3	03277-110098	SOHAIL RAZA	10,500	0.11
			<b>3</b>	<b>12,500 0.13</b>
<b>Foreign Companies</b>				
1		Nil	0	-
<b>Others</b>				
1	2976	THE COMPANY SECRETARY	472	0.00
2	02113-3611	First UDL Modaraba Staff Provident Fund	3,750	0.04
3	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	10,893	0.11
4	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	382	0.00
5	04341-3265	RAO SYSTEMS (PVT.) LTD.	19,500	0.20
6	05728-24	STOCK STREET (PRIVATE) LIMITED	537	0.01
			<b>6</b>	<b>35,534 0.37</b>
			<b>1251</b>	<b>6,438,393 66.55</b>
<b>General Public Local</b>				
			<b>1281</b>	<b>9,675,000 100.00</b>
<b>Total</b>				



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

### حصص داری کی ساخت

کمپنیز ایکٹ 2017 کی دفعہ (f) (2) 227 کے تحت 30 جون 2021 کی کمپنی کی حصص داری کی ساخت اس رپورٹ کے ساتھ منسلک ہے۔  
30 جون 2021 کو کمپنی کے ریکارڈ کے مطابق حصص یافتگان کی تعداد 1,281 تھی۔

آئینی ڈائریکٹرز موجودہ سال 2020-21 کے کمپنی کے مالیاتی گوشواروں کا آڈٹ میسرز RSM اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس نے کیا ہے۔  
آڈیٹرز سالانہ اجلاس عام کے اختتام پر سبکدوش ہو جائیں گے۔ اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی سفارش کی ہے۔ بورڈ نے  
آنے والے سال کے لئے آڈٹ کمپنی کی سفارش پر میسرز RSM اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز تقرری کی سفارش  
کی ہے جس کی منظوری آنے والے اجلاس عام میں ممبران سے لی جائے گی۔

### بعد ازاں واقعات

کمپنی کے مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ تک ایسی کوئی وعدے اور تبدیلیاں رونما نہیں ہوئیں جن سے کمپنی کی مالیاتی پوزیشن  
متاثر ہوئی ہو۔

### ڈائریکٹران کا ترقیتی پروگرام

ڈوڈا ڈائریکٹران نے ڈائریکٹرز ترقیتی پروگرام میں شرکت کی اور دو کم از تعلیمی قابلیت 14 سال ہے اور لیکچررز میں کام کرنے کا 15 سالہ تجربہ  
ہے اور لہذا وہ ڈائریکٹرز ترقیتی پروگرام سے مستثنیٰ ہیں۔ سال کے دوران کوئی ترقیتی سرگرمی منعقد نہیں ہوئی، تاہم کمپنی کا منصوبہ اگلے مالیاتی سال  
کے دوران ڈائریکٹرز کے لئے ضروری ترقیتی پروگرام منعقد کروانے۔

### مستقبل کی پیش بینی

ویکسین لگوانے کا عمل شروع ہو چکا ہے، ہمیں امید ہے کہ USA اور یورپ کے لوگوں کے ویکسین لگوانے کا عمل اس سال کے آخر تک مکمل  
ہو جائے گا جس سے کروڑوں امریکی اور یورپی باشندے آزادی سے سفر کر سکیں گے۔ اس سے طلب میں اضافہ ہوگا۔ پر امید اور مستقبل کے  
ثبوت منظر نامہ کے باوجود ٹیکسٹائل کا شعبہ شدید باؤ میں رہے گا جس کی وجہ خام مال کی تیزی سے بڑھتی ہوئی لاگت ہے۔ ہمیں کپاس اور مصنوعی  
ریسے کی قیمتوں میں غیر معمولی اضافہ کا سامنا ہے۔ اس کے علاوہ مبادلہ نرخ کا ناموافق اتار چڑھاؤ اور سنڈری کرایوں میں تیزی سے اضافہ  
سے آنے والے دونوں میں ہمارے کاروبار پر شدید اثرات مرتب ہو سکتے۔

خام مال کی لاگت میں غیر معمولی اضافہ سے نئے آرڈرز کے اندرونی بہاؤ کو براہ راست جھکد لگا ہے، جس سے آنے والے مہینوں میں موجودہ  
کٹلا آرڈرز میں کمی آئے گی۔ بیرون ملک خریدار جن کی پیشکشیں ابھی تک مکمل طور پر بحال نہیں ہوئی ہیں مسابقتی قیمتیں ادا کرنے کے قابل نہیں  
ہیں، لہذا انہوں نے آرڈر کی مقدار کو کم کرنا شروع کر دیا ہے۔

### اعتراف

ان نظامیہ بورڈ آف ڈائریکٹرز ممبران اداروں، حصص یافتگان، گاہکوں، مالیاتی اداروں، سپلائرز کے تعاون اور عملہ اور ملازمین کے مہم اور انتھاک  
محنت پران کے لئے سناٹا ریکارڈ پر لانا چاہتی ہے۔

برائے و تحنانیب

نیرم سنگھ  
چیف ایگزیکٹو

جاوید خان  
ڈائریکٹر

کراچی: 30 ستمبر 2021



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

- ☆ ادارے کی کارکردگی کے ان پہلوؤں کی شناخت کی صلاحیت جن میں بہتری کی ضرورت ہے،
- ☆ انتظامیہ کی جانشینی منصوبہ بندی کا جائزہ
- ☆ کمپنی کو لاحق خطرات کا تشخیص اور ادراک کی صلاحیت
- ☆ صحت، تحفظ اور ماحولیات، ملازمت اور کمپنی کی دیگر پالیسیوں اور طریقوں میں بہتری میں معاونت اور دلچسپی
- ☆ غیر ضروری مقدمہ بازیوں اور پیش رفتی خطرات سے کمپنی کو محفوظ رکھنا

### بورڈ کی کارکردگی کی تشخیص

بورڈ کی مجموعی کارکردگی کی پیمائش مندرجہ بالا پہلوؤں کی بنیاد پر تسلی بخش پائی گئی۔ کمپنیز ایکٹ 2017 کی دفعہ 192 کے تحت بورڈ کی کارکردگی پر ایک علیحدہ رپورٹ اس سال رپورٹ میں شامل کی گئی ہے۔

### ڈائریکٹران کا معاوضہ

بورڈ کے ممبران کا معاوضہ بورڈ پڑا مت 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 نان ایگزیکٹو ڈائریکٹران کو اجلاس میں حاضر ہونے کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی۔

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 طریقوں سے مطابقت رکھتے ہوں۔ 2018-19 میں ڈائریکٹران اور سی ای او سے متعلق معلومات کے لئے برائے مہربانی مالیاتی گوشواروں کے نوٹس کا مطالعہ کریں۔

### CEO کی کارکردگی کا جائزہ

انٹرنیشنل ٹف ویز لمیٹڈ کا بورڈ آف ڈائریکٹرز باقاعدگی سے بنیادی مالیاتی اور غیر مالیاتی کارکردگی اشاریوں (KPIs) کی بنیاد پر CEO کی کارکردگی سے تشخیص کرتا ہے جو اسے سال کے آغاز میں پیش کی جاتی ہے۔ بورڈ نے حالیہ مالیاتی سال میں CEO کی کارکردگی کا جائزہ لیا اور سال کے دوران کامیابیوں کے لحاظ سے تسلی بخش پائی گئی۔ بورڈ کو ان کی کمپنی کو انتہائی پیشہ ورانہ اور قائدانہ انداز میں چلانے میں ان کی صلاحیتوں پر عمل اعتماد ہے۔ وہ ادارتی مقاصد کا تعین کرنے اور اپنی انتظامی ٹیم کی KPIs سے مطابقت پیدا کرنے کے ذمہ دار ہیں اور بورڈ کو باقاعدگی کے ساتھ طے شدہ اہداف کے حصول میں انتظامی ٹیم کی تازہ ترین کارکردگی سے آگاہ کرتے ہیں۔

### چیئر مین اور CEO کا کردار

چیئر مین بورڈ اور سٹیفڈ ان کی طرف سے ایک متولی کی حیثیت سے اپنا کردار انجام دیتا ہے۔ وہ بورڈ آف ڈائریکٹرز کی قیادت کرتا ہے۔ چیئر مین کاروباری ترقی اور کمپنی کی سادھ کے تحفظ کو یقینی بناتا ہے۔ وہ بورڈ کی ممبر شپ کو متوازن بناتا ہے جس کے تحت مختلف کاروباری فراہم کنندگان کو دینے جاتے ہیں اور کمپنی کے نصب العین، مشن اور طویل مدتی اہداف حاصل کئے جاتے ہیں۔ وہ بورڈ اور انتظامیہ کے درمیان ایک پلی کا کام کرتا ہے اور انتظامیہ کی جانب سے بورڈ سے گفت و شنید کرتا ہے۔

CEO کمپنی کے روزمرہ معاملات اور حصص یافتگان کی منفعت میں اضافے کے لئے طویل مدتی حکمت عملی، منصوبوں اور بجٹ کی تکمیل کا ذمہ دار ہوتا ہے۔ CEO، حصص یافتگان، سرکاری اداروں اور عوام کی نمائندگی کرتا ہے۔ وہ ایک قائد اور فیصلہ ساز ہوتا ہے جو کہ ملازمین کو ترغیب، کمپنی کے اندر تدریجی اور اہداف کے حصول کے لئے فیصلہ کرتا ہے۔

### نصب العین، مشن اور مجموعی ادارتی حکمت عملی کی بورڈ سے منظوری

بورڈ نے بائربارک بیٹی سے آپ کی کمپنی کے نصب العین، مشن اور مجموعی ادارتی حکمت عملی کا جائزہ لیا ہے اور انہیں منظور کیا ہے اور یقین رکھتی ہے کہ یہ جامع انداز میں اس نظر سے بیان کرتے ہیں جسے لئے انٹرنیشنل ٹف ویز لمیٹڈ کا قیام عمل میں آیا تھا۔ ہمیں یقین ہے کہ ہمارا نصب العین اور مشن ہماری مجموعی حکمت عملی کی سمت کا تعین کرتا ہے اور ہمارے مستقبل کے سفر میں ہر سطح پر ہماری رہنمائی کرتا ہے۔ مکمل ادارہ اسی سے جزا ہوا ہے اور ابھی مقاصد کے تحت آگے بڑھ رہا ہے اور یہ ہماری روزمرہ اہم فیصلہ سازی میں معیار اصول کے طور پر کام کرتا ہے۔



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حاضری			کمیٹی ممبر		انگریزی کیٹو ڈائریکٹر	حیثیت	ڈائریکٹر شیپ	ڈائریکٹر کا نام	نمبر شمار
HRRC	AC	BOD	HRRC	AC					
		3/4			نہیں	27-10-2018 کو دو پارہ منتخب ہوئے	1	جناب وسیم شفیع	1
		4/4			ہاں	27-10-2018 کو دو پارہ منتخب ہوئے	3	جناب نعیم شفیع	2
		4/4			ہاں	27-10-2018 کو دو پارہ منتخب ہوئے	1	جناب جاوید خان	3
1/1		3/4			نہیں	27-10-2018 کو دو پارہ منتخب ہوئے	1	جناب محمد شفیع	4
1/1	4/4	4/4			نہیں	27-10-2018 کو دو پارہ منتخب ہوئے	1	جناب محمد ساجد حسین	5
	4/4	4/4			نہیں	27-10-2018 کو دو پارہ منتخب ہوئے	1	جناب بدر حسین	6
1/1	4/4	4/4			نہیں	27-10-2018 کو دو پارہ منتخب ہوئے	1	مس صلحہ ماجد	7

### انتظامی کمیٹی

چیف ایگزیکٹو آفیسر (CEO) کی سربراہی میں انتظامی کمیٹی اعلیٰ انتظامیہ پر مشتمل ہے جو اس بات کو یقینی بناتی ہے کہ کمیٹی بھر میں موزوں نظام ترویج و نافذ رہے تاکہ کمیٹی تیز ترین اور درست فیصلہ سازی کر سکے۔ یہ کاروبار اور دیگر ادارتی معاملات میں سفارشات پیش کرتے ہوئے کاروباری سطح پر CEO کو مشاورتی خدمات فراہم کرتی ہے۔ یہ طویل مدتی منصوبوں، سرمائے اور کاروباری بجٹ کی ترقی اور کاروباری منصوبوں کو آگے بڑھانے اور جائزہ لینے کی ذمہ دار ہوتی ہے۔ کمیٹی کی تشکیل افعالی بنیاد پر کی گئی ہے اور ہر افعال کو سونپے گئے ہدف کی کارکردگی کے جائزہ کے لئے ہر ماہ اجلاس منعقد کرتی ہے۔ CEO اس بات کو یقینی بناتا ہے کہ بورڈ کے تمام فیصلوں اور سمت بندی پوری کموزوں انداز میں ترسیل و نافذ کیا گیا ہے۔

### بورڈ کی تشخیصی معیار اہلیت

خدمات کے لازمی تقاضوں کے علاوہ مندرجہ ذیل پہلوؤں کے لحاظ سے انفرادی اور مجموعی سطح پر کمیٹی کے بورڈ کی کارکردگی کی تشخیص یا تقاضا سے

کی جاتی ہے:

- ☆ جنس، قابلیت، مہارت کا مرکب اور نفسیاتی تناظر کے حصول میں اثر پذیری
- ☆ دیانت داری، اعتماد، بھرپور دباؤ برداری اور مہبران کی متحرک شرکت
- ☆ انتظامیہ کے سطح کردہ سالانہ اہداف کا جائزہ اور تشخیص
- ☆ کمیٹی کے لئے رہنمائی اور سمت بندی فراہم کرنے کی صلاحیت



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- ☆ اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- ☆ کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر تنگ و شبہ نہیں ہے۔
- ☆ حصص داری کی ساخت سالانہ رپورٹ کے حصہ کے طور پر شامل کی گئی ہے اور
- ☆ ماتحت اداروں اور ماتحت افراد کی ملکیت میں حصص کا گوشوارہ علیحدہ علیحدہ منکشف کیا گیا ہے۔

### چیئر مین کا جائزہ

سالانہ رپورٹ میں شامل چیئر مین کا جائزہ دیگر کے علاوہ سال مختتمہ 30 جون 2021 میں بورڈ کی کارکردگی اور اثربخیز پبیری، کمپنی کی کارکردگی اور مستقبل کے امکانات پیش کرتا ہے۔ ڈائریکٹران نے چیئر مین کے جائزہ کے مندرجات کی توثیق کی ہے۔

### بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

#### بورڈ آف ڈائریکٹرز

بورڈ دو ایگزیکٹو اور پانچ نان ایگزیکٹو ڈائریکٹران پر مشتمل ہے۔ تمام ڈائریکٹران نے کمپنی کے معاملات میں گہری دلچسپی لیتے ہوئے انہیں معقول انداز میں آگے بڑھایا۔ نان ایگزیکٹو ڈائریکٹران کمپنی کی انتظامیہ کے ماتحت نہیں ہیں۔

#### آڈٹ کمیٹی

ادارتی نظم و ضبط اور مالیاتی رپورٹنگ کے نظام کے تحت آڈٹ کمیٹی بورڈ کی ذمہ داریوں سے عہدہ برآں ہونے میں اس کی مدد کرتی ہے۔

یہ کمیٹی تین ممبران پر مشتمل ہے جس میں تمام نان ایگزیکٹو ڈائریکٹران ہیں۔ کمیٹی کی چیئر پرسن ایک آزاد ڈائریکٹر ہے۔

چیف ایگزیکٹو آفیسر (CEO) اور چیف فنانشل آفیسر (CFO) مدعو کرنے پر چاروں اجلاسوں میں حاضر ہوئے۔

#### انسانی وسائل و معاوضہ کمیٹی

انسانی وسائل و معاوضہ کمیٹی بورڈ آف ڈائریکٹرز کی انسانی وسائل کی پالیسیوں اور طور طریقوں کی تشکیل اور وقفہ جاتی جائزوں کی ذمہ داریوں سے عہدہ برآں ہونے میں مدد کرتی ہے۔ یہ بورڈ کی اہم انتظامی عملہ کے انتخاب، تنجیس، معاوضہ اور جانشینی منصوبہ میں مدد کرتی ہے۔

یہ کمیٹی تین ممبران پر مشتمل ہے جو کہ تمام نان ایگزیکٹو ڈائریکٹران ہیں۔ کمیٹی کی چیئر پرسن ایک آزاد ڈائریکٹر ہے۔

#### بورڈ اور اس کی کمیٹیوں کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز (BOD) کے چار اجلاس، آڈٹ کمیٹی (AC) کے چار اجلاس اور انسانی وسائل و معاوضہ کمیٹی (HRRC) کا ایک اجلاس ہوا۔ ڈائریکٹران کی حاضری اور ان کی لسٹ کمیٹیوں بشمول انٹرنیشنل نٹ ویلز لمیٹڈ میں ڈائریکٹرز شپ درج ذیل ہے:



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122,086	209,975	160,700	127,030	133,388	143,421	کل اثاثوں کی مالیت سرمائے کے ذرائع
64,500	96,750	96,750	96,750	96,750	96,750	جاری کردہ، خرید شدہ اور ادا شدہ سرمایہ
17,864	4,359	23,362	28,763	28,020	23,133	ذخائر اور غیر مصرف شدہ منافع
38,043	25,701	14,360	(4,003)	(982)	905	سرمایہ کاریوں کی ازسرنو مالیت پر منافع/(خسارہ)
120,407	126,810	134,473	121,509	123,788	120,788	حصص یافتگان کی ایکویٹی
1,679	-	-	2,048	12,723	6,693	طویل مدتی اور پینس پیش و اجابت
<b>122,086</b>	<b>126,810</b>	<b>134,473</b>	<b>123,557</b>	<b>136,511</b>	<b>127,481</b>	کل سرمائے کی مالیت
182,672	169,496	393,230	451,098	537,457	488,090	فروخت
11,626	3,799	17,337	14,748	16,865	6,620	منافع/(خسارہ) قبل از ٹیکس
9,766	2,152	13,404	10,237	7,735	(50)	منافع/(خسارہ) بعد از ٹیکس
1.52	0.25	1.39	1.06	0.80	(0.01)	فی حصص آمدن
5.3%	1.3%	3.4%	2.3%	1.4%	(0.10%)	خالص آمدن (فیصد)
8.0%	1.0%	8.3%	8.3%	5.6%	(0.04%)	لگائے گئے سرمائے پر منفعت
						منافع منقسمہ
10%	0%	5%	5%	5%	0%	نقد (فیصد)
0%	0%	0%	0%	0%	0%	حصص (فیصد)

### ادارتی نظم و ضبط کے ضابطے کی پاسداری

آپ کی کمپنی کے ڈائریکٹران سنڈیکٹیز (کوڈ آف کارپورٹ گورننس) ریگولیشنز 2019 اور پاکستان اسٹاک ایکچینج کی رول بک کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ آپ کی کمپنی نے اچھے ادارتی نظم و ضبط کو یقینی بنانے کے لئے تمام اقدامات کئے ہیں اور ہم تصدیق کرتے ہیں کہ:

☆ کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔

☆ کمپنی میں حسابات کی کتابیں مناسب انداز میں تیار کی گئی ہیں۔

☆ بورڈ کی منظوری سے قبل چیف ایگزیکٹو اور چیف فنانشل آفیسر نے باضابطہ مالیاتی گوشواروں کی توثیق کی۔

☆ درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیار کرنے کے دوران کو ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مشروط فیصلوں پر ہے۔

☆ مالیاتی گوشواروں کی تیار کرنے کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے اور اگر کوئی انحراف ہوا ہے تو اسے معقول انداز میں منکشف کیا گیا ہے اور وضاحت کی گئی ہے۔





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### خط و کتابت

کمپنی 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۔ کمپنی 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 ایسے کوئی اہم وعدے یا تبدیلیاں رونما نہیں ہوئیں جن سے کمپنی 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 کمپنی ہمیشہ ماحولیات کے تحفظ اور پائیداری کو یقینی بناتی ہے۔

### ترجیحات کے یقین کی رسائی

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

### گزشتہ چھ سالوں کے اہم کاروباری اور مالیاتی اعداد و شمار کا مختصر جائزہ

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

2016	2017	2018	2019	2020	2021
.....000'.....					
26,850	23,704	25,728	32,134	35,942	35,983
-	-	-	-	-	-
75,600	35,183	42,052	17,769	14,478	16,979
2,006	1,500	1,500	2,052	2,052	2,052
-	74,847	26,228	4,177	8,506	16,781
17,630	74,741	65,192	70,898	72,410	71,626

### استعمال کئے گئے اثاثے

پراپرٹی، پلانٹ اینڈ ایکویپمنٹ  
غیر محسوس اثاثے  
طویل مدتی سرمایہ کاریاں  
طویل مدتی جمع شدہ رقمات  
قلیل مدتی سرمایہ کاریاں  
خالص رواں اثاثے



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

دوسرا بڑا عنصر جس نے کمپنی کو متاثر کیا اس میں کپاس اور یارن کی بڑھتی ہوئی قیمتیں اور بروقت دستیابی کی مشکلات تھیں۔ کمپنی کو گیس کے نرخوں کے ساتھ ساتھ سرحدی کے موسم میں گیس کی فراہمی کے مسائل کا سامنا کرنا پڑا۔ جس کے نتیجے میں پیداواری لاگت میں اضافہ کی وجہ سے کمپنی کے منافع پر ناموافق اثرات مرتب ہوئے۔

آخر میں خوردہ فروشی کا شعبہ بھی COVID-19 کی وجہ سے عالمی سطح پر متاثر ہوا۔ پاکستان میں سال کا آغاز میں محدود کاروباری اوقات اور SOP کی وجہ سے کمپنی کے مقامی کاروبار کو جھٹکا لگا۔

### منافع و خسارہ

کمپنی کی فروخت میں ہر سال تیز ترین اضافہ کا مشاہدہ کیا گیا ہے۔ FY 2014 سے FY 2020 تک منافع اور حاشیے میں بہتری ہوئی اور موجودہ سال 2021 میں کمی کا رجحان دیکھا گیا۔

منافع کی شرح میں کمی کی بنیادی وجہ زیریں حجم فروخت اور خام منافع میں کمی تھی۔ غیر یقینی سیاسی صورتحال، پاکستانی روپے کی قدر میں قابل کمی اور قرضہ جاتی لاگت نے FY 2021 میں منافع کی شرح میں رکاوٹ ڈالی۔

مزید برآں COVID-19 کی عالمی وبا کے اثرات کے نتیجے میں کمپنی کے منافع میں مزید تیزی ہوئی۔

### فی حصص آمدن

حصص یافتگان کے لئے بعد از ٹیکس فی حصص آمدن (0.01) روپے رہی جبکہ گزشتہ سال فی حصص آمدن 0.80 روپے تھی۔

### دیگر آمدن

کمپنی کی دیگر آمدن میں تسلیم شدہ اور غیر تسلیم شدہ منافع 1.43 ملین روپے شامل رہا جبکہ گزشتہ سال خسارہ 0.23 ملین روپے تھا۔ سال کے دوران منافع منقسمہ کی صورت میں حاصل ہونے والی آمدن 2.86 ملین روپے رہی جبکہ گزشتہ سال 1.39 ملین روپے تھی۔

زیر جائزہ سال کے دوران کمپنی کو زرمبادلہ پر 0.48 ملین روپے کا منافع ہوا جبکہ گزشتہ سال 1.75 ملین روپے خسارہ ہوا تھا۔

### سرمایہ جاتی اخراجات

سال کے دوران کمپنی نے اپنی پیداواری گنجائش، پیداواریت اور پلانٹ کی استعداد میں بہتری کے لئے 1.72 ملین روپے کی سرمایہ جاتی اخراجات کئے۔

### منافع منقسمہ

زیر جائزہ سال مارکیٹ سے روانیت پیدا کرنے کے لئے دشوار گزار رہا۔ نقدی کے بہاؤ کو معقول کرنے کے لئے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 30 ستمبر 2021 میں سالانہ 30 جون 2021 کے لئے کسی منافع منقسمہ کی سفارش نہیں کی۔



# International Knitwear Limited

## ڈائریکٹرز رپورٹ

انٹرنیشنل نٹ ویئر لمیٹڈ کا بورڈ آف ڈائریکٹرز اپنی رپورٹ کے ساتھ سال مختتمہ 30 جون 2021 کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتا ہے۔

مالیاتی نتائج کا سرسری جائزہ

(اضافہ/کمی)	2020	2021	
فیصد	روپے	روپے	
(9.18%)	537,457,423	488,090,150	خالص فروخت
(21.30%)	51,287,652	40,362,880	خام منافع
(60.74%)	16,865,217	6,620,308	منافع قبل از ٹیکس
(100.64%)	7,735,146	(50,124)	(خسارہ)/منافع بعد از ٹیکس
(100.64%)	0.80	(0.01)	خالص (خسارہ)/آمدنی فی حصص

کاروباری جائزہ

مختتمہ سال 30 جون 2021 کی پرمختصر مالیاتی جھلکیاں درج ذیل ہیں:

کمپنی کی خالص فروخت 488.09 ملین روپے رہیں جبکہ گزشتہ سال 537.45 ملین روپے تھیں۔ قبل از ٹیکس منافع 6.62 ملین روپے رہا جبکہ گزشتہ سال 16.86 ملین روپے تھا۔

فروخت میں گزشتہ سال مختتمہ 30 جون 2020 کی بنسبت 49.36 ملین روپے کمی ہوئی۔ سال کے دوران کمپنی کا خام منافع 40.36 روپے رہا جبکہ گزشتہ سال خام منافع 51.28 ملین روپے تھا۔

سال کے دوران کمپنی 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 پیداواری الاگتیں ختم ہو گئیں۔

فروخت

رواں مالیاتی سال کے پہلے نو ماہ ٹیکسٹائل کے شعبے کے لئے بہت دشوار گزار تھے کیونکہ کورونا وائرس کے پھیلاؤ نے دنیا بھر کی معیشت کو شدید متاثر کیا تھا۔ اس دوران وبائی دوسری اور تیسری لہر کے نتیجے میں میں لاک ڈاؤن اور پابندیوں نے ایک مرتبہ پھر دنیا کو متاثر کیا۔



# International Knitwear Limited

## چیئر مین کی جائزہ رپورٹ

میں حصص یافتگان کو انٹرنیشنل نٹ ویز لمیٹڈ (کمپنی) کے سالِ محترمہ 30 جون 2021 کے دوران مقاصد کے حصول میں کمپنی کے بورڈ کی مجموعی کارکردگی اور اشرافیہ پر جائزہ رپورٹ پیش کرتے اظہار مسرت کرتا ہوں۔

بورڈ کی مجموعی کارکردگی اور اشرافیہ کی جائزہ

کمپنی ادارتی نظم و ضبط کے بہترین طور طریقوں پر عمل کرتی ہے اور کمپنیز ایکٹ 2017 اور سٹاک ایکٹس (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی تشکیل بندی، اجلاس اور طریقہ کار کے لئے تقاضوں کی پاسداری کرتی ہے۔

بورڈ نے اپنا کردار اور فرائمنڈ وائٹمنڈی سے انجام دیئے اور کمپنی کی کلیدی قیادت میں معاونت کی۔

بورڈ وقفے وقفے سے کمپنی کے مالیاتی گوشواروں کے ساتھ تمام نظم و ضبط کے معاملات جیسے منکشفات، پالیسیوں، ادارتی منصوبوں، بجٹ کی شفافیت اور انضباطی تقاضوں کو جائزہ لیتا ہے۔

کلیدی اور بنیادی کاروباری معاملات کا جائزہ لینے کے ساتھ ساتھ بورڈ نے خصوصی طور پر COVID-19 کی وباء سے ملحقہ خطرات کی تشخیص کی۔ وباء کے کمپنی پر پڑنے والے اثرات کو کم کرنے کے لئے مناسب حفاظتی اقدامات کئے۔

بورڈ کے انتخابات سالانہ اجلاس عام کی تاریخ 27 اکتوبر 2021 کو منعقد ہوئے۔ جس میں ڈائریکٹران کو اگلے تین سال کے لئے منتخب کیا جائے گا کیونکہ موجودہ بورڈ کی مدت مکمل ہونے والی ہے۔ میں اس موقع پر سبکدوش ہونے والے ڈائریکٹران کی سہاہت سے بورڈ کو شکر ادا کرتا ہوں اور مدد فراہم کرنے پر ان کا مشکور ہوں اور نئے آنے والے ڈائریکٹران کو اگلی مدت کے لئے خوش آمدید کہتا ہوں۔

### اعتراف

بورڈ کی جانب سے ہمارے تمام استفیڈان کے مسلسل تعاون اور حوصلہ افزائی پر میں ان کا خصوصی مشکور ہوں۔ میں اپنے ملازمین کے عزم اور ہر سطح پر انتھک محنت پر ان کا مشکور ہوں اور امید کرتا ہوں یہی تعاون اگلے سال بھی جاری رہے گا۔ بورڈ کے ممبران اور CEO کی کمپنی کو کلیدی قیادت فراہم کرنے کے عزم اور کوششیں قابل تعریف ہیں جن کا میں اعتراف کرتا ہوں۔

وسیم شفیق

چیئر مین

کراچی:

مورخہ 30 ستمبر 2021



# International Knitwear Limited

## سالانہ اجلاس عام کانوٹس

حصص یافتگان جنہوں نے ابھی اپنے منافع وصول نہیں کیا یا ان کے شیئرز ٹھیکیت کمپنی کے پاس موجود ہیں، ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنی منافع کی رقم اور/یا شیئرز ٹھیکیت کے کلیم کیلئے کمپنی سے رابطہ کریں۔

### فیزیکل شیئرز کی سی ڈی سی اکاؤنٹ میں منتقلی

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 72 کے تحت ہر موجودہ لسٹڈ کمپنی کو اپنے فزیکل شیئرز مقررہ صورت اور کمیشن کی مقررہ تاریخ (یعنی 30 مئی 2017ء) سے چار سال کی مدت میں بک انٹری میں رکھنا ہوں گے۔ ایس ای سی پی نے مورخہ 26 مارچ 2021ء کو جاری کردہ ایئر میں ایکٹ کی دفعہ 72 پر عمل درآمد کی تجویز کرتے ہوئے حصص یافتگان کی حوصلہ افزائی کی ہے کہ وہ اپنے شیئرز بک انٹری میں تبدیل کریں۔

فزیکل شیئرز کے حامل شیئرز ہولڈرز کو کسی بروکر یا انویسٹر کے ہمراہ سی ڈی سی سب اکاؤنٹ کھولنے کی ہدایت کی جاتی ہے یا اپنے فزیکل شیئرز کو براہ راست سی ڈی سی اکاؤنٹ میں جمع کرائیں اس امر سے انہیں کئی ہولیاٹ حاصل ہوں گی یعنی محفوظ کسٹڈی، شیئرز کی فروخت جب بھی وہ چاہیں چونکہ فزیکل شیئرز کی تجارت پاکستان اسٹاک ایکسچینج کے موجودہ ریگولیشن کے تحت ممنوع ہے۔



# International Knitwear Limited

## سالانہ اجلاس عام کانوٹس

کانوٹس کے ہمراہ آڈٹ شدہ مالیاتی گوشوارے الیکٹرانک میل سسٹم (ای میل) کے ذریعے وصول کریں۔ چنانچہ مستقبل میں سالانہ اجلاس عام کے نوٹس اور سالانہ رپورٹس الیکٹرانک ذرائع سے حاصل کرنے کے خواہشمند اراکین سے درخواست کی جاتی ہے وہ کمپنی کی ویب سائٹ [www.internationalknitwear.com](http://www.internationalknitwear.com) پر موجود رضامندی کے فارم پر اپنے ای میل درج کر کے کمپنی شیئرز رجسٹرار کو ارسال کریں۔ کمپنی اراکین کی درخواست پر انہیں مفت میں سالانہ رپورٹس کی نقول بھی فراہم کرے گی۔

### ویڈیو کانفرنس کی سہولت کیلئے رضامندی

کمپنی ایکٹ 2017 کے سیکشن 132(2) کے مطابق اگر کمپنی کو 10 فیصد یا اس سے زائد حصص رکھنے والے اراکین کی طرف سے کسی جوہر فیملی کے ساتھ ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کیلئے سالانہ اجلاس عام کی تاریخ سے 7 دن قبل درخواست موصول ہو تو اس صورت میں کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت کا انتظام کرے گی جو مذکورہ شہر میں اس طرح کی سہولت کی دستیابی سے مشروط ہوگی۔ یہ سہولت حاصل کرنے کیلئے ویڈیو میں دیے گئے پتہ پر کمپنی سکرٹری کو درخواست جمع کرائی جانی چاہیے۔

کمپنی سکرٹری

انٹرنیشنل ٹو ویئر لمیٹڈ

F-2A/L، سائیت، کراچی

### پتہ میں تبدیلی

پتہ میں تبدیلی کی صورت میں اراکین سے درخواست کی جاتی ہے کہ وہ کمپنی شیئرز رجسٹرار کو تبدیلی سے بروقت مطلع کریں۔

### آڈٹ شدہ مالیاتی گوشواروں کی کمپنی کی ویب سائٹ پر دستیابی

2021 کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے کے علاوہ گزشتہ سال کے سالانہ اور سہ ماہی کے بھی مالیاتی گوشوارے بھی کمپنی کی ویب سائٹ [www.internationalknitwear.com](http://www.internationalknitwear.com) پر دستیاب ہے۔

### الیکٹرانک طور پر نقد منافع کی ادائیگی (لازمی)

کمپنی ایکٹ 2017ء کی دفعہ 242 کے تحت ایک لکھ کمپنی کیلئے لازمی ہے کہ اپنے حصص یافتگان کو نقد منافع منقسمہ صرف بڑے اراکین کو تک طریقہ کار براہ راست ان کے مختلف بینک اکاؤنٹ میں ادا کریں۔ براہ راست اپنے بینک اکاؤنٹ میں منافع منقسمہ وصول کرنے کیلئے حصص یافتگان سے الیکٹرونک کرڈ ہیٹ مینڈیٹ فارم پُر کرنے کی گزارش ہے۔ مذکورہ فارم کمپنی کی ویب سائٹ پر [www.internationalknitwear.com](http://www.internationalknitwear.com) دستیاب ہے۔ فزیکل شیئرز کی صورت میں اس کو مکمل اور دیکھ کر کے ایس آئی سی کی کاپی کے ہمراہ کمپنی کے شیئرز رجسٹرار میٹرز ڈی سی شیئرز رجسٹرار سرور لمیٹڈ ڈی سی ایس باؤس، 99 بی، بلاک بی، ایس ایم سی ایچ ایس، مرکزی شاہراہ فیصل، کراچی 74400، پاکستان کو ارسال کر دیں۔ سی ڈی سی شیئرز کی صورت میں ای ڈی ویڈیو فارم براہ راست شیئرز ہولڈر کے رور / پارٹیسیپٹ / سی ڈی سی اکاؤنٹ سہ سٹروک اور سال کریں۔

بینک اکاؤنٹ کی تفصیلات کی عدم موجودگی یا نامکمل تفصیلات کی صورت میں کمپنی ان حصص یافتگان کے نقد منافع کو روک دے گی جنہوں نے یہ تفصیلات فراہم نہیں کیں۔

### غیر دعویٰ شدہ منافع اور غیر ترسیل شدہ شیئرز سرٹیفکیٹ

کمپنی نے سہ ماہی کمپنی ایکٹ 201 کے سیکشن 244 کے تحت اپنی ذمہ داریوں کو بخوبی ادا کیا ہے۔ کمپنی حصص یافتگان سے رابطہ کیا کہ وہ قانون کے مطابق اپنے غیر دعویٰ شدہ منافع اور غیر ادا شدہ شیئرز سرٹیفکیٹ کو تسلیم کریں۔



# International Knitwear Limited

## سالانہ اجلاس عام کارٹولس

فراہم نہیں کئے ہیں، ان سے درخواست ہے کہ جتنی جلدی ہو سکے تازہ شناختی کارڈ یا این ٹی این شناختی کی نقل مہیا کریں۔

☆ فیو بیکل فارم میں کپنی کے حصص رکھنے والے حصص یافتگان سے مذکورہ بالا معلومات کپنی کے شیئر رجسٹر ارجو جمع کرنے کی درخواست کی جاتی ہے۔

☆ سینٹرل ڈیپازٹری کپنی (سی ڈی سی) میں اپنے شیئرز رکھنے والے حصص یافتگان کو تجویز کیا جاتا ہے کہ وہ مذکورہ بالا معلومات پارٹنر شپٹ / سی ڈی سی انویسٹرا کاؤنٹ سروں کو براہ راست جمع کرائیں ممبر کو اجلاس میں شرکت کے موقع پر شریک کارٹی ڈی نمبر اور سی ڈی سی کاؤنٹ / سب اکاؤنٹ نمبر مدد اصل کپیڈ پرائمر ڈ شناختی کارڈ (سی این آئی سی) پیش کرنا ہوگا۔

### فائلز اور نان فائلز کیلئے انکم ٹیکس کی کٹوتی

یکم جولائی 2019ء سے نافذ عمل انکم ٹیکس آرڈیننس مجریہ 2001ء کی دفعہ 150 کے تحت منافع منقسمہ کی ادائیگی پر انکم ٹیکس مہیا کرنے کی شرح حسب ذیل کردی گئی ہے:

1.	ایکیونٹیکس دہندگان کی فعال فہرست (ATL) میں شامل افراد کیلئے	15 فیصد
2.	ایکیونٹیکس دہندگان کی فعال فہرست (ATL) میں غیر رجسٹرڈ افراد کیلئے	30 فیصد

جو انٹ اکاؤنٹ کی صورت میں ہر اکاؤنٹ ہولڈر کا نام ATL میں شامل ہے یا نہ ہونے کی صورت میں ان کے نقد منافع میں سے ٹیکس ہرجوائنٹ ہولڈر کے حصص کی بنیاد پر ٹیکس کاٹ لیا جائے گا۔ اس ضمن میں حصص یافتگان کی طرف سے شیئر رجسٹر ارجو کو تحریراً حسب ذیل مطلع کرنا لازمی ہے بصورت دیگر ہرجوائنٹ ہولڈر کو مساوی حصص کے حامل سمجھا جائے گا۔

پرنسپل حصص یافتہ		مشورہ کھاتے دار	
نام اور شناختی کارڈ نمبر	حصص کا تناسب (حصص کی تعداد)	حصص کا تناسب (حصص کی تعداد)	حصص کا تناسب (حصص کی تعداد)

شناختی کارڈ / این ٹی این نمبر لازمی ہے تاکہ فیڈرل بورڈ آف ریویو کی طرف سے وقتاً فوقتاً اپ ڈیٹ کی جانے والی ایکونٹیکس ریسٹ (ATL) میں ٹیکس کی حیثیت کو چیک کیا جاسکے۔

### انکم ٹیکس / زکوٰۃ کی کٹوتی سے استثنیٰ

وہ اراکین جو ٹیکس کٹوتی سے استثنیٰ چاہتے ہیں یا شرح پر ٹیکس کٹوتی کے اہل ان سے درخواست ہے کہ وہ تازہ ٹیکس ایکویٹیشن شناختی یا ضروری دستاویز ثبوت جمع کرائیں۔ وہ اراکین جو نقد منافع میں زکوٰۃ کی کٹوتی نہیں چاہتے، اس سے بھی زکوٰۃ کی عدم کٹوتی کا اعلان یہ جمع کرنے کی درخواست کی جاتی ہے۔

### شیئر ٹرانسفر بکس بند رہیں گی

کپنی کی حصص کتب 21 اکتوبر 2021ء تا 27 اکتوبر 2021ء (دو دن شامل) بند رہیں گی اور کوئی منتقلی قبول نہیں کی جائے گی۔ کپنی کے شیئر رجسٹرار سی ڈی سی۔ شیئر رجسٹرار سے رجسٹرڈ ہوں گے۔

شیئر رجسٹرار ڈیپازٹمنٹ سی ڈی سی ہاؤس 99-بی۔ بلاک بی۔ ایس ایم سی ایچ این مین شاہراہ فیصل کراچی 74400 کو 20 اکتوبر 2021ء کو اختتام کار تک موصول ہونے والی منتقلیاں سالانہ اجلاس عام کے مقصد کیلئے بروقت سمجھی جائیں گی۔

### ایکٹرائٹ ذرائع سے سالانہ رپورٹس کی ترسیل

ایس ای سی بی نے مورخہ 8 ستمبر کو جاری کردہ SRO.787(1)/2014 کے ذریعے حصص یافتگان کو یہ آپشن فراہم کیا ہے کہ وہ سالانہ اجلاس عام



# International Knitwear Limited

## سالانہ اجلاس عام کانوٹس

چوبیس گھنٹے قبل (یعنی 25 اکتوبر 2020 کو تین بجے دن سے قبل) حسب ذیل معلومات کی فراہمی کے ہمراہ کمپنی میں رجسٹریشن کرائیں۔

حصص یافتہ کا نام	شناختی کارڈ نمبر	فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر	موبائل نمبر	ای میل ایڈریس
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ہر شخص باذبحگان سے درخواست کی جاتی ہے کہ بروقت رابطے کو یقینی بنانے کیلئے اپنا فعال موبائل نمبر اور ای میل ایڈریس فراہم کریں۔

### مواصلات کے طریقے:

مذکورہ معلومات مندرجہ ذیل ذرائع کے ذریعے فراہم کی جاسکتی ہیں۔

الف) موبائل / واٹس اپ: 0300-8227586

ب) ای میل javed@internationalknitwear.com

مندرجہ بالا معلومات کی 25 اکتوبر 2021 کو سہ پہر تین بجے سے قبل موصولی پر کمپنی اجلاس میں شرکت کے خواہاں مندرجہ حصص یافتگان کے ساتھ ویڈیو لنک کی تفصیلات اور لاگ ان کی سہولت (زوم اپنی کمپنٹ) شیئر کرے گی۔

### اجلاس میں شرکت کیلئے

- اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروسٹیٹو مقرر کر سکتا ہے۔ پروسٹیٹو فارم ہر لحاظ سے مکمل اجلاس ہذا کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ آفس واقع میں مل جانا چاہیے۔
- انفرادی صورت میں کھاندہ دار یا ذیلی کھاندہ دار اپنے اپنے قومی شناختی کارڈ / سارٹ کارڈ یا اصل پاسپورٹ کی نقل اجلاس کے شروع ہونے سے پہلے 48 گھنٹوں سے کم وقت میں ای میل (جس کانوٹس میں ذکر کیا گیا ہے) پر بھیج کر اپنی شناخت ظاہر کرے گا۔
- کارپوریٹ ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ، نمونہ دستخط نامزد کن اجلاس کے شروع ہونے سے پہلے 48 گھنٹوں سے کم وقت میں (اگر پہلے سے پیش نہیں کی ہوں) ای میل کے ذریعے شیئر کی جائیں گی۔

### پروسٹیٹو کی تقرری کے لئے

- انفرادی صورت میں کھاندہ دار یا ذیلی کھاندہ دار یا وہ شخص جس کی گروپ کھاندہ میں نیکیورٹی زنج ہوں اور اس کی رجسٹریشن کی تفصیلات شرائط کے مطابق اپ لوڈ کی گئی ہوں، نمائندہ کی نامزدگی کا فارم اوپر بیان کردہ لوازمات کے مطابق جمع کرائے گا۔
- نامزدگی فارم میں دو گواہوں کے نام، اپنے اور قومی شناختی کارڈ کی تفصیلات درج ہوں۔
- بینی فیشل انٹرز اور مقرر کردہ نمائندہ کی تصدیق شدہ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول نامزدگی فارم جمع کرائی جائیں گی۔
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ، نمونہ دستخط نامزد کن کمپنی کے پراسٹیٹو فارم کے ہمراہ (اگر پہلے اس نے پیش نہ کیا ہو) جمع جائیں گی۔
- اراکین کی طرف سے اجلاس میں شرکت کرنے والے پروسٹیٹو کو ویڈیو لنک کے ذریعے اجلاس میں شرکت کے مقصد کیلئے ذیل میں معلومات فراہم کرنی ہوں گی۔

پراسٹیٹو کا نام	شناختی کارڈ نمبر	فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر	موبائل نمبر	ای میل ایڈریس

### کمپیوٹرائزڈ شناختی کارڈ نمبر / نیشنل ٹیکس نمبر

ریگولیشنری حکام کی جانب سے وقتاً فوقتاً جاری کردہ ہدایات کی تعمیل میں جن ممبرانے ابھی تک اپنے کمپیوٹرائزڈ شناختی کارڈ نمبر اور / یا بینش ٹیکس نمبر





# International Knitwear Limited

## سالانہ اجلاس عام کا نوٹس

منظور کیا جاتا ہے کہ رائٹرز ٹیکسٹل انٹرنیشنل لنڈ ویز لیمٹڈ کا آگست 2021 (31) سالانہ اجلاس عام بدھ 27 اکتوبر 2021ء کو سہ پہر تین بجے F-2A/L، سائٹ کراچی میں مندرجہ ذیل امور کی نشاندہی کیلئے ویڈیو لنک کے ذریعے منعقد کیا جائیگا:

### عمومی امور

1- 30 جون 2021ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی غور و خوض اور منظوری۔

2- 30 جون 2021ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہیرہ کا تعین۔ موجودہ آڈیٹرز میسرز آر ایس ایم او ایس حیدر لیاقت نعمان۔ چارٹرڈ اکاؤنٹنٹس نے معاہدہ مدت ختم ہونے کے بعد اولیہ کی بنیاد دوبارہ تقرری کیلئے اپنی خدمات پیش کی ہیں۔

3- کمپنی ایکٹ 2017 کی شق 159 کے تحت بورڈ کی طرف سے مقرر کردہ 7 ڈائریکٹرز کا تین سال کی مدت کیلئے انتخاب۔ ان ڈائریکٹرز کی تقرری اجلاس کے اختتام کے فوری بعد موثر ہوگی۔ سیکورڈس ہونے والے ڈائریکٹرز کے نام مندرجہ ذیل ہیں

1۔ وسیم شیخ	2۔ نسیم شیخ	3۔ جاوید خان	4۔ محمد شیخ
5۔ محمد ساجد حسین	6۔ مدثر حبیب خان	7۔ صالحہ ماجد	

### خصوصی امور

4- مندرجہ ذیل خصوصی قراری ترمیم یا بلا ترمیم منظوری سے ریلیفڈ پارٹیز کے ساتھ 30 جون 2021ء کو مکمل ہونے والے سال کے دوران کی گئیں ٹرانزیکشنز کی توثیق اور منظوری۔

”قرار پایا کہ 30 جون 2021ء کو مکمل ہونے والے سال کے دوران کمپنی کی ریلیفڈ پارٹیز کے ساتھ کی گئیں ٹرانزیکشنز، جو مالیاتی گوشواروں کے نوٹ 32 میں درج کی گئیں کا معائنہ کر کے منظوری اور توثیق کی جاتی ہے۔“

### دیگر امور

5- چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

تکملم بورڈ  
جاوید خان  
کمپنی سیکریٹری

کراچی  
05 اکتوبر 2021ء  
نوٹ

### کورونا وبا کے باعث سالانہ اجلاس عام (ایے جی ایم) کی منصوبہ بندی

کووڈ-19 (کورونا وائرس) کے باعث پیدا شدہ صورتحال کے پیش نظر اور مخصوص بعد میں آنے لہروں کے تناظر میں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے سرکلر نمبر 4، 2021ء بتاریخ 15 فروری 2021ء اور سرکلر نمبر 6، 2021ء بتاریخ 3 مارچ 2021ء کے ذریعے کمپنی کو حصص یافتگان کے تحفظ کیلئے سالانہ اجلاس عام کے معمول کے مطابق منصوبہ بندی میں تبدیلی کرنے کی ہدایت کی ہے۔

چنانچہ کمپنی کو کم کے لوازمات پر قبضہ کو یقینی بنانے کیلئے حصص یافتگان کو سالانہ اجلاس عام میں ویڈیو لنک کے ذریعے شرکت کی سہولت فراہم کرے گی۔ سالانہ اجلاس عام میں بڑے بورڈ یوٹو کنفرنس شرکت کے متنبی حصص یافتگان سے درخواست ہے کہ جلد از جلد اور سالانہ اجلاس عام ہذا کے انعقاد سے کم از کم

## 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,

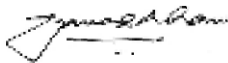
Main Shahra-e-Faisal, Karachi-74400.

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

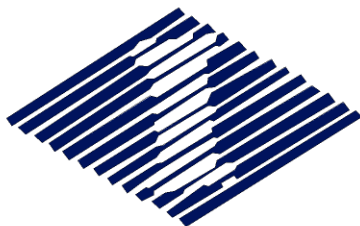
Email: info@cdcsrsl.com/website: www.cdcsrsl.com

Yours sincerely

For International Knitwear Limited



\_\_\_\_\_  
JAVED KHAN  
Director / CFO



International Knitwear Limited

## E-DIVIDEND MANDATE FORM

To:

Subject: Bank 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.

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Signature of the Shareholder

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### Notes:

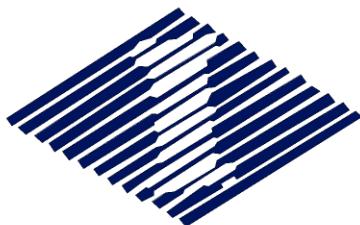
The Shareholders having physical shares have to address the Company Secretary IKL on the address given below:

The Company Secretary  
International Knitwear Limited  
F2-A/L 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 31th ANNUAL GENERAL MEETING

I/We \_\_\_\_\_ son/daughter/wife/husband of \_\_\_\_\_, Shareholder of International Knitwear Limited, holding \_\_\_\_\_ ordinary shares hereby appoint \_\_\_\_\_ who is my \_\_\_\_\_ [state relationship (if any) with the proxy; required by Government regulations] and the son / daughter / wife / husband of \_\_\_\_\_, (holding \_\_\_\_\_ ordinary shares in the Company under Folio No. \_\_\_\_\_ ) [required by Government] as my / our proxy, to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 27th, 2021 and / or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

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 \_\_\_\_\_

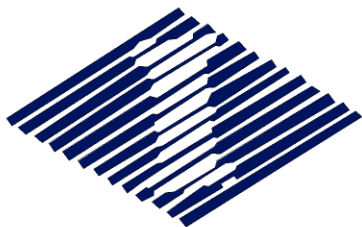
- Notes:
1. The proxy must be a member of the Company.
  2. The signature must tally with the specimen signature/s registered with the company.
  3. If a proxy is granted by a member who has deposited his/her shares in CDC Share Registrar Services Limited, the proxy must be accompanied with participant's 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



International Knitwear Limited

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

Phones: 32571463, 32574302-04

Fax: (021) 32564414

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