

ANNUAL REPORT

2023



International Knitwear Limited



International Knitwear Limited

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International Knitwear Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

| | |
|---------------------------|-----------------|
| Mr. Waseem Shafi | Chairman |
| Mr. Naeem Shafi | Chief Executive |
| Mr. Javed Khan | |
| Mr. Khalid Jamil Siddiqi | |
| Mr. Abdullah Ahsan Saleem | |
| Ms. Saleha Majid | |
| Mr. Muhammad Shafi | |

AUDIT COMMITTEE

| | |
|---------------------------|----------|
| Mr. Khalid Jamil Siddiqi | Chairman |
| Mr. Abdullah Ahsan Saleem | |
| Ms. Saleha Majid | |

HR & REMUNERATION COMMITTEE

| | |
|---------------------------|----------|
| Mr. Abdullah Ahsan Saleem | Chairman |
| Ms. Saleha Majid | |
| Mr. Muhammad Shafi | |

LEGAL ADVISOR

Ali Associates

BANKERS

Bank Al Habib Limited
Habib Bank Limited
Bank Alfalah
Dubai Islamic Bank
Faysal Bank Limited

REGISTERED OFFICE & FACTORY

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

REGISTRAR

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

WEBSITE

www.internationalknitwear.com



International Knitwear Limited

VISION AND MISSION

VISION

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

MISSION

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



International Knitwear Limited

REVIEW REPORT BY THE CHAIRMAN

I would like to take this opportunity to express my views in the enclosed Chairman Review Report for the year ended June 30, 2023, required under the provisions of section 192(4) of the Companies Act, 2017 on the overall performance and effectiveness of the board of International Knitwear Limited "Board" in achieving its objectives.

The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness are measured and bench marked against expectations in the context of objectives set for the Company.

For the financial year ending June 30, 2023, the Board's overall performance and effectiveness have been assessed as satisfactory. That performance is based on an evaluation of integral components, including vision, mission, and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business. I would also like to extend my acknowledgment and gratefulness to the Board for its positive contribution and continuous commitment.

The Board is composed of members with diverse backgrounds having relevant knowledge, skills, and experience in the textile business. Its appropriate balance of two executives, two non-executives, and three independent directors including one female director ensures its independence and empowerment.

The Board of Directors of your Company received agendas and supporting written material including follow-up materials in sufficient time before the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

I would like to thank all our shareholders, customers, bankers, and employees for their trust and support during the year. I would also like to thank the Board members, CEO, and his team for their dedication and hard work.

WASEEM SHAFI
Chairman

Karachi
September 27, 2023



International Knitwear Limited

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, 2023.

Financial Performance at a Glance

| Operating Results | 2023 Rupees | 2022 Rupees | Increase/(Decrease) Percentage |
|------------------------|----------------|----------------|-----------------------------------|
| Net sales | 611,489,441 | 670,262,761 | (8.77%) |
| Gross profit | 80,705,714 | 59,741,166 | 35.09% |
| Profit before taxation | 37,130,961 | 27,585,414 | 34.06% |
| Profit after taxation | 22,073,906 | 22,084,733 | - |
| Net Earnings per share | 2.28 | 2.28 | - |

Financial highlights for the year ended June 30, 2023, are summarized below:

In the year ending June 30, 2023, the Company has achieved Net sales of Rs. 611.48 million as compared to Rs.670.26 million same period last year (SPLY). Sales recorded a decrease of Rs. 58.77 million in the current year as compared to sales in the previous year ended 30, June 2022.

The gross profit of the Company was Rs. 80.70 million in the current year as compared to the gross profit of Rs. 59.74 million in the last year. Profit before taxation was 37.13 million as compared to Rs. 27.58 million for the corresponding period last year.

As a result of these factors, Net profit after tax for the year shows Rs. 22.07 million as compared to net profit of Rs.22.08 million SPLY. Earnings per share was Rs.2.28 per share compared to the same period last year 2022: Rs. 2.28.

Business Overview

Your company managed to secure revenues and profitability amidst tough operating conditions such as dwindling economic and political situation, unprecedented inflation, and a rise in direct/indirect taxes.

Despite the above-mentioned challenges, revenue and profit were maintained by the combination of price, volume, and favorable product mix changes.

These challenging circumstances have posed serious difficulties for the sustainable growth of the Industry and harmed both the international and domestic businesses which adversely impacted the Company's top and bottom lines. During the year the export sales recorded Rs.284.00 million as compared to Rs.277.19 million of SPLY. Similarly, the local sales recorded Rs.327.48 million as compared to Rs. 393.06 million in the corresponding period of last year.

During the year the Company's financial cost increased due to an increase in the policy rate by the State Bank of Pakistan (SBP), a higher markup rate for export-related financing schemes, and running finance costs.



International Knitwear Limited

DIRECTORS' REPORT

Earnings per share

Earnings per share after taxation were Rs. 2.28 as compared to Rs. 2.28 in last year's earnings for the shareholders.

Investment

The Company also generates a significant portion of its investment income from sustainable sources such as dividends and capital gain ensuring regular income. The investment portfolio is diversified amongst various sectors mainly focusing on blue-chipscrip having high dividend yields / paying bonuses and also future growth prospects and maintaining a balance between fixed-income securities and equities.

Other income including dividend income during the year was Rs. 8.07 million against Rs. 4.06 million in the corresponding period last year.

Capital Expenditure

The Company during the year made a capital investment of Rs.14.84 million to expand manufacturing capacity, enhance productivity, and improve plant efficiency.

Dividend

Bearing in mind our strategic investment, business need for future working capital requirement, and the Company's ability to generate cash, the Board of Directors is pleased to propose a final cash dividend at 10% i.e., Rs. 1.00 Per share for the year ended June 30, 2023.

Future Outlook

The textile industry is under pressure due to the global recession and high inflation. The domestic environment in the form of political uncertainty as well as the high cost of doing business including high financial costs and increased energy prices is creating tremendous pressure. Substantial damage to the cotton crop which is being substituted with expensive imports is also making the industry uncompetitive.

Regardless of challenges, your management like always, is more determined to make the best efforts to make the Company more resilient, growing on sustainable footings, and coming up to the expectations of all stakeholders.

Material Changes

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

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 regard to the safety, 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

Corporate and Financial Reporting Framework

In compliance with the provisions of the listing regulations of the Pakistan Stock Exchange, The Board members are pleased to place the following statements on record:

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;

- The Company maintains proper books of accounts;
- The Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval of the Board;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, are followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Summary of key operational and financial data for the last six years is shown on page No. 12.
- Information about taxes and levies is given in the notes to and forming part of financial statements.
- The valuation of investment made by the staff retirement Provident Fund (un-audited) as at June 30,2023 was Rs.9,624,059.



International Knitwear Limited

DIRECTORS' REPORT

Board of Directors and its Committees

COMPOSITION OF THE BOARD

In line with the requirements of the Regulations, the Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board. The current composition of the Board is as follows:

TOTAL NUMBER OF DIRECTORS:

- (a) Male: 6
- (b) Female: 1

COMPOSITION:

- i. Independent Directors: 3
- ii. Non-Executive Directors: 2
- iii. Executive Directors: 2

COMMITTEES OF THE BOARD

Audit Committee

- | | | |
|---|-----------------------|----------|
| 1 | Khalid Jamil Siddiqi | Chairman |
| 2 | Abdullah Ahsan Saleem | Member |
| 3 | Saleha Majid | Member |

Human Resource & Remuneration Committee

- | | | |
|---|-----------------------|----------|
| 1 | Abdullah Ahsan Saleem | Chairman |
| 2 | Muhammad Shafi | Member |
| 3 | Saleha Majid | Member |

Risk Management Committee

- | | | |
|---|----------------------|----------|
| 1 | Naeem Shafi | Chairman |
| 2 | Javed Khan | Member |
| 3 | Khalid Jamil Siddiqi | Member |

Nomination Committee

- | | | |
|---|----------------------|----------|
| 1 | Khalid Jamil Siddiqi | Chairman |
| 2 | Waseem Shafi | Member |
| 3 | Naeem Shafi | Member |



International Knitwear Limited

DIRECTORS' REPORT

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 | HRR C | BOD | AC | HRR C |
| 1 | Mr. Waseem Shafi | 1 | Re-elected w.e.f 27-10-2021 | No | - | - | 2/4 | - | - |
| 2 | Mr. Naeem Shafi | 2 | Re-elected w.e.f 27-10-2021 | Yes | - | - | 3/4 | - | - |
| 3 | Mr. Javed Khan | 1 | Re-elected w.e.f 27-10-2021 | Yes | - | - | 4/4 | - | - |
| 4 | Mr. Khalid Jamil Siddiqi | 1 | Appointed on 27-10-2022 | No | √ | | 2/2 | 2/2 | - |
| 5 | Mr. Abdullah Ahsan Saleem | 1 | Appointed on 19-04-2023 | No | √ | √ | 0/0 | 0/0 | 0/0 |
| 6 | Ms. Saleha Majid | 1 | Re-elected w.e.f 27-10-2021 | No | √ | √ | 3/4 | 3/4 | 1/1 |
| 7 | Mr. Muhammad Shafi | 1 | Re-elected w.e.f 27-10-2021 | No | - | √ | 2/4 | - | 1/1 |
| 8 | Mr. Arshad Ahmed | 1 | Resign on 27-10-2022 | No | √ | √ | 1/1 | 1/1 | 1/1 |
| 9 | Mr. Mudassir Habib Khan | 1 | Resign on 11-04-2023 | No | √ | - | 3/3 | 3/3 | - |



International Knitwear Limited

DIRECTORS' REPORT

Management Committee

The Management Committee comprises senior management headed by the Chief Executive Officer (CEO), who ensures that a proper system is developed and implemented across the Company that enables swift and appropriate decision-making. It acts in an advisory capacity to the 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.

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 the 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 Board of Directors has approved the Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration to its non-executive directors including Independent directors except for meeting fee for attending meetings of the Board and its Committees.
- The Company will reimburse or incur expenses of traveling and accommodation of Directors in relation to attending meetings of the Board and its Committees.
- The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to time.



International Knitwear Limited

DIRECTORS' REPORT

Pattern of Shareholding

A statement showing a pattern of shareholdings of the Company and additional information as at June 30, 2023, is included in the report.

Auditors

The present Auditors M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for their reappointment as auditors of the Company for the financial year ending June 30, 2024.

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 more than 25 years of experience on the Board of listed companies, therefore are exempt from the Directors Training Program. The Company has plans to conduct required training of director during the next fiscal year. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

Acknowledgment

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 27, 2023




International Knitwear Limited

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:

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|
| |'000'..... | | | | | |
| ASSETS EMPLOYED | | | | | | |
| Property, plant and equipment | 60,017 | 53,236 | 35,983 | 35,942 | 32,134 | 25,728 |
| Intangible assets | - | - | - | - | - | - |
| Long-term investments | 20,394 | 20,867 | 16,979 | 14,478 | 17,769 | 42,052 |
| Long-term deposits | 1,500 | 2,052 | 2,052 | 2,052 | 2,052 | 1,500 |
| Short-term investments | 20,006 | 17,439 | 16,781 | 8,506 | 4,177 | 26,228 |
| Net current assets | 75,075 | 67,514 | 71,626 | 72,410 | 70,898 | 65,192 |
| Total assets employed | 176,992 | 161,108 | 143,421 | 133,388 | 127,030 | 160,700 |
| FINANCED BY | | | | | | |
| Issued, subscribed and paid-up capital | 96,750 | 96,750 | 96,750 | 96,750 | 96,750 | 96,750 |
| Reserve and un-appropriated profit | 60,035 | 45,218 | 23,133 | 28,020 | 28,763 | 23,362 |
| Gain / (Loss) on revaluation of investments | 1,521 | 1,945 | 905 | (982) | (4,003) | 14,360 |
| Shareholder's equity | 158,306 | 143,913 | 120,788 | 123,788 | 121,509 | 134,473 |
| Long term and deferred liabilities | - | 642 | 6,693 | 12,723 | 2,048 | - |
| Total capital employed | 158,306 | 144,555 | 127,481 | 136,511 | 123,557 | 134,473 |
| Turnover | 611,489 | 670,262 | 488,090 | 537,457 | 451,098 | 393,230 |
| Profit before tax | 37,130 | 27,585 | 6,620 | 16,865 | 14,748 | 17,337 |
| Profit /(loss) after tax | 22,073 | 22,084 | (50) | 7,735 | 10,237 | 13,404 |
| Earnings/(loss) per share | 2.28 | 2.28 | (0.01) | 0.80 | 1.06 | 1.39 |
| Return on turnover | 3.6% | 3.2% | (0.10%) | 1.4% | 2.3% | 3.4% |
| Return on capital employed | 13.94% | 15.2% | (0.04%) | 5.6% | 8.3% | 8.3% |
| Dividend | | | | | | |
| Cash (%) | 10% | 7.5% | 0% | 5% | 5% | 5% |
| Stock (%) | 0% | 0% | 0% | 0% | 0% | 0% |

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED
Report on the Audit of the Financial Statements**


RSM Avasi Hyder Liaquat Nauman
Chartered Accountants
407, Progressive Plaza, Beaumont Road
Karachi, 75530-Pakistan
T: +92(21) 3565975-6
F: +92(21)3565-5977

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, 2023, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the 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, 2023 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.



RSM Avais Hyder Liaquat Nauman
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED
Report on the Audit of the Financial Statements**

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.

Following are the key audit matters:

| S. No. | Key Audit Matters | How the matter was addressed in our audit |
|--------|--|---|
| 1. | <p>Revenue <i>(Refer note 21 to the financial statements)</i></p> <p>The Company generates revenue from sale to export as well as local customers. We considered revenue recognition as key audit matter as it is one of the key performance indicators and because of the potential risk that revenue may not be recorded in the appropriate period.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none">-Obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls.-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.-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.-Ensured the adequacy of disclosures in accordance with applicable financial reporting standards and the Companies Act, 2017. |



RSM Awaiz Hyder Liaquat Nauman
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED
Report on the Audit of the Financial Statements**

| | | |
|----|---|---|
| 2. | Stock in trade <i>(Refer note 8 to the financial statements)</i> Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter. | Our audit procedures included the following: -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. -Attended physical inventory count performed by the Company. -Obtained and reviewed the inventory count report of the management and assessed its accuracy on a sample basis. -Ensuring that proper provision has been made for slow moving, obsolete and damaged inventory or items selling below cost. -Performed NRV test to ensure that the inventory is valued at lower of cost and NRV. |
|----|---|---|

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED
Report on the Audit of the Financial Statements**

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED
Report on the Audit of the Financial Statements**

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

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

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

-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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED
Report on the Audit of the Financial Statements**

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Syed Naveed Abbas.



Chartered Accountants

Karachi.

Date: October 04, 2023

UDIN:AR202310239fzMsIFtCr



International Knitwear Limited

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

| ASSETS | Note | 2023 Rupees | 2022 Rupees |
|--|------|--------------------|--------------------|
| Non-Current Assets | | | |
| Property, plant and equipment | 5 | 60,017,214 | 53,236,051 |
| Long term deposits | 6 | 1,500,000 | 2,052,600 |
| Long term loan and advances | 10 | 1,320,500 | 885,665 |
| Long term investments | 7 | 20,394,179 | 20,867,356 |
| | | 83,231,893 | 77,041,672 |
| Current Assets | | | |
| Stock in trade | 8 | 139,666,589 | 126,572,714 |
| Short term investments | 7 | 20,006,622 | 17,439,319 |
| Trade debts - considered good | 9 | 38,341,450 | 144,689,705 |
| Short term loans and advances | 10 | 22,739,181 | 10,144,284 |
| Other receivables | 11 | 9,637,815 | 9,673,404 |
| Taxation - net | 19 | 19,370,803 | 25,015,755 |
| Cash and bank balances | 12 | 1,613,678 | 5,481,510 |
| | | 251,376,138 | 339,016,692 |
| TOTAL ASSETS | | 334,608,031 | 416,058,364 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised Capital | | | |
| 20,000,000 Ordinary shares of Rs. 10 each | | 200,000,000 | 200,000,000 |
| Issued, subscribed and paid-up capital | 13 | 96,750,000 | 96,750,000 |
| Revenue Reserves | | | |
| Unappropriated profit | | 60,035,753 | 45,218,098 |
| | | 156,785,753 | 141,968,098 |
| Capital Reserves | | | |
| Unrealized gain on revaluation of investments - FVTOCI | | 1,521,192 | 1,945,594 |
| | | 158,306,945 | 143,913,692 |
| Non-Current Liabilities | | | |
| Lease liabilities | 14 | - | 642,288 |
| Deferred Liabilities - Deferred Taxation Liability/(Asset) | 15 | - | - |
| | | - | 642,288 |
| Current Liabilities | | | |
| Short term finance under mark-up arrangement - Secured | 17 | 28,884,947 | 152,477,501 |
| Current maturity of lease liabilities | 14 | - | 514,441 |
| Current maturity of MTF salary and wages(Covid-19) liabilities | 16 | - | 4,504,707 |
| Creditors, accrued and other liabilities | 18 | 145,444,568 | 111,162,376 |
| Unclaimed dividend | | 1,971,571 | 1,812,391 |
| Current portion of deferred grant | | - | 1,030,968 |
| | | 176,301,086 | 271,502,384 |
| Contingencies and Commitments | 20 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 334,608,031 | 416,058,364 |

The annexed notes 1 to 40 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 FOR THE YEAR ENDED JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|---|------|-------------------|-------------------|
| Net sales | 21 | 611,489,441 | 670,262,761 |
| Cost of goods sold | 22 | (530,783,728) | (610,521,595) |
| Gross profit | | 80,705,713 | 59,741,166 |
| Administrative and selling expenses | 23 | (33,568,777) | (24,677,539) |
| Operating profit | | 47,136,936 | 35,063,627 |
| Other income | 24 | 6,931,824 | 9,615,368 |
| Unrealized (loss) on revaluation of investments through P&L | | (1,356,528) | (636,679) |
| | | 5,575,296 | 8,978,689 |
| | | 52,712,232 | 44,042,316 |
| Finance cost | 25 | (12,832,766) | (14,412,440) |
| Other charges | 26 | (2,748,506) | (2,044,462) |
| | | (15,581,272) | (16,456,902) |
| Profit before taxation | | 37,130,960 | 27,585,414 |
| Taxation | 19 | (15,057,055) | (5,500,682) |
| Profit after taxation | | 22,073,905 | 22,084,733 |
| Earnings per share - basic and diluted | 28 | 2.28 | 2.28 |

The annexed notes 1 to 40 form an integral part of these financial statements.

WASEEM SHAFI
Chairman

NAEEM SHAFI

JAVED KHAN



International Knitwear Limited

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

| | 2023 Rupees | 2022 Rupees |
|--|-------------------|-------------------|
| Profit after taxation for the year | 22,073,905 | 22,084,733 |
| Items that will be subsequently reclassified to statement of profit or loss | - | - |
| Items that will not be subsequently reclassified to statement of profit or loss | | |
| Unrealised (loss) / gain on remeasurement of investments classified as FVTOCI - net of tax | (389,559) | 1,040,505 |
| Reclassification of OCI component on disposal of FVTOCI investment directly into equity | (34,843) | - |
| | (424,402) | 1,040,505 |
| Total comprehensive income for the year | 21,649,503 | 23,125,238 |

The annexed notes 1 to 40 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, 2023

| | -----Reserves----- | | | Total |
|---|--|--|---|--------------------|
| | Issued, Subscribed and Paid up Share Capital | Unrealized gain / (loss) on revaluation of investments | --Capital Reserve-- --Revenue Reserve-- Unappropriated profit | |
| | ----- Rupees ----- | | | |
| Balance as at June 30, 2021 | 96,750,000 | 905,089 | 23,133,365 | 120,788,454 |
| Total comprehensive income: | | | | |
| Net profit for the year ended June 30, 2022 | - | - | 22,084,733 | 22,084,733 |
| Fair value adjustment on investment classified as FVTOCI | - | 1,040,505 | - | 1,040,505 |
| Balance as at July 01, 2022 | 96,750,000 | 1,945,594 | 45,218,098 | 143,913,692 |
| Total comprehensive income: | | | | |
| Net profit for the year ended June 30, 2023 | - | - | 22,073,905 | 22,073,905 |
| Reclassification on disposal of FVTOCI directly into equity | - | (389,559) | - | (389,559) |
| Fair value adjustment on investment classified as FVTOCI | - | (34,843) | - | (34,843) |
| Unrealized loss realized and transfer of FVTOCI | - | - | - | - |
| Transaction with owners: | | | | |
| 7.5% cash dividend paid for the year ended June 30, 2022 | - | - | (7,256,250) | (7,256,250) |
| Balance as at June 30, 2023 | 96,750,000 | 1,521,192 | 60,035,753 | 158,306,945 |

The annexed notes 1 to 40 form an integral part of these financial statements.

WASEEM SHAFI
Chairman

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director / CFO



International Knitwear Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|--|------|----------------------|---------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 37,130,960 | 27,585,414 |
| Adjustment for non cash items: | | | |
| Depreciation | | 7,550,230 | 5,564,942 |
| (Gain) on sale of property, plant and equipment | | (2,930,113) | (1,244,000) |
| Other income | | (2,645,183) | (7,734,689) |
| Finance cost | | 12,832,766 | 14,412,440 |
| | | 14,807,700 | 10,998,693 |
| Profit before changes in working capital | | 51,938,660 | 38,584,107 |
| (Increase) / decrease in current assets | | | |
| Stock in trade | | (13,093,875) | (3,468,096) |
| Trade debts | | 106,348,255 | (96,695,097) |
| Short term loans and advances | | (13,029,732) | 169,770 |
| Other receivables | | 35,589 | 16,862,682 |
| | | 80,260,237 | (83,130,741) |
| Increase in current liabilities | | | |
| Creditors, accrued and other liabilities | | 34,282,192 | 8,378,806 |
| | | 34,282,192 | 8,378,806 |
| Financial charges paid | | | |
| Taxes paid | | (13,214,043) | (13,621,406) |
| Cash proceed from Sales tax | | (9,412,103) | (8,334,290) |
| | | 7,860,005 | 6,965,065 |
| Net cash generated / (used) in operating activities | | 151,714,948 | (51,158,458) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Capital expenditure | | (14,842,697) | (19,553,613) |
| Additions in investment | | (108,284,342) | (16,025,711) |
| Disposal of investment | | 102,330,418 | 9,234,929 |
| Proceeds from sale of property, plant and equipment | | 3,200,000 | 1,244,000 |
| Lease rentals paid | | (1,156,729) | (476,745) |
| Net cash (used) in investing activities | | (18,200,750) | (25,577,140) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Cash proceeds from short term finance under markup arrangement | | 104,960,490 | 268,332,000 |
| Repayment of short term finance under markup arrangement | | (234,957,256) | (187,390,166) |
| Dividend paid | | (7,097,071) | (5,542) |
| Net cash (used) / generated from financing activities | | (137,093,837) | 80,936,293 |
| Net (decrease) / increase in cash and cash equivalents | | (3,579,639) | 4,200,694 |
| Cash and cash equivalents at the beginning of the year | | (482,992) | (4,683,687) |
| Cash and cash equivalents at the end of the year | 29 | (4,062,631) | (482,992) |

The annexed notes 1 to 40 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, 2023

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. BASIS OF PREPARATION

2.1 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.

2.2 Basis of measurement

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

2.3 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.

2.4 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 4.2)
- Provision for impairment; (note 4.4)
- Valuation of work in progress; (note 4.8)
- Provision for obsolete inventory; (note 4.11)
- Taxation; (note 4.14)

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.

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLICABLE TO FINANCIAL STATEMENTS

Change in accounting standards, interpretations and amendments to published accounting and reporting standards

(a) Amendments to published accounting and reporting standards which became effective during the year:

There were certain amendments to the accounting and reporting standards which became mandatory for the Company during the year. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated financial statements.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

(b) Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated financial statements

4. 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.

4.1 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.

4.2 Financial Instruments

Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

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

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

Subsequent measurement

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

| | |
|------------------------------------|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in income statement. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement. |
| 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. |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

4.3 Regular way contracts

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

4.4 Impairment

Financial assets

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

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

Non-financial assets

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

4.5 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expired. 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.

4.6 Off-setting of financial assets and financial liabilities

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



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

4.7 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

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

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

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

4.8 Capital work in progress

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

4.9 Right-of use assets

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset

4.10 Leases

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. Liabilities in respect of short term and low value leases are not recognised and payments against such leases are recognised as expense in profit or loss.

4.11 Stock-in-Trade

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



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

4.12 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.

4.13 Compensated Absences

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

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Trade receivables

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

Contract liabilities

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

Right of return assets

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

Refund liabilities

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

4.20 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.

4.21 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.

4.22 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 | 46.44% | 53.56% |

4.23 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.

4.24 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, 2023

| 5. PROPERTY, PLANT AND EQUIPMENT | Note | 2023 | 2022 |
|----------------------------------|------|-------------------|-------------------|
| | | Rupees | Rupees |
| Operating assets | 5.1 | 60,017,214 | 52,511,801 |
| Capital work in progress | 5.2 | - | - |
| Right-of-use assets | 5.3 | - | 724,250 |
| | | 60,017,214 | 53,236,051 |

5.1 Operating Assets

| OWNED ASSETS | | | | | | | Total |
|--------------------|------------------|---------------------|------------------------|--------------------|----------------|-----------|-------|
| Leasehold Land | Factory Building | Plant and Machinery | Furniture and Fittings | Office Equipment's | Motor Vehicles | Computers | |
| ----- Rupees ----- | | | | | | | |

Year ended June 30, 2023

| | | | | | | | | |
|--------------------------------------|------------------|-------------------|------------------|------------------|----------------|-------------------|----------------|-------------------|
| Opening net book amount | 3,589,771 | 31,975,682 | 10,196,971 | 1,427,336 | 601,080 | 4,263,545 | 457,416 | 52,511,801 |
| Additions - cost | - | - | 231,000 | 289,100 | 312,500 | 9,292,750 | 487,200 | 10,612,550 |
| Transfer from CWIP/ROU | - | 3,988,730 | - | - | - | 241,417 | - | 4,230,147 |
| Disposals - cost | - | - | (1,368,500) | - | - | (1,892,500) | (326,800) | (3,587,800) |
| Depreciation charge | (47,177) | (1,859,815) | (1,833,564) | (480,606) | (233,427) | (2,281,495) | (331,313) | (7,067,397) |
| Disposals - accumulated depreciation | - | - | 1,101,813 | - | - | 1,892,500 | 323,600 | 3,317,913 |
| Closing net book amount | 3,542,594 | 34,104,597 | 8,327,720 | 1,235,830 | 680,153 | 11,516,217 | 610,103 | 60,017,214 |

At June 30, 2023

| | | | | | | | | |
|--------------------------|------------------|-------------------|------------------|------------------|----------------|-------------------|----------------|-------------------|
| Cost | 4,717,652 | 47,768,814 | 20,138,112 | 2,541,519 | 1,405,726 | 19,849,492 | 1,789,644 | 98,210,959 |
| Accumulated depreciation | (1,175,058) | (13,664,217) | (11,810,392) | (1,305,689) | (725,572) | (8,333,275) | (1,179,541) | (38,193,744) |
| Net book amount | 3,542,594 | 34,104,597 | 8,327,720 | 1,235,830 | 680,153 | 11,516,217 | 610,103 | 60,017,214 |

Year ended June 30, 2022

| | | | | | | | | |
|--------------------------------------|------------------|-------------------|-------------------|------------------|----------------|------------------|----------------|-------------------|
| Opening net book amount | 3,636,947 | 13,014,011 | 10,732,025 | 986,518 | 639,732 | 2,105,529 | 301,264 | 31,416,026 |
| Additions - cost | - | - | 1,207,000 | 626,052 | 151,000 | 3,475,725 | 452,644 | 5,912,421 |
| Transfer from CWIP/ROU | - | 20,168,896 | - | - | - | - | - | 20,168,896 |
| Disposals - cost | - | - | (100,000) | - | - | (1,400,090) | (25,000) | (1,525,090) |
| Depreciation charge | (47,176) | (1,207,225) | (1,742,054) | (185,234) | (189,652) | (1,317,709) | (296,492) | (4,985,542) |
| Disposals - accumulated depreciation | - | - | 100,000 | - | - | 1,400,090 | 25,000 | 1,525,090 |
| Closing net book amount | 3,589,771 | 31,975,682 | 10,196,971 | 1,427,336 | 601,080 | 4,263,545 | 457,416 | 52,511,801 |

At June 30, 2022

| | | | | | | | | |
|--------------------------|------------------|-------------------|-------------------|------------------|----------------|------------------|----------------|-------------------|
| Cost | 4,717,652 | 43,780,084 | 21,275,612 | 2,252,419 | 1,093,226 | 12,207,825 | 1,629,244 | 86,956,062 |
| Accumulated depreciation | (1,127,881) | (11,804,402) | (11,078,641) | (825,083) | (492,145) | (7,944,280) | (1,171,828) | (34,444,260) |
| Net book amount | 3,589,771 | 31,975,682 | 10,196,971 | 1,427,336 | 601,080 | 4,263,545 | 457,416 | 52,511,801 |

| | | | | | | | | |
|----------------------|----|----|-----|-----|-----|-----|-----|--|
| Rate of depreciation | 1% | 5% | 10% | 20% | 20% | 20% | 33% | |
|----------------------|----|----|-----|-----|-----|-----|-----|--|



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

5.1.1 Detail of disposal of property, plant and equipment

| | Cost | Accumulated depreciation | Book value | Sale proceeds | Gain | Mode of disposal | Particular of Purchaser |
|----------------------------|------------------|--------------------------|----------------|------------------|------------------|------------------|-------------------------|
| | Rupees | | | | | | |
| Plant and machinery | | | | | | | |
| Plant and machinery | 245,000 | 82,650 | 162,350 | 245,000 | 82,650 | Insurance Claim | jubilee Insurance |
| Plant and machinery scrap | 1,123,500 | 1,019,163 | 104,337 | 395,000 | 290,663 | Negotiation | Owais Apparels |
| | 1,368,500 | 1,101,813 | 266,687 | 640,000 | 373,313 | | |
| Motor Vehicles | | | | | | | |
| Vehicle Car (BFK-296) | 1,825,000 | 1,825,000 | - | 2,500,000 | 2,500,000 | Negotiation | Mr. Asif |
| Vehicle Bike (KKZ-7094) | 67,500 | 67,500 | - | 20,000 | 20,000 | Negotiation | Mr. Jamil Ahmed |
| | 1,892,500 | 1,892,500 | - | 2,520,000 | 2,520,000 | | |
| Computer/Laptop | | | | | | | |
| Computer scrap | 36,000 | 32,800 | 3,200 | 9,000 | 5,800 | Negotiation | Mr. Maqsood Alam |
| Computer scrap | 35,000 | 35,000 | - | 5,000 | 5,000 | Negotiation | Mr. Maqsood Alam |
| Computer scrap | 18,500 | 18,500 | - | 5,000 | 5,000 | Negotiation | Mr. Ejaz Khan |
| Computer scrap | 68,000 | 68,000 | - | 2,000 | 2,000 | Negotiation | Mr. Saleem Uddin |
| Computer scrap | 16,000 | 16,000 | - | 5,000 | 5,000 | Negotiation | Mr. M. Shahid |
| Computer scrap | 118,300 | 118,300 | - | 10,000 | 10,000 | Negotiation | Akash Gill |
| Computer scrap | 35,000 | 35,000 | - | 4,000 | 4,000 | Negotiation | Mr. Saleem Uddin |
| | 326,800 | 323,600 | 3,200 | 40,000 | 36,800 | | |
| | 3,587,800 | 3,317,913 | 269,887 | 3,200,000 | 2,930,113 | | |

5.1.2 Segment wise allocation of depreciation charge for the year

| | 2023 | | | 2022 | | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Export | Local | Total | Export | Local | Total |
| | Rupees | | | | | |
| Lease hold land | 21,911 | 25,266 | 47,177 | 19,510 | 27,666 | 47,176 |
| Factory building | 863,778 | 996,037 | 1,859,815 | 499,262 | 707,963 | 1,207,225 |
| Plant and machinery | 851,586 | 981,978 | 1,833,564 | 720,447 | 1,021,607 | 1,742,054 |
| Cost of goods sold | 1,737,275 | 2,003,281 | 3,740,556 | 1,239,220 | 1,757,235 | 2,996,455 |
| Furniture and fittings | 223,214 | 257,392 | 480,606 | 76,606 | 108,628 | 185,234 |
| Office equipments | 108,414 | 125,013 | 233,427 | 78,433 | 111,219 | 189,652 |
| Motor vehicles | 1,059,624 | 1,221,871 | 2,281,495 | 544,954 | 772,755 | 1,317,709 |
| Computers | 153,876 | 177,437 | 331,313 | 122,618 | 173,874 | 296,492 |
| Admin and selling expenses | 1,545,128 | 1,781,713 | 3,326,841 | 822,611 | 1,166,476 | 1,989,087 |
| | 3,282,402 | 3,784,995 | 7,067,397 | 2,061,831 | 2,923,712 | 4,985,542 |

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

5.2 Movement in capital work in progress

| | 2023 Rupees | 2022 Rupees |
|------------------------------------|----------------|----------------|
| Opening balance | - | 3,263,852 |
| Add: Addition during the year | 3,988,730 | 16,905,044 |
| Less: Transfer to operating assets | (3,988,730) | (20,168,896) |
| | - | - |

5.3 Right-of-use assets

| | 2023 Rupees | 2022 Rupees |
|------------------------------------|----------------|----------------|
| Motor Vehicle | | |
| Opening balances | 724,250 | 1,303,650 |
| Transferred to own assets | (241,417) | - |
| Additions during the period | - | - |
| Disposals | - | - |
| Depreciation charge for the period | (482,833) | (579,400) |
| | - | 724,250 |
| Rate of depreciation | 20% | 20% |

5.3.1 Depreciation expense relating to right to use assets - Motor Vehicle of Rs. 482,833/- has been charged in 'Admin and selling expenses'

6. LONG TERM DEPOSITS

| | | |
|---|------------------|------------------|
| Security deposits - SSGC | 1,500,000 | 1,500,000 |
| Security deposits - against finance lease | - | 552,600 |
| | 1,500,000 | 2,052,600 |

6.1 This includes the security deposit held by Bank Al-Habib Limited against the guarantee it has provided to Sui Southern Gas Company Limited against supply of gas to the Company. The guarantee provided by the bank to SSGC 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, 2023

| 7. INVESTMENTS | Note | 2023 Rupees | 2022 Rupees | |
|--|-------------|------------------------------------|-------------------|-------------------|
| Long Term Investments | | | | |
| At fair value through other comprehensive income (FVTOCI) | | | | |
| Equity securities - listed | 7.1 | 20,394,179 | 20,867,356 | |
| Short Term Investments | | | | |
| At fair value through profit or loss (FVTPL) | | | | |
| Equity securities - listed | 7.2 | 9,532,040 | 14,126,546 | |
| Mutual funds - listed | 7.2.1 | 10,474,582 | 3,312,773 | |
| | | 20,006,622 | 17,439,319 | |
| | | 40,400,801 | 38,306,675 | |
| | | | | |
| 7.1 Long Term Investments | | | | |
| Equity Securities - listed | | | | |
| Number of Shares | | | | |
| 2023 | 2022 | | | |
| - | 767 | The Searle Company Ltd. | - | 83,618 |
| 26,500 | 26,500 | Engro Fertilizer Limited. | 2,187,045 | 2,348,960 |
| 1,000 | 1,000 | Engro Corporation Ltd. | 259,890 | 257,090 |
| 40,500 | 40,500 | Pakistan Oilfields Ltd. | 16,271,685 | 16,435,305 |
| 14,500 | 14,500 | The Hub Power Company Limited | 1,008,910 | 988,465 |
| 1,708 | 864 | Millat Tractors Limited | 666,649 | 753,918 |
| | | | 20,394,179 | 20,867,356 |
| | | | | |
| 7.2 Short Term Investments | | | | |
| Equity securities - listed | | | | |
| Number of Shares | | | | |
| 2023 | 2022 | | | |
| 568 | 31,565 | The Searle Company Ltd. | 21,766 | 3,441,216 |
| 2,500 | 2,000 | Attock Petroleum Limited | 750,625 | 642,620 |
| 12,500 | 12,500 | Engro Polymer & Chemical Limited | 528,125 | 995,375 |
| 6,400 | 6,400 | Pakistan Oilfields Ltd. | 2,571,328 | 2,597,184 |
| 33,000 | 33,500 | Engro Fertilizer Limited. | 2,723,490 | 2,969,440 |
| 13,900 | 14,900 | Pakistan State Oil Co. Ltd. | 1,543,039 | 2,560,416 |
| 14,250 | 13,500 | The Hub Power Company Limited | 991,515 | 920,295 |
| 6,800 | - | Pakistan Petroleum Limited | 402,152 | - |
| | | | 9,532,040 | 14,126,546 |
| | | | | |
| 7.2.1 Short Term Investments | | | | |
| Mutual Funds - listed | | | | |
| Number of Units | | | | |
| 2023 | 2022 | | | |
| 11,165 | 9,759 | AKD Islamic Fund | 568,248 | 493,745 |
| 7,308 | 27,887 | MCB Cash Management Optimizer Fund | 741,448 | 2,819,028 |
| 74,848 | - | UBL Liquidity Plus Fund | 7,573,586 | - |
| 15,803 | - | UBL Money Market Fund | 1,591,300 | - |
| | | | 10,474,582 | 3,312,773 |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|---|-------------|--------------------|--------------------|
| 8. STOCK IN TRADE | | | |
| Raw material | | 29,274,943 | 12,197,441 |
| Work-in-process | | 105,605,613 | 99,503,116 |
| Finished goods | 8.1 | <u>4,786,033</u> | <u>14,872,157</u> |
| | | 139,666,589 | 126,572,714 |
| 8.1 Finished goods | | | |
| - Finished stock | | 1,611,323 | - |
| - Finished stock in transit | | - | 9,831,332 |
| - Scrap / Left over stock | | <u>3,174,710</u> | <u>5,040,825</u> |
| | | 4,786,033 | 14,872,157 |
| The finished goods includes left over stock of Rs 3.17 M (2022: 5.04 M) recorded at NRV. | | | |
| 9. TRADE DEBTS - CONSIDERED GOOD | | | |
| Foreign - secured, considered good | | 700,475 | 71,489,270 |
| Loss on translation of export debtors | | <u>(2,876)</u> | <u>(185,674)</u> |
| | | 697,599 | 71,303,596 |
| Local - unsecured | | | |
| - Considered good | | 37,643,851 | 73,386,109 |
| - Considered doubtful | | <u>523,270</u> | <u>523,270</u> |
| | | 38,167,121 | 73,909,379 |
| Less: Provision for bad debts | 9.1 | <u>(523,270)</u> | <u>(523,270)</u> |
| | 9.3 | 38,341,450 | 144,689,705 |
| 9.1 Provision for doubtful trade debts | | | |
| Opening provision | | 523,270 | 1,161,162 |
| Provision for the year | | - | - |
| Reversal of provision | | - | (637,892) |
| | | <u>523,270</u> | <u>523,270</u> |
| 9.2 As at June 30, 2023, trade receivables of Rs Nil (2022: Rs 0.523 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. | | | |
| 9.3 Age analysis of trade debts is as follows: | | | |
| Not yet due | | 38,341,450 | 144,589,269 |
| Past due | | | |
| - Upto 1 month | | - | 95,007 |
| - 1 to 6 months | | - | 5,429 |
| - More than 6 months | | <u>523,270</u> | <u>523,270</u> |
| | | 38,864,720 | 145,212,975 |
| 10. LOANS AND ADVANCES | | | |
| Loans and advances to employees - Long term portion - unsecured, considered good | | | |
| Loan to employees | 10.1 | 2,277,289 | 1,945,165 |
| Less: current portion of loan to employees | | <u>(956,789)</u> | <u>(1,059,500)</u> |
| | | 1,320,500 | 885,665 |
| Short term Loans and advances - unsecured, considered good | | | |
| Advance to contractor and supplier | | 21,782,392 | 1,311,254 |
| Current portion of advances to employees | | 956,789 | 1,059,500 |
| Short term deposits | | - | 7,773,530 |
| | | <u>22,739,181</u> | <u>10,144,284</u> |
| 10.1 The unsecured loans to employees are granted in accordance with the terms of employment. Loans are recoverable in monthly instalments over a period ranging between 3 to 5 years and are interest free. The outstanding balance as at June 30, 2023 pertains to a period between 1 - 3 years. | | | |
| Transactions: | | | |
| Advance to CFO | | | |
| Opening balance | | 140,000 | 190,000 |
| Paid advance during the year | | - | - |
| | | 140,000 | 190,000 |
| Refund advance during the year | | <u>(50,000)</u> | <u>(50,000)</u> |
| | | 90,000 | 140,000 |
| 10.2 Company loan made to CFO year 2021 to meet Educational expenses of his child which are subsequently received in instalments. The closing balance is Rs. 0.09 million as on June 30, 2023. | | | |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|--|------|------------------|------------------|
| 11. OTHER RECEIVABLES | | | |
| Sales tax refundable | | 6,726,851 | 5,974,154 |
| Export rebate receivables | | 336,185 | 347,110 |
| Research and development receivable | | 2,574,779 | 2,574,779 |
| Other receivable | | - | 777,361 |
| | | <u>9,637,815</u> | <u>9,673,404</u> |
| 12. CASH AND BANK BALANCES | | | |
| Cash in hand | | 100,000 | 100,000 |
| With banks in: | | | |
| - Treasures call accounts (deposit accounts) | | 2,571,129 | 6,789,175 |
| - Saving account | | 218,127 | - |
| - Current accounts | | 224,422 | 92,335 |
| | | 3,013,678 | 6,881,510 |
| Security deposit | 6.1 | (1,500,000) | (1,500,000) |
| | | <u>1,613,678</u> | <u>5,481,510</u> |

12.1 Deposit and savings accounts carry profit of 10.75 to 18.50 % per annum (2022: 5.5%-10.75% per annum)

| Number of Shares | | | |
|------------------|------------------|---|-------------------|
| 2023 | 2022 | | |
| 3,000,000 | 3,000,000 | Ordinary shares of Rs. 10/- each fully paid in cash. | 30,000,000 |
| 225,000 | 225,000 | Ordinary shares of Rs. 10/- each issued as bonus shares | 2,250,000 |
| 6,450,000 | 6,450,000 | Right shares of Rs. 10/- each fully paid in cash | 64,500,000 |
| <u>9,675,000</u> | <u>9,675,000</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.

| 14. LEASE LIABILITIES | | |
|---|---|------------------|
| Up to one year | - | 514,441 |
| Later than one year and not later than five years | - | 642,288 |
| | - | <u>1,156,729</u> |

| | June 2023 | | | June 2022 | | |
|---|------------------------|-------------------|--|------------------------|-------------------|--|
| | 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 | - | - | - | 585,468 | 71,027 | 514,441 |
| Later than one year but not later than five years | - | - | - | 650,184 | 7,896 | 642,288 |
| | - | - | - | <u>1,235,652</u> | <u>78,923</u> | <u>1,156,729</u> |

14.1 The above represents finance lease entered into with Bank Al-Habib Limited for lease of motor vehicle. The liability under the agreement was matured earlier on May 19, 2023 and was subject to 12 Month KIBOR+2.5%.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|---|--|--------------------|--------------------|
| 15. DEFERRED LIABILITIES - DEFERRED TAXATION LIABILITY/(ASSET) | | | |
| Deferred tax liability arising in respect of: | | | |
| Accelerated tax depreciation | | 1,241,362 | 957,414 |
| Right to use asset | | - | 126,020 |
| Unrealized gain on investments | | - | 60,574 |
| Deferred tax assets arising in respect of: | | | |
| Provision for doubtful debts | | (81,270) | (151,748) |
| Unrealized loss on investments | | (271,188) | - |
| Liability against asset subject to finance lease | | - | (201,271) |
| Carry forward turnover tax | | (1,274,726) | (2,462,463) |
| | | <u>(1,627,183)</u> | <u>(2,815,482)</u> |
| | | (385,821) | (1,671,474) |
| Not recorded due to prudence | 15.1 | <u>385,821</u> | <u>1,671,474</u> |
| | | - | - |
| 15.1 | During the year the amount of deferred tax asset estimated by the company is Rs. 0.385 million (2022: 1.671 million) 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. | | |
| 16. MTF SALARY AND WAGES(COVID-19) LIABILITIES | | | |
| MTF salary and wages(Covid-19) | 16.1 | - | 5,535,675 |
| MTF salary and wages(Covid-19) | | | |
| Up to one year | | - | 4,504,707 |
| Later than one year and not later then five years | | - | - |
| | | <u>-</u> | <u>4,504,707</u> |
| Deferred Grant | | | |
| Up to one year | | - | 1,030,968 |
| Later than one year and not later then five years | | - | - |
| | | <u>-</u> | <u>1,030,968</u> |
| 16.1 | MTF salary and wages(Covid-19) 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. 200.32 million (2022: 200.32 M), equitable Mortgage Charge of Rs. 324.52 million over Factory at Plot No. P-2A/L SITE, Karachi, Measuring 1,989 Acres in the name of International Knit Wear, having Market Value of Rs. 200.32 Mn & PSV Rs. 160.26 Mn, Valuation Conducted by Pakistan Inspection Co Pvt, limited and personal guarantee from 03 Directors for Rs. 400 million each. During the year the company has paid the outstanding balance amount. | | |
| 17. SHORT TERM FINANCE UNDER MARK-UP ARRANGEMENT - SECURED | | | |
| Running finance facility | 17.1 | 5,676,309 | 5,964,501 |
| Export refinance facility | 17.2 | 8,000,000 | 59,000,000 |
| Short term finance - local sales | 17.3 | 3,498,102 | 5,000,000 |
| Finance against Foreign documentary bills | 17.4 | - | 36,824,000 |
| Finance against local documentary bills | 17.5 | 11,710,536 | 45,689,000 |
| | | <u>28,884,947</u> | <u>152,477,501</u> |
| 17.1 | Running finance facility Secured from Bank Al Habib Limited against hypothecation charge over stocks and equitable mortgage over factory property at Plot # F-2A/L, SITE, Karachi amounting to Rs.200.32 million (2022: Rs. 200.32 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 (2022: 3 Months KIBOR + 2.5% p.a). The facility is renewable and is valid till June 30, 2023. The facility for running finance as at June 30, 2023 amounts to Rs. 6 million (2022: Rs. 6 million) of which amount remaining unutilized at the year end was Rs. 0.32 million (2022 : Rs. 0.035 million) | | |
| 17.2 | Export refinance facility Secured from Bank Al Habib Limited against hypothecation charge over stocks and equitable mortgage over factory property at Plot # F-2A/L, SITE, Karachi amounting to Rs.200.32 million (2022: Rs. 200.32 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 (2022: 3 Months KIBOR + 1.0% p.a). The facility is renewable and is valid till June 30, 2023. The facility for export refinance as at June 30, 2023 amounts to Rs. 39.0 million (2022: Rs. 75.5 million) of which amount remaining unutilized at the year end was Rs. 31.0 million. (2022: Rs. 16.5 million) | | |
| 17.3 | Short term finance - local sales The Finance secured from Bank Al Habib Limited against invoice of KHAADI (80% of invoice amount) The rate of mark-up is equal to 3 Months KIBOR + 2.5% p.a (2022: 3 Months KIBOR + 2.5% p.a). The facility is renewable and is valid till June 30, 2023. The facility for Short term finance - local sales as at June 30, 2023 amounts to Rs. 5 million (2022: 5 million) of which amounts remaining unutilized at the year end was Rs. 1.50 million. (2022 : Nil) | | |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

17.4 Finance against Foreign documentary bills

This facility is secured from Bank Al Habib Limited provided to negotiate (purchase) Foreign Documentary bills/documents submitted by the company on export made against export L/C denominated in Foreign Currency. The rate of mark-up 3 Month KIBOR + 2.5 % p.a (2022: 3 Month KIBOR + 2.5 % p.a). The facility is renewable and valid till June 30, 2023.

The facility for Short term finance - local sales as at June 30, 2023 amounts to Rs. 97.68 million (2022: 85 million) of which amounts remaining unutilized at the year end was Rs. 97.68 million . (2022 : 48 million)

17.5 Finance against local documentary bills

This facility is secured from Bank Al Habib Limited provided to negotiate (purchase) local Documentary bills/documents submitted by the company on local sales made against local L/C. The rate of mark-up 3 Month KIBOR + 2.5 % p.a (2022: 3 Month KIBOR + 2.5 % p.a). The facility is renewable and valid till June 30, 2023.

The facility for Short term finance - local sales as at June 30, 2023 amounts to Rs. 100.0 million (2022: 100.0 million) of which amounts remaining unutilized at the year end was Rs. 88.29 million . (2022 : 52.9 million)

17.6 Letter of credit Sight

This finance against import of packing and raw materials. Payment is made by the bank upon verification of documents.

This facility for import as at June 30, 2023 amounts to 2 million. (2022: 2 million) of which the amount remaining unutilised at the year the end was Nil. (2022: Nil)

18. CREDITORS, ACCRUED AND OTHER LIABILITIES

| | Note | 2023 Rupees | 2022 Rupees |
|--|------|--------------------|--------------------|
| Creditors | | 56,499,691 | 89,983,279 |
| Accrued expenses | | 9,605,792 | 12,815,221 |
| Compensated absences payable | | 1,824,961 | 1,271,959 |
| Other fund payable | 18.1 | 679,287 | 409,080 |
| Workers' profit participation fund | 18.2 | 3,473,165 | 1,481,494 |
| Workers' welfare fund | | 2,947,579 | 3,398,893 |
| Advance from customers | 18.3 | 68,759,674 | 489,449 |
| Advance from others | | - | 340,000 |
| Others | | 1,654,419 | 973,000 |
| | | <u>145,444,568</u> | <u>111,162,376</u> |
| 18.1 Other fund payable | | | |
| Provident fund | | 656,626 | 395,690 |
| EOBI payable | | 22,661 | 13,390 |
| | | <u>679,287</u> | <u>409,080</u> |
| 18.2 Workers' profit participation fund | | | |
| Opening balance | | 1,481,494 | - |
| Provision for the year | | 1,991,671 | 1,481,494 |
| | | 3,473,165 | 1,481,494 |
| Less: Payments made during the year | | - | - |
| | | <u>3,473,165</u> | <u>1,481,494</u> |
| 18.3 Advance from customers | | | |

The amount included of Rs. 68.05 million as advance received from Twinco Capital Finco against sale of El corte Ingels (export Customer)

19. TAXATION

Tax deducted at source

| | | |
|-------------------------|-------------------|-------------------|
| Less: Provision for tax | 34,427,858 | 30,516,436 |
| Current year | (11,350,753) | (7,993,084) |
| Prior year | (3,706,302) | 2,492,403 |
| | (15,057,055) | (5,500,681) |
| | <u>19,370,803</u> | <u>25,015,755</u> |

19.1 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.

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

For tax year 2008, an amended assessment order has been passed under section 122(SA) of the Income Tax Ordinance, 2001 by the Additional Commissioner Inland Revenue (ACIR) against which the company filed an appeal with Commissioner Inland Revenue Appeals-II who passed an order with certain amendments. In pursuance of such order, Company filed an appeal in 2011 before Appellate Tribunal and matter is pending for hearing.

20.2 Commitments

Commitments under letters of credit as at June 30, 2023 amounted to Rs. nil (2022: Rs. 30,576,780).



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

21. NET SALES

| | EXPORT | | LOCAL | | TOTAL | |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Rupees | | | | | | |
| Export | 281,619,832 | 278,020,865 | - | - | 281,619,832 | 278,020,865 |
| Sales local | - | - | 327,503,427 | 393,122,681 | 327,503,427 | 393,122,681 |
| Export rebates | 3,984,933 | 3,141,636 | - | - | 3,984,933 | 3,141,636 |
| | 285,604,765 | 281,162,501 | 327,503,427 | 393,122,681 | 613,108,192 | 674,285,182 |
| Sales discount | (1,354,515) | (2,556,501) | (15,893) | (55,129) | (1,370,408) | (2,611,630) |
| R&D/ Rebate Commission | (248,343) | (1,410,791) | - | - | (248,343) | (1,410,791) |
| | (1,602,858) | (3,967,292) | (15,893) | (55,129) | (1,618,751) | (4,022,421) |
| | 284,001,907 | 277,195,209 | 327,487,534 | 393,067,552 | 611,489,441 | 670,262,761 |
| 21.1 Sales local | | | | | | |
| Local | - | - | 376,530,206 | 452,128,945 | 376,530,206 | 452,128,945 |
| Others | - | - | 7,574,023 | 8,025,222 | 7,574,023 | 8,025,222 |
| | - | - | 384,104,229 | 460,154,167 | 384,104,229 | 460,154,167 |
| Sales tax Local | - | - | 55,339,107 | 65,693,949 | 55,339,107 | 65,693,949 |
| Sales tax others | - | - | 1,261,695 | 1,337,537 | 1,261,695 | 1,337,537 |
| | - | - | 56,600,802 | 67,031,486 | 56,600,802 | 67,031,486 |
| | - | - | 327,503,427 | 393,122,681 | 327,503,427 | 393,122,681 |

21.1.1 Others include scrap sales amounting to Rs. 2,679,493. (2022: Rs. 2,579,919)

22. COST OF GOODS SOLD

| | EXPORT | | LOCAL | | TOTAL | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Rupees | | | | | | |
| Raw and packing material consumed | | | | | | |
| Opening stock | 5,044,398 | 12,716,705 | 7,153,043 | 13,340,888 | 12,197,441 | 26,057,594 |
| Purchases | 126,125,693 | 137,979,708 | 145,437,728 | 195,657,588 | 271,563,422 | 333,637,296 |
| Closing stock | (13,596,538) | (5,044,398) | (15,678,405) | (7,153,043) | (29,274,943) | (12,197,441) |
| | 117,573,553 | 145,652,015 | 136,912,367 | 201,845,433 | 254,485,920 | 347,497,449 |
| Salaries, allowances and benefits | 24,867,293 | 22,407,082 | 28,674,907 | 31,773,625 | 53,542,200 | 54,180,707 |
| Provident fund contribution | 884,840 | 671,913 | 1,020,325 | 952,784 | 1,905,165 | 1,624,697 |
| Knitting charges | 5,847,254 | 4,040,272 | 6,742,570 | 5,729,174 | 12,589,824 | 9,769,446 |
| Dyeing and other charges | 31,940,707 | 26,597,228 | 36,831,384 | 37,715,325 | 68,772,091 | 64,312,553 |
| Embroidery / Printing charges | 11,963,334 | 8,784,836 | 13,795,129 | 12,457,049 | 25,758,463 | 21,241,885 |
| Stitching charges | 32,757,128 | 40,226,619 | 37,772,814 | 57,042,034 | 70,529,942 | 97,268,653 |
| Fuel and power | 4,212,533 | 3,233,755 | 4,857,544 | 4,585,519 | 9,070,077 | 7,819,274 |
| Communication | 140,859 | 176,285 | 162,426 | 249,975 | 303,285 | 426,260 |
| Postage & telegrams | 159,548 | 174,565 | 183,977 | 247,535 | 343,525 | 422,100 |
| Repairs and maintenance | 1,179,150 | 935,998 | 1,359,698 | 1,327,260 | 2,538,848 | 2,263,258 |
| Staff welfare and medical expenses | 125,690 | 98,312 | 144,935 | 139,408 | 270,625 | 237,720 |
| Motor vehicle and conveyance | 1,512,981 | 1,030,793 | 1,744,644 | 1,461,683 | 3,257,625 | 2,492,476 |
| Insurance | 316,587 | 222,850 | 365,061 | 316,005 | 681,648 | 538,855 |
| Depreciation | 1,737,274 | 1,239,220 | 2,003,281 | 1,757,235 | 3,740,555 | 2,996,455 |
| Clearing and forwarding | 2,384,196 | 3,455,818 | - | - | 2,384,196 | 3,455,818 |
| Freight, octroi and cartage | 3,045,213 | 2,100,201 | 3,511,489 | 2,978,120 | 6,556,702 | 5,078,321 |
| Export development charges | 957,326 | 774,036 | - | - | 957,326 | 774,036 |
| Factory compliance expenses | 231,609 | 258,496 | 267,073 | 366,552 | 498,682 | 625,048 |
| Commission on Sales tax/Income Tax refund | 182,526 | 145,903 | 210,474 | 206,892 | 393,000 | 352,795 |
| Travelling expenses | 507,702 | 609,694 | 585,439 | 864,556 | 1,093,141 | 1,474,250 |
| Inspection fees | 729,598 | 378,654 | 841,312 | 536,937 | 1,570,910 | 915,591 |
| Reversal of GST refundable | 1,253,653 | - | 1,445,608 | - | 2,699,261 | - |
| Others | 1,326,955 | 861,118 | 1,530,135 | 1,221,079 | 2,857,090 | 2,082,197 |
| | 128,263,954 | 118,423,645 | 144,050,227 | 161,928,750 | 272,314,181 | 280,352,395 |
| Work-in-process | | | | | | |
| Opening stock | 41,150,708 | 37,100,487 | 58,352,408 | 38,921,516 | 99,503,116 | 76,022,003 |
| Closing stock | (49,047,773) | (41,150,708) | (56,557,839) | (58,352,408) | (105,605,613) | (99,503,116) |
| | (7,897,065) | (4,050,221) | 1,794,569 | (19,430,892) | (6,102,497) | (23,481,113) |
| Cost of goods manufactured | 237,940,442 | 260,025,439 | 282,757,162 | 344,343,291 | 520,697,604 | 604,368,731 |
| Finished goods | | | | | | |
| Opening stock | 6,150,559 | 10,260,694 | 8,721,598 | 10,764,327 | 14,872,157 | 21,025,021 |
| Closing stock | (2,222,839) | (6,150,559) | (2,563,194) | (8,721,598) | (4,786,033) | (14,872,157) |
| | 3,927,720 | 4,110,135 | 6,158,404 | 2,042,729 | 10,086,124 | 6,152,864 |
| COST OF GOODS SOLD | 241,868,162 | 264,135,574 | 288,915,566 | 346,386,021 | 530,783,728 | 610,521,595 |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

23. ADMINISTRATIVE AND SELLING EXPENSES

| Note | EXPORT | | LOCAL | | TOTAL | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | Rupees | | | | | |
| Salaries, allowances and benefits | 8,356,099 | 6,610,839 | 9,635,563 | 9,374,282 | 17,991,662 | 15,985,121 |
| Provident fund contribution | 339,398 | 285,242 | 391,365 | 404,479 | 730,763 | 689,721 |
| Communication | 136,709 | 200,979 | 157,642 | 284,991 | 294,351 | 485,970 |
| Postage & telegrams | 4,962 | 2,718 | 5,722 | 3,854 | 10,684 | 6,572 |
| Staff welfare and medical expenses | 219,161 | 280,231 | 252,719 | 397,373 | 471,880 | 677,604 |
| Motor vehicle and conveyance | 921,216 | 500,738 | 1,062,270 | 710,056 | 1,983,486 | 1,210,794 |
| Repair and maintenance | 128,905 | 48,341 | 148,642 | 68,549 | 277,547 | 116,890 |
| Legal and professional charges | 242,800 | 196,849 | 279,976 | 279,135 | 522,776 | 475,984 |
| Auditors' remuneration | 23.1 | 276,300 | 207,482 | 260,950 | 487,250 | 416,070 |
| Depreciation | 5.1.2 | 1,769,376 | 1,062,229 | 2,040,299 | 1,506,258 | 3,809,675 |
| Printing and stationery | 134,356 | 92,198 | 154,929 | 130,739 | 289,285 | 222,937 |
| Advertisement and publicity | 71,693 | 61,174 | 82,670 | 86,745 | 154,363 | 147,919 |
| Fee, subscription and periodicals | 2,566,816 | 461,278 | 2,959,840 | 654,099 | 5,526,656 | 1,115,377 |
| Rent, rate and taxes | 243,849 | - | 281,186 | - | 525,035 | - |
| Insurance | 61,052 | 62,112 | 70,400 | 88,077 | 131,452 | 150,189 |
| Others | 168,087 | 133,282 | 193,825 | 188,997 | 361,912 | 407,904 |
| | 15,590,779 | 10,205,692 | 17,977,998 | 14,471,847 | 33,568,777 | 24,677,539 |

23.1 Auditors' Remuneration

| | 2023 | 2022 |
|-----------------------------------|----------------|----------------|
| | Rupees | Rupees |
| Annual audit | 253,400 | 206,250 |
| Half yearly review | 100,000 | 84,000 |
| Out of pocket expenses | 101,250 | 95,000 |
| Sales tax on audit and review fee | 32,600 | 30,820 |
| | 487,250 | 416,070 |

24. OTHER INCOME / (LOSS)

| | EXPORT | | LOCAL | | TOTAL | |
|---|----------------|------------------|------------------|------------------|--------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | Rupees | | | | | |
| Income From Financial Assets | | | | | | |
| Profit on bank accounts | 470,132 | 109,429 | 542,117 | 155,172 | 1,012,248 | 264,601 |
| Dividend income | 3,748,586 | 1,680,816 | 4,322,560 | 2,383,426 | 8,071,146 | 4,064,242 |
| Exchange loss - net | (4,275,620) | 5,207,925 | - | - | (4,275,620) | 5,207,925 |
| Grant income | 119,592 | 426,369 | 137,903 | 604,599 | 257,495 | 1,030,968 |
| Loss on disposal of investment - net | 24.2 | (794,926) | (1,095,355) | (916,643) | (1,711,569) | (2,648,586) |
| Reversal of provision against doubtful debts | - | - | - | 637,892 | - | 637,892 |
| Loss on translation of foreign currency debtors | (2,876) | (185,674) | - | - | (2,876) | (185,674) |
| Other Income | 302,299 | - | 348,587 | - | 650,886 | - |
| Income From Non-Financial Assets | | | | | | |
| Gain on disposal of property, plant and equipment | 1,360,870 | 514,471 | 1,569,243 | 729,529 | 2,930,113 | 1,244,000 |
| | 928,058 | 6,657,982 | 6,003,766 | 2,957,386 | 6,931,824 | 9,615,368 |
| 24.1 Dividend income | | | | | | |
| Listed Shares | | | | | 3,576,390 | 2,604,312 |
| Mutual Fund | | | | | 4,494,756 | 1,459,930 |
| | | | | | 8,071,146 | 4,064,242 |
| 24.2 (Loss) on disposal of investment | | | | | | |
| FVTPL | | | | | | |
| -Quoted securities | | | | | (1,688,261) | (2,648,586) |
| -Mutual funds | | | | | (23,308) | - |
| | | | | | (1,711,569) | (2,648,586) |
| FVTOCI | | | | | | |
| -Quoted securities | | | | | (34,843) | - |
| | | | | | (1,746,412) | (2,648,586) |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

25. FINANCE COST

| | EXPORT | | LOCAL | | TOTAL | |
|---|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | Rupees | | | | | |
| Mark-up on export refinance | 1,498,582 | 814,564 | 1,728,040 | 1,155,066 | 3,226,622 | 1,969,631 |
| Mark-up on running finance | 437,223 | 277,858 | 504,169 | 394,007 | 941,392 | 671,865 |
| Mark-up on MTF salary and wages (Covid-19) | 143,510 | 568,259 | 165,484 | 805,801 | 308,994 | 1,374,061 |
| Bank charges | 1,779,891 | 1,434,851 | 2,052,424 | 2,034,643 | 3,832,315 | 3,469,494 |
| Mark-up on liability against asset subject to finance lease | 40,699 | 44,747 | 46,931 | 63,452 | 87,630 | 108,199 |
| Brokerage and other charges | 5,669 | 23,047 | 6,538 | 32,681 | 12,207 | 55,727 |
| Mark-up on EFS loan | 308,082 | - | 355,255 | - | 663,337 | - |
| Mark-up on STF loan & Discounting | - | - | 3,760,270 | 6,763,464 | 3,760,269 | 6,763,464 |
| | 4,213,656 | 3,163,326 | 8,619,110 | 11,249,114 | 12,832,766 | 14,412,440 |

26. OTHER CHARGES

| | | | | | | |
|------------------------------------|------------------|----------------|------------------|------------------|------------------|------------------|
| Workers' profit participation fund | 925,017 | 612,690 | 1,066,654 | 868,804 | 1,991,671 | 1,481,494 |
| Workers' welfare fund | 351,507 | 232,822 | 405,328 | 330,146 | 756,835 | 562,968 |
| | 1,276,524 | 845,512 | 1,471,982 | 1,198,950 | 2,748,506 | 2,044,462 |

27. 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 | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | Rupees | | | | | |
| Net Sales | 284,001,907 | 277,195,209 | 327,487,534 | 393,067,552 | 611,489,441 | 670,262,761 |
| Cost of goods sold | (241,868,162) | (264,135,574) | (288,915,566) | (346,386,021) | (530,783,728) | (610,521,595) |
| Gross profit | 42,133,745 | 13,059,635 | 38,571,968 | 46,681,531 | 80,705,714 | 59,741,167 |
| Administrative and selling expenses | (15,590,779) | (10,205,692) | (17,977,998) | (14,471,847) | (33,568,777) | (24,677,539) |
| Segment results | 26,542,967 | 2,853,943 | 20,593,970 | 32,209,685 | 47,136,937 | 35,063,628 |
| Other income / (loss) | 928,058 | 6,657,982 | 6,003,766 | 2,957,386 | 6,931,824 | 9,615,368 |
| Unrealized gain / (loss) on revaluation of investments held for trading | (630,030) | (263,306) | (726,498) | (373,373) | (1,356,528) | (636,679) |
| Finance cost | (4,213,656) | (3,163,326) | (8,619,110) | (11,249,114) | (12,832,766) | (14,412,440) |
| Other charges | (1,276,524) | (845,512) | (1,471,982) | (1,198,950) | (2,748,506) | (2,044,462) |
| Profit before taxation from continuing operation | 21,350,815 | 5,239,781 | 15,780,147 | 22,345,634 | 37,130,961 | 27,585,415 |
| Taxation | | | | | | |
| - Current | (5,271,776) | (3,305,636) | (6,078,977) | (4,687,449) | (11,350,753) | (7,993,085) |
| - Prior | (735,990) | 494,937 | (2,970,312) | 1,997,466 | (3,706,302) | 2,492,403 |
| | (6,007,767) | (2,810,700) | (9,049,288) | (2,689,982) | (15,057,055) | (5,500,682) |
| Profit after taxation from continuing operation | 15,343,048 | 2,429,081 | 6,730,858 | 19,655,651 | 22,073,906 | 22,084,733 |

28. BASIC EARNINGS PER SHARE

| | 2023 | 2022 |
|--|-------------|-------------|
| | Rupees | |
| Earnings per share - basic and diluted | | |
| Profit after taxation | 22,073,905 | 22,084,733 |
| Number of ordinary shares | 9,675,000 | 9,675,000 |
| Earnings per share | 2.28 | 2.28 |

29. CASH AND CASH EQUIVALENTS

| | | | |
|--------------------------|------|--------------------|------------------|
| Cash and bank balances | 12 | 1,613,678 | 5,481,510 |
| Running finance facility | 17.1 | (5,676,309) | (5,964,501) |
| | | (4,062,631) | (482,992) |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

30. 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:

| | 2023 | | | 2022 | | |
|--|--------------------|------------------|------------------|------------------|------------------|------------------|
| | Directors | Chief Executive | Executives | Directors | Chief Executive | Executives |
| | ----- Rupees ----- | | | | | |
| Basic salary | 1,432,258 | 3,870,968 | 1,935,484 | 1,354,839 | 3,870,968 | 1,548,387 |
| Allowances | 787,742 | 2,129,032 | 1,064,516 | 745,161 | 2,129,032 | 851,613 |
| Company's contribution to provident fund | 119,355 | 322,581 | 161,290 | 112,903 | 322,581 | 129,032 |
| Medical expenses | 125,752 | 221,115 | 54,360 | 112,903 | 431,134 | 62,279 |
| Bonus | 125,806 | 322,581 | 161,290 | 112,903 | 322,581 | 129,032 |
| | 2,816,720 | 6,866,276 | 3,376,941 | 2,664,516 | 7,076,296 | 2,720,344 |
| Number of person(s) | 1 | 1 | 1 | 1 | 1 | 1 |

30.1 A sum of Rs. 230,000 (2022: Rs. 184,000) was paid being fee for attending the Board of Directors' meeting.

30.2 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.

31. TRANSACTIONS WITH RELATED PARTIES

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

| Balances: | Note | 2023 | 2022 |
|--|------|-------------------|-------------------|
| | | Rupees | Rupees |
| Provident Fund - outstanding balance | 18.1 | 656,626 | 395,690 |
| | | 656,626 | 395,690 |
| Contribution to staff retirement benefit plans | | 2,635,928 | 2,314,418 |
| Key management personnel's remuneration and other benefits | 30 | 13,059,937 | 12,461,155 |
| | | Un-audited | Audited |
| | | 2023 | 2022 |
| Size of the fund - total assets | | 13,633,584 | 10,041,442 |
| Percentage of investment made | | 70.59% | 60.69% |
| Fair value of investments | | 9,624,059 | 6,093,842 |
| Cost of above investments | | 9,854,084 | 6,076,369 |
| The breakup of fair value of investment is: | | 2023 | 2022 |
| | | Percentage | Percentage |
| UBL Money Market Fund | | 0.00% | 28.58% |
| NBP Financial Sector Income Fund | | 42.95% | 53.22% |
| UBL Cash Fund | | 43.52% | 0.00% |
| Investment in Shares | | 13.53% | 18.20% |
| | | 100.00% | 100.00% |
| | | Rupees | Rupees |
| | | 9,624,059 | 6,093,842 |

31.2 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, 2023

32 FINANCIAL INSTRUMENTS BY CATEGORY

| | | ----- As at June 30, 2023 ----- | | | |
|------------------------------|--|---------------------------------|-------------------|-------------------|-----------------------------|
| | | Amount in Rupees | | | |
| Note | | At Amortised Cost | FVTPL | FVTOCI | Other financial liabilities |
| FINANCIAL ASSETS | | | | | |
| | Cash and cash equivalent | 1,613,678 | - | - | - |
| | Investments | - | 20,006,622 | 20,394,179 | - |
| | Long term deposits | 1,500,000 | - | - | - |
| | Trade debts - considered good | 38,341,450 | - | - | - |
| | Loans and advances | 2,277,289 | - | - | - |
| | Other receivables | 9,637,815 | - | - | - |
| | Total Financial Assets | 53,370,232 | 20,006,622 | 20,394,179 | - |
| FINANCIAL LIABILITIES | | | | | |
| | Lease liability | - | - | - | - |
| | MTF salary and wages(covid-19) liabilities | - | - | - | - |
| | Short term finance under mark-up arrangement - Secured | 28,884,947 | - | - | - |
| | Creditors, accrued and other payables | - | - | - | 145,444,568 |
| | Total Financial Liabilities | 28,884,947 | - | - | 145,444,568 |
| | | ----- As at June 30, 2022 ----- | | | |
| | | At Amortised Cost | FVTPL | FVTOCI | Other financial liabilities |
| FINANCIAL ASSETS | | | | | |
| | Cash and cash equivalent | 5,481,510 | - | - | - |
| | Investments | - | 17,439,319 | 20,867,356 | - |
| | Long term deposits | 2,052,600 | - | - | - |
| | Trade debts - considered good | 144,689,705 | - | - | - |
| | Loans and advances | 1,945,165 | - | - | - |
| | Other receivables | 777,361 | - | - | - |
| | Total Financial Assets | 154,946,341 | 17,439,319 | 20,867,356 | - |
| FINANCIAL LIABILITIES | | | | | |
| | Lease liability | - | - | - | 1,156,729 |
| | MTF salary and wages(covid-19) liabilities | 5,535,675 | - | - | - |
| | Short term finance under mark-up arrangement - Secured | 152,477,501 | - | - | - |
| | Creditors, accrued and other payables | - | - | - | 112,643,870 |
| | Total Financial Liabilities | 158,013,176 | - | - | 113,800,599 |

33 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.

33.1 Credit Risk

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



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

i) **Exposure to credit risk**

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

| | NOTE | 2023 Rupees | 2022 Rupees |
|--------------------------|------|-------------------|--------------------|
| Financial assets: | | | |
| Trade debts | 9 | 38,341,450 | 144,689,705 |
| Loans and advances | 10 | 24,059,681 | 11,029,949 |
| Other receivables | 11 | 9,637,815 | 9,673,404 |
| Cash and bank | 12 | 3,113,678 | 6,981,510 |
| | | <u>75,152,625</u> | <u>172,374,569</u> |

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 bank balances along with credit ratings are tabulated below:

| Bank Name | Credit Rating | | |
|-----------------------|---------------|------------------|------------------|
| Bank Al-Habib Limited | A-1+ | 2,678,301 | 6,866,978 |
| Habib Bank Limited | A-1+ | 14,532 | 14,532 |
| Bank Alfalah | A-1+ | 47,196 | - |
| Dubai Islamic Bank | A-1+ | 55,523 | - |
| Faysal Bank Limited | A-1+ | 218,127 | - |
| | | <u>3,013,678</u> | <u>6,881,510</u> |

The Company always measures the loss allowance for trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full and it is subsequently written off, if required.

Concentration of credit risk exists when changes in economic and industry factors affect the group of counter parties whose aggregated credit exposure is significant in relation to the Company's total credit exposure. The Company's financial assets are broadly diversified and transactions are entered into with diverse credit worthy parties thereby mitigating any significant concentration risk. Therefore, the Company believes that it is not exposed to major concentration of credit risk.

33.2 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. 697,599 (2022 : Rs. 71,303,596) which are subject to currency risk.

Sensitivity analysis

The 10 percent strengthening / weakening of Pak Rupee against USD at June 30, 2023 would have (decreased) / increased profit and loss by Rs. 69,760 (2022: Rs. 7,130,360) accordingly. This analysis assumes that all other variables remain constant.

(ii) **Interest rate risk**

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

However, Company do possess short term interest bearing financial liabilities which includes Rs. 17,174,411 (2022: Rs. 75,625,937) which are subject to interest rate risk. Applicable interest rate for financial instruments have been indicated in respective notes.



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 KIBOR / SBP Base Rate, financial liabilities at the reporting date would have increased / (decreased) equity and profit or loss by Rs. 0.17 million (2022: Rs. 0.76 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 those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

33.3 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:

| Effective rate of interest % / Range % | 2023 | | | | | | Total |
|---|-------------------------------------|-------------------------|-----------|------------------------------|-------------------------|--------------------|---------------------|
| | INTEREST/MARK-UP BEARING | | | NON-INTEREST/MARK-UP BEARING | | | |
| | Maturity up to one year | Maturity after one year | Sub total | Maturity up to one year | Maturity after one year | Sub total | |
| | ----- Rupees ----- | | | | | | |
| Financial assets: | | | | | | | |
| Long term deposits | - | - | - | - | 1,500,000 | 1,500,000 | 1,500,000 |
| Investments | - | - | - | 20,006,622 | 20,394,179 | 40,400,801 | 40,400,801 |
| Trade debts | - | - | - | 38,341,450 | - | 38,341,450 | 38,341,450 |
| Other receivables | - | - | - | 9,637,815 | - | 9,637,815 | 9,637,815 |
| Cash and bank balances | 10.75%- 18.50% | 2,571,129 | - | 2,571,129 | 224,422 | - | 2,795,551 |
| | | 2,571,129 | - | 2,571,129 | 68,210,309 | 21,894,179 | 90,104,488 |
| | | | | | | | 92,675,617 |
| Financial liabilities: | | | | | | | |
| Long term liability against assets subject to finance lease | | - | - | - | - | - | - |
| Short term finance under mark-up arrangement | 3 Months KIBOR +2.5% & SBP rate +1% | 28,884,947 | - | 28,884,947 | - | - | 28,884,947 |
| Creditors, accrued and other payables | | - | - | - | 145,444,568 | 145,444,568 | 145,444,568 |
| Unclaimed dividend | | - | - | - | 1,971,571 | - | 1,971,571 |
| | | 28,884,947 | - | 28,884,947 | 147,416,139 | 147,416,139 | 176,301,086 |
| Sensitivity gap | | (26,313,818) | - | (26,313,818) | (79,205,829) | 21,894,179 | (57,311,650) |
| | | | | | | | (83,625,469) |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

| 2022 | | | | | | | Total |
|--|--------------------------|-------------------------|-----------|------------------------------|-------------------------|-----------|-------|
| Effective rate of interest % / Range % | 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 | - | - | - | - | 17,439,319 | 20,867,356 | 38,306,675 | 38,306,675 |
| Trade debts | - | - | - | - | 144,689,705 | - | 144,689,705 | 144,689,705 |
| Other receivables | - | - | - | - | 9,673,404 | - | 9,673,404 | 9,673,404 |
| Cash and bank balances | 5.50%-10.75% | 6,789,175 | - | 6,789,175 | 92,335 | - | 92,335 | 6,881,510 |
| | | 6,789,175 | - | 6,789,175 | 171,894,763 | 22,919,956 | 194,814,719 | 201,603,894 |

Financial liabilities:

| | | | | | | | | |
|---|-------------------------------------|----------------------|------------------|----------------------|--------------------|-------------------|--------------------|---------------------|
| Long term liability against assets subject to finance lease | | 514,441 | 642,288 | 1,156,729 | - | - | - | 1,156,729 |
| Short term finance under mark-up arrangement | 3 Months KIBOR +2.5% & SBP rate +1% | 152,477,501 | - | 152,477,501 | - | - | - | 152,477,501 |
| Creditors, accrued and other payables | | - | - | - | 111,162,376 | - | 111,162,376 | 111,162,376 |
| Unclaimed dividend | | - | - | - | 1,812,391 | - | 1,812,391 | 1,812,391 |
| | | 152,991,942 | 642,288 | 153,634,230 | 112,974,767 | - | 112,974,767 | 266,608,997 |
| Sensitivity gap | | (146,202,767) | (642,288) | (146,845,055) | 58,919,997 | 22,919,956 | 81,839,953 | (65,005,103) |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

33.4 Capital Risk Management

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

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

34. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds and equity securities which are carried at 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 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year. The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds and share prices for equity securities at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on going basis.

The following table analyses within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2023:

| Financial Assets | 2023 | | | |
|---|------------|---------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Investments: Fair Value through profit and loss | 40,400,801 | - | - | 40,400,801 |
| | 2022 | | | |
| Financial Assets | Level 1 | Level 2 | Level 3 | Total |
| Financial Investments: Fair Value through profit and loss | 38,306,675 | - | - | 38,306,675 |



International Knitwear Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

| | 2023 | 2022 |
|--------------------------------|------------------|------------------|
| 35. PRODUCTION CAPACITY | | |
| Installed capacity (Pcs.) | <u>1,300,000</u> | <u>1,300,000</u> |
| Actual production (Pcs.) | <u>604,859</u> | <u>915,543</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 installed capacity is mainly due to planned maintenance shutdown and gap between market demand and supply.

| | 2023 | 2022 |
|---|------------|------------|
| 36. NUMBER OF EMPLOYEES | | |
| Number of employees as on the date of financial statements: | <u>249</u> | <u>270</u> |
| - Factory employees | 121 | 131 |
| - Other employees | 128 | 139 |
| Average number of employees during the year: | <u>262</u> | <u>275</u> |
| - Factory employees | 133 | 141 |
| - Other employees | 129 | 134 |

37. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the board of directors of the Company and authorized for issue on September 27, 2023.

38. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on September 27, 2023 has proposed a final cash dividend of Rs. 1 per share amounting to Rs. 9,675,000. (2022: Rs. 0.75 per share amounting to Rs. 7,256,250). The approval of the shareholders of the Company shall be obtained at the upcoming Annual General Meeting for the year ended June 30, 2023. The financial statements for the year ended June 30, 2023 do not include the effect of the proposed final cash dividend.

39. Corresponding figures

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.

40. FIGURES

Figures have been rounded off to the nearest of rupee.

WASEEM SHAFI
Chairman

NAEEM SHAFI
Chief Executive

JAVED KHAN
Director / CFO



International Knitwear Limited

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

For the Year Ended June 30, 2023

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 |
| Independent Directors | Mr. Khalid Jamil Siddiqi Mr. Abdullah Ashan Saleem 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 some 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.
8. The Board of Director have a for mail policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.



International Knitwear Limited

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

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 as signed 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

| | |
|-----------------------|---------------------------------|
| Khalid Jamil Siddiqi | Chairman (Independent Director) |
| Abdullah Ahsan Saleem | Member |
| Saleha Majid | Member |

HR and Remuneration Committee

| | |
|-----------------------|---------------------------------|
| Abdullah Ahsan Saleem | Chairman (Independent Director) |
| Saleha Majid | Member |
| Muhammad Shafi | Member |

13. The terms of reference of the a for e said 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, 2022
 - b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2022
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.
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;



International Knitwear Limited


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

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, 6, 7, 8, 27,32, 33 and 36of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations3, 6, 7, 8,27,32,33 and 36 are below.
- I. The Chief Financial Officer also holds the office of the company secretary.
The Company will hire Company Secretary as required by the Regulation of the Listed Companies (Code of Corporate Governance) Regulations, 2019 as soon as the cash flow allows to bear an additional cost.
 - II. Company have not setup the Internal Audit Function.
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.
 - III. The board has not maintained the complete record of significant policies as required under the regulations.
During the year a significant progress has been made by the Company to maintain complete record of various significant policies. However the remaining Compliance will be complete by the year end June 30, 2024.

WASEEM SHAFI
Chairman

Karachi: September 27,2023

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**


RSM Avais Hyder Liaquat Nauman
Chartered Accountants
407, Progressive Plaza, Beaumont Road
Karachi, 75530-Pakistan
T: +92(21) 3565975-6
F: +92(21)3565-5977

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, 2023 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, 2023.

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**



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

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

Chartered Accountants

Karachi.

Date: October 04, 2023

UDIN:CR202310239E012oIFaU



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of the Company will be held on Friday, October 27, 2023, at 03:45 p.m. at F-2A/L, S.I.T.E, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 32nd Annual General Meeting held on October 27, 2022.
2. To receive, consider and approve the audited financial statements of the Company together with Director's and Auditor's Reports for the year ended June 30, 2023.
3. To declare and approve the final cash dividend of PKR 1.00 (10 %) per share as recommended by the Board of Directors for the year ended June 30, 2023.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2024. The present Auditors, M/s.RSM Avais Hyder Liaquat Nauman, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
5. To transact any other business with the permission of the Chair.

Karachi: October 05, 2023

By Order of the Board

JAVED KHAN
Company Secretary



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2023, to October 27, 2023 (both days inclusive).
2. Members are requested to immediately notify the change in their addresses if any to Shares Registrar:
M/s. CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S,
Shahrah-e-Faisal, Karachi
Customer Support Service Nos: +92-080023275
E-mail: info@cdcsrsl.com
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the above said addresses, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:
 - a) **For Attending Meeting:**
 - i) In the case of an individual, the account holder or sub-account holder, and/or the person whose securities are in a group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.
 - ii) In the case of the corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of the meeting.
 - b) **For Appointing Proxies:**
 - i) In the case of an individual, the account holder or sub-account holder, and/or the person whose securities are in a group account and whose registration details are uploaded as per the regulations, shall submit the proxy for as per the above requirements.
 - ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.
 - iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.



International Knitwear Limited

NOTICE OF ANNUAL GENERAL MEETING

- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In the case of a corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

5. Notice to Share holders who have not provided CNIC:

CNIC of the share holders is mandatory in term sofa directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05,2012, for the is suance of future dividend warrants etc. and in the absence of such information, payment of dividend may be with held in term of SECP's above-mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar with out any further delay.

6. Mandate for E-DIVIDENDS for shareholders:

In order to make the process of payment of cash dividends more efficient, the e-dividend mechanism has been envisaged where shareholders can get the amount of dividends credited into their respective bank accounts electronically with out any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no changes of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013, had advised all Listed Companies to adopt the e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing a dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014, has allowed companies to circulate Annual Audited Financial Statements along with a Notice of Annual General Meeting through email instead of sending the same through post, to those members who desire to avail this facility. The members who desire to opt to receive a fore said statements and notice of AGM through e-mail are requested to send their written consent to the Company's email address: javed@internationalknitwear.com, the audited financial statements of the Company for the year ended June 30, 2023 have been made available on the Company's website: <http://www.internationalknitwear.com>



International Knitwear Limited

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2023

| # Of Shareholders | Shareholdings'Slab | | | Total Shares Held |
|-------------------|--------------------|----|---------|-------------------|
| 278 | 1 | to | 100 | 7,674 |
| 220 | 101 | to | 500 | 57,462 |
| 616 | 501 | to | 1000 | 347,405 |
| 81 | 1001 | to | 5000 | 194,118 |
| 20 | 5001 | to | 10000 | 149,477 |
| 12 | 10001 | to | 15000 | 150,235 |
| 6 | 15001 | to | 20000 | 103,264 |
| 7 | 20001 | to | 25000 | 153,256 |
| 1 | 25001 | to | 30000 | 29,000 |
| 1 | 35001 | to | 40000 | 39,468 |
| 2 | 40001 | to | 45000 | 87,500 |
| 1 | 45001 | to | 50000 | 49,718 |
| 1 | 50001 | to | 55000 | 53,750 |
| 1 | 65001 | to | 70000 | 65,041 |
| 1 | 85001 | to | 90000 | 87,000 |
| 1 | 130001 | to | 135000 | 132,225 |
| 1 | 155001 | to | 160000 | 158,500 |
| 1 | 200001 | to | 205000 | 201,158 |
| 1 | 205001 | to | 210000 | 210,000 |
| 1 | 365001 | to | 370000 | 368,571 |
| 1 | 405001 | to | 410000 | 408,875 |
| 1 | 420001 | to | 425000 | 425,000 |
| 1 | 425001 | to | 430000 | 430,000 |
| 1 | 535001 | to | 540000 | 537,473 |
| 1 | 640001 | to | 645000 | 641,694 |
| 1 | 830001 | to | 835000 | 832,153 |
| 1 | 860001 | to | 865000 | 863,500 |
| 1 | 970001 | to | 975000 | 972,400 |
| 1 | 1915001 | to | 1920000 | 1,919,083 |
| 1262 | | | | 9,675,000 |



International Knitwear Limited

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2023

| Categories of Shareholders | Shareholders | Shares Held | Percentage | |
|--|--------------|--------------------|-------------------|---------------|
| Directors, Chief Executive Officer and their spouse(s) and minor children | | | | |
| WASEEM SHAFI | 4 | 65,912 | 0.68 | |
| NAEEM AHMED SHAFI | 2 | 1,919,120 | 19.84 | |
| JAVED KHAN | 2 | 8,089 | 0.08 | |
| MUHAMMAD SHAFI | 1 | 425,000 | 4.39 | |
| KHALID JAMIL SIDDIQI | 1 | 5,000 | 0.05 | |
| ABDULLAH AHSAN SALEEM | 1 | 10,000 | 0.10 | |
| SALEHA MAJID | 1 | 750 | 0.01 | |
| BUSHRA SHAFI | 2 | 7,870 | 0.08 | |
| HUMAIRA SHAFI | 2 | 972,500 | 10.05 | |
| Associated Companies, undertakings and related parties | | | | |
| | - | - | - | |
| NIT & ICP | | | | |
| | - | - | - | |
| Banks Development Financial Institutions, Non Banking Financial Financial Institutions. | | | | |
| | 1 | 67 | 0.00 | |
| Insurance Companies | | | | |
| | 1 | 158,500 | 1.64 | |
| Modarabas and Mutual Funds | | | | |
| | 2 | 1,042,153 | 10.77 | |
| General Public | | | | |
| a. Local | 1,233 | 5,022,005 | 51.91 | |
| b. Foreign | 3 | 2,500 | 0.03 | |
| Foreign Companies | | | | |
| | - | - | - | |
| Others | | | | |
| | 6 | 35,534 | 0.37 | |
| Totals | | 1,262 | 9,675,000 | 100.00 |
| Share holders holding 10% or more | | | | |
| | | Shares Held | Percentage | |
| NAEEM AHMED SHAFI | | 1,919,120 | 19.84 | |
| HUMAIRA SHAFI | | 972,500 | 10.05 | |



International Knitwear Limited

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2023

| S.No. | Folio # | Name of shareholder | Number of shares | Percentage% |
|--|--------------|---|------------------|--------------|
| Directors, Chief Executive Officer and their spouse(s) and minor children | | | | |
| 1 | 1 | WASEEM SHAFI | 39,468 | 0.41 |
| 2 | 3025 | WASEEM SHAFI | 3,765 | 0.04 |
| 3 | 03277-122587 | WASEEM A SHAFI | 15,000 | 0.16 |
| 4 | 03277-39281 | WASEEM A.SHAFI | 7,679 | 0.08 |
| 5 | 520 | NAEEM AHMED SHAFI | 37 | 0.00 |
| 6 | 03277-44659 | NAEEM AHMED SHAFI | 1,919,083 | 19.84 |
| 7 | 2982 | JAVED KHAN | 1,500 | 0.02 |
| 8 | 10629-132285 | JAVED KHAN | 6,589 | 0.07 |
| 9 | 05512-111016 | MUHAMMAD SHAFI | 425,000 | 4.39 |
| 10 | 01826-48207 | KHALID JAMIL SIDDIQI | 5,000 | 0.05 |
| 11 | 03277-98584 | ABDULLAH AHSAN SALEEM | 10,000 | 0.10 |
| 12 | 3057 | SALEHA MAJID | 750 | 0.01 |
| 13 | 20 | BUSHRA SHAFI | 3,870 | 0.04 |
| 14 | 11387-19144 | BUSHRA SHAFI | 4,000 | 0.04 |
| 15 | 19 | HUMAIRA SHAFI | 100 | 0.00 |
| 16 | 03277-97487 | HUMAIRA SHAFI | 972,400 | 10.05 |
| | | | 16 | 35.29 |
| Associated companies, undertakings and related parties | | | | |
| Nil | | | | |
| | | | 0 | - |
| NIT & ICP | | | | |
| Nil | | | | |
| | | | 0 | - |
| Banks Development Financial Institutions, Non Banking Financial Financial Institutions. | | | | |
| 1 | 03889-28 | NATIONAL BANK OF PAKISTAN | 67 | 0.00 |
| | | | 1 | 0.00 |
| Insurance Companies | | | | |
| 1 | 02139-29 | PREMIER INSURANCE LIMITED | 158,500 | 1.64 |
| | | | 1 | 1.64 |
| Modarabas and Mutual Funds | | | | |
| 1 | 02113-21 | FIRST EQUITY MODARABA | 210,000 | 2.17 |
| 2 | 03277-1651 | FIRST UDL MODARABA | 832,153 | 8.60 |
| | | | 2 | 10.77 |
| General Public Foreign | | | | |
| 1 | 03277-107401 | MUHAMMAD WASEEM ASLAM | 1,000 | 0.01 |
| 2 | 03277-110031 | MUHAMMAD NADEEM | 1,000 | 0.01 |
| 3 | 03277-114373 | MUDASSAR ZULFIQAR | 500 | 0.01 |
| | | | 3 | 0.03 |
| Foreign Companies | | | | |
| Nil | | | | |
| | | | 0 | - |
| Others | | | | |
| 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 |
| | | | 6 | 0.37 |



International Knitwear Limited

ڈائریکٹرز رپورٹ

حصص داری کی ساخت

30 جون 2023 کی کمپنی کی حصص داری کی ساخت اور اضافی معلومات اس رپورٹ کے ساتھ منسلک ہیں۔

آڈیٹرز

موجودہ آڈیٹرز میسرز RSM اوپس حیدرلیاقت نعمان، چارٹرڈ اکاؤنٹنٹس نے اہلیت کے باعث اپنی دوبارہ تقرری کی سفارش کی ہے۔ بورڈ نے آنے والے مالیاتی سال 2024 کے لئے آڈٹ کمیٹی کی سفارش پر میسرز RSM اوپس حیدرلیاقت نعمان، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز تقرری کی توثیق کی ہے۔

بعد از اس 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 ہوتی ہو۔

ڈائریکٹران کا تربیتی پروگرام

2 ڈائریکٹران نے ڈائریکٹرز تربیتی پروگرام میں شرکت کی ہے اور دو ڈائریکٹران لیکچررز کے بورڈ میں کام کرنے 25 سالہ تجربہ رکھتے ہیں، لہذا وہ ڈائریکٹران کے تربیتی پروگرام سے مستثنیٰ ہیں۔ اگلے مالیاتی سال کے دوران کمپنی کے پاس ڈائریکٹران کے درکار تربیتی پروگرام کے منصوبے ہیں۔ تمام ڈائریکٹران کارپوریٹ اداروں میں بطور ڈائریکٹر کام کرنے کے لئے مکمل طور پر اپنے فرائض اور ذمہ داریوں سے آگاہ ہیں۔

اعتراف

انتظامیہ بورڈ آف ڈائریکٹرز، نگران اداروں، حصص یافتگان، گاہکوں، مالیاتی اداروں، سپلائرز کے تعاون اور عملد اور ملازمین کے عزم اور انتھک محنت پر ان کے لئے ستائش ریکارڈ پر لانا چاہتی ہے۔

برائے و مخائب

نعم شفیق
چیف ایگزیکٹو

جاوید خان
ڈائریکٹر

کراچی: 27 ستمبر 2023



International Knitwear Limited

ڈائریکٹرز رپورٹ

انتظامی کمیٹی

چیف ایگزیکٹو آفیسر (CEO) کی سربراہی میں انتظامی کمیٹی اعلیٰ انتظامیہ پر مشتمل ہے جو اس بات کو یقینی بناتی ہے کہ کمپنی بھر میں موزوں نظام ترویج و نافذ رہے تاکہ کمپنی 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 بندیوں کو موزوں انداز میں ترسیل و نافذ کیا گیا ہے۔

بورڈ کے معیار اہلیت کی تشخیص

خدمات کے لازمی تقاضوں کے علاوہ مندرجہ ذیل پہلوؤں کے لحاظ سے انفرادی اور ٹیم کی سطح پر کمپنی کے بورڈ کی کارکردگی کی تشخیص باقاعدگی سے کی جاتی ہے:

- ☆ جنس، قابلیت، مہارت کا مرکب اور نفسیاتی تناظر کے حصول میں اثر پذیری
- ☆ دیانت داری، اعتماد، بھروسہ اور مہبران کی متحرک شرکت
- ☆ انتظامیہ کے طے کردہ سالانہ اہداف کا جائزہ اور تشخیص
- ☆ کمپنی کے لئے رہنمائی اور سمت بندی فراہم کرنے کی صلاحیت
- ☆ 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 کی تشخیص اور ادراک کی صلاحیت
- ☆ صحت، تحفظ اور ماحولیات، ملازمت اور کمپنی کی دیگر پالیسیوں اور طور طریقوں میں بہتری میں معاونت اور دلچسپی اور
- ☆ غیر ضروری مقدمہ بازیوں اور ساکھ کے خطرات سے کمپنی کو محفوظ رکھنا

بورڈ کی کارکردگی کی تشخیص

بورڈ کی مجموعی کارکردگی مندرجہ بالا پیمانے پہلوؤں کی بنیاد پر تسلی بخش پائی گئی کمیٹی رپورٹ 2017 کی دفعہ 192 کے تحت بورڈ کی کارکردگی پر ایک علیحدہ رپورٹ اس سالانہ رپورٹ میں شامل کی گئی ہے۔

ڈائریکٹران کا معاوضہ

بورڈ کے ممبران کا معاوضہ بورڈ بذات خود کرتا ہے۔ پالیسی کی اہم خصوصیات درج ذیل ہیں:

- ☆ کمپنی نان ایگزیکٹو ڈائریکٹران بشمول آزاد ڈائریکٹران کو بورڈ اور اس کی ذیلی کمیٹیوں کے اجلاس میں حاضری کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرے گی۔
- ☆ بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں حاضری کے لئے بورڈ سفری اور رہائش کے اخراجات کی باز ادائیگی کرے گی۔
- ☆ ڈائریکٹران کے معاوضہ کی پالیسی کا بورڈ آف ڈائریکٹرز وقتاً فوقتاً جائزہ لے گا۔



International Knitwear Limited

ڈائریکٹرز رپورٹ

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 (HRR) کا ایک اجلاس ہوا۔ ڈائریکٹران کی حاضری اور ان کی لسٹ کمیٹیوں بشمول انٹرنیشنل نٹ ویئر لمیٹڈ میں ڈائریکٹرشپ کی تعداد درج ذیل ہے:

| نمبر شمار | ڈائریکٹر کا نام | ڈائریکٹر شپ | نوعیت | ایگزیکٹو ڈائریکٹران | | کمیٹی ممبران | | | حاضری | | |
|--------------|-------------------------|----------------|------------------------------------|------------------------|-----|--------------|-----|-----|-------|-----|--|
| | | | | AC | HRR | HRR | AC | BOD | AC | HRR | |
| 1 | مسٹر وہیم شفیع | 1 | 27-10-2021 کو دوبارہ منتخب ہوئے | نہیں | - | - | - | 2/4 | - | - | |
| 2 | مسٹر نعیم شفیع | 2 | 27-10-2021 کو دوبارہ منتخب ہوئے | ہاں | - | - | - | 3/4 | - | - | |
| 3 | مسٹر جاوید خان | 1 | 27-10-2021 کو دوبارہ منتخب ہوئے | ہاں | - | - | - | 4/4 | - | - | |
| 4 | مسٹر خالد جمیل صدیقی | 1 | 27-10-2022 کو تقرری ہوئی | نہیں | ✓ | - | 2/2 | 2/2 | - | - | |
| 5 | مسٹر عبداللہ احسان سلیم | 1 | 19-04-2023 کو تقرری ہوئی | نہیں | ✓ | ✓ | 0/0 | 0/0 | 0/0 | - | |
| 6 | مس صالحہ ماجد | 1 | 27-10-2021 کو دوبارہ منتخب ہوئے | نہیں | ✓ | ✓ | 3/4 | 3/4 | 1/1 | - | |
| 7 | مسٹر محمد شفیع | 1 | 27-10-2021 کو دوبارہ منتخب ہوئے | نہیں | ✓ | - | - | 2/4 | 1/1 | - | |
| 8 | مسٹر ارشد احمد | 1 | 27-10-2022 کو استعفیٰ دیا | نہیں | ✓ | ✓ | 1/1 | 1/1 | 1/1 | - | |
| 9 | مسٹر مدثر حبیب خان | | 11-04-2023 کو استعفیٰ دیا | نہیں | ✓ | - | 3/3 | 3/3 | - | - | |



International Knitwear Limited

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ کی تشکیل

ریگولیشنز کے تقاضوں کے تحت کمپنی آزاد اور نان ایگزیکٹو ڈائریکٹران کے ساتھ صنعتی تنوع کی بورڈ میں شمولیت کی حوصلہ افزائی کی جاتی ہے۔ بورڈ کی تشکیل درج ذیل ہے:

ڈائریکٹران کی کل تعداد

(a) مرد: 6

(b) خواتین: 1

تشکیل

i - آزاد ڈائریکٹران: 3

ii - نان ایگزیکٹو ڈائریکٹران: 2

iii - ایگزیکٹو ڈائریکٹران: 2

کمیٹیوں کی تشکیل

آڈٹ کمیٹی

1 خالد جمیل صدیقی چیئرمین

2 عبداللہ احسان سلیم ممبر

3 صالحہ ماجد ممبر

انسانی وسائل و معاوضہ کمیٹی

1 عبداللہ احسان سلیم چیئرمین

2 محمد شفیع ممبر

3 صالحہ ماجد ممبر

خطرات کے انتظام کی کمیٹی

1 نعیم شفیع چیئرمین

2 جاوید خان ممبر

3 خالد جمیل صدیقی ممبر

ناز مردگی کمیٹی

1 خالد جمیل صدیقی چیئرمین

2 وسیم شفیع ممبر

3 نعیم شفیع ممبر



International Knitwear Limited

ڈائریکٹرز رپورٹ

اہم تبدیلیاں

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان 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 ساتھ قرب و جوار میں رہنے والے 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 کامرکز تحفظ کے تمام پہلوؤں کی بہتری ہے جس میں تحفظ، پیداوار، ترسیل، ذخیرہ اور مادوں کا استعمال شامل ہے۔ آپ کی کمپنی ماحولیات کے تحفظ اور پائیداری کو یقینی بنانے کے لئے کوشاں ہے۔

ترجیحات کے تعین کی رسائی

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

ادارتی اور مالیاتی رپورٹنگ فریم ورک

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کی شقوں کی پاسداری کرتے ہوئے بورڈ کے ممبران مسرت کے مندرجہ ذیل ریکارڈ پر لا چاہتے ہیں:

- ☆ کمپنی کی اختتامیہ 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 مرتب کی گئی ہیں۔

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

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

- ☆ مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے۔

- ☆ اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔

- ☆ کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔

- ☆ لسٹنگ ریگولیشنز میں دیئے گئے ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی قابل ذکر انحراف نہیں ہوا۔

- ☆ چھ سالوں کے اہم کاروباری اور مالیاتی اعداد و شمار صفحہ نمبر----- پر دکھائے گئے ہیں۔

- ☆ ٹیکسوں اور لگان سے متعلق معلومات مالیاتی گوشواروں کے نوٹ میں بیان کئے گئے ہیں اور مالیاتی گوشواروں کا حصہ ہیں۔

- ☆ 30 جون 2023 کو اسٹاف ریٹائرمنٹ پروویڈنٹ فنڈ کے غیر آڈٹ شدہ مالیاتی گوشواروں کے مطابق کی گئی سرمایہ کاری کی مالیت ہے۔ Rs.9,624,059



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ڈائریکٹرز رپورٹ

مندرجہ بالا دشواریوں کے باوجود قیمت، حجم اور مصنوعات کے مرکب میں سازگار تبدیلیوں کے ذریعے مشترکہ طور پر آمدن اور منافع کو برقرار رکھا گیا۔ ان دشواریوں اور حالات نے صنعت کی پائیدار نمو میں شدید مشکلات پیدا کیں اور عالمی اور مقامی کاروباروں کو نقصان پہنچایا جس سے کمپنی کی فروخت اور خالص منافع پر ناموافق اثرات مرتب ہوئے۔ سال کے دوران برآمدی فروخت 284.00 ملین روپے رہی جو کہ گزشتہ سال 277.19 ملین روپے تھی۔ اسی طرح مقامی فروخت 327.48 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں 393.06 ملین روپے تھی۔ سال کے دوران اسٹیٹ بینک آف پاکستان (SBP) کے پالیسی نرخ، برآمدات سے متعلق سرمایہ کاری اسکیموں پر بلند شرح سود اور رواں سرمائے کی لاگتوں میں اضافہ کے نتیجے میں کمپنی کی مالیاتی لاگت میں اضافہ ہوا۔

فی حصص آمدن

حصص یافتگان کے لئے بعد از ٹیکس فی حصص آمدن 2.28 روپے رہی جبکہ گزشتہ سال فی حصص آمدن 2.28 روپے تھی۔

سرمایہ کاری

کمپنی پائیدار ذرائع جیسے کہ منافع منقسمہ اور سرمائے پر منافع کے حصول سے باقاعدہ آمدنی حاصل کر رہی ہے۔ سرمایہ کاری پورٹ فولیو متنوع شعبوں پر مشتمل ہے جس میں بلیو چپ اسکرپ (اچھی ساکھ کے حامل حصص) پر توجہ مرکوز کی گئی ہے جس میں منافع منقسمہ کی منفعت اور بونسوں کی ادائیگی ہوتی ہے اور ان میں نمو کے امکانات ہوتے ہیں اور جامد آمدن کی حامل حصص اور تسکات کے درمیان توازن کو برقرار رکھتی ہے۔ سال کے دوران دیگر آمدن بشمول منافع منقسمہ آمدنی 8.07 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں 4.06 ملین روپے تھی۔

سرمایہ جاتی اخراجات

سال کے دوران کمپنی نے اپنی پیداواری گنجائش، پیداواریت اور پلانٹ کی استعداد میں بہتری کے لئے 14.84 ملین روپے کے سرمایہ جاتی اخراجات کئے۔

منافع منقسمہ

ہماری کلیدی سرمایہ کاریوں، کاروبار کے لئے مستقبل میں رواں سرمائے کی ضروریات اور کمپنی کی نقدی پیدا کرنے کی صلاحیت کے پیش نظر سال مختتمہ 30 جون 2023 کے لئے 1.00 روپے فی حصص یعنی 10 فیصد کے حساب سے نقد منافع منقسمہ کی تجویز دیتے ہوئے بورڈ آف ڈائریکٹرز اظہار مسرت کرتا ہے۔

مستقبل کی پیش بینی

عالمی سست روی اور بلند افراط زر کی وجہ سے ٹیکسٹائل کی صنعت دباؤ میں ہے۔ سیاسی عدم استحکام کی صورت میں کاروباری ماحول کے ساتھ ساتھ بلند کاروباری لاگت بشمول بلند مالیاتی لاگتوں اور توانائی کی بڑھتی ہوئی لاگتوں نے شدید دباؤ پیدا کیا۔ کپاس کی فصل کو قابل ذکر نقصان کی وجہ سے متبادل طور پر مہنگی درآمدات کرنی پڑ رہی ہیں جس کی وجہ سے مسابقت کے قابل نہیں رہی ہے۔

تمام دشواریوں کے باوجود آپ کی انتظامیہ ہمیشہ بہترین کوششیں بروئے کار لاتے ہوئے کمپنی کو چکدار، پائیدار نمو اور تمام متعلقین کی توقعات پر پورا اترنے کے لئے پرعزم ہے۔



International Knitwear Limited

ڈائریکٹرز رپورٹ

انٹرنیشنل نٹ ویئر لمیٹڈ کا بورڈ آف ڈائریکٹرز اپنی رپورٹ کے ساتھ سال تختہ 30 جون 2023 کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتا ہے۔
مالیاتی نتائج کا سرسری جائزہ

| اضافہ/ (کمی) فیصد | 2022 روپے | 2023 روپے | کاروباری کارکردگی کے نتائج |
|----------------------|--------------|--------------|----------------------------|
| (8.77%) | 670,262,761 | 611,489,441 | خالص فروخت |
| 35.09% | 59,741,166 | 80,705,714 | خام منافع |
| 34.06% | 27,585,414 | 37,130,961 | منافع قبل از ٹیکس |
| | 22,084,733 | 22,073,906 | منافع بعد از ٹیکس |
| | 2.28 | 2.28 | آمدنی فی حصص |

تختہ سال 30 جون 2023 کی پرمختصر مالیاتی جھلکیاں درج ذیل ہیں:
سال تختہ 30 جون 2023 میں کمپنی کی خالص فروخت 611.48 ملین روپے رہیں جبکہ گزشتہ سال 670.26 ملین روپے تھیں۔ سابقہ سال 30 جون 2022 کے مقابلے میں اس سال فروخت میں 58.77 ملین روپے کی کمی ہوئی۔ کمپنی کا خام منافع 80.70 ملین روپے رہا جبکہ گزشتہ سال خام منافع 59.74 ملین روپے تھا۔ منافع قبل از ٹیکس 37.13 ملین روپے رہا جو کہ گزشتہ سال 27.58 ملین روپے تھا۔
ان عوامل کے نتیجے میں خالص منافع بعد از ٹیکس 22.07 ملین روپے رہا جبکہ گزشتہ سال 22.08 ملین روپے تھا۔ فی حصص آمدن 2.28 روپے رہی جبکہ گزشتہ سال 2022 میں 2.28 روپے رہی۔

کاروباری جائزہ
شدید کاروباری حالات جیسے کہ متزلزل معاشی اور سیاسی صورتحال، غیر معمولی افراط زر اور بلا واسطہ/ بالواسطہ ٹیکسوں میں اضافہ کے باوجود آپ کی کمپنی آمدن اور منافع کو برقرار رکھنے میں کامیاب رہی۔



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چیئر مین کی جائزہ رپورٹ

کمپنیز ایکٹ کی دفعہ (4) 192 کی شقوں کے تحت میں چیئر مین کی جائزہ رپورٹ برائے مختتمہ سال 30 جون 2023 میں انٹرنیشنل نٹ ویئر لمیٹڈ کے 'بورڈ' کی کمپنی کے مقاصد کے حصول میں مجموعی کارکردگی اور اثر پذیری پر اپنی آراء پیش کر رہا ہوں۔

اس تشخیص کا مقصد کمپنی کے طے شدہ مقاصد کے تناظر میں بورڈ کی مجموعی کارکردگی اور اثر پذیری کی پیمائش اور بیچ مارک کی تشخیص کرنا ہے۔

مختتمہ سال 30 جون 2023 میں بورڈ کی مجموعی کارکردگی اور اثر پذیری کی تشخیص تسلی بخش رہی۔ کارکردگی کے بنیاد مجموعی اجزاء میں نصب العین، مشن اور اقدار، کلیدی منصوبہ بندی میں مشغولیت، پالیسیوں کی تشکیل، ادارے کی کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالیاتی نگرانی، تمام ملازمین کے ساتھ یکساں سلوک اور بورڈ کے امور کو مستعدی سے نمٹنا شامل ہیں۔ میں بورڈ کی مثبت معاونت اور مسلسل عزم پر اسے ستائش پیش کرتا ہوں اور اس کا مشکور ہوں۔

بورڈ متنوع پس منظر کے حامل ممبران پر مشتمل ہے جو کہ ٹیکسٹائل کے کاروبار سے متعلق علم، مہارت اور تجربہ رکھتے ہیں۔ مناسب توازن کے لئے دو ایگزیکٹو، دو نان ایگزیکٹو اور تین آزاد ڈائریکٹران بشمول ایک خاتون ڈائریکٹر شامل ہیں جس سے آزادی اور خود مختاری کو یقینی بنایا گیا ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کو ایجنڈے اور تائیدی تحریری مواد بشمول عملدرآمد کی نگرانی کا مواد کافی وقت پہلے پیش کر دیا جاتا ہے۔ بورڈ کے اجلاس اتنی تعداد میں ہوتے ہیں کہ وہ اپنی ذمہ داریوں سے عہدہ برآں ہو جاتا ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹران مساوی طور پر اہم فیصلوں میں مشغول ہوتے ہیں۔

سال کے دوران ہمارے تمام حصص یافتگان، گاہکوں اور ملازمین کے اعتماد اور تعاون پر ان کا مشکور ہوں۔ میں بورڈ کے ممبران، CEO اور ان کی ٹیم کو انتھک محنت اور جدوجہد پر ستائش پیش کرتا ہوں۔

وسیم شفیع
چیئر مین

کراچی:

مورخہ 27 ستمبر 2023



International Knitwear Limited

سالانہ اجلاس عام کانوٹس

اب تک فراہم نہیں کئے ہیں ان سے ایک مرتبہ پھر درخواست ہے کہ اپنے CNIC براہ راست شیئر رجسٹرار کو کسی تاخیر کے بغیر فراہم کر دیں۔

6- حصص یافتگان کے لئے ای-ڈویڈنڈز مینڈیٹ

نقد منافع منقسمہ کی ادائیگی کے عمل کو مزید مستعد بنانے کے لئے حصص یافتگان کے لئے ای-ڈویڈنڈز کا نظام تیار کیا گیا ہے جس کے تحت منافع منقسمہ کی رقم کسی تاخیر کے بغیر ان کے متعلقہ بینک اکاؤنٹ میں منتقل ہو جائے گی۔ اس طرح منافع منقسمہ فوری طور پر متعلقہ بینک اکاؤنٹ میں منتقل ہو جائیں گے اور ڈاک میں منافع منقسمہ کے وارنٹس گم ہو جانے، غیر ترسیل شدہ رہنے یا غلط پتے پر ترسیل ہونے کے مواقع ختم ہو جائیں گے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹس نمبر SM/CDG (4) 8 2008 مورخہ 5 اپریل 2013 کے تحت تمام لسٹڈ کمپنیوں کو ای ڈویڈنڈ نظام اختیار کرنے کا مشورہ دیا ہے۔ مندرجہ بالا کو مد نظر رکھتے ہوئے آپ کی حوصلہ افزائی کی جاتی ہے کہ ای ڈویڈنڈ کے لئے ایک ڈویڈنڈ مینڈیٹ فارم پر اپنے کوائف بھر کے باضابطہ پر شدہ فراہم کر دیں۔

7- مالیاتی گوشواروں وغیرہ کی برقی ترسیل

SECP کے نوٹیفکیشن بذریعہ SRO.787(1)/2014 مورخہ 8 ستمبر 2014 کے مطابق SECP نے کمپنی کے ممبران کی سہولت کے لئے ممبران کو سالانہ مالیاتی گوشواروں کے ساتھ ساتھ سالانہ اجلاس عام کے نوٹس ان ممبران کو بذریعہ ڈاک بھیجنے کے بذریعہ ای میل ترسیل کرنے کی اجازت دی ہے، جو اس سہولت سے استفادہ کے خواہشمند ہوں۔ لہذا جو ممبران مذکورہ بالا گوشوارے اور AGM کانوٹس بذریعہ ای میل موصول کرنا چاہتے تو اپنی تحریری رضامندی بذریعہ ای میل ایک معیاری درخواست فارم پر کر کے کمپنی کے ای میل ایڈریس: javed@internationalknitwear.com پر فراہم کر دیں، سال تختہ 30 جون 2023 کے مالیاتی گوشوارے کمپنی کی ویب سائٹ www.internationalknitwear.com پر بھی دستیاب ہیں۔



International Knitwear Limited

سالانہ اجلاس عام کا نوٹس

- A اجلاس میں حاضری کے لئے
- I انفرادی فرد کی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/یا فرد جن کے حصص گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضابطوں کے مطابق اپ لوڈ کر دی گئی ہیں، انہیں اجلاس میں حاضری کے وقت اپنا اصل قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھانا ہوگا۔
- II کارپوریٹ انٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیار نامہ کے ساتھ نامزد فرد کے نمونہ دستخط اجلاس میں حاضری کے وقت پیش کئے جائیں گے (اگر پہلے پیش نہ کئے ہوں)
- B پراکسی کی تقرری کے لئے:
- I انفرادی فرد کی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/یا فرد جس کے حصص گروپ اکاؤنٹ کی صورت میں ہوں اور ان کی رجسٹریشن کی تفصیلات ضابطوں کے تحت اپ لوڈ کر دی گئی ہیں وہ ضرورت کے تحت پراکسی فارم پیش کر سکتے ہیں۔
- II پراکسی فارم پر دو گواہان کے دستخط ہونے چاہئیں جن کے نام، پتے اور CNIC نمبر فارم پر درج ہونے چاہئیں۔
- III پراکسی اور انتظامی مالکان کی CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ پیش کی جائیں گی۔
- IV پراکسی اپنی اصل CNIC یا اصل پاسپورٹ اجلاس میں حاضری کے وقت دکھائے گا۔
- V کارپوریٹ انٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیار نامہ بمع نامزد فرد کے نمونہ دستخط کمپنی کے پراکسی فارم کے ساتھ پیش کئے جائیں گے۔ (اگر پہلے پیش نہ کئے ہوں)
- 5 وہ ممبران جنہوں نے اپنے CNIC پیش نہیں کئے ہیں:
- سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے 2012/831(1) S.R.O. مورخہ 05 جولائی 2012 کے تحت مستقبل کے منافع منقسمہ کے پروانوں کے اجراء کے لئے حصص یافتگان کے CNIC لازمی ہیں اور اس معلومات کی نہ ہونے کی صورت میں SECP کی مندرجہ بالا رہنمائی کے تحت منافع منقسمہ کی ادائیگی روک لی جائے گی۔ لہذا حصص یافتگان جنہوں نے اپنے CNIC



International Knitwear Limited

سالانہ اجلاس عام کا نوٹس

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ انٹرنیشنل نٹ ویئر لمیٹڈ کا 33 واں سالانہ اجلاس عام بروز جمعہ 27 اکتوبر 2023 کو سہ پہر 3:45 بجے F-2A/L، سائٹ کراچی پر مندرجہ ذیل امور کی انجام دہی کے لئے منعقد ہوگا:

عمومی امور

- 1- 32 ویں سالانہ اجلاس عام منعقدہ 27 اکتوبر 2022 کی کارروائی کی توثیق
- 2- کمپنی کے سال تختہ 30 جون 2023 کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ان پر ڈائریکٹران اور آڈیٹرز کی رپورٹ کی وصولی، غور و خاص اور منظوری
- 3- بورڈ آف ڈائریکٹرز نے سال 30 جون 2023 کے لئے 10 فیصد یعنی 1.00 روپے فی حصص کے حساب سے حتمی نقد منافع منقسمہ کی سفارش کی ہے، اس کا اعلان اور منظوری
- 4- سال 30 جون 2024 کے لئے کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین - موجودہ آڈیٹرز میسرز RSM اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس سکدوش ہو چکے ہیں اور اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔
- 5- صدر مجلس کی اجازت سے مزید کسی دیگر امور کی انجام دہی

بحکم بورڈ

جاوید خان

کمپنی سیکریٹری

کراچی

05 اکتوبر 2023

گزارشات:

- 1- کمپنی کی حصص منتقلی کی کتابیں 21 اکتوبر 2023 سے 27 اکتوبر 2023 تک (بشمول دونوں دن) بند رہیں گی۔
- 2- ممبران سے گزارش ہے کہ فوری طور پر اپنے پتے میں تبدیلی سے شیئرز رجسٹر کو مطلع کر دیں:
میسرز CDC شیئرز رجسٹر سروسز لمیٹڈ، CDC ہاؤس، 99-B، بلاک 'B'، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی 74400
کسٹمر سپورٹ سروس نمبرز: +92-080023275
ای میل: info@cdcsrsl.com
- 3- ایک ممبر جو کہ سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کا اہل ہو وہ اپنی جانب سے اجلاس میں حاضر ہونے، شرکت کرنے اور ووٹ دینے کے لئے کسی دوسرے ممبر کو پراکسی مقرر کر سکتا ہے۔ پراکسی فارم کے موثر ہونے کے لئے ضروری ہے کہ کمپنی کے مندرجہ بالا پتے پر اجلاس سے کم از کم 48 گھنٹے قبل موصول ہو جائے۔
- 4- CDC کے کھاتے داروں کو مزید مندرجہ ذیل رہنما اصولوں پر عمل کرنا ہوگا جو کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر 01 مورخہ 02 جنوری 2000 میں بیان کی گئی ہیں۔



International Knitwear Limited

FORM OF PROXY 33rd 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, 2023 and / or any adjournment thereof.

Signed this _____ day of _____ 2023.

| Folio No. | CDC Participant ID No. | CDC Account/ Sub-Account No. | No. of Shares held | Signature over Revenue Stamp Rs.10/- |
|-----------|------------------------|------------------------------|--------------------|--------------------------------------|
| | | | | |

Witness 1

Signature _____

Name _____

CNIC No. _____

Address _____

Witness 2

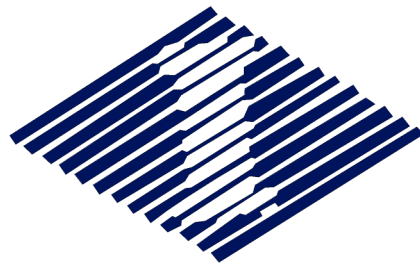
Signature _____

Name _____

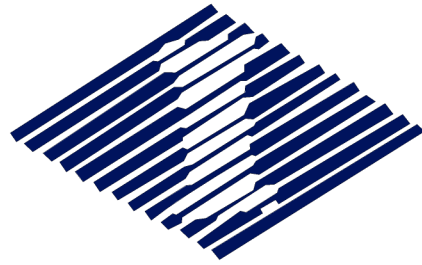
CNIC No. _____

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 attasted photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
 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

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