

ANNUAL REPORT

**2024**



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	

### CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Javed Khan

### 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	

### AUDITORS

RSM Avais Hyder Liaquat Nauman  
Chartered Accountants

### 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](http://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

In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, an annual evaluation of the Board of Directors of International Knitwear Limited is conducted. This evaluation assesses the Board's overall performance and effectiveness, ensuring it meets expectations and aligns with the Company's established objectives.

For the financial year ended June 30, 2024, the Board's overall performance and effectiveness have been evaluated as satisfactory. Continuous improvements remain an ongoing process, with action plans being developed accordingly. This assessment is based on key factors such as the Board's alignment with the company's vision, mission, and values; involvement in strategic planning; policy formulation; oversight of business activities; financial resource management; fiscal responsibility; equitable treatment of employees; and overall efficiency in fulfilling its responsibilities.

The Board of Directors of the Company received agendas and supporting documents, including follow-up materials, well in advance of Board and committee meetings. The Board meets frequently enough to effectively fulfil its responsibilities, with non-executive and independent directors fully engaged in all significant decisions.

Karachi  
September 27, 2024

WASEEM SHAFI  
Chairman



# 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, 2024.

### Financial Performance at a Glance

Operating Results	2024 Rupees	2023 Rupees	Increase/(Decrease) Percentage
Net sales	850,505,029	611,489,441	39.08%
Gross profit	81,397,783	80,705,713	0.86%
Profit before income taxes and final taxes	26,780,385	37,130,960	(27.88%)
Profit after income tax	11,043,540	22,073,905	(49.97%)
Net Earnings per share	1.14	2.28	(49.97%)

Financial highlights for the year ended June 30, 2024, are summarized below:

In the year ending June 30, 2024, the Company has achieved Net sales of Rs. 850.50 million as compared to Rs. 611.48 million same period last year (SPLY). Sales recorded an increase of Rs. 239.01 million in the current year as compared to sales in the previous year ended 30, June 2023.

The gross profit of the Company was Rs. 81.39 million in the current year as compared to the gross profit of Rs. 80.70 million in the last year. Profit before income taxes and final taxes was 26.78 million as compared to Rs. 37.13 million for the corresponding period last year.

As a result of these factors, Profit after income tax for the year shows Rs. 11.04 million as compared to net profit of Rs. 22.07 million SPLY. Earnings per share was Rs. 1.14 per share compared to the same period last year 2023: Rs. 2.28.

### Business Overview

In rupee terms, export sales saw a significant increase of Rs. 203,629,372, reflecting a 71.70% rise compared to the same period last year (SPLY). Similarly, local sales grew by Rs. 35,386,216, marking a 10.81% increase from SPLY. Overall, the Company's total sales increased by Rs. 239,015,588, representing a 39.09% growth compared to SPLY. This substantial rise in sales is attributed to management's timely execution of BMR initiatives and capitalizing on global export opportunities, as well as targeting profitable niche markets locally. However, challenges such as rising inflation and increasing energy prices are exerting pressure on sales.

The cost of sales rose by 3.62%, primarily due to higher raw material costs, increased energy tariffs, and a rise in minimum wages. Finance costs also surged by 121.03%, totaling Rs. 15,530.938 million, driven by factors such as the higher policy rate of 22%, increased working capital needs due to inflation and rupee devaluation, and the lack of cheaper financing options.



# International Knitwear Limited

## DIRECTORS' REPORT

Despite the 39.09% increase in sales, the gross profit-to-sales ratio declined from 13.19% to 9.57%, mainly due to rising costs of power, fuel, raw materials, and wages compared to the previous period. Additionally, net profit for the period was further impacted by a 121.03% increase in finance costs. As a result, earnings per share (EPS) for the current financial year stood at Rs. 1.14, compared to Rs. 2.28 recorded in the previous year.

### Earnings per share

Earnings per share after taxation were Rs. 1.14 as compared to Rs. 2.28 in last year's earnings for the shareholders.

### Investment

The Company derives a substantial portion of its investment income from sustainable sources, such as dividends and capital gains, providing a steady stream of income. Its investment portfolio is well-diversified across multiple sectors, with a primary focus on blue-chip stocks that offer high dividend yields, bonus distributions, and strong growth potential. The portfolio maintains a balanced mix of fixed-income securities and equities to optimize returns. This demonstrates the effectiveness of our investment strategy, which continues to play a vital role in driving the Company's profitability.

During the year, other income, including dividend income, amounted to Rs. 8.49 million, compared to Rs. 8.07 million in the corresponding period of the previous year.

### Capital Expenditure

The Company has consistently undertaken fixed capital expenditures (CAPEX) in line with its Balancing, Modernization, and Replacement (BMR) policy, as reflected in the trend over the past five years. The primary goal is to sustain and enhance the Company's revenue-generating capacity. During the financial year 2023-24, the Company invested Rs. 22.76 Million in CAPEX, compared to last year's Rs. 14.84 Million representing an increase of Rs. 7.92 Million (53.36%) compared to the previous financial year.

### Dividend

Considering our strategic investments, the business's future working capital needs, and the Company's cash-generating capability, the Board of Directors is pleased to recommend a final cash dividend of 7.50%, equivalent to PKR. 0.75 per share, for the year ended June 30, 2024.

### Future Outlook

The Company's new value-added open-end unit is now fully operational, and it is expected to positively contribute to the Company's bottom line. However, in the short term, overall margins will remain under pressure due to high finance costs and increased energy tariffs.

In response to the current economic environment, the management has proactively worked to reduce controllable expenses. As part of these efforts, the Company is focusing on more cost-effective electricity generation options available in the market, aiming for minimal financial impact.

Despite rising raw material prices and other input costs, the Board remains committed to boosting sales, minimizing operational costs, and maintaining strong profitability.

Management anticipates growth in sales revenue for the year ending June 30, 2025, along with a stronger liquidity position to ensure the Company's sustainable operations. The Company's investment portfolio is also expected to contribute positively in profitability. Looking ahead, we are dedicated to enhancing our operations and becoming more innovative, efficient, and profitable to deliver sustainable returns to our shareholders.



# International Knitwear Limited

## DIRECTORS' REPORT

### Material Changes

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

### Corporate Environment, Health & Social Responsibility

We are deeply committed to upholding the highest standards in health, safety, and environment (HSE) to safeguard the well-being of our workforce and the communities in which we operate. Our priority is to continuously improve all safety aspects, particularly in the production, delivery, storage, and handling of materials. The Company remains dedicated to environmental preservation and sustainability in all its practices.

### Materiality Approach

Determining materiality levels is inherently subjective, and methodologies differ across organizations. At our Company, authorization of transactions and delegation of powers are clearly defined and documented through formal processes. The Company follows an approved materiality policy, which is reviewed annually to ensure its continued relevance.

### 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 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.
- A summary of key operational and financial data for the last six years is annexed in this annual report.
- 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 (Audited) as at June 30, 2024 was Rs.13,340,140.





# 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

#### BOARD OF DIRECTORS

1	Waseem Shafi	Chairman	Non-Executive
2	Naeem Shafi	Chief Executive Officer	Executive
3	Javed Khan	Director	Executive
4	Khalid Jamil Siddiqi	Director	Independent
5	Abdullah Ahsan Saleem	Director	Independent
6	Muhammad Shafi	Director	Non-Executive
7	Saleha Majid	Director	Independent

#### COMPOSITION OF AUDIT COMMITTEE

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

#### COMPOSITION OF HR & REMUNERATION COMMITTEE

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

#### COMPOSITION OF RISK MANAGEMENT COMMITTEE

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



# International Knitwear Limited

## DIRECTORS' REPORT

### COMPOSITION OF NOMINATION COMMITTEE

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

### COMPOSITION OF BANKING COMMITTEE

- |   |                       |          |
|---|-----------------------|----------|
| 1 | Naeem Shafi           | Chairman |
| 2 | Javed Khan            | Member   |
| 3 | Abdullah Ahsan Saleem | Member   |

### COMPOSITION OF SHARES TRANSFER COMMITTEE

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

### 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	Director ship	Status	Executive Directors	Committee Members		Attendance		
					AC	HRRC	BOD	AC	HRRC
1	Mr. Waseem Shafi	1	Re-elected w.e.f 27-10-2021	No	-	-	4/4	-	-
2	Mr. Naeem Shafi	2	Re-elected w.e.f 27-10-2021	Yes	-	-	4/4	-	-
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	√		3/4	3/4	-
5	Mr. Abdullah Ahsan Saleem	1	Appointed on 19-04-2023	No	√	√	4/4	4/4	1/1
6	Ms. Saleha Majid	1	Re-elected w.e.f 27-10-2021	No	√	√	3/4	4/4	1/1
7	Mr. Muhammad Shafi	1	Re-elected w.e.f 27-10-2021	No	-	√	3/4	-	1/1



# International Knitwear Limited

## DIRECTORS' REPORT

### **Management Committee**

The Management Committee, led by the Chief Executive Officer (CEO), is composed of senior management and is responsible for ensuring the development and implementation of effective systems across the Company to facilitate timely and informed decision-making. Acting in an advisory role to the CEO, the committee provides recommendations on business operations and corporate matters. It oversees the review and advancement of long-term plans, the development of capital and expense budgets, and the management of business plans. Organized by function, the Committee meets monthly to evaluate the performance of each function against established targets. The CEO also ensures that all Board decisions and directives are effectively communicated and implemented across the organization.

### **Evaluation Criteria for the Board**

In addition to fulfilling their mandatory responsibilities, the performance of our Company's Board is regularly assessed based on the following criteria, both at the individual and collective levels.

1. Effectiveness in promoting a diverse mix of gender, talents, skills, and perspectives;
2. Members' integrity, credibility, trustworthiness, and active engagement;
3. Monitoring and reviewing progress on annual targets set by management;
4. Ability to provide strategic guidance and direction to the Company;
5. Skill in identifying areas of the Company's performance that require attention;
6. Review and oversight of management succession planning;
7. Capacity to assess and understand the Company's risk exposures;
8. Contributions toward enhancing health, safety, environment, employment, and other company policies and practices;
9. Commitment to protecting the Company from unnecessary litigation and reputational risks.

### **Performance Evaluation of the Board**

The Board's overall performance for the year, assessed against the aforementioned criteria, was deemed satisfactory. A detailed report by the Chairman on the Board's 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, with the following key provisions:

1. The Company shall not provide remuneration to its non-executive or independent directors, except for meeting fees for attending Board and Committee meetings.
2. The Company will cover or reimburse directors' travel and accommodation expenses related to attending Board and Committee meetings.
3. The Directors' Remuneration Policy will be periodically reviewed and approved by the Board of Directors.



# 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, 2024, 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 their recommendation of the Audit Committee for their reappointment as auditors of the Company for the financial year ending June 30, 2025.

### Directors' Training Program

Four 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 the required training of director during the next fiscal year. The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the Companies Act, 2017 and the Regulations of Pakistan Stock Exchange Rule book.

### Acknowledgement

The Directors wish to express their sincere appreciation to the Company's workers and staff for their dedicated efforts and commitment to their work. The Directors also extend their gratitude to the Shareholders and Financial Institutions for their continued support and assistance.

JAVED KHAN  
Director

NAEEM SHAFI  
Chief Executive

Karachi: September 27, 2024



# 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:

	2024	2023	2022	2021	2020	2019
	.....000'.....					
<b>ASSETS EMPLOYED</b>						
Property, plant and equipment	73,514	60,017	53,236	35,983	35,942	32,134
Intangible assets	-	-	-	-	-	-
Long-term investments	28,025	20,394	20,867	16,979	14,478	17,769
Long-term deposits	1,500	1,500	2,052	2,052	2,052	2,052
Short-term investments	32,485	20,006	17,439	16,781	8,506	4,177
Net current assets	63,411	75,075	67,514	71,626	72,410	70,898
<b>Total assets employed</b>	<b>198,935</b>	<b>176,992</b>	<b>161,108</b>	<b>143,421</b>	<b>133,388</b>	<b>127,030</b>
<b>FINANCED BY</b>						
Issued, subscribed and paid-up capital	96,750	96,750	96,750	96,750	96,750	96,750
Reserve and un-appropriated profit	61,404	60,035	45,218	23,133	28,020	28,763
Gain / (Loss) on revaluation of investments	9,157	1,521	1,945	905	(982)	(4,003)
Shareholder's equity	167,311	158,306	143,913	120,788	123,788	121,510
Long term and deferred liabilities	-	-	642	6,693	12,723	2,048
<b>Total capital employed</b>	<b>167,311</b>	<b>158,306</b>	<b>144,555</b>	<b>127,481</b>	<b>136,511</b>	<b>123,558</b>
Sales	850,505	611,489	670,262	488,090	537,457	451,098
Profit before income taxes and final taxes	26,780	37,130	27,585	6,620	16,865	14,748
Profit/ (loss) after Income tax	11,043	22,073	22,084	(50)	7,735	10,237
Earnings/(loss) per share	1.14	2.28	2.28	(0.01)	0.80	1.06
Return on turnover	1.30%	3.61%	3.29%	(0.1%)	1.40%	2.30%
Return on capital employed	6.60%	13.94%	15.35%	(0.04%)	5.60%	8.30%
<b>Dividend</b>						
Cash (%)	7.5%	10%	7.5%	0%	5%	5%
Stock (%)	0%	0%	0%	0%	0%	0%



# International Knitwear Limited

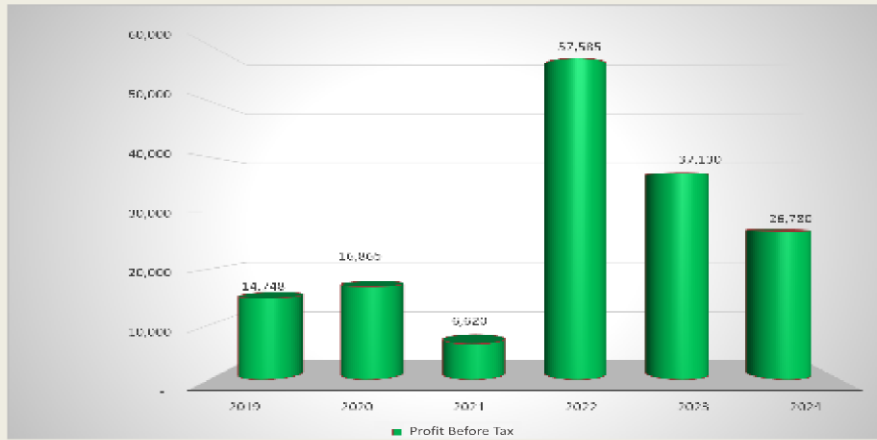
## GRAPHICAL PRESENTATION OF FINANCIAL ANALYSES



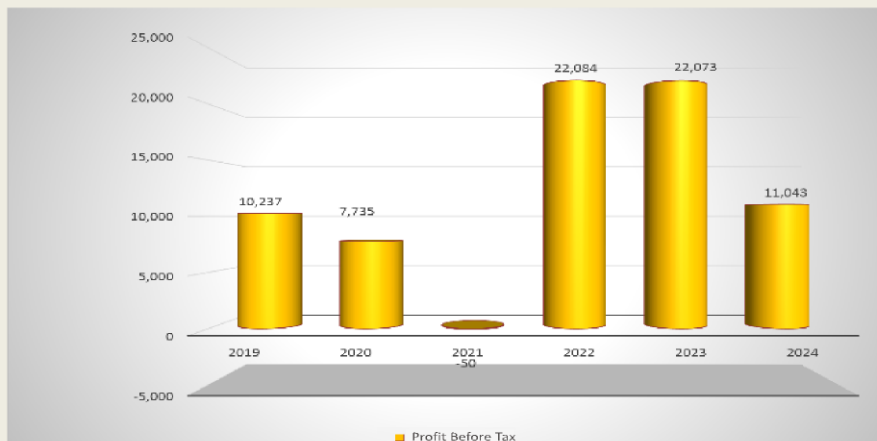


**GRAPHICAL PRESENTATION OF FINANCIAL ANALYSES**

**PROFIT BEFORE INCOME TAXES AND FINAL TAXES  
(in 000)**



**PROFIT/ (LOSS) AFTER INCOME TAX  
(in 000)**

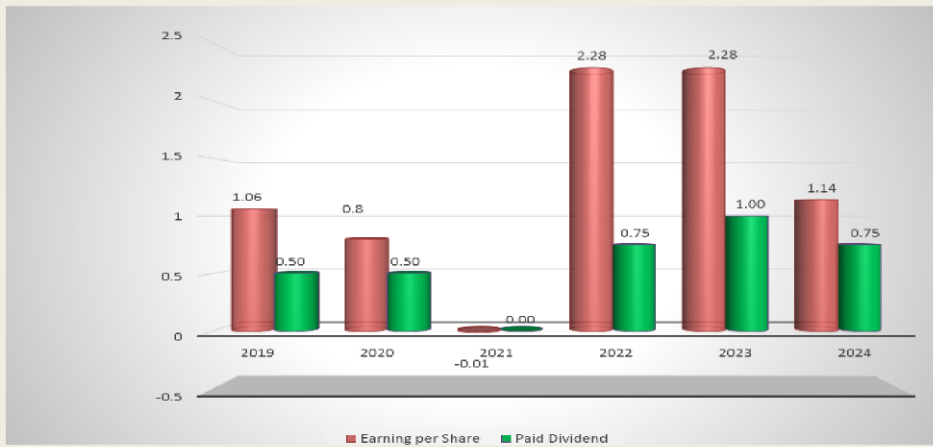




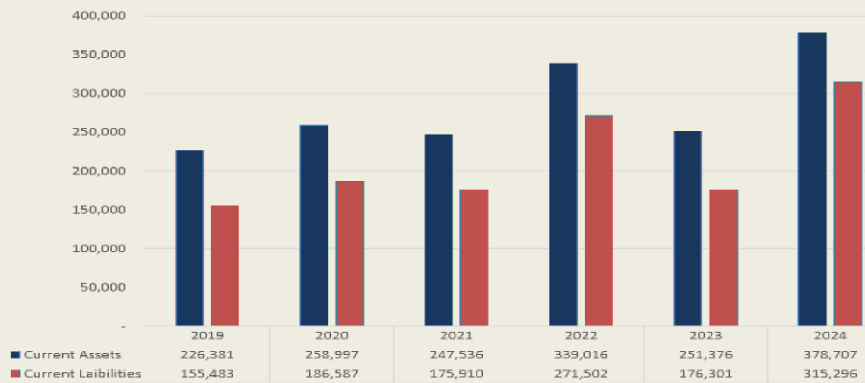
# International Knitwear Limited

## GRAPHICAL PRESENTATION OF FINANCIAL ANALYSES

### EARNING /(LOSS) PER SHARE & PAID DIVIDEND (in Rupees)



### CURRENT ASSETS AND LIABILITIES (in 000)







# International Knitwear Limited

## GRAPHICAL PRESENTATION OF FINANCIAL ANALYSES





# International Knitwear Limited

## CORPORATE GOVERNANCE

### **CORPORATE GOVERNANCE**

#### **BOARD OPERATIONS AND DECISION-MAKING**

##### **How board operates**

The Board operates as stewards on behalf of shareholders for the governance of the Company. The Board performs its duties by giving guidelines to the management, setting performance targets and monitoring their achievements.

The primary role of the Board of Directors of the Company is to enhance shareholder value. The Board of International Knitwear is concerned with Strategic matters and overseeing the business of the Company in light of emerging risks and opportunities, regularly. The Board of International Knitwear is also involved in establishing and reviewing the strategies, yearly targets and financial objectives of the Company. The Board is also responsible for the Company's system of internal controls, policy frameworks, corporate governance, and risk assessments and is ultimately accountable for reviewing its effectiveness.

##### **Decisions taken by the board**

As per requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, Board meetings of the Company are held on a quarterly basis where all matters that are considered significant or material are approved. In cases where urgent approvals are required, these are

approved through circular resolutions, duly signed by each director. The policy of materiality specifies which transactions are considered as significant or material and are to be presented to the Board for their approval or ratification. Certain tasks are also delegated by the Board of Directors to its Committees in line with the approved Terms of References.

##### **Decisions delegated to the management**

Management is primarily concerned with setting in motion the strategies approved by the Board of Directors. It is the responsibility of management to operate the day-to-day business affairs of the Company effectively and ethically in conformity with the strategies and goals approved by the Board and to identify and manage the principal risks and opportunities, which could affect the Company in the course of carrying out its business.

##### **ANNUAL EVALUATION OF THE BOARD, ITS MEMBERS AND ITS COMMITTEES AND DETAILS OF CRITERIA USED**

The Code of Corporate Governance stipulates that the Board should put in place a mechanism for an annual evaluation of its performance. In line with this requirement, the Board has set a well-defined criteria for the evaluation of its performance, which focuses on the following areas:



# International Knitwear Limited

## CORPORATE GOVERNANCE

**Board Composition:** Requisite knowledge and experience, diversity, size, number of independent directors, succession planning of the Board of Directors to gauge effective governance.

**Board and CEO Compensation:** Competitiveness of remuneration policy for the Board and its committees as well as the CEO.

**Strategic Planning:** Contributions towards robust and effective risk management and monitoring the Company's performance against its objectives.

**Board Procedures:** Evaluation of the transparency and effectiveness of the procedures of the Board.

**Board Information:** Whether appropriate and timely information was provided to the Board and its Committees.

**Board and its Committees:** To evaluate the effectiveness and efficiency of the operation of the Board and its committees.

**Chairman & CEO Effectiveness:** To evaluate the effectiveness of the Chairman and CEO.

**Control Environment:** Assessment of the oversight of the financial reporting process, including Internal controls in place.

**Environmental, Social and Governance (ESG):** To assess the Board's commitment towards ESG, efforts and progress made on ESG initiatives.

### DIRECTORS' REMUNERATION

In line with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Articles of Association of the Company, the policy for remuneration of non-executive directors (including independent directors) has been approved by the Board of Directors.

#### The salient features of the policy are:

- The Company will not pay any remuneration to its non-executive directors (including independent directors) except as meeting fee for attending the Board and its Committee meetings.
- The remuneration of a director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors.
- A director shall be provided or reimbursed all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Company.

### ROLE OF CHAIRMAN

The chairman of the Board has the responsibility to lead the Board and ensure its effective functioning and continuous development. The Chairman represents the non-executive directors of the Board and is entrusted with the overall supervision and direction of the Board's proceedings, and has the power



# International Knitwear Limited

## CORPORATE GOVERNANCE

to set the agenda, give directions and sign the minutes of the Board meetings.

**The main responsibilities of the Chairman of the Board are as follows:**

- Ensure that the Board is operating effectively, and all matters relevant to the effective functioning of the Company are placed on the agenda of Board meetings;
- Conduct the Board meetings including fixing the agenda;
- Ensure that all the Directors are enabled and encouraged to fully participate in the deliberations and decisions of the Board; and
- Ensure that relevant, accurate and up-to-date Company information is received from the management and shared with the board members to enable them to monitor performance, make sound decisions and give appropriate advice to promote the success of the Company.

**ROLE OF CEO**

The Chief Executive is the senior executive on the Board and is primarily responsible for the management of the

Company and its procedures in financial and other matters, subject to the oversight and directions of the Board, in accordance with the Companies Act, 2017.

**The main responsibilities of the CEO are as follows:**

- To develop strategies involving the executive team, for the implementation of decisions established by the Board and its Committees.
- To maintain effective communication with the Chairman and bring all important Company matters to the attention of the Board.
- Working in the best interest of the Company and directing its overall growth by achieving and surpassing the performance targets set by the Board.
- Oversee the implementation of the Company's financial and operational plans in accordance with its business strategy.
- To ensure that all strategic and operational risks are effectively managed and that an adequate system of internal controls is in place for all major operational and financial areas.
- Develop Key Performance Indicators (KPI's) of the Company for the approval of the Board and International Knitwear to ensure dissemination of the same
- throughout the organization.
- To communicate on behalf of the Company with shareholders, employees, government authorities, other stakeholders and the public.
- To promote the highest moral, ethical and professional values and



## CORPORATE GOVERNANCE

good governance throughout the Company.

### **BRIEF TERMS OF REFERENCE OF BOARD COMMITTEES**

#### **SALIENT FEATURES OF TERMS OF REFERENCE OF BOARD COMMITTEES AUDIT COMMITTEE**

The Audit Committee comprises of three members, all of whom are Non-Executive Directors. The committee is chaired by an Independent Director. The Audit Committee meets at least four times a year. The Company Secretary acts as the secretary to the Audit Committee.

#### **The brief terms of reference of the Audit Committee are as follows:**

- Requirements of the Company, prior to their approval by the Board of Director;
- Review of preliminary announcements of results prior to external communication and publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review of management letter issued by the external auditors and management's response thereto;
- Review of scope and extent of the internal audit, audit plan, reporting

framework and procedures and ensure that the internal audit function has adequate resources and is appropriately placed within the Company;

- Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, and the provision of any service permissible to be rendered to the Company by the external auditors in addition to the audit of its financial statements;
- Determination of appropriate measures to safeguard the Company's assets; and
- Consideration of any other issue or matter as may be assigned to the Committee by the Board of Directors.

#### **HUMAN RESOURCE AND REMUNERATION COMMITTEE**

The Human Resource and Remuneration Committee comprises of an Independent Director, one Non-

Executive Director and Chief Executive Officer. The Committee is chaired by an Independent Director. The director of

Human Resources acts as the secretary to the Human Resources and remuneration committee.

#### **The terms of reference of the Committee as framed by the Board are as follows:**

- Adopt the Company HR and remuneration policies as applicable; while ensuring that these remain



# International Knitwear Limited

## CORPORATE GOVERNANCE

within the framework of country laws and regulations;

- Make recommendations to the Board regarding selection, evaluation, compensation (including retirement benefits) and succession planning of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary, Head of Internal Audit & Compliance, and any other key officers of the Company which shall normally be the direct reports of the CEO and Heads of Staff Functions; and
- Ensure the remuneration approach is consistent with the performance assessment and compensation framework of the Company.

### **Recommending human resource management policies to the Board;**

- Developing, maintaining and monitoring appropriate Human Resource Policies and Procedures;
- Developing, maintaining and monitoring appropriate talent management programs including succession planning, recruitment, development, retention and termination policies and procedures for senior management;
- Developing and monitoring Workplace Health and Safety metrics and initiatives to ensure a safe working environment

### **BANKING COMMITTEE**

The Committee comprises of an Independent Director, one Executive Director and Chief Executive Officer. The Committee is chaired by an Independent Director. The Banking Committee is conferred with authorities related to banking management, including issuing instructions to the Company's bankers with regard to the Company's banking transactions and business, as it may consider appropriate.

### **The brief terms of reference of the Banking Committee are as follows:**

- Approve any changes in the banking signatory matrix;
- Approve increase, decrease and cancellation of existing facility with a particular bank;
- Sign/approve agreements and documents pertaining to the acquisition of funded and non funded facilities with the bank(s); and
- Execute service execution agreement with bank(s).

### **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee comprises of an Independent Director, one Non-Executive Director, one Executive Director and Chief Executive Officer. The Committee is chaired by an Independent Director.



## CORPORATE GOVERNANCE

**The brief terms of reference of the Risk Management Committee are as follows:**

- Approve and review the risk management framework and policies;
- Assess the adequacy of the systems and risk readiness of the Company;
- Evaluate risk exposure and tolerance of the Company;
- Review risk identified by the management and measures suggested for mitigation;
- Evaluate risk management controls devised by management; and
- Assist the Board in the formulation of risk management policies.

### **NOMINATION COMMITTEE**

The nomination committee of a board is a group of directors responsible for selecting and recommending candidates for board membership to the full board. Its primary role is to ensure that the board is composed of highly qualified individuals with diverse backgrounds, experiences, and perspectives, who can effectively oversee the company's management and strategy.

The nomination committee is responsible for considering and making recommendations to the Board in respect of the Board's committee and its chairmanship. It is engaged in regular review of the structure, size and composition of the Board and to

recommend any changes in respect thereof.

### **SHARE TRANSFER COMMITTEE**

**Terms of Reference (ToR) of the Share Transfer Committee**

#### **1. Purpose**

The Share Transfer Committee is established to oversee and execute the process of transferring shares, ensuring that all share transfers are carried out in compliance with the company's Articles of Association, applicable laws, and regulations. The committee is also responsible for resolving any disputes related to share transfers and ensuring accurate record-keeping.

#### **2. Composition**

The committee consist of three members appointed by the Board of Directors. One member will be appointed as Chairperson of the committee. The Company Secretary or another designated officer will act as the secretary of the committee.

#### **3. Roles and Responsibilities**

The Share Transfer Committee shall:  
Review and approve all share transfer requests submitted to the company. Ensure that all share transfers comply with the company's Articles of Association, Securities and Exchange Commission of Pakistan (SECP) regulations, and the applicable listing rules of the stock exchange. Verify the authenticity of the transfer instruments and supporting documents, including share certificates, transfer deeds, and



# International Knitwear Limited

## CORPORATE GOVERNANCE

identity verification documents. Ensure that transfers are not in breach of any restrictions imposed by the company or regulatory authorities. Handle and resolve any disputes or objections related to share transfers. Maintain a clear and accurate record of all transfers in the company's register of members. Liaise with the company's Registrar and Transfer Agent (RTA) to ensure proper execution and documentation of share transfers. Report to the Board of Directors on the status of share transfers and any issues encountered.

#### **4. Meeting Frequency**

The committee will meet as needed, depending on the volume of share transfer requests, but at least on a quarterly/half-year/annual basis.

#### **5. Reporting to the Board**

The Share Transfer Committee shall regularly report its activities and decisions to the Board of Directors, including any significant issues related to share transfers. The committee will also present an annual summary report to the Board detailing the volume and nature of transfers handled during the year.

#### **THE SIGNIFICANT POLICIES AND OTHERS**

#### **SOCIAL AND ENVIRONMENTAL RESPONSIBILITY PROTECTING THE HEALTHY ENVIRONMENT**

International Knitwear is committed to safeguarding a healthy environment for everyone by reducing adverse

environmental impacts of our business across our value chain. This commitment shapes the way we source, manufacture, design, and distribute our products and forms the basis for our environmental management systems and governance.

International Knitwear has a policy on Environment, Health and Safety (EHS) which governs all operations and employee behaviour to ensure that the Company conducts its business in a manner which is protective of human health, safety, and the environment.

#### **The policy is designed to achieve the following objectives:**

- Maintain a safe and healthy workplace and environment;
- Continuously reduce the use of materials or practices that may hurt human health and the environment;
- Conserve energy and other natural resources;
- Integrate health, safety, and environmental concepts into business and operations planning and decision-making;
- Educate and engage employees to optimize health, safety, and environmental performance and provide other stakeholders with relevant information on these efforts; and
- Comply with all applicable laws and affiliate policies and standards designed to protect human health, safety and the environment.





# International Knitwear Limited

## CORPORATE GOVERNANCE

### **SUCCESSION PLANNING**

International Knitwear's Board of Directors and senior management teams place a strong emphasis on succession and talent planning and on ensuring diversity and inclusion through this process. Talent Management Reviews (TMR) are carried out annually to assess critical positions, identify succession plans and create development plans. We identify potential next roles for each incumbent and successor, with a focus on ensuring the right experiences for a successful ongoing career at International Knitwear. We aim to make sure that current and future leaders are building the skills they will need for success.

Similar succession planning takes place at every level of the company. The senior leadership team conducts TMR's, each of which are sets out to identify "Ready Now" and "Ready Future" successors. This helps ensure that our pipeline of future leaders at all levels is continually maintained. Our people managers also have annual talent development goals.

### **WHISTLEBLOWING POLICY - "SPEAK UP"**

Our Code of Business Conduct emphasizes our employees' responsibility to report concerns. This requires us to create an environment where they can do so in good faith, without fear of retaliation. The code outlines International Knitwear's responsibilities for handling employee

grievances and complaints in an ethical way, and it strictly forbids any retaliation against any person who raises a complaint.

We have clearly defined systems and processes for asking questions and reporting suspected or actual violations of our code, policies or procedures. These include our Speak Up tool, which allows employees and external parties to raise concerns of potential misconduct in a manner that is confidential and (where permitted) anonymous, either by email, by telephone or through a website.

### **SAFETY OF RECORDS OF THE COMPANY**

The company's policy for the safety of records extends beyond the legal and regulatory requirements. The records include books of accounts, and documentation about secretarial, legal, contractual, taxation and other matters. The objective of the Policy for Safety of Records is to safeguard the Company's records by taking effective actions about the creation, confidentiality, maintenance and disposal of the documents.

**The policy for Safety of Records consists of the following points:**

- To ensure and maintain digital back-up of all the relevant Legal, Administrative, Operational and other documents, intellectual property and records.
- The creation, maintenance, confidentiality and disposal of any official document should adhere



## CORPORATE GOVERNANCE

to SOPs mentioned in the department.

- Real-time backup of data at on and off-site locations.

### SUSTAINABILITY & SOCIAL IMPACT STRATEGY

#### 1. Environmental Disclosures

##### Energy and Resource Efficiency

- Efforts to reduce energy consumption through renewable energy sources and efficient technologies in manufacturing processes.
- Water conservation initiatives, such as wastewater treatment and reuse in production.

##### Waste Management

- Recycling programs for textile waste and packaging materials.
- Reduction in the use of hazardous chemicals in production.

##### Carbon Footprint

- Measures to reduce greenhouse gas emissions, such as improving logistics and transportation efficiency.
- Progress toward reducing the company's carbon footprint and achieving climate-related goals.

#### 2. Social Disclosures

- **Labor and Working Conditions**
- Compliance with labour laws and ensuring safe, fair, and healthy

working conditions for employees.

- Employee development programs, including skill enhancement and career growth opportunities.

- **Diversity and Inclusion**

- Promoting gender equality and diversity within the workforce.

- Support for women's empowerment and local communities, including fair wages and benefits.

- **Community Engagement**

CSR initiatives focusing on education, healthcare, and improving livelihoods in the communities where the company operates.

#### 3. Governance Disclosures

- **Business Ethics**

Implementation of ethical business practices, including anti-corruption policies and a code of conduct for suppliers and employees.

- **Supply Chain Transparency**

Efforts to ensure sustainable and ethical sourcing of materials, including supplier audits and certifications for fair labour practices.

- **Sustainability Governance**

The Board's role is to oversee sustainability practices and progress toward ESG goals.



## CORPORATE GOVERNANCE

### 4. Sustainable Products

- **Eco-friendly Materials**  
Use of organic, recycled, or sustainably sourced fabrics in production.
- **Sustainable Design and Innovation**  
Initiatives to create durable, environmentally friendly garments that minimize waste through efficient design.

### ANTI-HARASSMENT POLICY

#### 1. Purpose

The purpose of this policy is to promote a safe, respectful, and harassment-free workplace for all employees, contractors, and visitors of the Company. The company is committed to providing an environment where all individuals are treated with dignity and respect, free from all forms of harassment, including sexual harassment, discrimination, bullying, and any inappropriate behavior.

#### 2. Scope

This policy applies to all employees, contractors, vendors, suppliers, clients, and any other individual associated with the Company, both on-site and during off-site work-related activities. It covers harassment occurring in the workplace, during business trips, work-related events, or through electronic communications.

### 3. Definitions

#### Harassment:

Unwelcome conduct based on race, colour, religion, sex, gender identity, sexual orientation, national origin, age, disability, or any other legally protected characteristic. Harassment becomes unlawful when enduring it becomes a condition of continued employment, or when it creates a hostile, intimidating, or abusive work environment.

#### Sexual Harassment:

Any unwelcome sexual advances, requests for sexual favours, or other verbal or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment.

#### Bullying:

Repeated and unreasonable behaviour directed towards an employee or group of employees creates a risk to health and safety, such as threatening, humiliating, or intimidating conduct.

### 4. Prohibited Conduct

The following behaviours are considered harassment and are prohibited under this policy:

Verbal harassment, including offensive jokes, slurs, name-calling, or insults. Physical harassment, including unwelcome touching, physical assault, or threats. Visual harassment, including offensive images, emails, or gestures.



# International Knitwear Limited

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Sexual harassment, including inappropriate comments, unwanted sexual advances, or requests for sexual favours. Bullying, including spreading rumours, social exclusion, or any behaviour that undermines an individual's dignity and safety. Retaliation against individuals who report harassment or participate in an investigation.

### **5. Employee Responsibilities**

All employees are responsible for:

Treating colleagues, clients, and visitors with respect. Refraining from engaging in any form of harassment or inappropriate conduct. Reporting any incidents of harassment they witness or experience as soon as possible. Cooperating in investigations related to harassment complaints.

### **6. Reporting Procedure**

Employees who believe they have been harassed or have witnessed harassment should report the matter promptly to:

Their immediate supervisor or manager. Human Resources Department. Any designated anti-harassment officer or external complaint hotline. Reports may be made verbally or in writing, and employees are encouraged to provide as much detail as possible.

### **7. Investigation Process**

All reports of harassment will be treated seriously, promptly, and confidentially. Upon receiving a complaint, Human Resources or a

designated team will conduct a thorough investigation, including interviewing the complainant, the alleged harasser, and any witnesses. The investigation will be conducted impartially, ensuring fairness to all parties involved. Once the investigation is complete, the company will take appropriate action, which may include disciplinary measures such as warnings, suspension, or termination, depending on the severity of the offence.

### **8. Confidentiality**

All complaints and investigations will be handled confidentially to the extent possible. Information will only be shared on a need-to-know basis to ensure a fair investigation. Employees involved in an investigation are expected to maintain confidentiality and not discuss the matter outside of the process.

### **9. Retaliation Prohibition**

Retaliation against anyone who reports harassment provides information, or participates in an investigation is strictly prohibited. Retaliation may include demotion, unfair treatment, or termination. Any act of retaliation will be subject to disciplinary action.

### **10. Disciplinary Action**

Any employee found to have violated this Anti-Harassment Policy will face appropriate disciplinary action, which may include:

Verbal or written warnings. Mandatory counselling or training. Suspension or demotion. Termination of employment.



## CORPORATE GOVERNANCE

For non-employees (e.g., contractors, clients), the company may terminate contracts, report behavior to their employers, or take legal action where necessary.

### 11. Training and Awareness

The company will provide regular training to all employees on anti-harassment policies and the importance of maintaining a respectful workplace. New employees will receive training as part of their onboarding process. Managers and supervisors will receive additional training on handling complaints and maintaining a harassment-free workplace.

### 12. Policy Review

This policy will be reviewed annually to ensure it remains compliant with relevant laws and aligned with the company's values. Any changes or updates will be communicated to all employees.

### 13. Contact Information

For questions regarding this policy or to report an incident, employees can contact the Human Resources Department by calling them or through email.

### RELATED PARTY TRANSACTIONS

#### Approved policy for related party transactions

The Company has a formal policy of Related Parties' Transactions which has been approved by the Board of Directors. The policy covers the

procedures about review, approval and ratification of related party transactions and for providing disclosures as required under Section 208 of the Companies Act, 2017 and other applicable law. The Company maintains a party-wise record of transactions and ensures that it includes the minimum information as prescribed by the law. All transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis at normal commercial terms and conditions. Under the Company Policy for related party transactions, all related party transactions are reviewed periodically by the Board Audit Committee which is chaired by an Independent Director.

### GENDER PAY GAP STATEMENT

Gender Pay Gap Statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024.

Following is the gender pay gap calculated for the year ended June 30, 2024:

- (i) Mean Gender Pay Gap: 21.88%
- (ii) Median Gender Pay Gap: 23.08%
- (iii) Any other data/details as deemed relevant: The above ratios reflect the overall employee gender pay gap across the organization. The Company ensures equitable compensation for female members in their respective roles, based on experience, qualifications and performance.

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



RSM Awaiz Hyder Liaquat Nauman  
Chartered Accountants  
407, Progressive Plaza, Beaumont Road  
Karachi, 75330-Pakistan

T: +92(21) 35655975-6  
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, 2024, 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 material policy information 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, 2024 and of the profit and comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

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

**Key Audit Matters**

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

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



Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p><b>Revenue</b> <i>(Refer note 19 to the financial statements)</i></p> <p>The Company generates revenue from sale to export as well as local customers. We considered revenue recognition as key audit matter as it is one of the key performance indicators and because of the potential risk that revenue may not be recorded in the appropriate period.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>-Obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls.</li> <li>-Performed test of details on a sample basis with underlying documentations by inspecting and comparing customer orders, delivery challans, bill of lading (in case of export sales), invoices and other related documents.</li> <li>-Compared sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to ensure that revenue pertains to the appropriate accounting period.</li> <li>-Ensured the adequacy of disclosures in accordance with applicable financial reporting standards and the Companies Act, 2017.</li> </ul>
2.	<p><b>Stock in trade</b> <i>(Refer note 8 to the financial statements)</i></p> <p>Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>-Obtained an understanding of internal controls over purchases and valuation of stock in trade and tested, on a sample basis, their design, implementation and operating effectiveness.</li> <li>-Attended physical inventory count performed by the Company.</li> <li>-Obtained and reviewed the inventory count report of the management and assessed its accuracy on a sample basis.</li> <li>-Ensuring that proper provision has been made for slow moving, obsolete and damaged inventory or items selling below cost.</li> <li>-Performed NRV test to ensure that the inventory is valued at lower of cost and NRV.</li> </ul>

**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.

-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.





RSM Avasi Hyder Liaquat Nauman  
Chartered Accountants

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, 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: September 27, 2024

UDIN: AR202410239mkjXfOYA2



# International Knitwear Limited

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

ASSETS	Note	2024 Rupees	2023 Rupees
<b>Non-Current Assets</b>			
Property, plant and equipment	5	73,514,794	60,017,214
Long term deposits	6	1,500,000	1,500,000
Long term loan and advances	10	861,000	1,320,500
Long term investments	7	28,025,260	20,394,179
		103,901,054	83,231,893
<b>Current Assets</b>			
Stock in trade	8	243,547,294	139,666,589
Short term investments	7	32,485,208	20,006,622
Trade debts - considered good	9	53,207,686	38,341,450
Short term loans and advances	10	6,306,459	22,739,181
Other receivables	11	25,279,007	9,637,815
Taxation - net		14,609,852	19,370,803
Cash and bank balances	12	3,272,247	1,613,678
		378,707,753	251,376,138
<b>TOTAL ASSETS</b>		<b>482,608,807</b>	<b>334,608,031</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
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
<b>Revenue Reserves</b>			
Unappropriated profit		61,404,293	60,035,753
		158,154,293	156,785,753
<b>Capital Reserves</b>			
Unrealized gain on revaluation of investments - FVTOCI		9,157,568	1,521,192
		167,311,861	158,306,945
<b>Non-Current Liabilities</b>			
Deferred Liabilities - Deferred Taxation Liability	14	-	-
<b>Current Liabilities</b>			
Short term finance under mark-up arrangement - Secured	15	142,299,171	96,939,012
Creditors, accrued and other liabilities	16	170,699,762	77,390,503
Unclaimed dividend		2,298,013	1,971,571
		315,296,946	176,301,086
<b>Contingencies and Commitments</b>			
	18	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>482,608,807</b>	<b>334,608,031</b>

The annexed notes 1 to 38 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, 2024

	Note	2024 Rupees	2023 Rupees
Net sales	19	850,505,029	611,489,441
Cost of goods sold	20	(769,107,246)	(530,783,728)
<b>Gross profit</b>		<b>81,397,783</b>	<b>80,705,713</b>
Administrative and selling expenses	21	(34,482,873)	(33,568,777)
<b>Operating profit</b>		<b>46,914,910</b>	<b>47,136,936</b>
Other income	22	4,943,401	6,931,824
Unrealized gain/ (loss) on revaluation of investments through P&L		5,270,575	(1,356,528)
		10,213,976	5,575,296
		<b>57,128,886</b>	<b>52,712,232</b>
Finance cost	23	(28,363,704)	(12,832,766)
Other charges	24	(1,984,797)	(2,748,506)
		(30,348,501)	(15,581,272)
<b>Profit before income taxes and final taxes</b>		<b>26,780,385</b>	<b>37,130,960</b>
Taxation - Final taxes	17	(1,273,875)	(1,094,016)
<b>Profit before income tax</b>		<b>25,506,510</b>	<b>36,036,944</b>
Taxation - Income tax	17		
Current - for the year		(9,353,314)	(10,256,737)
Prior year		(5,109,656)	(3,706,302)
Deferred tax		-	-
		(14,462,970)	(13,963,039)
<b>Profit after Income tax</b>		<b>11,043,540</b>	<b>22,073,905</b>
Earnings per share - basic and diluted	26	1.14	2.28

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

WASEEM SHAFI  
Chairman

NAEEM SHAFI  
Chief Executive

JAVED KHAN  
Director / CFO



# International Knitwear Limited

## STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Profit after taxation for the year	11,043,540	22,073,905
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) gain/ (loss) on remeasurement of investments classified as FVTOCI - net of tax	7,634,203	(389,559)
Reclassification of OCI component on disposal of FVTOCI investment directly into equity	2,173	(34,843)
	7,636,376	(424,402)
<b>Total comprehensive income for the year</b>	<b>18,679,916</b>	<b>21,649,503</b>

The annexed notes 1 to 38 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, 2024

	-----Reserves-----			Total
	Issued, Subscribed and Paid up Share Capital	Unrealized gain / (loss) on revaluation of investments	--Capital Reserve-- --Revenue Reserve-- Unappropriated profit	
	----- Rupees -----			
<b>Balance as at June 30, 2022</b>	96,750,000	1,945,594	45,218,098	143,913,692
<b><u>Total comprehensive income:</u></b>				
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)
<b><u>Transaction with owners:</u></b>				
7.5% cash dividend paid for the year ended June 30, 2022	-	-	(7,256,250)	(7,256,250)
<b>Balance as at July 01, 2023</b>	96,750,000	1,521,192	60,035,753	158,306,945
<b><u>Total comprehensive income:</u></b>				
Net profit for the year ended June 30, 2024	-	-	11,043,540	11,043,540
Reclassification on disposal of FVTOCI directly into equity	-	7,634,203	-	7,634,203
Fair value adjustment on investment classified as FVTOCI	-	2,173	-	2,173
Unrealized loss realized and transfer of FVTOCI	-	-	-	-
<b><u>Transaction with owners:</u></b>				
10% cash dividend paid for the year ended June 30, 2023	-	-	(9,675,000)	(9,675,000)
<b>Balance as at June 30, 2024</b>	<u>96,750,000</u>	<u>9,157,568</u>	<u>61,404,293</u>	<u>167,311,861</u>

The annexed notes 1 to 38 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, 2024

	Note	2024 Rupees	2023 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		26,780,385	37,130,960
<b>Adjustment for non cash items:</b>			
Depreciation		9,160,026	7,550,230
Gain on sale of property, plant and equipment		(1,097,375)	(2,930,113)
Other income		(9,116,601)	(2,645,183)
Finance cost		28,363,704	12,832,766
		27,309,754	14,807,700
<b>Profit before changes in working capital</b>		<b>54,090,139</b>	<b>51,938,660</b>
<b>(Increase) / decrease in current assets</b>			
Stock in trade		(103,880,706)	(13,093,875)
Trade debts		(14,866,236)	106,348,255
Short term loans and advances		16,892,222	(13,029,732)
Other receivables		(15,641,192)	35,589
		(117,495,912)	80,260,237
<b>Increase in current liabilities</b>			
Creditors, accrued and other liabilities		93,309,259	34,282,192
		93,309,259	34,282,192
Financial charges paid		(28,363,704)	(13,214,043)
Taxes paid		(11,027,201)	(9,412,103)
Cash proceed from Sales tax		16,806,699	7,860,005
<b>Net cash generated from operating activities</b>		<b>7,319,280</b>	<b>151,714,948</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(22,766,231)	(14,842,697)
Additions in investment		(37,900,899)	(108,284,342)
Disposal of investment		17,791,231	102,330,418
Proceeds from sale of property, plant and equipment		1,206,000	3,200,000
Lease rentals paid		-	(1,156,729)
<b>Net cash used in investing activities</b>		<b>(41,669,899)</b>	<b>(18,200,750)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Cash proceeds from short term finance under markup arrangement		345,723,312	104,960,490
Repayment of short term finance under markup arrangement		(300,655,452)	(234,957,256)
Dividend paid		(9,350,971)	(7,097,071)
<b>Net cash generated from / (used in) financing activities</b>		<b>35,716,889</b>	<b>(137,093,837)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,366,270</b>	<b>(3,579,639)</b>
Cash and cash equivalents at the beginning of the year		(4,062,631)	(482,992)
<b>Cash and cash equivalents at the end of the year</b>	<b>27</b>	<b>(2,696,361)</b>	<b>(4,062,631)</b>

The annexed notes 1 to 38 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, 2024

### 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.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance – "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires taxes paid under final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) – 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the Statement of Financial Position, Earnings per share and Statement of Changes in Equity as a result of this change.

Effect on profit or loss and other comprehensive income	Had there been no change in Accounting Policy	Impact of change in accounting policy	After Incorporating effects of change in accounting policy
For the year ended June 30, 2024			
Taxation - Final taxes	-	1,273,875	1,273,875
Profit before income tax	26,780,385	(1,273,875)	25,506,510
Taxation - Income tax	15,736,845	(1,273,875)	14,462,970
For the year ended June 30, 2023			
Taxation - Final taxes	-	1,094,016	1,094,016
Profit before income tax	37,130,960	(1,094,016)	36,036,944
Taxation - Income tax	13,963,039	(1,094,016)	12,869,023



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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.

#### (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. MATERIAL ACCOUNTING POLICY INFORMATION

The material 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.





# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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.

#### 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.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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.

### 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.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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

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.

### 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.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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
- 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.

#### Trade receivables

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

#### Contract liabilities

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

#### Right of return assets

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

#### Refund liabilities

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



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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	57.33%	42.67%

### 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, 2024

5. PROPERTY, PLANT AND EQUIPMENT	Note	2024	2023
		Rupees	Rupees
Operating assets	5.1	73,514,794	60,017,214
Capital work in progress	5.2	-	-
Right-of-use assets	5.3	-	-
		<b>73,514,794</b>	<b>60,017,214</b>

### 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, 2024

Opening 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
Additions - cost	-	-	10,045,500	196,000	586,520	5,340,000	747,000	16,915,020
Transfer from CWIP/ROU	-	5,851,211	-	-	-	-	-	5,851,211
Disposals - cost	-	-	(120,000)	-	(89,000)	(980,000)	(36,500)	(1,225,500)
Depreciation charge	(47,177)	(2,067,012)	(2,051,408)	(475,801)	(297,385)	(3,728,781)	(492,462)	(9,160,026)
Disposals - accumulated depreciation	-	-	120,000	-	45,708	914,667	36,500	1,116,875
<b>Closing net book amount</b>	<b>3,495,417</b>	<b>37,888,796</b>	<b>16,321,812</b>	<b>956,029</b>	<b>925,996</b>	<b>13,062,103</b>	<b>864,641</b>	<b>73,514,794</b>

#### At June 30, 2024

Cost	4,717,652	53,620,025	30,063,612	2,737,519	1,903,246	24,209,492	2,500,144	119,751,690
Accumulated depreciation	(1,222,235)	(15,731,229)	(13,741,800)	(1,781,490)	(977,249)	(11,147,389)	(1,635,503)	(46,236,895)
<b>Net book amount</b>	<b>3,495,417</b>	<b>37,888,796</b>	<b>16,321,812</b>	<b>956,029</b>	<b>925,996</b>	<b>13,062,103</b>	<b>864,641</b>	<b>73,514,794</b>

#### 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
<b>Closing net book amount</b>	<b>3,542,594</b>	<b>34,104,597</b>	<b>8,327,720</b>	<b>1,235,830</b>	<b>680,153</b>	<b>11,516,217</b>	<b>610,103</b>	<b>60,017,214</b>

#### 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)
<b>Net book amount</b>	<b>3,542,594</b>	<b>34,104,597</b>	<b>8,327,720</b>	<b>1,235,830</b>	<b>680,153</b>	<b>11,516,217</b>	<b>610,103</b>	<b>60,017,214</b>

Rate of depreciation	1%	5%	10%	20%	20%	20%	33%	
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# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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 -----						
<b>Plant and machinery</b>							
Plant and machinery Boiler	120,000	120,000	-	15,000	15,000	Negotiation	Meezab Ent
	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>		
<b>Motor Vehicles</b>							
Vehicle Car (AXS-237)	980,000	914,667	65,333	1,150,000	1,084,667	Negotiation	Mr. M. Ejaz
	<u>980,000</u>	<u>914,667</u>	<u>65,333</u>	<u>1,150,000</u>	<u>1,084,667</u>		
<b>Office equipments</b>							
A.C Haier 1.0 ton	66,000	27,500	38,500	10,000	(28,500)	Negotiation	H & H Electronic
A.C Haier 1.5 ton	23,000	18,208	4,792	15,000	10,208	Negotiation	H & H Electronic
	<u>89,000</u>	<u>45,708</u>	<u>43,292</u>	<u>25,000</u>	<u>(18,292)</u>		
<b>Computer/Laptop</b>							
Lap top HP 451 IS 4th Gen	36,500	36,500	-	16,000	16,000	Negotiation	MAMA Tech
	<u>36,500</u>	<u>36,500</u>	<u>-</u>	<u>16,000</u>	<u>16,000</u>		
	<u>1,225,500</u>	<u>1,116,875</u>	<u>108,625</u>	<u>1,206,000</u>	<u>1,097,375</u>		

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

	2024			2023		
	Export	Local	Total	Export	Local	Total
	----- Rupees -----					
Lease hold land	27,049	20,128	47,177	21,911	25,266	47,177
Factory building	1,185,107	881,905	2,067,012	863,778	996,037	1,859,815
Plant and machinery	1,176,161	875,247	2,051,408	851,586	981,978	1,833,564
<b>Cost of goods sold</b>	<b>2,388,317</b>	<b>1,777,280</b>	<b>4,165,597</b>	<b>1,737,275</b>	<b>2,003,281</b>	<b>3,740,556</b>
Furniture and fittings	272,797	203,004	475,801	223,214	257,392	480,606
Office equipments	170,504	126,881	297,385	108,414	125,013	233,427
Motor vehicles	2,137,871	1,590,910	3,728,781	1,059,624	1,221,871	2,281,495
Computers	282,350	210,112	492,462	153,876	177,437	331,313
<b>Admin and selling expenses</b>	<b>2,863,522</b>	<b>2,130,907</b>	<b>4,994,429</b>	<b>1,545,128</b>	<b>1,781,713</b>	<b>3,326,841</b>
	<u>5,251,839</u>	<u>3,908,187</u>	<u>9,160,026</u>	<u>3,282,402</u>	<u>3,784,995</u>	<u>7,067,397</u>

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

	2024 Rupees	2023 Rupees
<b>5.2 Movement in capital work in progress</b>		
Opening balance	-	-
Add: Addition during the year	5,851,211	3,988,730
Less: Transfer to operating assets	(5,851,211)	(3,988,730)
	<u>-</u>	<u>-</u>
<b>5.3 Right-of-use assets</b>		
<b>Motor Vehicle</b>		
Opening balance	-	724,250
Transferred to own assets	-	(241,417)
Additions during the period	-	-
Disposals	-	-
Depreciation charge for the period	-	(482,833)
	<u>-</u>	<u>-</u>
<b>Rate of depreciation</b>	<b>20%</b>	<b>20%</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

6. LONG TERM DEPOSITS	Note	2024 Rupees	2023 Rupees
Security deposits - SSGC		1,500,000	1,500,000
		<u>1,500,000</u>	<u>1,500,000</u>

6.1 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 SSGCL is of Rs. 3,000,000, while the bank has held 50% (i.e. Rs. 1,500,000) of this guarantee from the bank account of International Knitwear Limited as security deposit.

### 7. INVESTMENTS

#### Long Term Investments

##### At fair value through other comprehensive income (FVTOCI)

Equity securities - listed	7.1	28,025,260	20,394,179
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#### Short Term Investments

##### At fair value through profit or loss (FVTPL)

Equity securities - listed	7.2	14,544,578	9,532,040
Mutual funds - listed	7.2.1	17,940,630	10,474,582
		<u>32,485,208</u>	<u>20,006,622</u>
		<u>60,510,468</u>	<u>40,400,801</u>

#### 7.1 Long Term Investments

##### Equity Securities - listed

###### Number of Shares

2024	2023		2024	2023
26,500	26,500	Engro Fertilizer Limited	4,404,830	2,187,045
1,000	1,000	Engro Corporation Limited	332,000	259,890
40,500	40,500	Pakistan Oilfields Limited	19,842,570	16,271,685
14,500	14,500	The Hub Power Company Limited	2,364,660	1,008,910
1,700	1,708	Millat Tractors Limited	1,081,200	666,649
			<u>28,025,260</u>	<u>20,394,179</u>

#### 7.2 Short Term Investments

##### Equity securities - listed

###### Number of Shares

2024	2023		2024	2023
-	568	The Searle Company Limited	-	21,766
2,500	2,500	Attock Petroleum Limited	965,600	750,625
-	12,500	Engro Polymer & Chemical Limited	-	528,125
8,600	6,400	Pakistan Oilfields Limited	4,213,484	2,571,328
30,000	33,000	Engro Fertilizer Limited	4,980,600	2,723,490
12,400	13,900	Pakistan State Oil Company Limited	2,061,004	1,543,039
14,250	14,250	The Hub Power Company Limited	2,323,890	991,515
-	6,800	Pakistan Petroleum Limited	-	402,152
			<u>14,544,578</u>	<u>9,532,040</u>





# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 7.2.1 Short Term Investments Mutual Funds - listed

Number of Units		Note	2024	2023
2024	2023		Rupees	Rupees
13,014	11,165		667,337	568,248
12,591			1,259,112	-
8,638	7,308		879,942	741,448
40,117			4,015,367	-
3			261	-
109,696	74,848		11,118,537	7,573,586
1	15,803		74	1,591,300
			<b>17,940,630</b>	<b>10,474,582</b>

### 8. STOCK IN TRADE

Raw material			39,891,589	29,274,943
Work-in-process			164,940,280	105,605,613
Finished goods		8.1	38,715,426	4,786,033
			<b>243,547,294</b>	<b>139,666,589</b>

#### 8.1 Finished goods

- Finished stock			1,492,762	1,611,323
- Finished stock in transit			30,287,083	-
- Scrap / Left over stock			6,935,581	3,174,710
			<b>38,715,426</b>	<b>4,786,033</b>

The finished goods includes left over stock of Rs 6.93 M (2023: 3.17 M) recorded at NRV.

### 9. TRADE DEBTS - CONSIDERED GOOD

Foreign - secured, considered good			18,723,463	700,475
Loss on translation of export debtors			(21,632)	(2,876)
			18,701,831	697,599

#### Local - unsecured

- Considered good			34,505,855	37,643,851
- Considered doubtful			523,270	523,270
			35,029,125	38,167,121

#### Less: Provision for bad debts

	9.1		(523,270)	(523,270)
	9.3		<b>53,207,686</b>	<b>38,341,450</b>

#### 9.1 Provision for doubtful trade debts

Opening provision			523,270	523,270
Provision for the year			-	-
Reversal of provision			-	-
			<b>523,270</b>	<b>523,270</b>

9.2 As at June 30, 2024, trade receivables of Rs Nil. (2023: 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			53,207,686	38,341,450
Past due			-	-
- Upto 1 month			-	-
- 1 to 6 months			-	-
- More than 6 months			523,270	523,270
			<b>53,730,956</b>	<b>38,864,720</b>

### 10. LOANS AND ADVANCES

#### Loans and advances to employees - Long term portion - unsecured, considered good

Loan to employees	10.1		1,997,733	2,277,289
Less: current portion of loan to employees			(1,136,733)	(956,789)
			<b>861,000</b>	<b>1,320,500</b>

#### Short term Loans and advances - unsecured, considered good

Advance to contractor and supplier			5,169,726	21,782,392
Current portion of advances to employees			1,136,733	956,789
			<b>6,306,459</b>	<b>22,739,181</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 pertains to a period between 1 - 3 years.

Transactions:	Note	2024 Rupees	2023 Rupees
Advance to CFO			
Opening balance		90,000	140,000
Paid advance during the year		-	-
		90,000	140,000
Refund advance during the year		(90,000)	(50,000)
		-	90,000

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. nil million as on June 30, 2024.

### 11. OTHER RECEIVABLES

Sales tax refundable	17,656,462	6,726,851
Export rebate receivables	5,047,766	336,185
Research and development receivable	2,574,779	2,574,779
	<b>25,279,007</b>	<b>9,637,815</b>

### 12. CASH AND BANK BALANCES

Cash in hand	200,000	100,000
<b>With banks in:</b>		
- Treasures call accounts (deposit accounts)	3,802,721	2,571,129
- Saving account	381,494	218,127
- Current accounts	388,032	224,422
	4,572,247	3,013,678
Security deposit	6.1 (1,500,000)	(1,500,000)
	<b>3,272,247</b>	<b>1,613,678</b>

12.1 Deposit and savings accounts carry profit of 18.50% to 20.50 % per annum (2023: 10.75% - 18.50 % per annum)

### 13. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

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

Number of Shares			
2024	2023		
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
<b>9,675,000</b>	<b>9,675,000</b>		<b>96,750,000</b>

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.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>14. DEFERRED LIABILITIES - DEFERRED TAXATION LIABILITY / (ASSET)</b>			
Deferred tax liability arising in respect of:			
Accelerated tax depreciation		2,309,888	1,241,362
Right to use asset		-	-
Unrealized gain on investments		-	-
Deferred tax assets arising in respect of:			
Provision for doubtful debts		151,748	(81,270)
Unrealized loss on investments		(790,586)	(271,188)
Liability against asset subject to finance lease		-	-
Carry forward turnover tax		(1,983,771)	(1,274,726)
		<u>(2,622,609)</u>	<u>(1,627,183)</u>
Not recorded due to prudence	14.1	(312,721)	(385,821)
		<u>312,721</u>	<u>385,821</u>
		<u>-</u>	<u>-</u>

14.1 During the year the amount of deferred tax asset estimated by the company is Rs. 0.312 million (2023: 0.385 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.

### 15. SHORT TERM FINANCE UNDER MARK-UP ARRANGEMENT - SECURED

Running finance facility	15.1	5,968,608	5,676,309
Export refinance facility	15.2	10,000,000	8,000,000
Short term finance - local sales	15.3	-	3,498,102
Finance against local documentary bills	15.5	-	11,710,536
Finance against Twinco Capital Management	15.6	126,330,563	68,054,065
		<u>142,299,171</u>	<u>96,939,012</u>

#### 15.1 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.405.76 million (2023: 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 (2023: 3 Months KIBOR + 2.5% p.a). The facility is renewable and is valid till June 30, 2024. The facility for running finance as at June 30, 2024 amounts to Rs. 6 million (2023: Rs. 6 million) of which amount remaining unutilized at the year end was Rs. 0.031 million (2023 : Rs. 0.32 million)

#### 15.2 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.405.76 million (2023: 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 (2023: 3 Months KIBOR + 1.0% p.a). The facility is renewable and is valid till June 30, 2024. The facility for export refinance as at June 30, 2024 amounts to Rs. 29.0 million (2023: Rs. 29 million) of which amount remaining unutilized at the year end was Rs. 19.0 million. (2023: Rs. 21.0 million)

#### 15.3 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 (2023: 3 Months KIBOR + 2.5% p.a). The facility is renewable and is valid till June 30, 2024. The facility for Short term finance - local sales as at June 30, 2024 amounts to Rs. 5 million (2023: 5 million) of which amounts remaining unutilized at the year end was Rs. 5.0 million. (2023 : 1.50)

#### 15.4 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 (2023: 3 Month KIBOR + 2.5 % p.a). The facility is renewable and valid till June 30, 2024. The facility for Short term finance - local sales as at June 30, 2024 amounts to Rs. 95.0 million (2023: 97.68 million) of which amounts remaining unutilized at the year end was Rs. 95.0 million . (2023 : 97.68 million)



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 15.5 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 (2023: 3 Month KIBOR + 2.5 % p.a). The facility is renewable and valid till June 30, 2024. The facility for Short term finance against local sales as at June 30, 2024 amounts to Rs. 102.50 million (2023: 100.0 million) of which amounts remaining unutilized at the year end was Rs. 102.50 million . (2023 : 88.29 million)

### 15.6 Finance against Twinco Capital Management

This finance from Twinco Capital Management against Purchase order of El Corte Ingels 50% of such value Under Mark-up 4.27% for 6 Month . The facility utilized at the year end Rs. 126.33 million. (2023: 68.05 million)

### 15.7 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, 2024 amounts to 2 million. (2023: 2 million) of which the amount remaining unutilised at the year the end was Nil. (2023: Nil)

	Note	2024 Rupees	2023 Rupees
<b>16. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Creditors		146,599,026	56,499,691
Accrued expenses		14,660,873	9,605,792
Compensated absences payable		2,559,329	1,824,961
Other fund payable	16.1	683,456	679,287
Workers' profit participation fund	16.2	1,438,259	3,473,165
Workers' welfare fund		3,494,117	2,947,579
Advance from customers		443,657	705,609
Others		821,045	1,654,419
		<b>170,699,762</b>	<b>77,390,503</b>
<b>16.1 Other fund payable</b>			
Provident fund		655,296	656,626
EOBI payable		28,160	22,661
		<b>683,456</b>	<b>679,287</b>
<b>16.2 Workers' profit participation fund</b>			
Opening balance		3,473,165	1,481,494
Provision for the year		1,438,259	1,991,671
		4,911,424	3,473,165
Less: Payments made during the year		(3,473,165)	-
		<b>1,438,259</b>	<b>3,473,165</b>
<b>17. TAXATION - INCOME TAX AND FINAL TAXES</b>			
Final taxes	17.1	1,273,875	1,094,016
Income tax			
Current - for the year		9,353,314	10,256,737
- for prior year		5,109,656	3,706,302
		14,462,969	13,963,039
Deferred Tax	14	-	-
		<b>15,736,844</b>	<b>15,057,055</b>

17.1 This represents final taxes paid under section 150 and Section 154 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

### 18. CONTINGENCIES AND COMMITMENTS

#### 18.1 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.

#### 18.2 Commitments

Commitments under letters of credit as at June 30, 2024 amounted to Rs. Nil (2023: Rs. Nil).



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

19. NET SALES	EXPORT		LOCAL		TOTAL	
	2024	2023	2024	2023	2024	2023
Note	----- Rupees -----					
Export	485,961,299	281,619,832	-	-	485,961,299	281,619,832
Sales local	19.1	-	363,411,414	327,503,427	363,411,414	327,503,427
Export rebates	5,047,766	3,984,933	-	-	5,047,766	3,984,933
	<b>491,009,065</b>	<b>285,604,765</b>	<b>363,411,414</b>	<b>327,503,427</b>	<b>854,420,479</b>	<b>613,108,192</b>
Sales discount	(600,031)	(1,354,515)	(537,664)	(15,893)	(1,137,695)	(1,370,408)
Rebate Commission	(13,447)	(248,343)	-	-	(13,447)	(248,343)
Inspection Fees	(2,764,308)	-	-	-	(2,764,308)	-
	<b>(3,377,786)</b>	<b>(1,602,858)</b>	<b>(537,664)</b>	<b>(15,893)</b>	<b>(3,915,450)</b>	<b>(1,618,751)</b>
	<b>487,631,279</b>	<b>284,001,907</b>	<b>362,873,750</b>	<b>327,487,534</b>	<b>850,505,029</b>	<b>611,489,441</b>
<b>19.1 Sales local</b>						
Local	-	-	412,312,444	376,530,206	412,312,444	376,530,206
Others	19.1.1	-	13,910,085	7,574,023	13,910,085	7,574,023
		-	<b>426,222,529</b>	<b>384,104,229</b>	<b>426,222,529</b>	<b>384,104,229</b>
Sales tax Local	-	-	60,866,782	55,339,107	60,866,782	55,339,107
Sales tax others	-	-	1,944,333	1,261,695	1,944,333	1,261,695
	-	-	62,811,115	56,600,802	62,811,115	56,600,802
	-	-	<b>363,411,414</b>	<b>327,503,427</b>	<b>363,411,414</b>	<b>327,503,427</b>

19.1.1 Others include scrap sales amounting to Rs. 4,196,116. (2023: Rs. 2,679,493)



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	EXPORT		LOCAL		TOTAL	
	2024	2023	2024	2023	2024	2023
----- Rupees -----						
<b>20. COST OF GOODS SOLD</b>						
<b>Raw and packing material consumed</b>						
Opening stock	13,596,538	5,044,398	15,678,405	7,153,043	29,274,943	12,197,441
Purchases	248,530,862	126,125,693	184,945,736	145,437,728	433,476,598	271,563,422
Closing stock	(22,871,571)	(13,596,538)	(17,020,017)	(15,678,405)	(39,891,589)	(29,274,943)
	239,255,829	117,573,553	183,604,123	136,912,367	422,859,952	254,485,920
Salaries, allowances and benefits	42,027,614	24,867,293	31,275,101	28,674,907	73,302,715	53,542,200
Provident fund contribution	1,146,185	884,840	852,941	1,020,325	1,999,126	1,905,165
Knitting charges	9,161,043	5,847,254	6,817,246	6,742,570	15,978,289	12,589,824
Dyeing and other charges	49,422,651	31,940,707	36,778,163	36,831,384	86,200,814	68,772,091
Embroidery / Printing charges	24,455,564	11,963,334	18,198,755	13,795,129	42,654,319	25,758,463
Stitching charges	83,778,877	32,757,128	62,344,555	37,772,814	146,123,432	70,529,942
Fuel and power	11,351,691	4,212,533	8,447,430	4,857,544	19,799,121	9,070,077
Communication	187,490	140,859	139,521	162,426	327,011	303,285
Postage & telegrams	454,217	159,548	338,009	183,977	792,226	343,525
Repairs and maintenance	3,612,196	1,179,150	2,688,038	1,359,698	6,300,234	2,538,848
Staff welfare and medical expenses	203,181	125,690	151,198	144,935	354,379	270,625
Motor vehicle and conveyance	2,539,991	1,512,981	1,890,149	1,744,644	4,430,140	3,257,625
Insurance	601,657	316,587	447,726	365,061	1,049,383	681,648
Depreciation	2,388,317	1,737,274	1,777,280	2,003,281	4,165,597	3,740,555
Clearing and forwarding	8,519,299	2,384,196	-	-	8,519,299	2,384,196
Freight, octroi and cartage	7,557,030	3,045,213	5,623,610	3,511,489	13,180,640	6,556,702
Export development charges	1,388,178	957,326	-	-	1,388,178	957,326
Factory compliance expenses	374,800	231,609	278,910	267,073	653,710	498,682
Commission on Sales tax/Income Tax refund	466,792	182,526	347,366	210,474	814,158	393,000
Travelling expenses	1,246,857	507,702	927,856	585,439	2,174,713	1,093,141
Inspection fees	-	729,598	-	841,312	-	1,570,910
Reversal of GST refundable	111,253	1,253,653	82,789	1,445,608	194,042	2,699,261
Late Shipment charges	4,629,093	-	-	-	4,629,093	-
Others	2,568,999	1,326,955	1,911,736	1,530,135	4,480,735	2,857,090
	258,192,975	128,263,954	181,318,379	144,050,227	439,511,354	272,314,181
<b>Work-in-process</b>						
Opening stock	49,047,773	41,150,708	56,557,839	58,352,408	105,605,613	99,503,116
Closing stock	(94,567,389)	(49,047,773)	(70,372,891)	(56,557,839)	(164,940,280)	(105,605,613)
	(45,519,615)	(7,897,065)	(13,815,052)	1,794,569	(59,334,667)	(6,102,497)
<b>Cost of goods manufactured</b>	<b>451,929,188</b>	<b>237,940,442</b>	<b>351,107,451</b>	<b>282,757,162</b>	<b>803,036,639</b>	<b>520,697,604</b>
<b>Finished goods</b>						
Opening stock	2,222,839	6,150,559	2,563,194	8,721,598	4,786,033	14,872,157
Closing stock	(22,197,226)	(2,222,839)	(16,518,200)	(2,563,194)	(38,715,426)	(4,786,033)
	(19,974,387)	3,927,720	(13,955,005)	6,158,404	(33,929,393)	10,086,124
<b>COST OF GOODS SOLD</b>	<b>431,954,801</b>	<b>241,868,162</b>	<b>337,152,445</b>	<b>288,915,566</b>	<b>769,107,246</b>	<b>530,783,728</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 21. ADMINISTRATIVE AND SELLING EXPENSES

Note	EXPORT		LOCAL		TOTAL	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----					
Salaries, allowances and benefits	11,171,694	8,356,099	8,313,484	9,635,563	19,485,178	17,991,662
Provident fund contribution	413,662	339,398	307,829	391,365	721,491	730,763
Communication	509,241	136,709	378,954	157,642	888,195	294,351
Postage & telegrams	9,288	4,962	6,912	5,722	16,200	10,684
Staff welfare and medical expenses	192,624	219,161	143,342	252,719	335,966	471,880
Motor vehicle and conveyance	1,330,514	921,216	990,110	1,062,270	2,320,624	1,983,486
Repair and maintenance	133,790	128,905	99,560	148,642	233,350	277,547
Legal and professional charges	194,793	242,800	144,956	279,976	339,749	522,776
Auditors' remuneration	21.1	291,029	226,300	216,571	260,950	507,600
Depreciation	5.1.2	2,863,522	1,769,376	2,130,907	2,040,299	4,994,429
Printing and stationery		212,249	134,356	157,947	154,929	370,196
Advertisement and publicity		59,310	71,693	44,136	82,670	103,446
Fee, subscription and periodicals		1,055,367	2,566,816	785,358	2,959,840	1,840,725
Rent, rate and taxes		849,395	243,849	632,083	281,186	1,481,478
Insurance		135,653	61,052	100,947	70,400	236,600
Others		348,390	168,087	259,256	193,825	607,646
		<b>19,770,521</b>	<b>15,590,779</b>	<b>14,712,352</b>	<b>17,977,998</b>	<b>34,482,873</b>
					<b>34,482,873</b>	<b>33,568,777</b>

#### 21.1 Auditors' Remuneration

	2024	2023
	Rupees	Rupees
Annual audit	290,500	253,400
Half yearly review	100,000	100,000
Out of pocket expenses	82,500	101,250
Sales tax on audit and review fee	34,600	32,600

507,600      487,250

### 22. OTHER INCOME

Note	EXPORT		LOCAL		TOTAL	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----					
<b>Income From Financial Assets</b>						
Profit on bank accounts	926,434	470,132	689,412	542,117	1,615,846	1,012,248
Dividend income	22.1	4,869,123	3,748,586	3,623,387	4,322,560	8,071,146
Exchange loss - net		(6,605,202)	(4,275,620)	-	(6,605,202)	(4,275,620)
Grant income		-	119,592	137,903	-	257,495
Gain/(loss) on disposal of investment - net	22.2	208,986	(794,926)	155,518	(916,643)	364,504
Reversal of provision against doubtful debts		-	-	-	-	-
Loss on translation of foreign currency debtors		(21,632)	(2,876)	-	(21,632)	(2,876)
Other Income		-	302,299	-	348,587	650,886
<b>Income From Non-Financial Assets</b>						
Gain on disposal of property, plant and equipment		629,172	1,360,870	468,203	1,569,243	1,097,375
		<b>6,882</b>	<b>928,058</b>	<b>4,936,519</b>	<b>6,003,766</b>	<b>4,943,401</b>
					<b>4,943,401</b>	<b>6,931,824</b>



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees	Rupees
<b>22.1 Dividend income</b>		
Listed Shares	6,258,845	3,576,390
Mutual Fund	2,233,665	4,494,756
	<u>8,492,510</u>	<u>8,071,146</u>
<b>22.2 (Loss) on disposal of investment</b>		
<b>FVTPL</b>		
-Quoted securities	370,484	(1,688,261)
-Mutual funds	(5,980)	(23,308)
	364,504	(1,711,569)
<b>FVTOCI</b>		
-Quoted securities	2,173	(34,843)
	<u>366,677</u>	<u>(1,746,412)</u>

### 23. FINANCE COST

	EXPORT		LOCAL		TOTAL	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----					
Mark-up on export refinance	2,431,448	1,498,582	1,809,377	1,728,040	4,240,824	3,226,622
Mark-up on running finance	750,329	437,223	558,362	504,169	1,308,691	941,392
Mark-up on MTF salary and wages (Covid-19)	-	143,510	-	165,484	-	308,994
Bank charges	939,174	1,779,891	698,892	2,052,424	1,638,066	3,832,315
Mark-up on liability against asset subject to finance lease	-	40,699	-	46,931	-	87,630
Mark-up on finance from Twinco	19,589,905	-	-	-	19,589,905	-
Brokerage and other charges	10,772	5,669	8,016	6,538	18,788	12,207
Mark-up on EFS loan	-	308,082	-	355,255	-	663,337
Mark-up on STF loan & Discounting	-	-	1,567,430	3,760,270	1,567,430	3,760,270
	<u>23,721,628</u>	<u>4,213,656</u>	<u>4,642,077</u>	<u>8,619,110</u>	<u>28,363,704</u>	<u>12,832,766</u>

### 24. OTHER CHARGES

Workers' profit participation fund	751,649	925,017	686,610	1,066,654	1,438,259	1,991,671
Workers' welfare fund	285,627	351,507	260,911	405,328	546,538	756,835
	<u>1,037,275</u>	<u>1,276,524</u>	<u>947,522</u>	<u>1,471,982</u>	<u>1,984,797</u>	<u>2,748,506</u>





# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 25. SEGMENT INFORMATION

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

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

- Export
- Local

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment revenue and segment result for the year are as follows:

	EXPORT		LOCAL		TOTAL	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----					
Net Sales	487,631,279	284,001,907	362,873,750	327,487,534	850,505,029	611,489,441
Cost of goods sold	(431,954,801)	(241,868,162)	(337,152,445)	(288,915,566)	(769,107,246)	(530,783,728)
Gross profit	55,676,478	42,133,745	25,721,305	38,571,968	81,397,783	80,705,714
Administrative and selling expenses	(19,770,521)	(15,590,779)	(14,712,352)	(17,977,998)	(34,482,873)	(33,568,777)
Segment results	35,905,957	26,542,967	11,008,953	20,593,970	46,914,910	47,136,937
Other income	6,882	928,058	4,936,519	6,003,766	4,943,402	6,931,824
Unrealized gain / (loss) on revaluation of investments held for trading	3,021,848	(630,030)	2,248,727	(726,498)	5,270,575	(1,356,528)
Finance cost	(23,721,628)	(4,213,656)	(4,642,077)	(8,619,110)	(28,363,704)	(12,832,766)
Other charges	(1,037,275)	(1,276,524)	(947,522)	(1,471,982)	(1,984,797)	(2,748,506)
Profit before taxation from continuing operation	14,175,785	21,350,815	12,604,601	15,780,147	26,780,386	37,130,961
Taxation						
- Current	(4,876,313)	(4,763,229)	(4,477,001)	(5,493,508)	(9,353,314)	(10,256,737)
- Prior	(2,929,587)	(1,721,207)	(2,180,069)	(1,985,095)	(5,109,656)	(3,706,302)
- Final	(730,368)	(508,061)	(543,507)	(585,955)	(1,273,875)	(1,094,016)
	(8,536,267)	(6,992,497)	(7,200,578)	(8,064,559)	(15,736,845)	(15,057,055)
Profit after taxation from continuing operation	5,639,518	14,358,318	5,404,023	7,715,588	11,043,541	22,073,906

### 26. BASIC EARNINGS PER SHARE

Earnings per share - basic and diluted

Profit after taxation

Number of ordinary shares

Earnings per share

	2024	2023
	Rupees	Rupees
Profit after taxation	11,043,540	22,073,905
Number of ordinary shares	9,675,000	9,675,000
Earnings per share	1.14	2.28

### 27. CASH AND CASH EQUIVALENTS

Cash and bank balances

Running finance facility

	2024	2023
Cash and bank balances	12	3,272,247
Running finance facility	15.1	(5,968,608)
		(2,696,361)
		1,613,678
		(5,676,309)
		(4,062,631)



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	2024			2023		
	Directors	Chief Executive	Executives	Directors	Chief Executive	Executives
	----- Rupees -----					
Basic salary	1,509,677	3,870,968	1,935,484	1,432,258	3,870,968	1,935,484
Allowances	830,323	2,129,032	1,064,516	787,742	2,129,032	1,064,516
Company's contribution to provident fund	125,806	322,581	161,290	119,355	322,581	161,290
Medical expenses	125,806	86,487	81,545	125,752	221,115	54,360
Bonus	125,806	322,581	161,290	125,806	322,581	161,290
	<b>2,717,419</b>	<b>6,731,648</b>	<b>3,404,126</b>	<b>2,703,816</b>	<b>6,866,276</b>	<b>3,376,941</b>
Number of person(s)	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

28.1 A sum of Rs. 300,000 (2023: Rs. 230,000) was paid being fee for attending the Board of Directors' meeting.

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

### 29. TRANSACTIONS AND BALANCES 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	2024 Rupees	2023 Rupees
Provident Fund - outstanding balance	16.1	655,296	395,690
		<b>655,296</b>	<b>395,690</b>
Contribution to staff retirement benefit plans		2,720,617	2,635,928
Key management personnel's remuneration and other benefits	28	12,853,193	13,059,937

#### 29.1. PROVIDENT FUND RELATED DISCLOSURES

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

	2024	2023
Size of the fund - total assets	17,348,452	13,633,584
Percentage of investment made	76.90%	70.59%
Fair value of investments	13,340,140	9,624,059
Cost of above investments	9,854,084	9,854,084

The breakup of fair value of investment is:

	2024 Percentage	2023 Percentage	2024 Rupees	2023 Rupees
Faysal Islamic Sovereign Plan -II Fund	8.44%	0.00%	1,126,502	-
NBP Financial Sector Income Fund	36.98%	42.95%	4,933,234	4,133,147
UBL Cash Fund	51.52%	43.52%	6,872,354	4,188,657
Investment in Shares	3.06%	13.53%	408,050	1,302,255
	<b>100.00%</b>	<b>100.00%</b>	<b>13,340,140</b>	<b>9,624,059</b>

29.2 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, 2024

### 30 FINANCIAL INSTRUMENTS BY CATEGORY

		As at June 30, 2024			
Note		Amount in Rupees			
		At Amortised Cost	FVTPL	FVTOCI	Other financial liabilities
<b>FINANCIAL ASSETS</b>					
	Cash and cash equivalent	12	3,272,247	-	-
	Investments	7	-	32,485,208	28,025,260
	Long term deposits	6	1,500,000	-	-
	Trade debts - considered good	9	53,207,686	-	-
	Loans and advances	10	1,997,733	-	-
	Other receivables	11	25,279,007	-	-
	<b>Total Financial Assets</b>		<b>85,256,673</b>	<b>32,485,208</b>	<b>28,025,260</b>
<b>FINANCIAL LIABILITIES</b>					
	Short term finance under mark-up arrangement - Secured	15	142,299,171	-	-
	Creditors, accrued and other payables	16	-	-	170,699,762
	<b>Total Financial Liabilities</b>		<b>142,299,171</b>	<b>-</b>	<b>170,699,762</b>
		As at June 30, 2023			
		At Amortised Cost	FVTPL	FVTOCI	Other financial liabilities
<b>FINANCIAL ASSETS</b>					
	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	-	-	-
	<b>Total Financial Assets</b>	<b>53,370,232</b>	<b>20,006,622</b>	<b>20,394,179</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>					
	Short term finance under mark-up arrangement - Secured	28,884,947	-	-	-
	Creditors, accrued and other payables	-	-	-	145,444,568
	<b>Total Financial Liabilities</b>	<b>28,884,947</b>	<b>-</b>	<b>-</b>	<b>145,444,568</b>

### 31 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.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 31.1 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.

#### 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	2024 Rupees	2023 Rupees
<b>Financial assets:</b>			
Trade debts	9	53,207,686	144,689,705
Loans and advances	10	7,167,459	11,029,949
Other receivables	11	25,279,007	9,673,404
Cash and bank	12	4,772,247	6,981,510
		<u>90,426,399</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+	4,407,286	2,678,301
Habib Bank Limited	A-1+	15,115	14,532
Bank Alfalah	A-1+	47,596	47,196
Dubai Islamic Bank	A-1+	29,481	55,523
Faysal Bank Limited	A-1+	72,770	218,127
		<u>4,572,247</u>	<u>3,013,678</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.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 31.2 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. 18,701,831 (2023 : Rs. 697,599) which are subject to currency risk.

#### Sensitivity analysis

The 10 percent strengthening / weakening of Pak Rupee against USD at June 30, 2024 would have (decreased) / increased profit and loss by Rs. 1,870,183 (2023: Rs. 69,760) accordingly. This analysis assumes that all other variables remain constant.

#### (ii) Interest rate risk

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

However, Company do possess short term interest bearing financial liabilities which includes Rs. 142,299,171 (2023: Rs. 17,174,411) which are subject to interest rate risk. Applicable interest rate for financial instruments have been indicated in respective notes.

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

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

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

A change of 100 basis points in KIBOR / SBP Base Rate, financial liabilities at the reporting date would have increased / (decreased) equity and profit or loss by Rs. 1.42 million (2023: Rs. 0.17 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.



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 31.3 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:

		2024						
Effective rate of interest % / Range %	INTEREST/MARK-UP BEARING			NON-INTEREST/MARK-UP BEARING			Total	
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total		
----- Rupees -----								
<b>Financial assets:</b>								
Long term deposits	-	-	-	-	1,500,000	1,500,000	1,500,000	
Investments	-	-	-	32,485,208	28,025,260	60,510,468	60,510,468	
Trade debts	-	-	-	53,207,686	-	53,207,686	53,207,686	
Other receivables	-	-	-	25,279,007	-	25,279,007	25,279,007	
Cash and bank balances	18.50% - 20.50%	3,802,721	-	3,802,721	388,032	-	4,190,753	
		<b>3,802,721</b>	<b>-</b>	<b>3,802,721</b>	<b>111,359,933</b>	<b>29,525,260</b>	<b>140,885,193</b>	
<b>Financial liabilities:</b>								
Short term finance under mark-up arrangement	3 Months KIBOR +2.5% & SBP rate +1%	142,299,171	-	142,299,171	-	-	142,299,171	
Creditors, accrued and other payables		-	-	-	170,699,762	170,699,762	170,699,762	
Unclaimed dividend		-	-	-	2,298,013	-	2,298,013	
		<b>142,299,171</b>	<b>-</b>	<b>142,299,171</b>	<b>172,997,775</b>	<b>-</b>	<b>315,296,946</b>	
<b>Sensitivity gap</b>		<b>(138,496,451)</b>	<b>-</b>	<b>(138,496,451)</b>	<b>(61,637,841)</b>	<b>29,525,260</b>	<b>(32,112,581)</b>	
							<b>(170,609,032)</b>	

		2023						
Effective rate of interest % / Range %	INTEREST/MARK-UP BEARING			NON-INTEREST/MARK-UP BEARING			Total	
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total		
----- Rupees -----								
<b>Financial assets:</b>								
Long term deposits	-	-	-	-	1,500,000	1,500,000	1,500,000	
Long term 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	
		<b>2,571,129</b>	<b>-</b>	<b>2,571,129</b>	<b>68,210,309</b>	<b>21,894,179</b>	<b>90,104,488</b>	
<b>Financial liabilities:</b>								
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	
		<b>28,884,947</b>	<b>-</b>	<b>28,884,947</b>	<b>147,416,139</b>	<b>-</b>	<b>176,301,086</b>	
<b>Sensitivity gap</b>		<b>(26,313,818)</b>	<b>-</b>	<b>(26,313,818)</b>	<b>(79,205,830)</b>	<b>21,894,179</b>	<b>(57,311,651)</b>	
							<b>(83,625,469)</b>	



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 31.4 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.

### 32. 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, 2024, 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, 2024:

Financial Assets	2024			
	Level 1	Level 2	Level 3	Total
Financial Investments: Fair Value through profit and loss	60,510,468	-	-	60,510,468
Financial Assets	2023			
	Level 1	Level 2	Level 3	Total
Financial Investments: Fair Value through profit and loss	40,400,801	-	-	40,400,801



# International Knitwear Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
<b>33. PRODUCTION CAPACITY</b>		
Installed capacity (Pcs.)	<u>1,300,000</u>	<u>1,300,000</u>
Actual production (Pcs.)	<u>749,825</u>	<u>604,859</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.

	2024	2023
<b>34. NUMBER OF EMPLOYEES</b>		
Number of employees as on the date of financial statements:	<u>298</u>	<u>249</u>
- Factory employees	168	121
- Other employees	130	128
Average number of employees during the year:	<u>288</u>	<u>262</u>
- Factory employees	158	133
- Other employees	130	129

### 35. 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, 2024.

### 36. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on September 27, 2024 has proposed a final cash dividend of Rs. 0.75 per share amounting to Rs. 7,256,250 (2023: Rs. 1.0 per share amounting to Rs. 9,675,000). The approval of the shareholders of the Company shall be obtained at the upcoming Annual General Meeting for the year ended June 30, 2024. The financial statements for the year ended June 30, 2024 do not include the effect of the proposed final cash dividend.

### 37. 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.

### 38. FIGURES

Figures have been rounded off to the nearest of Rupee, unless otherwise stated.

**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, 2024

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 has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
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.



# International Knitwear Limited

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

7. The meetings of the Board were pre sided 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 the Company Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Four directors are Certified Director and two directors meet the criteria of exemption and are accordingly exempted from directors' training program. Remaining Director will acquire the required directors' training certification within the time specified in the Regulations.
10. The board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the regulations. However, the Chief Financial Officer has also been assigned the responsibilities of the company secretary;  
The position of Head of Internal Audit remained vacant during the year
11. Chief Financial Officer and Chief executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

### **Audit Committee**

Mr. Khalid Jamil Siddiqi	Chairman	Independent Director
Mr. Abdullah Ahsan Saleem	Member	Independent Director
Ms. Saleha Majid	Member	Independent Director

### **HR and Remuneration Committee**

Mr. Abdullah Ahsan Saleem	Chairman	Independent Director
Ms. Saleha Majid	Member	Independent Director
Mr. Muhammad Shafi	Member	Non-Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance
14. The frequency of meetings of the committee were as per following:

<b>Committee</b>	<b>Frequency</b>
Board of Audit Committee	Quarterly
Human Resource and Remuneration Committee	Yearly



## International Knitwear Limited

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


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;
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.

**WASEEM SHAFI**  
Chairman

**NAEEM SHAFI**  
Chief Executive

Karachi: September 27,2024

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

  
RSM Awaiz 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** for the year ended **June 30, 2024** 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 these 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, 2024.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS 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. No	Nature of Requirement	Paragraph Reference	Description of the Non-Compliance
i.	Explanatory	10 & 19(I)	The Chief Financial Officer also holds the office of the company secretary.
ii.	Explanatory	15 & 19 (II)	The Board has not setup an internal audit function as required by regulations 31 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

A handwritten signature in black ink, appearing to read 'RSM Avais Hyder Liaquat Nauman', with a long horizontal line extending to the right.

**Chartered Accountants**

Karachi.

Date: September 27, 2024

UDIN:CR2024102394snyQVYIH



# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of the Company will be held on Saturday, October 26, 2024, at 03:30 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 33rd Annual General Meeting held on October 27, 2023.
2. To receive, consider and approve the audited financial statements of the Company together with Directors' and Auditor's Reports for the year ended June 30, 2024.
3. To declare and approve the final cash dividend @ 7.5% i.e. PKR 0.75 per share as recommended by the Board of Directors for the year ended June 30, 2024.
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 elect Seven (7) Directors of the Company as fixed by the Board, in accordance with the provision of section 159(1) of the Companies Act 2017, for the period of three Years. The Retiring Directors are. Mr.Waseem Shafi (ii) Mr.Naeem Shafi (iii) Mr.Javed Khan (iv) Mr.Khalid Jamil Siddiqi (v) Mr.Abdullah Ahsan Saleem (vi) Ms.Saleha Majid (vii) Mr.Muhammad Shafi.

### **SPECIAL BUSINESS:**

6. To approve the circulation of the Annual Report (including the Audited Financial Statements, Auditors' Report, Directors' Report, Chairman's Review Report etc.) to the Members of the Company through QR-enabled code and web link, in accordance with Section 223(6) of the Companies Act, 2017 read with SECP's S.R.O.389(1)/2023 dated March 21, 2023 and to pass the following resolution with or without modification:

"RESOLVED THAT International Knitwear Limited (the 'Company') be and is hereby authorized to circulate its Annual Report including Annual Audited Financial Statements, Auditors' Report, Directors' Report, Chairman's Review Report and other reports contained therein to Members of the Company through QR enabled code and web link."

Statement under Section 134 of the Companies Act, 2017 in the above matter pertaining to item No. 6 is annexed.

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

By Order of the Board

JAVED KHAN  
Company Secretary

Karachi: October 04, 2024



# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

### NOTES:

#### 1. CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will be closed from October 19, 2024, to October 26, 2024 (both days inclusive) for the purpose of the AGM and payment of the Final Cash dividend. Transfer requests received by CDC Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400. Tel: 0800-23275, UAN: 111-111-500, Email: info@cdcsrcsl.com at the close of business on October 18, 2024, will be treated in time for the purpose of determining the above entitlement to the transferees for payment of cash dividend and to attend the AGM.

#### 2. PARTICIPATION IN THE AGM VIA THE VIDEO CONFERENCING FACILITY:

The shareholders can now participate in the AGM proceedings via video link. Those members who are willing to attend and participate in the AGM via video link are requested to register themselves by sending an email along with the following particulars and a valid copy of both sides of CNIC at [javed@internationalknitwear.com](mailto:javed@internationalknitwear.com) with the subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

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

Members who are registered after the necessary verification, as outlined above, will receive a password-protected video link via email from the Company to ensure compliance with quorum requirements. The link will be active from 3:20 p.m. on the day of the AGM until the meeting concludes.

#### 3. PARTICIPATION IN GENERAL MEETING

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, to be effective, must be received by the Company at the above said addresses, not less than 48 hours before the meeting. 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:



# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

### **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 form 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.
- 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.

#### **4. Change of Address**

Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.

#### **5. Submission of Computerized National Identity Card (CNIC) or National Tax Number (NTN) or Passport**

The shareholders are informed that as per Sub Clause 9 (i) of Regulation 4 of Companies (Distribution of Dividends) Regulations, 2017 the identification of the registered shareholder or its authorized person should be made available to the Company. Therefore, it is requested that shareholders provide a copy of their valid CNIC (in case of an individual) or NTN (in case of other than an individual) or Passport (in case of a foreign individual) along with their folio number by mail or email to the Company Secretary or Share Registrar unless it has been provided earlier.

#### **6. E-Dividend**

As per Section 242 of the Act it is mandatory for the public listed companies to pay cash dividends to its shareholders only through electronic mode, directly into a bank account designated by the entitled shareholders. Therefore, all shareholders are requested to





# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

provide their valid bank account details (if it is not provided earlier) in the “Dividend Mandate Form”, attached in the last portion of this report at the earliest. Shareholders maintaining shareholding under the Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service. In case of non-submission of valid bank account details, the Company will withhold the dividend payments under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividends, tax/zakat deductions and net dividends will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC’s eServices Portal.

### 7. Zakat Exemption:

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the share (Rs. 10/- each) and will be deposited within the prescribed period with the relevant authority. In case of claiming exemption, please submit your Zakat Declarations under the Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981. A shareholder who holds the Company’s shares in physical form, please deposit their Zakat Declaration on Form CZ-50 with the Company’s Share Registrar with mentioning Folio No. and Name. A shareholder who holds shares in book entry shall deposit their zakat declaration on Form CZ-50 with CDC Investor Account Services/CDC Participant/Stock brokers mentioning CDS Account No. and the name of the shareholder.

### 8. Unclaimed Dividend

As per Section 244 of the Act any dividend and/or share certificate that remained unclaimed or unpaid for three years from the date these have become due and payable, the Company shall be liable to deposit those unclaimed/unpaid amounts with the Federal Government as per the directives to be issued by SECP from time to time.

### 9. Withholding Income Tax on Dividend

Currently, the deduction of withholding tax on the amount of dividend paid by the companies under section 150 of the Income Tax Ordinance, 2001, are as under:

- (a) For Persons appearing in the Active Tax Payer list (ATL) 15%
- (b) For Persons not appearing in the Active Tax Payer list (ATL) 30%

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

### 10. Conversion of Physical Shares into Book-Entry Form (i.e. CDC Account)

Section 72 of the Companies Act, 2017, requires all listed companies to replace the shares held in physical form with the shares to be issued in Book-Entry Form within four (04) years from the date of the promulgation of the Companies Act 2017. Pursuant to the SECP letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, the Company is following up with all shareholders holding shares in physical form with the request to convert their shares in Book-Entry Form in order to comply with the provisions of the Companies Act, 2017. Shareholders are again requested to contact the Company’s Share Registrar to understand and complete the process of conversion of shares held in physical form, into the Book-Entry Form.



# International Knitwear Limited

## NOTICE OF ANNUAL GENERAL MEETING

### **11. Distribution of Annual Report and Notice of Meetings Through Email (Optional)**

Pursuant to the provisions of section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their Annual Audited Financial Statements, along with Auditor's Report, Directors' Report etc. ("Annual Report") and the Notice of AGM ("Notice"), to its shareholders by email. The Annual Report of the Company for the year ended June 30, 2024, is also available on the Company's website: <http://www.internationalknitwear.com>

### **STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017**

The statement sets out the material facts concerning the Special Business given in agenda item No. 6 of the Notice which will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

#### **Agenda Item No. 6 of the Notice — Circulation of Annual Audited Financial Statements Through QR enabled code and Web Link.**

The Securities and Exchange Commission of Pakistan (SECP) through its Notification No. S.R.O.389 (1)/2023 dated March 21, 2023, has allowed the companies to circulate the Annual Audited Financial Statements to its Members/Shareholders through a Quick Response (QR) enabled code and web link. Consequently, notice of the meeting shall be dispatched to Members as per requirements of the Companies Act, 2017 at their registered address, containing the QR code and the web link address to enable them to view and download the Annual Audited Financial Statements together with the Reports and documents required to be annexed there to under the Companies Act, 2017.

Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, Members' approval is sought for the circulation of the Annual Report (including Annual Audited Financial Statements and other reports contained therein) to the Members of the Company through QR enabled code and web link in accordance with S.R.O. 389(1)/2023 dated March 21, 2023.

The Company shall send hard copies of Annual Audited Financial Statements to the shareholders, free of charge, upon receipt of a duly completed Request Form, as available on the Company's website.

None of the Directors of the Company have any direct or indirect interest in the Special Business, except in their capacity as members and Directors of the Company.



## International Knitwear Limited

### PATTERN OF SHAREHOLDING AS AT JUNE 30, 2024

# Of Shareholders	Shareholdings'Slab			Total Shares Held
274	1	to	100	7,624
216	101	to	500	56,057
604	501	to	1000	337,063
81	1001	to	5000	198,640
22	5001	to	10000	157,752
10	10001	to	15000	123,735
4	15001	to	20000	69,000
5	20001	to	25000	113,256
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	75001	to	80000	77,000
1	130001	to	135000	132,225
1	155001	to	160000	158,500
2	205001	to	210000	417,158
1	365001	to	370000	368,571
2	420001	to	425000	850,000
1	425001	to	430000	430,000
1	550001	to	555000	552,612
1	640001	to	645000	641,694
1	830001	to	835000	832,153
1	935001	to	940000	936,000
1	970001	to	975000	972,400
1	1915001	to	1920000	1,919,083
<b>1238</b>				<b>9,675,000</b>



# International Knitwear Limited

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>			
WASEEM SHAFI	4	74,912	0.77
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
<b>Associated Companies, undertakings and related parties</b>	1	936,000	9.67
<b>NIT &amp; ICP</b>	-	-	-
<b>Banks Development Financial Institutions, Non Banking Financial Financial Institutions.</b>	1	67	0.00
<b>Insurance Companies</b>	1	158,500	1.64
<b>Modarabas and Mutual Funds</b>	1	209,000	2.16
<b>General Public</b>			
a. Local	1,208	4,078,005	42.15
b. Foreign	3	2,500	0.03
<b>Foreign Companies</b>	-	-	-
<b>Others</b>	7	867,687	8.97
<b>Totals</b>	<b>1,238</b>	<b>9,675,000</b>	<b>100.00</b>
<b>Share holders holding 10% or more</b>			
NAEEM AHMED SHAFI		1,919,120	19.84
HUMAIRA SHAFI		972,500	10.05



# International Knitwear Limited

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2024

S.No.	Folio #	Name of shareholder	Number of shares	Percentage %
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>				
1	1	WASEEM SHAFI	39,468	0.41
2	3025	WASEEM SHAFI	3,765	0.04
3	03277-122587	WASEEM A SHAFI	24,000	0.25
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	10629-132285	JAVED KHAN	6,589	0.07
8	10629-283781	JAVED KHAN	1,500	0.02
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	03277-124739	BUSHRA SHAFI	4,000	0.04
15	19	HUMAIRA SHAFI	100	0.00
16	03277-97487	HUMAIRA SHAFI	972,400	10.05
			<b>16</b>	<b>35.38</b>
			<b>3,423,241</b>	<b>35.38</b>
<b>Associated companies, undertakings and related parties</b>				
1	05512-111156	NOOR SHAFI	936,000	9.67
			<b>1</b>	<b>9.67</b>
<b>NIT &amp; ICP</b>				
Nil				
			<b>0</b>	<b>-</b>
<b>Banks Development Financial Institutions, Non Banking Financial Financial Institutions.</b>				
1	03889-28	NATIONAL BANK OF PAKISTAN	67	0.00
			<b>1</b>	<b>0.00</b>
<b>Insurance Companies</b>				
1	02139-29	PREMIER INSURANCE LIMITED	158,500	1.64
			<b>1</b>	<b>1.64</b>
<b>Modarabas and Mutual Funds</b>				
1	02113-21	FIRST EQUITY MODARABA	209,000	2.16
			<b>1</b>	<b>2.16</b>
<b>General Public Foreign</b>				
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
			<b>3</b>	<b>0.03</b>
<b>Foreign Companies</b>				
Nil				
			<b>0</b>	<b>-</b>
<b>Others</b>				
1	2976	THE COMPANY SECRETARY	472	0.00
2	02113-3611	First UDL Modaraba Staff Provident Fund	3,750	0.04
3	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	10,893	0.11
4	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	382	0.00
5	03277-128497	UDL INTERNATIONAL LIMITED	832,153	8.60
6	04341-3265	RAO SYSTEMS (PVT.) LTD.	19,500	0.20
7	05728-24	STOCK STREET (PRIVATE) LIMITED	537	0.01
			<b>7</b>	<b>8.97</b>
			<b>867,687</b>	<b>8.97</b>



## International Knitwear Limited

### ڈائریکٹرز رپورٹ

#### بورڈ کی کارکردگی کی تفصیلات

بورڈ کی مجموعی کارکردگی مندرجہ بالا معیار اصول کی بنیاد پر تسلی بخش پائی گئی کیپٹنیز ایکٹ 2017 کی دفعہ 192 کے تحت بورڈ کی کارکردگی پر چیئرمین کی ایک تفصیلی رپورٹ اس سالانہ رپورٹ میں شامل کی گئی ہے۔

#### ڈائریکٹران کا معاوضہ

مندرجہ ذیل شیڈول کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے ڈائریکٹران کے معاوضہ کی پالیسی منظور کی ہے:

- ☆ کمپنی اپنے نان ایگزیکٹو ڈائریکٹران یا آڈائریکٹران 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 ڈائریکٹران کو سفری اور رہائشی اخراجات کی اصل ادائیگی یا احاطہ کرے گی۔
- ☆ ڈائریکٹران کے معاوضہ کی پالیسی کا بورڈ آف ڈائریکٹرز وقتاً فوقتاً جائزہ لے گا اور منظوری دے گا۔

#### حصص داری کی ساخت

30 جون 2024 کی کمپنی کی حصص داری کی ساخت اور اضافی معلومات اس رپورٹ میں شامل ہیں۔

#### آڈیٹرز

موجودہ آڈیٹرز میسرز RSM اولیس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس سکدوش ہو چکے ہیں اور نے اہلیت کے باعث اپنی دوبارہ تقرری کی سفارش کی ہے۔ بورڈ نے آنے والے مالیاتی سال 2025 کے لئے آڈٹ کمیٹی کی سفارش پر ان کی بطور آڈیٹرز تقرری کی توثیق کی ہے۔

#### ڈائریکٹران کا تربیتی پروگرام

چار ڈائریکٹران نے ڈائریکٹرز تربیتی پروگرام میں شرکت کی ہے اور دو ڈائریکٹران کو لہجہ کمیٹیوں کے بورڈ آف ڈائریکٹرز میں کام کرنے کا 25 سال سے زیادہ کا تجربہ ہے، لہذا وہ ڈائریکٹرز تربیتی پروگرام سے مستثنیٰ ہیں۔ اگلے مالیاتی سال کے دوران کمپنی کے پاس ڈائریکٹران کے لئے تربیتی پروگرام کے ضروری منصوبے ہیں۔ کمپنی کے تمام ڈائریکٹران اپنی ذمہ داریاں ادا کرنے کے لئے موزوں تربیت کے حامل ہیں اور کیپٹنیز ایکٹ 2017 اور پاکستان اسٹاک ایکسچینج رول بک کے ضابطوں کے تحت اپنی ذمہ داریوں اور اختیارات سے آگاہ ہیں۔

#### اعتراف

ڈائریکٹران کمپنی کے ملازمین اور عملے کی انتھک محنت اور عزم پر ان کے لئے مخلصانہ تہنیت کا اظہار کرتا چاہتے ہیں۔ حصص یافتگان اور مالیاتی اداروں کے مسلسل تعاون اور مدد پر بھی ڈائریکٹران ان کے مشکور ہیں۔

برائے و مخائب

نعم شفیق  
چیف ایگزیکٹو

جاوید خان  
ڈائریکٹر

کراچی: 27 ستمبر 2024



## International Knitwear Limited

### ڈائریکٹرز رپورٹ

-	-	4/4	-	-	ہاں	27-10-2021 کو دوبارہ منتخب ہوئے	1	جاوید خان	3
-	3/4	3/4	-	✓	نہیں	27-10-2022 کو تقرری ہوئی	1	خالد جمیل صدیقی	4
1/1	4/4	4/4	✓	✓	نہیں	19-04-2023 کو تقرری ہوئی	1	عبداللہ احسان سلیم	5
1/1	4/4	3/4	✓	✓	نہیں	27-10-2021 کو دوبارہ منتخب ہوئے	1	صالحہ ماجد	6
1/1	-	3/4	✓	-	نہیں	27-10-2021 کو دوبارہ منتخب ہوئے	1	محمد شفیع	7

#### انتظامی کمیٹی

چیف ایگزیکٹو آفیسر (CEO) کی سربراہی میں انتظامی کمیٹی اعلیٰ انتظامیہ پر مشتمل ہے جو اس بات کو یقینی بناتی ہے کہ کمیٹی بھر میں موزوں نظام ترویج و نافذ رہے تاکہ کمیٹی بروقت 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 شعبوں کی بنیاد پر کی گئی ہے اور ہر شعبے کو سونپے گئے ہدف کی کارکردگی کے جائزہ کے لئے ہر ماہ اجلاس منعقد کرتی ہے۔ CEO اس بات کو بھی یقینی بناتا ہے کہ بورڈ کے تمام فیصلوں اور سمت بندی کو موزوں انداز میں ترسیل و نافذ کیا گیا ہے۔

#### بورڈ کے معیار اہلیت کی تشخیص

اپنی لازمی ذمہ داریوں کو پورا کرنے کے علاوہ انفرادی اور اجتماعی دونوں سطح پر کمیٹی کے بورڈ کی کارکردگی کی تشخیص درج ذیل معیار اہلیت کی پر بنیاد پر کی باقاعدگی سے جاتی ہے:

- ☆ جنس، قابلیت، مہارت کے مرکب اور ادراک کو پروان چڑھانے کی صلاحیت
- ☆ ممبران کی دیانت داری، اعتماد، بھروسہ اور متحرک شرکت
- ☆ انتظامیہ کے طے کردہ سالانہ اہداف میں پیشرفت کی نگرانی اور جائزہ
- ☆ کمیٹی کو کلیدی رہنمائی اور سمت بندی فراہم کرنے کی صلاحیت
- ☆ ادارے کی کارکردگی کے ان پہلوؤں کی شناخت کی صلاحیت جن میں بہتری کی ضرورت ہو،
- ☆ انتظامیہ کی جانشینی منصوبہ بندی کا جائزہ
- ☆ کمیٹی کو لاحق خطرات کی تشخیص اور ادراک کی صلاحیت
- ☆ صحت، تحفظ، ماحولیات، ملازمت اور کمیٹی کی دیگر پالیسیوں اور طور طریقوں میں بہتری میں معاونت
- ☆ غیر ضروری مقدمہ بازیوں اور ساکھ کے خطرات سے کمیٹی کو محفوظ رکھنے کا عزم



## International Knitwear Limited

### ڈائریکٹرز رپورٹ

ممبر	محمد شفیع	2
ممبر	صالح ماجد	3
خطرات کے انتظام کی کمیٹی کی تشکیل		
چیئر مین	نعیم شفیع	1
ممبر	جاوید خان	2
ممبر	خالد جمیل صدیقی	3
نازمدگی کمیٹی کی تشکیل		
چیئر مین	خالد جمیل صدیقی	1
ممبر	وسیم شفیع	2
ممبر	نعیم شفیع	3
بیکنگ کمیٹی کی تشکیل		
چیئر مین	نعیم شفیع	1
ممبر	جاوید خان	2
ممبر	عبداللہ احسان سلیم	3
شیئر ٹرانسفر کمیٹی کی تشکیل		
چیئر مین	وسیم شفیع	1
ممبر	جاوید خان	2
ممبر	خالد جمیل صدیقی	3

#### بورڈ اور اس کی کمیٹیوں کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز (BOD) کے چار اجلاس، آڈٹ کمیٹی (AC) کے چار اجلاس اور انسانی وسائل و معاوضہ کمیٹی (HRRC) کا ایک اجلاس ہوا۔ ڈائریکٹران کی حاضری اور ان کی لائحہ عملیوں بشمول انٹرنیشنل ٹسٹ ویز لمیٹڈ میں ڈائریکٹر شپ کی تعداد درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	ڈائریکٹر شپ	نوعیت	ایگزیکٹو ڈائریکٹران		کمیٹی ممبران			حاضری		
				ڈائریکٹر شپ	ڈائریکٹر شپ	HRRC	AC	BOD	HRRC	AC	HRRC
1	وسیم شفیع	1	27-10-2021 کو دوبارہ منتخب ہوئے	نہیں	-	-	-	-	-	-	-
2	نعیم شفیع	2	27-10-2021 کو دوبارہ منتخب ہوئے	ہاں	-	-	-	-	-	-	-





## International Knitwear Limited

### ڈائریکٹرز رپورٹ

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

☆ 30 جون 2024 کو اسٹاف ریٹائرمنٹ پروویڈنٹ فنڈ کے غیر آڈٹ شدہ مالیاتی گوشواروں کے مطابق کی گئی سرمایہ کاری کی مالیت 13,340,140 روپے تھی۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ کی تشکیل

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

ڈائریکٹران کی کل تعداد

6	(a) مرد:
1	(b) خواتین:

تشکیل

3	i- آزاد ڈائریکٹران:
2	ii- نان ایگزیکٹو ڈائریکٹران:
2	iii- ایگزیکٹو ڈائریکٹران

بورڈ آف ڈائریکٹرز

1	وسیم شفیع	چیئر مین	نان ایگزیکٹو
2	نعیم شفیع	چیف ایگزیکٹو آفیسر	ایگزیکٹو
3	جاوید خان	ڈائریکٹر	ایگزیکٹو
4	خالد جمیل صدیقی	ڈائریکٹر	آزاد
5	عبداللہ احسان سلیم	ڈائریکٹر	آزاد
6	محمد شفیع	ڈائریکٹر	نان ایگزیکٹو
7	صالحہ ماجد	ڈائریکٹر	آزاد

آڈٹ کمیٹی کی تشکیل

1	خالد جمیل صدیقی	چیئر مین
2	عبداللہ احسان سلیم	ممبر
3	صالحہ ماجد	ممبر

انسانی وسائل و معاوضہ کمیٹی کی تشکیل

1	عبداللہ احسان سلیم	چیئر مین
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## International Knitwear Limited

### ڈائریکٹرز رپورٹ

انتظامیہ کو توقع ہے کہ سال 30 جون 2025 میں فروخت میں اضافہ کے ساتھ روانہیت کی سطح برقرار رہے گی جس سے کمپنی کے پائیدار کاروباری افعال کو یقینی بنایا جاسکے گا۔ کمپنی کے سرمایہ کاری پورٹ فولیو سے توقع ہے کہ منافع کاری میں مثبت اضافہ ہوگا۔ مستقبل میں ہم اپنے کاروباری افعال میں اضافے اور مزید متنوع، مستعد اور منافع بخش رہنے کے لئے پرعزم ہیں تاکہ حصص یافتگان کو پائیدار منفعت فراہم کی جاسکے۔

#### اہم تبدیلیاں

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان ایسے کوئی اہم وعدے یا تبدیلیاں رونمائیں 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 ترجیح تحفظ کے تمام پہلوؤں میں بہتری لانا 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۔ ہماری کمپنی میں ٹرانزیکشنز کے لئے مجاز بنانے اور اختیارات سوچنے کا عمل واضح طور پر وضاحت شدہ ہے اور اسے کمپنی میں باضابطہ طریق عمل سے دستاویزی شکل دی گئی ہے۔ کمپنی منظور شدہ ترجیحات کی پالیسی عمل کرتی ہے جس کی مسلسل 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 نا چاہتے ہیں:  
کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔

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

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

☆ موزوں 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 ملحوظ خاطر رکھا گیا ہے۔

☆ اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ عمل 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 اس رپورٹ میں شامل کئے گئے ہیں۔



## International Knitwear Limited

### ڈائریکٹرز رپورٹ

فروخت میں 39.09 فیصد اضافے کے باوجود بلحاظ فروخت خام منافع کی شرح گزشتہ سال کے 13.19 فیصد سے کم ہو کر اس سال 9.57 فیصد رہی، جس کی بنیادی وجہ توانائی، ایندھن، خام مال اور اجرتوں کی لاگتوں میں گزشتہ سال کی بنسبت اضافہ تھا۔ جس کے نتیجے میں موجودہ مالیاتی سال کی فی حصص آمدن (EPS) 1.14 روپے رہی جو کہ گزشتہ سال 2.28 روپے تھی۔

#### فی حصص آمدن

حصص یافتگان کے لئے بعد از ٹیکس فی حصص آمدن 1.14 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۔ اس کا سرمایہ کاری پورٹ فولیو بہترین متنوع شعبوں پر مشتمل ہے جس میں اچھی منفعت کے حامل حصص پر توجہ مرکوز کی گئی ہے جن میں منافع منقسمہ کی بلند منفعت اور یونٹوں کی ادائیگی ہوتی ہے اور ان میں نمو کے مسلسل امکانات ہوتے ہیں۔ پورٹ فولیو میں جامد آمدن کے حامل حصص اور تسمکات کے مرکب سے متوازن رکھا گیا ہے تاکہ زیادہ سے زیادہ منفعت حاصل ہو۔ اس سے ہماری سرمایہ کاری حکمت عملی کی اثر پذیری کی عکاسی ہوتی ہے جو کہ کمپنی کے منافع میں اضافے میں بنیادی کردار ادا کر رہی ہے۔ سال کے دوران دیگر آمدن بشمول منافع منقسمہ کی آمدنی 8.49 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں 8.07 ملین روپے تھی۔

#### سرمایہ جاتی اخراجات

توازن، جدت اور تبدیلی (BMR) کی پالیسی کے تحت کمپنی نے تسلسل کے ساتھ مخصوص سرمایہ جاتی اخراجات (CAPEX) برداشت کئے جس کی عکاسی گزشتہ پانچ سالوں کے رجحان سے ہوتی ہے۔ اس کا بنیادی مقصد کمپنی کی آمدنی پیدا کرنے کی گنجائش کو برقرار رکھنا اور اس میں اضافہ کرنا ہے۔ مالیاتی سال 2023-24 کے دوران کمپنی نے CAPEX میں 22.76 ملین روپے کی سرمایہ کاری کی جو کہ گزشتہ سال 14.84 ملین روپے تھی جس میں گزشتہ سال کے مقابلے میں 7.92 ملین (53.36 فیصد) اضافے کی نشاندہی ہوتی ہے۔

#### منافع منقسمہ

ہماری کلیدی سرمایہ کاریوں، کاروبار کے لئے مستقبل میں رواں سرمائے کی ضروریات اور کمپنی کی نقدی پیدا کرنے کی صلاحیت کو مد نظر رکھ کر سال تختہ 30 جون 2024 کے لئے 7.5 فیصد کے حساب سے یعنی 0.75 روپے فی حصص نقد منافع منقسمہ کی تجویز دیتے ہوئے بورڈ آف ڈائریکٹرز اظہار مسرت کرتا ہے۔

#### مستقبل کی پیش بینی

کمپنی کا ایک نیا قیمتی جدید یونٹ اس وقت مکمل طور پر فعال ہے اور توقع ہے کہ اس سے کمپنی کے خالص منافع میں معاونت ہوگی۔ تاہم مستقبل قریب میں مجموعی شرح منافع بلند مالیاتی لاگتوں اور بلند توانائی کے نرخوں کی وجہ سے دباؤ کا شکار رہے گی۔

موجودہ معاشی ماحول کا مقابلہ کرنے کے لئے انتظامیہ نے قابل کنٹرول اخراجات میں کمی کے لئے متحرک نئے طور پر کام کیا۔ اپنی کوششوں کے تحت کمپنی کم لاگت کے حامل مواقعوں سے ہنگامی پیدا کرنے پر توجہ مرکوز کر رہی ہے تاکہ مالیاتی اثرات میں کمی ہو سکے۔

خام مال اور دیگر لاگتوں میں اضافے کے باوجود کاروباری لاگتوں میں کمی کے بورڈ فروخت میں اضافے اور مضبوط منافع کاری کو برقرار رکھنے کے لئے کوشاں ہے۔



## International Knitwear Limited

### ڈائریکٹرز رپورٹ

انٹرنیشنل نٹ ویز لمیٹڈ کا بورڈ آف ڈائریکٹرز اس رپورٹ کے ساتھ سالانہ مقررہ سال 30 جون 2024 کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتا ہے۔

مالیاتی کارکردگی کا سرسری جائزہ

کاروباری نتائج	2024 روپے	2023 روپے	اضافہ/ (کمی) فیصد
خالص فروخت	850,505,029	611,489,441	39.08%
خام منافع	81,397,783	80,705,713	0.86%
منافع قبل از ٹیکس	26,780,385	37,130,960	(27.88%)
منافع بعد از ٹیکس	11,043,540	22,073,905	(49.97%)
آمدنی فی حصص	1.14	2.28	(49.97%)

مقررہ سال 30 جون 2024 کی مختصر مالیاتی جھلکیاں درج ذیل ہیں:

سالانہ مقررہ سال 30 جون 2024 میں کمپنی کی خالص فروخت 850.50 ملین روپے رہی جبکہ گزشتہ سال اسی مدت میں 611.48 ملین روپے تھی۔ سابقہ سال 30 جون 2023 کے مقابلے میں اس سال فروخت میں 239.01 ملین روپے کا اضافہ ہوا۔

کمپنی کا خام منافع 81.39 ملین روپے رہا جبکہ گزشتہ سال خام منافع 80.70 ملین روپے تھا۔ منافع قبل از ٹیکس 26.78 ملین روپے رہا جو کہ گزشتہ سال 37.13 ملین روپے تھا۔

ان عوامل کے نتیجے میں منافع بعد از ٹیکس 11.04 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں خالص منافع 22.07 ملین روپے تھا۔ فی حصص آمدن 1.14 روپے رہی جبکہ گزشتہ سال 2023 میں 2.28 روپے تھی۔

کاروباری جائزہ

روپے کے لحاظ سے برآمدی فروخت میں قابل ذکر اضافہ دیکھا گیا جو کہ 203,629,372 روپے رہی جس میں گزشتہ سال کی پے نسبت 71.70 فیصد اضافے کی عکاسی ہوتی ہے۔ اسی طرح مقامی فروخت میں اضافہ ہوا یعنی 35,386,216 روپے رہی جس سے گزشتہ سال کی پے نسبت 39.90 فیصد اضافہ کی نشاندہی ہوتی ہے۔ فروخت میں قابل ذکر اضافے کی وجوہات میں BMR اقدامات کا بروقت نفاذ اور عالمی برآمدی مواقعوں سے استفادہ کے ساتھ ساتھ نئی مقامی مارکیٹوں کو ہدف بنانا شامل ہے۔ تاہم دشواریوں جیسے کہ بڑھتا ہوا افراز اور توانائی کی قیمتوں میں اضافے سے فروخت پر دباؤ موجود ہے۔

فروخت کی لاگتوں میں 3.62 فیصد اضافہ ہوا جس کی بنیادی وجوہات میں خام مال کی لاگتوں میں اضافہ، توانائی کے بڑھتے ہوئے نرخ اور کم از کم اجرت میں اضافہ ہے۔ مالیاتی لاگتوں میں 121.03 فیصد اضافہ ہوا جو کہ 15,530,938 ملین روپے رہی جس کی وجوہات میں بلند پالیسی نرخ 22 فیصد، افراط زر کی وجہ سے رواں سرمائے کی ضروریات میں اضافہ اور روپے کی قدر میں کمی اور سستے مالیاتی مواقعوں کا فقدان شامل ہے۔



## International Knitwear Limited

### چیئر مین کی جائزہ رپورٹ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت انٹرنیشنل نٹ ویئر لمیٹڈ کے بورڈ آف ڈائریکٹرز کی سالانہ تشخیص انجام دی گئی۔ اس تشخیص کے ذریعے اس بات کو یقینی بنایا جاتا ہے کہ کیا بورڈ کی مجموعی کارکردگی اور اثر پذیری کمپنی کی توقعات پر پورا اترتی ہے اور اس کے طے شدہ مقاصد سے مطابقت رکھتی ہے۔

مالیاتی سال 30 جون 2024 کو بورڈ کی مجموعی کارکردگی اور اثر پذیری کی تشخیص تسلی بخش پائی گئی۔ مسلسل بہتری ایک جاری مسلسل عمل ہے جس کے تحت عملی منصوبے ترویج کئے جاتے ہیں۔ اس تشخیص کی بنیاد ضروری عوامل پر مشتمل ہے جن میں بورڈ کی کمپنی کے نصب العین، مشن اور اقدار سے مطابقت، کلیدی منصوبہ بندی میں مشغولیت، پالیسی کی ترویج، کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کا انتظام، مالیاتی ذمہ داری، تمام ملازمین کے ساتھ برابری کا سلوک اور اپنی ذمہ داریوں کی ادائیگی میں مجموعی کارگزاری شامل ہیں۔

بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کے اجلاس سے کافی وقت پہلے بورڈ کو کمپنی کے ایجنڈے اور معاون دستاویزات موصول ہوئیں۔ اپنے فرائض کی موثر انداز میں ادائیگی میں بورڈ کے اجلاس کافی تعداد میں منعقد ہوئے جن میں نان ایگزیکٹو اور آزاد ڈائریکٹران نے تمام قابل ذکر فیصلوں میں مکمل شرکت کی۔

وسیم شفیع  
چیئر مین

کراچی:

مورخہ 27 ستمبر 2024



## International Knitwear Limited

### سالانہ اجلاس عام کا نوٹس

پاسداری کرتے ہوئے کمپنی تمام حصص یافتگان جن کے حصص طبعی شکل میں ہیں، ان سے مسلسل درخواست کر رہی ہے کہ وہ اپنے کمپنیز ایکٹ 2017 کی شقوں کے تحت اپنے حصص بک انٹری کی شکل میں منتقل کروالیں۔ حصص یافتگان سے ایک مرتبہ پھر درخواست کی جاتی ہے کہ کمپنی کے شیئرز رجسٹرار سے رابطہ کر کے طبعی شکل میں موجود حصص کو بک انٹری کی شکل میں تبدیل کروانے کے عمل کو سمجھیں اور اس کی تکمیل کریں۔

**11- سالانہ رپورٹ اور اجلاسوں کے نوٹس کی بذریعہ ای میل ترسیل (اختیاری)**

کمپنیز ایکٹ 2017 کی دفعہ (6) 223 کی شقوں کے تحت کمپنیوں کو اپنے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ آڈیٹرز کی رپورٹ، ڈائریکٹرز رپورٹ وغیرہ (سالانہ رپورٹ) اور AGM کے نوٹس (نوٹس) اپنے حصص یافتگان کو بذریعہ ای میل ترسیل کرنے کی اجازت ہے۔ کمپنی کی سالانہ رپورٹ برائے سال ختمہ 30 جون 2024 کمپنی کی ویب سائٹ <http://www.internationalknitwear.com> پر بھی دستیاب ہے۔

کمپنیز ایکٹ 2017 کی دفعہ 134 کے تحت خصوصی امور سے متعلق اہم حقائق پر بیان

اس بیان میں نوٹس کے ایجنڈا نمبر 6 میں دیئے گئے خصوصی امور سے متعلق اہم حقائق شامل کئے گئے ہیں جنہیں ممبران کو منظوری کے لئے زیر غور لایا جائے گا۔ اس بیان کا مقصد ان خصوصی امور سے متعلق اہم حقائق بیان کرنا ہے۔

نوٹس کا ایجنڈا آئٹم نمبر 6 - سالانہ آڈٹ شدہ مالیاتی گوشواروں کی QR کوڈ اور ویب لنک کے ذریعے ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے نوٹیفکیشن نمبر S.R.O.389 (1)/2023 مورخہ 21 مارچ 2023 کے تحت کمپنیوں کو کوئیک ریپانس (QR) کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی تقسیم کی اجازت دی ہے۔ لہذا کمپنیز ایکٹ 2017 کے تقاضوں کے تحت اجلاس کے نوٹس ممبران کو ان کے رجسٹرڈ پتے پر بھیجے جائیں گے جن میں کوئیک ریپانس (QR) کوڈ اور ویب لنک ویب لنک ایڈریس موجود ہوگا جس سے وہ سالانہ مالیاتی گوشواروں کے ساتھ رپورٹوں اور کمپنیز ایکٹ کے تحت اس سے منسلک ضروری دستاویزات کو ملاحظہ اور ڈاؤن لوڈ کر سکیں گے۔

ٹیکنالوجی میں جدت کے مفید استعمال اور ماحولیات اور پائیداری کے لئے کمپنی کی ادارتی سماجی ذمہ داری کو مد نظر رکھتے ہوئے S.R.O. 389(1)/2023 مورخہ 21 مارچ 2023 کے تحت سالانہ رپورٹ (بشمول سالانہ آڈٹ شدہ مالیاتی گوشواروں اور اس سے منسلک دیگر رپورٹوں) کی QR کوڈ اور ویب لنک کے ذریعے کمپنی کے ممبران کو تقسیم کے لئے ممبران کی منظوری درکار ہے۔

کمپنی کی ویب سائٹ پر دستیاب باشا بطہ مکمل پڑ شدہ درخواست فارم کی وصولی پر کمپنی سالانہ آڈٹ شدہ مالیاتی گوشواروں کی کاغذی نقول حصص یافتگان کو مفت فراہم کرے گی۔

کسی بھی ڈائریکٹر یا ممبر اور ڈائریکٹر ہونے کی حیثیت سے خصوصی امور سے کوئی بالواسطہ یا بلاواسطہ مفاد وابستہ نہیں ہے۔



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رپورٹ کے آخری حصے میں منسلک ”ڈویڈنڈ مینڈیٹ فارم“ میں پر کر کے فراہم کر دیں اگر پہلے فراہم نہ کئے ہوں۔ حصص یافتگان جن کی حصص داری سینٹرل ڈیپازٹری سسٹم میں برقرار رہتی ہے ان کو مشورہ دیا جاتا ہے کہ اپنے بینک مینڈیٹ کی تفصیلات براہ راست اپنے متعلقہ شرکاء / CDC انویسٹر اکاؤنٹ سروس کو فراہم کر دیں۔ بینک اکاؤنٹ کی درست تفصیلات پیش نہ کرنے کی صورت میں کمپنیز (ڈسٹری بیوشن آف ڈویڈنڈز) ریگولیشنز 2017 کے تحت کمپنی نقد منافع منقسمہ کی ادائیگیوں کو روک دے گی۔ مزید برآں عام منافع منقسمہ، ٹیکس / زکوٰۃ کٹوتیاں اور خالص منافع منقسمہ سے متعلق معلومات سینٹرلائزڈ ڈیویڈنڈ رجسٹر (CCDR) کے ذریعے فراہم کی جائیں گے لہذا حصص یافتگان اپنے آپ کو CDC کے ای سروسز پورٹل پر رجسٹر کروائیں۔

#### 7- زکوٰۃ سے استثناء

منافع منقسمہ کی ادائیگی سے پہلے 2.5 فیصد کے حساب سے حصص کی ادا شدہ مالیت (10 روپے کے حساب سے) پر زکوٰۃ کی کٹوتی کی جائے گی اور متعلقہ مدت میں متعلقہ ادارے میں جمع کرادی جائے گی۔ استثناء کے لئے برائے مہربانی زکوٰۃ اینڈ عشر آ ریڈینس 1980 کے تحت اپنے زکوٰۃ ڈیکلریشنز فراہم کر دیں۔ ایک حصص یافتہ جس کے پاس کمپنی کے حصص طبعی شکل میں ہوں وہ برائے مہربانی اپنے زکوٰۃ ڈیکلریشن فارم CZ-50 پر فوئیو نمبر اور نام لکھ کر کمپنی کے شیئر رجسٹرار کے پاس جمع کروادیں۔ ایک حصص یافتہ جس کے حصص بک انٹری کی شکل میں ہیں وہ اپنے CZ-50 فارم پر اپنا CDS اکاؤنٹ نمبر اور نام لکھ کر اپنے CDC انویسٹر اکاؤنٹ سروسز / CDC شرکاء / اسٹاک بروکرز کے پاس جمع کروادیں۔

#### 8- غیر دعویٰ شدہ منافع منقسمہ

ایکٹ کی دفعہ 244 کے تحت کوئی بھی منافع منقسمہ اور / یا شیئر شریکیت جو کہ اپنے واجب الادا ہونے کی تاریخ سے تین سال تک غیر دعویٰ شدہ یا غیر ادا شدہ رہا ہو تو SECP کی وقتاً فوقتاً جاری کردہ کے مطابق کمپنی یہ غیر دعویٰ شدہ / غیر ادا شدہ رقومات وفاقی حکومت کے پاس جمع کروانے کی پابند ہے۔

#### 9- منافع منقسمہ پر تھ ہولڈنگ ٹیکس

ٹیکس آرڈیننس 2001 کے تحت اس وقت ادا شدہ منافع منقسمہ کی رقم میں سے تھ ہولڈنگ ٹیکس کی کٹوتی درج ذیل ہوگی:

- (a) فعال ٹیکس دہندگان کی فہرست (ATL) میں فعال ظاہر ہونے والے افراد 15 فیصد  
(b) غیر فعال ٹیکس دہندگان کی فہرست (ATL) میں غیر فعال ظاہر ہونے والے افراد 30 فیصد

حصص یافتگان جنہوں نے اپنا ریٹرن جمع کر دیا ہے وہ اس بات کو یقینی بنائیں کہ ان کا نام منافع منقسمہ کی ادائیگی کے وقت FBR کی ویب سائٹ پر حالیہ فعال ٹیکس دہندگان کی فہرست (ATL) میں موجود ہو، بصورت دیگر ان کے ساتھ ATL میں ظاہر ہونے والوں جیسا سلوک کیا جائے گا اور ان کے نقد منافع منقسمہ سے 15 فیصد کے بجائے 30 فیصد کے حساب سے کٹوتی کی جائے گی۔

#### 10- طبعی حصص کی بک انٹری کی شکل (یعنی CDC اکاؤنٹ) میں منتقلی

کمپنیز ایکٹ 2017 کی دفعہ 72 کے تحت کمپنیز ایکٹ 2017 کے نفاذ کے چار سال کے اندر تمام لسٹڈ کمپنیوں کو طبعی شکل میں موجود حصص کو بک انٹری کی شکل میں تبدیل کرنا ضروری ہے۔ SECP کے خط نمبر CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ 2021 کی



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- 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 کارپوریت 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 پراسی کی تقرری کے لئے:
- I انفرادی فرد کی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/یا فرد جن 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 پراسی فارم پیش کر سکتے ہیں۔
- II پراسی فارم پر دو گواہان کے دستخط ہونے چاہئیں جن کے نام، پتے اور CNIC نمبر فارم پر درج ہونے چاہئیں۔
- III پراسی اور انتفاعی ماکان کی CNIC یا پاسپورٹ کی مصدقہ نقول پراسی فارم کے ساتھ پیش کی جائیں گی۔
- IV پراسی اپنی اصل CNIC یا اصل پاسپورٹ اجلاس میں حاضری کے وقت دکھائے گا۔
- V کارپوریت ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیار نامہ بمع نامزد فرد کے نمونہ دستخط کمپنی کے پراسی فارم کے ساتھ پیش کئے جائیں گے۔ (اگر پہلے پیش نہ کئے ہوں)
- 4 پتے میں تبدیلی
- ممبران سے گزارش ہے کہ فوری طور پر اپنے پتے میں تبدیلی سے شیئر رجسٹرار کو مطلع کر دیں:
- 5 کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا نیشنل ٹیکس نمبر (NTN) یا پاسپورٹ کی فراہمی
- حصص یافتگان کو مطلع کیا جاتا ہے کہ کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) کے ضابطہ 4 کی ذیلی شق نمبر (i) 9 کے تحت رجسٹرڈ حصص یافتہ یا اس کے مجاز فرد کی شناخت کمپنی میں دستیاب ہونی چاہئے۔ لہذا یہ درخواست کی جاتی ہے کہ حصص یافتگان اپنے درست CNIC (انفرادی فرد کی صورت میں) یا NTN (انفرادی فرد کے علاوہ دیگر) یا پاسپورٹ نمبر (غیر ملکی افراد کے لئے) بمع اپنا فوٹو نمبر بذریعہ ڈاک یا ای میل کمپنی کے سیکریٹری یا شیئر رجسٹرار کو ترسیل کر دیں اگر پہلے نہ بھیجے ہوں۔
- 6 ای ڈویڈنڈ
- ایکٹ کی دفعہ 242 کے تحت یہ لازمی ہے کہ پبلک لمیٹڈ کمپنیاں نقد منافع منقسمہ اپنے مجاز حصص یافتگان کو بذریعہ برقی طریقہ براہ راست ان کے نامزد بینک اکاؤنٹ میں منتقل کریں۔ لہذا تمام حصص یافتگان سے گزارش کی جاتی ہے کہ اپنے درست بینک اکاؤنٹ کی تفصیلات اس





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گزارشات:

### 1- حصص منتقلی کی کتابوں کی بندش

کمپنی کی حصص منتقلی کی کتابیں AGM اور نقد منافع منقسمہ کی ادائیگی کے مقاصد کے لئے 19 اکتوبر 2024 سے 26 اکتوبر 2024 تک (بشمول دونوں دن) بند رہیں گی۔ CDC شیئر رجسٹرار سرورسز لمیٹڈ، CDC ہاؤس، 99-B، بلاک "B"، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی 74400، ٹیلیفون: 0800-23275، یو اے این 111-500-111، ای میل: info@cdcsrsl.com کو 18 اکتوبر 2024 تک دفتری اوقات ختم ہونے سے پہلے موصول ہونے والی منتقلیوں کو نقد منافع منقسمہ کی ادائیگی اور اجلاس میں حاضری کے لئے بروقت تصور کیا جائے گا۔

### 2- AGM میں ووٹوں کا نفرنس کی سہولت کے ذریعے شرکت

حصص یافتگان AGM کی کارروائی میں بذریعہ ووٹوں شرکت کر سکتے ہیں۔ جو ممبران ووٹوں کے ذریعے AGM میں حاضر ہونا اور شرکت کرنا چاہتے ہیں ان سے درخواست ہے کہ اپنے آپ کو رجسٹر کروانے کیلئے ایک ای میل جمع کوائف اور CNIC کی دونوں طرف کی درست نقول ای میل ایڈریس [javed@internationalknitwear.com](mailto:javed@internationalknitwear.com) پر "AGM کے لئے رجسٹریشن" کے عنوان سے اجلاس سے کم از کم 48 گھنٹے قبل فراہم کر دیں۔

حصص یافتگان کا نام	شناختی کارڈ نمبر	فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر	موبائل نمبر	ای میل ایڈریس
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وہ ممبران جو کہ ضروری تصدیق کے بعد رجسٹر ہو جائیں گے انہیں پاسورڈ لگا ہوا ووٹوں کے ذریعے ای میل کمپنی سے موصول ہوگا تاکہ کورم کی تکمیل کو یقینی بنایا جاسکے۔ ایرلنک AGM کے دن سہ پہر 3:20 سے اجلاس کے اختتام تک فعال رہے گا۔

### 3- اجلاس عام میں حاضری

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 کمپنی کے مندرجہ بالا پتے پر اجلاس سے کم از کم 48 گھنٹے قبل موصول ہو جائے۔ 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 20 جنوری 2000 میں بیان کی گئی ہیں۔



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نوٹس بڑا کے ذریعے مطلع کیا جاتا ہے کہ انٹرنیشنل ٹ ویز لمیٹڈ کا 34 واں سالانہ اجلاس عام بروز جمعہ 26 اکتوبر 2024 کو سہ پہر 3:30 بجے F-2A/L، سائٹ کراچی پر مندرجہ ذیل امور کی انجام دہی کے لئے منعقد ہوگا:

عمومی امور

- 1- 33 ویں سالانہ اجلاس عام منعقدہ 27 اکتوبر 2023 کی کارروائی کی توثیق
- 2- کمپنی کے سال مختتمہ 30 جون 2024 کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ان پر ڈائریکٹران اور آڈیٹرز کی رپورٹوں کی وصولی، غور و خاص اور منظوری
- 3- بورڈ آف ڈائریکٹرز نے سال 30 جون 2024 کے لئے 7.5 فیصد یعنی 0.75 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 اوپس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس سکدوش ہو چکے ہیں اور اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔
- 5- کمپنیز ایکٹ 2017 کی شق (1) 159 کے تحت بورڈ کی طرف سے مقرر کردہ 7 ڈائریکٹران کے تین سال کی مدت کیلئے انتخابات - سکدوش ہونے والے ڈائریکٹران میں (i) جناب وسیم شفیع، (ii) جناب نعیم شفیع، (iii) جناب جاوید خان، (iv) جناب خالد جمیل صدیقی، (v)، جناب عبداللہ احسان سلیم، (vi) محترمہ مصالحہ ماجد، (vii) جناب محمد شفیع شامل ہیں۔  
خصوصی امور
- 6- کمپنیز ایکٹ 2017 جسے SECP کے S.R.O. 389(1)/2023 مورخہ 21 مارچ 2023 کے ساتھ پڑھا جائے گا کے تحت سالانہ رپورٹ (بشمول آڈٹ شدہ مالیاتی گوشواروں، آڈیٹرز رپورٹ، ڈائریکٹرز رپورٹ، چیئرمین کی جائزہ رپورٹ وغیرہ) کی کمپنی کے ممبران کو QR کوڈ اور ویب لنک کے ذریعے ترسیل کرنے کی منظوری اور اس سلسلے میں مندرجہ ذیل قرارداد کی تبدیلی کے ساتھ یا تبدیلی کے بغیر منظوری:  
’’منتفقہ طور پر انٹرنیشنل ٹ ویز لمیٹڈ (کمپنی) کو مجاز بنایا جاتا ہے کہ کمپنی سالانہ رپورٹ بشمول سالانہ آڈٹ شدہ مالیاتی گوشواروں، آڈیٹرز رپورٹ، ڈائریکٹرز رپورٹ، چیئرمین کی جائزہ رپورٹ اور منسلک دیگر رپورٹوں کو ممبران کو QR کوڈ اور ویب لنک کے ذریعے بھیجے‘‘  
کمپنیز ایکٹ کی دفعہ 2017 کی دفعہ 134 کے تحت ایجنڈا آئٹم نمبر 6 سے متعلق بیان منسلک ہے۔
- 7- چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بجگم بورڈ

جاوید خان

کمپنی سیکریٹری

کراچی

104 اکتوبر 2024

## E-DIVIDEND MANDATE FORM

To:

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

Dear Sir,

I, Mr./Mrs./Ms \_\_\_\_\_

S/O,/D/O,W/O \_\_\_\_\_

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

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

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

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

\_\_\_\_\_  
Signature of the Shareholder

### Notes:

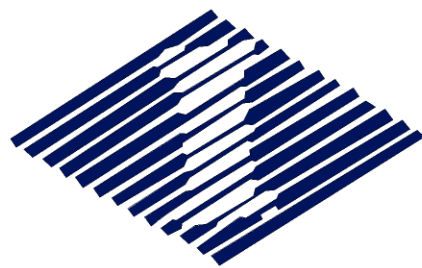
The Shareholders having physical shares have to address the Company Secretary IKL on the address given below:

The Company Secretary  
International Knitwear Limited  
F2-A/L S.I.T.E  
Karachi.

and Shareholders having their accounts with CDC Share Registrar Services Limited have to communicate mandate information to relevant Member Stock Exchange.

\*\*\*Please attach attested photocopy of the CNIC.

\*\*\*Please attach attested photocopy of the Passport.



International Knitwear Limited



# International Knitwear Limited

## FORM OF PROXY 34th 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 26th, 2024 and / or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

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 \_\_\_\_\_

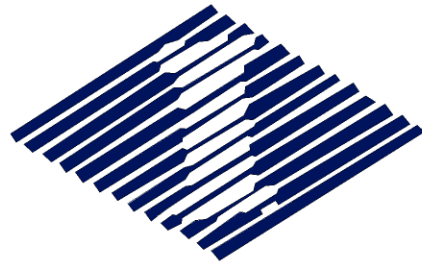
Name \_\_\_\_\_

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 attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
  4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.



International Knitwear Limited



## International Knitwear Limited

### پراکسی فارم 34 واں سالانہ اجلاس عام

میں/ہم..... ساکن.....  
 بحیثیت رکن/ارکان نٹ ویزر لیٹڈ..... حصص کے حامل ہیں، بذریعہ بڑا ہتزم/ہتزم.....  
 ساکن..... (پراکسی کے ساتھ کوئی رشتہ داری ہے تو ظاہر کریں کیونکہ یہ عکاسی ضوابط کے تحت لازمی ہے) جو کہ بذریعہ رجسٹرڈ فیلو/ CDC نمبر..... (حکومت کے ضوابط کے مطابق فیلو نمبر لکھنا لازمی ہے) کمپنی کے رکن بھی ہیں، انہیں کمپنی کے سالانہ اجلاس عام مورچہ 26 اکتوبر 2024 میں میری/ہماری جانب سے بحیثیت مختار (پروکسی) حاضر ہونے، بولنے اور ووٹ دینے کا اختیار ہوگا اور اجلاس ملتوی ہونے کی صورت میں بھی یہی میرے مختار (پروکسی) ہوں گے۔  
 مورچہ..... 2024 کو رور و گواہان میں/ہم نے دستخط کئے۔

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

دستخط.....

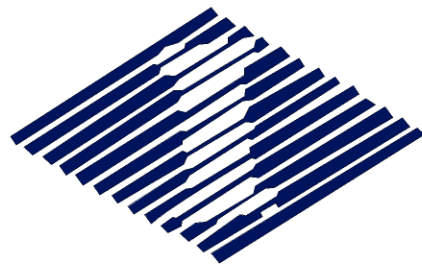
10/- روپے کا ریوینیو اسٹامپ

دستخط کمپنی کے رجسٹر میں موجود نمونہ دستخطوں سے مماثل ہونے چاہئیں

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

#### گزارشات

- 1- پراکسی کے لئے کمپنی کا ممبر ہونا لازمی ہے۔
- 2- دستخط کا کمپنی کے ریکارڈ میں موجود نمونہ دستخطوں سے مماثل ہونا لازمی ہے۔
- 3- اگر کوئی ممبر پراکسی مقرر کرتا ہے جس کے حصص CDC شیئر رجسٹر اور سرور لیٹڈ میں جمع ہیں تو پھر پراکسی کو شراکت دار کا آئی ڈی نمبر اور سی ڈی سی اکاؤنٹ نمبر/ذیلی اکاؤنٹ نمبر کے ساتھ اشغالی مالک کی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول اپنے ہمراہ لائے گا۔ کارپوریٹ ممبرز کی صورت میں ضروری عمومی دستاویز اس مقصد کے لئے لانا ضروری ہیں۔
- 4- مکمل پر کیا ہوا پراکسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل جمع کروا دیا جائے۔



International Knitwear Limited





International Knitwear Limited

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

Phones: 32571463, 32574302-04

Fax: (021) 32564414

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