



# International Knitwear Limited

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

### For the Year Ended June 30, 2023

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

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

Male: 6 (Six)

Female: 1 (One)

2. The composition of board is as follows:

Category	Name
Executive Directors	Mr.Naeem Shafi Mr.Javed Khan
Non-Executive Directors	Mr.Waseem Shafi Mr.Muhammad Shafi
Independent Directors	Mr. Khalid Jamil Siddiqi Mr. Abdullah Ashan Saleem Ms. Saleha Majid
Female Director	Ms.Saleha Majid

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and some significant policies of the Company. The board is doing a reasonable progress to complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of Director have a for mail policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.



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9. Two directors are Certified Director and two directors meet the criteria of exemption and are accordingly exempted from directors' training program. Remaining Director will acquire the required directors' training certification within the time specified in the Regulations.
10. The board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the regulations. However, the Chief Financial Officer has also been as signed the responsibilities of the company secretary;  
The position of Head of Internal Audit remained vacant during the year
11. Chief Financial Officer and Chief executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

### Audit Committee

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

### HR and Remuneration Committee

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

13. The terms of reference of the a for e said committees have been formed, documented and advised to the committee for compliance
14. The frequency of meetings of the committee were as per following:
  - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2022
  - b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2022
15. The Board has not yet setup an internal audit function as required by regulation 31 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;



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17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations3, 6, 7, 8,27,32,33 and 36 are below.
  - I. The Chief Financial Officer also holds the office of the company secretary.

The Company will hire Company Secretary as required by the Regulation of the Listed Companies (Code of Corporate Governance) Regulations, 2019 as soon as the cash flow allows to bear an additional cost.
  - II. Company have not setup the Internal Audit Function.

The Company will setup the Internal Audit Function and will hire head of Internal Audit as required by the Regulation 31 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 as soon as the cash flow allows to bear an additional cost.
  - III. The board has not maintained the complete record of significant policies as required under the regulations.

During the year a significant progress has been made by the Company to maintain complete record of various significant policies. However the remaining Compliance will be complete by the year end June 30, 2024.

**WASEEM SHAFI**  
Chairman

Karachi: September 27,2023

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

  
RSM Avais Hyder Liaquat Nauman  
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We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of International Knitwear Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL KNITWEAR LIMITED  
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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:

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

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

**Chartered Accountants**

Karachi.

Date: October 04, 2023

UDIN:CR202310239E012oIFaU