

# GROWTH THROUGH DIVERSIFICATION



## Mission

To be an agent of positive change for the stakeholders and community by pursuing an ethical and sustainable business

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# Company Information

## Board of Directors

### **Musadaq Zulqarnain**

*Chairman / Non-Executive Director*

### **Navid Fazil**

*Chief Executive Officer / Executive Director*

### **Muhammad Maqsood**

*Executive Director / Group CFO*

### **Jahan Zeb Khan Banth**

*Non-Executive Director*

### **Shereen Aftab**

*Non-Executive Director*

### **Saeed Ahmad Jabal**

*Independent Director*

### **Tariq Iqbal Khan**

*Independent Director*

## Chief Financial Officer

### **Muhammad Maqsood**

## Company Secretary

### **Rana Ali Raza**

## Head of Internal Audit

### **Jamshaid Iqbal**

## Auditors

### **Kreston Hyder Bhimji & Co.,**

*Chartered Accountants*

## Legal Advisor

### **HaidermotaBNR & Co**

## Share Registrar

### **Central Depository Company of Pakistan Limited**

#### **Karachi Office:**

Share Registrar Department  
CDC House, 99 - B, Block B,  
S.H.C.H.S, Main Shahra - e - Faisal,  
Karachi

**Tel:** +92-21-111-111-500

**Fax:** +92-21-34326031

#### **Lahore Office:**

Mezzanine Floor,  
South Tower, LSE Plaza,  
19-Khayaban - e - Aiwan - e - Iqbal, Lahore

**Tel:** +92-42-36362061-66

## Audit Committee

### **Tariq Iqbal Khan**

*Chairman*

### **Saeed Ahmad Jabal**

*Member*

### **Jahan Zeb Khan Banth**

*Member*

## Human Resource & Remuneration Committee

### **Saeed Ahmad Jabal**

*Chairman*

### **Navid Fazil**

*Member*

### **Jahan Zeb Khan Banth**

*Member*

## Nomination Committee

### **Musadaq Zulqarnain**

*Chairman*

### **Navid Fazil**

*Member*

### **Muhammad Maqsood**

*Member*

## Bankers

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank Pak Limited  
Summit Bank Limited  
The Bank of Punjab  
United Bank Limited

## Registered Office

Interloop Limited

Al - Sadiq Plaza, P - 157,  
Railway Road, Faisalabad, Pakistan

**Phone:** +92-41-2619724

**Fax:** +92-41-2639400

**Email:**

corporatecommunication@interloop.com.pk

**Website:** www.interloop-pk.com

## Plant Site

### **Plant 1:**

1 - KM Khurrianwala - Jaranwala Road,  
Khurrianwala,  
Faisalabad, Pakistan.

**Phone:** +92-41-4360400

**Fax:** +92-41-2428704

### **Plant 2 & 4:**

7 - KM Khurrianwala - Jaranwala Road,  
Khurrianwala, Faisalabad, Pakistan.

**Phone:** +92-41-4360400

**Fax:** +92-41-47035005

### **Plant 3:**

8 - KM, Manga - Raiwind Road, Distt.  
Kasur, Lahore, Pakistan.

**Phone:** +92-42-35393643

**Fax:** +92-42-35393649

# Directors' Review

The Directors of the company are pleased to present the Un-audited Condensed Interim Financial Statements of the Company for the first quarter of the current financial year (2019-2020) ended on September 30, 2019.

## General Economic Overview:

Economic growth in FY 2020 is likely to remain weak by recent historical standards as Pakistan's severe twin deficits require fiscal austerity. In addition, a tighter monetary stance and elevated inflation are expected to gravel household spending and credit growth. Deteriorating relations with neighboring country and substantial financing needs represent additional risks to the outlook. On quarterly basis from Jul to Sep 2019, the country's exports registered a growth of 2.75% from \$5.374 billion to \$5.522 billion. The imports, meanwhile, fell to \$11.249 billion in Jul-Sep 2019 in contrast with \$14.165 billion during the same period last year. Analysts see growth of 2.9% in FY 2020 and 4.0% in FY 2021. Mainly, value added segment of the industry contributed to this exports growth. Apparel Exports increased considerably in this period because of appreciation of US Dollar against Pak Rupee. However, textile sector in Pakistan could not take full advantage of this favorable situation due to huge increase in raw material cost. In spite of all these factors, your Company's journey continued successfully and we are happy to earn profit of Rs. 619 Million for three months ended Sep 30, 2019.

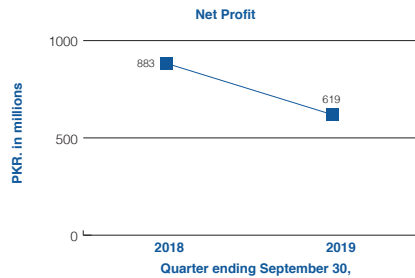
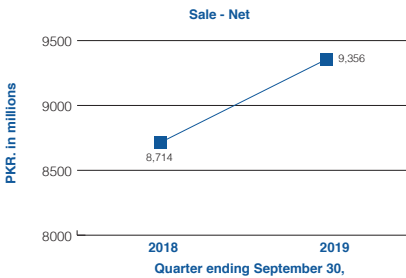
## Financial Results:

The summarized un-audited financial results for the three months ended on September 30, 2019 are as follows:

	Quarter ended September 30,	
	2019	2018
	PKR in millions	
Gross Sales	9,802	8,616
Exchange (Loss) / Gain	(374)	138
<b>Gross Sales – Total</b>	<b>9,428</b>	<b>8,754</b>
Sales – Net	9,356	8,714
Gross Profit	2,148	2,473
EBIT	850	1,165
EBITDA	1,255	1,543
Net Profit	619	883
Gross Profit Margin	22.95(%)	28.38(%)
EBIT Margin	9.08(%)	13.37(%)
EBITDA Margin	13.41(%)	17.7(%)
Net Profit Margin	6.62(%)	10.13(%)
Earnings Per Share – Basic (Rupees)	0.71	1.16
Break-up-Value Per Share (Rupees)	21.21	20.5

Normally, during July to September quarter sales remain low due to seasonal impact but particularly during the quarter under review, sales in terms of quantity remained lower compared to its corresponding period because of the longer heat wave in Europe and USA. However, now, our production capacity is fully booked till the end of June 2020 even after import of additional machines. We are hopeful of good financial performance during this year as well. Moreover, during the period under review, your Company sales increased to Rs. 9,356 million in comparison with Rs. 8,714 million during corresponding period of last year and your Company earned net profit of Rs. 619 million, compared to net profit of Rs. 883 million earned during the corresponding period. It is pertinent to mention here that the Net Profit Margin has mainly reduced on account of exchange (loss)/gain impact of approximately Rs. 512 Million in absolute terms (exchange loss of PKR 374 million in this quarter and exchange gain of PKR 138 Million in the comparable period of the last year).

The basic earnings per share for the period is Rs. 0.71 compared to Rs. 1.16 for the corresponding period.



### Consolidated Financial Statements:

IL Apparel (Pvt.) Limited is the wholly owned subsidiary company of Interloop Limited. Therefore, the Company has annexed consolidated condensed interim financial information in addition to its separate condensed interim financial information, in accordance with the requirements of International Financial Reporting Standards.

### Acknowledgement:

The Board records its profound appreciation for all our colleagues, customers, banks, management and factory staff who are strongly committed to their work as the success of your Company is built around their efforts. We also thank our shareholders for their confidence in our Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.

### For & on behalf of the Board

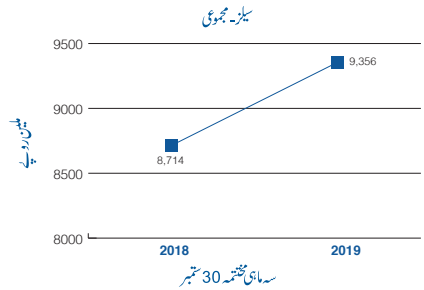
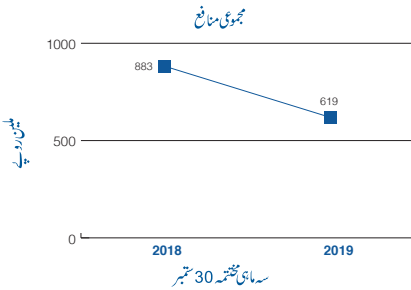
**Navid Fazil**  
(Chief Executive Officer)

Place: Faisalabad  
Date: October 25, 2019

**Jahan Zeb Khan Banth**  
(Director)

عام طور پر جولائی سے ستمبر کی سرمایہ میں موسمی اثرات کی وجہ سے بیلنس ہٹا کم رہتی ہیں۔ زیر جائزہ سرمایہ کے دوران یورپ اور امریکہ میں زیادہ دیر تک گرمی کی اہر رہنے کی وجہ سے مقدار کے لحاظ سے بیلز گزشتہ سال کی اسی سرمایہ کے مقابلہ میں کم رہیں۔ تاہم اب ہماری پیدوار کی گھٹی اضافی مشینوں کی درآمد کے باوجود جون 2020 تک مکمل مختص ہے۔ ہم اس سال بھی مضبوط مالی کارکردگی کیلئے انتہائی پُر امید ہیں۔ تاہم، زیر جائزہ مدت کے دوران آپ کی کمپنی کی بیلز میں اضافہ ہوا اور گزشتہ سال کے اسی دورانیہ کے مقابلہ میں بیلز 8,714 ملین روپے کی سطح سے بڑھ کر 9,356 ملین روپے کی سطح تک جا پہنچیں۔ آپ کی کمپنی نے 619 ملین روپے مجموعی منافع کمایا جو کہ گزشتہ سال کے اسی دورانیہ میں 883 ملین روپے تھا۔ یہ بیان کرنا مناسب ہے کہ مجموعی منافع کا فرق Absolute Terms میں تقریباً 512 ملین روپے کے پچھتچ (نقصان)/منافع کے اثرات کی وجہ سے کم ہوا (اس سرمایہ میں 374 ملین روپے کا پچھتچ نقصان اور گزشتہ سال اسی مدت کے دوران 138 ملین روپے کا پچھتچ منافع)۔

اس مدت کیلئے فی شیئر بنیادی آمدن 0.71 روپے رہی جو کہ گزشتہ سال کی اسی مدت کے دوران 1.16 روپے تھی۔



### مشترکہ مالی گوشوارے:

آئی ایل ایچ ایل (پرائیویٹ) لمیٹڈ انٹرویو پبلیٹڈ کی ایک مکمل ذیلی کمپنی ہے۔ اس لئے کمپنی نے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی ضروریات کے مطابق الگ مجموعی انٹیرم فنانشل معلومات کے ساتھ ساتھ مشترکہ مجموعی انٹیرم فنانشل معلومات بھی بیان کر دی ہیں۔

### اظہار تشکر:

پورڈ ہمارے تمام ساتھیوں، صارفین، بیکنوں، انتظامیہ اور ڈیکوری سٹاف کو تخرج تحسین پیش کرتا ہے جو کہ اپنے کام سے بھید لگاؤ رکھتے ہیں اور بینک ہماری کمپنی کی کامیابی انہی کی کاوشوں کے مرہون منت ہے۔ ہم کمپنی پر سب سے پناہ اکتا کرنے والے اپنے تمام شرکاء داروں کے بھی شکر گزار ہیں اور اس بات کی یقین دہانی کرواتے ہیں کہ ہم کمپنی میں ان کی سرمایہ کاری کو مفید تر بنانے کیلئے ہر ممکن کوشش عمل میں لائیں گے۔

برائے اور شکرم پورڈ

Taham Zed  
جہانزیب خان ہاتھ  
(ڈائریکٹر)

نوید فضل  
(چیف ایگزیکٹو آفیسر)

مقام: فیصل آباد

تاریخ: 25 اکتوبر 2019



# ڈائریکٹران جائزہ

کئینی کے ڈائریکٹران موجودہ مالی سال (2019-20) کی پہلی سہ ماہی مدت تختہ 30 ستمبر 2019 کیلئے کئینی کی غیر آڈٹ شدہ مجموعی انٹیرم ٹینٹس پیش کرتے ہوئے انتہائی خوش محسوس کر رہے ہیں۔

## عمومی معاشی جائزہ:

مالی سال 2020 میں اقتصادی ترقی موجودہ حالات کو دیکھتے ہوئے سست رہنے کی پیش گوئی ہے کیونکہ پاکستان کے شدید خسارہ جات کو کم کرنے کیلئے قرضہ جات میں کمی لانے کی ضرورت ہے۔ اس کے علاوہ ایک سخت مانیٹری نقطہ نظر اور زیادہ مہنگائی کی وجہ سے گھریلو اخراجات اور کریڈٹ گروتھ پر منفی اثرات مرتب ہونے کی توقع ہے۔ ہمسایہ ممالک کے ساتھ خراب تعلقات اور محدود مالی ضرورت اس صورتحال کو مزید گھمبیر بنانے کا خدشہ رکھتی ہیں۔ سہ ماہی بنیاد پر جولائی تا ستمبر 2019 تک ملکی برآمدات میں 2.75 فیصد اضافہ ہوا جو کہ 5.374 بلین ڈالر سے بڑھ کر 5.522 بلین ڈالر ہو گئیں۔ جبکہ جولائی تا ستمبر 2019 کے دوران درآمدات میں 11.249 بلین ڈالر تک کمی ہوئی جو کہ گزشتہ سال اسی دورانیہ میں 14.165 بلین ڈالر تھیں۔ تجزیہ کار مالی سال 2020 کیلئے 2.9 فیصد اور مالی سال 2021 کیلئے 4.0 فیصد ترقی کی شرح کی پیش گوئی کر رہے ہیں۔ بنیادی طور پر پرائمری سیکٹرز کے کئی وٹیلٹیو ڈیڈ شعبہ جات نے برآمدات کی اس ترقی میں کلیدی کردار ادا کیا۔ اس مدت کے دوران اہیرل برآمدات میں پاکستانی روپیہ کے مقابلہ میں پولیس ڈالر کی قدر میں اضافہ کی وجہ سے اہیرل برآمدات میں نمایاں بہتری ہوئی۔ تاہم پاکستان میں ٹیکسٹائل کا شعبہ خام مال کی قیمت میں بے انتہا اضافہ ہونے کی وجہ سے اس سیزن میں برآمدات میں مستفید نہ ہو سکا۔ ان تمام عوامل کے باوجود آپ کی کئینی کا کامیاب سفر جاری رہا اور ہم مدت تختہ 30 ستمبر 2019 کے تین مہینوں میں 619 بلین روپے کا منافع کمانے پر فخر محسوس کرتے ہیں۔

## مالی اور عملی نتائج:

مدت تختہ 30 ستمبر 2019 کے تین مہینوں کیلئے غیر آڈٹ شدہ مالی نتائج کا خلاصہ درج ذیل ہے:

سہ ماہی تختہ 30 ستمبر		
2018	2019	
بلین روپے		
8,616	9,802	مجموعی سیلز
138	(374)	آپریٹنگ (نقصان)/ منافع
8,754	9,428	مجموعی سیلز۔ کل
8,714	9,356	سیلز۔ نیٹ
2,473	2,148	مجموعی منافع
1,165	850	ای بی آئی ٹی
1,543	1,255	ای بی آئی ٹی ڈی اے
883	619	مجموعی منافع
28.38%	22.95%	مجموعی منافع کا فرق
13.37%	9.08%	ای بی آئی ٹی فرق
17.7%	13.41%	ای بی آئی ٹی ڈی اے فرق
10.13%	6.62%	مجموعی منافع کا فرق
1.16	0.71	آمدن فی شیئر۔ بنیادی (روپے)
20.5	21.21	بریک اپ ویلیو فی شیئر (روپے)



# Unconsolidated Condensed Interim Financial Statements

**For The Quarter Ended September 30, 2019**

# Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2019

	Note	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	5	20,301,953	18,256,474
Intangible asset		66,619	66,161
Long term investments	6	1,608,735	1,008,735
Long term loans - staff		84,949	65,762
Long term deposits		29,280	28,019
		22,091,536	19,425,151
<b>Current Assets</b>			
Stores and spares		951,589	887,659
Stock in trade		5,474,192	6,282,491
Trade debts	7	8,051,928	8,247,740
Loans and advances		1,502,838	1,063,342
Deposit, prepayment and other receivables		502,193	204,985
Tax refunds due from government		2,220,671	1,925,439
Short term investments		343,683	1,207,251
Cash and bank balances		473,151	1,538,564
		19,520,245	21,357,471
<b>Total Assets</b>		<b>41,611,781</b>	<b>40,782,622</b>

	Note	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>Equity And Liabilities</b>			
<b>Share Capital And Reserves</b>			
Authorized share capital	8	10,000,000	10,000,000
Issued, subscribed and paid up capital	9	8,721,975	8,721,975
Reserves		3,791,602	3,791,602
Unappropriated profit		5,984,532	5,366,207
		18,498,109	17,879,784
<b>Non Current Liabilities</b>			
Long term financing	10	3,572,674	3,628,745
Lease liabilities		27,089	–
Deferred liabilities		2,636,199	2,482,623
		6,235,962	6,111,368
<b>Current Liabilities</b>			
Trade and other payables		3,187,464	3,576,861
Dividend payable		2,053	130,935
Accrued mark up		113,154	110,483
Short term borrowings		12,607,924	11,726,000
Current portion of non current liabilities		967,115	1,247,191
		16,877,710	16,791,470
<b>Contingencies And Commitments</b>	11	–	–
<b>Total Equity And Liabilities</b>		41,611,781	40,782,622

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Profit or Loss

For the quarter ended September 30, 2019

	Note	Quarter ended	
		Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>Sales - net</b>		9,356,423	8,713,686
<b>Cost of sales</b>	12	(7,208,831)	(6,240,350)
<b>Gross profit</b>		2,147,592	2,473,336
Distribution cost		(724,015)	(739,794)
Administrative expenses		(516,401)	(485,116)
Other operating expenses	13	(53,856)	(62,032)
Other income		4,644	69
		(1,289,628)	(1,286,873)
<b>Profit from operations</b>		857,964	1,186,463
Finance cost		(167,985)	(215,823)
<b>Profit before taxation</b>		689,979	970,640
Taxation		(70,987)	(87,531)
<b>Profit for the period</b>		618,992	883,109
		<b>Rupees</b>	<b>Rupees</b>
Earnings per share - basic		0.7097	1.1586
Earnings per share - basic (without IPO impact)		0.8111	1.1586
Earnings per share - diluted		0.7097	1.1572
Earnings per share - diluted (without IPO impact)		0.8111	1.1572

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended September 30, 2019

	Quarter ended	
	Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>Profit for the period</b>	618,992	883,109
<b>Other comprehensive income:</b>		
Items that will not be reclassified subsequently to profit or loss:	–	–
Items that may be reclassified subsequently to profit or loss:	–	–
<b>Total comprehensive income for the period</b>	<b>618,992</b>	<b>883,109</b>

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Changes In Equity

For the quarter ended September 30, 2019

	Capital reserve		Revenue reserves		Total
	Share capital	Share premium	Employee share option compensation reserve	Unappropriated profit	
(Rupees in '000)					
<b>Balance as at July 01, 2018 - audited</b>	1,901,104	30,255	8,608	7,142,570	9,082,537
Profit for the period	-	-	-	883,109	883,109
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	883,109	883,109
Issue of ordinary shares	5,000	-	-	-	5,000
Issuance of bonus shares	5,718,313	(30,255)	-	(5,688,058)	-
<b>Balance as at September 30, 2018 (un-audited)</b>	7,624,417	-	8,608	2,337,621	9,970,646
<b>Balance as at July 01, 2019 - audited</b>	8,721,975	3,791,602	-	5,366,207	17,879,784
<b>Effect of initial application of IFRS 16</b>	-	-	-	(667)	(667)
Profit for the period	-	-	-	618,992	618,992
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	618,992	618,992
<b>Balance as at September 30, 2019 (un-audited)</b>	8,721,975	3,791,602	-	5,984,532	18,498,109

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.







# Unconsolidated Condensed Interim Statement of Cash Flows

For the quarter ended September 30, 2019

	Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>A) Cash Flows From Operating Activities</b>		
<b>Profit before taxation</b>	689,979	970,640
<b>Adjustments for:</b>		
Depreciation	401,048	377,449
Depreciation on right of use assets	3,671	-
Amortization	1,700	2,120
Workers' profit participation fund	36,315	56,029
Staff retirement gratuity	183,491	116,103
Employee share option compensation expense	-	752
Loss on disposal of property, plant and equipment	10,628	5,995
Remeasurement loss on investment in mutual funds	6,913	-
Profit on TDRs	(3,586)	(69)
Finance cost	167,985	215,823
<b>Operating cash flows before working capital changes</b>	1,498,144	1,744,842
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	(63,930)	(31,934)
Stock in trade	808,299	(250,159)
Trade debts	195,812	(487,114)
Loans and advances	(436,737)	(1,612,188)
Deposit, prepayment and other receivables	(297,208)	27,660
Tax refunds due from government	(339,515)	(314,728)
<b>(Decrease)/Increase in current liabilities</b>		
Trade and other payables	(137,393)	838,210
	(270,672)	(1,830,253)
<b>Cash generated from / (used in) operations</b>	1,227,472	(85,411)
Finance cost paid	(162,499)	(210,774)
Income tax (paid) / refunded - net	(111,304)	79,364
Staff retirement gratuity paid	(29,915)	(35,859)
Workers' profit participation fund paid	(291,134)	-
Long term loans paid	(21,946)	(51,122)
Long term deposits (paid) / received	(1,261)	192
Profit on TDRs received	3,586	69
<b>Net cash generated from / (used in) operating activities</b>	612,999	(303,541)

	Note	Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>B) Cash Flows From Investing Activities</b>			
Additions in:			
Property, plant and equipment		(2,438,201)	(627,043)
Intangible asset		(2,158)	(91)
Proceeds from disposal of property, plant and equipment		12,886	32,311
Long term investments		(600,000)	(300,000)
<b>Net cash used in investing activities</b>		<b>(3,027,473)</b>	<b>(894,823)</b>
<b>C) Cash Flows From Financing Activities</b>			
Long term financing obtained		1,026,088	–
Repayment of long term financing		(1,367,862)	(227,136)
Payment of lease liabilities		(3,462)	(1,085)
Short term borrowings - net		881,924	1,891,709
Share capital issued		–	5,000
Dividend paid		(128,882)	(475,276)
<b>Net cash generated from financing activities</b>		<b>407,806</b>	<b>1,193,212</b>
<b>Net decrease in cash and cash equivalents</b>	(A+B+C)	<b>(2,006,668)</b>	<b>(5,152)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>2,479,819</b>	<b>193,687</b>
<b>Cash and cash equivalents at the end of the period</b>	14	<b>473,151</b>	<b>188,535</b>

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.





# Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2019

## 1. Legal Status And Operations

Interloop Limited (the Company) was incorporated in Pakistan on 25th April, 1992 as a private limited company and subsequently it was converted into public limited company on 18th July, 2008 and was listed on Pakistan Stock Exchange on 5th April, 2019. The registered office of the Company is situated at Al-Sadiq Plaza, P-157, Railway Road, Faisalabad. The manufacturing facilities are located at 1-km, 7-km Jaranwala road, Khurrianwala, Faisalabad and 8-km Manga Mandi, Raiwand road, Lahore. The Company is engaged in the business of manufacturing and selling of socks, leggings, denim and yarn, providing yarn dyeing services and to generate electricity for its own use.

## 2. Basis Of Preparation

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

- i) International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017, and
- ii) Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This unconsolidated condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2019.

## 3. Critical Accounting Estimates And Judgments

The preparation of financial statements in conformity with the approved accounting standards require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Estimate of useful life of operating fixed assets
- Impairment of assets
- Stores and spares
- Stock-in-trade
- Trade debts and other receivables

- Leases
- Staff retirement benefits
- Provisions
- Contingencies
- Taxation

#### 4. Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended June 30, 2019, except as follows:

##### 4.1 New Standards, Interpretations and Amendments

The Company has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

###### - IFRS 16 - Leases

The Company has initially adopted IFRS 16 'Leases' from July 01, 2019. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result the Company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at July 01, 2019. Accordingly, the comparative information presented has not been restated.

IFRS 16 establishes principle for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that leases provide relevant information that faithfully represents those transaction. The standard provides a single accounting model, requiring lessee to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

Under IFRS 16, assets leased by the Company are being recognized on the statement of financial position of the Company with a corresponding liability. As a rule, lease expenses are no longer recorded in the statement of profit or loss from July 01, 2019. Instead, depreciation and interest expenses are recorded stemming from the newly recognized lease assets and lease liabilities.

**The impact of adoption of IFRS 16 is as follows:**

	Rupees in '000
<b>Expense charged to unappropriated profit</b>	667
<b>Non Current Assets</b>	
Property, plant and equipment	
Right of use assets	35,511
<b>Non Current Liabilities</b>	
Lease liabilities	28,696
<b>Current Liabilities</b>	
Current portion of non current liabilities	
Lease liabilities	7,482

	Note	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>5. Property, Plant And Equipment</b>			
Operating fixed assets	5.1	16,898,586	17,038,440
Capital work-in-progress	5.2	3,371,527	1,218,034
Right of use assets	5.3	31,840	–
		20,301,953	18,256,474
<b>5.1 Operating fixed assets</b>			
Opening written down value		17,038,440	15,152,544
Add: Additions during the period/year	5.1.1	290,363	3,718,009
Less: Disposals during the period/year		(23,514)	(186,557)
Less: Trial production depreciation capitalized during the period/year		(5,655)	(4,322)
Less: Depreciation charged during the period/year		(401,048)	(1,641,234)
Closing written down value		16,898,586	17,038,440
<b>5.1.1 Additions during the period/year</b>			
Freehold land		580	651,162
Buildings on freehold land		41,688	529,222
Plant and machinery		104,471	1,976,665
Tools and equipments		22,587	129,094
Office equipments		15,190	54,818
Electric installations		50,307	100,857
Furniture and fixtures		5,175	86,160
Vehicles		50,365	190,031
		290,363	3,718,009
<b>5.2 Capital work-in-progress</b>			
Civil works		1,302,672	653,047
Plant and machinery		912,347	135,550
Capital stores	5.2.1	324,997	3,913
Advances to suppliers		831,511	425,524
		3,371,527	1,218,034

**5.2.1** Capital stores include factory tools and equipments, office equipments, electric installations and furniture and fixtures that are held in store for future use and capitalization.

	Note	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>5.3 Right of use assets</b>			
Right of use assets recognized on adoption of IFRS 16		35,511	–
Less: Depreciation on right of use assets charged during the period/year		(3,671)	–
Closing written down value		31,840	–
<b>6. Long Term Investments</b>			
<b>Unquoted - at cost</b>			
<b>Associate</b>			
IL Bangla Limited	6.1	308,735	308,735
<b>Subsidiary</b>			
IL Apparel (Pvt) Limited		800,000	700,000
<b>Others - Amortized cost</b>			
Term finance certificates		500,000	
		1,608,735	1,008,735
<b>6.1 IL Bangla Limited</b>			
Cost of investment		379,549	379,549
Less: Provision for impairment loss		(70,814)	(70,814)
		308,735	308,735
<b>7. Trade Debts</b>			
Considered good			
Foreign - secured		4,221,417	4,250,501
Foreign - unsecured	7.1	3,429,882	3,564,083
Local - unsecured	7.1	400,629	433,156
		8,051,928	8,247,740

7.1 Management consider that these debts are good and will be recovered accordingly.

## 8. Authorized Share Capital

Un audited September 30, 2019 [ Number of shares in '000]	Audited June 30, 2019		Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019
965,000	965,000	Ordinary shares of Rs. 10 each	9,650,000	9,650,000
35,000	35,000	Non-voting ordinary shares of Rs. 10 each	350,000	350,000
1,000,000	1,000,000		10,000,000	10,000,000

## 9. Issued, Subscribed And Paid Up Capital

Un audited September 30, 2019 [ Number of shares in '000]	Audited June 30, 2019		Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019
130,900	130,900	Ordinary shares of Rs. 10 each fully paid in cash	1,309,000	1,309,000
738,500	738,500	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	7,385,000	7,385,000
1,266	1,266	Non-voting ordinary shares of Rs. 10 each fully paid in cash	12,662	12,662
1,531	1,531	Non-voting ordinary shares of Rs. 10 each issued as fully paid bonus shares	15,313	15,313
872,197	872,197		8,721,975	8,721,975

	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>10. Long Term Financing</b>		
Opening balance	4,875,936	3,216,476
Add: Obtained during the period/year	1,026,088	4,228,002
Less: Repaid during the period/year	(1,367,862)	(2,568,542)
	4,534,162	4,875,936
Less: Current portion of long term financing	(961,488)	(1,247,191)
	3,572,674	3,628,745

	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>11. Contingencies And Commitments</b>		
<b>11.1 Contingencies</b>		
Bank guarantees issued by various banks on behalf of the company in favour of:		
Sui Northern Gas Pipelines limited against supply of gas.	547,069	547,069
The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	214,853	197,853
Faisalabad Electric Supply Company (FESCO) against supply of electricity	70,374	70,414
Punjab Revenue Authority	8,033	8,033
State Bank of Pakistan Collector of Customs	127,551 23	127,551 –
	967,903	950,920
Post dated cheques issued in favour of custom authorities for release of imported goods	3,706,488	3,291,613
Corporate guarantees given to banks on behalf of IL Apparel (Pvt) Ltd - a subsidiary company	900,000	1,130,000
<b>11.2 Commitments</b>		
Under letters of credit for:		
Capital expenditure	554,953	1,275,725
Raw material	634,983	109,974
Stores and spares	120,620	136,399
	1,310,556	1,522,098



	Quarter ended	
	Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>12. Cost Of Sales</b>		
Raw material consumed	4,312,374	4,019,337
Stores and spares consumed	235,313	201,800
Knitting charges	–	11,897
Salaries, wages and benefits	1,561,989	1,357,655
Staff retirement gratuity	156,878	98,619
Fuel and power	466,468	706,081
Repairs and maintenance	44,766	25,089
Insurance	11,208	12,959
Depreciation	356,616	338,472
Depreciation on right of use assets	1,551	–
Rent, rate and taxes	228	6,858
Other manufacturing costs	60,512	27,180
	7,207,903	6,805,947
Opening work in process	597,562	471,276
Closing work in process	(538,956)	(456,076)
	58,606	15,200
Cost of goods manufactured	7,266,509	6,821,147
Opening finished goods	1,954,089	1,484,177
Closing finished goods	(1,857,617)	(1,822,130)
	96,472	(337,953)
	7,362,981	6,483,194
Duty drawback	(154,150)	(242,844)
	7,208,831	6,240,350
<b>13. Other Operating Expenses</b>		
Loss on disposal of property, plant and equipment	10,628	5,995
Charity and donations	–	8
Workers' profit participation fund	36,315	56,029
Loss on investments in mutual funds measured at fair value through profit or loss	6,913	–
	53,856	62,032
<b>14. Cash And Cash Equivalents</b>		
Cash and bank balances	473,151	180,735
Short term investments - Term Deposit Receipts (TDRs)	–	7,800
	473,151	188,535

## 15. Transactions With Related Parties

Related parties include subsidiary company, associated companies and undertakings, entities under common directorship, directors, major shareholders, key management personnel, employees benefit trust and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

i) Transactions	Name	Nature of transaction	Quarter ended	
			Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
	<b>IL Bangla Limited - Associate</b>	Interest on receivables from IL Bangla Limited	1,461	1,461
	<b>IL Apparel (Pvt) Limited - Subsidiary</b>	Expenses paid on behalf of subsidiary	-	-
		Yarn dyeing services provided	330	-
		Sale of yarn	213	-
		Sale of assets	-	-
		Share deposit money paid	100,000	300,000
	<b>Interloop Holdings (Pvt) Limited - Associate</b>	Expenses paid on behalf of associate	1,166	-
		Finance management services received from Interloop Holdings (Pvt) Ltd	19,900	-
		Sale of assets	6,958	-
		Loan repaid during the period	1,100,000	-
		Mark up expense on loan from Interloop Holdings (Pvt) Ltd	5,795	-
	<b>Interloop Welfare Trust</b>	Donation paid	-	7,827
	<b>Texlan Center (Pvt) Limited - Associate</b>	Sale of asset	-	154,010
		Sale of yarn	305,875	82,519
		Sale of packing material	21,807	3,879
	<b>Global Veneer Trading Limited - Associate</b>	Selling commission	300,442	268,057
	<b>Eurosox Plus BV - Associate</b>	Sale of socks	257,420	245,376
	<b>Interloop Limited ESOS Management Trust</b>	Payment made on behalf of ESOS Management Trust	244	-
	<b>Interloop Employees Provident Fund</b>	Contribution to the fund	9,010	7,744
	<b>Key management personnel &amp; other related parties</b>	Sale of asset	3,451	5,593
		Issuance of bonus shares	-	5,587,323
		Markup on house building finance	1,708	-
		Issuance of share capital	-	3,000
		Dividend paid	-	474,076
		Remuneration and other benefits	168,203	87,478

ii) Period end balances		Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
Name	Nature of balance		
IL Bangla Limited - Associate	Trade debts	42,252	44,280
	Deposit, prepayment and other receivables	84,228	82,766
Texlan Center (Pvt) Limited - Associate	Trade debts	277,887	352,636
Eurosox Plus BV - Associate	Trade debts	253,311	293,422
Global Veneer Trading Limited - Associate	Trade and other payables	205,778	229,285
Interloop Welfare Trust	Deposit, prepayment and other receivables	1,214	1,214
Interloop Employees Provident Fund	Trade and other payables	5,632	5,020
Interloop Limited ESOS Management Trust	Trade and other payables	94	338
Interloop Holdings (Pvt) Limited - Associate	Long term financing	300,000	1,400,000
	Trade and other payables	11,903	-

## 16. Operating Segments

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker ('CODM'). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic and business decisions.

### a) Hosiery

This segment relates to the sale of socks and tights.

### b) Spinning

This segment relates to the sale of yarn.

### c) Denim

This segment mainly relates to sale of denim.

### d) Energy

This segment mainly relates to sale of electricity for internal use.

### e) Other operating segments

This represent various segments of the Company which currently do not meet the minimum reporting threshold mention in international financial reporting standards. These mainly includes domestic sales, yarn dyeing and active wear.

16.1 Segment Information

	Hosiery		Spinning		Denim		Energy		Others		Elimination of Inter segment transaction		Total Company	
	Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000	
<b>Revenue</b>														
External sale	7,974,306	7,325,459	1,266,205	1,343,613	-	-	-	-	115,912	44,614	-	-	9,356,423	8,713,686
Intersegment sale	659,584	460,957	913,840	750,756	-	-	664,699	650,341	208,003	187,910	(2,446,126)	(2,049,964)	-	-
<b>Cost of sales</b>	8,633,890	7,786,416	2,180,045	2,094,369	-	-	664,699	650,341	323,915	232,924	(2,446,126)	(2,049,964)	9,356,423	8,713,686
	(6,868,686)	(5,630,619)	(2,067,234)	(1,807,927)	(86)	(105)	(393,375)	(641,339)	(325,676)	(210,324)	2,446,126	2,049,964	(7,208,831)	(6,240,350)
<b>Gross profit/(loss)</b>	1,765,204	2,155,797	112,811	286,442	(86)	(105)	271,324	9,002	(1,661)	22,200	-	-	2,147,592	2,473,336
<b>Distribution cost</b>	(686,286)	(722,353)	(16,246)	(14,669)	(4,386)	(254)	-	-	(7,097)	(2,518)	-	-	(724,015)	(739,794)
<b>Administrative expenses</b>	(425,988)	(397,457)	(44,707)	(56,674)	(18,426)	(1,859)	(16,973)	(14,366)	(10,307)	(14,761)	-	-	(516,401)	(485,116)
	(1,122,274)	(1,119,810)	(60,953)	(71,343)	(22,812)	(2,112)	(16,973)	(14,366)	(17,404)	(17,279)	-	-	(1,240,416)	(1,224,910)
<b>Profit/(loss) before taxation and unallocated income and expenses</b>	642,930	1,035,987	51,858	215,099	(22,898)	(2,217)	254,351	(5,364)	(19,065)	4,921	-	-	907,176	1,246,426
<b>Unallocated income and expenses</b>														
Other operating expenses													(53,856)	(62,032)
Other income													4,644	69
Finance cost													(167,995)	(215,623)
Taxation													(70,987)	(87,531)
<b>Profit after taxation</b>													618,992	883,109

## 16.2 Reconciliation of reportable segment assets and liabilities

	Hosiery		Spinning		Denim		Energy		Others		Total Company	
	Un audited September 30, 2019	Audited June 30, 2019	Un audited September 30, 2019	Audited June 30, 2019	Un audited September 30, 2019	Audited June 30, 2019	Un audited September 30, 2019	Audited June 30, 2019	Un audited September 30, 2019	Audited June 30, 2019	Un audited September 30, 2019	Audited June 30, 2019
	Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000	
<b>Total assets for reportable segment</b>	24,637,508	24,711,293	4,917,686	5,261,938	4,025,264	2,121,213	2,321,422	1,969,744	1,034,381	1,010,426	36,936,261	35,074,614
<b>Unallocated assets:</b>												
Long term investments											1,608,735	1,008,735
Long term deposits											29,280	26,019
Short term investments											343,683	1,207,251
Tax refunds due from government											2,220,671	1,925,439
Cash and bank balances											473,151	1,536,564
<b>Total assets as per balance sheet</b>											41,611,781	40,782,622
<b>Total liabilities for reportable segment</b>	5,488,601	5,646,893	124,439	206,537	86,337	180,548	54,424	77,475	102,631	78,966	5,858,432	6,190,419
<b>Unallocated liabilities:</b>												
Long term financing											3,572,674	3,626,745
Short term borrowings											12,607,924	11,726,000
Current portion of long term financing											961,488	1,247,191
Other corporate liabilities											113,154	110,483
<b>Total liabilities as per balance sheet</b>											23,113,672	22,902,838

## 17. Fair Value Measurement Of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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 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, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Rupees in '000	Un-audited			
	September 30, 2019			
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>				
Investments in mutual funds	123,983	–	–	123,983
<b>Total Assets</b>	123,983	–	–	123,983
<b>Total Liabilities</b>	–	–	–	–

Rupees in '000	Audited			
	June 30, 2019			
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>				
Investments in mutual funds	130,896	-	-	130,896
<b>Total Assets</b>	130,896	-	-	130,896
<b>Total Liabilities</b>	-	-	-	-

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

## 18. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2019.

## 19. Date Of Authorization For Issue

The financial statements were authorized for issue on October 25, 2019 by the Board of Directors of the Company.

## 20. Corresponding Figures

In order to comply with the requirements of IAS 34, the unconsolidated condensed interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

## 21. Events After The Reporting Date

The Board of Directors in their meeting held on September 23, 2019 proposed a final cash dividend for the year ended June 30, 2019 of Rs. 1.75 per share, amounting to Rs. 1,526.34 million. The same has been approved by the members at the Annual General Meeting of the Company held on October 14, 2019.



Chief Executive Officer



Director



Chief Financial Officer





# Consolidated Condensed Interim Financial Statements

**For The Quarter Ended September 30, 2019**

# Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2019

	Note	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	6	21,032,704	18,899,292
Intangible asset		70,343	70,083
Long term investments	7	558,488	93,540
Long term loans - staff		92,396	73,262
Long term deposits		34,430	33,120
		21,788,361	19,169,297
<b>Current Assets</b>			
Stores and spares		956,039	890,404
Stock in trade		5,550,948	6,297,975
Trade debts	8	8,081,231	8,274,062
Loans and advances		1,521,251	1,076,724
Deposit, prepayment and other receivables		503,923	208,238
Tax refunds due from government		2,257,275	1,949,118
Short term investments		343,683	1,207,251
Cash and bank balances		484,877	1,542,907
		19,699,227	21,446,679
<b>Total Assets</b>		<b>41,487,588</b>	<b>40,615,976</b>

	Note	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>Equity And Liabilities</b>			
<b>Share Capital And Reserves</b>			
Authorized share capital	9	10,000,000	10,000,000
Issued, subscribed and paid up capital	10	8,721,975	8,721,975
Reserves		3,842,600	3,844,223
Unappropriated profit		5,432,226	4,949,685
Equity attributable to holders of parent company		17,996,801	17,515,883
Non-controlling interest		–	–
Total equity		17,996,801	17,515,883
<b>Non Current Liabilities</b>			
Long term financing	11	3,572,674	3,628,745
Lease liabilities		100,759	–
Deferred liabilities		2,654,535	2,497,894
		6,327,968	6,126,639
<b>Current Liabilities</b>			
Trade and other payables		3,278,278	3,625,644
Dividend payable		2,053	130,935
Accrued mark up		119,105	113,942
Short term borrowings		12,781,261	11,855,742
Current portion of non current liabilities		982,122	1,247,191
		17,162,819	16,973,454
<b>Contingencies And Commitments</b>	12	–	–
<b>Total Equity And Liabilities</b>		41,487,588	40,615,976

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# Consolidated Condensed Interim Statement of Profit or Loss

For the quarter ended September 30, 2019

	Note	Quarter ended	
		Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>Sales - net</b>		9,429,707	8,713,686
<b>Cost of sales</b>	13	(7,328,987)	(6,240,350)
<b>Gross profit</b>		2,100,720	2,473,336
Distribution cost		(736,190)	(739,794)
Administrative expenses		(542,278)	(487,640)
Other operating expenses	14	(53,856)	(62,032)
Other income		4,644	69
		(1,327,680)	(1,289,397)
<b>Profit from operations</b>		773,040	1,183,939
Finance cost		(176,811)	(215,823)
Share of loss from associate		(33,429)	(10,741)
<b>Profit before taxation</b>		562,800	957,375
Taxation		(71,725)	(87,531)
<b>Profit for the period</b>		491,075	869,844
<b>Attributable to:</b>			
Shareholders of parent company		491,075	869,844
Non- controlling interest		-	-
		491,075	869,844
		<b>Rupees</b>	<b>Rupees</b>
Earnings per share - basic		0.5630	1.1412
Earnings per share - basic (without IPO impact)		0.6434	1.1412
Earnings per share - diluted		0.5630	1.1398
Earnings per share - diluted (without IPO impact)		0.6434	1.1398

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# Consolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended September 30, 2019

	Quarter ended	
	Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>Profit for the period</b>	491,075	869,844
<b>Other comprehensive (loss) / income:</b>		
Items that will not be reclassified subsequently to profit or loss:	–	–
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange difference on translating foreign operations	(1,623)	4,010
<b>Total comprehensive income for the period</b>	<b>489,452</b>	<b>873,854</b>
<b>Attributable to:</b>		
Shareholders of parent company	489,452	873,854
Non- controlling interest	–	–
	<b>489,452</b>	<b>873,854</b>

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# Consolidated Condensed Interim Statement of Changes In Equity

For the quarter ended September 30, 2019

	Attributable to owners of the Parent						Total	Non controlling interest	Total
	Share capital	Share premium	Capital reserve	Revenue reserves		Total			
				Employee share Option Compensation Reserve	Unappropriated profit				
(Rupees in '000)									
<b>Balance as at July 01, 2018 - audited</b>	1,901,104	30,255	8,608	6,860,264	16,051	8,816,282	-	8,816,282	
Profit for the period	-	-	-	869,844	-	869,844	-	869,844	
Other comprehensive income	-	-	-	-	4,010	4,010	-	4,010	
<b>Total comprehensive income for the period</b>	-	-	-	869,844	4,010	873,854	-	873,854	
Issue of ordinary shares	5,000	-	-	-	-	5,000	-	5,000	
Issuance of bonus shares	5,718,313	(30,255)	-	(5,688,058)	-	-	-	-	
<b>Balance as at September 30, 2018 (un-audited)</b>	7,624,417	-	8,608	2,042,050	20,061	9,695,136	-	9,695,136	
<b>Balance as at July 01, 2019 - audited</b>	8,721,975	3,791,603	-	4,949,685	52,620	17,515,883	-	17,515,883	
Effect of initial application of IFRS 16	-	-	-	(8,534)	-	(8,534)	-	(8,534)	
Profit for the period	-	-	-	491,075	-	491,075	-	491,075	
Other comprehensive loss	-	-	-	-	(1,623)	(1,623)	-	(1,623)	
<b>Total comprehensive income for the period</b>	-	-	-	491,075	(1,623)	489,452	-	489,452	
<b>Balance as at September 30, 2019 (un-audited)</b>	8,721,975	3,791,603	-	5,432,226	50,997	17,996,801	-	17,996,801	

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.





# Consolidated Condensed Interim Statement of Cash Flows

For the quarter ended September 30, 2019

	Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>A) Cash Flows From Operating Activities</b>		
<b>Profit before taxation</b>	562,800	957,375
<b>Adjustments for:</b>		
Depreciation	412,007	377,748
Depreciation on right of use assets	8,702	-
Amortization	1,896	2,120
Workers' profit participation fund	36,315	56,029
Staff retirement gratuity	186,644	116,103
Employee share option compensation expense	-	752
Loss on disposal of property, plant and equipment	10,628	5,995
Remeasurement loss on investment in mutual funds	6,913	-
Profit on TDRs	(3,586)	(69)
Share of loss from associate	33,429	10,741
Finance cost	176,811	215,823
<b>Operating cash flows before working capital changes</b>	<b>1,432,559</b>	<b>1,742,617</b>
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	(65,635)	(31,934)
Stock in trade	747,029	(250,428)
Trade debts	192,831	(487,114)
Loans and advances	(441,768)	(1,672,514)
Deposit, prepayment and other receivables	(295,680)	27,486
Tax refunds due from government	(352,369)	(314,728)
<b>(Decrease)/Increase in current liabilities</b>		
Trade and other payables	(95,365)	838,944
	<b>(310,957)</b>	<b>(1,890,288)</b>
<b>Cash generated from / (used in) operations</b>	<b>1,121,602</b>	<b>(147,671)</b>
Finance cost paid	(168,833)	(210,774)
Income tax (paid) / refunded - net	(112,113)	76,178
Staff retirement gratuity paid	(30,004)	(35,859)
Workers' profit participation fund paid	(291,134)	-
Long term loans paid	(21,893)	(51,122)
Long term deposits (paid) / received	(1,311)	(4,908)
Profit on TDRs received	3,586	69
<b>Net cash generated from / (used in) operating activities</b>	<b>499,900</b>	<b>(374,087)</b>

	Note	Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>B) Cash Flows From Investing Activities</b>			
Additions in:			
Property, plant and equipment		(2,458,268)	(804,410)
Intangible asset		(2,158)	(91)
Proceeds from disposal of property, plant and equipment		12,886	32,311
Long term investments		(500,000)	–
<b>Net cash used in investing activities</b>		<b>(2,947,540)</b>	<b>(772,190)</b>
<b>C) Cash Flows From Financing Activities</b>			
Long term financing obtained		1,026,088	–
Repayment of long term financing		(1,367,862)	(227,136)
Payment of lease liabilities		(6,508)	(1,085)
Short term borrowings - net		925,519	1,891,709
Share capital issued		–	5,000
Dividend paid		(128,882)	(475,276)
<b>Net cash generated from financing activities</b>		<b>448,355</b>	<b>1,193,212</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	(A+B+C)	<b>(1,999,285)</b>	<b>46,935</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>2,484,162</b>	<b>195,939</b>
<b>Cash and cash equivalents at the end of the period</b>	15	<b>484,877</b>	<b>242,874</b>

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.







# Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2019

## 1. The Group And Its Operations

**The Group comprises of:**

### **Interloop Limited- The Holding Company**

Interloop Limited (the Holding Company) was incorporated in Pakistan on 25th April, 1992 as a private limited company and subsequently it was converted into public limited company on 18th July, 2008 and was listed on Pakistan Stock Exchange on 5th April, 2019. The registered office of the Company is situated at Al-Sadiq Plaza, P-157, Railway Road, Faisalabad. The manufacturing facilities are located at 1-km, 7-km Jaranwala road, Khurrianwala, Faisalabad and 8-km Manga Mandi, Raiwand road, Lahore. The Company is engaged in the business of manufacturing and selling of socks, leggings and yarn, denim, providing yarn dyeing services and to generate electricity for its own use.

### **IL Apparel (Private) Limited - The Subsidiary (Holding- 100% (June 30, 2019: 100%))**

IL Apparel (Private) Limited was incorporated in Pakistan on 28th March, 2018 under the Companies Act, 2017. The registered office of the Company is situated at Al-Sadiq Plaza, P-157, Railway Road, Faisalabad. The principal business activity of the Company will be manufacturing and sale of garments and allied products.

### **IL Bangla Limited - The Associate (Holding- 31.61% (June 30, 2019: 31.61%))**

IL Bangla Ltd. is a private limited company incorporated under the Companies Act 1994 as applicable in Bangladesh vide Registration No. C-77561/09 dated 21 May 2009 floated by foreign investors (Pakistan and West Indies) having its registered Office at House # 267, Road # 19, New DOHS Mohakhali, Dhaka, Bangladesh and factory at Dakkhin kongshadi Vatpara, Narsingdi Sadar, Narsingdi, Bangladesh. The company's main objective is to carry on the business of manufacturing and sale/export of socks and hosieries.

## 2. Basis Of Preparation

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

- i) International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017, and
- ii) Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This consolidated condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended on 30 June 2019.

## 3. Critical Accounting Estimates And Judgments

The preparation of financial statements in conformity with the approved accounting standards require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based

on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Estimate of useful life of operating fixed assets
- Impairment of assets
- Stores and spares
- Stock-in-trade
- Trade debts and other receivables
- Leases
- Staff retirement benefits
- Provisions
- Contingencies
- Taxation

#### 4. Summary Of Significant Accounting Policies

The accounting policies adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of preceding annual consolidated audited financial statements of the Group for the year ended June 30, 2019, except as follows:

##### 4.1 New Standards, Interpretations and Amendments

The Group has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

###### - IFRS 16 - Leases

The Group has initially adopted IFRS 16 'Leases' from July 01, 2019. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at July 01, 2019. Accordingly, the comparative information presented has not been restated.

IFRS 16 establishes principle for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that leases provide relevant information that faithfully represents those transaction. The standard provides a single accounting model, requiring lessee to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

Under IFRS 16, assets leased by the Group are being recognized on the statement of financial position of the Group with a corresponding liability. As a rule, lease expenses are no longer recorded in the statement of profit or loss from July 01, 2019. Instead,

depreciation and interest expenses are recorded stemming from the newly recognized lease assets and lease liabilities.

**The impact of adoption of IFRS 16 is as follows:**

	<b>Rupees in '000</b>
<b>Expense charged to unappropriated profit</b>	8,534
<b>Non Current Assets</b>	
Property, plant and equipment	
Right of use assets	119,367
<b>Non Current Liabilities</b>	
Lease liabilities	106,449
<b>Current Liabilities</b>	
Current portion of non current liabilities	
Lease liabilities	21,452

**5. Basis Of Consolidation**

**Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assets and liabilities of Subsidiary Companies have been consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Companies.

Intragroup balances and transactions have been eliminated.

Non-controlling interests are that part of net results of the operations and of net assets of Subsidiary Companies attributable to interest which are not owned by the Holding Company. Non-controlling interests are presented as separate item in the consolidated financial statements.

**Associates**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence ceases.

Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group companies' interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

	Note	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>6. Property, Plant And Equipment</b>			
Operating fixed assets	6.1	17,532,293	17,644,588
Capital work-in-progress	6.2	3,389,746	1,254,704
Right of use assets	6.3	110,665	–
		21,032,704	18,899,292
<b>6.1 Operating fixed assets</b>			
Opening written down value		17,644,588	15,154,365
Add: Additions during the period/year	6.1.1	328,882	4,330,446
Less: Disposals during the period/year		(23,514)	(182,848)
Less: Trial production depreciation capitalized during the period/year		(5,655)	(4,322)
Less: Depreciation charged during the period/year		(412,008)	(1,653,053)
Closing written down value		17,532,293	17,644,588
<b>6.1.1 Additions during the period/year</b>			
Freehold land		580	871,689
Buildings on freehold land		44,321	578,239
Plant and machinery		120,766	2,158,422
Tools and equipments		33,111	185,194
Office equipments		17,347	76,918
Electric installations		54,508	155,075
Furniture and fixtures		7,884	95,786
Vehicles		50,365	209,123
		328,882	4,330,446
<b>6.2 Capital work-in-progress</b>			
Civil works		1,306,783	654,768
Plant and machinery		912,347	151,000
Capital stores	6.2.1	339,105	20,792
Advances to suppliers		831,511	428,144
		3,389,746	1,254,704

**6.2.1** Capital stores include factory tools and equipments, office equipments, electric installations and furniture and fixtures that are held in store for future use and capitalization.

	Note	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>6.3 Right of use assets</b>			
Right of use assets recognized on adoption of IFRS 16		119,367	–
Less: Depreciation on right of use assets charged during the period/year		(8,702)	–
Closing written down value		110,665	–
<b>7. Long Term Investments</b>			
<b>Un-quoted associate - at equity method</b>			
IL Bangla Limited	7.1	58,488	93,540
<b>Others - Amortized cost</b>			
Term finance certificates		500,000	–
		558,488	93,540
<b>7.1 Investment in associated company - under equity method</b>			
Opening balance		93,540	115,456
Share of loss for the period/year		(33,429)	(58,485)
Exchange (loss) / gain		(1,623)	36,569
		(35,052)	(21,916)
Closing balance		58,488	93,540
<b>8. Trade Debts</b>			
Considered good			
Foreign - secured		4,250,123	4,276,821
Foreign - unsecured	8.1	3,430,479	3,564,083
Local - unsecured	8.1	400,629	433,158
		8,081,231	8,274,062

**8.1** Management consider that these debts are good and will be recovered accordingly.

**9. Authorized Share Capital**

Un audited September 30, 2019 [ Number of shares in '000 ]	Audited June 30, 2019		Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019
965,000	965,000	Ordinary shares of Rs. 10 each	9,650,000	9,650,000
35,000	35,000	Non-voting ordinary shares of Rs. 10 each	350,000	350,000
1,000,000	1,000,000		10,000,000	10,000,000

**10. Issued, Subscribed And Paid Up Capital**

Un audited September 30, 2019 [ Number of shares in '000 ]	Audited June 30, 2019		Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019
130,900	130,900	Ordinary shares of Rs. 10 each fully paid in cash	1,309,000	1,309,000
738,500	738,500	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	7,385,000	7,385,000
1,266	1,266	Non-voting ordinary shares of Rs. 10 each fully paid in cash	12,662	12,662
1,531	1,531	Non-voting ordinary shares of Rs. 10 each issued as fully paid bonus shares	15,313	15,313
872,197	872,197		8,721,975	8,721,975

	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>11. Long Term Financing</b>		
Opening balance	4,875,936	3,216,476
Add: Obtained during the period/year	1,026,088	4,228,002
Less: Repaid during the period/year	(1,367,862)	(2,568,542)
	4,534,162	4,875,936
Less: Current portion of long term financing	(961,488)	(1,247,191)
	3,572,674	3,628,745

	Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
<b>12. Contingencies And Commitments</b>		
<b>12.1 Contingencies</b>		
Bank guarantees issued by various banks on behalf of the company in favour of:		
Sui Northern Gas Pipelines limited against supply of gas.	547,069	547,069
The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	215,853	198,853
Faisalabad Electric Supply Company (FESCO) against supply of electricity	70,374	70,414
Punjab Revenue Authority	8,033	8,033
State Bank of Pakistan	127,551	127,551
Collector of Customs	23	–
	968,903	951,920
Post dated cheques issued in favour of custom authorities or release of imported goods	3,707,934	3,291,613
<b>12.2 Commitments</b>		
Under letters of credit for:		
Capital expenditure	555,666	1,275,725
Raw material	636,954	109,974
Stores and spares	120,620	136,399
	1,313,240	1,522,098

	Quarter ended	
	Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
<b>13. Cost Of Sales</b>		
Raw material consumed	4,411,694	4,019,337
Stores and spares consumed	240,412	201,800
Knitting charges	–	11,897
Salaries, wages and benefits	1,613,891	1,357,655
Staff retirement gratuity	159,229	98,619
Fuel and power	471,375	706,081
Repairs and maintenance	45,823	25,089
Insurance	11,649	12,959
Depreciation	363,145	338,472
Depreciation on right of use assets	6,582	–
Rent, rate and taxes	228	6,858
Other manufacturing costs	63,023	27,180
	7,387,051	6,805,947
Opening work in process	597,562	471,276
Closing work in process	(605,449)	(456,076)
	(7,887)	15,200
Cost of goods manufactured	7,379,164	6,821,147
Opening finished goods	1,965,058	1,484,177
Closing finished goods	(1,859,667)	(1,822,130)
	105,391	(337,953)
	7,484,555	6,483,194
Duty drawback	(155,568)	(242,844)
	7,328,987	6,240,350
<b>14. Other Operating Expenses</b>		
Loss on disposal of property, plant and equipment	10,628	5,995
Charity and donations	–	8
Workers' profit participation fund	36,315	56,029
(Gain)/Loss on investments in mutual funds measured at fair value through profit or loss	6,913	–
	53,856	62,032
<b>15. Cash And Cash Equivalents</b>		
Cash and bank balances	484,877	235,074
Short term investments - Term Deposit Receipts (TDRs)	–	7,800
	484,877	242,874



## 16. Transactions With Related Parties

Related parties include associated companies and undertakings, entities under common directorship, directors, major shareholders, key management personnel, employees benefit trust and post employment benefit plans. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

i) Transactions	Name	Nature of transaction	Quarter ended	
			Un audited September 30, 2019 (Rupees in '000)	Un audited September 30, 2018 (Rupees in '000)
	<b>IL Bangla Limited - Associate</b>	Interest on receivables from IL Bangla Limited	1,461	1,461
	<b>Interloop Holdings (Pvt) Limited - Associate</b>	Expenses paid on behalf of associate	1,166	-
		Finance management services received from Interloop Holdings (Pvt) Ltd	19,900	-
		Sale of assets	6,958	-
		Loan repaid during the period	1,100,000	-
		Mark up expense on loan from Interloop Holdings (Pvt) Ltd	5,795	-
	<b>Interloop Welfare Trust</b>	Donation paid	-	7,827
	<b>Texlan Center (Pvt) Limited - Associate</b>	Sale of asset	-	154,010
		Sale of yarn	305,875	82,519
		Sale of packing material	21,807	3,879
	<b>Global Veneer Trading Limited - Associate</b>	Selling commission	300,442	268,057
	<b>Eurosox Plus BV - Associate</b>	Sale of socks	257,420	245,376
	<b>Interloop Limited ESOS Management Trust</b>	Payment made on behalf of ESOS Management Trust	244	-
	<b>Interloop Employees Provident Fund</b>	Contribution to the fund	9,010	7,744
	<b>Key management personnel &amp; other related parties</b>	Sale of asset	3,451	5,593
		Issuance of bonus shares	-	5,587,323
		Markup on house building finance	1,708	-
		Issuance of share capital	-	3,000
		Dividend paid	-	474,076
		Remuneration and other benefits	174,213	88,598

ii) Period end balances		Un audited September 30, 2019 (Rupees in '000)	Audited June 30, 2019 (Rupees in '000)
Name	Nature of balance		
IL Bangla Limited - Associate	Trade debts	42,252	44,280
	Deposit, prepayment and other receivables	84,228	82,766
Texlan Center (Pvt) Limited - Associate	Trade debts	277,887	352,636
Eurosox Plus BV - Associate	Trade debts	253,311	293,422
Global Veneer Trading Limited - Associate	Trade and other payables	205,778	229,285
Interloop Welfare Trust	Deposit, prepayment and other receivables	1,214	1,214
Interloop Employees Provident Fund	Trade and other payables	5,632	5,020
Interloop Limited ESOS Management Trust	Trade and other payables	94	338
Interloop Holdings (Pvt) Limited - Associate	Long term financing	300,000	1,400,000
	Trade and other payables	11,903	-

## 17. Operating Segments

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker ('CODM'). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic and business decisions.

### a) Hosiery

This segment relates to the sale of socks and tights.

### b) Spinning

This segment relates to the sale of yarn.

### c) Denim

This segment mainly relates to sale of denim.

### d) Energy

This segment mainly relates to sale of electricity.

### e) Apparel

This segment relates to the sale of apparels.

### f) Other operating segments

This represent various segments of the Group which currently do not meet the minimum reporting threshold mentioned in international financial reporting standards. These mainly includes domestic sales, yarn dyeing and active wear.

## 17.1 Segment Information

	Hosiery		Spinning		Denim		Energy		Apparel		Others		Elimination of Inter segment transaction		Total Group	
	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000	
<b>Revenue</b>																
External sale	7,974,306	7,325,459	1,285,663	1,343,613	-	-	-	73,826	-	115,912	44,614	-	-	9,423,707	8,713,686	
Intersegment sale	659,584	460,957	914,383	750,756	-	-	664,699	650,341	-	208,003	187,910	(2,049,964)	-	-	-	
<b>Cost of sales</b>	8,633,890	7,786,416	2,180,046	2,094,369	-	-	664,699	650,341	-	323,915	232,524	(2,446,669)	(2,049,964)	9,423,707	8,713,686	
	(6,868,666)	(6,530,619)	(2,067,234)	(1,807,927)	(86)	(105)	(393,375)	(641,339)	(120,699)	(325,576)	(210,324)	2,446,669	2,049,964	(7,339,987)	(6,240,350)	
<b>Gross profit/(loss)</b>	1,765,204	2,155,797	112,812	286,442	(86)	(105)	271,324	9,002	(46,873)	-	(1,661)	22,200	-	2,100,720	2,473,336	
<b>Distribution cost</b>	(696,296)	(722,353)	(16,246)	(14,669)	(4,386)	(254)	-	-	(12,175)	-	(2,518)	-	-	(736,190)	(739,794)	
<b>Administrative expenses</b>	(425,880)	(397,457)	(44,707)	(56,674)	(18,426)	(1,858)	(16,973)	(14,366)	(25,877)	(10,307)	(14,761)	(2,524)	-	(542,278)	(487,640)	
	(1,122,274)	(1,119,810)	(60,953)	(71,343)	(22,812)	(2,112)	(16,973)	(14,366)	(38,052)	(17,404)	(17,279)	-	-	(1,278,468)	(1,227,434)	
<b>Profit/(loss) before taxation and unallocated income and expenses</b>	642,630	1,035,987	51,659	215,099	(22,898)	(2,217)	254,351	(5,364)	(84,925)	(19,065)	4,921	-	-	822,252	1,243,902	
<b>Unallocated income and expenses</b>																
Other operating expenses														(53,856)	(62,032)	
Other income														4,644	69	
Finance cost														(176,811)	(215,623)	
Share of loss from associate														(33,429)	(10,741)	
Taxation														(71,725)	(87,531)	
<b>Profit after taxation</b>														491,075	669,844	

**17.2 Reconciliation of reportable segment assets and liabilities**

	Hosiery		Spinning		Denim	Energy		Apparel		Others	Total Group			
	Unaudited	Audited	Unaudited	Audited		Unaudited	Audited	Unaudited	Audited		Unaudited	Audited	Unaudited	Audited
	September 30, 2019	June 30, 2019	September 30, 2019	June 30, 2019	September 30, 2019	June 30, 2019	September 30, 2019	June 30, 2019	September 30, 2019	June 30, 2019	September 30, 2019	June 30, 2019		
	Rupees in '000													
<b>Total assets for reportable segment</b>	24,637,051	24,710,831	4,917,686	5,261,938	4,025,264	2,121,212	2,321,422	1,963,744	873,031	715,889	1,034,381	1,010,426	37,808,835	35,790,040
<b>Unallocated assets:</b>														
Long term investments													558,488	93,540
Long term deposits													34,430	33,120
Short term investments													943,683	1,207,251
Tax refunds due from government													2,257,275	1,949,118
Cash and bank balances													484,877	1,542,907
<b>Total assets as per balance sheet</b>													41,487,588	40,615,976
<b>Total liabilities for reportable segment</b>	5,488,601	5,646,690	124,439	206,537	88,337	1,805,548	54,424	77,475	197,827	64,057	102,631	78,966	6,056,259	6,254,473
<b>Unallocated liabilities:</b>														
Long term financing													3,572,674	3,628,745
Short term borrowings													12,781,261	11,855,742
Current portion of long term financing													961,488	1,247,191
Other corporate liabilities													119,105	113,942
<b>Total liabilities as per balance sheet</b>													23,490,787	23,100,093

## 18. Fair Value Measurement Of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Group to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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 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, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Rupees in '000	Un-audited			
	September 30, 2019			
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>				
Investments in mutual funds	123,983	–	–	123,983
<b>Total Assets</b>	123,983	–	–	123,983
<b>Total Liabilities</b>	–	–	–	–

Rupees in '000	Audited			
	June 30, 2019			
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>				
Investments in mutual funds	130,896	-	-	130,896
<b>Total Assets</b>	130,896	-	-	130,896
<b>Total Liabilities</b>	-	-	-	-

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

## 19. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Group for the year ended 30 June 2019.

## 20. Date Of Authorization For Issue

The financial statements were authorized for issue on October 25, 2019 by the Board of Directors of the Holding Company.

## 21. Corresponding Figures

In order to comply with the requirements of IAS 34, the consolidated condensed interim statement of financial position has been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

## 22. Events After The Reporting Date

The Board of Directors in their meeting held on September 23, 2019 proposed a final cash dividend for the year ended June 30, 2019 of Rs. 1.75 per share, amounting to Rs. 1,526.34 million. The same has been approved by the members at the Annual General Meeting of the Holding Company held on October 14, 2019.







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