



# FULL FAMILY CLOTHING PARTNER OF CHOICE



**INTERLOP**  
QUARTERLY REPORT

for the 3<sup>rd</sup> Quarter ended March 31, 2022

# 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**

## CHIEF INFORMATION OFFICER

**Yaqub Ahsan**

## LEGAL ADVISOR

**HaidermotaBNR & Co.**

## AUDITORS

**Kreston Hyder Bhimji & Co.**

Chartered Accountants

## 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

## RISK MANAGEMENT COMMITTEE

**Tariq Iqbal Khan**

Chairman

**Muhammad Maqsood**

Member

**Yaqub Ahsan**

Member

**Ahsan Pervaiz Sheikh**

Member

**Syed Hamza Gillani**

Member

## SHARE REGISTRAR

### CDC Share Registrar Services Limited

#### Karachi Office:

Share Registrar Department  
CDC House, 99-B, Block B,  
S.H.C.H.S, Main Shakra-e-Faisal,  
Karachi – 74400

**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:** (042) – 36362061-66

## 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:** info@interloop.com.pk

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

## CORPORATE OFFICE

Interloop Limited  
1 KM, Khurrianwala-Jaranwala Road,  
Khurrianwala,  
Faisalabad, Pakistan

**Phone:** +92 – 41 – 4360400

**Fax:** +92 – 41 – 2428704

## PLANT SITE

### Plant 1:

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

### Plant 2 & 4:

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

### Plant 3:

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

### Plant 5:

6 KM, By Pass Road, Khurrianwala,  
Faisalabad, Pakistan

### Denim Plant:

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

# DIRECTORS' REVIEW

The Board of Directors of Interloop Limited ("the Company") is pleased to present the Company's Unaudited Financial Statements for the Quarter and Nine months that has ended on March 31, 2022.

## ECONOMIC OVERVIEW

Pakistan's gross domestic product (GDP) growth is projected to slow down to 4% for the FY2022 from 5.6% in FY2021 due to tighter fiscal and monetary policies. It is expected to increase again in FY2023, accelerating to 4.5% due to stronger private consumption and investment. Meanwhile, Pakistan's exports grew by 25% to USD 23.22 billion in 9MFY22 against USD 18.688 billion in the corresponding period last year, whereas overall imports also increased by 49.10% to USD 58.87 billion in 9MFY22 against USD 39.48 billion in the corresponding period last year. The considerable gap between imports and exports has widened the trade deficit to USD 35.52 billion versus USD 20.80 billion in the same period the previous year.

Inflation and current account deficit are still under pressure. Thus, inflation and external sector's risks may lead to macroeconomic imbalances. The government is taking multiple policies, administrative and relief measures to counter the downside risks to the economy.

## INDUSTRY OVERVIEW

Pakistan's share in the global textile market is only 1.8%, offering it huge opportunities for sectoral growth. The Government of Pakistan has approved New Textiles and Apparel Policy, 2020-25, intending to ensure the sustainability of textile sector exports. During the period under review, Pakistan's textile exports witnessed an upsurge of 26% to USD 14.26 billion during the first nine months of the current fiscal year (9MFY22) as compared to USD 11.36 billion in the same period last year (9MFY21), primarily led by a significant recovery in the value-added segments. In March 2022, textile exports surged to USD 1.65 billion against USD 1.36 billion in the same month last year, projecting almost 22% growth.

Pakistan Bureau of Statistics (PBS) report stated that during July-March FY22, knitwear exports increased by 34% to USD 3.7 billion, bed-wear by 19% to USD 2.05 billion, readymade garments by 26% to USD 2.27 billion and towels by 18% to USD 692 million compared to the corresponding period last year. The growth in textile exports is attributed to the high demand in the West ahead of the summer season, while other factors include the revival of economic activity, which has led to a shortage of various retail brands, competitive utilities and borrowing rates.

## OPERATING FINANCIAL RESULTS

By the Grace of Almighty Allah, your Company has maintained stable operations and sustainable growth by circumventing the incidents of risk, maximizing efficiency in production and profit enhancement through various means. The management is confident that the Company has adequate resources to effectively gain maximum benefits for its Stakeholders.

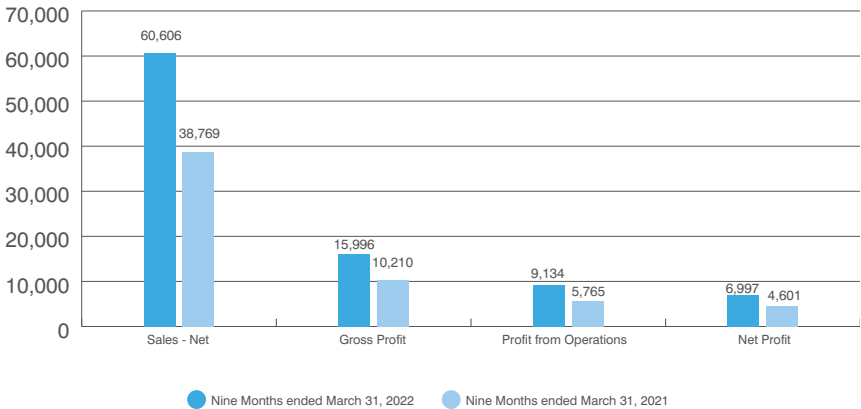
During the nine months ended March 31, 2022, your Company earned a gross profit of Rs. 15,996 million on sales of Rs. 60,606 million compared to a gross profit of Rs. 10,210 million on sales of Rs. 38,769 million for the corresponding period of the previous financial year. During the period under review, your Company recorded a net profit of Rs. 6,997 million (EPS: Rs. 7.79 per share), compared to a net profit of Rs. 4,601 million (EPS: Rs. 5.12 per share) in the corresponding period. Sales have increased by 56.32% YoY. The sales volumes in the current period have increased notably, owing partially to the spillover from last year and as the Company managed to tap new opportunities.

## SUMMARIZED FINANCIAL RESULTS

The summarized un-audited financial results for the nine months ended March 31, 2022, as against March 31, 2021, are as follows:

	Nine Months ended March 31,		
	2022	2021	Variance
	Rs. in millions		%
Sales – Net	60,606	38,769	56.32%
Gross Profit	15,996	10,210	56.67%
Profit from Operations	9,135	5,765	58.45%
Net Profit	6,997	4,601	52.06%
Gross Profit Ratio	26.39%	26.33%	0.06%
Net Profit Ratio	11.54%	11.87%	-0.33%
Earnings per Share - Basic and Diluted (Rupees)	7.79	5.28	52.06%

Rs. in Million



## FUTURE OUTLOOK

### Sustainability

Interloop is acting on climate change initiatives through the adoption of cleaner technologies, green buildings, energy conservation, and setting ambitious carbon emissions reduction targets across all businesses;

- With Sustainability as a top priority, Interloop is constantly pursuing the most efficient power and steam generation solutions by utilizing environmentally friendly, and energy-efficient technologies. In addition, we are set to add 7.8MW of renewable energy, cruising towards our Vision 2025 aiming at a 25% reduction in Green House Gase (GHG) emissions. While green energy is one subject, your Company continues to take necessary steps leading to other aspects of sustainability.
- Water is the essence of life. Since our operations require extensive use, we have committed ourselves to reduce water consumption by adopting water-efficient technologies and promoting water recycling. We are collaborating with WWF on a new project to help us evaluate our water usage and make continual improvements while working towards our AWS certification.
- Building a Sustainable World is deeply rooted in Interloop's mission to ensure the well-being of our people and communities. Interloop has been committed to safeguarding planet's biodiversity by increasing the use of sustainable raw materials, robust waste management systems and promoting ECO PARKS within our premises.





## Business Divisions

Upscaling the overall capacity in Apparel, the Company has launched a master project with a capital outlay of USD 100 million, whose civil work has already been commenced in Faisalabad. Further expanding the business and meeting the growing customer demands, Hosiery Plant VI initially planned for 2024-25, is now envisaged to be operational in 2023-24.



Committing to digital transformation in its Vision 2025, Interloop has progressed with significant projects. The Company has successfully launched the Looptrace pilot project developed to track and trace sustainable sourcing. Adopting a tech-savvy approach, the Company has introduced real-time AI projects for quality controls, improved operations and efficiency, looping in vendors, suppliers, and merchandizers. Interloop is also rolling out an advanced ERP system to automate the processes across its business divisions. The Company is also working on the pilot phase of the LoopHR project to create synergies and connectivity amongst employees.

## Government Policy

Pakistan is one of the few countries having a complete textile value chain from farm to fashion, and the textile sector is the most significant employment generator. The Government of Pakistan has approved New Textiles and Apparel Policy, 2020-25; one of the policy's main objectives is to give the textile industry internationally competitive electricity and gas rates to enhance exports, ensure sustainability and expansion of textile sector exports. This improved, congenial, and conducive business to business policy will positively impact the textile sector and Interloop.



## ACKNOWLEDGEMENT

The Board of Directors of the Company would like to thank all our customers, suppliers, contractors, service providers, stakeholders, and shareholders for their continued support. We would also like to convey sincere appreciation to our employees for their devotion, dedication, hard work, and contribution to their Company's continuous growth and stability.

## For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Navid Fazil', written over a horizontal line.

**Navid Fazil**  
(Chief Executive Officer)

Place: Faisalabad  
Date: April 26, 2022

A handwritten signature in black ink, appearing to read 'Jahan Zeb', written in a cursive style.

**Jahan Zeb Khan Banth**  
(Director)

ہوئے کمپنی نے کوالٹی کنٹرولز، بہتر آپریشنز اور استعداد، ویبڈرز، سپلائرز اور مرچنڈائزرز میں لوئنگ کیلئے رینل ٹائم AI پراجیکٹس متعارف کروائے ہیں۔ انٹرویو اپنے کاروباری ڈویژنز میں آڈیٹنگ طریقہ کار رائج کرنے کیلئے جدید ERP سسٹم تشکیل دے رہی ہے۔ کمپنی ملازمین کے مابین ہم آہنگی اور روابط قائم کرنے کیلئے لوپ ایچ آر پراجیکٹ کے پائیلٹ فیز پر کام کر رہی ہے۔

**حکومتی پالیسی:**

پاکستان اُن چند ممالک میں سے ایک ہے جو فارم سے فیشن تک ایک مکمل ٹیکسٹائل ویلیو چین کے حامل ہیں اور ٹیکسٹائل کا شعبہ سب سے زیادہ روزگار پیدا کرنے والے شعبوں میں شمار ہوتا ہے۔ حکومت پاکستان نے نئی ٹیکسٹائل اور اپریل پالیسی 2020-25 کی منظوری دی ہے؛ اس پالیسی کا بنیادی مقصد ٹیکسٹائل صنعت کی برآمدات میں اضافہ، پائیداری کی یقین دہانی اور ٹیکسٹائل مصنوعات کی برآمدات میں توسیع کیلئے عالمی مطابقت کے بجلی و گیس ریٹس کی فراہمی ہے۔ یہ بہتر، موافق اور سازگار برنس ٹورنٹس پالیسی ٹیکسٹائل سیکٹر اور انٹرویو پر مثبت اثرات مرتب کرے گی۔

### اظہار تشکر:

بورڈ کاروباری سرگرمیوں کے دوران مسلسل تعاون پر اپنے تمام معزز صارفین، سپلائرز، کسٹمرز، خدمت دہندگان، اسٹیک ہولڈرز اور شیئر ہولڈرز کا مشکور ہے۔ اس کے ساتھ ساتھ ہم کمپنی کی مسلسل ترقی اور پائیداری کے سفر میں اپنے ملازمین کے جذبے، لگن، محنت اور حصہ داری پر انہیں بھی دل کی گہرائیوں سے خراج تحسین پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Tahaan Zed

جہانزیب خان بانٹھ  
(ڈائریکٹر)



نویڈ قاضی  
(چیف ایگزیکٹو آفیسر)

مقام: فیصل آباد

تاریخ: 26 اپریل 2022

## مستقبل کا نقطہ نظر

### استحکام:

- انٹروپ اپنے تمام کاروباروں میں صاف ٹیکنالوجیز، گرین بلڈنگز، توانائی کی بچت اور کاربن کے اخراج میں کمی کیلئے بلند نظر اہداف کے تعین سے ماحولیاتی تبدیلی کیلئے اقدامات پر عمل کر رہی ہے۔
- استحکام کو اپنی اولین ترجیح رکھتے ہوئے انٹروپ ماحول دوست اور کم توانائی خرچ ٹیکنالوجیز کے استعمال سے زیادہ موثر اور سٹیئم جزییشن سلوشنز پر متواتر کام کر رہی ہے۔ اس کے ساتھ ساتھ ہم 7.8 میگا واٹ رینو ایبل انرجی کا اضافہ کر رہے ہیں اور گرین ہاؤس گیس اخراج میں 25 فیصد کمی کے ہدف کے ساتھ اپنے ویژن 2025 کی جانب گامزن ہیں۔ گرین انرجی صرف ایک پہلو ہے، آج کی کمپنی استحکام کے دیگر پہلوؤں کیلئے بھی مسلسل اقدامات اٹھا رہی ہے۔
- پانی زندگی کی ضرورت ہے۔ چونکہ ہمارے آپریشنز میں اس کا افرقہ مقدار میں استعمال ہوتا ہے اس لئے ہم پانی کی بچت کی ٹیکنالوجی اور واٹری سائیکلنگ کی ترویج کیلئے انتہائی پر عزم ہیں۔ ہم ایک نئے پراجیکٹ پر WWF کے ساتھ شراکت داری قائم کر رہے ہیں جس کے ذریعے ہمارے استعمال شدہ پانی کا تخمینہ اور AWS سرٹیفیکیشن کے حصول کی جانب بڑھتے ہوئے مسلسل بہتری کیلئے اقدامات کی تشخیص میں مدد ملے گی۔
- ہمارے لوگوں اور بقات کی بھلائی یقینی بنانے کیلئے ایک مستحکم دنیا کا قیام انٹروپ کے مشن میں مکمل طور پر پنہاں ہے۔ انٹروپ پائیدار خام مال کے استعمال میں اضافہ، ویسٹ مینجمنٹ کے تیز طریقوں اور اپنے دائر کار میں ایکوپارکس کی ترویج کے ذریعے اس سیارے کی بائیو ڈائورسٹی کے تحفظ کیلئے پر عزم رہا ہے۔

### کاروباری ڈویژنز:

اپریل میں مجموعی استعداد بڑھانے کیلئے کمپنی نے 100 ملین ڈالر کیپٹل کا حامل ایک بڑا منصوبہ لانچ کیا ہے جس کا سول ورکس پیلہ ہی فیصل آباد میں شروع کیا جا چکا ہے۔ علاوہ ازیں کاروباری وسعت اور صارفین کی بڑھتی ضروریات کو دیکھتے ہوئے ہوزری پلانٹ VI جو ابتدائی طور پر 2024-25 میں پلان کیا گیا تھا، اب 2023-24 میں فعال کرنے کے بارے میں سوچا گیا ہے۔

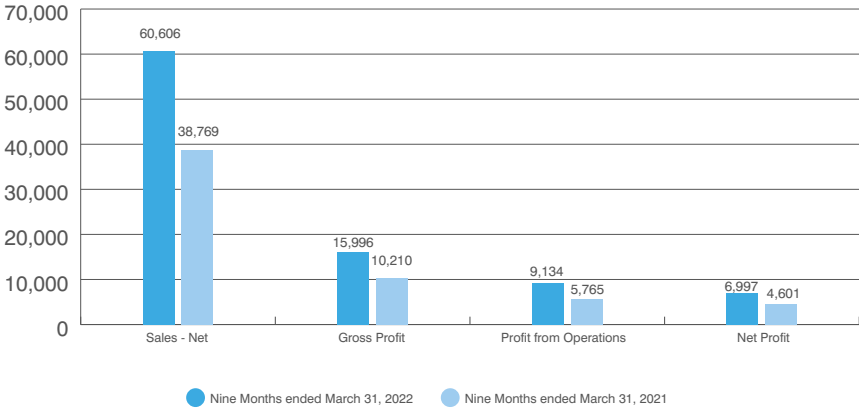
اپنے ویژن 2025 میں ڈیجیٹل ٹرانسفارمیشن پر کاربند رہتے ہوئے انٹروپ نے نمایاں منصوبوں پر عملدرآمد کیا ہے۔ کمپنی نے پائیدار سورسنگ ٹریک اور ٹریس کرنے کیلئے لوپ ٹریس پائلٹ پراجیکٹ کا میا بی سے متعارف کروایا ہے۔ ٹیک پڑنی حکمت عملی اپناتے

## مالی نتائج کا خلاصہ:

مدت مختتمہ 31 مارچ 2022 کے 9 ماہ کیلئے غیر آڈٹ شدہ مالی نتائج کا خلاصہ اور اس کا مدت مختتمہ 31 مارچ 2021 کے ساتھ تقابلی جائزہ درج ذیل ہے:

سہ ماہی مختتمہ 31 مارچ			
فرق	2021	2022	
فیصد	ملین روپے		
56.32%	38,769	60,606	خالص سیلز
56.67%	10,210	15,996	مجموعی منافع
58.45%	5,765	9,135	آپریٹنگ سے منافع
52.06%	4,601	6,997	خالص منافع
0.06%	26.33%	26.39%	مجموعی منافع کی شرح
-0.33%	11.87%	11.54%	خالص منافع کی شرح
52.06%	5.28	7.79	فی شیئر آمدن - ہیسک اینڈ ڈیویڈنڈ (روپے)

Rs. in Million



پاکستان بیورو آف سٹیٹسٹکس (پی بی ایس) کی رپورٹ کے مطابق گزشتہ سال کی اسی مدت کے مقابلہ میں جولائی-مارچ 2022 کے دوران نٹ ویز برآمدات 34 فیصد اضافہ کے ساتھ 3.7 بلین ڈالر، بیڈ ویز 19 فیصد اضافہ کے ساتھ 2.05 بلین ڈالر، ریڈی میڈ گارمنٹس 26 فیصد اضافہ کے ساتھ 2.27 بلین ڈالر اور ٹاول 18 فیصد اضافہ کے ساتھ 692 بلین ڈالر کی سطح پر رہیں۔ ٹیکسٹائل سیکٹر کی برآمدات میں یہ اضافہ مغربی ممالک میں گرمیوں کے موسم کی آمد کے بعد زیادہ طلب کی بدولت ہے۔ جبکہ دیگر عوامل میں معاشی سرگرمیوں کی بحالی بھی شامل ہے جس کی وجہ سے مختلف ریٹیل برانڈز، مقابلہ جاتی پوٹیلٹیور اور خریداری ریٹس میں کمی تھی۔

## مالی اور کاروباری نتائج:

اللہ تعالیٰ کے فضل و کرم سے آپ کی کمپنی نے خطرے پر قابو، پیداواری استعداد میں اضافہ اور مختلف ذرائع سے منافع بڑھا کر مستحکم آپریشنز اور پائیدار ترقی برقرار رکھی۔ انتظامیہ پر اعتماد ہے کہ کمپنی اپنے اسٹیک ہولڈرز کیلئے زیادہ سے زیادہ منافع یقینی بنانے کیلئے مناسب وسائل رکھتی ہے۔

9 ماہ ختمہ 31 مارچ 2022 کے دوران آپ کی کمپنی نے 60,606 ملین روپے کی سیلز پر 15,996 ملین روپے مجموعی منافع کمایا جبکہ گزشتہ مالی سال کی اسی مدت کے دوران یہ مجموعی منافع 38,769 ملین روپے کے سیلز جم کے عوض 10,210 ملین روپے تھا۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے 6,997 ملین روپے خالص منافع (فی شیئر آمدن 7.79 روپے) کمایا جبکہ گزشتہ سال کی اسی مدت میں یہ اعداد و شمار 4,601 ملین روپے (فی شیئر آمدن 5.12 روپے) تھے۔ سال در سال سیلز میں 56.32 فیصد اضافہ ہوا۔ موجودہ مدت کے دوران سیلز کے حجم میں نمایاں طور پر اضافہ ہوا جو کہ کچھ گزشتہ سال کے Spill Over کے ساتھ کمپنی کی جانب سے موجودہ سال کے دوران نئے پیدا ہونے والے مواقعوں سے مستفید ہونے کی بدولت ممکن ہوا۔

## ڈائریکٹران کا جائزہ

انٹروپ لمیٹڈ ("دی کمپنی") کے بورڈ آف ڈائریکٹرز سہ ماہی اور نو ماہ مختتمہ 31 مارچ 2022 کیلئے کمپنی کے غیر آڈٹ شدہ مالی نتائج پیش کرتے ہوئے انتہائی خوشی محسوس کر رہے ہیں۔

### معاشی جائزہ:

سخت مالی اور مؤثر پالیسیوں کی وجہ سے مالی سال 2022 کیلئے پاکستان کی گراس ڈومینٹک پراڈکٹ (جی ڈی پی) گروتھ 4 فیصد تک رہنے کی توقع ہے جو کہ گزشتہ سال 5.6 فیصد تھی۔ مضبوط نجی کھپت اور سرمایہ کاری کی بدولت ترقی کی یہ شرح مالی سال 2023 میں بڑھ کر 4.5 فیصد تک رہنے کی توقع ہے۔

جبکہ مالی سال کے پہلے 9 ماہ کے دوران پاکستان کی برآمدات 25 فیصد اضافہ کے ساتھ 23.22 بلین امریکن ڈالر تک جا پہنچیں، جو کہ گزشتہ سال کی اسی مدت کے دوران 18.688 بلین امریکن ڈالر کی سطح پر تھیں۔ جبکہ اسی مدت کے دوران مجموعی درآمدات بھی 49.10 فیصد اضافہ کے ساتھ 39.48 بلین امریکن ڈالر سے بڑھ کر 58.87 بلین ڈالر رہیں۔ درآمدات اور برآمدات میں اس نمایاں فرق کی وجہ سے تجارتی خسارہ 20.80 بلین امریکن ڈالر سے بڑھ کر 35.52 بلین امریکن ڈالر تک جا پہنچا۔

مہنگائی اور موجودہ اکاؤنٹ خسارہ تاحال دباؤ میں ہیں۔ اس لئے مہنگائی اور بیرونی شعبہ کے خطرات بڑے پیمانے (میکرو اکنامک) پر عدم توازن کا باعث بن سکتے ہیں۔ حکومت معیشت پر منفی پہلوؤں کے خطرات سے نبرد آزما ہونے کیلئے مختلف حکمت عملیاں، انتظامی اور اداری اقدامات عمل میں لا رہی ہے۔

### انڈسٹری کا جائزہ:

عالمی ٹیکسٹائل منڈی میں پاکستان کا حصہ محض 1.8 فیصد ہے، جو کہ اس شعبہ میں ترقی کے بے شمار مواقعوں کا غماز ہے۔ حکومت پاکستان نے 2020-25 کیلئے نئی ٹیکسٹائل اور اپریل پالیسی کی منظوری دی ہے تاکہ ٹیکسٹائل سیکٹر میں برآمدات کی پائیداری یقینی بنائی جاسکے۔ زیر جائزہ مدت کے دوران پاکستان کی ٹیکسٹائل برآمدات میں 26 فیصد اضافہ دیکھنے میں آیا اور رواں مالی سال کے پہلے 9 ماہ کے دوران یہ برآمدات گزشتہ سال کے اسی دورانیہ کی 11.36 بلین ڈالر سے بڑھ کر 14.26 بلین ڈالر رہیں اور اس کی بنیادی وجہ ویلیو ایڈڈ کے شعبہ جات میں نمایاں ریکوری تھی۔ مارچ 2022 کے دوران ٹیکسٹائل برآمدات 1.65 بلین ڈالر رہیں جو کہ گزشتہ سال کے اسی ماہ کے دوران 1.36 بلین ڈالر تھیں، یوں ان میں تقریباً 22 فیصد اضافہ مشاہدے میں آیا۔





# CONDENSED INTERIM FINANCIAL STATEMENTS

For The Quarter and Nine Months Ended March 31, 2022

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2022

	Note	Un audited March 31, 2022 (Rupees in '000)	Audited June 30, 2021 (Rupees in '000)
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	5	32,858,217	26,193,029
Intangible asset		209,909	209,623
Long term loans - staff		197,562	144,673
Long term deposits		79,611	60,478
		33,345,299	26,607,803
<b>Current Assets</b>			
Stores and spares		1,664,594	1,199,116
Stock in trade		22,611,019	11,276,308
Trade debts	6	22,489,639	15,052,940
Loans and advances		1,787,630	1,034,836
Prepayment and other receivables		546,776	318,708
Accrued income		3,816	2,131
Tax refunds due from government		5,150,451	4,328,555
Short term investments		500,000	500,000
Cash and bank balances		288,284	374,442
		55,042,209	34,087,036
<b>Total Assets</b>		<b>88,387,508</b>	<b>60,694,839</b>

	Note	Un audited March 31, 2022 (Rupees in '000)	Audited June 30, 2021 (Rupees in '000)
<b>Equity and Liabilities</b>			
<b>Share Capital And Reserves</b>			
Authorized share capital	7	15,000,000	10,000,000
Issued, subscribed and paid up capital	8	8,983,634	8,721,975
Reserves		3,528,149	3,791,602
Unappropriated profit		12,328,756	8,001,035
		24,840,539	20,514,612
<b>Non Current Liabilities</b>			
Long term financing	9	12,907,871	8,213,978
Lease liabilities		109,082	152,969
Deferred liabilities		4,684,191	3,816,001
		17,701,144	12,182,948
<b>Current Liabilities</b>			
Trade and other payables		7,756,589	5,551,641
Unclaimed dividend		3,860	4,004
Accrued mark up		541,203	221,674
Short term borrowings		35,225,242	19,636,066
Derivative financial instruments		81,755	33,074
Current portion of non current liabilities		2,237,176	2,550,820
		45,845,825	27,997,279
<b>Contingencies and Commitments</b>	10	-	-
<b>Total Equity and Liabilities</b>		88,387,508	60,694,839

The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer  
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# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Quarter and Nine Months Ended March 31, 2022

	Note	Quarter ended		Nine months ended	
		Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2021 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2021 (Rupees in '000)
Sales - net		21,259,019	12,506,643	60,605,695	38,769,191
Cost of sales	11	(15,711,390)	(8,763,324)	(44,609,940)	(28,559,455)
<b>Gross profit</b>		<b>5,547,629</b>	<b>3,743,319</b>	<b>15,995,755</b>	<b>10,209,736</b>
Distribution cost		(824,631)	(666,625)	(2,434,809)	(1,870,378)
Administrative expenses		(1,236,826)	(730,500)	(3,188,297)	(2,018,643)
Other operating expenses		(304,299)	(212,734)	(1,283,887)	(621,638)
Other income		15,974	18,268	45,734	65,829
		(2,349,782)	(1,591,591)	(6,861,259)	(4,444,830)
<b>Profit from operations</b>		<b>3,197,847</b>	<b>2,151,728</b>	<b>9,134,496</b>	<b>5,764,906</b>
Finance cost		(718,919)	(300,542)	(1,590,474)	(817,149)
<b>Profit before taxation</b>		<b>2,478,928</b>	<b>1,851,186</b>	<b>7,544,022</b>	<b>4,947,757</b>
Taxation		(199,888)	(154,222)	(547,377)	(346,431)
<b>Profit for the period</b>		<b>2,279,040</b>	<b>1,696,964</b>	<b>6,996,645</b>	<b>4,601,326</b>
<b>Earnings per share - basic and diluted (Rupees) - Restated</b>		<b>2.54</b>	<b>1.89</b>	<b>7.79</b>	<b>5.12</b>

The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Quarter and Nine Months Ended March 31, 2022

	Quarter ended		Nine months ended	
	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2021	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2021 (Rupees in '000)
<b>Profit for the period</b>	2,279,040	1,696,964	6,996,645	4,601,326
<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>2,279,040</b>	<b>1,696,964</b>	<b>6,996,645</b>	<b>4,601,326</b>

The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer  
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# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Nine Months Ended March 31, 2022

	Share capital	Capital reserve	Revenue reserve	Total
		Share premium	Unappropriated profit	
(Rupees in '000)				
<b>Balance as at July 01, 2020 - audited</b>	8,721,975	3,791,602	4,766,115	17,279,692
Profit for the period	-	-	4,601,326	4,601,326
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	4,601,326	4,601,326
Effect of amalgamation of IL Apparel (private) Limited	-	-	(805,014)	(805,014)
<b>Transactions with owners:</b>				
Dividend to ordinary shareholders	-	-	(2,180,493)	(2,180,493)
<b>Balance as at March 31, 2021 (un-audited)</b>	8,721,975	3,791,602	6,381,934	18,895,511
<b>Balance as at July 01, 2021 - audited</b>	8,721,975	3,791,602	8,001,035	20,514,612
Profit for the period	-	-	6,996,645	6,996,645
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	6,996,645	6,996,645
Transaction cost on issuance of shares	-	(1,794)	-	(1,794)
Issuance of bonus shares	261,659	(261,659)	-	-
<b>Transactions with owners:</b>				
Dividend to ordinary shareholders	-	-	(2,668,924)	(2,668,924)
<b>Balance as at March 31, 2022 (un-audited)</b>	8,983,634	3,528,149	12,328,756	24,840,539

The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Nine Months Ended March 31, 2022

	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2021 (Rupees in '000)
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,544,022	4,947,757
<b>Adjustments for:</b>		
Depreciation on operating fixed assets	1,966,765	1,659,397
Depreciation on right of use assets	46,740	24,933
Amortization of intangible assets	34,391	8,187
Workers' profit participation fund	405,157	265,721
Workers' welfare fund	153,959	100,975
Staff retirement gratuity	934,965	682,275
Loss on disposal of intangible asset	-	28,348
Loss on disposal of property, plant and equipment	6,731	5,189
Gain on disposal of right of use assets	(4,916)	(107)
Inventory write off	-	434
Unrealized loss on derivative financial instruments	48,682	-
Realized loss on derivative financial instruments	344,279	3,887
Profit on TDRs	-	(3,771)
Profit on TFCs	(38,338)	(34,176)
Interest on loan to Metis International (Pvt) Ltd	(1,065)	4
Interest on receivables from IL Bangla Limited	-	(4,339)
Finance cost	1,590,474	817,149
<b>Operating cash flows before working capital changes</b>	<b>13,031,846</b>	<b>8,501,863</b>
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	(465,478)	(99,397)
Stock in trade	(11,334,711)	(2,191,163)
Trade debts	(7,436,699)	(4,431,814)
Loans and advances	(735,949)	(1,250,827)
Prepayment and other receivables	(228,068)	(392,178)
Accrued income	-	464
Tax refunds due from government	(1,040,051)	(1,343,168)
<b>Increase in current liabilities</b>		
Trade and other payables	2,010,365	1,442,602
	(19,230,591)	(8,265,481)
<b>Cash generated from operations</b>	<b>(6,198,745)</b>	<b>236,382</b>
Finance cost paid	(1,240,181)	(856,015)
Income tax paid	(329,222)	(387,195)
Staff retirement gratuity paid	(252,303)	(223,435)
Workers' profit participation fund paid	(380,983)	(119,000)
Long term loans paid	(69,734)	(96,584)
Long term deposits paid	(19,133)	(14,010)
Profit on TDRs received	-	3,771
<b>Net cash used in operating activities</b>	<b>(8,490,301)</b>	<b>(1,456,086)</b>

	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2021 (Rupees in '000)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in:		
Property, plant and equipment	(8,702,885)	(2,701,712)
Intangible asset	(34,677)	(47,930)
Proceeds from disposal of property, plant and equipment	28,468	38,781
Profit received from investments in TFCs	37,844	34,027
<b>Net cash used in investing activities</b>	<b>(8,671,250)</b>	<b>(2,676,834)</b>
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing obtained - net	4,562,722	2,586,295
Payment of lease rentals	(61,364)	(28,976)
Short term borrowings - net	15,589,176	3,592,640
Settlement of derivative financial instruments	(344,279)	(3,887)
Transaction cost on issuance of shares	(1,794)	-
Dividend paid	(2,669,068)	(2,179,844)
<b>Net cash generated from financing activities</b>	<b>17,075,393</b>	<b>3,966,228</b>
<b>Net decrease in cash and cash equivalents (a+b+c)</b>	<b>(86,158)</b>	<b>(166,692)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>374,442</b>	<b>275,831</b>
<b>Add: Effect of amalgamation of IL Apparel (private) Limited</b>	<b>-</b>	<b>52,148</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>288,284</b>	<b>161,287</b>

The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Quarter and Nine Months Ended March 31, 2022

## 1. LEGAL STATUS AND OPERATIONS

Interloop Limited (the Company) was incorporated in Pakistan on April 25, 1992 and publicly listed on Pakistan Stock Exchange on April 5, 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, 6-km, 7-km Jaranwala road, Khurrianwala, Faisalabad and 8-km Manga Mandi, Raiwand road, Lahore. The Company is a vertically integrated multi-category Full Family Clothing, manufacturing Hosiery, Denim, Knitted Apparel and Seamless Active wear, for top international brands and retailers, besides producing yarns for a range of textile customers. The Company's commitment to environmental, social responsibility & governance (ESG) is deeply rooted in its mission and has gained it global recognition as a pioneer in responsible manufacturing. The Company's diverse & engaged workforce and operational excellence has established it as a Partner of Choice for its customers.

## 2. BASIS OF PREPARATION

These 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.

These condensed interim financial statements do 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 June 30, 2021.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires 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.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual financial statements of the Company for the year ended June 30, 2021.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended June 30, 2021.

	Note	Un audited March 31, 2022 (Rupees in '000)	Audited June 30, 2021 (Rupees in '000)
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	28,337,215	23,467,161
Capital work-in-progress	5.2	4,374,556	2,543,689
Right of use assets		146,446	182,179
		32,858,217	26,193,029
<b>5.1 Operating fixed assets</b>			
Opening written down value		23,467,161	21,897,796
Add: Additions during the period/year	5.1.1	6,872,018	3,268,184
Add: Effect of amalgamation of IL Apparel (private) Limited		–	662,936
Less: Disposals during the period/year		(35,199)	(82,142)
Less: Depreciation charged during the period/year		(1,966,765)	(2,279,613)
Closing written down value		28,337,215	23,467,161
<b>5.1.1 Additions during the period/year</b>			
Freehold land		365,566	188,598
Buildings on freehold land		1,140,676	610,953
Plant and machinery		3,860,987	1,593,773
Tools and equipments		350,378	96,820
Office equipments		162,478	195,230
Electric installations		635,286	290,621
Furniture and fixtures		158,167	93,405
Vehicles		198,480	198,784
		6,872,018	3,268,184
<b>5.2 Capital work-in-progress</b>			
Civil works		508,390	1,216,376
Plant and machinery		1,770,204	547,137
Capital stores	5.2.1	307,861	129,762
Advances to suppliers		1,788,101	650,414
		4,374,556	2,543,689

**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 March 31, 2022 (Rupees in '000)	Audited June 30, 2021 (Rupees in '000)
<b>6. TRADE DEBTS</b>			
<b>Foreign</b>			
- Secured		11,619,847	6,234,955
- Unsecured	6.1	9,735,918	7,869,261
<b>Local</b>			
- Unsecured	6.1	1,133,874	948,724
		22,489,639	15,052,940

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

## 7. AUTHORIZED SHARE CAPITAL

Un audited March 31, 2022 [ Number of shares in '000]	Audited June 30, 2021		Un audited March 31, 2022 (Rupees in '000)	Audited June 30, 2021 (Rupees in '000)
1,500,000	1,000,000	Ordinary shares of Rs. 10 each	15,000,000	10,000,000

7.1 The Company has increased its authorized share capital from 1,000 million shares to 1,500 million shares by the resolution passed in its 29th Annual General Meeting held on October 15, 2021.

## 8. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un audited March 31, 2022 [ Number of shares in '000]	Audited June 30, 2021		Un audited March 31, 2022 (Rupees in '000)	Audited June 30, 2021 (Rupees in '000)
132,166	132,166	Ordinary shares of Rs. 10 each fully paid in cash	1,321,662	1,321,662
766,197	740,031	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	7,661,972	7,400,313
898,363	872,197		8,983,634	8,721,975

8.1 During the period, the Company has issued 3% bonus shares (i.e. 3 shares for every 100 shares held on the entitlement date) out of the share premium account.

	Un audited March 31, 2022 (Rupees in '000)	Audited June 30, 2021 (Rupees in '000)
<b>9. LONG TERM FINANCING</b>		
<b>From financial institutions - secured</b>		
Opening balance	10,652,580	7,222,513
Add: Obtained during the period/year	,812,892	3,997,643
Add: Effect of amalgamation of IL Apparel (private) Limited	–	188,036
Less: Paid during the period/year	(2,250,170)	(747,505)
Less: Effect of recognition/adjustment of Government grant - net	(152,908)	(8,107)
	15,062,394	10,652,580
Less: Current portion of long term financing	(2,154,523)	(2,438,602)
	12,907,871	8,213,978

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

10.1.1 The Punjab Revenue Authority has created a demand of an amount of Rs. 29.931 million in respect of an alleged default on withholding of provincial sales tax on account of various transport services received by the Company during the period from March 01, 2015 to May 31, 2016 along with default surcharge and penalty under Punjab Sales Tax on Services Act, 2012, rejecting the exemption claim of the taxpayer Company. The Company being aggrieved, filed an appeal before Commissioner (Appeals) Punjab Revenue Authority (PRA) which is pending adjudication at the terminal date.

The Company has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the tax consultant and relevant law and facts.

10.1.2 Bank guarantees issued by various banks on behalf of the Company in favour of:

	Un audited March 31, 2022 (Rupees in '000)	Audited June 30, 2021 (Rupees in '000)
Sui Northern Gas Pipelines limited against supply of gas.	550,328	635,853
The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	492,353	300,853
Faisalabad Electric Supply Company (FESCO) against supply of electricity	143,245	134,245
Punjab Revenue Authority	11,533	11,533
State Bank of Pakistan	271,256	110,112
Total Parco Pakistan Limited	4,000	3,000
	1,472,715	1,195,596
10.1.3 Post dated cheques issued in favour of custom authorities for release of imported goods	6,755,065	5,546,980
<b>10.2 Commitments</b>		
Under letters of credit for:		
Capital expenditure	6,981,312	2,993,664
Raw material	4,405,314	2,998,175
Stores and spares	65,012	38,595
	11,451,638	6,030,434

	Quarter ended		Nine months ended	
	Un audited	Un audited	Un audited	Un audited
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in '000)		(Rupees in '000)	

## 11. COST OF SALES

Raw material consumed	11,190,411	6,594,756	29,602,709	18,365,146
Stores and spares consumed	522,579	382,780	1,407,752	1,126,884
Knitting, processing and packing charges	476,609	358,616	1,548,072	814,883
Salaries, wages and benefits	3,433,405	2,301,285	9,431,590	6,409,656
Staff retirement gratuity	267,691	196,245	803,071	581,608
Fuel and power	1,037,545	596,811	2,706,168	1,917,720
Repairs and maintenance	179,526	83,231	360,039	224,905
Insurance	20,038	15,361	55,405	44,657
Depreciation on operating fixed assets	638,131	514,964	1,718,675	1,479,330
Amortization of intangible assets	208	260	624	1,858
Depreciation on right of use assets	15,373	12,082	46,740	24,562
Rent, rate and taxes	12,227	7	24,637	1,921
Other manufacturing costs	48,974	19,766	145,250	99,823
	17,842,717	11,076,164	47,850,732	31,092,953
Opening work in process	1,926,589	829,490	1,368,804	589,622
Effect of amalgamation of IL Apparel (private) Limited	-	202,984	-	202,984
Closing work in process	(2,373,804)	(1,192,337)	(2,373,804)	(1,192,337)
	(447,215)	(159,863)	(1,005,000)	(399,731)
Cost of goods manufactured	17,395,502	10,916,301	46,845,732	30,693,222
Opening finished goods	3,771,393	2,545,656	3,239,645	3,089,208
Effect of amalgamation of IL Apparel (private) Limited	-	52,281	-	52,281
Closing finished goods	(5,453,062)	(3,759,465)	(5,453,062)	(3,759,465)
	(1,681,669)	(1,161,528)	(2,213,417)	(617,976)
DDT	15,713,833	9,754,773	44,632,315	30,075,246
	(2,443)	(991,449)	(22,375)	(1,515,791)
	15,711,390	8,763,324	44,609,940	28,559,455

## 12. UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The implementation report of the projects as on March 31, 2022 is as under;

	Denim Division		Hosiery Division-V	
	Amount Utilized	POs Issued / LCs Established	Amount Utilized	POs Issued / LCs Established
	(Rupees in '000)		(Rupees in '000)	
Land and building	2,461,459	77,049	1,288,485	174,504
Plant and machinery	2,685,369	48,816	2,849,031	40,533
Power and utilities	1,008,713	28,313	1,285,070	46,057
Computer and IT equipment	250,178	28,033	39,523	860
Miscellaneous expenses	178,644	43,579	104,000	104,000
Trial run losses	449,927	-	166,840	-
	7,034,290	225,790	5,732,949	365,954

### 13. 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 Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

Name	Nature of transaction	Quarter ended		Nine months ended	
		Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2021	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2021 (Rupees in '000)
Interloop Holdings (Pvt) Limited – Associate	Services received	35,855	22,759	131,741	76,681
	Gratuity transferred	-	-	-	472
	Sale of asset	-	-	-	1,004
Interloop Welfare Trust – Trustee	Donation paid	90,000	23,200	153,060	37,200
	Gratuity transferred	-	-	577	-
Interloop Limited ESOS Management Trust – Trustee	Dividend	218	135	324	217
Texlan Center (Pvt) Limited – Associate	Sale of yarn	684,067	405,122	1,674,143	861,503
	Sale of packing material	43,471	15,006	79,499	37,775
Global Veneer Trading Limited – Associate	Selling commission	-	80,196	27,106	268,373
Eurosox Plus BV – Associate	Sale of socks	161,060	156,130	417,654	310,503
Layallpur Literary Council – Trustee	Donation paid	-	-	1,600	800
Momentum Logistics (Private) Limited – Associate	Services received	108,647	17,930	261,399	38,927
PrintKraft (Private) Limited – Associate	Purchase of packing material	78,125	25,132	186,658	28,110
Octans Digital (Private) Limited – Associate	Services received	1,534	-	2,108	-
Interloop Employees Provident Fund	Contribution to the fund	15,544	11,344	45,846	34,112
Socks & Socks (Private) Limited – Associate	Rent expenses	-	1,941	2,200	1,941
	Processing services	7,805	2,327	12,047	2,327
	Sale of goods - net	124,896	40,503	316,507	40,503
Key management personnel & other related parties	Sale of asset	-	8,109	1,182	13,013
	Rent expenses	354	321	1,061	940
	Repayment of housing finance loan	1,154	1,154	3,462	3,462
	Markup on housing finance loan	69	97	226	309

Name	Nature of transaction	Quarter ended		Nine months ended	
		Un audited	Un audited	Un audited	Un audited
		March 31, 2022 (Rupees in '000)	March 31, 2021 (Rupees in '000)	March 31, 2022 (Rupees in '000)	March 31, 2021 (Rupees in '000)
	Dividend paid	1,659,841	1,138,282	2,419,412	1,773,876
	Remuneration and other benefits	411,924	218,218	1,346,238	706,730
	Directorship fee	3,000	3,750	10,000	10,350

	Un audited March 31, 2022 (Rupees in '000)	Audited June 30, 2021 (Rupees in '000)
<b>14. SHARIAH SCREENING DISCLOSURE</b>		
<b>Loans/advances as per Islamic mode</b>		
Loans	14,129,936	9,987,775
<b>Shariah compliant bank deposits/bank balances</b>		
Bank balances	12,712	115,316
<b>Revenue earned from a shariah compliant business</b>	60,605,695	54,962,265
<b>Loss/Gain or dividend from shariah compliant investments</b>		
Net realized gain/ (loss) on disposal of mutual funds	–	683
<b>Mark up on Islamic mode of financing</b>	(483,941)	(448,839)
<b>Profits or interest on any conventional loan or advance</b>		
Interest on loan to Metis International (Pvt) Ltd	1,065	1,152
Profit on term deposit receipts (TDRs)	–	3,088
Profit on term finance certificates (TFCs)	38,338	45,624
Interest on receivables from IL Bangla Limited	–	5,308
Interest on workers' profit participation fund	(15,747)	(1,553)
Interest on lease liabilities	(15,017)	(18,068)
Interest on other conventional loans	(865,003)	(495,112)



## Relationship with shariah compliant banks

Name of institutions	Relationship with institutions
MCB Islamic Bank	Bank balance, long term financing and short term borrowing
Allied Bank Limited (Islamic Banking)	Bank balance and long term financing
Meezan Bank Limited	Bank balance, long term financing and short term borrowing
Bank Alfalah Limited (Islamic)	Bank balance
Bank of Punjab (Taqwa Islamic Banking)	Bank balance and long term financing
Habib Bank Limited (Islamic Banking)	Bank balance and long term financing
Faysal Bank Limited	Bank balance, short term borrowing and long term financing

## 15. OPERATING SEGMENTS

Management has determined the operating segments based on the information that is presented to the Board of Directors of the Company for allocation of resources and assessment of performance. 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.

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

**a) Hosiery**

This segment relates to the sale of socks.

**b) Spinning**

This segment relates to the sale of yarn.

**c) Denim**

This segment mainly relates to sale of garments.

**d) Apparel**

This segment relates to sale of garments and allied products.

**e) Other operating segments**

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

## 15.1 Segment Information

	Hosiery		Spinning		Denim		Apparel		Others		Elimination of Inter-segment transaction		Total Company	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000	
<b>Sales – net</b>														
External sale	45,980,021	30,954,499	4,920,398	3,786,090	3,539,725	2,526,942	3,967,996	373,816	2,197,555	1,127,844	-	-	60,605,695	38,769,191
Intersegment sale	215,575	167,724	5,589,077	3,649,249	2,074	17,645	3,261	3,261	3,161,740	2,787,266	(8,971,727)	(6,625,145)	-	-
Cost of sales	46,195,596	31,122,223	10,539,475	7,435,339	3,541,799	2,544,587	3,971,257	377,077	5,359,295	3,915,110	(8,971,727)	(6,625,145)	60,605,695	38,769,191
	(32,472,343)	(21,567,459)	(7,594,218)	(6,377,639)	(4,653,226)	(3,480,301)	(3,670,269)	(284,153)	(5,191,611)	(3,495,248)	8,971,727	6,625,145	(44,609,940)	(28,559,455)
<b>Gross profit/(loss)</b>	13,723,253	9,554,764	2,915,257	1,057,900	(1,111,427)	(935,714)	300,988	112,924	167,684	419,862	-	-	15,995,755	10,209,736
Distribution costs	(1,792,011)	(1,519,419)	(30,179)	(46,922)	(240,852)	(214,077)	(256,418)	(27,001)	(115,349)	(63,019)	-	-	(2,434,809)	(1,870,378)
Administrative expenses	(2,468,497)	(1,670,646)	(58,934)	(48,720)	(385,662)	(251,585)	(237,163)	(28,820)	(38,041)	(18,872)	-	-	(3,188,297)	(2,018,643)
	(4,260,508)	(3,190,065)	(89,113)	(95,642)	(626,514)	(465,662)	(493,581)	(55,821)	(153,390)	(81,891)	-	-	(5,623,106)	(3,889,021)
<b>Profit/(loss) before taxation and unallocated income and expenses</b>	9,462,745	6,364,699	2,826,144	962,258	(1,737,941)	(1,401,316)	(192,593)	57,103	14,294	337,971	-	-	10,372,649	6,320,715
<b>Unallocated income and expenses</b>														
Other operating expenses													(1,283,887)	(621,638)
Other income													45,734	65,829
Finance cost													(1,590,474)	(817,149)
Taxation													(547,377)	(346,431)
<b>Profit after taxation</b>	1,057,538	890,805	148,189	157,573	448,568	424,883	165,058	13,974	230,542	205,281	-	-	6,996,645	4,601,326
<b>Depreciation and amortization</b>													2,047,896	1,692,517

## 15.2 Reconciliation of reportable segment assets and liabilities

	Hosiery		Spinning		Denim		Apparel		Others		Unallocated		Total Company	
	Un audited	Audited	Un audited	Audited	Un audited	Audited	Un audited	Audited	Un audited	Audited	Un audited	Audited	Un audited	Audited
	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021
	Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000	
Total assets for reportable segment	47,879,885	33,274,677	10,409,139	5,700,781	9,698,511	8,370,046	8,965,634	3,788,161	5,415,994	4,295,567	6,018,344	5,265,606	88,387,508	60,694,839
Total liabilities for reportable segment	23,980,119	17,718,814	705,432	395,611	1,169,646	935,741	1,328,271	648,791	515,302	586,452	35,848,199	19,894,817	63,546,969	40,180,227
Segment Capital Expenditures	5,839,549	2,881,847	213,330	75,411	150,327	596,979	1,948,108	891,593	586,247	712,944	-	-	8,737,562	5,158,774

## 15.3 The Company disaggregated revenue based on geographical locations of its customers:

	Un audited	March 31, 2022	March 31, 2021
Foreign countries		55,492,083	35,702,613
Pakistan		5,113,612	3,066,578
		60,605,695	38,769,191

## 16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is defined as 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. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed under the IFRSs.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

The following table presents the Company's significant financial assets and liabilities measured and recognized at fair value at March 31, 2022 and June 30, 2021 on a recurring basis:

Rupees in '000	Un audited			
	March 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Total financial assets</b>	–	–	–	–
<b>Financial liabilities</b>				
Trading derivatives	–	81,755	–	81,755
<b>Total financial liabilities</b>	–	81,755	–	81,755

Rupees in '000	Audited			
	June 30, 2021			
	Level 1	Level 2	Level 3	Total
<b>Total financial assets</b>	–	–	–	–
<b>Financial liabilities</b>				
Trading derivatives	–	33,074	–	33,074
<b>Total financial liabilities</b>	–	33,074	–	33,074

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.

## 17. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks.

The Company has managed its currency risks by forward currency contracts.

There have been no changes in the risk management policies since June 30, 2021 except for those specifically mentioned. Consequently, these condensed interim financial statements do not include all the financial risk management information and disclosures required for the annual financial statements.

## 18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 26, 2022 by the Board of Directors of the Company.

## 19. GENERAL

### 19.1 Corresponding figures

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

### 19.2 Rounding

Figures have been rounded off to the nearest thousand.



Chief Executive Officer



Director



Chief Financial Officer



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