



**FULL FAMILY
CLOTHING**

**PARTNER OF
CHOICE**



Quarterly Report
For the 3rd Quarter ended March 31, 2023

OUR 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

Tariq Iqbal Khan

Independent Director

Shereen Aftab

Non-Executive Director

Jahan Zeb Khan Banth

Non-Executive Director

Saeed Ahmad Jabal

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

ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE

Musadaq Zulqarnain

Chairman

Navid Fazil

Member

Jahan Zeb Khan Banth

Member

Faryal Sadiq

Member

Aqeel Ahmad

Member

SHARE REGISTRAR / TRANSFER AGENT

CDC Share Registrar Services Limited

Karachi Office:

Share Registrar Department
CDC House, 99-B, Block B,
S.H.C.H.S, Main Shahra-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: (92-42) 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

E- COMMUNICATION

Website: www.interloop-pk.com
LinkedIn: Interloop Limited
Twitter: @InterloopLtd
Instagram: interloopleftimited
YouTube: Interloop 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 LOCATIONS

Plant 1

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

Plant 2 & 4

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

Plant 3

8KM, 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 REPORT

The Board of Directors of Interloop Limited ("the Company") is pleased to present the Directors' review report together with Unaudited Financial Statements of the Company for the Quarter and Nine months ended on March 31, 2023.

ECONOMIC REVIEW

During the period under review, Pakistan's economy remained under severe stress amidst low foreign exchange reserves, weakening currency and burgeoning inflation. Energy subsidies were eliminated, there was an imposition of higher taxes and duties, including the PKR depreciation, all of which contributed to the CPI base inflation posting double-digit growth, totaling to 27.26% during the nine months of fiscal year 2023 as opposed to 10.77% recorded in the same period last year. The State Bank of Pakistan (SBP) had to raise the policy rate to 21% in April, 2023. The trade deficit continued to decline during the period under review, falling by 35.5% y-o-y to USD 22.9 billion. Exports decreased by 9.9% y-o-y to USD 21.0 billion during the nine months of fiscal year 2023, while imports decreased by 25.3% to USD 43.9 billion. SBP's forex reserves depleted by another USD 1.3 billion during third quarter of fiscal year 2023 to USD 4.2 billion by end of March 2023, driven by servicing the external debts and non-materialization of IMF's 9th tranche. This also led PKR to depreciate by 25.3% against USD during third quarter of fiscal year 2023, taking nine months devaluation to 38.5%. The World Bank is now expecting Pakistan's economy to grow by 0.4% in the current year, from its October forecast of 2% growth, mainly driven by macroeconomic imbalances, flood impacts, tighter fiscal and monetary policies and import curbs.

INDUSTRY REVIEW

According to All Pakistan Textile Mills Association (APTMA), Pakistan's textile group exports have declined by 12.2% over first nine months of the fiscal year 2023, falling from USD 14.2 billion in the corresponding period of fiscal year 2022 to USD 12.5 billion. This progressive decline in exports is a consequence of low demand in Europe and USA, lack of adequate supply of energy at competitive prices and failure of the sales tax refund system, all of which have contributed significantly to the challenges faced by the industry. Given the trajectory of decline, Pakistan is likely to fall short by USD 3 billion in textile exports compared to exports achieved last year of USD 19.4 billion, without taking into account any increase from the new installed capacity.

Meanwhile, Pakistan's exports during the nine months of fiscal year 2023 were recorded at USD 21.05 billion against the exports of USD 23.35 billion in corresponding period of fiscal year 2022, showing a decline of nearly 10%, according to the trade data released by Pakistan Bureau of Statistics (PBS).

OPERATING FINANCIAL RESULTS

Your Company has maintained stable operations and achieved outstanding results for the period under review through effective strategic planning and efficient resource management, despite numerous obstacles like a significant rise in the price of raw cotton, increase in RLNG rates, shutdown of the gas supply, disruption in the global supply chain, significant rise in interest rates, and inflation in the economy. Your Company has consistently executed its business strategy, resulting in a significant increase in its revenue and profits over the period, and this wonderful performance is the outcome of a strong emphasis on innovation, customer satisfaction, and operational effectiveness.

The first nine months of fiscal year 2023 proved to be a period of significant achievement for the Company, as shown by the noteworthy financial results. During the period under review, the Company's sales increased by a substantial 38.81%, reaching Rs. 84,128 million compared to Rs. 60,606 million in the corresponding period of fiscal year 2022. Despite an increase in the cost of sales by 25.39%, from Rs. 44,610 million to Rs. 55,935 million,

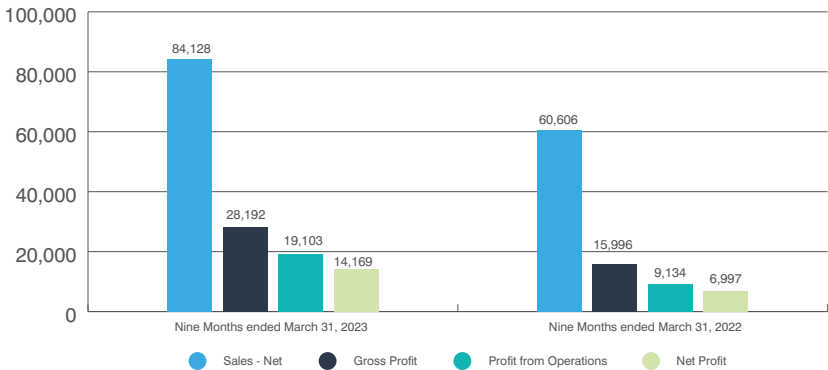
the Company still managed to record a significant 76.25% upsurge in gross profit, which reached at Rs. 28,192 million, compared to Rs. 15,996 million in the same period of fiscal year 2022.

The Company also recorded a robust growth in operating profits, which rose from Rs. 9,134 million to Rs. 19,103 million, demonstrating the effectiveness of the Company's business strategy. Furthermore, profit after tax also increased impressively by 103%, reaching Rs. 14,169 million as compared to Rs. 6,997 million in the corresponding period of fiscal year 2022. This also led to an increase in Earnings Per Share (EPS) by 102.47%, which stood at Rs. 15.17 per share, as compared to Rs. 7.49 per share for the corresponding period last year. Being an export-oriented entity, the Company also benefited from the depreciation of PKR against USD, which resulted in gain of Rs. 8,193 million during nine months of fiscal year 2023, as compared to Rs. 2,634 million for the corresponding period last year. These financial results demonstrate our commitment to generating value for our shareholders, and we are confident in the long-term sustainability of the business.

Summarized Financial Results

	Nine Months ended March 31		
	2023	2022	Variance
	Rs. in millions		%
Sales – Net	84,128	60,606	38.81%
Gross Profit	28,192	15,996	76.25%
Profit from Operations	19,103	9,134	109.14%
Net Profit	14,169	6,997	102.51%
Gross Profit Ratio	33.51%	26.39%	7.12%
Net Profit Ratio	16.84%	11.54%	5.30%
Earnings per Share - Basic and Diluted (Rupees)	15.17	7.49	102.47%

PKR in Million



FUTURE OUTLOOK

The recent season of better than anticipated results from US and Eurozone-based apparel and fashion retailers and the growth outlook for 2024, albeit low single digit, have given some confidence to the textile exporters. But going forward, the local businesses will continue to face a significant challenge from the domestic macro landscape and ongoing political unpredictability.

Interloop Limited remains devoted to its customers and all stakeholders despite the challenging business environment. A significant accomplishment of your Company during the quarter was dispatch of its first ever shipment of farm-to-floor traceable yarns from Interloop Spinning to Germany. This was made possible by our LOOPTRACE project, which allowed us to guarantee supply chain traceability. We intend to use this method for all our upcoming shipments. The management is closely monitoring the most recent developments and will remain proactive for uninterrupted Company operations.

Our ambitious SBTi (Science Based Target initiatives) targets have also been forwarded to SBTi for confirmation. During the next quarter, our main focus will be the verification process. Interloop Limited will be the first organization in Pakistan's history to be approved in the Large Enterprise category once we are verified by SBTi. Further, your Company is pursuing Alliance for Water Stewardship (AWS) certification for the Denim business in the water stewardship area, and has also scheduled few stakeholder engagement activities under this initiative that will be completed by the end of the next quarter.

ACKNOWLEDGEMENT

We would like to express our gratitude to our esteemed stakeholders for their continued support in shaping our strategic direction and recognize the hard work and dedication of our employees, who have tirelessly worked towards achieving our goals, which have enabled us to grow and succeed. We assure you of remaining committed to our vision and continuing to strive towards excellence in all our endeavors.

For and on behalf of the Board of Directors



Navid Fazil
(Chief Executive Officer)

Place: Faisalabad
Date: April 18, 2023



Jahan Zeb Khan Banth
(Director)

مستقبل کا نقطہ نظر

امریکا اور یوروزون میں اپریل اور فیشن ریٹیلرز کی طرف سے توقع سے کہیں بہتر نتائج کے حالیہ سیزن اور 2024 کے لیے ایک عدد میں افزائش کے نقطہ نظر کے باوجود ٹیکسٹائل کے برآمد کنندگان میں کچھ اعتماد پیدا ہوا ہے۔ مگر آگے بڑھتے ہوئے، مقامی برنسز کو قومی بیکرومنظر نامے اور موجودہ سیاسی غیر یقینی سے ایک بڑے چیلنج کا سامنا رہے گا۔

کاروبار کے مشکل ماحول کے باوجود انٹرویو لاپ لپیڈ اپنے کسٹمرز اور اسٹیک ہولڈرز کے ساتھ پر عزم ہے۔ اس سماہی کے دوران آپ کی کمپنی کی ایک اہم کامیابی یہ رہی کہ آپ کی کمپنی نے انٹرویو لاپ اسپننگ سے farm-to-floor traceable یارن کی پہلے ٹینٹ جرمی بیجی - انتظامیہ تازہ ترین واقعات کا قریب سے جائزہ لے رہی ہے اور کسی خلل کے بغیر کمپنی کے آپریشنز کے لیے فعال رہے گی۔ یہ ہمارے لوپ ٹریس پراجیکٹ کی وجہ سے ممکن ہوا، جس نے ہمیں سپلائی چین traceability گارنٹی کے قابل بنایا۔ ہم اپنی اگلی تمام سٹنس کے لیے اس طریقے کو استعمال کرنے کا ارادہ رکھتے ہیں۔

ہمارے بلند نظر Science Based Target initiatives (SBTi) اہداف تصدیق کے لیے SBTi کو بھی بھیجے گئے ہیں۔ اگلی سماہی کے دوران ہماری توجہ کا بڑا محور تصدیق عمل ہوگا۔ SBTi سے تصدیق کے بعد پاکستان کی تاریخ میں انٹرویو لاپ لپیڈ پہلی آرگنائزیشن ہوگی جو لارج انٹر پرائز کیٹیگری میں منظور شدہ ہوگی۔ مزید برآں، آپ کی کمپنی واٹر سٹیورڈ شپ سیکشن میں ڈینم برنس یونٹ کے لیے، الائنس فار واٹر سٹیورڈ شپ (AWS) سرٹیفیکیشن پر عمل کر رہی ہے اور اس کاوش کے تحت چند ایسی سٹیک ہولڈر کنٹیکٹ سرگرمیوں کا بھی ارادہ رکھتی ہے، جنہیں وہ اگلی سماہی کے آخر تک مکمل کرنا چاہتی ہے۔

اظہار تشکر

ہم اپنی ترویقاتی سہولت کی تشکیل میں مسلسل مدد دینے پر اپنے معزز سٹیک ہولڈرز سے اظہار تشکر کرتے ہیں اور اپنے ملازمین کی سخت محنت اور لگن کی تعریف کرتے ہیں، جنہوں نے ہمارے مقاصد کے حصول کے لیے اہلک محنت کی ہے۔ جس کے باعث ہم آگے بڑھنے اور کامیاب ہونے کے قابل ہوئے۔ ہم آپ کو یقین دلاتے ہیں کہ ہم اپنے ویزن پر کاربند رہیں گے اور اپنی تمام کوششوں میں کاملیت کی جانب بڑھتے رہیں گے۔

برائے اور از طرف بورڈ آف ڈائریکٹرز

Taham Zed

جہاں زیب خان بٹھہ
(ڈائریکٹر)

نوید فاضل

(چیف ایگزیکٹو آفیسر)

بمقام: فیصل آباد

تاریخ: 18 اپریل، 2023

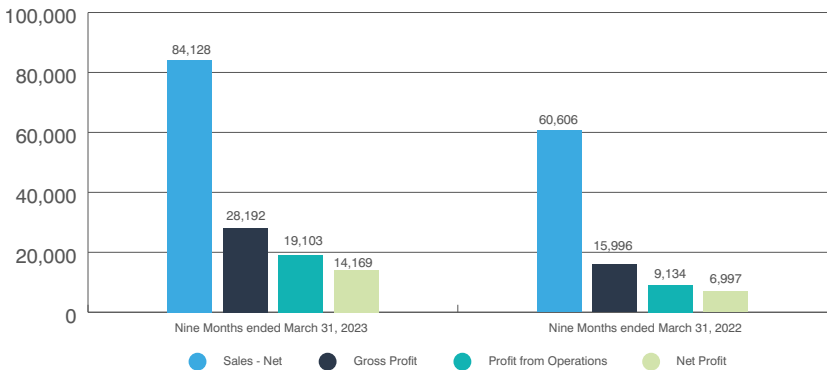
کمپنی نے آپریٹنگ منافع میں بھی بھرپور اضافہ ریکارڈ کیا جو 9,134 ملین روپے سے بڑھ کر 19,103 ملین روپے ہو گیا جس سے کمپنی کی کاروباری حکمت عملی کامیاب ہونا ظاہر ہوتا ہے۔ مزید برآں، منافع بعد از ٹیکس میں بھی 103% کا متاثر کن اضافہ ہوا جو مالی سال 2022 کی اسی مدت کے مقابلے میں 14,169 ملین روپے پر پہنچ گیا۔ اس نے آمدنی فی شیئر (EPS) میں 102.47% اضافے کی بھی راہ ہموار کی، جو پچھلے سال کی اسی مدت کے لیے 7.49 روپے کے مقابلے میں 15.17 روپے ہو گئی۔ برآمدات پر انحصار کرنے والے ادارے کے نئے کمپنی کو امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر گرنے سے بھی فائدہ ہوا جس کا نتیجہ مالی سال 2023 کے پہلے نو مہینوں کے دوران 8,193 ملین روپے کے گین کی صورت میں نکلا، جب کہ گزشتہ سال کی اسی مدت کے دوران یہ 2,634 ملین روپے تھا۔ یہ مالیاتی نتائج شیئر ہولڈرز کے لیے قدر پیدا کرنے کے ہمارے عزم کو ظاہر کرتے ہیں اور ہمیں کاروباری طویل المدت پائیداری کا یقین ہے۔

مالیاتی نتائج کا خلاصہ

31 مارچ، 2022 کے مقابلے میں 31 مارچ، 2023 کو ختم ہونے والے نو ماہ کے لیے غیر آڈٹ شدہ مالی نتائج کا خلاصہ مندرجہ ذیل ہے:

31 مارچ کو ختم ہونے والے 9 ماہ			
فرق	2022	2023	
فیصد	ملین روپے		
38.81%	60,606	84,128	نٹ-نیٹ
76.25%	15,996	28,192	مجموعی منافع
109.14%	9,134	19,103	آپریٹنگ منافع
102.51%	6,997	14,169	خالص منافع
7.12%	26.39%	33.51%	گراس پرائٹ ریشو
5.30%	11.54%	16.84%	نیٹ پرائٹ ریشو
102.47%	7.49	15.17	آمدنی فی شیئر (بنیادی اور تھیل شدہ) (روپے)

PKR in Million



ڈائریکٹران کا جائزہ:

انٹرنیٹ لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز کو 31 مارچ، 2023 کو ختم ہونے والی سہ ماہی اور نو مہینوں کے کمپنی کے غیر آڈٹ شدہ مالی حسابات کے ساتھ ڈائریکٹرز کی جائزہ رپورٹ پیش کرتے ہوئے خوشی ہے۔

معاشی جائزہ

زیر جائزہ مدت کے دوران زرمبادلہ کے کم ذخائر، کمزور ہوتی ہوئی کرنسی اور تیزی سے بڑھتی ہوئی مہنگائی کے باعث پاکستان کی معیشت شدید متاثر ہوئی۔ نوانائی پر سبسڈی پر ختم کردی گئیں، بہت زیادہ ٹیکس اور ڈیوٹیاں عائد کردی گئیں، اس کے ساتھ پاکستانی روپے کی قدر گر گئی، ان سب عوامل نے کمزور پراس ائیڈیکس (CPI) کی بنیاد پر مہنگائی میں حصہ ڈالا جو مالی سال 2023 کے نو مہینوں کے دوران دو اعداد میں بڑھ کر مجموعی طور پر 27.26% تک بڑھ گئی، جبکہ یہ گزشتہ سال کی اسی مدت کے دوران 10.77% تھی۔ سٹیٹ بینک آف پاکستان (SBP) کو اپریل، 2023 میں شرح سود 21% تک بڑھانی پڑی۔ زیر جائزہ مدت کے دوران تجارتی خسارے میں کمی آئی، جو سال بہ سال 35.5% گر کر 22.9 بلین امریکی ڈالر پر آ گیا۔ برآمدات سال بہ سال 9.9% ہو کر مالی سال 2023 کے پہلے نو مہینوں کے دوران 21.0 بلین امریکی ڈالر ہو گئیں جبکہ درآمدات 25.3% ہو کر 43.9 بلین امریکی ڈالر رہ گئیں۔ غیر ملکی قرضوں کی واپسی اور آئی ایم ایف کی 9 ویں قسط نہ ملنے کی وجہ سے مالی سال 2023 کی تیسری سہ ماہی کے دوران SBP کے زرمبادلہ کے ذخائر مزید 1.3 بلین امریکی ڈالر کم ہو کر مارچ، 2023 کے آخر تک 4.2 بلین امریکی ڈالر رہ گئے۔ اس سے مالی سال 2023 کی تیسری سہ ماہی کے دوران پاکستانی روپے کی قدر میں بھی 25.3% کمی آئی، اس طرح نومبر ماہ کی گراؤت 38.5% تک پہنچ گئی۔ عالمی بینک نے اکتوبر میں 2% شرح نمو کی پیش گوئی کی تھی، اب اسے امید ہے کہ رواں مالی سال میں پاکستان کی معاشی نمو کی شرح 0.4% رہے گی، اس کی بڑی وجہ سیکر وائٹا تک عدم توازن، سیلاب کے اثرات، سخت مالی اور زرعی پالیسیاں اور درآمدی پابندیاں ہیں۔

صنعت کا جائزہ

آل پاکستان ٹیکسٹائل ملز ایسوسی ایشن (APTMA) کے مطابق مالی سال 2023 کے پہلے نو مہینوں میں پاکستان کے ٹیکسٹائل گروپ کی برآمدات 12.2% گر گئیں اور مالی سال 2022 کی اسی مدت میں 14.2 بلین امریکی ڈالر سے کم ہو کر 12.5 بلین امریکی ڈالر پر آ گئیں۔ برآمدات میں رفتہ رفتہ یہ کمی یورپ اور امریکا میں کم مانگ، مسابقتی قیمتوں پر توانائی کی ناکافی سپلائی اور بلیز ٹیکس ریفرنڈم کی ناکامی کا نتیجہ ہے، ان سب نے اس انڈسٹری کو درپیش مشکلات میں خاطر خواہ کردار ادا کیا ہے۔ اس انحطاط کے پیش نظر امید ہے کہ نئی نصب شدہ استعداد سے کسی اضافے کو خاطر میں لانے بغیر پاکستان کی ٹیکسٹائل برآمدات میں جو گزشتہ سال 19.4 بلین امریکی ڈالر تھیں 3 بلین امریکی ڈالر کی کمی آئے گی۔

دریں اثناء، ادارہ پشاریات پاکستان (PBS) کی طرف سے جاری کردہ تجارتی اعداد و شمار کے مطابق مالی سال 2023 کے نو ماہ کے دوران پاکستان کی برآمدات 21.05 بلین امریکی ڈالر تھیں جبکہ مالی سال 2022 کی اسی مدت میں یہ 23.35 بلین امریکی ڈالر تھیں، جس سے تقریباً 10% کمی ظاہر ہوتی ہے۔

کاروباری مالی نتائج

آپ کی کمپنی نے منظم آپریشنز برقرار رکھے اور خام کپاس کی قیمت میں خاطر خواہ اضافہ، RLNG کی قیمتوں میں اضافہ، گیس سپلائی کی بندش، گلوبل سپلائی چین میں خلل، شرح سود میں بڑی حد تک اضافے اور معیشت میں افراط زر جیسی رکاوٹوں کے باوجود موثر ترقیاتی منصوبہ بندی اور بہتر ریورس انجینئرنگ کے ذریعے زیر نو درآمدت کے دوران غیر معمولی نتائج حاصل کیے۔ آپ کی کمپنی نے تسلسل کے ساتھ اپنی کاروباری حکمت عملی پر عمل کیا جس کے نتیجے میں اس مدت کے دوران اس کی آمدنی اور منافع میں خاطر خواہ اضافہ ہوا۔ آپ کی کمپنی نے شاندار کارکردگی دکھائی کیونکہ کمپنی جدت طرازی، کسٹمرز کے اطمینان اور موثر کاروباری طور طریقوں پر مضبوط اصرار کرتی ہے۔

مالی سال 2023 کے پہلے نو ماہ کمپنی کے لیے شاندار کامیابی کا عرصہ ثابت ہوئے، جیسا کہ قابل ذکر مالی حسابات سے ظاہر ہے۔ زیر نو درآمدت کے دوران کمپنی کی سبز 38.81% کی خلیفہ شرح سے بڑھ کر 84,128 ملین روپے پر پہنچ گئیں، جب کہ 2023 کے مالی سال کی اسی مدت کے دوران یہ 60,606 ملین روپے تھیں۔ سبز کی لاگت میں 25.39% اضافے کے باوجود 44,610 ملین روپے سے بڑھ کر 55,935 ملین روپے پر پہنچ گئی، کمپنی مجموعی منافع میں 76.25% کی خلیفہ اضافہ کرنے میں کامیاب رہی، جو مالی سال 2022 کی اسی مدت میں 15,996 ملین روپے کے مقابلے میں 28,192 ملین روپے تک پہنچ گیا۔

CONDENSED INTERIM FINANCIAL STATEMENTS

For The Quarter and Nine Months Ended March 31, 2023

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

	Note	Un audited March 31, 2023 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
ASSETS			
Non Current Assets			
Property, plant and equipment	5	53,730,284	34,730,382
Intangible asset		388,389	227,457
Long term loans - staff		149,561	179,626
Long term deposits		88,974	86,955
		54,357,208	35,224,420
Current Assets			
Stores and spares		2,340,069	1,866,417
Stock in trade		22,755,291	23,142,048
Trade debts	6	28,174,744	28,603,965
Loans and advances		938,653	1,633,562
Deposit, prepayments and other receivables		1,148,527	998,491
Accrued income		8,168	4,570
Tax refunds due from government		4,622,616	4,224,938
Short term investments		500,000	500,000
Cash and bank balances		1,133,726	117,119
		61,621,794	61,091,110
Total Assets		115,979,002	96,315,530

	Note	Un audited March 31, 2023 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital	7	15,000,000	15,000,000
Issued, subscribed and paid up capital	8	9,342,980	8,983,635
Reserves		3,167,340	3,528,149
Unappropriated profit		29,800,465	17,428,486
		42,310,785	29,940,270
Non Current Liabilities			
Long term financing	9	23,338,719	14,396,116
Lease liabilities		69,427	93,973
Deferred liabilities		6,029,191	5,048,654
		29,437,337	19,538,743
Current Liabilities			
Trade and other payables		10,495,588	9,084,790
Unclaimed dividend		3,140	3,006
Accrued mark up		1,563,947	702,689
Short term borrowings		30,268,138	35,007,908
Derivative financial instruments		–	94,154
Current portion of non current liabilities		1,900,067	1,943,970
		44,230,880	46,836,517
Contingencies and Commitments	10	–	–
Total Equity And Liabilities		115,979,002	96,315,530

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, 2023

	Note	Quarter ended		Nine months ended	
		Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)
Sales - net		31,205,627	21,259,019	84,127,771	60,605,695
Cost of sales	11	(16,685,651)	(15,711,390)	(55,935,323)	(44,609,940)
Gross profit		14,519,976	5,547,629	28,192,448	15,995,755
Distribution cost		(907,901)	(824,631)	(2,827,970)	(2,434,809)
Administrative expenses		(1,573,978)	(1,236,826)	(4,598,645)	(3,188,297)
Other operating expenses		(915,575)	(304,299)	(1,770,551)	(1,283,887)
Other income		93,180	15,974	108,183	45,734
		(3,304,274)	(2,349,782)	(9,088,983)	(6,861,259)
Profit from operations		11,215,702	3,197,847	19,103,465	9,134,496
Finance cost		(1,339,369)	(718,919)	(3,970,480)	(1,590,474)
Profit before taxation		9,876,333	2,478,928	15,132,985	7,544,022
Taxation		(292,863)	(199,888)	(964,279)	(547,377)
Profit for the period		9,583,470	2,279,040	14,168,706	6,996,645
Earnings per share - basic and diluted (Rupees) - Restated		10.26	2.44	15.17	7.49

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, 2023

	Quarter ended		Nine months ended	
	Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)
Profit for the period	9,583,470	2,279,040	14,168,706	6,996,645
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:	–	–	–	–
Items that may be reclassified subsequently to profit or loss:	–	–	–	–
Total comprehensive income for the period	9,583,470	2,279,040	14,168,706	6,996,645

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, 2023

	Share Capital	Capital Reserve	Revenue Reserve	Total
		Share Premium	Unappropriated Profit	
(Rupees in '000)				
Balance as at July 01, 2021 - audited	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	-	-	-	-
Total comprehensive income for the period	-	-	6,996,645	6,996,645
Transaction cost on issuance of shares	-	(1,794)	-	(1,794)
Transactions with owners:				
Issuance of bonus shares	261,659	(261,659)	-	-
Dividend to ordinary shareholders	-	-	(2,668,924)	(2,668,924)
Balance as at March 31, 2022 (un-audited)	8,983,634	3,528,149	12,328,756	24,840,539
Balance as at July 01, 2022 - audited	8,983,635	3,528,149	17,428,486	29,940,270
Profit for the period	-	-	14,168,706	14,168,706
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	14,168,706	14,168,706
Transaction cost on issuance of shares	-	(1,464)	-	(1,464)
Transactions with owners:				
Issuance of bonus shares	359,345	(359,345)	-	-
Dividend to ordinary shareholders	-	-	(1,796,727)	(1,796,727)
Balance as at March 31, 2023 (un-audited)	9,342,980	3,167,340	29,800,465	42,310,785

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, 2023

	Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,132,985	7,544,022
Adjustments for:		
Depreciation on operating fixed assets	2,321,329	1,966,765
Depreciation on right of use assets	75,558	46,740
Amortization of intangible assets	40,102	34,391
Workers' profit participation fund	812,728	405,157
Workers' welfare fund	308,836	153,959
Staff retirement gratuity	1,313,327	934,965
Loss on disposal of property, plant and equipment	15,626	6,731
Gain on disposal of right of use assets	–	(4,916)
Unrealized loss on derivative financial instruments	–	48,682
Realized loss on derivative financial instruments	274,060	344,279
Profit on TFCs	(66,559)	(38,338)
Interest on loan to Metis International (Pvt) Ltd	(2,811)	(1,065)
Finance cost	3,970,480	1,590,474
Operating cash flows before working capital changes	24,195,661	13,031,846
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	(473,652)	(465,478)
Stock in trade	386,757	(11,334,711)
Trade debts	325,309	(7,436,699)
Loans and advances	721,128	(735,949)
Deposit, prepayments and other receivables	(150,036)	(228,068)
Tax refunds due from government	(270,082)	(1,040,051)
Increase in current liabilities		
Trade and other payables	1,020,626	2,010,365
	1,560,050	(19,230,591)
Cash generated from/(used in) operations	25,755,711	(6,198,745)
Finance cost paid	(3,069,429)	(1,240,181)
Income tax paid	(1,091,875)	(329,222)
Staff retirement gratuity paid	(268,806)	(252,303)
Workers' profit participation fund paid	(748,362)	(380,983)
Long term loans received/(paid)	3,846	(69,734)
Long term deposits paid	(2,019)	(19,133)
Net cash generated from/(used in) operating activities	20,579,067	(8,490,301)

	Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(21,400,387)	(8,702,885)
Intangible asset	(201,034)	(34,677)
Proceeds from disposal of property, plant and equipment	54,410	28,468
Profit received from investments in TFCs	65,815	37,844
Net cash used in investing activities	(21,481,196)	(8,671,250)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained - net	8,823,054	4,562,722
Payment of lease rentals	(92,430)	(61,364)
Short term borrowings - net	(4,739,770)	15,589,176
Settlement of derivative financial instruments	(274,060)	(344,279)
Transaction cost on issuance of shares	(1,464)	(1,794)
Dividend paid	(1,796,593)	(2,669,068)
Net cash generated from financing activities	1,918,736	17,075,393
Net increase/(decrease) in cash and cash equivalents (a+b+c)	1,016,607	(86,158)
Cash and cash equivalents at the beginning of the period	117,119	374,442
Cash and cash equivalents at the end of the period	1,133,726	288,284

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, 2023

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, 2022.

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, 2022.

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, 2022.

	Note	Un audited March 31, 2023 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	32,220,044	29,632,448
Capital work-in-progress	5.2	21,385,801	4,964,375
Right of use assets		124,439	133,559
		53,730,284	34,730,382
5.1 Operating fixed assets			
Opening written down value		29,632,448	23,467,161
Add: Additions during the period/year	5.1.1	4,978,961	9,002,860
Less: Disposals during the period/year		(70,036)	(63,300)
Less: Depreciation charged during the period/year		(2,321,329)	(2,774,273)
Closing written down value		32,220,044	29,632,448
5.1.1 Additions during the period/year			
Freehold land		30,568	432,411
Buildings on freehold land		1,131,110	1,443,236
Plant and machinery		2,543,435	5,069,606
Tools and equipments		175,531	451,611
Office equipments		152,486	228,401
Electric installations		310,025	831,002
Furniture and fixtures		92,516	249,932
Vehicles		543,290	296,661
		4,978,961	9,002,860
5.2 Capital work-in-progress			
Civil works		6,986,803	1,450,282
Plant and machinery		9,149,285	851,990
Capital stores	5.2.1	950,424	436,760
Advances to suppliers		4,299,289	2,225,343
		21,385,801	4,964,375

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, 2023 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
6. TRADE DEBTS			
Foreign			
- Secured		11,695,653	12,289,640
- Unsecured	6.1	15,447,644	15,206,965
Local			
- Unsecured	6.1	1,031,447	1,107,360
		28,174,744	28,603,965

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

7. AUTHORIZED SHARE CAPITAL

Un audited March 31, 2023 [Number of shares in '000]	Audited June 30, 2022 [Number of shares in '000]		Un audited March 31, 2023 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
1,500,000	1,500,000	Ordinary shares of Rs. 10 each	15,000,000	15,000,000
1,500,000	1,500,000		15,000,000	15,000,000

8. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un audited March 31, 2023 [Number of shares in '000]	Audited June 30, 2022 [Number of shares in '000]		Un audited March 31, 2023 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
132,166	132,166	Ordinary shares of Rs. 10 each fully paid in cash	1,321,663	1,321,663
802,132	766,197	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	8,021,317	7,661,972
934,298	898,363		9,342,980	8,983,635

8.1 During the period, the Company has issued 4% bonus shares (i.e. 4 shares for every 100 shares held on the entitlement date) out of the share premium account.

	Un audited March 31, 2023 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
9. LONG TERM FINANCING		
From financial institutions - secured		
Opening balance	16,226,103	10,652,579
Add: Obtained during the period/year	10,571,250	8,480,399
Less: Paid during the period/year	(1,748,196)	(2,757,691)
Add/(Less) Effect of recognition/adjustment of Government grant - net	32,145	(149,184)
	25,081,302	16,226,103
Less: Current portion of long term financing	(1,742,583)	(1,829,987)
	23,338,719	14,396,116

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, 2023 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
Sui Northern Gas Pipelines limited against supply of gas.	806,221	720,657
The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	742,353	542,353
Faisalabad Electric Supply Company (FESCO) against supply of electricity	143,245	143,245
Punjab Revenue Authority	11,533	11,533
State Bank of Pakistan	110,112	110,112
Total Parco Pakistan Limited	6,000	4,000
	1,819,464	1,531,900
10.1.3 Post dated cheques issued in favour of custom authorities for release of imported goods	9,691,292	6,794,202
10.2 Commitments		
Under letters of credit for:		
Capital expenditure	3,376,076	12,239,092
Raw material	3,983,745	5,947,551
Stores and spares	217,458	470,201
	7,577,279	18,656,844

Quarter ended		Nine months ended	
Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)

11. COST OF SALES

Raw material consumed	10,758,423	11,190,411	33,653,160	29,602,709
Stores and spares consumed	544,619	522,579	1,674,548	1,407,752
Knitting, processing and packing charges	137,681	476,609	1,147,690	1,548,072
Salaries, wages and benefits	4,213,420	3,433,405	12,408,127	9,431,590
Staff retirement gratuity	377,872	267,691	1,133,615	803,071
Fuel and power	1,395,136	1,037,545	4,308,295	2,706,168
Repairs and maintenance	217,777	179,526	531,569	360,039
Insurance	28,132	20,038	80,020	55,405
Depreciation on operating fixed assets	710,031	638,131	2,016,642	1,718,675
Amortization of intangible assets	166	208	499	624
Depreciation on right of use assets	19,399	15,373	51,236	46,740
Rent, rate and taxes	31,078	12,227	79,744	24,637
Other manufacturing costs	53,387	48,974	186,073	145,250
	18,487,121	17,842,717	57,271,218	47,850,732
Opening work in process	1,869,870	1,926,589	2,592,821	1,368,804
Closing work in process	(2,395,834)	(2,373,804)	(2,395,834)	(2,373,804)
	(525,964)	(447,215)	196,987	(1,005,000)
Cost of goods manufactured	17,961,157	17,395,502	57,468,205	46,845,732
Opening finished goods	5,865,064	3,771,393	5,607,688	3,239,645
Closing finished goods	(7,140,570)	(5,453,062)	(7,140,570)	(5,453,062)
	(1,275,506)	(1,681,669)	(1,532,882)	(2,213,417)
	16,685,651	15,713,833	55,935,323	44,632,315
DDT	–	(2,443)	–	(22,375)
	16,685,651	15,711,390	55,935,323	44,609,940

12. 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, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2022 (Rupees in '000)
Interloop Holdings (Pvt) Limited - Associate	Services received	63,907	35,855	164,005	131,741
Interloop Welfare Trust - Trustee	Donation paid	53,096	90,000	322,516	153,060
	Gratuity transferred	-	-	-	577
Texlan Center (Pvt) Limited - Associate	Sale of yarn	348,713	684,067	1,818,654	1,674,143
	Sale of packing material	10,686	43,471	66,673	79,499
Global Veneer Trading Limited - Associate	Selling commission	-	-	-	27,106
Eurosox Plus BV - Associate	Sale of socks	140,890	161,060	692,846	417,654
Layallpur Literary Council - Trustee	Donation paid	1,500	-	3,500	1,600
Momentum Logistics (Private) Limited - Associate	Services received	100,132	108,647	377,851	261,399
PrintKraft (Private) Limited - Associate	Purchase of packing material	111,510	78,125	300,906	186,658
Octans Digital (Private) Limited - Associate	Services received	2,522	1,534	14,382	2,108
Interloop Employees Provident Fund - Trustee	Contribution to the fund	20,107	15,544	60,990	45,846
Socks & Socks (Private) Limited - Associate	Rent expenses	-	-	-	2,200
	Processing services	-	7,805	-	12,047
	Sale of goods - net	10,573	124,896	102,927	316,507
Key management personnel & other related parties	Sale of asset	964	-	3,332	1,182
	Rent expenses	389	354	1,167	1,061
	Repayment of housing finance loan	1,154	1,154	3,462	3,462
	Markup on housing finance loan	44	69	151	226
	Dividend paid	-	1,659,841	1,556,185	2,419,412
	Remuneration and other benefits	631,910	411,924	1,920,706	1,346,238
	Directorship fee	3,680	3,000	10,350	10,000

Un audited
March 31,
2023
(Rupees in '000)

Audited
June 30,
2022
(Rupees in '000)

13. SHARIAH SCREENING DISCLOSURE

Loans/advances as per Islamic mode

Loans	20,275,509	21,244,048
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Shariah compliant bank deposits/ bank balances

Bank balances	19,902	9,952
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Revenue earned from a shariah compliant business

	84,127,771	90,894,049
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Mark up on Islamic mode of financing

	(1,770,607)	(765,877)
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Profits or interest on any conventional loan or advance

Interest on loan to Metis International (Pvt) Ltd	2,811	1,489
Profit on term finance certificates (TFCs)	66,559	55,441
Interest on workers' profit participation fund	(26,689)	(15,747)
Interest on lease liabilities	(13,172)	(19,645)
Interest on other conventional loans	(1,881,307)	(1,377,658)

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 and short term borrowing
Bank of Punjab (Taqwa Islamic Banking)	Bank balance
Habib Bank Limited (Islamic Banking)	Bank balance, long term financing and short term borrowing
Faysal Bank Limited	Long term financing and short term borrowing
United Bank Limited - Ameen	Bank balance and short term borrowing

14. 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 fashion apparels.

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.

14.2 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, 2023	June 30, 2022	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022
	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	55,264,172	53,775,615	10,742,109	10,199,831	10,797,814	11,172,079	24,412,880	10,375,097	8,416,710	5,973,973	6,345,316	4,818,934	115,979,002	94,315,530
Total liabilities for reportable segment	37,341,037	26,591,248	768,748	872,770	1,141,037	1,328,625	1,341,588	12,48,391	1,243,717	623,630	31,832,091	35,710,597	73,668,217	66,375,260
Segment capital expenditures	3,492,269	6,524,261	31,937	338,845	263,905	188,421	1,538,041	3,182,934	2,431,659	1,254,850	-	-	21,601,421	11,489,011

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

	Nine months ended	
	March 31, 2023	March 31, 2022
Foreign countries	79,859,882	55,492,083
Pakistan	4,267,889	5,113,612
	84,127,771	60,605,695

15. 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, 2023 and June 30, 2022 on a recurring basis:

Rupees in '000	Un audited			
	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Total financial assets	–	–	–	–
Financial liabilities				
Trading derivatives	–	–	–	–
Total financial liabilities	–	–	–	–

Rupees in '000	Audited			
	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Total financial assets	–	–	–	–
Financial liabilities				
Trading derivatives	–	94,154	–	94,154
Total financial liabilities	–	94,154	–	94,154

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.

16. 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, 2022 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.

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 18, 2023 by the Board of Directors of the Company.

18. GENERAL

18.1 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.

18.2 Rounding

Figures have been rounded off to the nearest thousand.



Chief Executive Officer



Director



Chief Financial Officer

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