



FULL FAMILY CLOTHING

PARTNER OF CHOICE



Half Year Report
for the period ended December 31, 2022

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

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 REPORT

The Board of Directors of Interloop Limited (Interloop or the Company) is pleased to present un-audited financial results of the Company duly reviewed by the statutory auditors, for the half year ended December 31, 2022.

ECONOMIC REVIEW

Pakistan's economy is currently going through a fragile phase, tainted by the global recessionary outlook and domestic economic challenges, amidst unfavorable political backdrop. The CPI based inflation continued double-digit growth, led by post floods supply shocks and rising energy costs, averaging at 24.5 % during the half year ended December 31, 2022, compared to 12.3% recorded in the same period last year. The State Bank of Pakistan, in order to contain surging inflationary pressures, jacked up the interest rates to 16% in November-2022 and 17% in January-2023, respectively. With government's strict import curbs in place, the trade deficit continued worsening and declined by 32.65% year on year during the half year ended December 31, 2022, to USD 17.13 billion. Imports fell at a higher pace of 22.63% to USD 31.38 billion, whereas exports decreased by 5.79% to USD 14.25 billion during the half year ended December 31, 2022 compared with corresponding period. Despite improving balance of payments situation, continuous external debt servicing and absence of any other financing options amid stalemate with International Monetary Fund (IMF) on economic and structural reforms, resulted in sharp depletion of the forex reserves held by the State Bank of Pakistan (SBP) by USD 4.2 billion during the period under review to a critical low level of USD 5.58 billion by end of December-2022. This further exerted pressure on the currency and PKR depreciated by at least 10.5% in value against the USD, during half year ended December 31, 2022.

INDUSTRY REVIEW

Textile exports have started feeling the pinch of global slowdown as is visible in the latest numbers released by Pakistan Bureau of Statistics (PBS), for the half year ended December 31, 2022. Textiles Sector exports declined by 7.07% year on year to USD 8.72 billion as against USD 9.38 billion during last year. Knitwear and readymade garments (RMG), contributing the highest value to total exports, also witnessed declining numbers. Knitwear exports fell 1.4% year on year during the half year ended December 31, 2022, while RMG's exports closed flat at USD 1.8 billion. Sluggish demand, low domestic cotton availability and restricted imports have led to most of the textile companies either shutting down for short term or reducing their production to 50%. Lately, the SBP has jacked up markup rates for Export Financing Scheme (EFS) and Long Term Financing Facility (LTFF) to 13% from existing 11%, after reducing the gap between policy rate and EFS & LTFF rates from existing 5% to 3%.

FINANCIAL AND OPERATING RESULTS

The global economy has been in a much compromised situation from the start of FY2023. Despite many operational challenges during the half year ended December 31, 2022, your Company has managed to deliver profitable results through persistent and diligent efforts. During the period under consideration, your Company earned a gross profit of Rs. 13,672 million (25.83%) on sales of Rs. 52,922 million compared to gross profit of Rs. 10,448 million (26.55%) on sales of Rs. 39,347 million, for the corresponding period of previous financial year. Half year net profit was recorded at Rs. 4,585 million (EPS: Rs. 4.91 per share) compared to Rs. 4,718 million (EPS: Rs. 5.05 per share) in the corresponding period. In percentage, growth in sales was witnessed at 34.50 % whereas in gross profit at 30.86 % during the half year ended December 31, 2022, as compared to 49.82% and 61.58% respectively during the corresponding period of previous financial year.

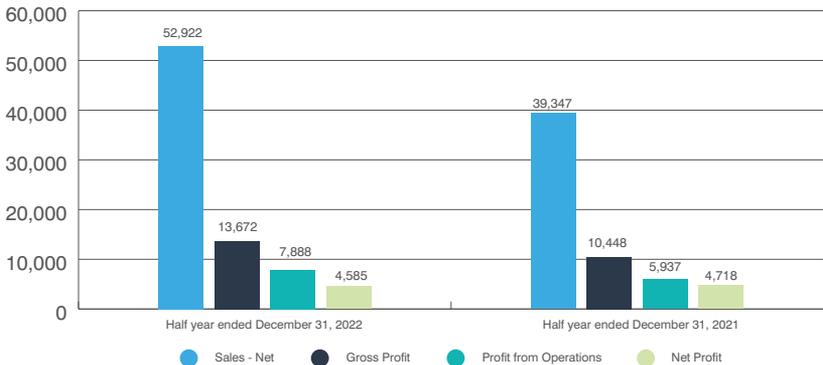
Quarter on quarter results reported that during Q2FY23, financial performance of the Company was effected by decline in sales revenue, owing to reduction in orders due to higher-than-expected inflation in the United States and major European economies, which has triggered a tightening of global financial conditions and lower demand in international markets. Supplement to that, increase in finance cost due to upsurge in key interest rates coupled with exchange losses on sales and receivables due to high fluctuations in the exchange rates were further challenge during Q2FY23. However, the management is working hard to mitigate any risk to the Company through improved operational efficiencies.

The summarized un-audited financial results for the half year ended December 31, 2022 as against December 31, 2021 are as follows:

Summarized Financial Results

	Half Year ended December 31		
	2022	2021	Variance
	Rs. in millions		%
Sales without Exchange Rate Impact	50,109	37,500	33.62%
Exchange Gain	2,813	1,847	52.32%
Sales – Net	52,922	39,347	34.50%
Gross Profit	13,672	10,448	30.86%
Profit from Operations	7,888	5,937	32.87%
Net Profit	4,585	4,718	- 3.02%
Gross Profit Ratio	25.84%	26.55%	- 0.72%
Net Profit Ratio	8.64%	11.99%	- 3.35%
Earnings per Share - Basic and Diluted (Rupees)	4.91	5.05	- 3.02%

PKR in Million



FUTURE OUTLOOK

The recent festive season has brought lukewarm response in consumer spending, given most of Eurozone is going through the recession phase with living cost at abnormally high levels. For United States, prominent retailers have posted decent revenue numbers with some respite in the inventory levels, however, they have provided cautious guidance for coming months. Amidst uncertain domestic macro landscape, it will make local business environment more challenging going forward. Additionally, continuous foreign debt servicing has also shrunk the foreign exchange reserves to critically low levels, which has caused steep currency depreciation recently. PKR has devalued more than 20% since December-2022 closing and volatility is expected to continue until negotiations with IMF materialize. Interloop, however, shall remain committed to its customers and all other stakeholders during this challenging time. The management is closely tracking the latest macro developments and taking proactive measures to keep the Company's operations uninterrupted.

On the sustainability front, Interloop is well aware of its responsibility towards environmental stewardship and is continuously working on ways to reduce its footprints. We have set an ambitious target of reducing our GHG emissions by 25% until year 2026. In addition, we have also submitted SBTi targets for validation. We are further working towards alternative options for energy and cleaner fuels and so far have added 7.8 MW installed solar capacity yielding 1.2 MW into our system. In addition, we have made modifications in the present steam generation equipment to replace its fuel intake from coal to biomass and new equipment and future installations will also be based on the biomass.

Fresh Water is one of the most vulnerable resource and we are working aggressively on its conservation. The water recycling plant at our Hosiery Plant-5 location is going to be operational soon. In addition, to efficiently manage use of water in the wash process, we are currently using as well as adding Nano-Bubble technology, which reduces water consumption by 95%, chemical consumption by 71% and energy consumption by 50%, with zero liquid discharge. This will have a positive impact towards achieving our water reduction target of 25% by year 2026.

Acknowledgment

We acknowledge and recognize the dedication, sincerity and hard work of our Management and the employees for their continuous commitment to the Company. We also acknowledge the contribution of the Board and all stakeholders for supporting the Company.

For and on behalf of the Board of Directors



Navid Fazil
(Chief Executive Officer)

Place: Faisalabad
Date: February 14, 2023



Jahan Zeb Khan Bant
(Director)

مستقبل کا نقطہ نظر

اس بات کے پیش نظر کہ اخراجات زندگی کی غیر معمولی بلند سطحوں کے ساتھ زیادہ تر یورو زون کساد بازاری کے مرحلے سے گزر رہا ہے، ہمارے حالیہ میزن میں صارفین کی طرف سے اخراجات میں کم پرجوش ردعمل رہا۔ امریکا میں ممتاز ریٹیلرز نے انویسٹری لیوڈ میں کمی حد تک سٹاک کے سانس کے ساتھ آمدنی کے اچھے اعداد و شمار پوسٹ کیے ہیں، تاہم انھوں نے آنے والے مہینوں کے لیے محتاط رہنمائی فراہم کی ہے۔ غیر یقینی قومی مینکرو منظر نامے میں آگے کاروبار کا مقامی ماحول مزید مشکل ہو جائے گا۔ اس کے ساتھ، مسلسل غیر ملکی debt سروسنگ بھی غیر ملکی زرمبادلہ کے ذخائر کو خطرناک حد تک کم سطحوں پر لے آئی ہے جس کی وجہ سے حال ہی میں کرنسی کی قدر میں مسلسل کمی ہوئی۔ دسمبر 2022 کے اختتام کے بعد سے پاکستانی روپے کی قدر 20% سے زیادہ گری ہے اور یوں لگتا ہے کہ آئی ایم ایف سے مذاکرات کا کوئی نتیجہ نکلنے تک غیر یقینی برقرار رہے گی۔ تاہم، انٹرویو پاس مشکل وقت میں اپنے کسٹمرز اور تمام دوسرے اسٹیک ہولڈرز کے ساتھ پر عزم رہے گی۔ انتظامیہ تازہ ترین بڑے واقعات کا قریب سے جائزہ لے رہی ہے اور کمپنی کے آپریشنز کو کسی خلل سے پاک رکھنے کے لیے فعال اقدامات کر رہی ہے۔

انٹرویو پائیداری کے محاز پر اپنی احوالیاتی ذمہ داری سے بخوبی آگاہ ہے اور اس کے نقش پاکم کرنے کے طریقوں پر مسلسل کام کر رہی ہے۔ ہم نے سال 2026 تک GHG کا اخراج 25% فیصد تک کم کرنے کے لیے ایک بلند حوصلہ دہ مقرر کیا ہے۔ اس کے علاوہ ہم نے قانونی طور پر موثر کرنے کے لیے SBTi اہداف بھی پیش کیے ہیں۔ اس کے علاوہ ہم توانائی اور صاف ستھرے ایندھن کے متبادل طریقوں پر بھی کام کر رہے ہیں اور اب تک 7.8 میگا واٹ کی تھمبھی سولر استعداد اشغال کر چکے ہیں جو ہمارے سسٹم کو 1.2 میگا واٹ بجلی دے رہی ہے۔ اس کے علاوہ موجودہ سٹیٹیم جز بیٹن ایکویٹی میں تبدیلیاں کی ہیں تاکہ اس کی فیول ان ٹیک کو کولم سے بائیوگیس پر بدلا جائے اور نئے ایکویٹی اور مستقبل کی تھمبھی بائیوگیس پر ہوگی۔

صاف پانی سب سے زیادہ خطرے کی زد میں رہنے والا ذریعہ ہے اور ہم اس کو محفوظ بنانے کے لیے بھرپور طریقے سے کام کر رہے ہیں۔ ہمارے ہوزری پلانٹ -5 لوکیشن پر واٹری سائیکلنگ پلانٹ جلد کام شروع کر دے گا۔ علاوہ ازیں، دھلائی کے عمل میں موثر طریقے سے پانی کے استعمال کے لیے اب ہم Nano-Bubble ٹیکنالوجی استعمال اور اشغال کر رہے ہیں جو صفر لیوڈ ڈسچارج کے ساتھ پانی کی کھپت کو 95%، کیمیکل کی کھپت کو 71% اور بجلی کی کھپت کو 50% تک کم کرتی ہے۔ سال 2026 تک پانی کی 25% کمی کا ہمارا ہدف حاصل کرنے پر اس کا مثبت اثر پڑے گا۔

اظہار تشکر

ہم کمپنی کے ساتھ مسلسل پر عزم رہنے پر اپنی انتظامیہ اور کارکنوں کی لگن، اخلاص اور انتھک محنت کا اعتراف کرتے ہیں اور سراہتے ہیں۔ ہم کمپنی کی مدد کرنے پر یورڈ اور تمام سٹیک ہولڈرز کی خدمات کا بھی اعتراف کرتے ہیں۔

برائے اور اطراف یورڈ آف ڈائریکٹرز

Tahira Zed

جہاں زیب خان ہتھ
(ڈائریکٹر)

سید

نوید فاضل
(چیف ایگزیکٹو آفیسر)
ہمقام: فیصل آباد

تاریخ: 14 فروری، 2023

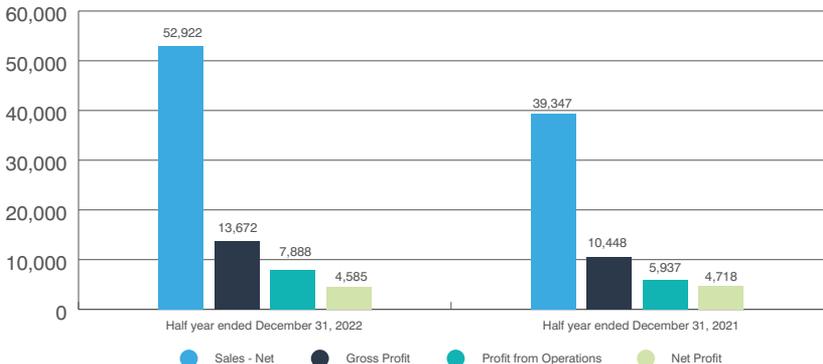
روپے (EPS: Rs. 4.91 per share) ریکارڈ کیا گیا۔ 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے دوران فیصد کے لحاظ سے سیلز میں افزائش 34.50% رہی جبکہ مجموعی منافع میں یہ 30.86% تھی، گزشتہ مالی سال کی اسی مدت کے دوران یہ بالترتیب 49.82% اور 61.58% تھی۔

سہ ماہی بہ سہ ماہی نتائج نے ظاہر کیا کہ Q2FY23 کے دوران کمپنی کی مالی کارکردگی، امریکا اور بڑی یورپی معیشتوں میں توقع سے زیادہ مہنگائی کے باعث آرڈرز میں کمی کی وجہ سے سیلز ریویو کے ہو جانے سے متاثر ہوئی، جس نے عالمی مالی حالات کو سخت کر دیا اور بین الاقوامی منڈیوں میں مانگ کم ہو گئی۔ اس کے علاوہ، شرح سود میں اضافہ اور اس کے ساتھ زرمبادلہ کی شرحوں میں بہت زیادہ اتار چڑھاؤ کے باعث سیلز اور receivables پر مبادلہ کے نقصانات نے Q2FY23 کے دوران مزید مشکلات پیدا کیں۔ تاہم، انتظامیہ بہتر آپریشنل صلاحیتوں کے ذریعے کسی بھی رسک کو کم کرنے کے لیے اختلاف محنت کر رہی ہے۔

31 دسمبر، 2021 کے مقابلے میں 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے لیے غیر آڈٹ شدہ مالی نتائج کا خلاصہ مندرجہ ذیل ہے:

31 دسمبر کو ختم ہونے والی ششماہی			
فرق	2021	2022	
فیصد	ملین روپے		
33.62%	37,500	50,109	شرح مبادلہ کے اثر کے بغیر سیلز
52.32%	1,847	2,813	ایکپیٹنگ
34.50%	39,347	52,922	خالص - سیلز
30.86%	10,448	13,672	مجموعی منافع
32.87%	5,937	7,888	آپریٹنگ سے منافع
-3.02%	4,718	4,585	خالص منافع
-0.72%	26.55%	25.84%	گراس پرافٹ ریٹو
-3.35%	11.99%	8.64%	نیٹ پرافٹ ریٹو
-3.02%	5.05	4.91	آمدنی فی شیئر -- بنیادی اور تحلیل شدہ (روپے)

PKR in Million



ڈائریکٹران کا جائزہ:

انٹرویو لیمنڈ (انٹرویو یا کہنی) کے بورڈ آف ڈائریکٹرز کو، 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے لیے قانونی آڈیٹرز کی طرف سے مناسب طور پر نظر ثانی شدہ، کہنی کے غیر آڈٹ شدہ مالی نتائج پیش کرتے ہوئے خوشی ہو رہی ہے۔

معاشی جائزہ

اس وقت پاکستان کی معیشت، ناموافق سیاسی پس منظر میں عالمی انحطاط کے منظر نامے اور داخلی معاشی مشکلات میں گھری ہوئی، ایک نازک مرحلے سے گزر رہی ہے۔ سیلابوں کے بعد پکائی کو لگنے والے تھکنوں اور توانائی کی بڑھتی ہوئی قیمتوں کے باعث CPI کی بنیاد پر مہنگائی دو اعداد کی افزائش سے جاری رہی جو 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے دوران گزشتہ سال کے اسی عرصہ میں ریکارڈ کی جانے والی 12.3% کے مقابلے میں 24.5% کی اوسط برہی۔ سٹیٹ بینک آف پاکستان نے مہنگائی کے بڑھتے ہوئے دباؤ پر قابو پانے کے لیے شرح سود کو بالترتیب نومبر، 2022 میں 16% اور جنوری، 2023 میں 17% تک بڑھا دیا۔ حکومت کی طرف سے سخت درآمدی پابندیوں کے باوجود تجارتی خسارے کی صورت حال مسلسل بگڑتی رہی اور 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے دوران سال بہ سال 32.65% گر کر یہ 17.13 بلین امریکی ڈالر تک پہنچ گیا۔ 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے دوران اس سے پچھلے سال کے مقابلہ میں درآمدات 22.63% تیز رفتار سے 31.38 بلین ڈالر گئیں جبکہ برآمدات 5.79% کی شرح سے 14.25 بلین ڈالر کم ہو گئیں۔ توازن ادائیگی کی بہتر ہوتی ہوئی صورت حال، کے باوجود مسلسل غیر ملکی debt سر و سنب اور معاشی و سٹرکچرل اصلاحات کے بارے میں بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ تھقل میں فنانسنگ کی کوئی دوسری آپشن موجود نہ ہونے کا نتیجہ سٹیٹ بینک آف پاکستان (SBP) کے پاس غیر ملکی زرمبادلہ کے ذخائر میں زیر غور مدت میں 4.2 بلین امریکی ڈالر کی تیزی سے کمی کی صورت میں نکلا جو دسمبر، 2022 کے آخر تک 5.58 بلین امریکی ڈالر کی خطرناک کم سطح پر آ گئے۔ اس صورت حال نے کرنسی پر مزید دباؤ ڈالا اور 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے دوران امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر 10.5% کم ہو گئی۔

صنعت کا جائزہ

ٹیکسٹائل برآمدات نے عالمی سست روی کا اثر محسوس کرنا شروع کر دیا ہے جیسا کہ ادارہ ہٹاریات پاکستان (PBS) کی طرف سے 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے جاری کردہ تازہ ترین اعداد و شمار سے ظاہر ہے۔ ٹیکسٹائل ایکٹری کی برآمدات میں سال بہ سال 7.07% کمی آئی جو پچھلے سال کے دوران 9.38 بلین امریکی ڈالر کے مقابلے میں 8.72 بلین امریکی ڈالر رہ گئیں۔ نٹ وڈر اور بیڈی میڈ گاؤٹس (RMG) کو بھی جوکل برآمدات میں سب سے زیادہ حصہ ڈالتے ہیں گراؤ کا سامنا رہا۔ 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے دوران نٹ وڈر کی برآمدات میں 1.4% کمی آئی جب کہ RMG کی برآمدات 1.8 بلین امریکی ڈالر پر بند ہوئیں۔ سست رفتار مانگ، ملک کے اندر کارکن کی کم دستیابی اور محدود درآمدات نے زیادہ تر ٹیکسٹائل کمپنیوں کو مختصر مدت کے لیے بند کرنے یا اپنی پیداوار 50% تک کم کرنے پر مجبور کر دیا ہے۔ SBP نے حال ہی میں پالیسی ریٹ اور EFS & LTFF شرحوں کو 5% سے 3% کے خلاف کم کرنے کے بعد ایکسیچوٹ فنانسنگ سکیم (EFS) اور لانگ ٹرم فنانسنگ فیسلٹی (LTFF) کے لیے شرح سود 11% سے بڑھا کر 13% کر دی ہے۔

فنانشل اور آپریٹنگ نتائج

مالی سال 2023 کے آغاز سے عالمی معیشت انتہائی سمجھوتہ شدہ حالات میں ہے۔ 31 دسمبر، 2022 کو ختم ہونے والی ششماہی کے دوران متعدد آپریٹنگ مشکلات کے باوجود آپ کی کہنی مسلسل اوسطاً کوٹیشنوں کے ذریعے منافع بخش نتائج دینے میں کامیاب رہی۔ آپ کی کہنی نے گزشتہ مالی سال کی اسی مدت کے دوران 39,347 ملین روپے کی بیلز پر 10,448 ملین روپے کے مجموعی منافع (26.55%) کے مقابلے میں زیر غور مدت کے دوران 52,992 ملین روپے کی بیلز پر 13,672 ملین روپے (25.83%) کا منافع کمایا۔ پچھلی مدت میں 4,718 ملین روپے (EPS: Rs. 5.05 per share) کے مقابلے میں ششماہی منافع 4,585 ملین

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF INTERLOOP LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Interloop Limited ("the Company") as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the condensed interim financial statements). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Syed Aftab Hameed - FCA.



KRESTON HYDER BHIMJI & CO.
Chartered Accountants

Place: Faisalabad
Date: February 14, 2023
UDIN: RR202210475uM6sPLNFT

CONDENSED INTERIM FINANCIAL STATEMENTS

For The Quarter and Half Year Ended December 31, 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

	Note	Un audited December 31, 2022 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
ASSETS			
Non Current Assets			
Property, plant and equipment	5	46,665,945	34,730,382
Intangible assets		256,094	227,457
Long term loans		153,150	179,626
Long term deposits		95,899	86,955
		47,171,088	35,224,420
Current Assets			
Stores and spares		2,327,518	1,866,417
Stock in trade		23,964,015	23,142,048
Trade debts	6	23,495,246	28,603,965
Loans and advances		1,084,037	1,633,562
Deposit, prepayments and other receivables		799,431	998,491
Accrued income		6,108	4,570
Tax refunds due from Government		4,649,417	4,224,938
Short term investments		500,000	500,000
Cash and bank balances		129,135	117,119
		56,954,907	61,091,110
Total Assets		104,125,995	96,315,530

	Note	Un audited December 31, 2022 (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
Share premium		3,167,340	3,528,149
Unappropriated profit		20,216,995	17,428,486
		32,727,315	29,940,270
Non Current Liabilities			
Long term financing	9	21,611,360	14,396,116
Lease liabilities		80,640	93,973
Deferred liabilities		5,713,856	5,048,654
		27,405,856	19,538,743
Current Liabilities			
Trade and other payables		8,196,621	9,084,790
Unclaimed dividend		3,254	3,006
Accrued mark up		1,490,822	702,689
Short term borrowings		32,650,635	35,007,908
Derivative financial instruments		11,321	94,154
Current portion of non current liabilities		1,640,171	1,943,970
		43,992,824	46,836,517
Contingencies and Commitments	10	–	–
Total Equity and Liabilities		104,125,995	96,315,530

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer
Half Year Report | 13

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For The Quarter and Half Year Ended December 31, 2022

	Note	Quarter ended		Half year ended	
		Un audited December 31, 2022 (Rupees in '000)	Un audited December 31, 2021 (Rupees in '000)	Un audited December 31, 2022 (Rupees in '000)	Un audited December 31, 2021 (Rupees in '000)
Sales - net		22,458,890	20,017,023	52,922,144	39,346,676
Cost of sales	11	(18,902,227)	(15,105,911)	(39,249,672)	(28,898,550)
Gross profit		3,556,663	4,911,112	13,672,472	10,448,126
Distribution costs		(774,382)	(802,060)	(1,920,069)	(1,610,260)
Administrative expenses		(1,453,748)	(1,012,954)	(3,024,667)	(1,951,389)
Other operating expenses		(1,397)	(394,646)	(854,976)	(974,904)
		(2,229,527)	(2,209,660)	(5,799,712)	(4,536,553)
Other income		38,859	20,371	15,003	25,076
Profit from operations		1,365,995	2,721,823	7,887,763	5,936,649
Finance cost		(1,413,867)	(511,847)	(2,631,111)	(871,555)
(Loss)/profit before taxation		(47,872)	2,209,976	5,256,652	5,065,094
Taxation		(328,039)	(182,452)	(671,416)	(347,489)
(Loss)/profit for the period		(375,911)	2,027,524	4,585,236	4,717,605
(Loss)/earnings per share - basic and diluted (Rupees) - Restated		(0.40)	2.17	4.91	5.05

The annexed notes from 1 to 17 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 Half Year Ended December 31, 2022

	Quarter ended		Half year ended	
	Un audited December 31, 2022 (Rupees in '000)	Un audited December 31, 2021	Un audited December 31, 2022 (Rupees in '000)	Un audited December 31, 2021 (Rupees in '000)
(Loss)/profit for the period	(375,911)	2,027,524	4,585,236	4,717,605
Other comprehensive income	–	–	–	–
Total comprehensive (loss)/income for the period	(375,911)	2,027,524	4,585,236	4,717,605

The annexed notes from 1 to 17 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 Half Year Ended December 31, 2022

	Share Capital	Capital Reserve	Revenue Reserve	Total
		Share Premium	Unappropriated Profit	
(Rupees in '000)				
Balance as at July 01, 2021 – Audited	8,721,975	3,528,149	17,428,486	29,678,610
Profit for the period	–	–	4,717,605	4,717,605
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	–	–	4,717,605	4,717,605
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	–	–	(872,197)	(872,197)
Balance as at December 31, 2021 (Un-audited)	8,983,634	3,264,696	21,273,894	33,522,224
Balance as at July 01, 2022 – Audited	8,983,635	3,528,149	17,428,486	29,940,270
Profit for the period	–	–	4,585,236	4,585,236
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	–	–	4,585,236	4,585,236
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 December 31, 2022 (Un-audited)	9,342,980	3,167,340	20,216,995	32,727,315

The annexed notes from 1 to 17 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 Half Year Ended December 31, 2022

	Un audited December 31, 2022 (Rupees in '000)	Un audited December 31, 2021 (Rupees in '000)
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,256,652	5,065,094
Adjustments for:		
Depreciation on operating fixed assets	1,497,748	1,236,204
Depreciation on right of use assets	44,388	31,367
Amortization of intangible assets	26,274	22,553
Workers' profit participation fund	282,312	272,019
Workers' welfare fund	107,279	103,369
Staff retirement gratuity	875,551	623,310
Loss/(gain) on disposal of non current assets	10,882	(233)
Unrealized loss on derivative financial instruments	11,321	8,596
Realized loss on derivative financial instruments	254,801	320,466
Profit on investments in TFCs	(43,214)	(23,449)
Interest on loan to Metis International (Pvt) Ltd	(1,133)	(676)
Finance cost	2,631,111	871,555
Operating cash flows before working capital changes	10,953,972	8,530,175
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(461,101)	(356,024)
Stock in trade	(821,967)	(7,368,581)
Trade debts	5,014,565	(5,619,318)
Loans and advances	579,642	(1,755,183)
Deposit, prepayments and other receivables	199,060	(571,942)
Tax refunds due from Government	(481,556)	(1,138,830)
(Decrease) / increase in current liabilities		
Trade and other payables	(556,088)	1,080,734
	3,472,555	(15,729,144)
Cash generated from / (used in) operations	14,426,527	(7,198,969)
Finance cost paid	(1,807,376)	(673,468)
Income tax paid	(614,339)	(208,037)
Staff retirement gratuity paid	(155,330)	(161,083)
Workers' profit participation fund paid	(748,362)	(380,983)
Long term loans paid	(3,641)	(33,141)
Long term deposits paid	(8,944)	(11,327)
Net cash generated from / (used in) operating activities	11,088,535	(8,667,008)

	Un audited December 31, 2022 (Rupees in '000)	Un audited December 31, 2021 (Rupees in '000)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(13,477,239)	(6,475,408)
Intangible assets	(54,911)	(19,811)
Proceeds from disposal of non current assets	32,788	17,633
Profit received from investments in TFCs	42,809	23,086
Net cash used in investing activities	(13,456,553)	(6,454,500)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	8,231,062	3,708,182
Repayment of long term financing	(1,386,548)	(1,334,454)
Payment of lease rentals	(54,463)	(41,948)
Short term borrowings - net	(2,357,273)	13,746,975
Settlement of derivative financial instruments	(254,801)	(320,466)
Transaction cost on issuance of shares	(1,464)	(1,794)
Dividend paid	(1,796,479)	(873,133)
Net cash generated from financing activities	2,380,034	14,883,362
Net increase / (decrease) in cash and cash equivalents (a+b+c)	12,016	(238,146)
Cash and cash equivalents at beginning of the period	117,119	374,442
Cash and cash equivalents at end of the period	129,135	136,296

The annexed notes from 1 to 17 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 Half Year Ended December 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:

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

Where provisions of and directives issued under the Companies Act, 2017 differ 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 have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017. These condensed interim financial statements do not include all the information as required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should therefore 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 December 31, 2022 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	30,166,642	29,632,448
Capital work in progress	5.2	16,366,002	4,964,375
Right of use assets		133,301	133,559
		46,665,945	34,730,382
5.1 Operating fixed assets			
Cost			
Opening balance		46,934,628	38,139,987
Additions during the period/year	5.1.1	2,075,612	9,002,860
Disposals during the period/year		(94,966)	(208,219)
Closing balance		48,915,274	46,934,628
Accumulated depreciation			
Opening balance		17,302,180	14,672,826
Depreciation expense for the period/year		1,497,748	2,774,273
Adjustment during the period/year		(51,296)	(144,919)
Closing balance		18,748,632	17,302,180
Written down value		30,166,642	29,632,448
5.1.1 Additions during the period/year			
Freehold land		30,568	432,411
Buildings on freehold land		248,798	1,443,236
Plant and machinery		1,108,153	5,069,606
Tools and equipment		141,500	451,611
Office equipment		92,344	228,401
Electric installations		65,301	831,002
Furniture and fixtures		35,938	249,932
Vehicles		353,010	296,661
		2,075,612	9,002,860
5.2 Capital work in progress			
Civil works		6,519,510	1,450,282
Plant and machinery		4,814,294	851,990
Capital stores	5.2.1	627,997	436,760
Advances to suppliers		4,404,201	2,225,343
		16,366,002	4,964,375

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

	Note	Un audited December 31, 2022 (Rupees in '000)	Audited June 30, 2022 (Rupees in '000)
6. TRADE DEBTS			
Foreign			
- Secured		10,079,163	12,289,640
- Unsecured	6.1	12,532,679	15,206,965
		22,611,842	27,496,605
Local			
- Unsecured	6.1	883,404	1,107,360
		23,495,246	28,603,965

6.1 Management considers that these debts are good and will be recovered in due course.

7. AUTHORIZED SHARE CAPITAL

Un audited December 31, 2022 [Number of shares in '000]	Audited June 30, 2022		Un audited December 31, 2022 (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

8. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un audited December 31, 2022 [Number of shares in '000]	Audited June 30, 2022		Un audited December 31, 2022 (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 December 31, 2022 (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	8,231,062	8,480,399
Less: Paid during the period/year	(1,386,548)	(2,757,692)
Less: Effect of recognition/adjustment of Government grant - net	23,220	(149,184)
	23,093,837	16,226,103
Less: Current portion of long term financing	(1,482,476)	(1,829,987)
	21,611,361	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 stance 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 December 31, 2022 (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	692,353	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
	1,769,464	1,531,900
10.1.3 Post dated cheques issued in favour of custom authorities for release of imported goods.	8,806,978	6,794,202
10.2 Commitments		
Under letters of credit for:		
Capital expenditure	4,470,885	12,239,092
Raw material	3,578,823	5,947,551
Stores and spares	632,204	470,201
	8,681,912	18,656,844

11. COST OF SALES

	Quarter ended		Half year ended	
	Un audited December 31, 2022 (Rupees in '000)	Un audited December 31, 2021 (Rupees in '000)	Un audited December 31, 2022 (Rupees in '000)	Un audited December 31, 2021 (Rupees in '000)
Raw material consumed	10,092,118	9,811,371	22,894,737	18,412,298
Stores and spares consumed	557,093	478,731	1,129,929	885,173
Knitting, processing and packing charges	165,617	469,000	1,010,009	1,071,463
Salaries, wages and benefits	3,881,092	3,022,052	8,194,707	5,998,185
Staff retirement gratuity	377,872	267,690	755,743	535,380
Fuel and power	1,230,540	822,431	2,913,159	1,668,623
Repairs and maintenance	168,796	128,679	313,792	180,513
Insurance	26,852	17,993	51,888	35,367
Depreciation on operating fixed assets	664,716	579,659	1,306,611	1,080,544
Depreciation on right of use assets	16,115	15,001	31,837	31,367
Amortization of intangible assets	167	208	333	416
Rent, rate and taxes	30,674	10,565	48,666	12,410
Other manufacturing costs	64,468	64,326	132,686	96,276
	17,276,120	15,687,706	38,784,097	30,008,015
Work in process				
Opening balance	2,461,239	1,680,404	2,592,821	1,368,804
Closing balance	(1,869,870)	(1,926,589)	(1,869,870)	(1,926,589)
	591,369	(246,185)	722,951	(557,785)
Cost of goods manufactured	17,867,489	15,441,521	39,507,048	29,450,230
Finished goods				
Opening balance	6,899,802	3,139,482	5,607,688	3,239,645
Closing balance	(5,865,064)	(3,771,393)	(5,865,064)	(3,771,393)
	1,034,738	(631,911)	(257,376)	(531,748)
	18,902,227	14,809,610	39,249,672	28,918,482
DDT	–	296,301	–	(19,932)
	18,902,227	15,105,911	39,249,672	28,898,550

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 during the period are as follows:

Name	Nature of transaction	Half Year ended	
		Un audited December 31, 2022 (Rupees in '000)	Un audited December 31, 2021 (Rupees in '000)
Interloop Holdings (Pvt) Limited - Associate	Services received	100,098	95,886
Texlan Center (Pvt) Limited - Associate	Sale of yarn	1,469,941	990,076
	Sale of packing material	55,987	36,028
Momentum Logistics (Pvt) Limited - Associate	Services received	277,121	152,752
PrintKraft (Private) Limited-Associate	Purchase of packing material	189,396	108,533
Global Veneer Trading Limited - Associate	Selling commission	–	27,106
Eurosox Plus BV - Associate	Sales of socks	551,956	256,594
Octans Digital (Pvt) Limited - Associate	Services received	11,860	574
Socks & Socks (Pvt) Limited - Associate	Rent expenses	–	2,200
	Processing services	–	4,242
	Sale of goods - net	81,828	191,611
Interloop Employees Provident Fund - Trustee	Contributions to the fund	40,667	30,302
Interloop Welfare Trust- Trustee	Donations paid	269,420	63,060
	Gratuity transferred	–	577
Lyallpur Literary Council - Trustee	Donation paid	2,000	1,600
Key management personnel and other related parties	Sale of assets	2,368	1,182
	Remuneration and other benefits	1,288,796	934,314
	Rent expenses	778	707
	Repayment of housing finance loan	2,308	2,308
	Markup on housing finance loan	107	157
	Dividend paid	1,556,185	759,571
	Directorship fee	6,670	7,000

Un audited
December 31,
2022
(Rupees in '000)

Audited
June 30,
2022
(Rupees in '000)

13. SHARIAH SCREENING DISCLOSURE

Loans/advances as per Islamic mode

Loans	22,383,764	21,244,048
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Shariah compliant bank deposits/ bank balances

Bank balances	8,691	9,952
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Revenue earned from a shariah compliant business

	52,922,144	90,894,049
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Mark up on Islamic mode of financing

	(1,158,887)	(765,877)
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Profits or interest on any conventional loan or advance

Interest on loan to Metis International (Pvt) Ltd	1,133	1,489
Profit on term finance certificates (TFCs)	43,214	55,441
Interest on workers' profit participation fund	(26,689)	(15,747)
Interest on lease liabilities	(8,913)	(19,645)
Interest on other conventional loans	(1,250,285)	(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
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) Energy

This segment generates electricity for in-house consumption.

e) Apparel

This segment relates to the sale of fashion apparels.

f) Other operating segments

This represent various segments of the Company which currently do not meet the minimum reporting threshold mentioned in International Financial Reporting Standards Operating Segments' (IFRS 8). These mainly includes domestic sales, yarn dyeing and active wear.

14.2 Reconciliation of reportable segment assets and liabilities

	Hosiery		Spinning		Denim		Energy		Apparel		Others		Unallocated		Total Company	
	Un audited	Audited														
	December 31, 2022	June 30, 2022														
	Rupees in '000		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	46,847,400	53,775,615	12,932,614	10,199,831	10,965,458	11,172,079	4,571,830	3,109,178	18,809,762	10,375,097	2,619,692	2,864,794	5,379,240	4,816,936	104,125,995	96,315,530
Total liabilities for reportable segment	32,860,048	26,591,248	1,000,791	812,770	967,647	1,326,625	652,873	326,767	1,459,016	1,248,391	296,787	296,863	34,141,458	35,710,596	71,398,680	66,375,260
Segment capital expenditures	2,594,615	6,524,261	20,432	338,545	72,999	188,421	1,284,706	891,443	9,416,255	3,182,834	143,143	363,387	-	-	13,532,150	11,489,011

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

	Un-audited
Foreign countries	December 31, 2022
Pakistan	December 31, 2021
	Rupees in '000
	50,292,312
	36,028,074
	2,629,832
	3,318,602
	52,922,144
	39,346,676

15. FINANCIAL RISK MANAGEMENT

15.1 Financial Risk Factors

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 during the period since June 30, 2022 except those specifically mentioned. Consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

15.2 Fair value measurements of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to settle 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 December 31, 2022 on a recurring basis:

Rupees in '000	Un audited			
	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Total financial assets	-	-	-	-
Financial liabilities				
Trading derivatives	-	11,321	-	11,321
Total financial liabilities	-	11,321	-	11,321

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.

16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 14, 2023 by the Board of Directors of the Company.

17. GENERAL

17.1 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.

17.2 Rounding

Figures have been rounded off to the nearest thousand rupees.



Chief Executive Officer



Director



Chief Financial Officer
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