



**FULL FAMILY
CLOTHING
PARTNER
OF CHOICE**

Quarterly Report For the 3rd Quarter ended March 31, 2024

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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Consolidated Condensed Interim Financial Statements

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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

FARWA HASNAIN

Independent Director

FATIMA ASAD KHAN

Independent Director

ROMANA ABDULLAH

Independent Director

TARIQ IQBAL KHAN

Independent Director

FARYAL SADIQ

Executive Director

JAHAN ZEB KHAN BANTH

Non-Executive Director

CHIEF FINANCIAL OFFICER

MUHAMMAD MAQSOOD

COMPANY SECRETARY

RANA ALI RAZA

HEAD OF INTERNAL AUDIT

JAMSHAID IQBAL

CHIEF INFORMATION OFFICER

MUHAMMAD YAQUB AHSAN BHATTI

LEGAL ADVISOR

HAIDERMOTA & CO.

AUDITORS

KRESTON HYDER BHIMJI & CO.

Chartered Accountants

AUDIT COMMITTEE

TARIQ IQBAL KHAN

Chairperson

ROMANA ABDULLAH

Member

JAHAN ZEB KHAN BANTH

Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

FATIMA ASAD KHAN

Chairperson

NAVID FAZIL

Member

FARWA HASNAIN

Member

FARYAL SADIQ

Member

JAHAN ZEB KHAN BANTH

Member

NOMINATION COMMITTEE

MUSADAQ ZULQARNAIN

Chairperson

NAVID FAZIL

Member

MUHAMMAD MAQSOOD

Member

RISK MANAGEMENT COMMITTEE

TARIQ IQBAL KHAN

Chairperson

MUHAMMAD MAQSOOD

Member

FATIMA ASAD KHAN

Member

ROMANA ABDULLAH

Member

ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE

NAVID FAZIL

Chairperson

FARWA HASNAIN

Member

FARYAL SADIO

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
- 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
- The Bank of Punjab
- United Bank Limited

E- COMMUNICATION

Website: www.interloop-pk.com

LinkedIn: Interloop Limited

Twitter: @InterloopLtd

Instagram: interlooplimited

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 the Directors’ review report together with the Unaudited Financial results of the Company for the nine months ended March 31, 2024.” Furthermore, Board of Directors is pleased to inform that Interloop became the only textile firm added in the Morgan Stanley Capital International MSCI Frontier Market Main Index.

ECONOMIC AND INDUSTRIAL REVIEW

Pakistan’s economic landscape continues to improve with each passing quarter, attributed to prudent policy management and the resumption of inflows from multilateral and bilateral partners. Pakistan has reached a staff-level agreement on the second review under Stand by Arrangement (SBA) to receive a final tranche of USD 1.1 billion. This would ease the pressure on the economy and pave the way for industrial growth. The Monthly Economic Indicator (MEI) by the Finance division surpassed the 3.0 % mark in February 2024. This improvement is supported by multiple sectors, including Large-Scale Manufacturing (LSM), crop production, agriculture credit disbursement, cement dispatches, and fertilizer production, supporting the GDP growth forecast of 2% for FY24 by the IMF.

Due to the macroeconomic challenges overall exports of the textile industry have remained stagnant, recording a YoY decline of 0.3%. However, the sector has shown growth for the last four consecutive months, resulting in total exports for nine months in FY’24 closing at USD 12.4 billion.

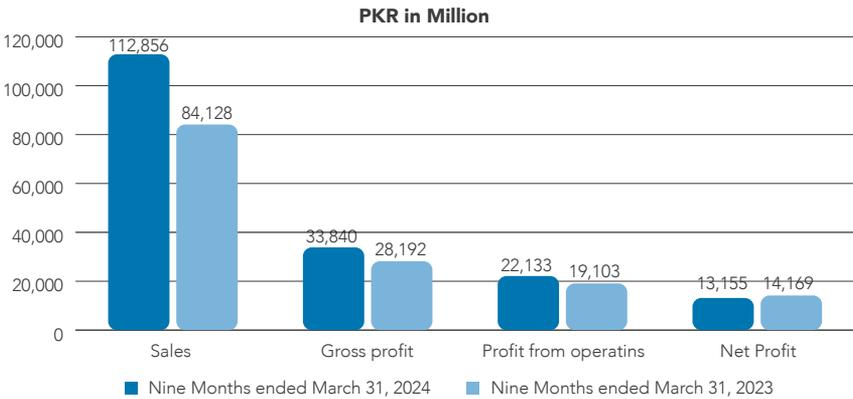
UNCONSOLIDATED FINANCIAL PERFORMANCE REVIEW

Interloop Limited demonstrated significant financial growth in the nine-month period ending March 31, 2024. The Company’s net sales surged by 34.1% to Rs. 112,856 million, compared to Rs. 84,128 million in the same period of the previous year. The Gross Profit also reached Rs. 33,840 million, a 20.0 % growth from the corresponding period of the previous year. The management successfully maintained operational efficiency, contributing to a 15.9% growth in profit from operations to Rs. 22,133 million.

However, the gross profit margin declined by 3.5% to 30.0% in 9MFY24 from 33.5% in 9MFY23. The net profit margin declined by 5.2% from 16.8% in 9MFY23 to 11.7% in 9MFY24, mainly due to, initial startup losses of apparel master project during ramp up period, exchange loss of Rs. 773 million (9MFY23: Exchange gain of Rs. 8,193 million), and increase in average finance cost due to new borrowings at normal rates and repayment of subsidised loans. Outstanding total borrowings has also increased by PKR 6,014 Million. The Earnings per Share (EPS) stood at Rs. 9.39 per share compared to Rs. 10.11 per share.

The summarized un-audited unconsolidated financial results for the nine months ended March 31, 2024, as against March 31, 2023, are as follows:

	Nine months ended March 31		
	2024	2023	Variance
	Rs. in millions		%
Sales – Net	112,856	84,128	34.1%
Gross Profit	33,840	28,192	20.0%
Profit from Operations	22,133	19,103	15.9%
Net Profit	13,155	14,169	-7.2%
Gross Profit Ratio	30.0%	33.5%	-10.5%
Net Profit Ratio	11.7%	16.8%	-30.8%
Earnings per Share - Basic and Diluted (Rupees)	9.39	10.11	-7.2%



CONSOLIDATED FINANCIAL PERFORMANCE REVIEW

Following is the summary of the consolidated financial performance of the group, providing a comprehensive view of the combined operations of its subsidiaries.

The group earned a consolidated revenue of Rs. 114,118 million, showing a 35.6% increase from the corresponding period of last year. However, due to exchange loss, increased working capital requirements and capitalization of the Apparel Master project, the net profit dipped by 1.3% from PKR 14,169 million (EPS: Rs. 10.11 per share) to Rs. 13,987 million (EPS 9.98 per share).

The summarized consolidated financial results for the nine months ended March 31, 2024, as against March 31, 2023, are as follows:

	Nine months ended March 31		
	2024	2023	Variance
	Rs. in millions		%
Sales- Net	114,118	84,128	35.6%
Gross Profit	34,253	28,192	21.5%
Profit from Operations	22,968	19,103	20.2%
Net Profit	13,987	14,169	-1.3%
Gross Profit Ratio	30.0%	33.5%	-10.4%
Net Profit Ratio	12.3%	16.8%	-27.2%
Earnings per Share - Basic and Diluted (Rupees)	9.98	10.11	-1.3%

CURRENT AND FUTURE OUTLOOK:

Interloop Limited is committed to the triple bottom line approach, comprising planet, people, and prosperity, to lead towards sustainable growth. Despite several challenges faced by the textile sector, including supply chain challenges in the Red Sea, high-interest rates, volatile material prices, and soaring energy prices, the Company is well-poised to serve its global customer base. Interloop management diligently monitors the latest developments and implements proactive measures to ensure uninterrupted company operations.

The Company's commitment to environment and sustainable practices is exemplified by several key initiatives during Q3 FY-2024. The Company released its Sustainability Report 2023, outlining progress towards Vision 2025 goals and its "To Impact" purpose. A digital waste mapping program for enhanced recycling is implemented through a collaboration with Reverse Resources and Pakistan's National Textile University. Adherence to The Alliance for Water Stewardship (AWS) standard also underscores the commitment to responsible water use. Further, the "Interloop Regen Kapas" program was launched, involving 1,000 partner farmers, promoting sustainable cotton farming practices, improving soil health, reducing environmental impact, and enhancing livelihoods. These initiatives demonstrate Interloop's dedication to operating sustainably throughout its value chain.

Interloop Limited's Q3 FY-2024 CSR initiatives displayed a multifaceted empowerment, inclusion, and diversity approach. To enhance accessibility and employability for the deaf community, Interloop partnered with Connecthear to launch the first-ever 24/7 interpretation online desk and also launched a sign-language interpretation Google Application. Furthermore, women's empowerment remained the key focus. Interloop partnered with the Female Exclusive Training Institute (FETI) to provide skills-based training. Over 100 women have joined the workforce at the apparel plant as a result of this initiative. The Company also established a long-term endowment fund through the Interloop Welfare Trust

in collaboration with the Kashf Foundation to provide ongoing financial support for various women's empowerment projects. Additionally, the company actively supported women in sports by hosting the first-ever National Level Women's Championship in Faisalabad. Interloop has committed Rs 100 million for lifetime school education support in collaboration with The Citizens Foundation (TCF) to promote education and literacy. In addition to this, the Company has also announced the construction of two primary schools. These diverse initiatives demonstrate Interloop Limited's dedication to creating a positive and inclusive social impact.

ACKNOWLEDGEMENT

The Board expresses gratitude to valued shareholders, customers, financial institutions, and regulators for their enduring trust and support. The Board also commend the dedication and hard work of the Company's management and employees. The Board is confident that this spirit of commitment will endure in the years ahead.

For and on behalf of the Board of Directors



Navid Fazil
(Chief Executive Officer)

Place: Faisalabad
Date: April 30, 2024



Jahan Zeb Khan Banth
(Director)

موجودہ اور مستقبل کا نقطہ نظر:

انٹروپ، پائیدار افزائش کی طرف رہنمائی کے لیے کردہ اراضی، ماگوں اور خوش حالی پر مشتمل ٹریبل باٹم لائن سوچ کے لیے پر عزم ہے۔ بحیرہ ہماچل میں سپلائی چین، سود کی زیادہ شرحوں، مال کی بڑھتی ہوئی قیمتوں اور ٹریبل کی قیمتوں میں اضافہ سمیت ٹیکسٹائل کے شعبے کو درپیش متعدد مشکلات کے باوجود کپنی اپنے کسٹمرز کی خدمت کرنے کی صلاحیت رکھتی ہے۔ انٹروپ کی انتظامیہ تازہ ترین واقعات کا باخبر ہے اور کپنی کے آپریشنز بلا تعطل جاری رکھنے کو یقینی بنانے کے لیے فعال اقدامات پر عمل درآمد کرتی ہے۔ انٹروپ لیڈنگ کسٹمرز اور ایم ایس ایم بولڈرز کے ساتھ اپنے عزم پر قائم ہے اور اعلیٰ ترین درجے کی پائیدار پراڈکٹس فراہم کرنے کے لیے کوشاں ہے۔

ماحول اور پائیدار طور طریقوں سے کپنی کی وابستگی مالی سال 2024 کی تیسری سہ ماہی میں کی جانے والی متعدد اہم کاوشوں سے عیاں ہے۔ کپنی نے اپنی سسٹین ایبلٹی رپورٹ 2023 جاری کی جس میں ویزن 2025 کی جانب پیش رفت اور اس کے مقصد "To Impact" پر روشنی ڈالی گئی ہے۔ زیادہ ری سائیکلنگ کے لیے ڈیجیٹل ویسٹ مینجنگ پروگرام پر Reverse Resources اور پاکستان ٹیکسٹائل یونیورسٹی کے تعاون سے عمل درآمد کیا جاتا ہے۔ The Alliance for Water Stewardship (AWS) کے معیار کی پاس داری بھی پانی کے مددگار استعمال کے عزم کو اجاگر کرتی ہے۔ اس کے علاوہ "Interloop Regen Kapas" پروگرام شروع کیا گیا جس میں ایک ہزار سائیکس کا شت کارشال ہیں جو کپاس کی پائیدار کاشت کاری کے طریقہ کار کو فروغ دے رہے ہیں، جو کے زمین کی صحت کو بہتر بنانے، ماحولیاتی اثرات کو کم کرنے اور ذرائع معاش میں اضافہ کرنے میں معاون ثابت ہو رہے ہیں۔ یہ کاوشیں اپنی پوری ویب سائٹ میں پائیداری کو مدنظر رکھنے کے لیے انٹروپ کے عزم کو ظاہر کرتی ہیں۔

انٹروپ لیڈنگ نے Q3 FY-2024 میں سماجی کاوشوں کے ذریعے خواتین کو با اختیار بنایا اور معاشرے میں شمولیت اور متنوع سوچ کو اجاگر کیا۔ سماعت سے محروم لوگوں کے لیے رسائی اور روزگار کے مواقع بڑھانے کے لیے انٹروپ نے اپنی نوعیت کا پہلا 124/7 انٹر پرائیون آن لائن ڈیک شروع کرنے کے لیے Connecthear کے ساتھ شراکت داری کی اور سائیکس لیڈنگ انٹر پرائیون گوگل ایپلیکیشن کا بھی اجراء کیا۔ اس کے علاوہ خواتین کو با اختیار بنانا توجہ کا اہم محور رہا۔ انٹروپ نے ہنر کی بنیاد پر تربیت فراہم کرنے کے لیے Female Exclusive Training Institute (FETI) کا ساتھ دیا۔ اس کاوش کے نتیجے میں 100 سے زیادہ خواتین کو ایئر لیا نٹ میں روزگار کے مواقع مہیا کیے ہیں۔ کپنی نے خواتین کو با اختیار بنانے کے مختلف منصوبوں کو مالی مدد فراہم کرنے کے لیے Kashf Foundation کے تعاون سے انٹروپ ویلفیئر ٹرسٹ کے ذریعے طویل مدت کا ایک انڈاؤمنٹ فنڈ بھی قائم کیا ہے۔ علاوہ ازیں، کپنی نے فیصل آباد میں اپنی نوعیت کی پہلی ٹیکسٹائل ویمنز چیمپئن شپ کی میزبانی کرتے ہوئے خواتین کھلاڑیوں کی فعال طریقے سے مدد کی۔ انٹروپ نے تعلیم اور خود اندگی کو فروغ دینے کے لیے دی سیٹیزان فاؤنڈیشن (TCF) کے تعاون سے لائف ٹائم سکول ایجوکیشن سپورٹ کے لیے 100 ملین روپے مختص کئے ہیں۔ اس کے علاوہ کپنی نے دو پرائمری سکول تعمیر کرنے کا بھی اعلان کیا ہے۔ یہ متنوع کاوشیں ایک مثبت اور شمولیتی سماجی اثر مرتب کرنے کے لیے انٹروپ کے عزم کو ظاہر کرتی ہیں۔

اظہار تشکر

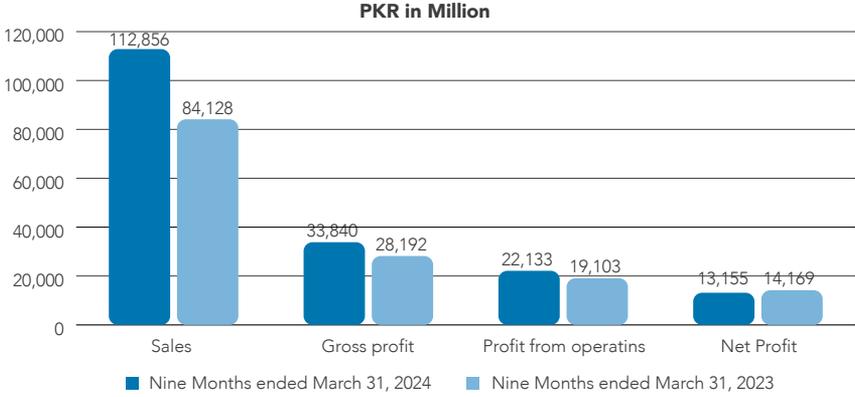
بورڈ مستقل ممبروں سے اور تعاون پر اپنے گراں قدر شیئرز بولڈرز، کسٹمرز، مالی اداروں اور ریگولیٹرز کا شکریہ ادا کرتا ہے۔ ہم کپنی کی انتظامیہ اور ملازمین کے خلوص کو بھی سراہتے ہیں۔ ہمیں یقین ہے کہ وابستگی کا یہ جذبہ آنے والے برسوں میں بھی برقرار رہے گا۔

Jahan Zed

جہانزیب خان ہاتھ
(ڈائریکٹر)

سید

نور ہادیہ
(چیف ایگزیکٹو آفیسر)
بمقام: فیصل آباد
تاریخ: 30 اپریل، 2024



مربوط مالی جائزہ

ذیل میں گروپ کی مروط مالی کارکردگی کا خلاصہ ہے، جو اس کی سبڈریز کے شیئر ہولڈرز کے ساتھ فراہم کرتا ہے۔ گروپ کو 114,118 ملین روپے کی مروط آمدنی حاصل ہوئی، جو پچھلے سال کی اسی مدت کے مقابلے میں 35.6% اضافہ ظاہر کرتی ہے۔ تاہم، تبادلے کے خسارے، کاروباری سرمائے کی زیادہ ضروریات اور ایئر ل ماسٹر پراجیکٹ کی کھینچاؤ نیشن کی وجہ سے خالص منافع 14,168 ملین پاکستانی روپے (ای پی ایس: 10.11 روپے فی شیئر) سے 1.3% کم ہو کر 13,987 ملین روپے (ای پی ایس: 9.98 روپے فی شیئر) پر آ گیا۔

31 مارچ، 2023 کے مقابلے میں 31 مارچ، 2024 کو ختم ہونے والے نو مہینوں کے لیے اختصار شدہ مروط مالی نتائج مندرجہ ذیل ہیں:

31 مارچ کو ختم ہونے والے 9 ماہ			
فرق	2023	2024	
%	روپے ملین میں		
35.6%	84,128	114,118	سیلز نیٹ
21.5%	28,192	34,253	مجموعی منافع
20.2%	19,103	22,968	آپریٹنگ منافع
-1.3%	14,169	13,987	خالص منافع
-10.4%	33.5%	30.0%	مجموعی منافع کا تناسب
-27.2%	16.8%	12.3%	خالص منافع کا تناسب
-1.3%	10.11	9.98	آمدنی فی شیئر - بنیادی اور تحلیل شدہ (روپے)

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Quarter and Nine Months Ended March 31, 2024

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	Note	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	66,684,186	58,650,853
Intangible asset		394,278	394,618
Long term investments	6	1,727,763	–
Long term loans - staff		190,263	147,858
Long term deposits		88,191	81,701
		69,084,681	59,275,030
CURRENT ASSETS			
Stores and spares		3,178,652	2,490,975
Stock in trade		27,842,111	19,728,810
Trade debts	7	32,948,121	34,138,665
Loans and advances		1,691,893	2,112,755
Deposit, prepayments and other receivables		299,532	671,874
Derivative financial instruments		110,724	21,672
Accrued income		1,658	1,623
Refunds due from Government and statutory authorities		6,731,942	4,758,814
Short term investments		500,000	500,000
Cash and bank balances		118,994	1,544,502
		73,423,627	65,969,690
TOTAL ASSETS		142,508,308	125,244,720

	Note	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	8	50,000,000	15,000,000
Issued, subscribed and paid up capital	9	14,017,095	14,014,469
Reserves		3,168,854	3,150,573
Unappropriated profit		34,189,732	26,641,364
		51,375,681	43,806,406
NON CURRENT LIABILITIES			
Long term financing	10	15,976,731	15,348,901
Lease liabilities		202,905	57,011
Deferred liabilities		9,255,172	7,999,204
		25,434,808	23,405,116
CURRENT LIABILITIES			
Trade and other payables		14,247,215	12,003,908
Unclaimed dividend		5,034	4,074
Accrued mark up		1,864,496	1,830,013
Short term borrowings		46,872,653	42,148,912
Current portion of non current liabilities		2,708,421	2,046,291
		65,697,819	58,033,198
CONTINGENCIES AND COMMITMENTS	11	–	–
TOTAL EQUITY AND LIABILITIES		142,508,308	125,244,720

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



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For The Quarter And Nine Months Ended March 31, 2024

	Note	Quarter ended		Nine months ended	
		Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)
Sales - net		39,040,380	31,205,627	112,856,129	84,127,771
Cost of sales	12	(27,683,977)	(16,685,651)	(79,016,072)	(55,935,323)
Gross profit		11,356,403	14,519,976	33,840,057	28,192,448
Distribution cost		(1,311,647)	(907,901)	(3,838,367)	(2,827,970)
Administrative expenses		(2,309,374)	(1,573,978)	(6,598,184)	(4,598,645)
Other operating expenses		(538,176)	(915,575)	(1,679,908)	(1,770,551)
Other income		87,813	93,180	409,159	108,183
		(4,071,384)	(3,304,274)	(11,707,300)	(9,088,983)
Profit from operations		7,285,019	11,215,702	22,132,757	19,103,465
Finance cost		(2,607,446)	(1,339,369)	(7,410,612)	(3,970,480)
Profit before taxation		4,677,573	9,876,333	14,722,145	15,132,985
Taxation		(548,417)	(292,863)	(1,566,814)	(964,279)
Profit for the period		4,129,156	9,583,470	13,155,331	14,168,706
Earnings per share - basic and diluted (Rupees) - Restated		2.95	6.84	9.39	10.11

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



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For The Quarter And Nine Months Ended March 31, 2024

	Quarter ended		Nine months ended	
	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023
Profit for the period	4,129,156	9,583,470	13,155,331	14,168,706
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	4,129,156	9,583,470	13,155,331	14,168,706

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



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For The Nine Months Ended March 31, 2024

	Capital Reserves			Revenue Reserve	Total
	Share Capital	Share Premium	Employee Share Option Compensation Reserve	Unappropriated Profit	
(Rupees in '000)					
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
Balance as at July 01, 2023 - audited	14,014,469	3,143,605	6,968	26,641,364	43,806,406
Profit for the period	–	–	–	13,155,331	13,155,331
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the period	–	–	–	13,155,331	13,155,331
Transaction cost on issuance of shares	–	(34)	–	–	(34)
Employee share option scheme (ESOS)	–	–	4,187	–	4,187
Transactions with owners:					
Shares issued under employee share option scheme	2,626	14,128	–	–	16,754
Dividend to ordinary shareholders	–	–	–	(5,606,963)	(5,606,963)
Balance as at March 31, 2024 (un-audited)	14,017,095	3,157,699	11,155	34,189,732	51,375,681

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



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For The Nine Months Ended March 31, 2024

	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,722,145	15,132,985
Adjustments for:		
Depreciation on operating fixed assets	3,212,251	2,321,329
Depreciation on right of use assets	69,508	75,558
Amortization of intangible assets	54,733	40,102
Workers' profit participation fund	781,251	812,728
Workers' welfare fund	300,245	308,836
Staff retirement gratuity	1,865,330	1,313,327
Employee share option compensation expense	4,187	-
Loss on disposal of property, plant and equipment	29,363	15,626
Gain on disposal of right of use assets	(3,126)	-
Provision for obsolete inventory	26,046	-
Unrealized gain on derivative financial instruments	(110,724)	-
Realized (gain)/loss on derivative financial instruments	(198,868)	274,060
Profit on investment in TFCs	(88,965)	(66,559)
Interest on loan to Metis International (Pvt) Ltd	-	(2,811)
Dividend income	(7,133)	-
Finance cost	7,410,612	3,970,480
Operating cash flows before working capital changes	28,066,855	24,195,661
Changes in working capital (Increase)/decrease in current assets		
Stores and spares	(687,677)	(473,652)
Stock in trade	(8,139,347)	386,757
Trade debts	1,212,216	325,309
Loans and advances	442,472	721,128
Deposit, prepayments and other receivables	379,475	(150,036)
Tax refunds due from government	(1,713,803)	(270,082)
Increase in current liabilities		
Trade and other payables	2,295,901	1,020,626
	(6,210,763)	1,560,050
Cash generated from operations	21,856,092	25,755,711
Finance cost paid	(7,352,875)	(3,069,429)
Income tax paid	(1,826,139)	(1,091,875)
Staff retirement gratuity paid	(623,316)	(268,806)
Workers' profit participation fund paid	(1,154,742)	(748,362)
Long term loans (paid)/received	(64,015)	3,846
Long term deposits paid	(6,490)	(2,019)
Net cash generated from operating activities	10,828,515	20,579,067

	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(11,226,104)	(21,400,387)
Intangible asset	(54,393)	(201,034)
Proceeds from disposal of property, plant and equipment	119,390	54,410
Long term investments	(1,727,763)	-
Profit received from investments in TFCs	88,930	65,815
Net cash used in investing activities	(12,799,940)	(21,481,196)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained - net	1,278,276	8,823,054
Payment of lease rentals	(65,685)	(92,430)
Short term borrowings - net	4,723,741	(4,739,770)
Settlement of derivative financial instruments	198,868	(274,060)
Share capital issued	2,626	-
Share premium	14,128	-
Transaction cost on issuance of shares	(34)	(1,464)
Dividend paid	(5,606,003)	(1,796,593)
Net cash generated from financing activities	545,917	1,918,736
Net (decrease)/increase in cash and cash equivalents	(1,425,508)	1,016,607
Cash and cash equivalents at the beginning of the period	1,544,502	117,119
Cash and cash equivalents at the end of the period	118,994	1,133,726

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For The Quarter And Nine Months Ended March 31, 2024

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

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

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

These unconsolidated 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, 2023.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated 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 unconsolidated 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, 2023.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated 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, 2023.

	Note	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	57,270,532	33,588,068
Capital work-in-progress	5.2	9,142,345	24,959,464
Right of use assets		271,309	103,321
		66,684,186	58,650,853
5.1 Operating fixed assets			
Opening written down value		33,588,068	29,632,448
Add: Additions during the period/year	5.1.1	27,043,468	7,301,071
Less: Disposals during the period/year		(148,753)	(131,707)
Less: Depreciation charged during the period/year		(3,212,251)	(3,213,744)
Closing written down value		57,270,532	33,588,068
5.1.1 Additions during the period/year			
Freehold land		–	86,915
Buildings on freehold land		10,045,198	1,952,364
Plant and machinery		13,817,313	3,164,586
Tools and equipments		409,127	455,287
Office equipments		150,116	208,830
Electric installations		1,774,164	615,064
Furniture and fixtures		201,985	200,348
Vehicles		645,565	617,677
		27,043,468	7,301,071
5.2 Capital work-in-progress			
Civil works		1,514,102	7,790,908
Plant and machinery		4,191,615	11,365,158
Capital stores	5.2.1	2,287,210	1,330,125
Advances to suppliers		1,149,418	4,473,273
		9,142,345	24,959,464

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, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
6. LONG TERM INVESTMENTS			
Unquoted equity - at cost			
Subsidiary company			
Top Circle Hosiery Mills Co., Inc.	6.1	1,727,763	–

- 6.1** This represents investment in 640 fully paid ordinary shares of \$ 1 each of Top Circle Hosiery Mills Co., Inc., which is incorporated under the laws of the United States of America. This investment represents 64% of issued subscribed and paid up capital of Top Circle Hosiery Mills Co., Inc.

	Note	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
7. TRADE DEBTS			
Foreign			
- Secured		13,116,648	14,503,120
- Unsecured	7.1	18,585,127	18,332,668
Local			
- Unsecured	7.1	1,246,346	1,302,877
		32,948,121	34,138,665

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

8. AUTHORIZED SHARE CAPITAL

Un audited March 31, 2024 [Number of shares in '000]	Audited June 30, 2023		Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023
5,000,000	1,500,000	Ordinary shares of Rs. 10 each	50,000,000	15,000,000
5,000,000	1,500,000		50,000,000	15,000,000

9. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un audited March 31, 2024	Audited June 30, 2023		Un audited March 31, 2024	Audited June 30, 2023
[Number of shares in '000]			(Rupees in '000)	
132,429	132,166	Ordinary shares of Rs. 10 each fully paid in cash	1,324,289	1,321,663
1,269,281	1,269,281	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	12,692,806	12,692,806
1,401,710	1,401,447		14,017,095	14,014,469

9.1 During the period, the Board of Directors on January 22, 2024 approved the 1st allotment of 262,604 equity shares at Rs. 63.80/- each in the share capital of the Company under Employees Stock Option Scheme (ESOS). These shares were declared to be allotted to those eligible employees who had chosen to exercise the options through the ESOS Scheme and had been credited in respective accounts of eligible employees.

	Un audited March 31, 2024	Audited June 30, 2023
	(Rupees in '000)	(Rupees in '000)
10. LONG TERM FINANCING		
From financial institutions - secured		
Opening balance	17,288,082	16,226,102
Add: Obtained during the period/year	2,650,000	10,895,588
Less: Paid during the period/year	(1,371,724)	(9,874,899)
Less: Effect of adjustment of Government grant	23,834	41,291
	18,590,192	17,288,082
Less: Current portion of long term financing	(2,613,461)	(1,939,181)
	15,976,731	15,348,901

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 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.

11.1.2 Bank guarantees issued by various banks on behalf of the company in favour of:

	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
Sui Northern Gas Pipelines limited against supply of gas.	1,570,827	806,221
The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	892,353	792,353
Faisalabad Electric Supply Company (FESCO) against supply of electricity	152,195	143,245
Punjab Revenue Authority	11,533	11,533
State Bank of Pakistan	–	110,112
Total Parco Pakistan Limited	6,000	6,000
	2,632,908	1,869,464
11.1.3 Post dated cheques issued in favour of custom authorities for release of imported goods	9,949,585	7,008,593
11.2 Commitments		
Under letters of credit for:		
Capital expenditure	2,668,160	2,053,832
Raw material	3,641,970	3,793,848
Stores and spares	168,189	349,329
	6,478,319	6,197,009

	Quarter ended		Nine months ended	
	Un audited March 31, 2024	Un audited March 31, 2023	Un audited March 31, 2024	Un audited March 31, 2023
	(Rupees in '000)		(Rupees in '000)	
12. COST OF SALES				
Raw material consumed	16,797,451	10,758,423	48,243,180	33,653,160
Stores and spares consumed	831,919	544,619	2,267,194	1,674,548
Knitting, processing and packing charges	707,126	137,681	2,221,686	1,147,690
Salaries, wages and benefits	6,054,992	4,213,420	16,865,489	12,408,127
Staff retirement gratuity	546,496	377,872	1,597,295	1,133,615
Fuel and power	2,048,215	1,395,136	6,354,354	4,308,295
Repairs and maintenance	252,820	217,777	616,360	531,569
Insurance	49,222	28,132	117,836	80,020
Depreciation on operating fixed assets	1,232,395	710,031	2,786,744	2,016,642
Amortization of intangible assets	133	166	399	499
Depreciation on right of use assets	33,173	19,399	64,852	51,236
Rent, rate and taxes	722	31,078	42,575	79,744
Other manufacturing costs	77,521	53,387	262,823	186,073
	28,632,185	18,487,121	81,440,787	57,271,218
Opening work in process	2,886,673	1,869,870	3,124,698	2,592,821
Closing work in process	(4,235,819)	(2,395,834)	(4,235,819)	(2,395,834)
	(1,349,146)	(525,964)	(1,111,121)	196,987
Cost of goods manufactured	27,283,039	17,961,157	80,329,666	57,468,205
Opening finished goods	7,707,968	5,865,064	5,993,436	5,607,688
Closing finished goods	(7,307,030)	(7,140,570)	(7,307,030)	(7,140,570)
	400,938	(1,275,506)	(1,313,594)	(1,532,882)
	27,683,977	16,685,651	79,016,072	55,935,323

13. TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiaries, 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, 2024	Un audited March 31, 2023	Un audited March 31, 2024	Un audited March 31, 2023
		(Rupees in '000)		(Rupees in '000)	
Interloop Holdings (Pvt) Limited – Associate	Services received	65,222	63,907	192,806	164,005
	Purchase of asset	–	–	334	–
	Gratuity Transferred	–	–	2,601	–
Interloop Welfare Trust – Trustee	Donation paid	161,200	53,096	445,200	322,516
Texlan Center (Pvt) Limited – Associate	Sale of yarn	614,794	348,713	2,141,295	1,818,654
	Sale of packing material	19,500	10,686	95,808	66,673
Interloop Europe – Associate	Sale of socks	86,039	140,890	874,681	692,846
Layallpur Literary Council – Trustee	Donation paid	2,000	1,500	8,000	3,500
Momentum Logistics (Private) Limited – Associate	Services received	290,568	100,132	718,341	377,851
PrintKraft (Private) Limited – Associate	Purchase of packing material	208,547	111,510	522,970	300,906
Octans Digital (Private) Limited – Associate	Services received	24,709	2,522	37,622	14,382
	Purchase of asset	–	–	46	–
Interloop Employees Provident Fund – Trustee	Contribution to the fund	25,119	20,107	74,382	60,990
Socks & Socks (Private) Limited – Associate	Purchase of goods and services - net	42,674	–	74,935	–
	Purchase of asset	641,310	–	641,310	–
	Sale of goods – net	–	10,573	–	102,927
ILNA Inc USA – Associate	Services received	303,012	–	993,467	–
Zhejiang Top Circle Textiles Co., Ltd – Subsidiary	Services received	157,942	–	267,358	–
	Dividend income	7,133	–	7,133	–
Key management personnel & other related parties	Sale of asset	8,046	964	17,550	3,332
	Rent expenses	428	389	1,284	1,167
	Repayment of housing finance loan	1,154	1,154	3,462	3,462
	Markup on housing finance loan	103	44	363	151
	Dividend paid	2,367,967	–	4,739,070	1,556,185
	Remuneration and other benefits	985,150	631,910	3,310,417	1,920,706
	Directorship fee	5,225	3,680	13,750	10,350

	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
14. SHARIAH SCREENING DISCLOSURE		
Loans/advances as per Islamic mode		
Loans	25,839,532	23,221,346
Shariah compliant bank deposits/ bank balances		
Bank balances	8,391	241,711
Revenue earned from a shariah compliant business		
	112,856,129	119,200,293
Mark up on Islamic mode of financing		
	(2,184,987)	(2,357,214)
Gain or dividend from shariah compliant investments		
Dividend income from investment in subsidiary	7,133	–
Profits or interest on any conventional loan or advance		
Profit on term finance certificates (TFCs)	88,965	95,030
Interest on workers' profit participation fund	(23,254)	(26,689)
Interest on lease liabilities	(21,742)	(16,158)
Interest on other conventional loans	(4,806,452)	(2,736,568)
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 and short term borrowing	
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	

15. OPERATING SEGMENTS

Management has determined the operating segments based on the information that is presented to the Board of Directors of the Company for allocation of resources and assessment of performance. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker ('CODM'). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

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

a) Hosiery

This segment relates to the sale of socks.

b) Spinning

This segment relates to the sale of yarn.

c) Denim

This segment mainly relates to sale of garments.

d) Apparel

This segment relates to sale of fashion apparels.

e) 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 energy, yarn dyeing and active wear.

15.2 Reconciliation of reportable segment assets and liabilities

	Hosiery		Spinning		Denim		Apparel		Others segments		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, 2024	June 30, 2023	March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023						
	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	62,077,238	59,567,351	9,837,400	8,161,674	13,690,956	11,884,774	37,346,766	29,557,715	10,387,399	9,583,087	9,168,549	6,890,119	142,588,308	125,244,720
Total liabilities for reportable segment	34,454,830	32,026,395	977,893	754,830	2,069,951	1,486,894	3,809,176	1,700,797	1,078,590	1,490,469	48,742,186	43,978,929	91,132,627	81,438,314
Segment Capital Expenditures	4,146,263	4,392,466	29,319	30,854	184,485	170,109	5,299,128	19,551,142	1,619,301	3,381,658	-	-	11,280,497	27,526,229

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

	Nine months ended	
	March 31, 2024	March 31, 2023
Foreign countries	79,859,882	79,859,882
Pakistan	5,106,414	4,267,889
	112,866,129	84,127,771

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed under the IFRSs.

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

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

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

The following table presents the Company's significant financial assets and liabilities measured and recognized at fair value at March 31, 2024 and June 30, 2023 on a recurring basis:

	Unaudited			
	March 31, 2024			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Total financial liabilities	–	–	–	–
Financial assets				
Trading derivatives	–	110,724	–	110,724
Total financial assets	–	110,724	–	110,724

	Audited			
	June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Total financial liabilities	–	–	–	–
Financial assets				
Trading derivatives	–	21,672	–	21,672
Total financial assets	–	21,672	–	21,672

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

17. FINANCIAL RISK MANAGEMENT

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

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

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

There have been no changes in the risk management policies since June 30, 2023 except for those specifically mentioned. Consequently, these unconsolidated condensed interim financial statements do not include all the financial risk management information and disclosures required for the annual financial statements.

18. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 30, 2024 by the Board of Directors of the Company.

19. GENERAL

19.1 Corresponding figures

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

19.2 Rounding

Figures have been rounded off to the nearest thousand.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For The Quarter And Nine Months Ended March 31, 2024

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	Note	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	68,507,103	58,650,853
Intangible asset		394,470	394,618
Long term investments		192,194	–
Long term loans - staff		190,263	147,858
Long term deposits		88,191	81,701
		69,372,221	59,275,030
CURRENT ASSETS			
Stores and spares		3,178,652	2,490,975
Stock in trade		28,223,154	19,728,810
Trade debts	7	34,039,628	34,138,665
Loans and advances		1,691,893	2,112,755
Deposit, prepayments and other receivables		754,083	671,874
Derivative financial instruments		110,724	21,672
Accrued income		1,658	1,623
Refunds due from Government and statutory authorities		6,705,266	4,758,814
Short term investments		500,000	500,000
Cash and bank balances		1,878,256	1,544,502
		77,083,314	65,969,690
TOTAL ASSETS		146,455,535	125,244,720

	Note	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	8	50,000,000	15,000,000
Issued, subscribed and paid up capital	9	14,017,095	14,014,469
Reserves		3,065,102	3,150,573
Unappropriated profit		35,027,749	26,641,364
Equity attributable to owners of parent company		52,109,946	43,806,406
Non - controlling interest		1,384,891	–
		53,494,837	43,806,406
NON CURRENT LIABILITIES			
Long term financing	10	15,976,731	15,348,901
Lease liabilities		202,905	57,011
Deferred liabilities		9,255,480	7,999,204
		25,435,116	23,405,116
CURRENT LIABILITIES			
Trade and other payables		15,002,538	12,003,908
Unclaimed dividend		5,034	4,074
Accrued mark up		1,864,496	1,830,013
Short term borrowings		47,945,093	42,148,912
Current portion of non current liabilities		2,708,421	2,046,291
		67,525,582	58,033,198
CONTINGENCIES AND COMMITMENTS	11	–	–
TOTAL EQUITY AND LIABILITIES		146,455,535	125,244,720

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



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For The Quarter And Nine Months Ended March 31, 2024

	Note	Quarter ended		Nine months ended	
		Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)
Sales - net		40,133,720	31,205,627	114,118,057	84,127,771
Cost of sales	12	(28,511,334)	(16,685,651)	(79,865,013)	(55,935,323)
Gross profit		11,622,386	14,519,976	34,253,044	28,192,448
Distribution cost		(1,400,004)	(907,901)	(3,963,581)	(2,827,970)
Administrative expenses		(2,474,391)	(1,573,978)	(6,868,340)	(4,598,645)
Other operating expenses		(538,970)	(915,575)	(1,724,529)	(1,770,551)
Other income		82,280	93,180	414,601	108,183
		(4,331,085)	(3,304,274)	(12,141,849)	(9,088,983)
Surplus on acquisition of subsidiaries		-	-	857,304	-
Profit from operations		7,291,301	11,215,702	22,968,499	19,103,465
Finance cost		(2,603,052)	(1,339,369)	(7,404,049)	(3,970,480)
Profit before taxation		4,688,249	9,876,333	15,564,450	15,132,985
Taxation		(558,354)	(292,863)	(1,577,938)	(964,279)
Profit for the period		4,129,895	9,583,470	13,986,512	14,168,706
Attributable to:					
Owners of parent company		4,127,061	9,583,470	13,993,348	14,168,706
Non - controlling interest		2,834	-	(6,836)	-
		4,129,895	9,583,470	13,986,512	14,168,706
Earnings per share - basic and diluted (Rupees) - Restated		2.95	6.84	9.98	10.11

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



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For The Quarter And Nine Months Ended March 31, 2024

	Quarter ended		Nine months ended	
	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023
Profit for the period	4,129,895	9,583,470	13,986,512	14,168,706
Other comprehensive loss:				
Items that may be reclassified subsequently to profit or loss:				
Exchange difference on translation of foreign operations	(119,321)	–	(162,111)	–
Total comprehensive income for the period	4,010,574	9,583,470	13,824,401	14,168,706
Attributable to:				
Owners of parent company	4,050,696	9,583,470	13,889,596	14,168,706
Non - controlling interest	(40,121)	–	(65,195)	–
	4,010,575	9,583,470	13,824,401	14,168,706

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



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For The Nine Months Ended March 31, 2024

	Attributable to owners of the Parent							Total
	Capital Reserves			Revenue Reserves				
	Share Capital	Share Premium	Employee Share Option Compensation Reserve	Unappropriated Profit	Translation Reserve	Sub Total	Non controlling Interest	
	(Rupees in '000)							
Balance as at July 01, 2022 – audited	8,983,635	3,528,149	-	17,428,486	-	29,940,270	-	29,940,270
Profit for the period	-	-	-	14,168,706	-	14,168,706	-	14,168,706
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	14,168,706	-	14,168,706	-	14,168,706
Transaction cost on issuance of shares	-	(1,464)	-	-	-	(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)	-	(1,796,727)
Balance as at March 31, 2023 (un-audited)	9,342,980	3,167,340	-	29,800,465	-	42,310,785	-	42,310,785
Balance as at July 01, 2023 – audited	14,014,469	3,143,605	6,968	26,641,364	-	43,806,406	-	43,806,406
Non – controlling interest on acquisition of subsidiaries	-	-	-	-	-	-	1,454,098	1,454,098
Profit for the period	-	-	-	13,993,348	-	13,993,348	(6,836)	13,986,512
Other comprehensive loss	-	-	-	-	(103,752)	(103,752)	(58,359)	(162,111)
Total comprehensive income for the period	-	-	-	13,993,348	(103,752)	13,889,596	(65,195)	13,824,401
Transaction cost on issuance of shares	-	(34)	-	-	-	(34)	-	(34)
Employee share option scheme (ESOS)	-	-	4,187	-	-	4,187	-	4,187
Transactions with owners:								
Shares issued under employee share option scheme	2,626	14,128	-	-	-	16,754	-	16,754
Dividend to ordinary shareholders	-	-	-	(5,606,963)	-	(5,606,963)	(4,013)	(5,610,976)
Balance as at March 31, 2024 (un-audited)	14,017,095	3,157,699	11,155	35,027,749	(103,752)	52,109,946	1,384,891	53,494,837

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

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For The Nine Months Ended March 31, 2024

	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,564,450	15,132,985
Adjustments for:		
Depreciation on operating fixed assets	3,298,899	2,321,329
Depreciation on right of use assets	69,508	75,558
Amortization of intangible assets	54,733	40,102
Workers' profit participation fund	781,251	812,728
Workers' welfare fund	300,245	308,836
Staff retirement gratuity	1,865,330	1,313,327
Employee share option compensation expense	4,187	-
Loss on disposal of property, plant and equipment	29,363	15,626
Gain on disposal of right of use assets	(3,126)	-
Provision for obsolete inventory	12,193	-
Exchange gain net	(76,085)	-
Unrealized gain on derivative financial instruments	(110,724)	-
Realized (gain)/loss on derivative financial instruments	(198,868)	274,060
Profit on investment in TFCs	(88,965)	(66,559)
Surplus on acquisition of subsidiaries	(857,304)	-
Interest on loan to Metis International (Pvt) Ltd	-	(2,811)
Finance cost	7,404,049	3,970,480
Operating cash flows before working capital changes	28,049,136	24,195,661
Changes in working capital (Increase)/decrease in current assets		
Stores and spares	(687,677)	(473,652)
Stock in trade	(7,959,159)	386,757
Trade debts	2,058,299	325,309
Loans and advances	442,472	721,128
Deposit, prepayments and other receivables	418,161	(150,036)
Tax refunds due from government	(1,713,803)	(270,082)
Increase in current liabilities		
Trade and other payables	963,961	1,020,626
	(6,477,746)	1,560,050
Cash generated from operations	21,571,390	25,755,711
Finance cost paid	(7,305,341)	(3,069,429)
Income tax paid	(1,826,139)	(1,091,875)
Staff retirement gratuity paid	(623,316)	(268,806)
Workers' profit participation fund paid	(1,154,742)	(748,362)
Long term loans (paid)/received	(64,015)	3,846
Long term deposits paid	(6,490)	(2,019)
Net cash generated from operating activities	10,591,347	20,579,067

	Un audited March 31, 2024 (Rupees in '000)	Un audited March 31, 2023 (Rupees in '000)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(11,249,455)	(21,400,387)
Intangible asset	(54,393)	(201,034)
Proceeds from disposal of property, plant and equipment	120,842	54,410
Long term investments	(1,769,206)	-
Profit received from investments	126,174	65,815
Net cash used in investing activities	(12,826,038)	(21,481,196)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained - net	1,278,276	8,823,054
Payment of lease rentals	(65,685)	(92,430)
Short term borrowings - net	4,692,698	(4,739,770)
Settlement of derivative financial instruments	198,868	(274,060)
Share capital issued	2,626	-
Share premium	14,128	-
Transaction cost on issuance of shares	(34)	(1,464)
Dividend paid	(5,606,003)	(1,796,593)
Net cash generated from financing activities	514,874	1,918,736
Net (decrease)/increase in cash and cash equivalents	(1,719,817)	1,016,607
Cash and cash equivalents at the beginning of the period	1,544,502	117,119
Cash and cash equivalents on acquisition of subsidiary	2,053,571	-
Cash and cash equivalents at the end of the period	1,878,256	1,133,726

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For The Quarter And Nine Months Ended March 31, 2024

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

Interloop Limited - The Holding Company

Interloop Limited (the Holding Company) was incorporated in Pakistan on April 25, 1992 and publicly listed on Pakistan Stock Exchange on April 5, 2019. The registered office of the Holding 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 Holding 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 Holding 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 Holding Company's diverse & engaged workforce and operational excellence has established it as a Partner of Choice for its customers.

Top Circle Hosiery Mills Co., Inc. - The Subsidiary Company (Holding- 64% (2023: Nil))

Top Circle Hosiery Mills Co., Inc. was incorporated in 1992. The registered office of the company is situated at 329 Franklin St. Weissport, PA, USA and manufacturing facility is located in 800 Quyang Road, Shanghai, China. The principle business activity is manufacturing and trading of highest quality hosiery products. The company has 100% equity stake directly and indirectly in following companies;

- Shanghai Haolu Trading Co., Ltd
- Pinghu Top Circle Knitting Co., Ltd
- Zhejiang Top Circle Textiles Co., Ltd
- Shanghai Chenzhou Industry Co., Ltd
- Haolu Trading USA Co., Inc.

During the period Interloop Limited acquired investment in the share capital of Top Circle Hosiery Mills Co., Inc. as on November 29, 2023. Therefore, the financial effects, for the period from November 29, 2023 to March 31, 2024, relating to Top Circle Hosiery Mills Co., Inc. and its subsidiaries have been incorporated in these consolidated condensed interim financial statements.

2. BASIS OF PREPARATION

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

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

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

These consolidated 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, 2023.

3. BASIS OF CONSOLIDATION

Subsidiaries

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

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

Intragroup balances and transactions have been eliminated.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated 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 consolidated 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, 2023.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Holding Company for the year ended June 30, 2023.

		Un audited March 31, 2024	Audited June 30, 2023
	Note	(Rupees in '000)	(Rupees in '000)
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	59,093,449	33,588,068
Capital work-in-progress	6.2	9,142,345	24,959,464
Right of use assets		271,309	103,321
		68,507,103	58,650,853

	Note	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
6.1 Operating fixed assets			
Opening written down value		33,588,068	29,632,448
Add: Transfer on acquisition of subsidiaries		1,947,647	–
Add: Additions during the period/year	6.1.1	27,065,009	7,301,071
Less: Disposals during the period/year		(150,205)	(131,707)
Less: Depreciation charged during the period/year		(3,298,899)	3,213,744
Exchange rate translation impact on opening balances		(58,171)	–
Closing written down value		59,093,449	33,588,068
6.1.1 Additions during the period/year			
Freehold land		–	86,915
Buildings on freehold land		10,045,198	1,952,364
Plant and machinery		13,838,854	3,164,586
Tools and equipments		409,127	455,287
Office equipments		150,116	208,830
Electric installations		1,774,164	615,064
Furniture and fixtures		201,985	200,348
Vehicles		645,565	617,677
		27,065,009	7,301,071
6.2 Capital work-in-progress			
Civil works		1,514,102	7,790,908
Plant and machinery		4,191,615	11,365,158
Capital stores	6.2.1	2,287,210	1,330,125
Advances to suppliers		1,149,418	4,473,273
		9,142,345	24,959,464
6.2.1 Capital stores include factory tools and equipments, office equipments, electric installations and furniture and fixtures that are held in store for future use and capitalization.			
	Note	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
7. TRADE DEBTS			
Foreign			
- Secured		13,116,648	14,503,120
- Unsecured	7.1	19,676,634	18,332,668
Local			
- Unsecured	7.1	1,246,346	1,302,877
		34,039,628	34,138,665

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

8. AUTHORIZED SHARE CAPITAL

Un audited March 31, 2024 [Number of shares in '000]	Audited June 30, 2023		Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
5,000,000	1,500,000	Ordinary shares of Rs. 10 each	50,000,000	15,000,000
5,000,000	1,500,000		50,000,000	15,000,000

9. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un audited March 31, 2024 [Number of shares in '000]	Audited June 30, 2023		Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
132,429	132,166	Ordinary shares of Rs. 10 each fully paid in cash	1,324,289	1,321,663
1,269,281	1,269,281	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	12,692,806	12,692,806
1,401,710	1,401,447		14,017,095	14,014,469

- 9.1** During the period, the Board of Directors of the Holding Company on January 22, 2024 approved the 1st allotment of 262,604 equity shares at Rs. 63.80/- each in the share capital of the Company under Employees Stock Option Scheme (ESOS). These shares were declared to be allotted to those eligible employees who had chosen to exercise the options through the ESOS Scheme and had been credited in respective accounts of eligible employees.

	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
10. LONG TERM FINANCING		
From financial institutions - secured		
Opening balance	17,288,082	16,226,102
Add: Obtained during the period/year	2,650,000	10,895,588
Less: Paid during the period/year	(1,371,724)	(9,874,899)
Less: Effect of recognition/adjustment of Government grant - net	23,834	41,291
	18,590,192	17,288,082
Less: Current portion of long term financing	(2,613,461)	(1,939,181)
	15,976,731	15,348,901

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

- 11.1.1** 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 Holding 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 Holding Company being aggrieved, filed an appeal before Commissioner (Appeals) Punjab Revenue Authority (PRA) which is pending adjudication at the terminal date.

The Holding 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 Holding Company, inter alia on the basis of the advice of the tax consultant and relevant law and facts.

11.1.2 Bank guarantees issued by various banks on behalf of the Group in favour of:

	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
Sui Northern Gas Pipelines limited against supply of gas.	1,570,827	806,221
The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	892,353	792,353
Faisalabad Electric Supply Company (FESCO) against supply of electricity	152,195	143,245
Punjab Revenue Authority	11,533	11,533
State Bank of Pakistan	–	110,112
Total Parco Pakistan Limited	6,000	6,000
	2,632,908	1,869,464
11.1.3 Post dated cheques issued in favour of custom authorities for release of imported goods	9,949,585	7,008,593
11.2 Commitments		
Under letters of credit for:		
Capital expenditure	2,668,160	2,053,832
Raw material	3,641,970	3,793,848
Stores and spares	168,189	349,329
	6,478,319	6,197,009

	Quarter ended		Nine months ended	
	Un audited March 31, 2024	Un audited March 31, 2023	Un audited March 31, 2024	Un audited March 31, 2023
	(Rupees in '000)		(Rupees in '000)	
12. COST OF SALES				
Raw material consumed	17,545,661	10,758,423	49,092,121	33,653,160
Stores and spares consumed	831,919	544,619	2,267,194	1,674,548
Knitting, processing and packing charges	707,126	137,681	2,221,686	1,147,690
Salaries, wages and benefits	6,096,140	4,213,420	16,865,489	12,408,127
Staff retirement gratuity	546,496	377,872	1,597,295	1,133,615
Fuel and power	2,048,215	1,395,136	6,354,354	4,308,295
Repairs and maintenance	252,820	217,777	616,360	531,569
Insurance	49,222	28,132	117,836	80,020
Depreciation on operating fixed assets	1,270,394	710,031	2,786,744	2,016,642
Amortization of intangible assets	133	166	399	499
Depreciation on right of use assets	33,173	19,399	64,852	51,236
Rent, rate and taxes	722	31,078	42,575	79,744
Other manufacturing costs	77,521	53,387	262,823	186,073
	29,459,542	18,487,121	82,289,728	57,271,218
Opening work in process	2,886,673	1,869,870	3,124,698	2,592,821
Closing work in process	(4,235,819)	(2,395,834)	(4,235,819)	(2,395,834)
	(1,349,146)	(525,964)	(1,111,121)	196,987
Cost of goods manufactured	28,110,396	17,961,157	81,178,607	57,468,205
Opening finished goods	7,707,968	5,865,064	5,993,436	5,607,688
Closing finished goods	(7,307,030)	(7,140,570)	(7,307,030)	(7,140,570)
	400,938	(1,275,506)	(1,313,594)	(1,532,882)
	28,511,334	16,685,651	79,865,013	55,935,323

13. TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of transaction	Quarter ended		Nine months ended	
		Un audited March 31, 2024	Un audited March 31, 2023	Un audited March 31, 2024	Un audited March 31, 2023
		(Rupees in '000)		(Rupees in '000)	
Interloop Holdings (Pvt) Limited – Associate	Services received	65,222	63,907	192,806	164,005
	Purchase of asset	–	–	334	–
	Gratuity transferred	–	–	2,601	–
Interloop Welfare Trust – Trustee	Donation paid	161,200	53,096	445,200	322,516
Texlan Center (Pvt) Limited – Associate	Sale of yarn	614,794	348,713	2,141,295	1,818,654
	Sale of packing material	19,500	10,686	95,808	66,673
Interloop Europe – Associate	Sale of socks	86,039	140,890	874,681	692,846
Layallpur Literary Council – Trustee	Donation paid	2,000	1,500	8,000	3,500
Momentum Logistics (Private) Limited – Associate	Services received	290,568	100,132	718,341	377,851
PrintKraft (Private) Limited – Associate	Purchase of packing material	208,547	111,510	522,970	300,906
Octans Digital (Private) Limited – Associate	Services received	24,709	2,522	37,622	14,382
	Purchase of asset	–	–	46	–
Interloop Employees Provident Fund – Trustee	Contribution to the fund	25,119	20,107	74,382	60,990
Socks & Socks (Private) Limited – Associate	Purchase of goods and services - net	42,674	–	74,935	–
	Purchase of asset	641,310	–	641,310	–
	Sale of goods – net	–	10,573	–	102,927
ILNA Inc USA – Associate	Services received	303,012	–	993,467	–
Key management personnel & other related parties	Sale of asset	8,046	964	17,550	3,332
	Rent expenses	428	389	1,284	1,167
	Repayment of housing finance loan	1,154	1,154	3,462	3,462
	Markup on housing finance loan	103	44	363	151
	Dividend paid	2,367,967	–	4,739,070	1,556,185
	Remuneration and other benefits	985,150	631,910	3,310,417	1,920,706
	Directorship fee	5,225	3,680	13,750	10,350

	Un audited March 31, 2024 (Rupees in '000)	Audited June 30, 2023 (Rupees in '000)
14. SHARIAH SCREENING DISCLOSURE		
Loans/advances as per Islamic mode		
Loans	25,839,532	23,221,346
Shariah compliant bank deposits/ bank balances		
Bank balances	8,391	241,711
Revenue earned from a shariah compliant business		
	114,118,057	119,200,293
Mark up on Islamic mode of financing		
	(2,184,987)	(2,357,214)
Profits or interest on any conventional loan or advance		
Profit on term finance certificates (TFCs)	88,965	95,030
Interest on workers' profit participation fund	(23,254)	(26,689)
Interest on lease liabilities	(21,742)	(16,158)
Interest on other conventional loans	(4,806,452)	(2,736,568)

Relationship with shariah compliant banks

Name of institutions

MCB Islamic Bank
Allied Bank Limited (Islamic Banking)
Meezan Bank Limited
Bank Alfalah Limited (Islamic)
Bank of Punjab (Taqwa Islamic Banking)
Habib Bank Limited (Islamic Banking)
Faysal Bank Limited
United Bank Limited - Ameen

Relationship with institutions

Bank balance, long term financing and short term borrowing
Bank balance and long term financing
Bank balance, long term financing and short term borrowing
Bank balance and short term borrowing
Bank balance and short term borrowing
Bank balance, long term financing and short term borrowing
Long term financing and short term borrowing
Bank balance and short term borrowing

15. OPERATING SEGMENTS

Management has determined the operating segments based on the information that is presented to the Board of Directors of the Holding 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 Group 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 mentioned in International Financial Reporting Standards 'Operating Segments' (IFRS 8). These mainly includes energy, yarn dyeing, active wear and other subsidiaries.

15.2 Reconciliation of reportable segment assets and liabilities

	Hosiery		Spinning		Denim		Apparel		Others		Unallocated		Total Group	
	Un-audited	Audited												
	March 31, 2024	June 30, 2023												
	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	62,077,238	59,567,351	9,837,400	8,161,674	13,690,956	11,894,774	37,346,766	29,557,715	14,334,625	9,583,087	9,168,549	6,890,119	146,455,335	125,244,720
Total liabilities for reportable segment	34,454,830	32,026,395	977,893	754,830	2,069,951	1,486,894	3,809,176	1,700,797	2,906,661	1,490,469	48,742,186	43,978,929	92,960,698	81,438,314
Segment Capital Expenditures	4,146,263	4,392,466	29,319	30,854	184,485	170,109	5,299,128	19,551,142	1,642,652	3,381,658	-	-	11,303,848	27,526,229

15.3 The Group disaggregated revenue based on geographical location of its customers:

	Nine months ended	
	March 31, 2024	March 31, 2023
	Rupees in '000	
Foreign countries	109,011,643	79,859,882
Pakistan	5,106,414	4,267,889
	114,118,057	84,127,771

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To provide an indication about the reliability of the inputs used in determining fair value, the Group 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 Group 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 Group's significant financial assets and liabilities measured and recognized at fair value at March 31, 2024 and June 30, 2023 on a recurring basis:

	Unaudited			
	March 31, 2024			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Total financial liabilities	–	–	–	–
Financial assets				
Trading derivatives	–	110,724	–	110,724
Total financial assets	–	110,724	–	110,724

	Audited			
	June 30, 2023			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Total financial liabilities	–	–	–	–
Financial assets				
Trading derivatives	–	21,672	–	21,672
Total financial assets	–	21,672	–	21,672

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

17. FINANCIAL RISK MANAGEMENT

The Group'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 Group 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 Group 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 Group through the adoption of appropriate policies to cover currency risks and interest rate risks.

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

There have been no changes in the risk management policies since June 30, 2023 except for those specifically mentioned. Consequently, these condensed interim financial statements do not include all the financial risk management information and disclosures required for the annual financial statements.

18. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 30, 2024 by the Board of Directors of the Holding Company.

19. GENERAL

19.1 Corresponding figures

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

19.2 Rounding

Figures have been rounded off to the nearest thousand.



Chief Executive Officer



Director



Chief Financial Officer

CORPORATE OFFICE

1-KM, Khurrianwala-Jaranwala Road
Khurrianwala, Faisalabad, Pakistan
Tel: +92 41 4360400
Fax: +92 41 2428704

REGISTERED OFFICE

Al-Sadiq Plaza, P-157, Railway Road,
Faisalabad, Pakistan
Tel: +92 41 2619724
Fax: +92 41 2639400
Email: info@interloop.com.pk