

INTERLOOP

QUARTERLY REPORT
FOR THE 1ST QUARTER
ENDED SEPTEMBER 30, **2024**

**FULL FAMILY CLOTHING
PARTNER OF CHOICE**



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

Chairperson / 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

JAMSHAD 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 SADIQ

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

For The Quarter Ended September 30, 2024

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 three months ended on September 30, 2024.

ECONOMIC AND INDUSTRIAL REVIEW

Pakistan's economy is showing signs of progressive stabilization, with GDP growth recorded at 2.4% in fiscal year 2024 (FY 2024) and projected to accelerate to 3.6% in fiscal year 2025 (FY 2025). A decrease in inflationary pressures and the resumption of a monetary easing cycle are expected to further boost industrial growth. The Consumer Price Index (CPI) was recorded at 9.2% in the first quarter of FY 2025 (1QFY25), a sharp decline from the 29.0% surge experienced in the first quarter of FY 2024 (1QFY24). This environment prompted the State Bank of Pakistan to maintain an expansionary monetary policy, implementing a cumulative interest rate cut of 450 basis points since June 2024, bringing the rate down to 17.5%.

Additionally, the balance of trade has improved, with a 4.2% year-on-year (YoY) reduction in the overall trade deficit, which reached USD 5.4 billion in 1QFY25. Exports grew by 14.1% YoY, totaling USD 7.9 billion, while imports also rose by 9.9% to USD 13.3 billion. Remittances from overseas workers recorded USD 8.8 billion in 1QFY25, an increase of 39% YoY from the USD 6.3 billion recorded in the same period last year.

In a significant development, the country has entered into a 37-month Extended Arrangement under the IMF Extended Fund Facility (EFF), totaling USD 7.0 billion, with an immediate disbursement of USD 1.0 billion. This support, along with commitments from other bilateral partners, has bolstered foreign exchange stability, resulting in an increase of USD 1.3 billion in forex reserves, now totaling USD 10.7 billion.

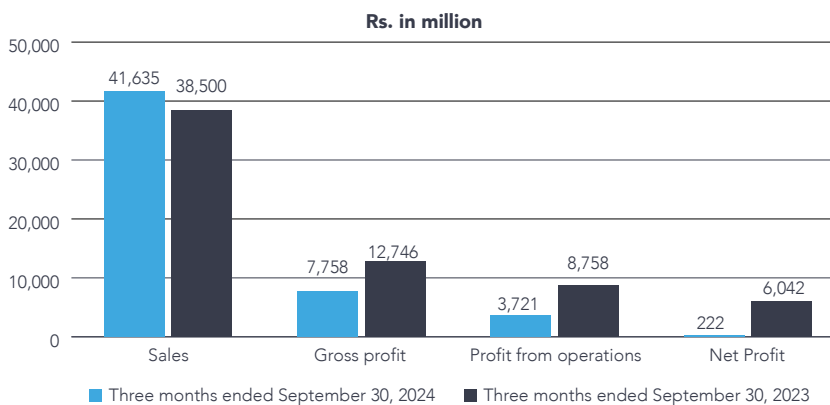
Textile and apparel exports recovered in the 1QFY25, rising 9.5% YoY to USD 4.5 billion, up from USD 4.1 billion during the same period last year. Growth was noted across all value-added segments, with knitwear leading the way at a 14.1% increase, reaching USD 1.3 billion. However, challenges loom as cotton crop output has seen a drastic decline of 50% YoY until September 2024, which is expected to hinder productivity and growth within the sector. This situation may force the industry to rely more on imports, compounded by weak global demand and falling international prices.

UNCONSOLIDATED FINANCIAL AND OPERATIONAL PERFORMANCE

In Q1FY2025, the Company delivered a solid 8.14% growth in revenue, reaching Rs. 41,635 million compared to Rs. 38,500 million in Q1FY2024. However, the quarter presented significant cost challenges and a steep increase in the cost of sales outpaced revenue growth, compressing the profitability margins. The gross profit declined by 39.1% to Rs. 7,758 million compared to Rs. 12,746 million in the corresponding period of the prior year, driven by supply chain disruptions and higher input costs. Additionally, the gestation period in the apparel master project has resulted in losses. The bottom line is significantly impacted; profit after taxation decreased by 96.30%, totaling Rs. 222 million, down from Rs. 6,042 million.

Amidst the challenges, the Management is proactively deploying cost control measures, ensuring operational efficiencies, and revisiting pricing strategies to restore profitability. The summarized un-audited financial results for the three months ended September 30, 2024, as against September 30, 2023, are as follows:

	Three months ended September 30		
	2024	2023	Variance
	Rs. in million		%
Sales – Net	41,635	38,500	8.1%
Gross Profit	7,758	12,746	-39.1%
Profit from Operations	3,721	8,758	-57.5%
Net Profit	222	6,042	-96.3%
Gross Profit Ratio	18.6%	33.1%	-43.7%
Net Profit Ratio	0.5%	15.7%	-96.6%
Earnings per Share - Basic and Diluted (Rupees)	0.16	4.31	-96.3%



CONSOLIDATED FINANCIAL REVIEW

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

In Q1 FY25, the group posted net sales of Rs. 42,746 million, reflecting an 11% year-on-year growth compared to Rs. 38,500 million in Q1 FY24. However, the cost of sales surged by 34%, leading to a 36% decline in gross profit to Rs. 8,140 million from Rs. 12,746 million in the corresponding period of the previous year. Consequently, the gross margin narrowed to 19%, down from 33.1%. Net profit after tax stood at Rs. 334 million, a 94.5% drop from Rs. 6,042 million in Q1 FY24. Earnings per share (EPS) declined significantly to Rs. 0.24 from Rs. 4.31 in the prior period, a 94.5% reduction, primarily due to lower operating margins and increased costs, reflecting the overall challenging market and economic conditions faced during the quarter.

The summarized consolidated financial results for the three months ended September 30, 2024, as against September 30, 2023, are as follows:

	Three months ended September 30		
	2024	2023	Variance
	Rs. in million		%
Sales- Net	42,746	38,500	11.0%
Gross Profit	8,140	12,746	-36.1%
Profit from Operations	3,844	8,758	-56.1%
Net Profit	334	6,042	-94.5%
Gross Profit Ratio	19.0%	33.1%	-42.5%
Net Profit Ratio	0.8%	15.7%	-95.0%
Earnings per Share - Basic and Diluted (Rupees)	0.24	4.31	-94.5%

BUSINESS OUTLOOK AND CHALLENGES

The local economy is in the recovery phase, and the declining inflationary and interest rates would further augment the growth momentum. However unstable global macro outlook and rising geopolitical uncertainty could dampen the outlook. The Management closely tracks the latest developments and takes proactive measures to keep the Company's operations uninterrupted. Interloop remains committed to its customers and major stakeholders and will continue to offer best in class and sustainable products. Particularly the major challenge is the Apparel Master Project ramp and the Management is taking cautious measures to improve its profitability.

The textile sector in Pakistan faces a complex landscape in FY2025. While the recent monetary policy statement indicated a positive outlook and increased investment, several challenges loom. The introduction of higher income taxes for exports and the phase-out of gas-fired captive power plants, coupled with rising utility tariffs and a potential reliance on imported cotton inputs due to lower domestic production, could negatively impact the sector's competitiveness. Furthermore, the IMF's insistence on phasing out preferential treatment and tax exemptions for agriculture and textiles adds to the pressure. The government's commitment to reducing the circular debt, while necessary, will likely lead to further increases in utility tariffs, exacerbating the sector's cost pressures. Despite the challenges, the textile sector is well positioned to absorb displaced orders from Bangladesh provided the swift policy adaptation is ensured to seize the opportunity. Overall, the textile sector's growth trajectory in FY2025 hinges on the government's ability to address these challenges and implement policies that support its sustainability and competitiveness.

The Company has demonstrated its commitment to Corporate Social Responsibility (CSR) initiatives focusing on education, health, sports, and community rehabilitation. In education, the Company established the Need-Based Scholarship Program in partnership with Faisalabad Medical University and opened three new TCF Secondary Schools in Faisalabad and Kasur, with plans for additional primary schools and over 100 scholarships at GCWUF. In healthcare, the Company pledged Rs. 100 million for FY2025 to provide free medical treatment to underprivileged communities. Community rehabilitation efforts include the launching of Batch 6 of Women on Wheels (WOW) initiative, the expansion of the School Khana Program for nutritious meals, establishing an Autism Unit with the District Government. These initiatives underscore the Company's dedication to social responsibility, inclusivity and community empowerment.

Interloop is deeply committed to sustainability, integrating it into all aspects of its business. This commitment is reflected in a range of initiatives that address environmental stewardship, social responsibility, and ethical governance. Interloop is the only Company in the global textile industry to earn a Gold Certificate for water stewardship. Additionally, commitment to the circular economy is reflected in the use of Loomshake technology, and banana plant waste yarn highlights its focus on sustainable and traceable materials. To minimize the environmental impact, Effluent Treatment Plants operate 24/7 to meet Zero Discharge of Hazardous Chemicals (ZDHC). Further, 12.6 MW of solar capacity and 103 TPH biomass boilers capacity will significantly cut CO2 emissions. Interloop's Apparel Plant has achieved LEED Platinum certification, the highest rating in Pakistan and globally for a facility of its scale. Powered by renewable energy, the plant supports Interloop's Science Based Targets to decarbonize operations by 2030. The launch of Loopkisan, an innovative agricultural management platform, optimizes local farming practices through advanced features like leveraging GPS technology, real-time data collection, and predictive analytics. These initiatives underscore the Company's dedication to transparency and ethical practices throughout its supply chain.

ACKNOWLEDGEMENT

The Board expresses gratitude to valued shareholders, customers, financial institutions, and regulators for their enduring trust and support. The Board also commends 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)



Jahan Zeb Khan Banth
(Director)

اظہار تشکر:

بورڈ، بھرپور اعتماد اور معاونت پر اپنے گرانقدر شیئر ہولڈرز، کسٹمرز، مالی اداروں اور ریگولیٹرز سے اظہار تشکر کرتا ہے۔ بورڈ کمپنی کی انتظامیہ اور ملازمین کی لگن اور انتھک محنت کو بھی سراہتا ہے۔ بورڈ کو یقین ہے کہ وابستگی کا یہ جذبہ آنے والے برسوں میں برقرار رہے گا۔

برائے اور از طرف بورڈ آف ڈائریکٹرز

Tahaan Zed

جہانزیب خان بانٹھ
(ڈائریکٹر)



نویون فاضل
(چیف ایگزیکٹو آفیسر)

مالی سال 2025 میں پاکستان کے ٹیکسٹائل سیکٹر کو ایک پیچیدہ منظر نامے کا سامنا ہے۔ اگرچہ، مالی پالیسی کے بارے میں حالیہ بیان نے ایک مثبت نقطہ نظر اور زیادہ سرمایہ کاری کا اشارہ دیا تاہم متعدد مشکلات منڈا لاری ہیں برآمدات کے لیے زیادہ آکم ٹیکسز متعارف کرانا اور گیس سے چلنے والے پاور پلانٹس کا خاتمہ اور اس کے ساتھ پوٹیلٹی کے بڑھتے ہوئے نرخ اور کم ملکی پیداوار کے باعث درآمدی کاٹن پر امکانی انحصار اس سیکٹر کی مسابقت پر منفی اثر ڈال سکتا ہے۔ مزید برآں، زرعی و ٹیکسٹائل کے شعبوں کے لیے ترجیحی سلوک اور ٹیکس سے استثناء ختم کرنے کے لیے آئی ایم ایف کا اصرار اس داؤ کو بڑھانے گا۔ گردشی قرضہ کم کرنے کے بارے میں حکومت کا عزم، جو اگرچہ ضروری ہے، امکانی طور پر پوٹیلٹی کے نرخوں میں مزید اضافے کی راہ ہموار کرے گا جس سے اس سیکٹر کی لاگت کا داؤ بڑھے گا۔ ان مشکلات کے باوجود ٹیکسٹائل سیکٹر بنگلہ دیش سے منتقل ہونے والے آرڈرز کو جذب کرنے کی بہتر پوزیشن میں ہے، بشرطیکہ اس موقع سے فائدہ اٹھانے کے لیے بہتر پالیسی اختیار کرنے کو یقینی بنایا جائے۔ مالی سال 2025 میں مجموعی طور پر ٹیکسٹائل سیکٹر کی افزائش کا راستہ، ان مشکلات کو دور کرنے کے لیے حکومت کی صلاحیت اور ایسی پالیسیوں کو نافذ کرنے پر منحصر ہے جو اس کی پائیداری اور مسابقت میں مدد کریں۔

کئی نئے تعلیم، صحت، کھیلوں اور کمیونٹی کی آباد کاری پر توجہ مرکوز کرتے ہوئے کارپوریٹ سماجی ذمہ داری کی کاوشوں سے اپنی وابستگی کا مظاہرہ کیا۔ کمپنی نے تعلیم کے شعبے میں فیصل آباد میڈیکل یونیورسٹی کی شراکت داری سے Need-Based سکا رلشپ پروگرام شروع کیا اور فیصل آباد اور قصور میں تین نئے TFC (The Citizen Foundation) سکول کھولے، جبکہ مزید پرائمری سکول کھولنے اور GCWUF میں ایک اسکول سے زیادہ سکا رل شپس کا منصوبہ ہے۔ کمپنی نے کم وسائل رکھنے والے لوگوں کو مفت علاج فراہم کرنے کے لیے مالی سال 2025 میں ایک سولیلن روپے کا وعدہ کیا ہے۔ کمیونٹی بحالی کی کاوشوں میں ویمن آن وہیلر (WOW) کاوش کے بیج کا اجراء، غذائیت سے بھرپور کھانوں کے لیے سکول کھانا پروگرام کی توسیع اور ڈسٹرکٹ گورنمنٹ کے ساتھ ایک آئزم یونٹ کا قیام شامل ہے۔ یہ کاوشیں سماجی ذمہ داری، شمولیت اور کمیونٹی کو اختیار بنانے کے بارے میں کمپنی کے عزم کو اجاگر کرتی ہیں۔

کئی پائیداری اور اسے اپنے کاروبار کے تمام شعبوں کے ساتھ جوڑنے کے لیے پختہ عزم رکھتی ہے۔ یہ عہد اس کی مختلف کاوشوں سے عیاں ہے، جو ماحولیاتی میزبانی، سماجی ذمہ داری اور اخلاقیات پر مبنی گورننس سے متعلق ہیں۔ کمپنی عالمی ٹیکسٹائل انڈسٹری میں واحد کمپنی ہے جسے پانی کی میزبانی پر گولڈ سرٹیفکیٹ دیا گیا۔ اس کے علاوہ، گردشی معیشت سے اس کا عزم بوم شیک ٹیکنالوجی کے استعمال سے ظاہر ہے، اور بنانا پلانٹ waste یارن، پائیدار اور ٹریس ایبل میٹیریلز پر اس کی توجہ کو اجاگر کرتا ہے۔ ماحولیاتی اثرات کم کرنے کے لیے Effluent ٹریٹمنٹ پلانٹس 24/7 کام کرتے ہیں، تاکہ نقصان دہ کیمیکلز (ZDHC) کے صفر اخراج کو پورا کیا جاسکے۔ اس کے علاوہ 12.6 MW کی شمسی استعداد اور 103TPH نیو ماس بوا ٹیلرز CO2 کے اخراج کو بڑی حد تک کم کریں گے۔ انٹروپ ایبرل پلانٹ "LEED پلاٹینم سرٹیفیکیشن حاصل کر چکا ہے، جو اپنی نوعیت کی سہولت کے لیے پاکستان اور عالمی سطح پر سب سے بلند درجہ ہے۔ یہ پلانٹ قابل تجدید توانائی سے چلتا ہے اور 2030 تک آپریشنز کو ڈی کاربنا کرنے کے لیے انٹروپ کے سائنس پر مبنی اہداف کی حمایت کرتا ہے۔" ایک جدید ایگریکلچرل میجمنٹ پلیٹ فارم Loopkisan کا اجراء GPS ٹیکنالوجی سے فائدہ اٹھانے، بروقت ڈیٹا اکٹھا کرنے اور predictive analytics جیسے جدید ٹیکنالوجیز کے ذریعے کھیتی باڑی کے مقامی طور طریقوں کو آگے بڑھاتا ہے۔ یہ کاوشیں، اس کی پوری سپلائی چین میں شفافیت اور اخلاقیات پر مبنی طور طریقوں سے کمپنی کی وابستگی کو اجاگر کرتی ہیں۔

مربوط مالی جائزہ

ذیل میں گروپ کی مربوط مالی کارکردگی کا خلاصہ دیا گیا ہے جو اس کی سبسڈی ریز کے مشترکہ آپریشنز کا ایک جامع منظر پیش کرتا ہے۔

گروپ نے مالی سال 2025 کی پہلی سہ ماہی میں 42,746 ملین روپے کی خالص سیلز پوسٹ کیں، جس سے مالی سال 2024 کی پہلی سہ ماہی میں 38,500 ملین روپے کے مقابلے میں سال کی بنیاد پر 11% نمو کی عکاسی ہوتی ہے۔ تاہم، سیلز کی لاگت 34% بڑھ گئی جس کی وجہ سے مجموعی منافع پچھلے سال کے 12,746 ملین روپے سے کم ہو کر 8,140 ملین روپے رہ گیا۔ نتیجتاً، مجموعی منافع 33.1% سے سکلر 19% پر آ گیا۔ بعد از ٹیکس خالص منافع 334 ملین روپے رہا، اس میں مالی سال 24 کی پہلی سہ ماہی میں 6,042 ملین روپے کے مقابلے میں 95% کمی ہوئی۔ فی شیئر آمدنی (EPS) میں خاطر خواہ کمی آئی اور یہ پچھلے سال کی 4.31 روپے سے کم ہو کر 0.24 روپے رہ گیا، یہ 94.5% کمی ہے، جس کی بنیادی وجہ کم آپریٹنگ مارجنز اور زیادہ لاگت ہے، یہ مارکیٹ اور معیشت کے اُن مشکل حالات کی عکاسی کرتی ہے جن کا اس سہ ماہی کے دوران سامنا رہا۔

30 ستمبر، 2023 کے مقابلے میں 30 ستمبر، 2024 کو ختم ہونے والے تین مہینوں کے مربوط مالی نتائج کا خلاصہ حسب ذیل ہے:

تین ماہ 30 ستمبر کو ختم ہوئے			
فرق	2023	2024	
فیصد	ملین روپے		
11.0%	38,500	42,746	سیلز۔ نیٹ
-36.1%	12,746	8,140	مجموعی منافع
-56.1%	8,758	3,844	آپریٹرز سے منافع
-94.5%	6,042	334	خالص منافع
-42.5%	33.1%	19.0%	مجموعی منافع کا تناسب
-95.0%	15.7%	0.8%	خالص منافع کا تناسب
-94.5%	4.31	0.24	آمدنی فی شیئر - بنیادی اور تحلیل شدہ (روپے)

مستقبل کا منظر نامہ

مقامی معیشت، بحالی کے مرحلے میں ہے اور کم ہوتی ہوئی مہنگائی اور سود کی شرح افزائش کی اس رفتار کو مزید تیز کریں گی۔ تاہم، غیر مستحکم عالمی میکرو نقطہ نظر اور بڑھتی ہوئی جغرافیائی و سیاسی غیر یقینی اس نقطہ نظر کو دھندلا سکتی ہے۔ انتظامیہ، تازہ ترین واقعات پر گہری نظر رکھے ہوئے ہے اور کمپنی کے آپریشنز کو خلل سے پاک رکھنے کے لیے تعاون پر مبنی اقدامات کر رہی ہے۔ انٹرویو لپ لمیٹڈ اپنے کسٹمرز اور بڑے سٹیک ہولڈرز کے ساتھ پرعزم ہے اور اعلیٰ درجے کی اور پائیدار پراڈکٹس پیش کرتی رہے گی۔ خاص طور سے ایک بڑا چینج ایجیل ماسٹر پراجیکٹ ریپ ہے اور انتظامیہ اس کے نقصانات کم سے کم کرنے کے لیے محتاط اقدامات کر رہی ہے۔

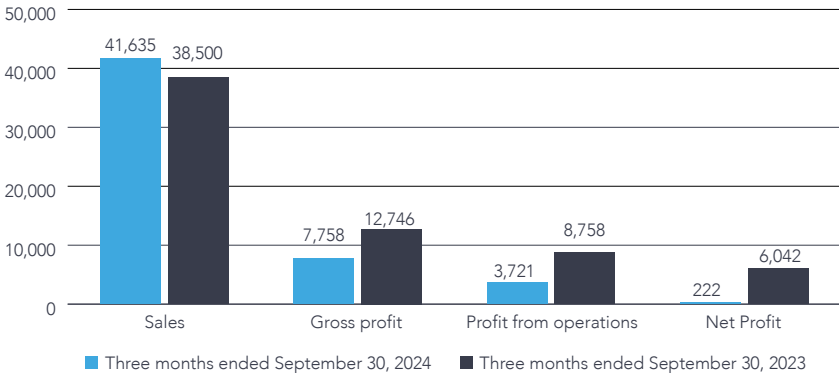
مالیاتی اور عملی نتائج:

کمپنی نے مالی سال 2025 کی پہلی سہ ماہی میں آمدنی میں %8.14 کی مضبوط افزائش ڈیور کی، جو مالی سال 2024 کی پہلی سہ ماہی میں 38,500 ملین روپے کے مقابلے میں 41,635 ملین روپے پر پہنچ گئی۔ تاہم، اس سہ ماہی میں لاگت کی خاطر خواہ مشکلات کا سامنا رہا اور فروخت کی لاگت میں مسلسل اضافے نے آمدنی کی افزائش کو متاثر کیا اور منافع کے مارجنز پر دباؤ ڈالا۔ سپلائی چین میں خلل اور زیادہ پیداواری لاگت کی وجہ سے مجموعی منافع، پچھلے سال کی اسی مدت میں 12,746 ملین روپے کے مقابلے میں %39.1 کم ہو کر 7,758 ملین روپے پر آ گیا۔ باٹم لائن بہت زیادہ متاثر ہوئی، بعد از ٹیکس منافع میں %94.5 فیصد کمی آئی اور یہ 6,042 ملین روپے سے کم ہو کر 222 ملین روپے رہ گیا۔

مشکلات کے پیش نظر، انتظامیہ فعال طور پر لاگت کنٹرول کے اقدامات نافذ کر رہی ہے، آپریشنل صلاحیتوں کو یقینی بنارہی ہے اور منافع بحال کرنے کے لیے قیمتوں کی حکمت عملی پر از سر نو غور کر رہی ہے۔ 30 ستمبر، 2023 کے مقابلے میں 30 ستمبر، 2024 کو ختم ہونے والے تین مہینوں کے مختصر غیر آڈٹ شدہ مالی نتائج حسب ذیل ہیں:

تین ماہ، 30 ستمبر کو ختم ہوئے			فرق فیصد
2023	2024	2023	
ملین روپے			
41,635	38,500	8.1%	سیلز- نیٹ
7,758	12,746	-39.1%	مجموعی منافع
3,721	8,758	-57.5%	آپریٹنگز سے منافع
222	6,042	-96.3%	خالص منافع
18.6%	33.1%	-43.7%	مجموعی منافع کا تناسب
0.5%	15.7%	-96.6%	خالص منافع کا تناسب
0.16	4.31	-96.3%	آمدنی فی شیئر - بنیادی اور تحلیل شدہ (روپے)

Rs. in million



ڈائریکٹران کا جائزہ:

"انٹروپ لمیٹڈ (انٹروپ یا کمپنی) کے بورڈ آف ڈائریکٹرز کو 30 ستمبر، 2024 کو ختم ہونے والے تین ماہ کے لیے کمپنی کے غیر آڈٹ شدہ مالی نتائج کے ساتھ ڈائریکٹرز کی جائزہ رپورٹ پیش کر رہے ہیں۔"

معاشی جائزہ

پاکستان کی معیشت میں مستحکم ترقی کے اثار نمایاں ہو رہے ہیں، مالی سال (FY 24) 2024 میں مجموعی قومی پیداوار (جی ڈی پی) میں 2.4% اضافہ ریکارڈ ہوئی جو مالی سال 2025 میں 3.6% فیصد تک بڑھنے کی امید ہے۔ امید ہے کہ افراط زر کے دباؤ میں کمی اور مائٹری پالیسی میں نرمی کے دوبارہ آغاز سے صنعتی افزائش میں مزید اضافہ ہوگا۔

مالی سال 2025 کی پہلی سہ ماہی (1QFY'25) میں صارفین کی قیمتوں کے اشاریہ (سی پی آئی) میں 9.2% اضافہ ہوا، جو (1QFY'24) میں نظر آنے والے 29.0% اضافے کے مقابلے میں خاصی بڑی کمی ہے۔ ان حالات نے اسٹیٹ بینک آف پاکستان کو ایک توسیعی مالی پالیسی اپنانے کی ترغیب دی اور اس نے جون، 2024 کے بعد شرح سود میں 450 بیس پوائنٹس کی مریوط کمی کی، جس سے یہ شرح کم ہو کر 17.5% پر آگئی۔

اس کے علاوہ، مجموعی تجارتی خسارہ میں سال کی بنیاد پر 4.2% کمی کے ساتھ تجارتی توازن بہتر ہو کر (1QFY'25) میں 5.4 بلین امریکی ڈالر پر پہنچ گیا۔ برآمدات میں سال کی بنیاد پر 14.1% اضافہ ہوا اور یہ مجموعی طور پر 7.9 بلین امریکی ڈالر پر آگئیں، جب کہ درآمدات میں بھی 9.9% اضافہ ہوا اور یہ 13.3 بلین ڈالر تک پہنچ گئیں۔ مالی سال 2025 کی پہلی سہ ماہی میں سمندر پار کارکنوں کی ترسیلات زر 8.8 بلین ڈالر ریکارڈ کی گئیں جو پچھلے سال اسی مدت کے دوران 6.3 بلین امریکی ڈالر کے مقابلے میں سال کی بنیاد پر 39% زیادہ ہیں۔

ایک اور اہم پیش رفت یہ ہوئی کہ پاکستان آئی ایم ایف کی توسیعی فنڈ سہولت (ای ایف ایف) کے تحت 37 ماہ کے توسیعی انتظام (Extended Arrangement) کا حصہ بن گیا، جس کی کل مالیت، فوری طور پر 1.0 بلین امریکی ڈالر کی ادائیگی کے ساتھ 7.0 بلین امریکی ڈالر ہے۔ اس مدد نے دیگر دو طرفہ شراکت داروں کے وعدوں کے ساتھ زرمبادلہ کے استحکام کو مضبوط بنایا، جس کے نتیجہ میں زرمبادلہ کے ذخائر میں 1.3 بلین امریکی ڈالر کا اضافہ ہوا، جو اب کل 10.7 بلین امریکی ڈالر ہو گئے ہیں۔

مالی سال 2025 کی پہلی سہ ماہی میں بیسٹائل اور ایپریل برآمدت میں بہتری آئی جو سال کی بنیاد پر 5.3% اضافہ کے ساتھ 4.5 بلین ڈالر ہو گئیں، جب کہ پچھلے سال اسی مدت میں ان کی مالیت 4.1 بلین ڈالر تھی۔ تمام قدر افزوہ شعبوں میں ترقی دیکھنے میں آئی، جس میں نٹ ویزن نے 14.1% اضافے کے ساتھ نمایاں مقام حاصل کیا، جس کی مالیت 1.3 بلین امریکی ڈالر تک پہنچ گئی۔ تاہم، اب بھی مشکلات موجود ہیں کیونکہ کپاس کی فصل کی پیداوار میں ستمبر 2024 تک سال کی بنیاد پر 50% کی پریشانی کن کی دیکھی گئی اور امکان ہے کہ اس سے سیکر کے اندر پیداوار اور نمونٹاثر ہوگی۔ یہ صورت حال، کمزور عالمی مانگ اور گرتی ہوئی بین الاقوامی قیمتوں کے ساتھ مل کر انڈسٹری کو درآمدات پر زیادہ انحصار پر مجبور کرے گی۔

UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS

For The Quarter Ended September 30, 2024

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2024

	Note	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	71,405,409	67,804,680
Intangible assets		469,798	454,557
Long term investments		1,727,763	1,727,763
Long term loans – staff		210,285	176,873
Long term deposits		89,451	89,451
Deferred taxation – net		283,079	350,141
		74,185,785	70,603,465
CURRENT ASSETS			
Stores and spares		3,194,404	3,184,425
Stock in trade		28,313,360	26,360,852
Trade debts	6	42,944,684	41,193,604
Loans and advances		2,737,773	1,924,171
Deposit, prepayments and other receivables		416,548	347,722
Derivative financial instruments		202,384	59,248
Accrued income		1,261	1,497
Refunds due from Government and statutory authorities		8,902,501	7,128,807
Short term investments		500,000	500,000
Cash and bank balances		398,401	370,386
		87,611,316	81,070,712
TOTAL ASSETS		161,797,101	151,674,177

	Note	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	7	50,000,000	50,000,000
Issued, subscribed and paid up capital	8	14,017,095	14,017,095
Reserves		3,158,734	3,158,734
Unappropriated profit		36,578,924	36,356,646
		53,754,753	53,532,475
NON CURRENT LIABILITIES			
Long term financing	9	15,483,365	16,194,813
Lease liabilities		185,009	190,965
Deferred liabilities		11,490,991	10,786,348
		27,159,365	27,172,126
CURRENT LIABILITIES			
Trade and other payables		15,329,949	15,536,209
Unclaimed dividend		2,918	3,077
Accrued mark up		1,904,989	2,689,232
Short term borrowings		60,749,189	49,903,571
Current portion of non current liabilities		2,895,938	2,837,487
		80,882,983	70,969,576
CONTINGENCIES AND COMMITMENTS	10	–	–
TOTAL EQUITY AND LIABILITIES		161,797,101	151,674,177

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For The Quarter Ended September 30, 2024

	Note	Quarter ended	
		Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
Net sales		41,634,819	38,500,103
Cost of sales	11	(33,876,492)	(25,753,822)
Gross profit		7,758,327	12,746,281
Distribution cost		(1,830,759)	(1,371,690)
Administrative expenses		(2,253,405)	(2,020,012)
Other operating expenses		(230,166)	(726,969)
Other income		276,978	130,850
		(4,037,352)	(3,987,821)
Profit from operations		3,720,975	8,758,460
Finance cost		(2,851,023)	(2,206,212)
Profit before income tax and levies		869,952	6,552,248
Levies		(569,970)	(498,232)
Profit before income tax		299,982	6,054,016
Income tax		(77,704)	(11,657)
Profit for the period		222,278	6,042,359
Earnings per share – basic and diluted (Rupees)		0.16	4.31

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For The Quarter Ended September 30, 2024

	Quarter ended	
	Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
Profit for the period	222,278	6,042,359
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	222,278	6,042,359

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For The Quarter Ended September 30, 2024

	Share Capital	Capital Reserves		Revenue Reserve	Total
		Share Premium	Employee Share Option Compensation Reserve	Unappropriated Profit	
(Rupees in '000)					
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	–	–	–	6,042,359	6,042,359
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the period	–	–	–	6,042,359	6,042,359
Employee share option scheme (ESOS)	–	–	2,812	–	2,812
Balance as at September 30, 2023 (un-audited)	14,014,469	3,143,605	9,780	32,683,723	49,851,577
Balance as at July 01, 2024 – audited	14,017,095	3,158,734	–	36,356,646	53,532,475
Profit for the period	–	–	–	222,278	222,278
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the period	–	–	–	222,278	222,278
Balance as at September 30, 2024 (un-audited)	14,017,095	3,158,734	–	36,578,924	53,754,753

The annexed notes 1 to 19 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 Quarter Ended September 30, 2024

	Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax and levies	869,952	6,552,248
Adjustments for:		
Depreciation on operating fixed assets	1,424,077	827,813
Depreciation on right of use assets	26,281	19,171
Amortization of intangible assets	16,473	18,103
Workers' profit participation fund	44,130	348,863
Workers' welfare fund	33,383	132,568
Staff retirement gratuity	891,287	614,264
Employee share option compensation expense	–	2,812
Loss on disposal of property, plant and equipment	41,242	3,276
Realized gain on derivative financial instruments	(105,694)	(4,873)
Unrealized gain on derivative financial instruments	(143,136)	(75,916)
Loss on disposal of intangible assets	5,326	–
Provision for obsolete inventory	91,772	–
Profit on term finance certificates TFCs	(27,288)	(29,891)
Finance cost	2,851,023	2,206,212
Operating cash flows before working capital changes	6,018,828	10,614,650
Changes in working capital (Increase)/decrease in current assets		
Stores and spares	(9,979)	(289,167)
Stock in trade	(2,044,280)	(4,846,795)
Trade debts	(1,751,080)	(1,566,222)
Loans and advances	(821,634)	(1,022,801)
Deposit, prepayments and other receivables	(68,826)	254,676
Refunds due from Government and statutory authorities	(1,202,819)	(666,610)
Increase in current liabilities		
Trade and other payables	665,316	718,427
	(5,233,302)	(7,418,492)
Cash generated from operations	785,526	3,196,158
Finance cost paid	(3,598,808)	(1,670,536)
Income tax paid	(1,151,487)	(466,580)
Staff retirement gratuity paid	(179,466)	(131,201)
Workers' profit participation fund paid	(975,816)	(1,155,169)
Long term loans paid	(25,380)	(10,307)
Long term deposits paid	–	(290)
Net cash used in operating activities	(5,145,431)	(237,925)

	Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(5,157,080)	(3,955,366)
Intangible asset	(37,040)	(8,476)
Proceeds from disposal of property, plant and equipment	71,194	43,027
Profit received from investment in TFCs	27,524	29,856
Net cash used in investing activities	(5,095,402)	(3,890,959)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(648,927)	(374,769)
Payment of lease liabilities	(33,378)	(24,950)
Short term borrowings – net	10,845,618	5,393,258
Settlement of derivative financial instruments	105,694	4,873
Dividend paid	(159)	(784)
Net cash generated from financing activities	10,268,848	4,997,628
Net increase in cash and cash equivalents	28,015	868,744
Cash and cash equivalents at the beginning of the period	370,386	1,544,502
Cash and cash equivalents at the end of the period	398,401	2,413,246

The annexed notes 1 to 19 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 Ended September 30, 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, 2024.

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, 2024.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2024.

	Note	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	65,215,886	46,610,901
Capital work in progress	5.2	5,966,927	20,951,344
Right of use assets		222,596	242,435
		71,405,409	67,804,680
5.1 Operating fixed assets			
Opening written down value		46,610,901	33,588,068
Add: Additions during the period/year	5.1.1	20,141,498	17,525,729
Less: Disposals during the period/year		(112,436)	(182,519)
Less: Depreciation charged during the period/year		(1,424,077)	(4,320,377)
Closing written down value		65,215,886	46,610,901
5.1.1 Additions during the period/year			
Freehold land		–	25,240
Buildings on freehold land		2,109,940	8,638,517
Buildings on leasehold land		–	1,140
Plant and machinery		13,375,545	6,885,230
Tools and equipments		1,217,951	273,945
Office equipments		509,304	259,726
Electric installations		1,990,415	392,403
Furniture and fixtures		796,765	204,264
Vehicles		141,578	845,264
		20,141,498	17,525,729
5.2 Capital work-in-progress			
Civil works		2,899,978	3,650,569
Plant and machinery		1,321,428	12,226,029
Capital stores	5.2.1	395,085	4,134,937
Advances to suppliers		1,350,436	939,809
		5,966,927	20,951,344

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

	Note	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
6. TRADE DEBTS			
Foreign			
– Secured		16,259,353	18,317,679
– Unsecured	6.1	24,177,285	21,189,023
Local			
– Unsecured	6.1	2,508,046	1,686,902
		42,944,684	41,193,604

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

7. AUTHORIZED SHARE CAPITAL

Un audited September 30, 2024 [Number of shares in '000]	Audited June 30, 2024		Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024
5,000,000	5,000,000	Ordinary shares of Rs. 10 each	50,000,000	50,000,000
5,000,000	5,000,000		50,000,000	50,000,000

8. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un audited September 30, 2024 [Number of shares in '000]	Audited June 30, 2024		Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024
132,429	132,429	Ordinary shares of Rs. 10 each fully paid in cash	1,324,289	1,324,289
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	1,401,710		14,017,095	14,017,095

	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
9. LONG TERM FINANCING		
From financial institutions – secured	18,276,665	18,917,362
Less: Current portion of long term financing	(2,793,300)	(2,722,549)
	15,483,365	16,194,813

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 The Punjab Revenue Authority created a demand of an amount of Rs. 29,931 million in respect of an alleged default on withholding of provincial sales tax on account of various transport services received by the Company during the period from March 01, 2015 to May 31, 2016 along with default surcharge and penalty under Punjab Sales Tax on Services Act, 2012, rejecting the exemption claim of the taxpayer company. The Company being aggrieved, filed an appeal before Commissioner (Appeals) Punjab Revenue Authority (PRA) which is pending adjudication at the terminal date.

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

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

	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
Sui Northern Gas Pipelines limited against supply of gas.	1,598,138	1,598,138
The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	1,012,353	942,353
Faisalabad Electric Supply Company (FESCO) against supply of electricity	152,195	152,195
Punjab Revenue Authority	11,533	11,533
Total Parco Pakistan Limited	6,000	6,000
	2,780,219	2,710,219
Post dated cheques issued in favour of custom authorities for release of imported goods	9,168,306	9,694,785
10.2 Commitments		
Under letters of credit for:		
Capital expenditure	7,947,779	3,107,762
Raw materials	6,311,531	3,385,803
Stores and spares	111,362	65,948
	14,370,672	6,559,513

	Quarter ended	
	Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
11. COST OF SALES		
Raw material consumed	20,789,474	15,963,730
Stores and spares consumed	960,975	685,358
Knitting, processing and packing charges	2,002,135	873,692
Salaries, wages and benefits	7,250,115	5,267,374
Staff retirement gratuity	779,420	521,159
Fuel and power	2,820,820	2,265,897
Repairs and maintenance	167,780	169,051
Insurance	52,300	32,040
Depreciation on operating fixed assets	1,251,257	712,077
Depreciation on right of use assets	24,729	17,619
Amortization of intangible assets	106	133
Rent, rate and taxes	10,315	19,826
Other manufacturing costs	58,900	88,499
	36,168,326	26,616,455
Opening work in process	4,466,813	3,124,698
Closing work in process	(4,815,630)	(2,890,531)
	(348,817)	234,167
Cost of goods manufactured	35,819,509	26,850,622
Opening finished goods	7,268,849	5,993,436
Closing finished goods	(9,211,866)	(7,090,236)
	(1,943,017)	(1,096,800)
	33,876,492	25,753,822

12. 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, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name	Nature of transaction	Quarter ended	
		Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
Interloop Holdings (Pvt) Limited – Associate	Services received	130,456	60,767
	Purchase of asset	–	334
	Gratuity Transferred	–	2,601
Texlan Center (Pvt) Limited – Associate	Sale of yarn	731,933	659,389
	Sale of packing material	12,908	47,308
Momentum Logistics (Pvt) Limited – Associate	Services received	420,828	239,018
Interloop Europe – Associate	Sale of socks	220,120	447,984
PrintKraft (Private) Limited–Associate	Purchase of packing material	130,225	105,286
Socks & Socks (Private) Limited – Associate	Services received	24,614	–
	Sale/(purchase) of goods - net	95,499	(2,579)
Interloop Welfare Trust	Donation paid	20,000	19,000
Octans Digital (Private) Limited – Associate	Services received	1,261	46
Interloop Employees Provident Fund	Contribution to the fund	33,589	23,305
Lyallpur Literary Council	Donations paid	3,000	–
ILNA Inc USA – Associate	Services received	411,597	386,814
Zhejiang Top Circle Textiles Co., Ltd – Subsidiary	Services received	1,109,308	–
Key management personnel & other related parties	Sale of asset	942	8,098
	Repayment of housing finance loan	1,154	1,154
	Markup on house building finance	52	107
	Rent expenses	471	428
	Remuneration and other benefits	1,979,411	1,290,252
	Directorship fee	6,375	5,225

	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
13. SHARIAH SCREENING DISCLOSURE		
Loans/advances as per Islamic mode		
Loans	28,451,104	25,599,555
Shariah compliant bank deposits/ bank balances		
Bank balances	17,323	59,325
Revenue earned from a shariah compliant business	41,634,819	156,128,865
Mark up on Islamic mode of financing	(897,787)	(4,097,945)
Exchange gain earned	596	–
Realized gain on derivative financial instruments	105,694	442,679
Dividend income	–	19,794
Profits or interest on any conventional loan or advance		
Profit on term finance certificates (TFCs)	27,288	118,072
Interest on workers' profit participation fund	(26,723)	(30,484)
Interest on lease liabilities	(9,735)	(32,070)
Interest on other conventional loans	(1,796,607)	(5,453,123)

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
 Standard Chartered Bank Limited

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
 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 denim products and garments.

d) **Apparel**

This segment mainly relates to sale of fashion apparels.

e) **Other operating segments**

These 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 include energy, yarn dyeing and active wear.

14.1 Segment Information

	Hosiery		Spinning		Denim		Apparel		Others Segments		Elimination of inter segment transaction		Total Company	
	Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000	
Revenue														
External sale	29,571,951	29,445,655	2,406,819	2,430,865	4,691,413	3,146,808	4,577,046	3,085,899	387,589	391,477	-	-	41,634,819	38,500,103
Intersegment sale	6,427	2,990	2,217,564	2,641,626	5,940	1,579	35,489	3,512	3,905,241	3,588,943	(6,170,661)	(6,238,650)	-	-
Cost of sales	29,578,378	29,448,045	4,624,383	5,072,491	4,697,353	3,148,386	4,612,535	3,089,411	4,292,820	3,980,420	(6,170,661)	(6,238,650)	41,634,819	38,500,103
	(21,448,856)	(19,046,203)	(4,361,273)	(4,758,611)	(4,382,689)	(3,048,659)	(6,001,554)	(2,637,509)	(3,832,811)	(3,481,490)	6,170,661	6,238,650	(33,876,492)	(25,753,822)
Gross profit/(loss)	8,109,522	11,381,842	263,110	313,880	314,664	99,727	(1,389,019)	451,902	460,049	498,930	-	-	7,758,327	12,746,281
Distribution cost	(1,164,094)	(978,709)	(24,871)	(37,950)	(305,242)	(159,510)	(312,397)	(169,485)	(24,135)	(26,036)	-	-	(1,830,759)	(1,371,690)
Administrative expenses	(1,692,932)	(1,576,571)	(54,687)	(37,958)	(148,575)	(159,064)	(314,322)	(224,699)	(42,889)	(21,720)	-	-	(2,253,405)	(2,020,012)
	(2,857,026)	(2,555,280)	(79,558)	(75,908)	(453,837)	(318,574)	(626,719)	(394,184)	(67,024)	(47,756)	-	-	(4,084,164)	(3,391,702)
Profit/(loss) before taxation and unallocated income and expenses	5,252,496	8,826,542	183,552	237,972	(139,173)	(218,847)	(2,015,738)	57,718	393,025	451,174	-	-	3,674,163	9,354,579
Unallocated income and expenses														
Other operating expenses														
Other income														
Finance cost														
Levies														
Income tax														
Profit for the period	534,690	468,506	44,227	47,532	123,100	125,404	595,572	76,983	169,242	146,663	-	-	222,278	6,042,359
Depreciation and amortization														

14.2 Reconciliation of reportable segment assets and liabilities

	Hostery		Spinning		Denim		Apparel		Others Segments		Elimination of inter segment transaction		Total Company	
	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024
	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	72,155,739	68,320,454	8,092,268	7,715,957	16,080,897	14,943,787	42,029,508	40,347,253	11,536,236	10,528,827	11,902,453	9,817,899	16,197,101	151,674,177
Total liabilities for reportable segment	35,942,110	37,158,345	1,131,503	763,164	2,468,832	2,504,924	4,438,492	3,945,324	1,389,244	1,174,065	62,654,167	52,595,880	108,042,348	98,141,702
Segment capital expenditures	3,653,482	5,690,310	11,525	43,815	181,327	255,019	729,421	5,725,436	418,365	1,736,241	-	-	5,194,120	13,650,821

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

Quarter ended	September 30, 2024	September 30, 2023
	39,007,356	36,723,691
	2,627,463	1,776,412
	41,634,819	38,500,103

Foreign countries
Pakistan

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Rupees in '000	Unaudited			
	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Trading derivatives	–	202,384	–	202,384
Total financial assets	–	202,384	–	202,384
Total financial liabilities	–	–	–	–

Rupees in '000	Audited			
	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Trading derivatives	–	59,248	–	59,248
Total financial assets	–	59,248	–	59,248
Total financial liabilities	–	–	–	–

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

16. FINANCIAL RISK MANAGEMENT

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

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

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

There have been no changes in the risk management policies since June 30, 2024 except for those specifically mentioned. Consequently, these condensed interim financial statements do not include all the financial risk management information and disclosures required for the annual financial statements.

17. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 24, 2024 by the Board of Directors of the Company.

18. EVENT AFTER THE REPORTING DATE

The Board of Directors in their meeting held on September 26, 2024 proposed a final cash dividend of Rs. 2.5 per share (2023: Rs. 2 per share), amounting to Rs. 3,504.27 million (2023: Rs. 2,802.89 million), for the year ended June 30, 2024. The same has been approved by the members at the Annual General Meeting of the Company held on October 24, 2024.

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 Ended September 30, 2024

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2024

	Note	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	73,446,523	69,601,770
Intangible assets		469,927	454,709
Long term investments		197,955	191,526
Long term loans – staff		210,285	176,873
Long term deposits		89,451	89,451
Deferred taxation – net		283,079	349,849
		74,697,220	70,864,178
CURRENT ASSETS			
Stores and spares		3,194,404	3,184,425
Stock in trade		29,020,217	26,903,189
Trade debts	7	43,439,559	41,638,589
Loans and advances		2,751,408	1,937,369
Deposit, prepayments and other receivables		1,008,066	911,260
Derivative financial instruments		202,384	59,248
Accrued income		1,261	1,497
Refunds due from Government and statutory authorities		8,902,501	7,128,807
Short term investments		500,000	500,000
Cash and bank balances		1,496,707	1,510,910
		90,516,507	83,775,294
TOTAL ASSETS		165,213,727	154,639,472

	Note	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	8	50,000,000	50,000,000
Issued, subscribed and paid up capital	9	14,017,095	14,017,095
Reserves		3,128,276	3,048,006
Unappropriated profit		37,390,452	37,096,363
Equity attributable to owners of parent company		54,535,823	54,161,464
Non – controlling interest		1,411,217	1,325,672
		55,947,040	55,487,136
NON CURRENT LIABILITIES			
Long term financing	10	15,483,365	16,194,813
Lease liabilities		371,760	190,965
Deferred liabilities		11,491,293	10,786,348
		27,346,418	27,172,126
CURRENT LIABILITIES			
Trade and other payables		16,050,230	16,010,051
Unclaimed dividend		2,918	3,077
Accrued mark up		1,905,266	2,689,751
Short term borrowings		61,065,917	50,439,844
Current portion of non current liabilities		2,895,938	2,837,487
		81,920,269	71,980,210
CONTINGENCIES AND COMMITMENTS	11	–	–
TOTAL EQUITY AND LIABILITIES		165,213,727	154,639,472

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 Ended September 30, 2024

	Note	Quarter ended	
		Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
Net sales		42,746,190	38,500,103
Cost of sales	12	(34,606,118)	(25,753,822)
Gross profit		8,140,072	12,746,281
Distribution cost		(1,897,361)	(1,371,690)
Administrative expenses		(2,433,345)	(2,020,012)
Other operating expenses		(242,499)	(726,969)
Other income		277,630	130,850
		(4,295,575)	(3,987,821)
Profit from operations		3,844,497	8,758,460
Finance cost		(2,860,393)	(2,206,212)
Profit before income tax and levies		984,104	6,552,248
Levies		(569,970)	(498,232)
Profit before income tax		414,134	6,054,016
Income tax		(79,651)	(11,657)
Profit for the period		334,483	6,042,359
Attributable to:			
Owners of parent company		294,089	6,042,359
Non – controlling interest		40,394	–
		334,483	6,042,359
Earnings per share – basic and diluted (Rupees)		0.24	4.31

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 Ended September 30, 2024

	Quarter ended	
	Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
Profit for the period	334,483	6,042,359
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	125,421	–
Total comprehensive income for the period	459,904	6,042,359
Attributable to:		
Owners of parent company	374,359	6,042,359
Non – controlling interest	85,545	–
	459,904	6,042,359

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



Chief Executive Officer



Director



Chief Financial Officer
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CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For The Quarter Ended September 30, 2024

	Attributable to owners of the Parent						
	Share Capital	Capital Reserves			Revenue Reserves		Non-controlling interest
		Share Premium	Employee Share Option Compensation Reserve	Unappropriated Profit	Translation Reserve	Sub total	
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	–	–	–	6,042,359	–	6,042,359	–
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	6,042,359	–	6,042,359	–
Employee share option scheme (ESOS)	–	–	2,812	–	–	2,812	–
Balance as at September 30, 2023 (un-audited)	14,014,469	3,143,605	9,780	32,683,723	–	49,851,577	–
Balance as at July 01, 2024 – audited	14,017,095	3,158,734	–	37,096,363	(110,728)	54,161,464	1,325,672
Profit for the period	–	–	–	294,089	–	294,089	40,394
Other comprehensive income	–	–	–	–	80,270	80,270	45,151
Total comprehensive income for the period	–	–	–	294,089	80,270	374,359	85,545
Balance as at September 30, 2024 (un-audited)	14,017,095	3,158,734	–	37,390,452	(30,458)	54,535,823	1,411,217

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 Quarter Ended September 30, 2024

	Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax and levies	984,104	6,552,248
Adjustments for:		
Depreciation on operating fixed assets	1,478,877	827,813
Depreciation on right of use assets	47,214	19,171
Amortization of intangible assets	16,493	18,103
Workers' profit participation fund	44,130	348,863
Workers' welfare fund	33,383	132,568
Staff retirement gratuity	891,287	614,264
Employee share option compensation expense	–	2,812
Loss on disposal of property, plant and equipment	41,242	3,276
Exchange loss – net	49,332	–
Realized gain on derivative financial instruments	(105,694)	(4,873)
Unrealized gain on derivative financial instruments	(143,136)	(75,916)
Profit on term finance certificates TFCs	(27,288)	(29,891)
Finance cost	2,860,393	2,206,212
Operating cash flows before working capital changes	6,267,435	10,614,650
Changes in working capital (Increase)/decrease in current assets		
Stores and spares	(9,979)	(289,167)
Stock in trade	(2,188,219)	(4,846,795)
Trade debts	(2,332,934)	(1,566,222)
Loans and advances	(821,634)	(1,022,801)
Deposit, prepayments and other receivables	(162,860)	254,676
Refunds due from Government and statutory authorities	(1,202,819)	(666,610)
Increase in current liabilities		
Trade and other payables	1,503,145	718,427
	(5,215,301)	(7,418,492)
Cash generated from operations	1,052,134	3,196,158
Finance cost paid	(3,607,920)	(1,670,536)
Income tax paid	(1,151,487)	(466,580)
Staff retirement gratuity paid	(179,466)	(131,201)
Workers' profit participation fund paid	(975,816)	(1,155,169)
Long term loans paid	(25,380)	(10,307)
Long term deposits paid	–	(290)
Net cash used in operating activities	(4,887,935)	(237,925)

	Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(5,172,135)	(3,955,366)
Intangible asset	(37,040)	(8,476)
Proceeds from disposal of property, plant and equipment	71,194	43,027
Profit received from investments	27,524	29,856
Net cash used in investing activities	(5,110,457)	(3,890,959)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(648,927)	(374,769)
Payment of lease rentals	(84,349)	(24,950)
Short term borrowings – net	10,611,929	5,393,258
Settlement of derivative financial instruments	105,694	4,873
Dividend paid	(159)	(784)
Net cash generated from financing activities	9,984,189	4,997,628
Net (decrease)/increase in cash and cash equivalents (a+b+c)	(14,203)	868,744
Cash and cash equivalents at the beginning of the period	1,510,910	1,544,502
Cash and cash equivalents at the end of the period	1,496,707	2,413,246

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 Ended September 30, 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% (2024: 64%))

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.

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, 2024.

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 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 Group for the year ended June 30, 2024.

5. MATERIAL ACCOUNTING POLICY INFORMATION

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 Group for the year ended June 30, 2024.

	Note	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	67,018,425	48,407,540
Capital work-in-progress	6.2	5,981,299	20,951,795
Right of use assets		446,800	242,435
		73,446,523	69,601,770
6.1 Operating fixed assets			
Opening written down value		48,407,568	33,588,068
Add: Transfer on acquisition of subsidiaries		–	1,968,845
Add: Additions during the period/year	6.1.1	20,142,861	17,582,908
Less: Disposals during the period/year		(112,553)	(184,212)
Less: Depreciation charged during the period/year		(1,478,877)	(4,464,195)
Exchange rate translation impact on opening balances		59,425	(83,874)
Closing written down value		67,018,425	48,407,540
6.1.1 Additions during the period/year			
Freehold land		–	25,240
Buildings on freehold land		2,109,940	8,638,517
Buildings on leasehold land		–	1,140
Plant and machinery		13,376,908	6,938,419
Tools and equipments		1,217,951	273,945
Office equipments		509,304	259,726
Electric installations		1,990,415	392,403
Furniture and fixtures		796,765	204,264
Vehicles		141,578	849,254
		20,142,861	17,582,908
6.2 Capital work-in-progress			
Civil works		2,899,978	3,650,569
Plant and machinery		1,335,800	12,226,480
Capital stores	6.2.1	395,085	4,134,937
Advances to suppliers		1,350,436	939,809
		5,981,299	20,951,795

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

	Note	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
7. TRADE DEBTS			
Foreign			
– Secured		15,201,351	18,317,679
– Unsecured	7.1	25,730,162	21,634,008
Local			
– Unsecured	7.1	2,508,046	1,686,902
		43,439,559	41,638,589

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

8. AUTHORIZED SHARE CAPITAL

Un audited September 30, 2024 [Number of shares in '000]	Audited June 30, 2024		Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
5,000,000	5,000,000	Ordinary shares of Rs. 10 each	50,000,000	50,000,000
5,000,000	5,000,000		50,000,000	50,000,000

9. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un audited September 30, 2024 [Number of shares in '000]	Audited June 30, 2024		Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
132,429	132,429	Ordinary shares of Rs. 10 each fully paid in cash	1,324,289	1,324,289
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	1,401,710		14,017,095	14,017,095

	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
10. LONG TERM FINANCING		
From financial institutions – secured	18,276,665	18,917,362
Less: Current portion of long term financing	(2,793,300)	(2,722,549)
	15,483,365	16,194,813

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 September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
Sui Northern Gas Pipelines limited against supply of gas.	1,598,138	1,598,138
The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	1,012,353	942,353
Faisalabad Electric Supply Company (FESCO) against supply of electricity	152,195	152,195
Punjab Revenue Authority	11,533	11,533
Total Parco Pakistan Limited	6,000	6,000
	<hr/> 2,780,219	<hr/> 2,710,219
11.1.3 Post dated cheques issued in favour of custom authorities for release of imported goods	9,168,306	9,694,785
	<hr/>	<hr/>
11.2 Commitments		
Under letters of credit for:		
Capital expenditure	7,947,779	3,107,762
Raw material	6,311,531	3,385,803
Stores and spares	111,362	65,948
	<hr/> 14,370,672	<hr/> 6,559,513

	Quarter ended	
	Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
12. COST OF SALES		
Raw material consumed	21,175,108	15,963,730
Stores and spares consumed	963,078	685,358
Knitting, processing and packing charges	2,030,722	873,692
Salaries, wages and benefits	7,351,224	5,267,374
Staff retirement gratuity	779,420	521,159
Fuel and power	2,863,157	2,265,897
Repairs and maintenance	177,673	169,051
Insurance	52,300	32,040
Depreciation on operating fixed assets	1,288,336	712,077
Amortization of intangible assets	106	133
Depreciation on right of use assets	44,359	17,619
Rent, rate and taxes	10,315	19,826
Other manufacturing costs	58,900	88,499
	36,794,697	26,616,455
Opening work in process	4,523,957	3,124,698
Closing work in process	(4,855,696)	(2,890,531)
	(331,739)	234,167
Cost of goods manufactured	36,462,958	26,850,622
Opening finished goods	7,608,012	5,993,436
Closing finished goods	(9,464,852)	(7,090,236)
	(1,856,840)	(1,096,800)
	34,606,118	25,753,822

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 Group 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	
		Un audited September 30, 2024 (Rupees in '000)	Un audited September 30, 2023 (Rupees in '000)
Interloop Holdings (Pvt) Limited – Associate	Services received	130,456	60,767
	Purchase of asset	–	334
	Gratuity transferred	–	2,601
Texlan Center (Pvt) Limited – Associate	Sale of yarn	731,933	659,389
	Sale of packing material	12,908	47,308
Momentum Logistics (Private) Limited – Associate	Services received	420,828	239,018
Interloop Europe – Associate	Sale of socks	220,120	447,984
PrintKraft (Private) Limited – Associate	Purchase of packing material	130,225	105,286
Socks & Socks (Private) Limited – Associate	Services received	24,614	–
	Sale/(purchase) of goods - net	95,499	(2,579)
Interloop Welfare Trust – Trustee	Donation paid	20,000	19,000
Octans Digital (Private) Limited – Associate	Services received	1,261	46
Interloop Employees Provident Fund – Trustee	Contribution to the fund	33,589	23,305
Layallpur Literary Council – Trustee	Donation paid	3,000	–
ILNA Inc USA – Associate	Services received	411,597	386,814
Key management personnel & other related parties	Sale of asset	942	8,098
	Repayment of housing finance loan	1,154	1,154
	Markup on housing finance loan	52	107
	Rent expenses	471	428
	Remuneration and other benefits	2,005,935	1,290,252
	Directorship fee	6,375	5,225

	Un audited September 30, 2024 (Rupees in '000)	Audited June 30, 2024 (Rupees in '000)
14. SHARIAH SCREENING DISCLOSURE		
Loans/advances as per Islamic mode		
Loans	28,451,104	25,599,555
Shariah compliant bank deposits/ bank balances		
Bank balances	17,323	59,325
Revenue earned from a shariah compliant business	42,746,190	158,182,719
Mark up on Islamic mode of financing	(897,787)	(4,097,945)
Exchange gain earned	596	23,026
Realized gain on derivative financial instruments	105,694	442,679
Profits or interest on any conventional loan or advance		
Profit on term finance certificates (TFCs)	27,288	118,072
Interest on workers' profit participation fund	(26,723)	(30,484)
Interest on lease liabilities	(9,735)	(32,070)
Interest on other conventional loans	(1,804,571)	(5,481,797)

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
Standard Chartered Bank Limited

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
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 denim products and garments.

d) **Apparel**

This segment mainly relates to sale of fashion apparels.

e) **Other operating segments**

These represent various segments of the Group which currently do not meet the minimum reporting threshold mentioned in International financial reporting standards 'Operating Segments' (IFRS 8). These mainly include energy, yarn dyeing, active wear and other subsidiaries.

15.1 Segment Information

	Hosiery		Spinning		Denim		Apparel		Others Segments		Elimination of inter segment transaction		Total Group	
	Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000		Rupees in '000	
Revenue														
External sale	29,571,951	29,445,655	2,406,819	2,430,865	4,691,413	3,146,808	4,577,046	3,085,899	1,498,860	391,477	-	-	42,746,190	38,500,103
Intersegment sale	6,427	2,990	2,217,564	2,641,626	5,940	1,579	35,489	3,512	5,014,549	3,588,943	(7,279,970)	(6,238,650)	-	-
	29,578,378	29,448,645	4,624,383	5,072,491	4,697,353	3,148,386	4,612,535	3,089,411	6,513,509	3,980,420	(7,279,970)	(6,238,650)	42,746,190	38,500,103
Cost of sales	(21,468,856)	(19,046,203)	(4,361,273)	(4,758,611)	(4,382,689)	(3,048,659)	(6,001,554)	(2,637,509)	(5,671,716)	(3,481,490)	7,279,970	6,238,650	(34,606,118)	(25,753,822)
Gross profit/(loss)	8,109,522	11,381,842	263,110	313,880	314,664	99,727	(1,369,019)	451,902	841,793	498,930	-	-	8,140,072	12,746,281
Distribution cost	(1,164,094)	(978,709)	(24,871)	(37,950)	(305,242)	(159,510)	(312,397)	(169,485)	(90,737)	(26,036)	-	-	(1,897,361)	(1,371,690)
Administrative expenses	(1,692,932)	(1,576,571)	(54,687)	(37,958)	(148,575)	(159,064)	(314,322)	(224,699)	(222,829)	(21,720)	-	-	(2,833,345)	(2,020,012)
	(2,857,026)	(2,555,280)	(79,558)	(75,908)	(453,837)	(318,574)	(626,719)	(394,184)	(313,566)	(47,756)	-	-	(4,330,706)	(3,391,702)
Profit/(loss) before taxation and unallocated income and expenses	5,252,496	8,826,562	183,552	237,972	(139,173)	(218,847)	(2,015,738)	57,718	528,227	451,174	-	-	3,899,366	9,354,579
Unallocated income and expenses														
Other operating expenses													(242,499)	(726,969)
Other income													277,630	130,850
Finance cost													(2,860,393)	(2,206,212)
Levies													(569,970)	(498,232)
Income tax													(79,651)	(11,657)
Profit for the period	534,690	468,506	44,227	47,532	123,100	125,404	595,572	76,983	244,995	146,663	-	-	334,483	6,042,359
Depreciation and amortization													1,542,384	865,087

15.2 Reconciliation of reportable segment assets and liabilities

	Hostery		Spinning		Denim		Apparel		Others Segments		Elimination of inter segment transaction		Total Group	
	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024	Un audited September 30, 2024	Audited June 30, 2024
	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	72,155,739	66,592,691	8,092,268	7,715,957	16,080,897	14,943,787	42,029,508	40,347,253	14,952,863	15,221,886	11,902,453	9,817,899	165,213,727	154,639,472
Total liabilities for reportable segment	35,942,110	36,936,475	1,131,503	763,164	2,466,832	2,504,924	4,438,492	3,945,324	2,613,583	2,406,569	62,654,167	52,595,880	109,266,607	99,152,336
Segment capital expenditures	3,653,482	5,690,310	11,525	43,815	181,327	255,019	729,421	5,725,436	433,420	3,762,924	-	-	5,209,175	15,677,504

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

	Quarter ended	
	September 30, 2024	September 30, 2023
Foreign countries	40,118,727	36,723,691
Pakistan	2,627,463	1,776,412
	42,746,190	38,500,103

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 September 30, 2024 and June 30, 2024 on a recurring basis:

Rupees in '000	Unaudited			
	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Trading derivatives	–	202,384	–	202,384
Total financial assets	–	202,384	–	202,384
Total financial liabilities	–	–	–	–

Rupees in '000	Audited			
	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Trading derivatives	–	59,248	–	59,248
Total financial assets	–	59,248	–	59,248
Total financial liabilities	–	–	–	–

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, 2024 except for those specifically mentioned. Consequently, these consolidated 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 October 24, 2024 by the Board of Directors of the Holding Company.

19. EVENT AFTER THE REPORTING DATE

The Board of Directors of the Holding Company in their meeting held on September 26, 2024 proposed a final cash dividend of Rs. 2.5 per share (2023: Rs. 2 per share), amounting to Rs. 3,504.27 million (2023: Rs. 2,802.89 million), for the year ended June 30, 2024. The same has been approved by the members at the Annual General Meeting of the Holding Company held on October 24, 2024.

20. GENERAL

20.1 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.

20.2 Rounding

Figures have been rounded off to the nearest thousand.



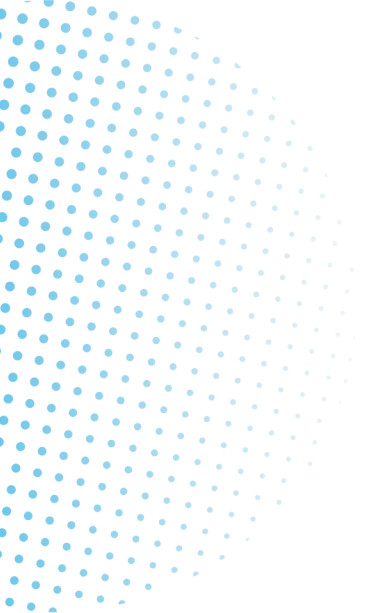
Chief Executive Officer



Director



Chief Financial Officer



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