



FORM-5

Ref: ILP/PSX/49/2019

Date: 23/09/2019

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Transmission of Annual Audited Financials Statements & Reports Thereon for the Year Ended June 30, 2019

Dear Sir,

We have to inform you that the Annual Audited Financial Statements & Reports of the Company for the year ended June 30, 2019 have been transmitted through PUCARS and is also available on Company's website.

Please find qualified URL link below: - https://www.interloop-pk.com/wp-content/uploads/2019/09/ANNUAL-AUDITED-FINANCIAL-STATEMENTS-AND-REPORT-2019.pdf

Further please find attached Statement of Free Float of Shares duly signed by the Chief Executive Officer and Company Secretary of the Company along with Independent Reasonable Assurance Report on Statement of Free Float of Shares dated September 23, 2019 issued by Kreston Hyder Bhimji & Co., Chartered Accountants, the external auditors of the Company.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

🏗 🖺 Tanking You,

(Rana Ali Raza),

Company Secretary

Copy to:

The Director / HOD

Surveillance, Supervision and Enforcement Department

Faisalabad

Securities & Exchange Commission of Pakistan

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Islamabad

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INDEPENDENT REASONABLE ASSURANCE REPORT ON STATEMENT OF FREE FLOAT OF SHARES

To The Chief Executive of the Interloop Limited

Introduction

We have been engaged to perform a reasonable assurance engagement on the annexed "Statement of Free float of Shares (the "Statement") of M/s Interloop Limited (the Company) as of 31st March 2019 and 30th June 2019.

1. Applicable Criteria

The Criteria against which the Statement is assessed is Regulation No. 5.7.2(c)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations) which requires every listed company to submit directly to Pakistan Stock Exchange (PSX) an annual Free-Float Certificate duly verified by the auditor along with annual audited accounts as prescribed under regulation 5.6.4(a) of the PSX regulations.

2. Management's Responsibility for the statement

Management is responsible for the preparation of the Statement as of 31st March 2019 and 30th June 2019 in accordance with applicable criteria. This responsibility includes maintaining adequate records and internal controls as determined necessary to enable the preparation of the statement such that it is free from material misstatement, whether due to fraud or error.

3. Our Independence and quality control

We have complied with the independence and other ethical requirements of the code of ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies international standards on quality control 1 "Quality Control for firms that performs Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

4. Our responsibility and summary of the work performed

Our responsibility is to carry out an independent reasonable assurance engagements and to express an opinion as to whether the statement is prepared in accordance with the applicable criteria based on the procedures we have performed and the evidence we have obtained.



We conducted our reasonable assurance engagement in accordance with the international standard on assurance engagements 3000 (Revised), "Assurance Engagements other than audits or reviews of historical financial statements" (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the statement is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the free float of shares and related information in the statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of the material misstatement whether due to fraud or error in the statement. In making those risk assessments, we considered internal controls relevant to Interloop Limited's preparation of the statement. A reasonable assurance engagement also includes assessing the applicable criteria used and significant estimates made by the management, as well as, evaluating the overall presentation of the statement.

We have carried out the procedures considered necessary for the purpose of providing reasonable assurance on the statement. Our assurance procedures performed included verification of information in the statement with underlying data and regard comprising of Central Depository Company statements, forms submitted by the Company with the Securities and Exchange Commission of Pakistan relating to its pattern of shareholding and other related information. Verification that the computation of free float of shares is in accordance with the PSX regulations also forms part of our assurance procedures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

5. Opinion

In our opinion the statement as of 31^{st} March 2019 and 30^{th} June 2019 is prepared, in all material respects, in accordance with the PSX regulations.

6. Restriction on use and distribution

This report is issued in relation to the requirements as stipulated under regulation No.5.7.2(c)(ii) of the PSX regulations and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachments.

DATE: September 23, 2019

FAISALABAD

HARTERED ACCOUNTANTS

Engagement Partner: Khan Muhammad





INTERLOOP LIMITED

STATEMENT OF FREE FLOAT OF SHARES

	Quarter – 1	Quarter - 2	Quarter - 3 (March 31, 2019)	Quarter – 4 (June 30, 2019)
Total Outstanding Shares	N/A	N/A	869,400,000	869,400,000
Less: Government Holdings	N/A	N/A	N/A	Nil
Less: Shares held by Directors / Sponsors / Senior Management Officers and their associates	N/A	N/A	(760,400,000)	(763,749,082)
Less: Shares in Physical Form	N/A	N/A	(3,036,556)	Nil
Less: Shares held by Associate companies I Group Companies (Cross holdings)	N/A	N/A	N/A	Nil
Less: Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	N/A	N/A	N/A	Nil
Less: Treasury shares	N/A	N/A	N/A	Nil
Less: Any other category that are barred from selling at the review date	N/A	N/A	N/A	Nil
Free Float	N/A	N/A	105,963,444	105,650,918

Basis of Preparation: This Statement is prepared in accordance with the requirements of Regulation No. 5.7.2 (c)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations)

Rana Ali Raza Company Secretary Faisalabad

Office:

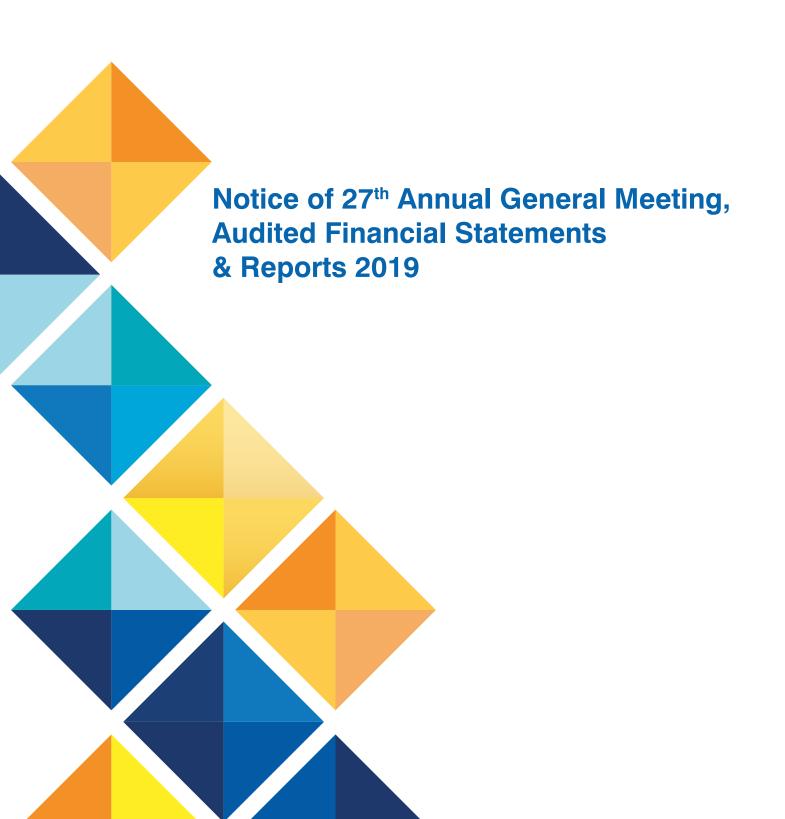
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T: +92-41-2619724 F: +92-41-2639400 Navid Fazil ChiefoExecutive

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CHAIRMAN'S REVIEW

It is a matter of great privilege for me to present performance review of Interloop Limited and the role played by the Board in achieving the objectives of the Company for the year ended June 30, 2019.

ECONOMIC OUTLOOK

During FY19 challenges to the macro-economy of Pakistan have continued to persist. Fiscal deficit further deteriorated and while the current account gap relatively improved, its sustainability remained a concern. The CPI on a YoY basis also soared by 8.89% in June, 2019 over June, 2018 as compared to 5.21% a year earlier. Pakistan's GDP growth moderated to 3.3% during FY19 after achieving a 13-year high growth of 5.8% in FY18. With stabilization policies in place and the economy moving along the reforms agenda as a result of IMF program, the country's macroeconomic indicators are expected to slowly revert to a stable trajectory. In this process, however, the real GDP growth is likely to remain contained.

Textile industry continues to be the largest employer in the manufacturing sector, however, industry has been struggling to cope up with the multiple challenges that are adversely impacting the progress both on the external and internal fronts. The textile industry continues to face stiff competition from China, India, Bangladesh, Cambodia and other emerging countries in the region. With the adjustment in exchange rate & rationalization of energy rates it is expected that overall situation for the Textile industry will improve. Investment for capacity enhancement and modernization can result in substantial growth in textile exports and create additional jobs in the industry.

BUSINESS PERFORMANCE

I would like to congratulate Interloop Limited on completing 27 years of successful operations. During these years, the Company has created consistent value for all stakeholders through impactful geographical presence, proud history of customer trust amid simultaneously contributing to the socio-economic development of Pakistan.

Interloop Limited was listed on the Pakistan Stock Exchange (PSX) at a prestigious Gong Ceremony, held on April 5, 2019 at PSX, Karachi. In the process of Interloop Limited's Initial Public Offering (IPO), Book Building was completed on March 13 - 14, 2019. General public was offered shares on March 21 - 22, 2019 at Rs. 46.10 per share. Despite tough market conditions, the IPO was oversubscribed by 1.5 times and Interloop was able to successfully raise PKR 5.02 billion, the highest by any private company in the history of Pakistan, placing Interloop amongst the top 50 companies listed on PSX, by market capitalization.

I am also pleased to share that, by the grace of God, despite unfavorable economic and market conditions primarily impacted by deteriorating macro-economic indicators, higher interest rates & increased inflationary pressure, during the year under review your company has been able to achieve a Sales Turnover of Rs. 37.478 billion compared to Rs. 31.139 billion during last year. The net profit after tax of the company is Rs. 5.195 billion compared to Rs. 3.886 billion of last year, that is an increase of 33.69% over last year, driven by our better planning, efficient operations, and favorable exchange rate. This accomplishment highlights the trust placed in us by our customers and the persistent efforts and commitment of our people – our most valuable asset. This net profit translated into Earning per share (EPS) of Rs. 6.67 per share against Rs. 5.10 of last year.

Furthermore, the Company continued to play an important part in the economic growth of Pakistan by providing employment opportunities, earning foreign exchange and dealing with multiple vendors for buying of raw materials as well as other services directly or indirectly and by investing in community. Keeping in view our Mission, we pursue a triple P bottom line Sustainability Policy covering People, Planet & Prosperity. Interloop Limited is a business for Purpose and is now recognized as one of the most Responsible Manufacturer around the globe

ROLE OF THE BOARD OF DIRECTORS

Despite the challenging macro-economic challenges and stiff global competition, the company has increased its profitability through the unrelenting efforts by the directors. The Board has played an effective role in devising an appropriate strategy for the Company to attain its objectives.

Interloop Limited has seven-member Board of Directors which comprises of individuals with diverse backgrounds having core competencies, knowledge and expertise relevant to the business of the Company. The Board is assisted by its sub-committees i.e., Audit Committee, Human Resource & Remuneration Committee and Nomination committee. These sub-committees held meetings and reported to the Board as per stipulations of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

I would like to share that all the Directors, including Independent Directors, fully participated and contributed in the decision-making process of the Board. The Board performed its duties and responsibilities diligently, inter alia, by:

- 1. Ensuring mission, vision and values of the Company are being followed.
- 2. Effectively guiding the Company in its strategic affairs.
- 3. Setting annual goals and targets for the Management.
- 4. Overseeing the Management's performance and focusing on major risk areas.
- 5. Evaluating the significant Investments.
- 6. Ensuring high standards of Corporate Governance to preserve stakeholders' value.

Furthermore, all significant issues throughout the year were presented before the Board or its committees and particularly all the related party transactions of the Company were approved by the Board on the recommendation of the Audit Committee. The Audit Committee and Human Resources and Remuneration committee met regularly to strengthen the functions of the Board. The Board carried out its self-evaluation and identified potential areas for further improvement in line with global best practices.

Finally, I would like to appreciate the valuable contributions made by the Chief Executive Officer, Management, Staff Members and Workers in achieving the Company's objective. I would also like to express gratitude to our Board of Directors, Shareholders, Customers, Bankers, Regulatory Authorities and other Stakeholders for their continued support.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of company	Interloop Limited
Year ending	June 30, 2019

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven (7) as per the following:

a.	Male	Six (6)
b.	Female	One (1)

2. The composition of Board is as follows:

Category	Names Saeed Ahmad Jabal
Independent Directors	Tariq Iqbal Khan
Other Non-executive Directors	Musadaq Zulqarnain Jahan Zeb Khan Banth Shereen Aftab
Executive Directors	Navid Fazil Muhammad Maqsood

- 3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
- 4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5. The Board has developed mission statement, vision & overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ share holders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for t his purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- 8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. The company stands complied with requirements of Director training program under the CCG. Name of Director who obtained certificate of DTP:

Mr. Musadaq Zulqarnain

Mr. Navid Fazil

Mr. Jahan Zeb Khan Banth

Mr. Muhammad Maqsood

Mrs. Shereen Aftab

Mr. Tariq Iqbal Khan

In addition to the Directors, following Management executives also completed DTP, arranged by the Company:

Azhar Sadiq Vice President
Feroze Ahmed Vice President
Zain Sadiq Vice President
Faryal Sadiq Vice President
Aqeel Ahmad Asst. Vice President

Khawaja Nadeem Abbas GM Finance

Rana Ali Raza Company Secretary
Jamshaid Iqbal D.G. M. Audit
Umer Javed D.G. M. Finance
Rahat Naseem Deputy Manager Audit

- 10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- 11. The CFO and CEO duly endorsed the financial statements before approval of the Board.
- 12. The Board has formed committees comprising of members given below:
 - a) Audit Committee

1.	Tariq Iqbal Khan	-	Chairman (Independent Director)
2.	Saeed Ahmad Jabal	-	Member (Independent Director)
3.	Jahan Zeb Khan Banth	-	Member (Non-Executive Director)

b) HR and Remuneration Committee

1.	Saeed Ahmad Jabal	-	Chairman (Independent Director)
2.	Navid Fazil	-	Member (Executive Director)
3.	Jahan Zeb Khan Banth	-	Member (Non-Executive Director)

c) Nomination Committee

 Musadaq Zulqarnain Navid Fazil Muhammad Maqsood 	- - -	Chairman (Non-Executive Director) Member (Executive Director) Member (Executive Director)
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- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee

The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. As the Company became listed during the last quarter of the fiscal year under consideration, therefore, only ONE Audit Committee Meeting was held.

b) HR and Remuneration Committee

The Human Resource & Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, ONE Human Resource & Remuneration Committee Meeting was held.

- 15. The Board has set up an effective internal audit function which is considered suitably qualified, experienced for the purpose and conversant with the policies and procedures of the company. The Board has outsourced the internal audit function jointly to KPMG Taseer Hadi & Co. chartered Accountants & Messers. Faran Associates who are considered suitably experienced and qualified for the purpose and are conversant with the policies and procedures of the company.
- 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18. We confirm that all other requirements of the Regulations have been complied with.

Sd/-(Navid Fazil) (Chief Executive Officer) Sd/-(Musadaq Zulqarnain) (Chairman / Director)

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017



We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2017 (the Regulations) prepared by the Board of Directors of Interloop Limited (the Company) for the year ended June 30, 2019, in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our Responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' Statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulation require the Company to place before the Audit Committee, and upon recommendations of the Audit Committee place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

DATED: September 23, 2019

FAISALABAD

Sd/KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNANTS
Engagement Partner: Khan Muhammad

INTERLOOP LIMITED DIRECTORS' REPORT 2019

DIRECTORS' REPORT

The Directors of Interloop Limited are pleased to present the annual report of the Company together with the audited financial statements of the Company for the year ended June 30, 2019.

TEXTILE & APPAREL SECTOR AND ECONOMIC OVERVIEW

Financial year 2019 was a tough year for Pakistan due to challenges to the macro-economy. Consolidation measures to tackle the challenges brought a lot of pressure on performance of business and industry. After entering the IMF program Pakistan is now on the path of consolidation to tackle sizeable fiscal and current account deficits but the imbalances are expected to diminish slowly. The World Bank estimates the country's GDP growth rate to deteriorate to 2.7% in 2019-20. However, the consolidation measures, coupled with other macroeconomic improvements, are likely to lead to an increase in the economic growth to 4% in the beginning in fiscal year 2020-21.

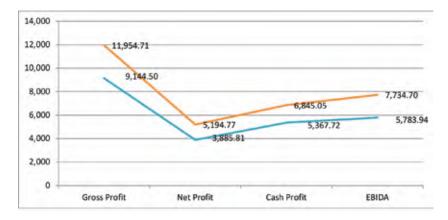
Textile & Apparel industry contributes 57% percent of total export volumes and 8.50% of the GDP of Pakistan. Annual Export during FY18 stood at \$25.0 billion out of which \$13.53 billion was from Textiles & Apparel. According to Textile Policy 2014-2019, Textile exports were to double i.e. from \$13.0 billion to \$26.0 billion, which could have created some 3.0 million additional jobs. Due to unfavorable economic conditions, inconsistent government policies, shortage of energy and lack of investment to modernize and enhance capacity, Textile and Apparel exports have stagnated.

Despite all these challenges, your company, by the grace of God Almighty, has been able to achieve a record Sales Turnover of Rs. 37.478 billion (FY18: PKR 31.139 billion). At the same time, Net Profit for the year has increased by 33.69% over the corresponding year.

OPERATING RESULTS

The summary of operating results for the year and appropriation of divisible profits is given below:

2019	2018
(Rs. In Millions)	
37,478.32	31,138.74
11,954.71	9,144.50
7,960.92	5,903.89
5,420.98	4,005.77
226.22	119.95
5,194.77	3,885.81
7,142.57	12,522.99
5,001.94	3,794.50
	950.55
	8,224.37
5,688.06	
1,090.25	
5,366.21	7,142.57
6.67	5.10
6.67	5.10
	(Rs. In Mil 37,478.32 11,954.71 7,960.92 5,420.98 226.22 5,194.77 7,142.57 5,001.94 5,688.06 1,090.25 5,366.21 6.67



During the year under review, the Board of Directors approved 300% Interim Bonus Shares in the proportion of 3 share(s) for every 1 share(s) held followed by 12.5% Interim Cash Dividend and allotted/paid to the shareholders within stipulated time period in accordance with the applicable laws & regulations.

The Board of Directors of the Company in their meeting held on 23rd September 2019 have proposed a final cash dividend of Rs. 1.75 per share (i.e. 17.5%). This is in addition to Rs. 1.25 per share (i.e. 12.5%) first interim cash dividend already distributed; which make a total cash distribution of Rs. 3.0 per share (i.e. 30%) for the year ended June 30, 2019.

The proposed final cash dividend is subject to the approval of members at the Annual General Meeting to be held on October 14, 2019. These financial statements do not include the effect of above proposal which will be accounted for in the period it is approved by the members.

FINANCIAL AND OPERATIONAL PERFORMANCE

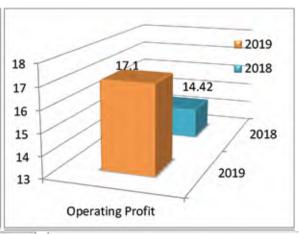
By the grace of God Almighty, the year has ended on a positive note for the Company with better performances both operationally as well as financially. Machinery has been added with the prime objective of reducing imbalance and inefficiencies, reducing utilities and maintenance requirements and produce additional value-added material and finished products. Performance of the Company during the year remained good in spite of all the challenges like pressure on export selling prices, shortage of gas, increase in minimum wages, lack of timely sales tax refunds by Government etc. At the same time, adjustment of exchange rate had a favorable impact on Company's profits. During the year under review, Company sales suffered a slight set back due to filling of Bankruptcy by one of the customers namely Payless Shoe Source Inc. While financial loss was prevented as receivables from this company were insured through a factoring company, sales revenue suffered a slight set back. Company's sales and marketing teams have worked hard and secured two other customers to fill the gap during next year.

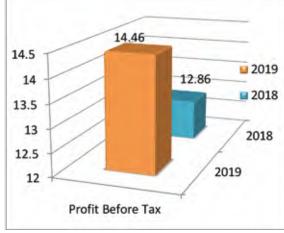
Operational results show that the Company achieved revenue growth of +20.36% for the year ended June 30, 2019 compared to preceding year. Sales revenue stood at Rs. 37.478 billion (FY18: Rs. 31.139 billion). Gross profit for the year stood at Rs. 11.954 billion (FY18: Rs. 9.144 billion) whereas profit before taxation stood at Rs. 5.421 billion (FY18: Rs. 4.006 billion). The after tax for the year under review was Rs. 5.195 billion (FY18: Rs. 3.886 billion) whereas earning per share (EPS) stood at Rs. 6.67 per share (FY18: Rs. 5.10) per share.

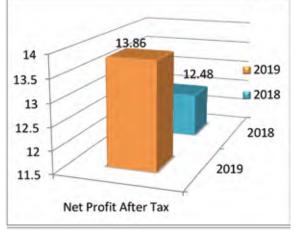
Vertical Analysis

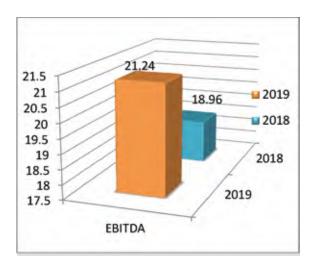
	2019	2018
	%	%
Gross profit	31.90	29.37
Operating profit	17.10	14.42
Profit before tax	14.46	12.86
Net profit after tax	13.86	12.48
EBITDA	21.24	18.96











Despite the factors stated earlier, the Company performed with great resilience and maintained its position in the foreign markets. In the opinion of the directors, the results of the operations of the Company during the said financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than what has been mentioned in this report. Directors believe that the Company will be able to achieve even better results in the next financial year.

BUSINESS SEGMENTS

The management of the Company 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. 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 & tights.
- b) Spinning- This segment relates to the sale of yarn.
- c) Other operating segments- This represent various segments of the Company which currently do not meet the minimum reporting threshold mention in international financial reporting standards. These mainly includes domestic sales, energy, yarn dyeing, denim and active-wear.

FISCAL YEAR 2018-19 - AT A GLANCE

1 INTERLOOP'S LISTING ON THE PAKISTAN STOCK EXCHANGE (PSX)

Interloop Limited (ILP) was listed on the Pakistan Stock Exchange (PSX) at a prestigious Gong Ceremony, held on April 5, 2019 at PSX, Karachi. In the process of Interloop Limited's Initial Public Offering (IPO), your Company received wide-spread participation from investment community ranging from major commercial banks, insurance companies, local and foreign institutions, asset management companies, TREC holders and high net worth individuals.

Interloop Limited successfully raised Rs. 5,025 million through the largest private sector Initial Public Offering (IPO), placing it amongst the top 50 companies listed on the Pakistan Stock Exchange by market capitalization. Book building portion of the IPO took place on the 13th and 14th of March, 2019 and was oversubscribed by 1.37 times. The general public was offered shares on March 21 - 22, 2019 at Rs. 46.10 per share. Despite tough market conditions, the IPO was oversubscribed by 1.5 times. We are confident that, God willing, the Denim segment will turn out be even bigger for us than the Hosiery sector. World's top brands and retailers are our customers and consider us a responsible manufacturing company. We'll move forward with them in our Hosiery business and believe that many of them will become our Denim customers.

2 DENIM PROJECT

As part of business diversification & expansion, Interloop is entering into the Denim Apparel Segment and has envisioned a production facility which will have minimal environmental impact, prioritise worker well-being and will maintain a very high stand ard for operational and cost efficiency, ensuring that Interloop continues to serve its customers effectively.

The production facility will be LEED Platinum Certified and will be the most technologically advanced and sustainable denim apparel production facility in this part of the world, underpinning Interloop's Mission. The plant has gone into trial production in Q3, 2019 and has been conceived with a planned output exceeding one million garments per month. A fully operational develop ment/sampling center, with 125 sewing machines from Italy and Japan, with an approx. capacity of 3,400 pieces per day is operating successfully already.

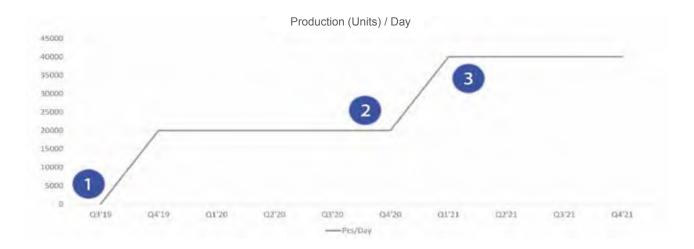
As our commitment to environmental conservation, the production facility will:

- Focus on women empowerment with the target to engage females as 50% of the total workforce
- Plan initiatives such as in-house day care to enable women to continue work after childbirth, if they wish to do so
- Plan at least 30% of the area as green space
- Discharge ZERO hazardous material and waste

- Reduce the carbon footprint by up to 50% by maximising use of daylight, solar energy, insulation, bio-mass boilers, heat recovery and energy efficient systems
- Introduce technology and redesign traditional processes to save 35 litres of water per garment approximately 35m litres of water a month
- Implement new technology aimed at enhancing worker safety, boosting labour productivity and minimising risk of work-related accidents or long term illness

A budget of PKR 3.90 billion approx. was allocated for plant and machinery. About 57% of this budget has already been consumed in the form of LCs retired, LCs which have been opened but are yet to be retired and machinery purchased locally.

We have successfully secured the financing of PKR 2.80 billion from Habib Bank Limited- Islamic Banking Division at a very competitive rate. Negotiations for a further financing of PKR 1.00 billion are in process with Allied Bank Limited- Islamic Banking Division.



3 PILOT PROJECT OF PLANT 5

The Hosiery Plant 5 Pilot Project became operational on January 22, 2019 with 94 Modern Italian Knitting Machines. This Plant is distinct from the existing facilities because of the New Team Organogram concept. The new structure is designed to remove extra supervision layers, the management working in shifts and Knitting Technical and Knitting Operations teams merged as one team.

With the current production of 900,000 pairs of socks monthly, the Pilot project will be scaled up into a vertically integrated sustainable manufacturing facility with installed capacity of 1280 knitting machines producing approx. 17.28 million pairs of socks per month.

At present, Land measuring 76 acres has been successfully procured, at an Ideal location on Khurrianwala Jaranwala bypass. The location is well planned as our power supply lines from Interloop energy division are passing right near to the location of the land so we will be able to supply energy to our newly planned division from our own energy division.

As this unit will be one of Its kind, supplying to major brands in the world, layout planning and structural design is of paramount Importance. Meetings are being held with top notch architectures and internationally renowned lean and layout experts to design the building and layout for machines. It will be LEED certified (Leadership in Energy and Environmental Design) and will be a state of the art structure in textile industry in Pakistan.

SUBSIDIARY COMPANY

The Company has also annexed consolidated financial statements along with separate financial statements in accordance with the requirements of International Financial Reporting Standards and Companies Act, 2017.

Following is a brief description of the subsidiary company of Interloop Limited:

IL Apparel (Private) Limited

This is a wholly owned subsidiary of the Company which looks after the Knitwear & Active-wear business of the Company. The Knitwear Pilot Project at Faisalabad, a Cut to Pack garment manufacturing facility, is spread over 6 acres and commenced operations in January, 2019 and has exported the first shipment in March 2019. IL Apparel plans to put up a state of the art vertically integrated Knitwear garments manufacturing plant in the new Interloop Apparel Park near the Interloop Industrial Park.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

We consider our employees to be our most important stakeholder and to get their commitment and efforts, we firmly believe in providing them conducive environment and making them feel a sense of security. The Company operates an equity settled stock option scheme called 'Interloop Limited - Employees Stock Option Scheme, 2016' duly approved by the Securities and Exchange Commission of Pakistan (SECP). The compensation committee evaluates the performance and other criteria of employees and recommends to the Board for grant of options. The Board on the recommendation of the committee, on its discretion, grants recommended options to employees. These options vest after a specified period subject to fulfillment of certain conditions as defined in the scheme. Annual Performance Report on Offer and Administration of the Employees Stock Option Scheme (ESOS) - Interloop Limited as at June 30, 2019 along with the summary of the options granted till date is annexed with this report.

It is pertinent to mention here that the scheme is not in operation since listing of the Company on PSX primarily due to the fact that the terms of the scheme require to be consistent with the increased legal compliance for a listed entity. The proposal for subject updation in the Existing scheme is under review and pending approval from shareholders of the Company and SECP respectively.

CORPORATE GOVERNANCE

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors are pleased to state that the Company is compliant with the provision of the Code of Corporate Governance as required by the Securities & Exchange Commission of Pakistan (SECP) and the Rule Book of Pakistan Stock Exchange. The Board of Directors review the Company's strategic decisions and it is committed to maintain high standards of corporate governance. A formal statement of compliance as required under the Listed Companies (Code of Corporate Governance) Regulations, 2017 is annexed which forms part of this Annual Report.

Following is the Directors' statement on Corporate and Financial Reporting framework:

- 1 The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- 2 Proper books of account of the Company have been maintained.
- 3 Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4 International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- 5 A mission statement, vision and overall corporate strategy for the company is prepared, adopted and reviewed as and when deemed appropriate by the Board.
- 6 The system of internal control is sound in design and has been effectively implemented and monitored.
- 7 There are no significant doubts upon the Company's ability to continue as a going concern.
- 8 There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

COMPOSITION OF BOARD OF DIRECTORS

Interloop Limited has seven-member (6 Male & 1 Female) Board of Directors which comprises of individuals with diverse backgrounds having core competencies, knowledge and expertise relevant to the business of the Company. The Board is assisted by its sub-committees i.e., Audit Committee, Human Resource and Remuneration Committee and Nomination committee. These sub-committees held meetings and reported to the Board as per stipulations of the Listed Companies (Code of Corporate Governance) Regulations, 2017. The diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders and it consists of:

Independent Director
Other non-executive Directors
Executive Director
2

in order to adopt and adhere to the best practices of the Code of Corporate Governance regulations, the Company prior to the filing of listing application with the PSX, appointed Mr. Tariq Iqbal Khan and Mr. Saeed Ahmad Jabal as an Independent Directors of the Company followed by appointment of Mr. Jahan Zeb Khan Banth, as Non-Executive Director in place of the casual vacancy created by the outgoing Directors of the Company. Furthermore, during the period under consideration, Mr. Navid Fazil was appointed as the Chief Executive Officer of the Company w.e.f. September 8, 2018 to fill up the casual vacancy caused by resignation of Mr. Musadaq Zulqarnain.

Meetings of the Board of Directors & Committees

Since Interloop Limited became listed on the Pakistan Stock Exchange on April 5, 2019, the information on the meetings of the Board of Directors of the Company is being shared from date of formal listing. Two meetings of Board of Directors and one each meeting of Audit Committee and HR & Remuneration Committee were respectively held during the year after listing on PSX. Attendance by the directors/members is given below;

Board of Directors:

Mr. Musadaq Zulqarnain (Chairman)	2
Mr. Navid Fazil (Chief Executive Officer)	2
Mr. Jahan Zeb Khan Banth	2
Mr. Muhammad Maqsood	2
Mrs. Shereen Aftab	0
Mr. Saeed Ahmad Jabal	2
Mr. Tariq Iqbal Khan	2

Audit Committee:

Mr.	Tariq Iqbal Khan (Chairman)	1
Mr.	Saeed Ahmad Jabal	1
Mr	Jahan Zeh Khan Banth	1

HR & Remuneration Committee:

Mr. Saeed Ahmad Jabal (Chairman)	1
Mr. Navid Fazil	1
Mr. Jahan Zeb Khan Banth	1

RELATED PARTY TRANSACTION AND TRANSFER PRICING

It is the policy of the company to ensure that all transactions entered with related parties must be at arm's length. The Company has fully complied with best practices on Transfer Pricing as contained in the Listing Regulations of Pakistan Stock Exchange while executing all transactions with related party.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has established an effective and efficient system of internal and financial controls to safeguard the assets of the Company, prevent and detect fraud and ensure compliance with all statutory and legal requirements. The internal control structure is regularly reviewed and monitored by the Internal Audit function duly established by the Board. Audit Committee reviews the internal control system on quarterly basis in accordance with the term of its reference.

PATTERN OF SHAREHOLDING

Two statements of the pattern of shareholding as at June 30, 2019, for Ordinary Shares & Non-Voting Ordinary Shares respectively, which are required to be disclosed under the reporting framework, are annexed to this report.

DIRECTORS' REMUNERATION

The remuneration of the Board members is approved by the Board itself. However, in accordance with the code of corporate governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings.

EXTERNAL AUDITORS

The present auditors' M/s. Kreston Hyder Bhimji & Company, Chartered Accountants, are retiring and being eligible, offer themselves for re-appointment. The Board of Directors proposes the re-appointment of M/s. Kreston Hyder Bhimji & Company, Chartered Accountants, as the auditors until the next Annual General Meeting.

HEALTH, SAFETY & ENVIRONMENT

Health, Safety & Environment is our core value, we take pride in our practices and will ensure that we run safe operations and are not a source of environmental degradation. The health and safety of our employees, the safety of our assets, the security of our operations and healthy environment always remain among the top priorities of the Company. Safety is an all-encompassing priority for the Company, from the Board down to the business units.

CORPORATE SOCIAL RESPONSIBILITY

The company is committed towards accomplishing its Corporate Social Responsibility (CSR) and actively takes part in social work programs. During the year under review as part of CSR program, substantial contribution was made in the sectors of education, health, culture and sports.

MATERIAL CHANGES

There have been no material changes since June 30, 2019 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

DESCRIPTION OF PRINCIPAL RISKS & UNCERTAINTIES

We expect no principal risks & uncertainties as at the closing period of June 30, 2019.

BUSINESS RISKS, CHALLENGES AND FUTURE OUTLOOK

While observing the rise in immense global competition in textiles, including speed to market requirements by retailers and brands, Company has to keep an eye on the shift in sourcing patterns. This can be effectively mitigated through efficiency improvements & interventions in supply chain, thus reducing lead times.

With the present economic conditions that are expected to prevail for foreseeable period, the company aims to develop and implement measures that will enable the company to minimize the adverse effect. We feel, in today's highly competitive global environment, the textile sector in Pakistan needs to upgrade its supply chain, improve productivity, and maximize value-addition to be able to survive in the global market.

CONSOLIDATED FINANCIAL STATEMENT

Consolidated financial statements for the period ended June 30, 2019 of the Company and its subsidiary IL Apparel (Private) Limited are annexed.

ACKNOWLEDGMENT

The Directors would like to thank all stakeholders of the Company including, customers, shareholders, vendors, government agencies, bankers & all other business associates for their continued support during the year. We place on record our appreciation for the contributions made by the employees at all levels.

For & On behalf of the Board of Directors

Sd/-(Navid Fazil) (Chief Executive Officer) Sd/-(Jahan Zeb Khan Banth) (Director)

Faisalabad, September 23, 2019

Annual Performance Report on Offer and Administration of the Employees Stock Option Scheme (ESOS) - Interloop Limited At June 30, 2019

Following is the summary of the options granted til to date:					
Interloop Limited - Employees Stock Option Scheme (ESOS)					
Financial Year	2015-2016 (i)	2015-2016 (ii)	2016-2017 (i)	2016-2017 (ii)	No. of S
Date of Grant	2-Sep-16	3-Feb-17	7-Feb-18	21-Feb-18	Option
Date of Entitlement	1-Sep-16	31-Jan-17	31-Jan-18	31-Jan-18	*15% of
Share Price (Option Price) - Breakup Price as per latest Audited Accounts	49.67	65.70	76.04	76.04	
Weighted Average Price i.e. Exercise Price in Rs. Pe Share	N/A	N/A	N/A	N/A	Grant of
Revised Price i.e. "Exercise Price in Rs. Per Share (Revised)	N/A	N/A	N/A	N/A	Granto
Minimum Vesting Period : from	3-Sep-16	4-Feb-17	8-Feb-18	22-Feb-18	Grant of
Minimum Vesting Period : to	2-Mar-17	3-Feb-18	7-Feb-19	21-Feb-19	Grant of
Exercise Option Period : from	3-Mar-17	4-Feb-18	8-Feb-19	22-Feb-19	
Exercise Option Period : to	2-Mar-18	3-Feb-19	7-Feb-20	21-Feb-20	Options
Share Outstanding (at the Date of Grant)	189,600,000	189,600,000	189,600,000	189,600,000	
Grant of Option as a % of Shares Outstanding	0.55%	0.34%	0,47%	0.02%	Balance
No. of Options Granted	1,041,715	637,387	888,195	44,713	
No. of Options Exercised	338,499	171,924	319,097	44,713	
No. of Options Declined / Lapsed but subsequently Offered	Nil	N/A	426,450	N/A	
No. of Options Lapsed / Declined - (and subsequentily NOT Offered)	703,216	465,463	742,219	N/A	
Maximum option granted to a single employee	18,875	11,415	13,315	44,713	
No. of Shares Issued (Pursuant to exercise of options granted & offered)	338,499	171,924	745,557	44,713	
	2				
Status		Closed	Excerciseable	Vesting Period	
No. of Employees		1507	823	0	
Minimum Lock Period		3 years	3 years	3 years	
Summary- Til Date					
No. of Options Vested				2,612,010	
No. of Options Exercised				874,233	
No. of Options Declined / Lapsed but subsequently Offered				426,460	
No. of Options Lapsed / Declined - (and subsequentily NOT Offered)				742,219	
No. of Shares Issued (Pursuant to exercise of options granted & offered)				1,300,693	

INTERLOOP LIMITED Pattern of Shareholding As of June 30, 2019

	_	of Julie 30, 2013						
Of Shareholders		reholdings'Slab	1	Total Shares Held	1	400001	to	
80	1	to	100	2,472	1	410001	to	
1979	101	to	500	984,967	2	450001	to	
1351	501	to	1000	1,345,440	1	700001	to	
1267	1001	to	5000	2,872,841	1	720001	to	
184	5001	to	10000	1,308,254	1	725001	to	
64	10001	to	15000	794,662	2	755001	to	
24	15001	to	20000	434,648	1	760001	to	
9	20001	to	25000	196,491	1	770001	to	
14	25001	to	30000	378,563	1	880001	to	
33	30001	to	35000	1,054,858	1	915001	to	
11	35001	to	40000	416,302	1	945001	to	
3	40001	to	45000	127,517	1	1120001	to	
2	45001	to	50000	94,367	1	1260001		
3	50001	to	55000	152,879	1	1435001	to	
2	55001	to	60000	115,631			to	
2	60001	to	65000	125,718	1	1440001	to	
6	65001	to	70000	408,942	1	1495001	to	
7	70001	to	75000	509,004	1	1575001	to	
6	75001	to	80000	461,094	1	1695001	to	
1	80001	to	85000	81,717	1	1970001	to	
2	95001		100000	192.682	1	2130001	to	
2	100001		105000	203,603	1	2170001	to	
1	105001		110000	105,918	1	2270001	to	
2	115001		120000	240,000	1	2710001	to	
4	120001		125000	487,971	1	3020001	to	
1	125001		130000	125,719	1	3605001	to	
1	130001		135000	134,005	1	3730001	to	
1	140001		145000	143,319	1	3745001	to	
2				297,375	1	3880001	to	
3	145001 160001		150000		2	3995001	to	
2			165000	486,927	2	4340001	to	
	165001		170000	339,235	2	7195001	to	
2	195001		200000	394,000	1	7660001	to	
2	200001		205000	401,786	1	7810001	to	
1	220001		225000	224,500	1	8090001	to	
1	250001		255000	254,000	1	10775001	to	
1	275001		280000	277,313	1	13865001	to	
1	285001		290000	286,129	1	14635001	to	
1	310001		315000	310,250	1	16680001	to	
1	315001		320000	319,148	1	37225001	to	
1	345001		350000	345,727	1	73005001	to	
1	360001		365000	363,303	1	282495001	to	
1	385001		390000	385,250	1	298495001	to	
1	395001	to	400000	400,000	5131			

INTERLOOP LIMITED

Pattern of Shareholding

As of June 30, 2019

	Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spo	use(s) and minor children	10	709,326,004	81.59
Associated Companies,	undertakings and related parties	-	-	-
Executives		8	23,611,384	2.72
Banks, development finance institutions, non-banking finance companies,				
insurance companies, t	akaful, modarabas and pension funds	18	51,257,548	5.90
Mutual Funds		43	32,463,723	3.73
General Public	a. Local	4998	42,998,995	4.95
	b. Foreign	3	153,515	0.02
Foreign Companies		-	-	-
Others		51	9,588,831	1.10
	Totals	5131	869,400,000	100

	Shareholders	Shares Held	Percentage
Share holders holding 10% or more	2	596,997,680	68.66

Central Depository Company Of Pakistan Limited Pattern Of Shazeholdings

Page# : 1 of 1 User : C0064801 Date : 02/08/2019 Time : 04:14:17 Security Symbol : ILLNV
Financial Year End Information as on : 30/06/2019 INTERLOOP LIMITED -NON-VOTING ORDINARY SHARES

Number of Shareholders	Shareholdings From		To	Total Number of Shares Held
9	101		500	2,767
7	501	_	1,000	5,305
162	1,001	_	5,000	454,588
114	5,001	_	10,000	915,861
33	10,001	_	15,000	410,536
10	15,001	_	20,000	171,237
7	20,001	_	25,000	195,900
1	25,001	-	30,000	28,594
3	30,001	_	35,000	99,150
1	35,001	_	40,000	39,074
2	40,001	_	45,000	83,549
1	45,001	-	50,000	47,507
2	50,001	_	55,000	103,547
1	55,001	_	60,000	56,064
1	75,001	_	80,000	76,462
1	95,001	_	100,000	97,142
1	150,001	_	155,000	150,087
356			,	2,797,450
Shercholder's Category	Number of Shareholders	Number	of Shares Held	Percentage
Individuals	356		2,797,450	100.00
	756		2 707 466	300 0
	356 	======	2,797,450	700.0

ڈائر کیٹرزر پورٹ

انٹرلوپلمیٹڈ کے ڈائر یکٹرز30 جون2019ء کواختیام پذیر ہونے والے سال کیلئے کمپنی کی سالانہ رپورٹ مع آ ڈٹ شدہ فنانشل ٹیٹمنٹس پیش کرتے ہوئے انتہائی خوشی محسوس کررہے ہیں۔

فيكسائل واپيرل سيطراورا قنصا دي جائزه:

میکرو-اکانوی کودر پیش چیلنجزی وجہ سے پاکستان کیلئے مالی سال 2019 ایک کھن سال تھا۔ان چیلنجز سے تمٹینے کیلئے اٹھائے گئے استحکامی اقد امات نے کاروباراورصنعت پر صدورجہ دباؤڈ الا۔ آئی ایم ایف پروگرام بیں شمولیت کے بعد پاکستان مالی اور کرنٹ اکاؤٹٹ خسارہ جات ہے تہرو آز ماہونے کیلئے استحکام کی جانب گامز ن ہے گریمرم آواز ن آہستہ آہروگا ۔عالمی بدیک نے سال 20-2019 کیلئے ملک کی مجموعی ترقی کی شرح (بی ڈی پی) 2.7 فیصد ہونے کا تنحینہ راگا ہے۔تا ہم دیگر میکروا کنا کہ اصلاحات سے منسلک استحکامی اقد امات مالی سال 20-2020 کے آغاز میں اقتصادی ترقی کی شرح 4 فیصد تک پہنچانے میں کا میاب ہوں گے۔ گیسٹائل اورا پیرل صنعت پاکستان کے مجموعی برآ مدی جم میں 57 فیصد اور بی ڈی پی میں 50 8 فیصد حصد دار ہے۔ مالی سال 2018 کے دوران ملک کی 25 بلین ڈالر ٹیکسٹائل اورا پیرل صنعت سے تھیں۔ ٹیکسٹائل پالیسی ڈیکسٹائل اورا پیرل صنعت سے تھیں۔ ٹیکسٹائل پالیسی دوران ملک کی 25 بلین ڈالر ٹیکسٹائل اورا پیرل صنعت سے تھیں۔ ٹیکسٹائل پالیسی وزگار کے مواقع میسر آتے۔ مگر غیر موزوں اقتصادی حالات، غیر مستقل حکومی حکمت عملیاں، توانائی کی لوڈ شیڈنگ اور جدت واستعداد میں اضافی سے دوراق میسر آتے۔ مگر غیر موزوں اقتصادی حالات، غیر مستقل حکومی حکمت عملیاں، توانائی کی لوڈ شیڈنگ اور جدت واستعداد میں اضافی کیا ڈیسٹر ٹرن اور ورحاصل کرنے میں کا میاب رہی۔اس دوران مذکورہ سال کیلئے کمپنی کے مجموعی ممنافع میں 2018 فیصد اوضافی ہوں۔

كاروبارى نتائج:

سال کیلئے کاروباری نتائج کا خلاصہ اور قابل تقسیم منافع کی تخصیص درج ذیل ہے:

	2019(ملین روپے)	2018 (ملین روپے)
سیلز- مجموعی	37,478.32	31,138.74
مجموعي منافع	11,954.71	9,144.50
ای بی آئی ٹی ڈی اے	7,960.92	5,903.89

منافع بل ازميس	5,420.98	,005.77
كم: شيكس اخراجات	226.22	119.95
منافع بعداز ثيكس	5,194.77	3,885.81
غيرمخض منافع جوظا هركيا گيا	7,142.57	12,522.99
شخصیص کیلئے دستیاب منافع 	5,001.94	3,794.50
شخصيص		
انتبرم ڈیو بیرنڈ		950.55
تبادلہا نتظام کے زیرادا ئیگی		8,224.37
بونس شيئر ز	5,688.06	
عبورى منافع2018	1,090.25	
غيرمخض منافع جوسامنے لایا گیا	5,366.21	7,142.57
فی شیئر آمدن - بنیادی	6.67	5.10
فی شیئر آمدن- ڈائی لیوٹٹر	6.67	5.10

زیر جائزہ سال کے دوران بورڈ آف ڈائر کیٹرزنے 300 فیصدانٹیرم بونس شیئرز بحساب 3 شیئرز برائے ہر 1 شیئر بشمول 12.5 عبوری نفته منافع کی منظوری دی اور پیشیئر ہولڈرز کو مقررہ مدت میں لا گوکر دہ قوانین اور ہدایات کے مطابق الاٹ/ادا کیے گئے۔

بورڈ آف ڈائر کیٹرزنے مورخہ 23 ستمبر 2019 کو منعقدہ اجلاس میں 1.75 روپے فی شیئر (%i.e. 17.5) کے حتمی نفته منافع کی تحریز پیش کی ۔ یہ 25۔ 1 روپے فی شیئر (12.5 فیصد) کے پہلے تقسیم کر دہ فرسٹ عبوری نفته منافع کے علاوہ ہے ؛ جبکہ سال مختتمہ موری دوروں میں 2019 کیلئے مجموع کیش حصص 3 روپے (%i.e. 30) بنتا ہے۔

تجویز کردہ حتمی نقد منافع مورخہ 14 اکتوبر 2019 کو منعقد ہونے والے سالانہ اجلاس عام میں ممبران کی منظوری پر منحصر ہے۔ یہ فنانشل سٹیٹمنٹس مذکورہ تجویز سے مشروط نہ ہیں جو کہ ممبران کی منظوری کے عرصہ میں عمل میں آئیں گی۔

مالی اور مملی کار کردگی:

، فوقيل . طُيكِ

بفضل خدا، کمپنی کیلئے سال کا اختیا معملی اور مالی طور پر بہتر کارکردگی کے ساتھ مثبت انداز میں ہوا۔عدم تو ازن اور نا قابلیت میں کمی ، اخراجات اور مرتی ضروریات میں تخفیف اوراضا فی ویلیوایڈ ڈمیٹریل اور تیار مصنوعات کی پیداوار کیلئے مشینری میں اضافہ کیا گیا ہے۔رواں سال برآ مدی قیمت فروخت پر دباؤ، گیس کی لوڈ شیڈنگ، کم از کم اُجرت میں اضافہ اور حکومت کی جانب سے بروقت سیاز ٹیکس رِی فنڈ زنہ ہونے جیسے تمام چیلنجز کے باوجود کمپنی کی کارکردگی اچھی رہی۔اسی دورانیہ میں ایک چینج ریٹ کی ایڈ جسٹمنٹ نے کمپنی کے منافع پر مثبت اثرات مرتب کیے۔ زیر جائزہ سال کے دوران ایک سٹمر بنام پےلیس شوسورس اِن کارپوریٹ کے بینک کریسی فائلنگ کی وجہ سے کمپنی کی سیز کو معمولی دھچکالگا۔ جبکہ اس کمپنی کے واجبات کی فیکٹرنگ کمپنی کی جانب سے ادائیگی کی یقین دہانی کی وجہ سے مالی نقصان سے محفوظ سیز کو معمولی دھچکالگا۔ جبکہ اس کمپنی کی سیز اور مارکیٹنگ ٹیموں نے سخت محنت کی اورا گلے سال اس خلاکو پُر کرنے کیلئے دود گیرکسٹمرز کا اعتماد حاصل کیا۔

عملی نتائے پیظاہر کرتے ہیں کہ کمپنی کی آمدن میں 30 جون 2019 کو اختتام پذیر ہونے والے سال میں گزشتہ سال کی نسبت 36۔ 20+ فیصد اضافہ ہوا۔ پیز آمدن 478۔ 37 بلین روپے (مالی سال 18: 139۔ 31 بلین روپے) رہی۔ مجموعی منافع برائے سال 18: 1954 بلین روپے (مالی سال 18: 149۔ 9 بلین روپے (مالی سال 18: 149۔ 9 بلین روپے (مالی سال 18: 388، 420 بلین روپے) رہا جبکہ آمدن فی شیئر (ای پی 4.006 بلین روپے) رہا جبکہ آمدن فی شیئر (ای پی 15.60 بلین روپے فی شیئر (مالی سال 18: 388، 8 بلین روپے) رہا جبکہ آمدن فی شیئر (ای پی 15.60 بلین روپے فی شیئر (مالی سال 18: 5.00 بلین روپے فی شیئر (مالی سال 19: 5.00 بلین کی شیئر (مالی سال 19: 5.00 بلین کی شیئر (مالی سال 19: 5.00 بلین کی در باتھ کی شیئر (مالی سال 19: 5.00 بلین کی سال 19: 5.00 بلین کی شیئر (مالی سال 19: 5.00 بلین کی شیئر (مالی سال 19: 5.00 بلین کی کی سال 19: 5.00 بلین کی کی سال 19: 5.00 بلین کی کی کی کی سال 19: 5.00 بلین کی

كاروبارى شعبه جات:

کمپنی مینجمنٹ نے ذخائر کی شخصیص اور کارکر دگی کے جائزہ کیلئے کمپنی کے بورڈ آف ڈائر یکٹرز کو پیش کی گئی معلومات کی بنیاد پر ملی شعبہ جات کانعین کیا ہے۔شعبہ کی کارکر دگی عام طور پر کاروباری حجم اورمجموعی منافع جیسےا ہم عوامل کی بنیاد پر جانچی جاتی ہے۔ اندرونی انتظامی رپورٹنگ ڈھانچہ اور تیاروفروخت کردہ مصنوعات کو مدنظر رکھتے ہوئے کمپنی درج ذیل عملی شعبہ جات پر ششمل ہے:

- a ہوزری --- پیشعبہ جرابوں اورٹائٹس کی فروخت سے متعلق ہے
 - b۔ سپنگ--- بیشعبہ یارن کی فروخت سے وابستہ ہے
- دیگر عملی شعبه جات --- بیر مینی کے اُن مختلف شعبه جات کی نمائندگی کرتا ہے جوتا حال انٹر بیشنل فنانشل رپورٹنگ اسٹینڈ رڈ زمیں بیان کیے گئے کم از کم مطلوبہ رپورٹنگ معیارات پر پورانہیں اُٹر تے۔اس میں بنیادی طور پر ڈومیسٹک سیلز ،انر جی ،یارن ڈائننگ ، ڈینم اور ایکٹیو-ویئر شامل ہیں۔
 ایکٹیو-ویئر شامل ہیں۔

ما تحت مینی:

سمپنی نے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈ رڈ زایند کمپنیزا یکٹ 2017 کے مطابق الگ مالی ٹیٹمنٹس کے ساتھ ساتھ مجموعی فنانشل ٹیٹمنٹس بھی منسلک کی ہیں۔

انٹرلوپ لمیٹڈ کے ماتحت تمپنی کی جامع تفصیل درج ذیل ہے:

آئی ایل اپیرل (یرائیویٹ) لمیٹڈ:

سیم بنی کی کمل ملکیتی ذیلی کمپنی ہے جونٹ ویئر اورا کیٹیو-ویئر کے کاروبار سے متعلق ہے۔ فیصل آباد میں موجود بیکا کیٹوں ویئر کے کاروبار سے متعلق ہے۔ فیصل آباد میں موجود بیکی شیمنٹ مارچ 2019 گار منٹ مینوفینچرنگ یونٹ 16 کیڑ پرواقع ہے، جس نے جنوری 2019 میں اپنی سرگر میوں کا آغاز کیا اوراپنی پہلی شیمنٹ مارچ 2019 میں ارسال کی ۔ آئی ایل اپیرل نے انٹر لوپ اپیرل پارک میں انٹر لوپ انڈسٹر بیل پارک کے نزد یک ایک سٹیٹ آف دی آرٹ vertically integrated نے ویئر گارمنٹس مینوفین کچرنگ پلانٹ کی منصوبہ بندی رکھتی ہے۔

كار بوريك گورننس:

كارپوريپ اور فنانشل رپور ٿنگ فريم ورک پرسٹيٽمنٽ:

ڈائر کیٹرزکویہ بیان کرتے ہوئے خوتی محسوس ہورہی ہے کہ کمپنی سکیورٹیز اینڈ ایکیچنے کمیشن آف پاکستان (SECP) کے مطلوبہ کوڈ آف کارپوریٹ گورننس اور پاکستان سٹاک ایکیچنج کے قواعد پر کامل عمل پیراہے۔ بورڈ آف ڈائر یکٹرز کمپنی کے سٹر پیجگ فیصلوں کا جائزہ لیتا ہے اور کارپوریٹ گورننس کے اعلیٰ معیارات برقر ارر کھنے کیلئے پُرعزم ہے۔ لسٹڈ پینیز (کوڈ آف کارپوریٹ گورننس)ریگولیشنز 2017 کے تحت ایک رسی عملدر آمدی شیٹمنٹ بیان کی گئی ہے جو کہ اس سالانہ رپورٹ کا حصہ ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک پر ڈائر یکٹرز کی شیٹمنٹ درج ذیل ہے:

- 1۔ سیمپنی مینجمنٹ کی جانب سے تیار کی جانے والی فنانشل اسٹیٹمنٹ میں امور کی انجام دہی ،اپنے امور کے نتائج ،کیش فلواورا یکوٹی میں تبدیلی کے بارے میں درست انداز میں بتایا گیاہے
 - 2۔ سمبینی کے اکاؤنٹس کی بکس کوچیجے انداز میں رکھا گیاہے
- 3۔ فنانشل اسٹیٹنٹ کی تیاری میں مناسب اکاؤنٹنگ حکمت عملیوں کوستفل لا گوکیا گیا ہے اور اکاؤنٹنگ تخیینه معقول اور دانشمندانه فیصله برمبنی ہے
- 4۔ فنانشل اسٹیٹمنٹ کی تیاری میں پاکستان میں لا گوکردہ انٹرنیشنل فنانشنل رپورٹنگ اسٹینڈ رڈ ز کی مکمل پیروی کی گئی ہے اور اس سے انحراف کومناسب انداز میں ظاہراور بیان کیا گیا ہے
- 5۔ سیمپنی کیلئے ایک مشن سیمنٹ، ویژن اور مجموعی کارپوریٹ سٹریبٹی تیار اور نافذ کی گئی ہے اور حسب ضرورت بورڈ کی جانب سے اس کا جائزہ لیا گیا ہے
 - 6۔ اندرونی کنٹرول کا ڈھانچے مضبوط ہے اور بیموء ثر انداز میں نافذ العمل اور زیرنگرانی ہے
 - 7۔ سمبنی کے جاری رہنے کی صلاحیت بر کوئی واضح شکوک نہیں ہیں

بورد آف دُائرُ يكٹرز كَيْنظيمي ساخت:

انٹرلوپ لمیٹڈ کابورڈ آف ڈائر یکٹرزسات ممبران پر شمنل ہے جس میں کمپنی کے کاروبار سے متعلقہ بہترین قابلیت ہمجھ بوجھ اور مہارت رکھنے والے مختلف بس منظر کے حامل افراد شامل ہیں۔ بورڈ کوذیلی کمیٹیوں مثلاً آڈٹ کمیٹی، ہیومن ریسورس اینڈ ریموزیشن کمیٹی اور نامینیشن کمیٹی کا تعاون حاصل ہوتا ہے۔ بیذیلی کمیٹیاں لسٹڈ پینیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی شرائط کے مطابق میٹنگز کا انعقاد اور بورڈ کو مطلع رکھنے کا فریضہ سرانجام دیتی ہیں مجبران میں صنفی علمی اور مہارتی تنوع کے امتزاج کی وجہ سے ہمارے بورڈ کی افادیت میں اضافہ ہوتا ہے۔ ہمارے بورڈ کی شخصی ساخت شراکت داروں کی تمام درجہ بندیوں کو ظاہر کرتی ہے اور بیذیل پر شتمل

- ☆خودمختار ڈائریکٹرز 2
- ☆ دیگرنان-ایگزیکٹوڈائریکٹرز 3
- ا يَّز يَكُودُ ارْ يَكُرِّز 2

بيرونی آڈیٹرز:

موجودہ آڈیٹرزمیسرزکریسٹن حیدر بھیجی اینڈ کمپنی، چارٹرڈا کا وُنٹنٹس سبکدوش ہورہے ہیں اوراُنہوں نے اہل ہونے کے ناطے دوبارہ تعیناتی کیلئے اپنی خدمات پیش کی ہیں۔ بورڈ آف ڈائز یکٹرزنے میسرز کریسٹن حیدر بھی اینڈ کمپنی، چارٹرڈا کا وُنٹنٹس ،کوا گلےسالانہ اجلاس عام تک دوبارہ تعینات کرنے کی سفارش کی ہے۔

صحت، تحفظ اور ماحول كيليخ اداره جاتى ساجى ذ مه دارى:

صحت، تحفظ اور ماحول ہماری بنیادی اقد ار ہیں، ہمیں اپنے اُصولوں پرفخر ہے اور ہم یہ قینی بنا کیں گے کہ ہمارے اقد امات محفوظ ہیں اور ہم ماحول کی بربادی کا سبب نہیں بن رہے۔ ہمارے ملاز مین کی صحت اور حفاظت، ہمارے اثا ثہ جات کا تحفظ، ہمارے آپریشنز کی سکیورٹی اور صحت مندانہ ماحول ہمیشہ ہماری کمپنی کی اولین ترجیح رہاہے۔ کمپنی کیلئے بورڈ سے لے کر کاروباری پوٹٹس تک، ہر لمحہ حفاظت بنیادی ترجیح

-ج

سمپنی اپنی ساجی فلاحی ذمه داریاں (CSR) نبھانے کیلئے پوری طرح کمر بستہ ہے اور مستعدا نداز میں ساجی بہبود کی سرگرمیوں میں حصہ لیتی ہے۔ زبر جائز ہسال کے دوران سی ایس آرپر وگرام کے تحت تعلیم ،صحت ، ثقافت اور کھیل کے شعبوں میں قابل ذکرخد مات سرانجام دی سنگیں۔

كاروبارى خطرات، مشكلات اور مستقبل كانقطه ونظر:

ٹیکسٹائل کے شعبہ میں عالمی سطح پرمقابلہ بشمول ریٹیلر زاور برانڈز کا مار کیٹ ضروریات کی جانب رحجان ، میں حد درجہ اضافہ دیکھتے ہوئے کمپنی کوسورسنگ پٹیرنز میں تبدیلی پر گہری نگاہ رکھنا ہوگی۔ یہ استعداد کار میں بہتری اور سپلائی چین میں خل اندازی اور پیداواری وقت میں تخفیف کے ذریعے موئز انداز میں کم کی جاسکتی ہے۔

موجودہ اقتصادی حالات جو کہ تاحدنگاہ غالب رہنے کا امکان ہے، کمپنی ایسے اقد امات اٹھانے اور نافذ کرنے کا ارادہ رکھتی ہے جو کہ منفی اثر ات کو ہرممکن حد تک کم رکھ کیس۔ آج عالمی سطح کے انتہائی سخت مقابلہ جاتی ماحول میں ہم یہ بھتے ہیں کہ پاکستان کے ٹیکسٹائل شعبہ کو مین الاقوامی مارکیٹ میں اپنامقام برقر اررکھنے کیلئے سپلائی چین کی اپ گریڈیشن، پیداواری بہتری اور ویلیوایڈیشن میں اضافہ بقینی بنانا ہوگا۔

مدت مختتمه 30 جون 2018 كيلئے كمپنى اوراس كى ماتحت آئى ايل اپيرل (پرائيويٹ) لميٹڈ كى مجموعى فنانشل سٹيٹمنٹس منسلكہ ہیں۔

ڈائر یکٹرز کمپنی کے تمام نثرا کت داروں بشمول کسٹمرز ، شیئر ہولڈرز ، وینڈرز ، حکومتی اداروں ، بینکرزاور دیگرتمام کاروباری ساتھیوں کے سال بھرمسلسل تعاون پرانتہائی مشکور ہیں۔ ہم ہرسطے پرملاز مین کی جانب سے کی گئی کاوشوں کوخراج تحسین پیش کرتے ہیں

برائے اور بحکم بورڈ آف ڈائر یکٹرز

Sd/-

نو يد فاضل (چيف ايگزيکٹو آفيسر) جہانزيب خان بانتھ (ڈائريکٹر)

فيصل آباد

بتاريخ: 23 ستمبر2019

CONSOLIDATED DIRECTORS' REPORT 2019



CONSOLIDATED DIRECTORS' REPORT

The Directors are pleased to present the consolidated audited results of Interloop Limited ("the holding company") and its subsidiary i.e., M/s IL Apparel (Private) Limited, for the year ended June 30, 2019. The Holding Company has annexed its consolidated financial statements along with its separate financial statements in accordance with the requirement of International Financial Reporting Standards and as required under section 228 of the Companies Act, 2017.

The textile sector in Pakistan face a tougher playing field in the region when compared with the textile sector in other countries. The "cost of doing business" in the country is relatively higher on region-wide basis. Despite seeing one of the most aggressive monetary tightening policies in Asia since 2018, the Country's inflation rose to a five year high of 8.8% on year-on-year basis in April 2019 as compared to 9.4% in the previous month and 3.7% during corresponding month of last year. Similarly, despite over 30 percent rupee devaluation, country's overall textile sector exports declined 1.42 percent to \$13.329 billion in the year ended June 30, 2019. Knitwear grew 7.0 percent to \$2.89 billion during the year 2018/2019 as compared with \$2.711 billion in the preceding year. Likewise, the export of readymade garments exhibited 3.0 percent growth to \$2.65 billion in the year as against \$2.577 billion in the preceding year.

However, by the grace of God Almighty, during the financial year ended June 30, 2019, the Group earned a net profit after tax of PKR 5,061 million, compared to net profit of PKR 3,735 million earned during the preceding financial year. The operational and financial performance of group is portraying improvements inspite of cut-throat competition and high operating costs. The current order book of the parent company is healthy and it has confirmed orders up to December 2019 to run the plant(s) at reasonably good capacity. The Apparel business is performing well along with a newly added division of denim in the current year. The management is confident that the parent company as well as its subsidiary will be able to build on their performance, going forward. The Group is striving to be one of the leading players in the global businesses and planning to expand its footprint in Pakistan as well. The Group is expected to achieve higher production, sales volume and, by the grace of God, will achieve even better financial results during the ensuing year.

The Directors' Report giving a detailed analysis of the performance of the Interloop Limited and its subsidiary i.e., M/s IL Apparel (Private) Limited, for the year ended June 30, 2019, has also been presented separately.

ON BEHALF OF THE BOARD

Sd/-(Navid Fazil) (Chief Executive Officer) Sd/-(Musadaq Zulqarnain) (Chairman / Director)

Faisalabad, September 23, 2019

ڈائر یکٹرز کی مشتر کہ رپورٹ

ڈائر کیٹر زسال مختتمہ 30 جون 2019 کیلئے انٹرلوپ لمیٹٹر ("دی ہولڈنگ کمپنی") اوراس کی ماتحت کمپنی؛ میسرز آئی ایل اپیرل (پرائیویٹ) لمیٹٹر کے مشتر کہ آڈٹ شدہ نتائج پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔ ہولڈنگ کمپنی نے انٹر نیشنل فنانشل رپورٹنگ سٹینڈرڈز کے مطابق اوکمپنیز ایکٹ 2017 کے کیشن 228 کے تحت اپنے مشتر کہ مالیاتی گوشوارے بشمول الگ مالیاتی گوشوارے واضح کردیئے ہیں۔

یا کستان میں ٹیکسٹائل کے شعبہ کودوسرے مما لک کے ٹیکسٹائل شعبہ جات کی نسبت خطہ میں مشکل حالات درپیش ہیں۔ملک میں" کاروبار کی لاگت" دیگرخطوں کے مقابلہ میں کافی زیادہ ہے۔سال2018سے ایشیاء کی سب سے جارحانہ مالی سخت حکمت عملیوں میں سے ایک ہونے کے باوجودا پریل2019کے دوران ملک میں مہنگائی کی شرح5 سال کی بلندترین سطے8.8 فیصد تک جائینچی جو کہ گزشتہ ماہ کے دوران4.9 فیصداورگزشتہ سال کے اسی مہینہ کے دوران 3.7 فیصد تھی۔اسی طرح رویے کی قدر میں 30 فیصد کمی کے باوجود سال مختتمہ 30 جون2019 کیلئے ملکی ٹیکسٹائل شعبہ کی مجموعی برآ مدات1.42 فیصد کمی کے ساتھ 13.329 بلین ڈالرر ہیں۔نٹ ویئر سال 2018/19 كے دوران7.0 فيصداضا فه كے ساتھ 2.89 بلين ڈالرر ہيں جو كه گزشته سال 2.711 بلين ڈالر كی سطح پڑھيں ۔اسی طرح ریڈی میڈ گارمنٹس کی برآ مداس سال 3.0 فیصداضا فہ کے ساتھ 2.65 بلین ڈالررہی جوگز شتہ سال 2.577 بلین ڈالرتھی۔ تاہم خدائے بزرگ وبرتر کے فضل سے مالی سال مختتمہ 30 جون2019 کے دوران گروپ گزشتہ مالی سال کے3,735 ملین روپے کے مقابلہ میں 5,061ملین رویے مجموعی منافع بعداز ٹیکس حاصل کرنے میں کا میاب رہا۔ سخت ترین مقابلہ جاتی ماحول اورانتہائی زیادہ آپریٹنگ لاگت کے باوجودگروپ کی عملی اور مالی کارکردگی بہتری کی نشاندہی کررہی ہے۔مرکزی نمپنی کی موجودہ آرڈ ربگ مضبوط ہے اور وہ پلانٹ کے مناسب صلاحیت کے ساتھ کام جاری رکھنے کیلئے دسمبر 2019 تک آرڈرز کی تصدیق کر چکی ہے۔ موجودہ سال میں اپیرل کا کاروباربشمول نئےاضا فہ شدہ ڈینم ڈویژن کے ساتھ انتہائی موءثر کارکردگی پیش کررہاہے۔ مینجمنٹ پُراعتمادہے کہ مرکزی کمپنی اوراس کی ماتحت کمپنی مستقبل میں اپنی کارکردگی میں مزید نکھارلائے گی۔گروپ عالمی کاروباری اُفق پرصفِ اول کی کمپنیوں میں شامل ہونے کے ساتھ ساتھ پاکستان میں بھی اپنادائر کاروسیع کرنے کیلئے کوشاں ہے۔ بفصلِ خدا گروپ رواں سال کے دوران زیادہ پیداوار سیلز حجم میں اضافہ اور مزید بہتر مالی نتائج کے حصول کیلئے پُر اُمید ہے۔

سال مختمہ 30 جون 2019 کیلئے انٹرلوپ لمیٹڈ اوراس کی ماتحت کمپنی میسرز آئی ایل اپیرل (پرائیویٹ) لمیٹڈ کی کارکردگی کانفصیلی جائزہ بھی الگ الگ پیش کیا جار ہاہے۔

بحکم بورڈ sd/-فیصل آباد نین (ڈائر کیٹر اچیئر مین) مصدق ذوالقرنین (ڈائر کیٹر اچیئر مین)

بتاریخ: 23 ستبر2019

NOTICE OF 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of the members of Interloop Limited ("Company") is scheduled to be held on Monday, October 14th, 2019 at 10:00 a.m. at Serena Hotel, Club Road, Civil Lines, Faisalabad, to transact the following business:

Ordinary Business: -

- 1. To confirm the minutes of the Extra Ordinary General Meeting held on March 5, 2019.
- 2. To receive, consider and adopt audited accounts of the Company for the year ended June 30, 2019 together with the Chairman's Review Report, Directors' and Auditors' Report thereon.
- 3. To approve Final Cash Dividend @ 17.5% [i.e. Rs. 1.75 / share] for the year ended June 30, 2019 as recommended by the Board of Directors.
- 4. To appoint auditors for the year ended June 30, 2020 and fix their remuneration. The retiring Auditors M/s Kreston Hyder Bhimji & Company, Chartered Accountants, being eligible have offered themselves for reappointment.

Special Business: -

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution, as circulated to the members of the Company along with the notice of this AGM and initialed by the Company Secretary for the purpose of identification, in substitution of and to the exclusion of the existing Articles of Association of the Company.

The text of this special resolution is as under:

"RESOLVED THAT the existing Articles of Association of the Company be and are hereby altered and be replaced with a new set of Articles of Association of the Company."

"RESOLVED FURTHER THAT any changes, as may be required by the Securities and Exchange Commission of Pakistan (SECP), in the new set of Articles shall be treated as approved and adopted by the shareholders and the same shall have effect from the date of passing of this special resolution."

"RESOLVED FURTHER THAT the Chief Executive Officer or the Company Secretary be and are hereby authorized singly to fulfill all legal, corporate and procedural formalities and to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution and filings with SECP along with all requisite documents, affidavits, statements etc. for recording of the alterations of Articles of Association."

Other Business: -

Faisalabad: September 23, 2019

6 To transact any other business with the permission of the Chair.

By Order of the Board

Sd/-(Rana Ali Raza) Company Secretary

Notes

i Closure of Share Transfer Books

The Share Transfer Books of the Company shall remain closed from 07th October 2019 to 14th October 2019 (both days inclusive). Transfer received in order at our Share Registrar/Transfer agent, CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, S.M.C.H. Society, Main Shahrah-e-Faisal, Karachi 74400, at the close of business on Friday, October 04th, 2019 will be considered in time for the purpose of above entitlement to the transferees.

ii Participation in Annual General Meeting

A member entitled to attend, speak and vote at this Annual General Meeting shall be entitled to appoint another member, as a proxy to attend and vote on his / her behalf. The instrument appointing Proxy must be received at the Registered Office or Share Registrar of the Company not less than 48 hours before the time of the meeting. For the convenience of the members a Proxy Application Form is dispatched with the Notice of the Meeting.

iii Further Guidelines for CDC Account Holders

Any Individual Beneficial Owner of CDC, entitled to vote at this Meeting, must bring his / her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose.

CDC Account Holders will also have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP):

a) For Attending AGM

- (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- (ii) Members registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- (iii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b For Appointing Proxy

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
- iii) Attested copies of CNIC of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of meeting.
- v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

iv Notify The Changes in Addresses of Shareholders

The shareholders of the Company are requested to notify changes in their mailing addresses (if any), to our share registrar/transfer agent.

(v) CNIC / NTN number on Electronic Dividend (Mandatory)

- a. As per SRO 831 (1) / 2012 dated July 05, 2012 and other relevant rules the electronic Dividend should also bear the CNIC Number of the registered shareholder or the authorized person, except in case of minor[s] and corporate shareholder[s].
- b. As per Regulation no. 4 & 6 of SRO 1145 (1)/2017 dated November 2017, the Company shall be constrained to withhold the payment of Dividend to the shareholders, in case of non-availability of identification number (CNIC or National Tax Number) of the shareholder or authorized person.
- c. Accordingly, the shareholders, who have not yet submitted copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Share Registrar.

(vi) Transmission of Audited Financial Statements / Notices Through Email

Members are hereby informed that pursuant to SECP SRO 787(1)/2014 dated September 8, 2014, and under section 223(6) of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.

In compliance with the above requirements, members who wish to receive the Annual Report 2019 in electronic form may file an application as per the form provided on the Company's website in compliance with the subject SRO. The members who have provided consent to receive Annual Report 2019 can subsequently request any other media including hard copy which shall be provided free of cost within seven days.

vii. Transmission of Annual Financial Statements Through CD/DVD/USB

SECP through its SRO.470(I)/2016 dated May 31, 2016 have allowed companies to circulate their annual balance sheet, profiit and loss account, auditor's report and directors' report to its members through CD/DVD/USB at their registered addresses. In view of the above the Company has sent its Annual Report to the shareholders in the form of CD/DVD. Any Member can send request for printed copy of the Annual Report to the Company on standard request form placed under the Investor Information section on its website https://www.interloop-pk.com/forms-notices-announcements//

viii. Placement of Financial Statements on Website

The Financial Statements of the Company for the year ended June 30, 2019 along with reports have been placed on the website of the Company:

https://www.interloop-pk.com/wp-content/uploads/2019/09/ANNUAL-AUDITED-FINANCIAL-STATEMENTS-AND-REPORT-2019.pdf

ix. Consent for video conference facility:

Pursuant to Section 132(2) & section 134(b) of the Companies Act, 2017, if company receives consent form from shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 7 days prior to the date of meeting, the company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to registered office of the Company:

I/We,		of	,	being	а	member	of	Interloop	Limited,	holder	of
	_ ordinary share(s)	as per Registered	d Folio/CD	C Accou	unt I	No			he	reby opt	for
video conference facility at											
Signature of Member											

x. Requirement of Companies (Postal Ballot) Regulations 2018

Pursuant to Companies (Postal Ballot) Regulations 2018, for any other agenda item subject to the requirements of Sections 143 and 144 of the Companies Act 2017, members present in person, through video-link or by proxy, and having not less than one-tenth of the total voting power can also demand a poll and exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with requirements and procedure contained in the aforesaid regulations.

xi. Payment of Cash Dividend Electronically (E-Dividend Mechanism)

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders and SECP vide S.R.O.1145(I)/2017 (as amended) directed all shareholders to provide their valid International Bank Account Numbers (IBAN) to receive cash dividend electronically.

The shareholders are hereby advised to provide details of their bank mandate specifying: (i) Title of Account, (ii) IBAN, (iii) Bank Name, (iv) Branch Name and Address to the Company's Share Registrar, shareholders who hold shares with Participants/ CDC are advised to provide the mandate to the concerned Broker/Participant/CDC Investor account services.

The form for providing such information has been made available under the Investor Information section at Company's website https://www.interloop-pk.com/forms-notices-announcements/

xii. Unclaimed Dividends

As per the provision of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to fille their claim.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged timely. In case, no claim is lodged with the Company in the given time, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act, 2017.

xiii. Withholding Tax On Dividend

Government of Pakistan through Finance Act, 2019, has made certain amendments in withholding tax provision by substituting the definition of "Filers" with "Active Taxpayer List" (ATL), whereby the company is required to collect tax on dividend under Section 150 of the Income Tax Ordinance, 2001 from the person not appearing in the ATL at the rates specified in the Ordinance as increased by 100%. These tax rates are as under:

(a) For persons appearing in Active Taxpayer List(b) For persons not appearing in Active Taxpayer List30.0%

Shareholders who are fillers, are advised to make sure that their names are entered into latest ATL provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as person not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

xiv. for Joint Shareholders

For shareholders holding their shares jointly as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately as per status of their names appearing in the ATL for principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follows:

Interloop Limited							
		Principa	al Shareholder	Joint Sh	nareholder		
Folio/CDC Account #	Total Shares	Name and CNIC	Shareholding Proportion (No. of Shares)	Name and CNIC	Shareholding Proportion (No. of Shares)		

نوٹس برائے27 واں سالا نہا جلاس عام

مطلع کیا جاتا ہے کہ درج ذیل کاروباری امور کی انجام دہی کیلئے انٹرلوپ لمیٹڈ ('' کمپنی'') کے ممبران کا 27 واں سالانہ اجلاس عام مورخہ 14 اکتوبر 2019ء بروز سوموار بوقت 10:00 بجے دن سرینا ہوٹل ،کلب روڈ ،سول لائٹز ،فیصل آباد میں منعقد ہوگا۔

عمومی امور: ـ

- 1- مورخه 5 مارچ 2019 ء كوہونے والے غير معمولي اجلاس عام كے نكات كى توثيق
- 2- 30 جون 2019 ء کوختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے کی چیئر مین کی نظر ثانی رپورٹ، ڈائر یکٹر زاور آڈیٹرز کی رپورٹ کیساتھ وصولی ،غور وخوض اور منظوری
- 3- 30 جون 2019ء کواختیام پذیر یہونے والے سال کیلئے بورڈ آف ڈائر یکٹرز کی جانب سے سفارش کردہ حتمی نقد منافع منقسمہ کی بحساب 17.5 فیصد یعنی مبلغ 1.75 دویے فی شیئر کا اعلان اور منظوری
- 4- 30 جون 2020 ء کوختم ہونے والے سال کیلئے آڈیٹرز کی تعیناتی اور ان کے مشاہرہ کا تعین ۔ سُبکد وش ہونے والے آڈیٹرز میسرز کریسٹن حیدر مجمی اینڈ کمپنی، جارٹرڈ اکا وَمنٹس، نے اہل ہونے کے ناطے دوبارہ اپنی خدمات پیشکش کی ہیں

خصوصی امور: ۔

۔ اگرموزوں لگےتو درج ذیل قرار داد جو کہ شناخت، متبادل اور کمپنی کے موجودہ آرٹیکٹز آف ایسوسی ایشن سے خارج کرنے کے مقاصد کے تحت کمپنی کے ممبران کواس سالا نہ اجلاس عام کے نوٹس کیساتھ ارسال کی جا چکی ہے ، کی مع ترمیم یا بغیر کسی ترمیم کیساتھ ابطور خصوصی قرار داد منظور ک

خصوصی قرارداد کامسودہ حسب ذیل ہے:

'' طے پایا کہ مینی کے موجودہ آرٹیکلز آف ایسوسی ایشن کو کمپنی کے نئے آرٹیکلز آف ایسوسی ایشن کیساتھ بدلا اوراختیار کیا جائے گا''

''مزید طے پایا کہ نئے آرٹیکلز کے مسودہ میں سکیورٹیز اینڈ ایکیچنج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے کسی بھی قتم کی لازمی تبدیلی شیئر ہولڈرز کیلئے منظوراور قابل تغمیل ہوگی اور بیاس خصوصی قرار داد کی منظوری کی تاریخ سے نافذ العمل ہوگی'۔

" مزید طے پایا کہ چیف ایگزیکٹو آفیسر یا سمپنی سیکرٹری کلی طور پر مذکورہ قرار دادکوموء ثراورموزوں بنانے کیلئے مطلوبہ تمام قانونی،کارپوریٹ اورمتعلقہ کاروائیاں پوری کرنے کے مجاز ہوں گے اور اس سے متعلقہ تمام لازمی اقدامات، اُموراور چیزوں پرعملدر آمدکرسکیں گے اورائنہیں ریکارڈ کیلئے آرٹیکٹر آف ایسوسی ایشن میں تبدیلی کوتمام مطلوبہ دستاویزات،حلف ناموں، بیانات وغیرہ کے ساتھ ایسای پی میں داخل دفتر کرنے کی اجازت ہوگی'۔

دیگرامور: په

6- چیئر مین کی اجازت سے سی دیگر کاروباری امور کی انجام دہی

بحكم بورد

۵۵/-(راناعلی رضا) سمپنی سیرٹری

فيصل آباد 23 ستمبر 2019ء

گذارشات

i- منتقلی حصص کی کتب کی بندش

کمپنی کی شیئر ٹرانسفر بکس مورخہ 107 کتوبر 2019ء تا 14 اکتوبر 2019ء (بشمول دونوں ایام) بندر ہیں گی۔ ہمارے شیئر رجسٹرار /ٹرانسفرا یجنٹ ہی ڈی میں شیئر رجسٹر ارسروسز لمیٹٹر (سی ڈی می ایس آ رایس ایل) ہی ڈی می ہاؤس، 99۔ بی ،ایس ۔ایم ۔سی۔ایگ سوسائٹی ، مین شاہراہ فیصل ،کراچی 74400 میں مورخہ 14 کتوبر 2019ء بروز جمعہ کاروباری ایام کار کے اختقام تک موصول ہونے والی ٹرانسفر نتقل الیہ کومتذکرہ استحقاق کیلئے بروفت متصور کی جائیں گی۔

ii- سالانه اجلاس عام میں شمولیت

اجلاس ہذامیں شرکت کرنے اور ووٹ دینے کا اسحقاق رکھنے والے کوئی بھی ممبرا جلاس میں اپنی شرکت کرنے ، ووٹ دینے اور بولنے کیلئے کسی دوسر شے خص کواپنی جانب سے نمائندہ مقرر کرسکتا ہے پراکسی کیلئے کمپنی کاممبر ہونا ضروری نہیں ہے۔

پراکسی کے تقرر کی دستاویز اور پاور آف اٹارنی یا کوئی دیگراتھارٹی ابورڈ کی قرار داد جو با قاعدہ دستخط شدہ ہو یا نوٹری سے تصدیق شدہ پاور آف اٹارنی کمپنی کے رجٹرڈ آفس یاشیئر رجٹرڈ کے آفس اجلاس کے مقرر وقت سے 48 گھنٹے قبل جمع کرادی جائیں ممبران کی آسانی کیلئے پراکسی فارم اجلاس کے نوٹس کے ساتھ ارسال کردیا گیا ہے۔

iii- سى دىسى اكاؤنث بولدرز كيلئے دىگر مدايات

اجلاس میں ووٹ دینے کے حقدارس ڈی سی کے تمام انفرادی حقیقی مالکان کواپنی شناخت کے ثبوت کے طور پر اپنااصل کمپیوٹرائز ڈقو می شناختی کارڈ ہمراہ لا نا ہوگا جبکہ پراکسی کی صورت میں شیئر ہولڈر کے قومی شناختی کارڈ کی تصدیق شدہ فقل پراکسی فارم کیساتھ منسلک کرنا ہوگی۔کار پوریٹ ممبران کے نمائندگان اس مقصد کیلئے درکار ضروری دستاویزات ہمراہ لائیں۔ سی ڈی سی اکاؤنٹ ہولڈرز کوسکیورٹیز اینڈ اینٹر اینٹر آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ سرکلر 1 ہتاری کو جنوری 2000ء میں دی جانے والی درج ذیل ہدایات پڑمل درآ مرجھی یقینی بنانا ہوگا۔

الف) سالانها جلاس عام میں شرکت کیلئے

- i) فردی صورت میں اکاؤنٹ ہولڈریاسب اکاؤنٹ ہولڈریا ایسافر دجس کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اوراُ کی رجٹریش تفصیلات ضوابط کے مطابق درج کی گئی ہوں ،کواجلاس میں شرکت کیلئے اپنااصل قومی شناختی کارڈیااصل پاسپورٹ دکھا کراپنی شناخت واضح کرنا ہوگی
 - ii) سى ڈى سى پررجىٹر ڈممبران كوبھى اپنے كوا كف يعنى سى ڈى ايس ميں اپنے آئى ڈى نمبرز اورا كاؤنٹ نمبرز ہمراہ لا ناہوں گے۔
- iii) کارپوریٹ ادارہ کی صورت میں اجلاس کے وقت بورڈ آف ڈائر یکٹرز کی قرار داد/ پاورآف اٹارنی (جب تک کہوہ پہلے فراہم نہ کی گئ ہو) مع نامز دفر د کے نمونہ دستخط پیش کرنا ہوگی۔

ب پراکسی کی تقرری

- i) فردی صورت میں اکا وُنٹ ہولڈریاسب اکا وُنٹ ہولڈریا ایسافر دجس کی سکیورٹیز گروپ اکا وُنٹ میں ہوں اوراُ کئی رجسٹریشن تفصیلات ضوابط کے مطابق درج کی گئی ہوں، کو مذکورہ ضرورت کے مطابق پراکسی فارم جمع کروانا ہوگا
 - ii) پراکسی فارم کیلئے ایک گواہ کا ہونالازمی ہے جس کا نام، پنة اور قومی شناختی کارڈنم بر فارم پر درج ہو۔
 - iii) حصص یافتة اورنمائندے کا تصدیق شدہ CNIC پراکسی فارم کے ساتھ منسلک کرنا ہوگا۔
 - iv) پراکسی کواجلاس کے موقع پر اپنااصل شنائتی کارڈیا پاسپورٹ پیش کرنا ہوگا۔
- ۷) کارپوریٹ ادارہ کی صورت میں اجلاس کے وقت بورڈ آف ڈائر یکٹرز کی قرار داد/ پاور آف اٹارنی (جب تک کہوہ پہلے فراہم نہ کی گئ ہو) مع نمونہ دستخط کمپنی کو پراکسی فارم کے ساتھ جمع کروانا ہوگی۔

iv شیئر ہولڈرز کے پتہ میں تبدیلی کی اطلاع:

سمینی کے شیئر ہولڈرزسے درخواست ہے کہ وہ اپنے ڈاک پبتہ میں تبدیلی (اگر ہوتو) کی اطلاع ہمارے شیئر رجسڑ ار/ٹرانسفرا یجنٹ کودیں۔

۷- نقد منافع منقسمه کی برقی طریقه کار کے ذریعے ادائیگی پرقومی شناختی کارڈنمبر/این ٹی این نمبر(لازمی):

الف۔ ایس آراو2012/(1)831 مور خہ 05 جولائی2012 اور دیگر متعلقہ قوانین کے مطابق نقد منافع منقسمہ کے پروانے پر صص یافتہ یا مجازنمائندہ کا قومی شناختی کارڈنمبر درج ہونالازم ہے اوراس سے صرف نابالغ بچے اور کارپوریٹ حصص یافت گان مشتی ہیں۔

- ب۔ ایس آراو2017/(1)1456 مور خدنومبر 2017 کے ریگولیشن نمبر 4اور 6 کے مطابق شیئر ہولڈر/مجازنمائندہ کی جانب سے شناختی نمبر (سی این آئی سی یا این ٹی این) کی عدم فراہمی کی صورت میں کمپنی خصص یافتگان کونقد منافع منقسمہ کی ادائیگی رو کئے پرمجبور ہوجائے گی۔
- ج۔ چنانچہ جن شیئر ہولڈرزنے تا حال اپنے متندقو می شناختی کارڈنمبریااین ٹی این کی نقل جمع نہیں کروائی اُن سے ایک بار پھر درخواست کی جاتی ہے کہ وہ فی الفور شیئر رجٹر ارکوجمع کروائیں

vi ۔ آڈٹ شدہ مالیاتی گوشواروں/اعلامیہ کی بذریعہای میل منتقلی:

ممبران کومطلع کیا جاتا ہے کہالیں ای پی ایس آراو2014/(1)787مور خد 8 ستمبر 2014 کے مطابق اور کیپنیز ایکٹ 2017 کے سیکشن (6)223 کے تحت آڈٹ شدہ مالیاتی گوشواروں اور سالا نہ اجلاس عام کے نوٹس کی الیکٹرا نک شکل میں بذریعہ ای میل منتقلی کی منظوری دے دی گئی ہے۔

فہ کورہ بالا منظوری کے تحت ایسے ممبران جوسالا نہ رپورٹ 2019 الیکٹرا نک شکل میں موصول کرنے کے تمنی ہیں، وہ بتائے گئے ایس آر او کے مطابق سمپنی کی ویب سائٹ پر فراہم کردہ فارم پراپی درخواست جمع کرواسکتے ہیں۔ایسے ممبران جوسالا نہ رپورٹ 2019 موصول کرنے کی رضامندی ظاہر کر بچلے ہیں وہ بعدازاں کسی بھی دیگر شکل بشمول مطبوعہ قبل کیلئے درخواست دے سکتے ہیں جو کہ اُن کوسات یوم کے اندر بلامعاوضہ فراہم کی جائے گی۔

vii مالانه مالياتي گوشوارون كى بذريعين دى دى دى دى ايوايس بې منتقلى:

سکیورٹیز اینڈ ایجیجنے کمیشن آف پاکتان نے اپنے ایس آراو 470(l)/2016 مور خد 31 مئی 2016 کمپنیوں کو اپنی بیلنس شیٹ، نفع ونقصان کے حسابات، آڈیٹر کی رپورٹ اورڈ ائر کیٹرز کی رپورٹ ممبران کو بذریعہ سی ڈی / ڈی وی ڈی / پوایس بی اُن کے رجٹر ڈپھ پر ارسال کرنے کی منظوری دے دی تھی۔ مذکورہ کے تحت کمپنی نے اپنی سالانہ رپورٹ حصص یافتگان کوسی ڈی / ڈی وی ڈی کی شکل میں ارسال کردی ہے۔ کمپنی کی سالانہ رپورٹ کی مطبوعہ نقل حاصل کرنے کیلئے کوئی بھی ممبراس کی ویب سائٹ پرانو یسٹر انفار میشن سیشن میں دیئے گئے مجوزہ درخواست فارم پراپنی درخواست بھیج سکتا ہے۔

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iii مالی گوشوارول کاویب سائٹ پرآویزال ہونا:

سال مختتمہ 30 جون 2019 کیلئے کمپنی کے مالیاتی گوشوار ہے مع رپورٹس کمپنی کی ویب سائٹ پر آویزاں کر دیئے گئے ہیں:

https://www.interloop-pk.com/wp-content/uploads/2019/09/ANNUAL-AUDITED-FINANCIAL-STATEMENTS-AND-REPORT-2019.pdf

ix ویڈیوکانفرنس کی سہولت کی رضامندی:

کمپنیزا یک 2017 کے سیشن (2) 132 اور سیشن (ط) 134 کے مطابق مجموعی طور پر 10 فیصد یازا کد شیئرز کے حامل ایک ہی مقام پر رہائش پذیر حصص یافتگان کی جانب سے اجلاس کے انعقاد سے سات یوم قبل اجلاس میں بذریعہ ویڈیو کانفرنس شمولیت کی درخواست جمع کروانے کی صورت میں سمپنی اُس شہر میں ویڈیو کانفرنس کی سہولت مہیا کرنے کی پابند ہوگی بشرطیکہ اُس شہر میں یہ سہولت میسر ہو۔ یہ سہولت حاصل کرنے کیلئے براہ مہر بانی درج ذیل معلومات فراہم کریں اور کمپنی کے رجسڑ ڈوفتر میں جمع کروائیں:

ممبرکے دستخط:

x کمپنیز (پوشل بیك) ریگولیشنز 2018 کی ضروریات:

کمپنیز (پوشل بیلٹ) ریگولیشنز 2018 کے مطابق کمپنیزا یکٹ2017 کے کیشن 144 کے تحت لازم ایجنڈ امیں شامل کسی بھی دیگر اُمور کیلئے بذات خود موجود ممبران ، بذریعہ ویڈیولنک یا پراکسی اور جو مجموعی ووٹنگ کے 10 فیصد سے کم نہ ہوں ، بھی ایک رائے شاری کا مطالبہ کر سکتے ہیں ، جو کہ دیدر بعد ڈاک یا برقی ذرائع ہوسکتی ہے ، جو کہ او پر بتائے گئے قوانین کی ضروریات اور طریقہ کا ارکے مطابق ہے۔

xi کش ڈیویڈنڈ کی برقی ذریعے سے ادائیگی (ای- ڈیویڈنڈمیکنیزم):

کمپنیزا یک 2017 کے سیشن 242 کے تحت کوئی بھی نقدواجب الادمنافع صرف حصص یافتگان کی جانب سے متعین کردہ بینک اکاؤنٹ میں بذریعہ برقی ذرائع براہ راست اداکیاجائے گااور سکیورٹیز اینڈ ایکسیٹن آف پاکستان بحوالہ ایس آراو1017(۱)/2017 (ترمیم شدہ) تمام شیئر ہولڈرز کو ہدایت کرتی ہے کہ نقد منافع منقسمہ برقی ذرائع سے وصول کرنے کیلئے اپنے متندانٹریشنل بینک اکاؤنٹ نمبرز (IBAN) مہیا کریں۔

اس کئے شیئر ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اپنے بینک اکاؤنٹ کی تفصیلات مثلاً (i) اکاؤنٹ کا نام (ii) آئی بی اے این (iii) بینک کا نام (iv) برائج کا نام اور پیتہ کمپنی کے شیئر رجسڑ ارکوفرا ہم کریں۔ایسے شیئر ہولڈرز جوشمولیت کاروں/سی ڈی سی کے ساتھ شیئر زر کھتے ہیں،اُ نکو ہدایت کی جاتی ہے کہ وہ متعلقہ بروکر/شراکت دار/سی ڈی سی انویسٹر اکاؤنٹ سروسز کواختیار دیں۔

یہ معلومات فراہم کرنے کیلئے فارم کمپنی کی ویب سائٹ پرانویسٹرانفارمیشن سیکشن میں دستیاب ہے۔

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xii غير وصول شده منا فع منقسمه:

ایسے قصص یافتگان جو کسی بھی وجہ سے تا حال منافع منقسمہ وصول نہیں کر سکے ہیں انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر موصول شدہ منافع منقسمہ اگرکوئی ہوں تو اس کی وصولیا بی کیلئے شیئر رجٹر ارسینٹرل ڈیبازٹری کمپنی آف پاکستان کمیٹٹر، ہی ڈیسی ہاؤس، B-99 بلاک، بی ایس ایم ہی ایج، مین شاہراہ فیصل، کراچی 74000 سے رابطہ کریں کمپنیز ایکٹ 2017 کی دفعہ 244 کی تعمیل کے مطابق تمام مطلوبہ طریقہ کارکی تعمیل کے بعد تمام منافع منقسمہ جو تین سال یا اس سے زائد مدت سے واجب الا دا ہوں اور تا حال غیر وصول شدہ ہوں تو وہ وہ اتی حکومت کو منتقل کردیے جائیں گے۔

xiii د لايويدندكى رقم يرود بولدنگ ئيكس:

حکومت پاکستان نے بذریعہ فنانس ایکٹ،2019 و دہولڈنگ ٹیکس پروویژن میں "فائکر" کی تعریف کو" فعال ٹیکس دہندہ فہرست" (اے ٹی ایل) سے بدل کر پچھتر امیم کی ہیں،جس کے مطابق کمپنی اٹکم ٹیکس آرڈیننس،2001 کے سیشن 150 کے تحت اے ٹی ایل میں شامل نہ ہونے والے افراد سے آرڈیننس میں متذکرہ ریٹس،100 فیصداضا فیہ کے ساتھ، پڑٹیکس وصول کرے گی ٹیکس کی شرح درج ذیل ہوگی:

الف _ فعال ٹیکس دہندہ فہرست میں شامل افراد کیلئے 15.0 فیصد

ب لا فعال نیکس د ہندہ فہرست میں غیر شامل افراد کیلئے میں 30.0 فیصد

ایس شیئر ہولڈرز جو کہ فائکر ہیں اُ نکو ہدایت کی جاتی ہے کہ وہ ڈیویڈنڈ کی ادائیگی کے وقت ایف بی آرکی ویب سائٹ پر موجود تازہ اے ٹی اہل فہرست میں اپنانام درج کروائیں بصورت دیگر اُن کوائے ٹی اہل میں غیر شارتصور کیا جائے گا اور اُن کے نفتد ڈیویڈنڈ پر 15 فیصد کی بجائے 30 فیصد شرح کے حساب سے کٹوتی ہوگی۔

xiv مشتر كشيئر بولدرزكيك:

فیڈرل بورڈ آف ریو نیوی جانب سے جاری کردہ وضاحت کے مطابق مشتر کہ شیئر زکے حامل حصص یافتگان کیلئے فعال ٹیکس کا تعین اُکئے ناموں کے فعال ٹیکس دہندہ فہرست میں اندراج برائے طبعی صص یافتہ مع مشتر کہ صص یافتہ کے صص کے ملکیت کے ناسب کی بنیاد پر الگ الگ کیا جائے گا۔ اس لئے تمام حصص یافتہ گان کیلئے لازم ہے کہ وہ طبعی حصص یافتہ اور مشتر کہ حصص یافتہ کے حصص کی ملکیت کے تناسب کی تفصیل شیئر رجٹر ارکے دفتر میں ذیل کے مطابق فراہم کریں:

انٹرلوپ لمیٹٹر

جوائف شيئر ہولڈر		رنيل شيئر ہولڈر			
شيئر ہولڈنگ کا تناسب	نام اورقو می شناختی کار ڈنمبر	شيئر ہولڈنگ کا تناسب	نام اورقو می شناختی	كل شيئرز	فوليو/سى ڈىسى ا كاؤنٹ نمبر
(شیئرز کی تعداد)		(شیئرز کی تعداد)	كاردنمبر		

xv منافع بخش ملكيت كي تفصيل:

2018 کے سکیورٹیز اینڈ ایکچینج کمیشن آف پاکستان سرکلرنمبر 16 اور 20 کی جانب بھی کارپوریٹ اداروں/ قانونی افراد کی توجہ مطلوب ہے۔ متعلقہ شیئر ہولڈرز (کارپوریٹ ادارے/ قانونی افراد) کو ہدایت کی جاتی ہے کہ حتمی منافع بخش ملکیت اور/ یا ایس ای سی پی کے سرکلرز میں پوچھی گئی دیگر معلومات کمپنی کے شیئر رجٹر ارکوفرا ہم کریں۔

xvi - زكوة اعلاميه (سيزيد 50):

ذخائر میں موجود نقد منافع منقسمہ سے شیئر (10 روپے فی) کی اداشدہ قیمت کے 2.5 فیصد کی شرح سے زکوۃ کی کو تی ہوگی اور یہ مجوزہ مدت کے دوران متعلقہ اتھارٹی کے پاس جمع کروائی جائے گی۔ اسٹنی کا دعویٰ کرنے کیلئے براہ مہر پانی زکوۃ اینڈ عشر آرڈیننس،1980 اور رول 4 آف زکوۃ (کو تی اورواپسی) رولز،1981 کے تحت اپنازکوۃ اعلامیہ ہی زیڈفارم ہمارے شیئر رجٹر ارکے پاس جمع کروائیں فرزیکل شیئر ہولڈرز سے درخواست ہے کہ وہ فرکورہ اعلامیہ ہمارے شیئر رجٹر ارکے پاس مناسب طریقہ کارکے مطابق جمع کروائیں شیئر ہولڈرز کو انٹرلوپ لمیٹٹ کے نام اوراپنے متعلقہ سی ڈی ایس اکاؤنٹ نمبریا فولیونمبرز کازکوۃ اعلامیہ میں مجوزہ مقام پراندراج کرنا ہوگا۔

FORM OF PROXY

27th Annual General Meeting

I / We				
of				
being a member	r(s) of Interloop Li	mited hold		
Ordinary Shares	hereby appoint N	Mr / Mrs / Mis	S	
of	or failing him /	her		
of	as my/our p	roxy in my/οι	ır absence to	attend and vote for me/us and
on my/our behal	f at the 27th Annu	al General Me	eeting of the (Company to be held on Monday,
October 14, 201	9 and /or any adj	ournment the	reof.	
As witness my/o	our hand/seal this		_day of	October 2019.
Signed by				
in the presence	of			
Folio No.	CDC Acc	count No.		
	Participant I.D.	Account No.		
				0: 1
				Signature on Five Rupees Revenue Stamp
				The Signature should
				agree with the

IMPORTANT:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, Interloop Limited, Al-Sadiq Plaza P-157, Railway Road, Faisalabad, not less than 48 hours before the time of holding the meeting.

specimen registered with the Company

- 2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- For CDC Account Holders/Corporate Entities
 - In addition to the above the following requirements have to be met.
- (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- (ii) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- (iii) In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier alongwith proxy form to the Company).

پراکسی فارم
27 وال سالانه عمومي اجلاس

انٹرلوپ کمیٹٹ

۔۔۔۔۔۔۔۔۔یاان کے حاضر نہ ہو	میں اہم ۔۔۔۔۔۔
۔۔۔۔۔کوایے اہمارے ایماء پر کمپنی کے 14 اکتوبر 2019 میر کوہونے والے 27 وال سالا ندعمومی اجلاس میں شرکت کرنے 'حق رائے وہی استعمال کرنے یا کسی بھی التواء کی	
نمائندہ (پرائسی)مقرر کرتا / کرتے ہیں ۔	صورت ين اپنا/همارا بطورا

۔ دن۔۔ اکوبر 2019 میرے اہمارے دستخط ہوئے	بطور گواہ آج بتاریخ
--	---------------------

	بسنثن
 	 وخطب

_____ کی موجود گی میں

پانچ روپے کےرسیدی ٹکٹ پردستخط

اس د ستخطاکا کمپنی کے ساتھ رجٹر ڈوستخطا کے نمونے سے مشابہت ہونالاز می ہے

فوليونمبر

اہم نکات:

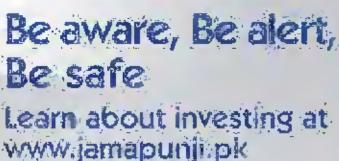
- 1۔ ہر لحاظ سے مکمل اور دستخط شدہ بیفارم اجلاس ہے کم از کم 48 گھنٹے قبل کمپنی کے رجشر ڈ آفس الصادق پلازہ P-157 ریلوہے روؤ، فیصل آباد میں وصول ہو جانا چاہیے۔
- 2۔ اگر کوئی ممبرایک سے زائد پر اکسی نامز دکرتا ہے اورایک سے زیادہ انسٹر ومنٹ آف پراکسی جمع کراتا ہے قواس صورت میں تمام انسٹر ومنٹ آف پراکسی کالعدم قرار دیئے جائیں گے۔
 - 3۔ سیڈی سی اکاونٹ رکھنے والے /کارپوریٹ ادارے کے لیے

مزيد برآل درج ذيل شرائط كوپورا كياجائے گا۔

- (i) پراکسی فارم کے ہمراہ مالکان کے شاختی کارڈیایا سپورٹ کی تصدیق شدہ نقول بھی دی جائیں گی۔
 - (ii) یرانسی کواپنااصل شناختی کارڈیا یاسپورٹ میٹنگ کےوقت دکھانا ہوگا۔
- (iii) کار پوریٹ ادارے کی صورت میں بورڈ آف ڈائر کیٹر زکی قرار داد ارپاور آف اٹارنی مع دستھ اے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگ۔





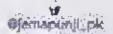


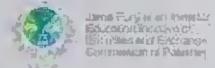
Key features:

- Licensed Entitles Verification
- as Scam meter
- Jamapunii games'
- Tax credit calculator
- Company Verification:
- Insurance & Investment Checklist
- FAQs Answered
- Online Quizzes

- Stock trading simulator (based on live feed from PSX)
- Knowledge center
- Risk profiler
- Financial calculator
- Subscription to Aferts (event notifications, corporate and regulatory actions)
- Jamapunii application for mobile device







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Registered Office:

Al - Sadiq Plaza, P - 157, Railway Road, Faisalabad, Pakistan

Corporate Office:

1 - Km Khurrianwala - Jaranwala Road, Khurrianwala, Faisalabad - Pakistan

T: +92-41-4360400 **F**: +92-41-2428704

info@interloop.com.pk www.interloop-pk.com

Unconsolidated Financial Statements For the Year Ended June 30, 2019



Independent Auditor's Report To the members of Interloop Limited Report on the Audit of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Interloop Limited ("the Company"), which comprise the unconsolidated statement of financial position as at June 30, 2019, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated the statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the international Financial Reporting Standard (IFRSs) as applicable in Pakistan, and, give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2019 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matter(s):

S. No	Key Audit Matter(s)	How the Matter was addressed in audit						
1.	Adoption of IFRS 9 "Financial instruments":							
	(Refer notes 3.1 and 6.1 to the unconsolidated financial statements)							
	IFRS 9 'Financial Instruments' is effective	We reviewed and understood the						
	for the Company for the first time during	requirements of the IFRS 9. Our audit						



the current year and replaces the financial instruments standard IAS 39 'Financial Instruments: Recognition and Measurement'.

In relation to financial assets, IFRS 9 requires the recognition of expected credit losses ('ECL') rather than incurred credit losses under IAS 39 and is therefore a fundamentally different approach. Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.

In accordance with IFRS 9, the measurement of ECL reflect a range of unbiased and probability-weighted outcomes, time value of money, reasonable and supportable information based on the consideration of historical events, current conditions and forecasts of conditions. future economic The calculation of ECLs in accordance with IFRS 9 is therefore complex and involves a number of judgmental assumptions.

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter. procedures included the following:

- Considered the management's process to assess the impact of adoption of IFRS 9 on the Company's unconsolidated financial statements.
- Reviewed the appropriateness of the assumptions used (future and historical), the methodology and policies applied to assess the ECL in respect of financial assets of the Company.
- We reviewed and assessed the impact and disclosures made in the unconsolidated financial statements with regard to the effect of adoption of IFRS 9.

2. Adoption of IFRS 15 "Revenue from contracts with customers":

(Refer notes 3.1 and 6.2 to the unconsolidated financial statements)

The International Financial Reporting Standard 15 "Revenue from Contracts with Customers" (IFRS 15) became applicable for the first time for the preparation of the Company's annual unconsolidated financial statements for the year ended June 30, 2019.

Under the aforesaid standard the revenue from sale of goods is recognized when the

We reviewed and understood the requirements of the IFRS 15. Our audit procedures included the following:

 Considering the appropriateness of revenue recognition policy, including recognition and classification criteria for trade and other discounts and



Company satisfies its performance obligation by transferring the promised goods to customer under the contract with customer.

Revenue from sale of goods is measured at transaction price net of trade discounts.

As a result of application of the aforesaid standard the management has performed extensive evaluation of its contractual arrangement with its customers,

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.

comparing it with the applicable accounting standards.

- Testing the effectiveness of Company's controls over the classification of trade discounts and correct timing of revenue recognition.
- Reviewing a sample of contractual arrangement entered into by the Company with its customers and checked the appropriateness of classification of trade discounts.
- Reviewing the adequacy of disclosure as required under applicable financial reporting framework.

3. Listing on Pakistan Stock Exchange (PSX)

(Refer note 1.2 and 45 to the unconsolidated financial statements)

During the year, the Company gets itself listed on Pakistan Stock Exchange (PSX) and issued 109 million ordinary shares of Rs. 10 each.

We considered this as key audit matter due to the significant amount involved, requirements to disclose utilization of proceeds from IPO and disclosure requirements of 4th Schedule of the Companies Act, 2017.

Our audit procedures in relation to listing of Company is Pakistan Stock Exchange (PSX) included the following:

- Reviewed the management working of utilization of proceeds from IPO.
- Reviewing the adequacy of disclosure as required under applicable financial reporting framework and requirements of the Companies Act, 2017.

4. Property, plant and equipment

The Company has made significant expenditure on expansion of manufacturing facilities and new projects.

During the year, the Company has also reclassified some categories of its operating fixed assets and resultantly comparative figures of those categories of assets are also reclassified to reflect better presentation.

Our audit procedures in relation to capitalization of property, plant and equipment, amongst others included the following:

 Understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure



We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year and reclassification of categories of assets.

and accuracy of its recording in the system.

- Testing, on sample basis, the costs incurred on projects with supporting documents and contracts.
- Assessing the nature of costs incurred for capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting standards.
- Checked the reasonableness of management's assessment of categories of assets and working of reclassification in categories of assets including impact of reclassification on both cost of assets and accumulated depreciation in each category.
- Inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.

5. Inventories

The company has significant levels of inventories amounting to Rs. 7,170.15 million as at the reporting date, being 18% of the total assets of the company.

There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or Our audit focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgments taken regarding obsolescence and net realizable value provisions.

We obtained assurance over the appropriateness of management's



obsolete.

The Company's principal accounting policy on stores and spares and stock in trade are disclosed in notes – 5.6 and 5.7 to the unconsolidated financial statements

The significance of the balance coupled with the judgments and estimates involved on their valuation has resulted in the inventories being considered as a key audit matter.

assumptions applied in calculating the value of inventories by:

- Attending the year end stock take to gain comfort over the existence and condition of inventories and internal controls designed by the company.
- Obtaining the final valuation sheets of the inventories and tracing quantities from working papers of observation of physical stock taking.
- Obtaining understanding of internal controls designed by the company over recording of purchases and valuation of the inventories, and testing their operating effectiveness on sample basis.
- Assessing historical costs recorded in the inventory valuation by performing test of details on purchases. Evaluating that the valuation basis used are appropriate and consistent, including analysis of costing of different items on sample basis.
- Assessing the management's determination of the net realizable values and intended use of the inventories including performing tests on the sales prices fetched by the company before and after year end.
- Performing analytical and other relevant audit procedures.
- Considering the adequacy of the company's disclosures in respect of inventories.



Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the (information included in the Director's report, but does not include the unconsolidated financial statements and auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one



resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing
 an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless Iaw or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the



unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Khan Muhammad - FCA.

Date: September 23, 2019

Place: Faisalabad

KRESTON HYDER BHIMJI & CO. CHARTERED ACCOUNTANTS

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

		2019	2018
	Note	· · · Rupees in '	000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	18,256,474	15,451,969
Intangible asset	8	66,161	42,410
Long term investments	9	1,008,735	380,549
Long term loans	10	65,762	60,747
Long term deposits	11	28,019	25,055
CURRENT ASSETS		19,425,151	15,960,730
Stores and spares	12	887,659	779,198
Stock in trade	13	6,282,491	5,121,718
Trade debts	14	8,247,740	7,293,008
Loans and advances	15	1,063,342	617,743
Deposit, prepayment and other receivables	16	204,985	179,864
Tax refunds due from Government	17	1,925,439	2,451,806
Short term investments	18	1,207,251	147,425
Deferred employee share option compensation expense	22	1,207,231	5,014
Cash and bank balances	19	1,538,564	193,687
	17	21,357,471	16,789,463
FOTAL ASSETS		40,782,622	32,750,193
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	20	10,000,000	3,000,000
Issued, subscribed and paid up capital	21	8,721,975	1,901,104
Reserves	22		38,863
Unappropriated profit	22	3,791,602	
onappropriated profit		5,366,207 17,879,784	7,142,570 9,082,537
NON CURRENT LIABILITIES		21,447,101	2,000=,00
Long term financing	23	3,628,745	2,247,936
Liabilities against assets subject to finance lease	24	0,020,710	615
Deferred liabilities	25	2,482,623	1,925,612
		6,111,368	4,174,163
CURRENT LIABILITIES			
Trade and other payables	26	3,576,861	2,730,414
Dividend payable		130,935	475,276
Accrued mark up	27	110,483	137,856
Short term borrowings	28	11,726,000	15,180,937
Current portion of non current liabilities	29	1,247,191	969,010
		16,791,470	19,493,493
CONTINGENCIES AND COMMITMENTS	30		
TOTAL EQUITY AND LIABILITIES		40,782,622	32,750,193
TO THE BYOTH AND BUDGET [153		10,702,022	26,730,173

The annexed notes 1 to 52 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

Jahan Zed Jahan DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees in '	2018 000
Sales - net	31	37,478,321	31,138,736
Cost of sales	32	(25,523,607)	(21,994,237)
Gross profit		11,954,714	9,144,499
Operating expenses			
Distribution cost	33	(2,783,719)	(2,641,013)
Administrative expenses	34	(1,984,209)	(1,597,804)
Other operating expenses	35	(784,540)	(425,429)
Other income	36	14,444	9,164
	_	(5,538,024)	(4,655,082)
Profit from operations	_	6,416,690	4,489,417
Finance cost	37	(995,707)	(483,654)
Profit before taxation	_	5,420,983	4,005,763
Taxation	38	(226,216)	(119,954)
Profit for the year	-	5,194,767	3,885,809
Earnings per share - basic (Rupees)	39.1	6.6706	5.1007
Earnings per share - diluted (Rupees)	39.2	6,6706	5.1003

The annexed notes 1 to 52 form an integral part of these financial statements.

CHAPF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

2019 2018 --- Rupees in '000 ---Note Profit for the year 3,885,809 5,194,767 Other comprehensive loss: Items that will not be reclassified subsequently to profit or loss: Remeasurement of post retirement benefits obligation 25.5 (192,825)(91,305)Total comprehensive income for the year 5,001,942 3,794,504

The annexed notes 1 to 52 form an integral part of these financial statements.

KHARE

DIRECTOR

CHUSP FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

		Capital Reserve	Revenue Reserves		
	Share Capital	Share Premium	Employee Share Option Compensation Reserve	Unappropriated Profit	Total
			Rupees in '0	00	
Balance as at July 01, 2017	1,899,385	19,424	1,629	12,522,990	14,443,428
Profit for the year	-	-		3,885,809	3,885,809
Other comprehensive loss	-		-	[91,305]	(91,305)
Total comprehensive income for the year		-		3,794,504	3,794,504
Employee share option scheme (ESOS)			8,234	-	8,234
Shares issued under the ESOS	1,719	10,831	(1,255)		11,295
Transferred to Interloop Holdings (Pvt) Ltd pursuant to Scheme of Arrangement	-	-	-	(8,224,372)	(8,224,372)
Transactions with owners:					
Dividend to ordinary shareholders	-	-	-	(950,552)	(950,552)
Balance as at June 30, 2018	1,901,104	30,255	8,608	7,142,570	9,082,537
Profit for the year	-			5,194,767	5,194,767
Other comprehensive loss	_		-	(192,825)	(192,825)
Total comprehensive income for the year	-	-	-	5,001,942	5,001,942
Employee share option scheme [ESOS]	_		18	-	18
Shares issued under the ESOS	7,558	27,522	[8,626]		26,454
Issuance of ordinary shares	1,095,000	3,934,900		-	5,029,900
Transaction cost on Issuance of shares	~	(170,820)	-	-	(170,820)
Issuance of bonus shares	5,718,313	(30,255)	-	(5,688,058)	
Transactions with owners:					
Dividend to ordinary shareholders	-		-	(1,090,247)	(1,090,247)
Balance as at June 30, 2019	8,721,975	3,791,602	_	5,366,207	17,879,784

The annexed notes 1 to 52 form an integral part of these floancial statements.

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DIRECTOR

CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees in '0	00
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		5,420,983	4,005,763
Adjustments for:			
Depreciation		1,641,234	1,471,535
Amortization		9,047	10,371
Workers' profit participation fund		285,315	210,830
Staff retirement gratuity		522,833	414,543
Employee share option compensation expense		5,031	4,188
Loss on disposal of property, plant and equipment		47,091	38,694
Remeasurement loss on investment in mutual funds		20,787	10,908
Profit on TDRs		(182)	(225)
Interest on loan to Metis International (Pvt) Ltd		(7,211)	(8,923)
Interest income on long term loan to SNGPL		*	(16)
Provision for impairment loss		70,814	-
Interest on receivables from IL Bangla Limited		(5,796)	-
Finance cost		995,707	483,654
Operating cash flows before working capital changes		9,005,653	6,641,322
Changes in working capital			
(Increase)/decrease in current assets			
Stores and spares		(108,461)	(82,455)
Stock in trade		(1,160,773)	(1,555,837)
Trade debts		(954,732)	(2,478,788)
Loans and advances		(436,565)	309,805
Deposit, prepayment and other receivables		(12,114)	303,043
Tax refunds due from government		403,246	(310,852)
Short term investment in mutual funds - net		(4,258)	(5,447,853)
(Decrease)/Increase in current liabilities			
Trade and other payables		744,150	855,174
Trans and paymone	Lan	(1,529,507)	(8,407,763)
Cash generated from/(used in) operations	_	7,476,146	(1,766,441)
Finance cost paid		(1,001,655)	(422,766)
Income tax paid		(238,195)	(289,281)
Staff retirement gratuity paid		(131,021)	(152,194)
Workers' profit participation fund paid		(232,069)	(156,373)
Long term loans paid		(14,049)	(14,791)
Long term deposits (paid)/received		(3,202)	4,317
Profit on TDRs received		182	225
Interest on loan to Metis International (Pvt) Ltd received		-	6,522
Interest income on loan to SNGPL received	_		16
Net cash generated from/(used in) operating activities		5,856,137	(2,790,766)
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in:			
Property, plant and equipment		(4,632,295)	(3,418,451)
Intangible asset		(32,798)	(5,576)
Advance for purchase of land		-	(23,897)
Proceeds from disposal of property, plant and equipment		139,466	65,507
Long term investments	_	(699,000)	(1,084,864)
Net cash used in investing activities		(5,224,627)	(4,467,281)

т.	574	-41		
_			44	

2018

Note

--- Rupees in '000 ---

c) CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing obtained		4,228,002	1,300,000
Repayment of long term financing		(2,568,542)	(1,010,816)
Payment of liabilities against assets subject to finance lease		(847)	(435)
Short term borrowings - net		(3,454,937)	7,544,364
Share capital issued		1,102,558	1,719
Share premium net of transaction cost		3,782,976	9,576
Dividend paid		(1,434,588)	(475,276)
Net cash generated from financing activities	_	1,654,622	7,369,132
Net increase in cash and cash equivalents	(a+b+c)	2,286,132	111,085
Cash and cash equivalents at the beginning of the year		193,687	82,602
Cash and cash equivalents at the end of the year	40	2,479,819	193,687

The annexed notes 1 to 52 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND OPERATIONS

1.1 Interloop Limited (the Company) was incorporated in Pakistan on 25th April, 1992 as a private limited company and subsequently it was converted into public limited company on 18th July, 2008. The Company was listed on Pakistan Stock Exchange on 5th April, 2019. The Company is engaged in the business of manufacturing and selling of socks, leggies, denim and yarn, providing yarn dyeing services and to generate electricity for its own use.

The geographical locations and addresses of the Company's business units, including production facilities are as under:

Registered office: Al-Sadiq Plaza, P-157, Railway Road, Faisalabad.
 Corporate office & Plant 1: 1-KM, Khurrianwala – Jaranwala Road, Khurrianwala, Faisalabad-Pakistan.
 Plant 2, Plant 4 & Spinning: 7-KM, Khurrianwala – Jaranwala Road, Khurrianwala, Faisalabad-Pakistan.
 Plant 5: 6-KM, Khurrianwala – Jaranwala Road, Khurrianwala, Faisalabad-Pakistan.
 Plant 3 & Denim: 8-KM, Manga- Raiwind Road, Raiwind, Dist. Kasur, Lahore-Pakistan.

1.2 The Board of Directors of the Company decided to initiate the proceedings for enlisting of the Company on the Pakistan Stock Exchange Limited to finance hosiery division - V and denim projects. Hence, the Company issued the prospectus for Initial Public Offer (IPO) of 109 million ordinary shares of Rupees 10 each at a floor price of Rupees 45 per share including share premium of Rupees 35 per share as on 05 March 2019. Details regarding utilization of IPO proceeds for denim project and plant expansion have been fully explained in the prospectus. Before the date of the reporting period, 81.750 million ordinary shares were offered and successfully subscribed through book building process by Institutional Investors and High Net Worth Individuals (HNWI) at a strike price of Rupees 46.10 per share while the remaining 27.250 million ordinary shares were offered to general public for subscription at strike price of Rupees 46.10 per share. Ordinary shares offered to general public were fully subscribed and shares have been duly allotted to all shareholders. As on 05 April 2019, Pakistan Stock Exchange Limited has approved the Company's application for formal listing and quotation of the shares on Pakistan Stock Exchange.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise stated in respective policy notes.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee which is also the Company's functional currency.

3. NEW AND REVISED STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

- 3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year
 - · Amendment to IAS 40 'Investment Property':

Transfers of investment property clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendment does not have any impact on Company's financial statements.

Amendments to IFRS 2 'Share-based Payment' - Clarifying how to account for certain types of share-based payments:

The amendments are intended to eliminate diversity in practice in three main areas:

- The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- The classification of a share-based payment transaction with net settlement features for withholding tax obligations;
- The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

The amendment does not have a significant Impact on these unconsolidated financial statements.

Amendment to IFRS 4 'Insurance Contract'- Applying IFRS 9 'Financial Instruments' with IFRS 4:

The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new insurance contract standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The amendment does not have any impact on the Company's financial statements.

IFRS 9 'Financial instruments':

IFRS 9 is a replacement for IAS 39 'Financial Instruments' and covers three distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and liabilities. Phase 2 relates to the impairment of financial assets and requires the calculation of impairment on an expected loss basis rather than the current incurred loss basis. Phase 3 relates to less stringent requirements for general hedge accounting. Impact of adoption of IFRS 9 is disclosed in Note, 6.1 of the unconsolidated financial statements.

IFRS 15, 'Revenue from Contracts with Customers':

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue', IAS 11 'Construction contracts' and IFRIC 13, 'Customer Loyalty Programmes'. Impact of adoption of IFRS 15 is disclosed in Note. 6.2 of the unconsolidated financial statements.

- IFRIC 22, 'Foreign currency transactions and advance consideration':

IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation does not have a significant impact on these unconsolidated financial statements.

Annual improvements to IFRS standards 2014-2016 cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures']:

Amendments to IAS 28 clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments do not have any impact on these unconsolidated financial statements.

The other amendments to published standards and interpretations that are mandatory for the financial year are considered not to be relevant or to have any significant impact on the Company's financial reporting and operations and are therefore not disclosed in these unconsolidated financial statements.

3.2 Standards, interpretations and amendments to approved accounting standards that are issued but not yet effective and have not been early adopted by the Company

Amendment to IAS 19 'Employee Benefits, - Plan Amendment, Curtailment or Settlement' (effective for annual period beginning on or after January 01, 2019);

The amendments to IAS 19 specify that an entity must;

- (i) determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event and determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using:
 - (a) the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and
 - (b) the discount rate used to remeasure that net defined benefit liability (asset).
- (ii) determine any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is to be recognized in profit or loss. An entity then determine the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in net interest, is recognized in other comprehensive income.

The Company is yet to assess the full impact of the amendment.

 Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long term investment in Associates and Joint Ventures (effective for annual period beginning on or after January 01, 2019);

The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendment is not likely to have an impact on the Company's financial statements.

 Amendment to IFRS 9 'Financial Instrument'- prepayment Features with Negative Compensation and modifications of financial liabilities (effective for annual period beginning on or after January 01, 2019);

The amendment allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. The amendment also clarified that gains and losses arising on modifications of financial liabilities that do not result in derecognition should be recognized in profit or loss.

- IFRS 16, 'Leases' (effective for periods beginning on or after January 01, 2019):

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The full impact of the future adoption is currently under review.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019):

IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation is not expected to have significant impact on the Company's financial statements.

 Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors' (effective for the Company's annual period beginning on January 1, 2019):

These amendments and consequential amendments to other IFRSs:

- (I) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
- (ii) clarify the explanation of the definition of material; and
- (iii) incorporate some of the guidance in IAS 1 about immaterial information.

These amendments are not expected to have a significant impact on the Company's future financial statements.

Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which
the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020);

The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Annual Improvements to IFRS Standards 2015-2017 Cycle. The new cycle of improvements addresses improvements to following approved accounting standards (effective for annual period beginning on or after January 1, 2019):
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements. The amendment aims to clarify the accounting treatment
 when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures
 its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure
 its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 Income Taxes. The amendment clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs. The amendment clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purposes of their applicability in Pakistan:

- IFRS 1 'First time adoption of International Financial Reporting Standards'.
- IFRS 14 'Regulatory Deferral Accounts'.
- IFRS 17 'Insurance Contracts'.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the approved accounting standards require 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.

The estimates and underlying assumptions are reviewed on an ongoing basis, Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the unconsolidated financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- · Estimate of useful life of operating fixed assets note 5.1
- · Impairment of non-financial assets note 5.5
- · Stores and spares note 5.6
- · Stock-in-trade note 5.7
- Staff retirement benefits note 5.10
- · Provisions note 5.13
- · Contingencies note 5.14
- · Taxation note 5.15

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Operating fixed assets and depreciation

Operating fixed assets, except freehold land which is stated at cost, are stated at cost less accumulated depreciation and any identified accumulated impairment loss. Cost comprises acquisition and other directly attributable costs.

Depreciation is calculated at the rates stated in note 7.1 applying reducing balance method. The useful life and residual value of major components of operating fixed assets are reviewed annually to determine that expectations are not significantly different from the previous estimates. Adjustment in depreciation rate for current and future periods is made if expectations are significantly different from the previous estimates. Depreciation is charged from the month when an asset becomes available for use, whereas no depreciation is charged in the month of its disposal. Gain and loss on disposal of fixed assets is included in statement of profit or loss.

Expenditure, which enhances or extends the performance of operating fixed assets beyond its original specification and its useful life, is recognized as a capital expenditure and is added to the cost of the operating fixed assets. These are depreciated on reducing balance method at the rate mentioned in the relevant note.

5.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents direct cost of material, labour, applicable overheads and borrowing costs on qualifying assets. Transfers are made to relevant property, plant and equipment category as and when assets are available for its intended use.

5.3 Leases

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of lease.

Finance leases

Leases in terms of which the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets, less accumulated depreciation and any identified impairment loss.

The related rental obligations, net of finance costs are classified as current and long term liability depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to statement of profit or loss over the lease term.

Assets acquired under a finance lease are depreciated over the estimated useful life of the asset on a reducing balance method at the rates given in note 7.1. Depreciation of leased assets is charged to statement of profit or loss.

Residual value and the useful life of an asset are reviewed at least at each financial year-end.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired, while no depreciation is charged for the month in which the asset is disposed off.

5.4 Intangible asset - Computer software

Intangible assets are stated at cost less accumulated amortization and any identified accumulated impairment loss. These are amortized using the reducing balance method at the rates given in note 8. Amortization on additions is charged from the month in which an intangible asset is acquired, while no amortization is charged for the month in which intangible asset is disposed off.

Costs associated with maintaining computer software program are recognized as an expense as and when incurred. Costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognized as an intangible asset at the time of initial recognition. Direct costs include the purchase cost of software and related overhead costs.

Expenditure, which enhances or extends the performance of computer software beyond its original specification and useful life, is recognized as a capital expenditure and added to the cost of the software. These are amortized on reducing balance method at the rate mentioned in the relevant note.

5.5 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than stock in trade and stores and spares, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets of the unit on a pro-rata basis. Impairment losses on goodwill shall not be reversed.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

5.6 Stores and spares

Stores and spares are carried at moving average cost. Provision is made for slow moving and obsolete store items when so identified. Stores and spares held for capital expenditure are included in capital work in progress.

5.7 Stock-in-trade

These are stated at the lower of cost and net realizable value (NRV). The methods used for the calculation of cost are as follows:

Raw material - At factory

Moving average cost

- In transit Work in process and finished goods Invoice value plus direct charges in respect thereof.

Prime cost including a proportion of production overheads.

Wastes are valued at net realizable value.

Stock-in-trade is regularly reviewed by the management and any obsolete items are brought down to their net realizable value. Net realizable value signifies the selling price in the ordinary course of business less costs necessary to be incurred to affect such sale.

5.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, cheques in hand/cheques overdrawn, balances with banks and include short term highly liquid investments with original maturities of three months or less. The cash and cash equivalents are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

5.9 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurements are recognized in the statement of profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment, are no longer amortized or depreciated.

5.10 Staff retirement benefits

(a) Defined Benefit Plan

The Company operates an unfunded gratuity scheme for all employees according to the terms of employment, subject to a minimum qualifying period of service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of net defined benefit liability, which comprise of actuarial gains and losses i.e. experience adjustments and the effects of changes in actuarial assumptions, are recognized immediately in other comprehensive income. The Company determines net interest expense/(income) on the defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then-net defined benefit, taking into account any change in the net defined benefit obligation during the period as a result of contributions and benefit payments. Net interest expense and other expenses e.g. current service cost, related to defined benefit plans are recognized in statement of profit or loss.

(b) Defined Contribution Plan

There is a contributory provident fund for executive staff of the Company for which contributions are charged to profit or loss as and when incurred.

The Company makes monthly contribution to the fund at the rate of 7.5% whereas employees of the Company make monthly contributions to the fund at the rates ranging from 7.5% to 12.5% of basic salary. The assets of the fund are held separately under the control of trustees.

(c) Employees' Share Option Scheme (ESOS)

The Company operates an equity settled stock option scheme to be called 'Interloop Limited - Employees Stock Option Scheme, 2016'. The compensation committee ("committee") of the Board of directors ("Board") evaluates the performance and other criteria of employees and recommends to the Board for grant of options. The Board on the recommendation of the committee, on its discretion, grants recommended options to employees. These options vest after a specified period subject to fulfillment of certain conditions as defined in the scheme. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a pre-determined price on the date of grant of options.

The fair value of the share option is measured at grant date as difference of fair value of share and exercise price and is recognized as an employee compensation expense, with a corresponding increase in equity, on the straight line basis over the vesting period. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

5.11 Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently at amortized cost using effective interest rate method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.12 ljarah

Ijarah payments under an Ijarah are recognized as an expense in the statement of profit or loss on a straight-line basis over the Ijarah term.

5.13 Provisions

Provisions are recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

5.14 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

5.15 Taxation

Current

The charge for current taxation is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any. However, for income covered under Final Taxation Regime (FTR), taxation is based on the applicable tax rates under such Regime after taking into account tax credits, rebates and exemptions, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the unconsolidated financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the balance sheet date. In this regard, the effect on deferred taxation of the portion of income subjected to Final Tax Regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and unused tax credits, if any, to the extent that it is probable that future taxable profit will be available against which these can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5.16 Foreign currency translation

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined, Exchange gains and losses are included in the statement of profit or loss immediately.

5.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time when the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to statement of profit or loss in the period of as and when incurred.

5.18 Government grants

Government grants are recognized when there is reasonable assurance that entity will comply with the conditions attached to it and grant will be received.

5.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit by weighted average number of shares outstanding during the period. Diluted EPS is calculated by adjusting for the effects of all dilutive potential ordinary shares.

5.20 Share capital

Ordinary shares are classified as equity and recognized at their face value.

5.21 Dividence

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's unconsolidated financial statements in the period in which dividends are approved.

5.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes the strategic decisions.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

Transaction among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

5.23 Investment in subsidiary and associate

Investments in subsidiary and associate are recognized at cost less impairment loss, if any. At each balance sheet date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the statement of profit or loss.

The profits and losses of subsidiary and associated entities are carried forward in their financial statements and not dealt within these financial statements except to the extent of dividend declared by the subsidiary and associate. Gains and losses on disposal of investments are included in other income.

5.24 Related party transactions

All transactions with related parties are carried out at agreed terms and conditions and on arm's length basis.

6. CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

6.1 IFRS 9, 'Financial Instruments':

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

6.1.1 Financial assets

The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortized cost if it is held in order to collect contractual cash flows which arise on specified dates and that are 'solely payment of principal and interest (SPPI)' on the principal amount outstanding. A debt investment shall be measured at fair value through other comprehensive income if it is held in order to collect contractual cash flows which arise on specified dates that are solely principal and interest and as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

Key changes in accounting policies resulting from application of IFRS 9

A. Classification and measurement of financial instruments

Investments and other financial assets

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

i) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / [other expenses] together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and

recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

B. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

C. Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit-loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

D. Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these unconsolidated financial statements as there is no hedge activity carried on by the Company during the year ended June 30, 2019.

6.1.2 Financial liabilities

A. Classification and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the unconsolidated statement of profit or loss, Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

ii) Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

B. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the unconsolidated statement of profit or loss.

6.1.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set off and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

6.1.4 Impacts of adoption of IFRS 9 on these unconsolidated financial statements

At transition date to IFRS 9, the Company has financial assets measured at amortized cost and investments in mutual funds at fair value through profit or loss. The new classification and measurement of the Company's financial assets are, as follows:

Debt instruments at amortized cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.

Investments in mutual funds that are held for trading in near term and has recognized initially and subsequently at fair value through profit or loss. On application of IFRS - 9 the Company has not opted to recognize investments in mutual funds at fair value through other comprehensive income (FVTOCI). These are recognized as fair value through profit or loss.

Further all financial assets previously classified under the head 'loans and receivables' are now classified as 'amortized cost'.

The accounting for the Company's financial liabilities remains largely the same as it was under IAS 39.

Accordingly, the adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial assets and liabilities.

6.2 IFRS 15, 'Revenue from Contracts with Customers':

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results.

Key changes in accounting policies resulting from application of IFRS 15

6.2.1 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Otherwise, control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates and enhances an asset that the customer controls as the Company performs; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

b) Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered.

c) Interest income

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

6.2.2 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

6.2.3 Impacts of adoption of IFRS 15 on these unconsolidated financial statements

The Company has concluded that revenue from sale of goods should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition and the amount of revenue recognized.

The Company provides sales discounts to certain customers which is not in the nature of volume rebates (discounts). The Company estimates provision for discounts and revenue is reduced by the amount of provision. This is also in alignment with the requirements of IFRS 15 and did not have an impact on the revenue of the Company. Therefore, the application of the constraint on variable consideration did not have any further impact on the revenue recognized by the Company.

2018 2019

--- Rupees in '000 ---

15,152,544 299,425 15,451,969 17,038,440 1,218,034 18,256,474 Note 7.1

7.1 Operating fixed assets

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets Capital work-in-progress

CONTINE Light Li						2019						
CRIPTION As on Injuly 1,2018 As on Capitalization As on Capitalization </th <th></th> <th></th> <th>cos</th> <th>T</th> <th></th> <th></th> <th></th> <th>DEPRECIATION</th> <th></th> <th></th> <th>W,D,V</th> <th></th>			cos	T				DEPRECIATION			W,D,V	
929470 651,162 . 1,580,632 . 1,580,632 . 1,580,632 . 1,768,809 329,960 . 273 (7,174) 2,091,868 . 1,976,665 (1296,702) 17,015,857 (5,203,77 	DESCRIPTION	As on July 1, 2018	Additions	Detetions	As on June 30, 2019	As on July 1, 2018	For the year	Trial Production Capitalization	Adjustments	As on June 30, 2019	As on June 30, 2019	Rate %
nd frechold and 4,730,351 529,322 (17,251) 5,242,322 1,768,809 329,800 273 (7,744) 2,091,868 7,290,224 1,976,663 (17,251) 5,242,322 1,006,313 3,395 (193,303) 7,025,777 7,290,240 1,976,663 (199,302) 1,701,857 (193,302) 1,701,857 (193,303) 7,025,778 (193,303) 7,025,77						Rup	ees in '000			4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Interchold and 4,730,511 (259,222 (17,251) 5,242,322 (17,68,009 329,900 277 (7,774) 2,091,888 (7,774) (1,525,102)	Vited											
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septiments 15337894 1,976.665 [298,702] 17,015,887 6,209,372 1,006,313 3,395 (1933.03) 7,025,777 equilments 853,508 129,094 (6,971) 975,631 132,256 60,111 175 (3,568) 388,974 ements 363,401 54,818 (9,903) 408,316 176,388 43,985 173 (5,389) 215,163 nallations 1,314,054 100,887 (3,568) 396,077 123,887 25,044 38 (2,270) 146,669 nd fixtures 518,914 190,031 (126,385) 582,590 172,546 91,663 268 (2,07) 146,669 btotal 24,361,399 3,718,099 (463,107) 27,616,301 9,210,022 1,641,156 4,322 (277,639) 10,577,861 17 btotal 2,439 3,718,009 (463,107) 27,616,301 9,211,234 4,322 (217,639) 10,577,861 17 btotal 2,433 3,718,009 (465,546)	fldings on freehold land	4,730,351	529,222	(17,251)	5,242,322	1,768,809	329,980	273	(7,174)	2,091,888	3,150,434	10
squlpments 853.508 129,094 (6,971) 975,631 332,256 60.111 175 (3,568) 388,974 numents 363,401 54,818 (9,903) 408,316 176,388 43,985 173 (5,383) 215,163 null flutures 313,807 86,160 (3,590) 396,077 123,857 25,044 38 (2,270) 146,669 b total 218,914 190,031 (126,385) 582,590 172,546 91,653 - (65,921) 188,288 b total 24,361,399 3,718,009 (463,107) 27,616,301 9,210,022 1,641,156 4,322 (217,639) 17,78 b total 2,439 - (2,439) - 1,272 78 - (1,350) - 17,00 a total 2,436 - (2,439) - (2,2439) - (1,241,234) - (1,350) - - - b total - - - - -	nt and machinery	15,337,894	1,976,665	[298,702]	17,015,857	6,209,372	1,006,313	3,395	(193,303)	7,025,777	080'066'6	10
numerity 363.401 54.818 (9,903) 408,316 176,388 43,985 173 (5,383) 215,163 numerity 1,314,054 100,857 (35) 1,414,876 426,794 94,060 268 (20) 521,102 nd fixures 313,807 86,160 (35,890) 396,077 123,857 25,044 38 (2,270) 146,669 brotal 24,361,399 (126,385) 582,590 177,546 81,663 4,322 (277,639) 16,677,861 17,0 brotal 2,4361,399 (463,107) 27,616,301 9,210,022 1,641,156 4,322 (277,639) 10,577,861 17,0 brotal 2,436 (2,439) (2,439) (2,439) 27,616,301 9,211,272 78 78 1,530 17,0 brotal 24,363,639 3,718,009 (465,546) 27,616,301 9,211,272 78 78 78 78 78	ols and equipments	853,508	129,094	(6,971)	975,631	332,256	60,111	175	(3,568)	388,974	586,657	10
Indications 1.314,054 100,857 (35) 1,414,876 426,794 94,060 268 (20) 521,102 146,669 and fixtures 313,807 86,160 (3.890) 3.96,077 123,857 25,044 38 (2.270) 146,669 146,699 146,699 172,546 81,663 - (65,921) 186,288 176,001	ice equipments	363,401	54,818	(6)603)	408,316	176,388	43,985	173	(5,383)	215,163	193,153	20
Ind fixtures 313.807 86.160 (3890) 396,077 123,857 25,044 38 (2.270) 146,669 Ind fixtures 518,914 190,031 (126,385) 582,590 172,546 81,663 - (65,921) 188,288 Ind total 24,361,399 3,718,009 (463,107) 27,616,301 9,210,022 1,641,156 4,322 (277,639) 10,577,861 17,6 Ind total 2,436,383 3,718,009 (465,546) 27,616,301 9,211,294 1,641,234 4,322 (277,639) 10,577,861 17,0	ctric installations	1,314,054	100,857	(32)	1,414,876	426,794	94,060	268	(20)	521,102	893,774	10
b total 24,361,399 3,718,009 (463,167) 27,616,301 9,210,022 1,641,156 4,322 (277,639) 10,577,861 17,6 b total 24,361,399 3,718,009 (465,546) 27,616,301 9,211,294 78 78 (1,350) 17,6 nd total 24,363,836 3,718,009 (465,546) 27,616,301 9,211,294 1,641,234 4,322 (278,989) 10,577,861 17,6	miture and fixtures	313,807	\$6,160	(3,890)	396,077	123,857	25,044	38	(2,270)	146,669	249,408	10
b total 24,361,399 3,718,009 (463,107) 27,616,301 9,210,022 1,641,156 4,322 (277,639) 10,577,861 b total 2,439 (2,439) 1,272 78 (1,350) - nd total 24,363,838 3,718,009 (465,546) 27,616,301 9,211,294 1,641,234 4,322 (278,989) 10,577,861	icles	518,914	190,031	(126,355)	582,590	172,546	81,663	1	(65,921)	188,288	394,302	20
b total 2,439 (2,439) . 1,272 78 . (1,350) . nd total 24,363,838 3,718,009 (465,546) 27,616,301 9,211,294 1,641,234 4,322 (278,989) 10,577,861	Sub total	24,361,399	3,718,009	(463,107).	27,616,301	9,210,022	1,641,156	4,322	(277,639)	10,577,861	17,038,440	
Sub total 2,439 (2,439) 1,272 78 (1,350) - Sub total 2,439 (465,546) 27,616,301 9,211,294 1,641,234 4,322 (278,989) 10,577,861	asehold											
2,439 (2,439) 24,363,838 3,718,009 (465,546) 27,616,301 9,211,294 1,641,234 4,322 (278,989) 10,577,861	nictes	2,439	٠	(2,439)		1,272	78	4	(1,350)	1		20
24,363,838 3,718,009 (465,546) 27,616,301 9,211,294 1,641,234 4,322 (278,989) 10,577,861	Sub total	2,439	•	(2,439)		1,272	78		(1,350)			
	Grand total	24,363,838	3,718,009	(465,546)	27,616,301	9,211,294	1,641,234	4,322	(278,989)	10,577,861	17,038,440	

			COST					DEPRECIATION	2		100	
DESCRIPTION	As on July 1, 2017	Additions	Deletions	Transferred to Interloop Holdings (Pvt) Ltd	As on June 30, 2018	As on July 1, 2017	For the year	Adjustments	Transferred to Interloop Holdings {Pot} Ltd	As on June 30, 2018	As on fune 30, 2018	Rate %
Owned						Rupecs	Rupecs in '000		4 7 8 9		4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Freehold land	962,366	43,74.6	,	[23,012]	929,470	1	,	1	1	1	Q24 470	1
Buildings on freehold land	4,143,968	586,383	٠		4,730,351	1,489,328	279,481			1,768,809	2,961,542	10
Plant and machinery	13,539,015	1,971,008	[172,129]	4	15,337,894	5,392,077	913,161	(95,866)	4	6,209,372	9,128,522	1.0
Tools and equipments	688,928	167,218	(2,638)	ı	853,508	276,704	56,751	(1,199)	1	332,256	521,252	10
Office equipments	281,231	88,603	(6,433)	ı	363,401	141,233	40,647	(5,492)	1	176,388	187,013	20
Electric Installations	1,070,689	243,365		i.	1,314,054	338,044	88,750	1	,	426,794	887.260	10
Furniture and flatures	285,911	29,710	(1,814)	,	313,807	105,062	20,077	(1,282)		123.857	189.950	9
Vehicles	423,779	162,606	(58,367)	(9,104)	518,914	135,079	72,377	[33,34]]	(1,569)	172,546	346,368	20
Sub total	21,342,257	3,292,639	(241,381)	(32,116)	24,361,399	7,877,527	1,471,244	(137,180)	(1,569)	9216.022	15,151,277	
Leasehold											D'TOUGH.	
Vehicles	2,439	,			2,439	981	291	1	,	1,272	1.167	20
Sub totat	2,439				2,439	981	291			1,272	1,167	
Grand total	21,344,696	3,292,639	(241,381)	(32.116)	24.34.2.02.0	1 000 mag						

7.1.1 The detail of operating fixed assets disposed / written off during the year are as follows:

According to the precipition Coat According Stok Proceeds Stok Proceded Stok Proceeds Stok Proceeds Stok Proceeds Stok Proceeds Stok Proceded Stok Proceded Stok Proceeds Stok Proceded Stok Proceded Stok Proceded Stok Proceeds Stok Proceded Stok Proceded Stok Proceded Stok Proceeds Stok Proceded Stok Proce								
Vision By Look Value exceeding Rs. 500,000 earth 3.547 1,242 2.105 . (2,105) Renned Building Vacaned	Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
ving book value exceeding Rs. Stoolood earth 3.347 1,242 2.105 - (2.105) Renned Building Weater s-stellite Unit 2.709 1,006 1,703 - (1,703) - (1,703) renned Building Weater s-stellite Unit 2.709 1,006 1,703 - (1,703) - (1,703) renned Building Weater s-stellite Unit 3.616 1,609 1,777 - (1,773) renned Building Weater not Finished Goods Store 3.616 1,609 1,777 - (1,773) renned Building Weater Alcine - Tupesa 2.528 1,572 5.21 3,677 1,184 1,43 7,587 renned Building Weater Alcine - Tupesa 2.528 2,566 8,73 1,443 7,587 registion Alcine - Tupesa 3.729 1,671 1,508 8,73 1,443 7,587 registion Alcine - Tupesa 2.528 2,566 8,73 1,443 7,57 registion Alcine - Tupesa 2.528 2,566 8,74 1,57 registion				Rupees in '000				
Saciality Unit 2.703 1.1242 2.1365 - (2.155) Genucia Building Vacanted Sacratility Unit 2.703 1.1242 2.1365 - (2.153) Genucia Building Vacanted Sacratility Unit 2.703 1.1242 2.1263 - (2.977 - (2.977) Genucia Building Vacanted Sacratility Unit 2.703 1.1242 2.1264 1.1277 - (2.977) Genucia Building Vacanted Colorest Sacratility Unit 2.1273 1.1242 2.1277 - (2.977) Genucia Building Vacanted Colorest Sacratility Unit 2.1273 1.1242 2.1277 - (2.977) Genucia Building Vacanted Colorest Sacratility Unit 2.1277 1.1242 2.1277 2.12422 2.12422 2.12422 2.12422 2.12422 2.12422 2.12422 2.12422	Accore havinn book value excooding Rc 500 000 earh							
s. Salellite Unit S. Salellite Unit 1,1442 2,105 - (2,105) Rentred Building Vocated of Salellite Unit s. Salellite Unit 5,707 1,006 1,703 - (1,703) - (1,703) Rentred Building Vocated not Planted During Sales s. Clamvils Stove Expandion 5,507 1,869 1,777 - (1,707) Rentred Building Vocated not Planted During Sales Aschinery 1,4773 6,191 8,582 - (1,707) Rentred Building Vocated not Planted During Sales Aschinery 1,4773 6,191 8,582 - (1,777) Rentred Building Vocated Notes of Planted Building Vocated Notes of Planted During Sales 1,177 - (1,777) Rentred Building Vocated Notes of Planted Building Vocated Notes of Planted During Sales 1,177 - (1,777) Rentred Building Vocated Notes of Planted During Sales 1,177 - (1,777) Rentred Building Vocated Notes of Planted During Sales 1,177 - (1,777) Rentred Building Vocated Notes of Planted During Sales 1,177 - (1,777) Rentred Building Vocated Notes of Planted During Sales 1,141 1,184 1,187 Rentred Building Vocated Notes of Planted During Sales 1,141 1,141 1,141 Rentred Building Vocated Notes of P	Fill							
2-Stellite built b	Balluligs							
s - Staelflate blitt 5 - S, 270 5 1, 200 6 1, 1773 7 .	Givil Works - Satellite Unit	3,347	1,242	2,105	ı	(2,105)	Rented Building Vacated	
Section of Expansion Sp771 2,079 7,977 C,5937 Renard Building Yacand And Anthonic Lands and Ant	Givil Works - Satellite Unit	2,709	1,006	1,703	ŀ	(1,703)	Rented Building Vacated	
14,773 6,191 8,582 (8,582) (1,772) Rearbed Building Vacation of Parished Goods Store 14,773 6,191 8,582 (8,582)	Civil Works - Chawla Store Expansion	5,071	2,074	2,997		(2,997)	Rented Building Vacated	
Machthery L4,773 6,191 8,582 - (8,582) Machthery 2,503 1,972 531 3.44 (187) Nagotiation pera - S.2 4,861 3,677 1,184 143 (1,041) Nagotiation pera - S.2 3,539 2,668 871 143 (7,79) Nagotiation pera - S.2 3,179 1,671 1,596 22 2 (1,479) Negotiation weer System 3,179 1,671 1,596 22 2 6 633 Negotiation achine - Lonati - L4541 2,512 2,666 552 2 6 633 Negotiation achine - Santoni 2,505 1,965 5,40 13 (5,27) Negotiation achine - Santoni 3,045 2,227 818 13 (5,27) Negotiation achine - Santoni 3,046 1,241 1,241 1,254 (5,58) Negotiation achine - Santoni 3,046 1,347	Fabrication of Finished Goods Store	3,646	1,869	1,777	1	(1,777)	Rented Building Vacated	
2,503 1,972 521 344 (187) Negotiation 3,577 1,184 143 (1,041) Negotiation 4,861 1,571 1,508 29 (503) Negotiation 5,502 1,965 540 13 (527) Negotiation 2,505 1,965 540 13 (527) Negotiation 3,780 633 3,147 53 (3,094) Negotiation 1,100 450 650 1957 5,484 5,788 602 837 (16,104) Negotiation 5,1887 602 837 (16,104) Negotiation 6,19,241 2,13,757 5,484 7,1237 (16,104) Negotiation 6,1439 6,02 837 2,072 91 (1,981) Negotiation 6,1439 2,257 2,072 91 (1,981) Negotiation 6,1439 6,02 837 2,072 91 (1,981) Negotiation 6,17,844 6,17,844 6,17,841 1,237 (16,104) Negotiation 6,1439 6,02 837 2,072 91 (1,981) Negotiation 6,1439	Sub Total	14,773	6,191	8,532		(8,582)		
2,503 1,972 531 344 (187) Negotiation 3,539 2,668 871 1,434 (728) Negotiation 1,184 143 (728) Negotiation 1,508 2,505 1,665 540 13 (527) Negotiation 2,505 1,965 540 13 (527) Negotiation 2,105 1,141 984 80 (304) Negotiation 1,100 450 653 3,147 53 (3,094) Negotiation 1,100 450 653 3,147 53 (3,094) Negotiation 1,100 450 653 3,147 53 (3,094) Negotiation 1,100 450 652 1,7341 1,1237 (16,104) Scraped 5,329 2,3257 2,327 Negotiation 1,237 (16,104) Negotiation 1,238	Plant and Machtnery							
4,861 3,677 1,184 143 (1,041) Negotiation 3,539 2,668 871 143 (728) Negotiation 992 4,60 532 29 (1,479) Negotiation 2,612 2,060 552 182 (503) Negotiation 2,505 1,965 540 13 (527) Negotiation 2,505 1,965 540 13 (527) Negotiation 2,105 1,965 540 13 (527) Negotiation 2,125 818 13 (805) Negotiation 3,045 2,227 818 80 (904) Negotiation 1,100 450 650 195 (455) Negotiation 1,100 450 5,484 1,734 1,237 (16,104) 1,439 602 837 1,237 (16,104) Negotiation 2,568 2,257 2,072 91 (1,981) Negotiation	Dyeing Machine - Tupesa	2,503	1,972	531	344	(187)	Negotiation	Mian Rashid - Nisar Colony, Falsalabad.
3,179 1,671 1,508 29 (728) Negotiation 992 460 522 29 (503) Negotiation 2,612 2,060 552 182 (370) Negotiation 2,505 1,965 540 13 (327) Negotiation 2,125 1,141 984 80 (904) Negotiation 2,125 1,141 984 80 (904) Negotiation 3,085 633 3,147 53 (3,094) Negotiation 1,100 450 650 195 (455) Negotiation 1,1439 602 837 . 2,072 91 (1,981) Negotiation 2,125 2,257 2,072 91 (1,981) Negotiation	Dryer - Tupesa - Sc2	4,861	3,677	1,184	143	(1,041)	Negotiation	Mian Rashid - Nisar Colony, Falsalabad,
3,179 1,671 1,508 29 (1,479) Negotiation 2,612 2,060 552 182 (370) Negotiation 2,505 1,965 540 13 (527) Negotiation 2,505 1,965 540 13 (527) Negotiation 2,505 1,965 540 13 (527) Negotiation 2,125 1,141 984 80 (904) Negotiation 3,780 633 3,147 53 (3,094) Negotiation 1,100 450 650 195 Negotiation 1,9241 5,784 5,784 Scraped 51,987 34,646 17,341 1,237 (16,104) 4,329 2,257 2,072 91 (16,104) 6,784 2,285 2,972 91 (15,181)	Dryer - Tupesa - Sc	3,539	2,668	871	143	(728)	Negotiation	Mian Rashid - Nisar Colony, Faisalabad.
2,612 2,066 552 182 (370) Negotiation 2,505 1,965 540 13 (527) Negotiation 2,505 1,965 540 13 (527) Negotiation 3,045 2,227 818 13 (805) Negotiation 2,125 1,141 984 80 (904) Negotiation 3,780 633 3,147 53 (3,094) Negotiation 19,241 7 13,757 5,484 . (5,484) Scraped 51,987 34,646 17,341 1,237 (16,104) 4,329 2,257 2,072 91 (1,981) Negotiation 6,387 2,257 2,072 91 (1,981) Negotiation	Suction Blower System	3,179	1,671	1,508	29	(1,479)	Negotiation	Mian Rashid - Nisar Colony, Faisalabad.
2,512 2,060 552 182 (370) Negotiation 2,505 1,965 540 13 (327) Negotiation 2,505 1,965 540 13 (327) Negotiation 3,045 2,227 818 13 (865) Negotiation 1,100 450 650 195 (455) Negotiation 1,100 450 650 195 (455) Negotiation 1,241 13,757 5,484 5craped 51,987 34,646 17,341 1,237 (16,104) 1,439 602 837 7,297 91 (1,981) Negotiation 5,768 2,859 2,972 91 (2,818) Negotiation	Bleaching Machine - Polycraft	266	460	532	29	(503)	Negotiation	Mian Rashid - Nisar Colony, Faisulabad.
2,505 1,965 540 13 (527) Negodiation 2,505 1,965 540 13 (527) Negodiation 2,125 1,141 984 80 (904) Negodiation 3,780 633 3,147 53 (3,094) Negodiation 1,100 450 650 195 (455) Negodiation 1,241 13,757 5,484 5craped 51,987 34,646 17,341 1,237 (16,104) 4,329 2,257 2,072 91 (16,104) 5,768 2,859 2,997 91 (1,981)	Knitling Machine - Lonati - L454)	2,612	2,060	552.	182	(370)	Negotiation	Nawab Spioning Mills (Pvt) Ltd, Chak No. 61 R.B, Near Sitara Energy, Shcikhupura Road, Faisalabad
2,505 1,965 540 13 (527) Negodiation 3,045 2,227 818 13 (805) Negodiation 2,125 1,141 984 80 (904) Negodiation 3,780 633 3,147 53 (3,094) Negodiation 1,100 450 650 195 (455) Negodiation 19,241 7,341 1,237 (16,104) 5,1987 3,4646 17,341 1,237 (16,104) 4,329 2,257 2,072 91 (1,981) Negodiation 5,768 2,859 2,909 91 (1,981)	Kritting Machine - Santoni	2,505	1,965	540	13	(527)	Negotiation	Mian Maqsood - Sir Syed Town, Dajkot Road, Falsalabad.
3,045 2,227 818 13 (865) Negotiation 2,125 1,141 984 80 (904) Negotiation 3,780 653 3,147 53 (3,994) Negotiation 1,100 450 650 195 (455) Negotiation 1,241 13,757 5,484 5,748	Knitting Machine - Santoni	2,505	1,965	540.	13	(527)	Negottation	Mian Maqsood - Sir Syed Town, Dajkot Roxd, Falsalabad.
2,125 1,141 984 80 (904) Negodiation 3,780 633 3,147 53 (3,094) Negodiation 1,100 450 650 195 (455) Negotiation 1,101 459 5,484 5,784 5,784 5,784 1,1439 602 837 7,341 1,237 (16,104) 4,329 2,257 2,072 91 (1,981) Negotiation 5,768 2,859 2,909 91 (1,981)	Knitüng Machine - Sangiacomo	3,045	2,227	818	13	(802)	Negotiation	Mian Maqsood - Sir Syed Town, Dajkot Road, Fatsalabad,
1,100 450 653 3,147 53 (3,094) Negotiation 1,100 450 650 195 (455) Negotiation 1,100 450 5,484 5,784 5,784 (16,104) 5,1,987 34,646 17,341 1,237 (16,104) 1,439 602 837 7,072 91 (1,981) Negotiation 5,768 2,859 2,909 91 (2,818)	Automatic Boarding Machine - Techopea - Ghibli	2,125	1,141	984	80	(904)	Negatiation	Muhammad Sarfraz - Chak No. 61, Sheikhupura Road, Faisalabad.
19241 13,757 5,484 (455) Negotiation (5,484) Scraped (51,987) 34,646 17,341 1,237 (16,104) Scraped (602 837) Rented Building Vacated (4,329 2,257 2,072 91 (1,981) Negotiation (2,818)	Suction System Complete	3,780	633	3,147	55	(3,094)	Negotiation	Muhammad Safdar - Zulifqar Colony, Faisalabad.
19,241 13,757 5,484 . (5,484) Scraped 51,987 34,646 17,341 1,237 (16,104) 1,439 602 837 Renked Building Vacated 4,329 2,257 2,072 91 (1,981) Negotiation 5,768 2,859 2,909 91 (2,818)	Diesel Generator - CMD38 Rating 35Kva / 28Kw Prime 1500Rpm	1,100	450	650	195	(455)	Negotiation	Muhammad Umer Farooq - Zuligar Colony, Faisalabad.
shed Goods Warehouse 1,439 2,4546 17,341 1,237 (16,104) shed Goods Warehouse 1,439 602 837 - (837) Rentcd Building Vacated shed Goods Warehouses 4,329 2,257 2,072 91 (1,981) Negotiation 5,768 2,859 2,909 91 (2,818)	Gas Gonset - Ge Jenbacher - J 620 GSE01 (Old Parts Scraped due to Overhauling of Generator)	19,241		5,184	,	(5,484)	Scraped	Mr. Abdul Aziz
wla Warehouse 1,439 602 837 Rentcd Building Vacated shed Goods Warehouses 4,329 2,257 2,072 91 (1,981) Negotiation 5,768 2,859 2,909 91 (2,818)	Sub Total	51,987		17,341	1,237	(16,104)		
L System - Chawla Warehouse 1,439 602 837 - (837) Rented Building Vacated 4,329 2,257 2,072 91 (1,981) Negotiation 5,768 2,859 2,909 91 (2,818)	Tools and Equipments							
1 System - Finished Goods Warehnuses 4,329 2,072 2,072 91 (1,981) Negotiation 5,768 2,859 2,909 91 (2,818)	Fire Aların System - Chawla Warehouse	1,439	602	837		(837)	Rented Building Vacated	
5.768 2.859 2.909 91	Fire Alarm System - Finished Goods Warehouses	4,329	2,257	2,072	91	(1,981)	Negotiation	Muhammad Safdar - Zulifgar Colony, Faisalabad.
	Sub Yotal	5,768	2,859	Z,909	91	(2,818)		

Description	Cost	Accumulated Depreciation	Book Value	Safe Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
			Rupees In '000				
Furniture and Fixtures							
Palletizing and Racking System	1,550	876	674	1	(674)	Negotiation	Mr. Täriq - Darul Ehsan Town near Rasheed Kanda, Samnundri Road, Faisalabad.
Sub Totai	1,550	876	674	1	(674)		
Vehicles							
Toyota Land Cruisor Parado.	18,151	12,600	5,551	5,551	٠	Negotiation	Mrs. Nazia Navid - Wife of Chief Executive Officer
Honda Civic Vü Prosmatic	2,285	1,330	958	860	(56)	Company Policy	Mr, Muhammad Arshad - Company Employee
Honda Civic VII Prosmatic	2,274	1,313	961	708	(253)	Company Policy	Mr. Shahid Hanneed - Company Employee
Honda City	1,752	281	1,471	1,472	p=q	Company Policy	Ms. Sadia Raskid - Company Employee
Honda Civic Orial Prosmatic	2,511	1,451	1,060	360	(2001)	Company Policy	Mr. Muhammad Shahzad - Company Employee
Honda Civic Vti Prosmatic	2,205	1,273	932.	708	(224)	Company Policy	Mr. Naseer Ahmad - Company Employee
Suzuki Swift Dlx	1,302	782	520	305	(215)	Company Policy	Mr. Raza Mohay Ud Din - Company Employee
Toyota Corolla Xii	1,626	927	669	644	(55)	Company Policy	Мт. Капітап Akhtar - Сопрацу Етрючее
Suzuki Swifi Dlx	1,282	731	551	424	(127)	Company Policy	Mr. Kamran Sani - Company Employee
Honda City Aspire Mt	1,566	892	674	624	(20)	Company Policy	Мг. Итег Javed - Сопрапу Ёпрюусе
Honda City Ivtec	1,555	934	621	305	(316)	Company Policy	Мr. Миђатта d Rizwan Mobsin - Сотрану Employee
Honda City Aspire Mt	1,695	1,017	67B	1,300	622	Company Policy	Mr. Hasnain Abbas - Company Employee
Suzuki Swift Dlx	918'1	780	536	416	(120)	Company Policy	Mr. Muhammad Atif Saleem - Company Employee
Toyota Corolla Gli	1,811	1.101	710	658	(52)	Company Policy	Mr. Aamer Tanveer - Company Employee
Honda Civic Vii Prosmatic	2,167	1,126	1,041	1,062	21	Company Policy	Mr. Dr Nabcel - Company Employce
Honda City Aspire Mt	1,556	902	654	488	(166)	Company Policy	Mr. Adeel Asghar - Company Employce
Toyota Corolla Gli	1,811	0601	721	658	(63)	Company Pullcy	Mr. Rashid Hussain - Company Employee
Toyota Corolla XII	1,685	1,025	099	859	(2)	Company Policy	Mr. Zubair Masud - Company Sinployee
Toyota Corolla Gli	1,811	1,036	775	488	(287)	Company Policy	Mr. Arif Butt - Company Employee
Suzuki Swift Dlx	1,297	751	546	488	(28)	Company Policy	Mr. Waheed Ahmad - Company Employee
Honda Civic	2,028	1,249	779	438	(341)	Company Policy	Mr. Yasir Riaz - Company Employee
Toyota Corolla GII	1,809	1,129	680	658	(22)	Company Policy	Mr. Muhammad Nascor Ud Din - Company Employee
Toyota Corolla Gli	1,771	1,030	741	48B	(253)	Company Policy	Mr. Javed Iqbal - Company Employee
Toyota Corolla GII	1,810	1,103	707	658	(49)	Company Policy	Mr. Zahid Hussain - Company Employee
Honda City	1,848	414	1,434	1,435	П	Negotlation	Mr. Sheraz, Saced Autos, 22C-Model Town, Jail Road, Faisalabad.
Suzuki Swift Dix	1,316	719	297	603	Ģ	Negotiation	Mr. Sherax, Saeed Autos, 22C - Model Towt, Jail Road, Faisalabad.

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
			- Rupees in '000				
Faw V-2 M/T	1,076	380	969	703	7	Negotiation	Mr. Sheraz, Saeed Autos, 22C - Model Town, Jail Road, Paisalabad.
Suzuki Cultus Vxr	1,277	425	852	853	7-1	Negotiation	Mr. Shoraz, Saeed Autos, 22C - Model Town, Jail Road, Faisalabad.
Suzuki Cultus - Vxr	1,444	24	1,420	1,410	(10)	Insurance claim	Security General Insurance Company
Honda City	1,769	888	881	381		Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Toyota Corolla Altis	2,088	951	1,137	1,137	٠	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Suzuki Wagon-R Vxl	1,074	453	621	626	In	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Suzuki Cultus VxI	995'1	78	1,488	1,488	•	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Honda City	1,688	731	957	957	1	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Suzuki Cultus Vxr	1,124	564	260	559	(1)	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Suzuki Cultus Vxr	1,099	501	865	298		Transferred	Interloop Holdings (Pvt) Limited · Associated Company
Toyota Hifux 4X2 S/C	2,027	857	1,170	1,171	7	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Mercedes - Benz E300	14,195	6,700	7,495	7,495	,	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Honda Civic	2,666	89	2,577	2,577		Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Honda Civic Oriet	2,988	149	2,839	2,838	(1)	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Suzuki Swift Dix	1,334	0.29	664	199	(3)	Transferred	1L Apparet (Pvt) Limited - Subsidiary Company
Honda Civic I-Vtec 1.8L Ovt (Prosmatic) Oriel	2,666	1,011	1,655	1,665	10	Transferred	IL Apparet (Pvt) Limited - Subsidiary Company
Toyota Corolla Gli	1,934	733	1,201	1,201	,	Transferred	IL Apparel (Pvt) Limited - Subsidiary Company
Toyota Corolla Gli	1,849	702	1,147	1,147	ı	Negotiation	Interloop Welfare Trust
Sub Total	106,104	52,892	53,212	50,924	(2,288)		
Other assets having book value below Rs, 500,000 each	285,364	181,525	103,839	87,214	(16,625)		
Total - 2019	465,546	278,989	186,557	139,466	[47,091]		
Total - 2018	241,381	137,180	104,201	65,507	[38,694]		

7,1.2	Depreciation expense for the year has been allocated as under;	Note	2019 Rupees in	2018 '000
	Cost of sales Administrative expenses	-	1,490,464 150,770 1,641,234	1,338,143 133,392 1,471,535
7.2	Capital work-in-progress	=		
	Civil works Plant and machinery Capital stores Advances to suppliers	7.2.1 7.2.2 7.2.3	653,047 135,550 3,913 425,524	178,203 32,696 87,200 1,326
		-	1,218,034	299,425

- 7.2.1 Civil works include borrowing cost amounting to Rs. 16 million calculated at the rates ranging from 2.33% to 4.92% per annum.
- 7.2.2 Plant and machinery includes amount of Rs. 124.68 million in respect of trial production cost of denim sampling unit.
- 7.2.3 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.

7.3 Details of immovable property in the name of the Company:

	Usage	Location	Area	
	Plant 1	Chak # 76 RB. 1 - KM, Jaranwala Road, Khurrianwala, Faisalabad. Chak # 194 RB. 1 - KM, Jaranwala Road, Khurrianwala, Faisalabad. Chak # 108 RB. 1 - KM, Jaranwala Road, Khurrianwala, Faisalabad.	19 Acres 7 Kana 2 Acres 8 Kanal 9 Marias	
	Interloop Industrial Park - (Plant 2, Plant 4 & Spinning)	Chak # 103 RB, 7 - KM, Jaranwala Road, Khurrianwala, Faisalabad, Chak # 106 RB, 6 - KM, By Pass Road, Khurrianwala, Faisalabad, Chak # 103 RB, 7 - KM, Jaranwala Road, Khurrianwala, Faisalabad.	97 Acres 19 Kan 14 Acres 3 Kan 38 Acres 15 Kan	
	Plant 3	8 - KM, Manga Raiwind Road, Distt. Kasur, Lahore.	41 Acres 3 Kana	als 8 Marlas
	Denim Division	8 - KM, Manga Raiwind Road, Distt. Kasur, Lahore.	26 Acres 7 Kana	als 14 Marlas
	Plant 5	Chak # 106 RB, 6 - KM, By Pass Road, Khurrianwala, Faisalabad.	75 Acres 13 Ka	nals 13 Marlas
	Office Block	Chak # 200 RB, Near Toll Plaza Gatwala, Lathianwala, Faisalabad.	2 Acres 13 Mar	as 5 Šarsal
	NGIBLE ASSET	Note	2019 Rupecs la	2018 1'000
Addit	ing balance tion during the year		98,196 32,798 130,994	92,620 5,576 98,196
Open	<u>rtization:</u> ving balance he year amortization		55,786 9,047 64,833	45,415 10,371 55,786
Net l	oook value		66,161	42,410
Anto	rtization rate	=	20%	20%
9. LON	G TERM INVESTMENTS			
	noted - at cost ciated company			
	Bangla Limited	9.1	308,735	379,549
	sidiary company . Apparel (Pvt) Limited	9.2	700,000	1,000
			1,008,735	380,549
9.1	IL Bangla Limited Cost of investment Provision for impairment lo	9.1.1 	379,549 (70,814) 308,735	379,549 379,549

- 9.1.1 31.825 million (2018: 31.825 million) ordinary shares of BD Takas 10/- each amounting to BD Takas 318.250 million). Equity held 31.61% (2018: 43.75%).
- 9.2 50 million (2018; 0.1 million) ordinary shares of Rs. 10/- each amounting to Rs. 500 million (2018; Rs. 1 million) and Rs. 200 million as share deposit money. Equity held 100%.

		Note	2019 Rupees In '00	2018 10
0. LONG	TERM LOANS			
Const	dered good - Secured			
Loans	to employees	10.1	43,112	60,747
Loan t	to director	10.2	22,650	
			65,762	60,747
10.1	Loans to employees			
	Opening balance		108,496	92,647
	Add: disbursement made during the year	10.1.1	78,870 187,366	69,149 161,796
	Less: amount received during the year		(90,571)	(53,300)
		_	96,795	108,496
	Less: receivable within twelve months	-	(53,683) 43,112	(47,749) 60,747
10.1.1	These loans are given to employees as per approved policy of i	the Company and are secured against comployees		
10.2	Loan to director	dompan,		
10.2				
	Opening balance	10.2.1	25,750	_
	Add: disbursement made during the year	10.2.1	25,750	-
	Less: amount received during the year			
			25,750	-
	Less: receivable within twelve months	_	(3,100)	-
		200	22,030	
Consi	idered good:			
Securi	rity deposits - unsecured		28,019	24,817
	rity deposits - unsecured key money	_	-	238
Lease	key money		28,019	
Lease			28,019	238 25,055
Lease 2. STOR Stores	RES AND SPARES	=	28,019	238 25,055 185,234
Lease 2. STOR	RES AND SPARES		28,019 233,322 654,337	238 25,055 185,234 593,964
Lease 2. STOR Stores Spare	RES AND SPARES		28,019	238 25,055 185,234
2. STOR Stores Spare 3. STOC	key money RES AND SPARES SS SS SK IN TRADE		28,019 233,322 654,337 887,659	238 25,055 185,234 593,964 779,198
2. STOR Stores Spare 3. STOC Rawn	RES AND SPARES SES CK IN TRADE material	;	28,019 233,322 654,337 887,659	238 25,055 185,234 593,964 779,198
2. STOR Stores Spare 3. STOC Raw 1: Work	RES AND SPARES SES CK IN TRADE material cin process	;	28,019 233,322 654,337 887,659	238 25,055 185,234 593,964 779,198
2. STOR Stores Spare 3. STOC Raw 1: Work	RES AND SPARES SES CK IN TRADE material	;	28,019 233,322 654,337 887,659 3,730,840 597,562	238 25,055 185,234 593,964 779,198 3,166,265 471,276
2. STOR Stores Spare 3. STOC Raw n Work Finish	RES AND SPARES SES CK IN TRADE material cin process	;	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177
2. STOR Stores Spare 3. STOC Raw :: Work Finish	RES AND SPARES SS SE S	;	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177
2. STOR Stores Spare 3. STOC Rawn Work Finish 4. TRAE Consi	RES AND SPARES SES CK IN TRADE material cin process thed goods DE DEBTS idered good:	;	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177
2. STOR Stores Spare 3. STOC Raw :: Work Finish 4. TRAE Consi	RES AND SPARES SES CK IN TRADE material cin process thed goods DE DEBTS idered good:	;	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177
2. STOR Stores Spare 3. STOC Raw :: Work Finish 4. TRAE Consi Forei - So	RES AND SPARES SES SES SES SES SES SES SES	14.1	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089 -6,282,491	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718
2. STOR Stores Spare 3. STOC Raw :: Work Finish 4. TRAE Consi Forei - So - U	RES AND SPARES SES SES SES SES SES SES SES	14.1	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089 -6,282,491	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718
2. STOR Stores Spare 3. STOC Raw :: Work Finish 4. TRAE Consi Forei - So - U	RES AND SPARES Sees CK IN TRADE material cin process thed goods DE DEBTS idered good: ign decured Unsecured	14.1	28,019 233,322 654,337 837,659 3,730,840 597,562 1,954,089 -6,282,491 4,250,501 3,564,083 7,814,584	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3,154,733 3,809,375 6,964,108
Lease 2. STOR Stores Spare 3. STOC Raw r Work Finish 4. TRAE Consi Forei - St - U Local	RES AND SPARES SES SES SES SES SES SES SES	14.1	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089 -6,282,491 4,250,581 3,564,083	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3,154,733 3,809,375
2. STOR Stores Spare 3. STOC Raw :: Work Finish 4. TRAE Consi Forei - So - U	RES AND SPARES Sees CK IN TRADE material cin process thed goods DE DEBTS idered good: ign decured Unsecured	14.1	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089 -6,282,491 4,250,501 3,564,083 7,814,584 433,156	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3,154,733 3,809,375 6,964,108 328,900
Lease 2. STOR Stores Spare 3. STOC Rawn Work Finish Consi Forei - St - U Local - U	RES AND SPARES Sees CK IN TRADE material Cin process fied goods DE DEBTS idered good: lign fecured Unsecured Unsecured It includes receivables from following related parties;	14.1	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089 -6,282,491 4,250,501 3,564,083 7,814,584 433,156	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3,154,733 3,809,375 6,964,108 328,900
Lease 2. STOR Stores Spare 3. STOC Rawn Work Finish Consi Forei - St - U Local - U	RES AND SPARES Ses CK IN TRADE material cin process fied goods DE DEBTS idered good: ign iecured Jusecured I	14.1	28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089 6,282,491 4,250,581 3,564,083 7,814,584 433,156 8,247,740	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3,154,733 3,809,375 6,964,108 328,960 7,293,008
Lease 2. STOR Stores Spare 3. STOC Rawn Work Finish Consi Forei - St - U Local - U	RES AND SPARES Sees CK IN TRADE material Gin process fied goods DE DEBTS idered good: lign lecured Unsecured It includes receivables from following related parties; IL Bangla Limited	14.1	28,019 233,322 654,337 837,659 3,730,840 597,562 1,954,089 -6,282,491 4,250,501 3,564,083 7,814,584 433,156 8,247,740 44,280 352,636 293,422	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3,154,733 3,809,375 6,964,108 328,900 7,293,008
Lease 2. STOR Stores Spare 3. STOC Raw n Work Finish 4. TRAE Consi Forei - Sc - U Local - V 14.1	RES AND SPARES Ses CK IN TRADE material Kin process fied goods DE DEBTS idered good: ign lecured Il. Jusecured It includes receivables from following related parties; IL Bangla Limited Texlan Center (Pvt) Limited Eurosox Plus BV		28,019 233,322 654,337 887,659 3,730,840 597,562 1,954,089 -6,282,491 4,250,501 3,564,083 7,814,584 433,156 8,247,740 44,280 352,636 293,422 690,338	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3,154,733 3,809,375 6,964,108 328,900 7,293,008 40,366 84,944 112,511 237,821
Lease 2. STOR Stores Spare 3. STOC Raw n Work Finish 4. TRAE Consi Forei - Sc - U Local - V 14.1	RES AND SPARES Sees CK IN TRADE material Kin process fied goods DE DEBTS idered good: lign lecured Unsecured It includes receivables from following related parties; IL Bangla Limited Texlan Center (Pvt) Limited Eurosox Plus BV The maximum aggregate amount of receivable due from relation).	ated parties at the end of any month during th	233,322 654,337 887,659 3,730,840 597,562 1,954,089 -6,282,491 4,250,561 3,564,083 7,814,584 433,156 8,247,740 44,280 352,636 293,422 690,338 e year was Rs. 1,052,51 n	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 31,54,733 3,809,375 6,964,108 328,900 7,293,008 40,366 84,944 112,511 237,821 million [2018: Rs
Lease 2. STOR Stores Spare 3. STOC Rawn Work Finish 4. TRAE Consi Forei - So - U Local - U 14.1	RES AND SPARES S S S S S S S S S S S S	ated parties at the end of any month during th	233,322 654,337 887,659 3,730,840 597,562 1,954,089 -6,282,491 4,250,561 3,564,083 7,814,584 433,156 8,247,740 44,280 352,636 293,422 690,338 e year was Rs. 1,052,51 n	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3154,733 3,809,375 6,964,108 328,900 7,293,008 40,366 84,944 112,511 237,821 ntllion [2018; Rs.
Lease 2. STOR Stores Spare 3. STOC Raw n Work Finish 4. TRAE Consi Forei - Sc - U Local - V 14.1	RES AND SPARES Sees CK IN TRADE material Cin process fied goods DE DEBTS idered good: ign fecured Unsecured It includes receivables from following related parties; IL Bangla Limited Texlan Center (Pvt) Limited Eurosox Plus BV The maximum aggregate amount of receivable due from rel. 319.60 million). At June 30, 2019, trade debts due from related parties aggregate	ated parties at the end of any month during th	233,322 654,337 887,659 3,730,840 597,562 1,954,089 -6,282,491 4,250,561 3,564,083 7,814,584 433,156 8,247,740 44,280 352,636 293,422 690,338 e year was Rs. 1,052,51 n	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3154,733 3,809,375 6,964,108 328,900 7,293,008 40,366 84,944 112,511 237,821 ntllion [2018; Rs.
Lease 2. STOR Stores Spare 3. STOC Rawn Work Finish 4. TRAE Consi Forei - Sc - U Local - U 14.1	RES AND SPARES S S S S S S S S S S S S S S S S S S	ated parties at the end of any month during th	233,322 654,337 887,659 3,730,840 597,562 1,954,089 6,282,491 4,250,591 3,564,083 7,814,584 433,156 8,247,740 44,280 352,636 293,422 690,338 e year was Rs. 1,052,51 m	238 25,055 185,234 593,964 779,198 3,166,265 471,276 1,484,177 5,121,718 3,154,733 3,809,375 6,964,108 328,900 7,293,008 40,366 84,944 112,511 237,821 ntllion (2018: Rs.

15.	LOANS AND ADVANCES	Note	2019 Rupees in '	2018 000
	Considered good:			
	Loans			
	Current portion of loans to employees - Secured	10.1	53,683	47,749
	Current portion of loan to director - Secured	10.2	3,100	-
	Metis international (Pvt) Limited - Secured	15.1	9,560	33,414
	Advances			
	Advances to suppliers		989,598	536,580
	Advances to employees	15.2	7,401	
		_	1,063,342	617,743
	Advances to employee's	15.2 _ =		

- 15.1 This loan was given in foreign currency amounting to US\$ 275,000 at rate of 15% per annum. Upon lapse of payment date, additional mark up at the rate of 2.5% will be charged on monthly mark up installment due for each day of delay upto a maximum of 20%. The loan is secured through an irrevocable lien/charge on total assets of the Metis International (Pvt) Limited.
- Advances to employees are given to meet business expenses and are settled as and when expenses are incurred.

16. DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES

Depos	it			
L/C	margin		70,338	-
Prepa	yment			
Inst	rance premium		40,226	25,167
Other	receivables - considered good;			
Rec	eivables from related parties	16.1	83,980	86,760
Acc:	rued interest on loan to Metis International (Pvt) Limited		10,441	2,401
Oth	GES		-	65,536
			204,985	179,864
16.1	Receivables from related parties include receivables from:			
	IL Bangla Limited - Unquoted associate	16.4	82,766	76,970
	IL Apparel (Pvt) Limited - Unquoted subsidiary			8,017
	Interloop Holdings (Pvt) Ltd - an associated undertaking			1,273
	Interloop Welfare Trust		1,214	
	Interloop Limited ESOS Management Trust		-	500
		_	83,980	86,760

- The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs, 83.98 million (2018: Rs. 86.76 16.2
- 16.3 At June 30, 2019, receivables aggregating to Rs. 83.98 million (2018; Rs. 86.76 million) were past due but not impaired. The ageing analysis of these receivables is as follows:

Upto 1 month	7,153	5,274
More than 1 month	76,827	81,486
	83,980	86,760

This represents balance receivable against payments made on behalf of IL Bangla Limited. Interest is charged at effective rate of 7.53% per annum.

17. TAX REFUNDS DUE FROM GOVERNMENT

FBR Refund Settlement Company (Private) Limited

Duty drawbacks	646,486	1,054,370
Sales tax refundable	401,608	532,070
Income tax refundable	877,345	865,366
	1,925,439	2,451,806

18.

SHORT TERM INVESTMENTS			
Mutual Funds - Fair value through profit or loss:	18.1 & 18.2		
Alfalah GHP Income Multiplier Fund		-	56,657
Alfalah GHP Alfa Fund		17,306	20,740
Alfalah GHP Sovereign Fund		58,944	-
Meezan Islamic Fund		34,795	45,978
Meezan Sovereign Fund		7	7
NAFA Islamic Energy Fund		-	24,040
NAFA Financial Sector Income Fund		909	-
NAFA Stock Fund		16,986	-
NAFA Money Market Fund		1,555	-
UBL Growth And Income Fund		-	3
UBL Government Securities Fund		394	-
		130,896	147,425
Term Deposit Receipts (TDRs) - Amortized cost:	18.3		
The Bank of Punjab		150,347	-
National Bank of Pakistan		790,908	
		941,255	
Sales Tax Refund Bonds - Amortized cost:	18.4		

135,100

1,207,251

147,425

Name of the investee	Number of shares / units as at June 30, 2019	Average Cost as at June 30, 2019	Fair value as at June 30, 2019	Remeasurement loss as at June 30, 2019
	No. of units '000	R	upees in '000	
Alfalah GHP Alfa Fund	308.8077	22,272	17,306	(4,966)
Alfalah GHP Sovereign Fund	554.0604	61,221	58,944	(2,277)
Meezan Islamic Fund	725,9510	45,978	34,795	(11,183)
Meezan Sovereign Fund	0.1371	7	7	
NAFA Financial Sector Income Fund	86.5028	924	909	(15)
NAFA Stock Fund	1,416.4747	19,307	16,986	(2,321)
NAFA Money Market Fund	157.5662	1,563	1,555	(8)
UBL Government Securities Fund	3.7222	411	394	(17)
Total	3,253.2220	151,683	130,896	[20,787]

- 18.2 Fair values of these investments are determined using quoted market / repurchase price.
- $18.3 \quad \text{Short term investment in TDRs earned interest at effective rate of } 11.55\% \text{ to } 12.05\% \text{ per annum.}$
- 18.4 By virtue of enactment of section 67A in the Sales Tax Act, 1990, Sales Tax Refunds claimant have been given option to receive their refunds in shape of Sales Tax Refund Bonds which have been directly credited to the Corporate Investor Account maintained with CDC (Central Depository Company of Pakistan Limited).

The bonds so issued have a maturity period of three (3) years and shall bear simple profit at the rate of 10% per annum. The bonds are freely tradable in Pakistan's secondary markets and shall be approved security for calculating the statutory liquidity reserve and shall be acceptable by the banks as collateral security. After period of maturity, the Company shall return the bonds to the Board and the Board shall make the payment of amount due under the bonds, along with profit due, to the bond holders.

The bonds shall be redeemable before maturity only at the option of the Board along with simple profit payable at the time of redemption in the light of general or specific policy to be formulated by the Board.

The management intend to trade and redeem these bonds in near future, therefore, these are grouped in short term investments.

	THE MEMBERHEIL MEMBERS AND MARKET HOUSE BOILED BY THE MEMBERS AND A STORE OF THE MEMBERS AND A STORE O						
				2019	2018		
				Rupees in '	000		
19.	CASH AND BANK BALANCES						
	Cash in hand			26,353	12,051		
	Cash at banks In current accounts			1,440,947	149,218		
	In foreign currency account	c		71,264	32,418		
	mioreign outrolley accounts			1,512,211	181,636		
				1,538,564	193,687		
20.	AUTHORIZED SHARE CAPITA	AL.					
	2019	2018					
	Number of share	s in '000					
	965,000	265,000	Ordinary shares of Rs. 10 each	9,650,000	2,650,000		
	35,000	35,000	Non-voting ordinary shares of Rs. 10 each	350,000	350,000		
	1,000,000	300,000		10,000,000	3,000,000		
21.	ISSUED, SUBSCRIBED AND P	AID UP CAPI	TAL	a'.			
	2019	2018					
	Number of share	es in '000					
	130,900	21,400	Ordinary shares of Rs. 10 each fully paid in cash	1,309,000	214,000		

21.1 Movement in Issued, subscribed and paid up capital

190,110

168,200 bonus shares

paid in cash

as fully paid bonus shares

738,500

1,266

1,531

872,197

	Note	Ordinary Shares of Rs. 10 each fully paid in cash		Ordinary Shares of Rs. 10 each fully paid bonus shares	
		Voting	Non-Voting	Voting	Non-Voting
Opening balance		21,400	510	168,200	-
Issued during the year	21.1.1	109,500	756	570,300	1,531
Closing balance		130,900	1,266	738,500	1,531

7,385,000

12,662

15,313 8,721,975 1,682,000

1,901,104

5,104

Ordinary shares of Rs. 10 each issued as fully paid

Non-voting ordinary shares of Rs. 10 each fully

Non-voting ordinary shares of Rs. 10 each issued

TECENIE CONTRACTOR OF THE TECENIE CONTRACTOR	Note	2019 Rupees in '000	2018
RESERVES			
Capital reserve			
Share premium	22.1	3,791,602	30,255
Revenue reserve			
Employee share option compensation reserve	22.2		8,608
		3,791,602	38,863

22.1 This represents premium received over and above face value of the shares issued to institutional investors, high net worth individuals and general public through initial public offering (IPO) and employees of the Company through employees stock option scheme (ESOS). This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

22.2 EMPLOYEES SHARE OPTION SCHEME (ESOS)

22.

The shareholders of the Company has approved Interloop Limited - Employee Stock Options Scheme, 2016 ("the scheme") for grant of options to certain eligible employees to purchase ordinary shares (non-voting) of the Company, to be determined by the Compansation Committee constituted by the Board of directors of the Company.

Under the Scheme, the Company may grant options to eligible employees selected by the Compensation Committee, from time to time, which shall not at any time exceed 15% of the paid up capital (ordinary and voting) of the Company (as increased from time to time). The option entitles an employee to purchase shares at an exercise price determined in accordance with the mechanism defined in the scheme at the date of grant. The aggregate number of shares for all options to be granted under the scheme to any single eligible employee shall not, at any time, exceed 3% of the paid up capital (ordinary and voting) of the Company (as increased from time to time). Further the grant of options in any one calendar year exceeding 3% of the paid up capital (ordinary and voting) shall require approval of the shareholders. However, once the number of shares issued under this scheme equal fifteen percent (15%) of the paid up capital (ordinary and voting) of the Company, the entitlement pool shall be exhausted and this Scheme shall cease to operate, notwithstanding any subsequent increase in the paid up capital.

The options will have a vesting period of one year and an exercise period of one year from the date options are vested as laid down in the scheme. Option price shall be payable by the employee on the exercise of options in full or part. The options will lapse after completion of one year from the date options are vested if not exercised.

Shares issued in response to exercise of options shall be Non-Voting Ordinary Shares, hereinafter called "Class B Shares" and shall not;

- (i) have voting rights or right to receive notice, attend and vote at the general meeting of the Company, except and otherwise provided by the Companies Act, 2017; and
- (ii) be entitled for right shares (Ordinary and Voting).

Shares issues under this scheme will convert into ordinary shares after 3 years from the date of listing of the Company or after completion of 3 years from the date of issue, whichever is later. The Company will not be obliged to buy back the shares. However, if the employees wishes to sell the shares, the Company may buy back the shares at the lesser of the prevailing price on the securities exchange or at the break up value of the shares determined as per the latest audited financial statements of the Company.

Before listing of the Company fair value of the options was determined based on the break up value of shares and exercise price at the date of each grant of options. Exercise price was determined based on latest available audited financial statements of the Company. After listing of the Company the exercise price shall be the weighted average of the closing market price of shares of the Company for the last 30 days prior to the date of grant of options.

Due to issuance of bonus shares of 300% of the existing paid up capital of the Company in current year and demerger of the investment segment of the Company into Interloop Holdings (Pvt) Limited in last year, the break up value of the shares had been reduced to Rs. 11.91 per share. This necessitated the repricing of the existing options outstanding during the year. Moreover, the existing exercise price of Rs. 76.04 per share was also not attractive at the moment due to the floor price of Rs. 45 per share set in the draft prospectus for the proposed IPO duly approved by the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX) till date. Accordingly it was proposed to offer exercise price for outstanding options at Rs. 35 per share to make it more lucrative for the proposed eligible employees.

The shareholders of the Company in their meeting held on March 5, 2019 resolved to reprice the options already granted and pending for exercise under the Company's Employees Stock Option Scheme, from initial exercise price of Rs. 76.04 per share to the revised price of Rs. 35 per share, without any change or modification in any other specific terms and conditions under which such options have been granted in accordance with rule 7(ii) of the Public Companies (Employees Stock Option Scheme) Rules, 2001 read with sub clause 3 of clause 6 of Chapter III of the Guidelines for Structuring and Offering of the Employees Stock Option Schemes approved by Securities and Exchange Commission of Pakistan.

Information about outstanding number of options at the end of the year is as follows:

	2019 Numbers in '	2018
Options outstanding at the beginning of the year	1,399	1,341
Options granted during the year	-	933
Options declined/lapsed but subsequently offered	426	-
Options exercised during the year	(790)	(172)
Options expired/lapsed during the year	(465)	(703)
Options outstanding at the end of the year	570	1,399

The Company's management is of the view that no further options would be exercised from the outstanding balance as the same has already been declined by the eligible employees and management does not intend to reoffer the same. Therefore, no further expense or employee share option compensation reserve is created in these financial statements.

Further, it is pertinent to mention here that the scheme is not in operation since listing of the Company on PSX primarily due to the fact that the terms of the scheme require to be consistent with the increased legal compliance for a listed entity. The proposal for subject updation in the Existing scheme is under review and pending approval from shareholders of the Company and SECP respectively.

	No. 6	2019 Rupees in '	2018
LONG TERM FINANCING	Note	Rupees III	000
From financial institutions - secured			
Diminishing musharika	23.1	2,140,117	2,263,222
Syndicated finance facility	23.2	542,857	814,286
Syndicated finance facility (BMR)	23,3	96,208	138,968
Islamic long term finance facility - ILTFF	23.4	696,754	
		3,475,936	3,216,476
From related party - unsecured			
Interloop Holdings (Pvt) Limited - associated company	23.5	1,400,000	-
		4,875,936	3,216,476
Less: Current portion of long term financing		(1,247,191)	(968,540)
		3,628,745	2,247,936

- 23.1 These loans have been obtained under diminishing musharika arrangements and are repayable in quarterly installments. These are secured against 1st joint pari passu charge JPP of Rs. 6,468 million (2018: 1,474 million) over fixed assets, specific/exclusive charge of Rs. 1,992 million (2018: 3,015 million) on fixed assets (plant and machinery) and ranking charge of Rs. 718 million (2018: 1,978 million) on fixed assets of the Company. Mark up is charged at the rate of 3 months KIBOR plus 0.10% to 0.50% per annum (2018: 3 months KIBOR plus 0.10% to 0.75% per annum).
- 23.2 The company has entered into a syndicated long term finance facility arrangement for Rs. 1,900 million with a consortium of local banks for acquisition of certain assets from Kohinoor Mills Limited. The repayment of this loan is to be made in quarterly installments and the loan is secured against the 1st specific charge of Rs. 2,933.34 million (2018; 2,933.34 million) over the fixed assets of Interloop Limited (Hosiery Division III). The mark up is charged at the fixed rate of 5% per annum (2018; 5% per annum).
- 23.3 The Company has also entered into syndicated long term finance facility arrangement for Rs. 300 million with a consortium of local banks for Balancing. Modernization and Replacement (BMR) of assets purchased from Kohinoor Mills Limited. The repayment of loan is to be made in quarterly installments and securities are same as mentioned in note 23.2 above. Markup is charged at the rate of 03 months KIBOR plus 1.3% per annum (2018: 03 months KIBOR plus 1.3% per annum).
- The Company has obtained Islamic Long Term Finance Facility ILTFF of Rs. 1,500 million for purchase of plant and machinery for a period of 10 years including 2 year grace period. Repayment of loan is to be made in quarterly installments and is secured against 1st JPP charge of Rs. 3,734 million (2018: nii) over land, building and plant and machinery of the Company. This 1st JPP charge of Rs. 3,734 million is same on both ILTFF and diminishing musharika facilities from HBL and is included in aggregate charge mentioned in note 23.1 above, Markup is charged at SBP ILTFF rate plus 0.75% per annum (2018: nii).
- 23.5 The Company "Interloop Limited" has entered into loan agreement with Interloop Holdings (Pvt) Limited upto an amount of Rs. 3,000 million for period of three years including one year grace period. Mark up is charged at the rate of 5% per annum and will be paid till 15th of every month, following the end of every quarter. Upon lapse of payment date, the Company shall pay late payment charges equivalent to 2% of the monthly mark up installment due for each day of late payment, which may be considered to waive off at the discretion of management of Interloop Holdings (Pvt) Limited. The loan is unsecured but is made with full recourse against the Company and its successors.

2019 2018 --- Rupees in '000 ---

24. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

23.

41.	•	1,146
	-	(61)
	-	1,085
	и	(470)
	-	615
	d*.	*. *. *. *. *. *. *. *. *. *. *. *. *. *

- 24.1 During the year the Company has paid off all its lease liability.
- 24.2 The amount of future payments of the lease and the period in which these payments will become due are as follows:

		20	018
		Not later than one year	Later than one year and not later than five years
		Rupee	s în '000
Future minimum lease payments		519	627
Less: Un-amortized finance charges		49	12
Present value of future minimum lease payments		470	615
		2019	2018
	Note	Rupee	s in '000
DEFERRED LIABILITIES			
Staff retirement gratuity	25.2	2,482,623	1,925,612

25.1 General description

This represents an unfunded gratuity scheme which provides termination benefits for all employees of the Company who attain the minimum qualifying period. The latest actuarial valuation of the defined benefit plan was carried out as at June 30, 2019 using the Projected Unit Credit (PUC) Actuarial Cost Method. Details of the defined benefit plan are as follows:

25.7 The expected contribution to defined benefit obligation for the year ending June 30, 2020 will be Rs. 733.96 million. -

25.8 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by 100 bps.

	2019	2018	
	Rupees in '000		
Discount rate + 100 bps	(2,232,532)	(1,728,390)	
Discount rate - 100 bps	2,781,833	2,165,469	
Salary change + 100 bps	2,785,405	2,169,128	
Salary change - 100 bps	(2,225,007)	(1,721,659)	

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

25.9 The average duration of defined benefit obligation for the year ended 2019 is 11 years (2018: 11 years).

26. TRADE AND OTHER PAYABLES

Creditors		833,328	889,974
Accrued liabilities	26.1	2,213,645	1,464,098
Advances from customers		7,398	13,510
Other payables	26.2	153,125	127,402
Employees provident fund trust		5,020	4,315
Withholding tax payable		78,845	20,286
Workers' profit participation fund	26.3	285,500	210,829
Workers brown barrier berrom 1809		3.576.861	2,730,414

26.1 It includes an amount of Rs. 209.85 million (2018; Rs. 188.22 million) relating to infrastructure cess payable.

Honourable Sindh High Court in its decision dated 17 September, 2008 declared the imposition of infrastructure cess before December 28, 2006 as void and invalid. However, the Excise and Taxation Department filed an appeal before the Honourable Supreme Court of Pakistan. The Honourable Supreme court of Pakistan had disposed off the appeal with a joint statement of the parties that during the pendency of the appeal, another law i.e. fifth version came into existence which was not the subject matter of the appeal hence the case was referred back to High Court of Sindh with right to appeal to Supreme Court. On May 31, 2011, the High Court of Sindh had granted an interim relief on an application of petitioners on certain terms including discharge and return of bank guarantees / security furnished on consignment released after December 27, 2006 shall be encashed to extent of 50% of the guaranteed or secured amount only with balance kept intact till the disposal of petition. In case the High Court upholds the applicability fifth version of law and its retrospective application, the authorities are entitled to claim the amounts due under the said law with the right to appeal available to petitioner. In the light of interfir relief the Company has paid 50% of the amount of Infrastructure cess to Excise and Taxation Department and furnishing of bank guarantee of balance amount.

The Government of Punjab imposed Punjab infrastructure Development Levy in terms of the Punjab Infrastructure Development Cess Act, 2015 (the Act) read with PRA Notification No.PRA/DC/2015 dated 16.05.2016 and PRA order No.PRA/Orders.08/2015 dated 23.05.2016. The Company being aggreeved filed writ petition vide WP No.24536 of 2016 before Honorable Lahore High Court challenging the constitutionality of the Act. The Lahore High Court on 28.07.2016 granted interim relief for clearance of goods subject to payment of 50% of the disputed amount and upon furnishing of a bank guarantee for the balance of 50% of the amount.

Both the above referred cases are pending litigation before respective Honorable High Courts. The case of Sindh High Court is pending adjudication, whereas case preferred before Honorable Lahore High Court has been fixed for 24.09.2019.

However the full amount of Infrastructure Cess forms component of cost of imported items and provision recorded in books. Bank guarantees furnished ragarding imposition of infrastructure cess have been disclosed in note - 30.1 to these financial statements.

26.2 This includes amount of Rs. 338 thousand payable to ESOS Management Trust for payments received against issuance of shares to employees under ESOS.

				2019	2018
				Rupeçs in	'000
	26.3 Workers' profit participat	ion fund			
	Opening balance			210,829	150,200
	Interest on funds utilized in	the Company's business		21,425_	6,172
				232,254	156,372
	Less: paid during the year			(232,069)	(156,373)
				185	(1)
	Add: allocation for the year			285,315	210,830
	Closing balance		 	285,500	210,829
27.	ACCRUED MARK UP				
	Mark up on:			46 750	26.230
	Long term financing			46,259	36,228
	Short term borrowings			64,224	101,628
			_	110,483	137,856
28.	SHORT TERM BORROWINGS				
	From banking companies - Secure	ed			
	Under mark up arrangements				
	ERF - II			11,726,800	11,021,000
	FAPC - own source		28.1. —	•	2,750,000
	Running finance			*	1,263,364
	From related parties - Unsecured				146,573
	Chief executive and directors		-	11,726,000	15,180,937
			_	12//20/000	20,1200,551

28.1 These are secured against first Joint Parl Passu (JPP) charge of Rs. 26,817.83 million (2018: 26,083.33 million) and ranking charge of Rs. 2,632 million (2018: Nil) by all the lending banks over all present and future current assets of the Company. The total limits available to the Company for short term borrowings from all the banks are amounting to Rs. 24,950 million (2018: 19,562.5 million).

Mark up is charged as;

ERF - 11

SBP rate + 0.25 to 0.30% p.a (2018; SBP rate + 0.25% to 0.40% p.a).

FAPC - own source

3 months Kibor + 0.25 to 0.50% p.a (2018; 3 to 6 months Kibor + 0.25 to 1.00% p.a)

Running finance

1 to 3 months Kibor + 0.20 to 1.00% p.a (2018: 1 to 3 months Kibor + 0.20 to 1.00% p.a)

29. CURRENT PORTION OF NON CURRENT LIABILITIES

Long term financing	23	1,247,191	968,540
Liabilities against assets subject to finance lease	24		470
		1,247,191	969,010

				2019	2018
			Note	Rupees in 'O	
30.	CONTIN	NGENCIES AND COMMPTMENTS		,	
	30.1	Contingencies			
	30.1.1	Bank guarantees issued by various banks on behalf of the company in	favour of:		
		Sui Northern Gas Pipelines limited against supply of gas.		547,069	386,804
		The Director, Excise and Taxation, Karachi against imposition of infi	ra s tructure cess	197,853	172,853
		Faisalabad Electric Supply Company (FESCO) against supply of elec		70,414	70,414
		Punjab Revenue Authority		8,033	4,335
		State Bank of Pakistan		127,551	25,000
		State pank of Fakistan	-		
			=	950,920	659,406
	30.1.2	Post dated cheques issued in favour of custom authorities for release of imported goods	=	3,291,613	2,643,166
	30.1.3	Corporate guarantees given to banks on behalf of IL Apparel (Pvt) I	.td - a subsidiary company	1,130,000	-
	30.2	Commitments			
		Under letters of credit for:			
		Capital expenditure		1,275,725	747,706
		Raw material		109,974	209,206
		Stores and spares	_	136,399	37,153
				1,522,098	994,065
31.	SALES	- NET			
	Export Local s		31.1	33,941,213 3,775,022 '	27,518,696 3,846,865
	LUCAI S	qrez	-	37,716,235	31,365,561
	Less:		p=		
		iscount		(206,792) (31,122)	(206,052) (20,773)
	Sates ta	3%	l.	(237,914)	(226,825)
				37,478,321	31,138,736
	31.1	It includes exchange gain amounting to Rs. 2,258.645 million (2018: Rs.	890.62 million).		
32.	CO5T (OF SALES			
	Raw m	aterial consumed	32.1	15,658,024	13,312,629
		and spares consumed	32.Z	854,199	824,473
		g charges s, wages and benefits	32.3	11,897 5,529,513	192,135 5,037,474
		s, wages and beliefits	25.4	440,739	352,125
		nd power		2,261,283	1,874,447
	Repair Insura	s and maintenance		129,103 52,250	129,668 51,064
	Deprec		7.1.2	1,490,464	1,338,143
	Rent, r	ate and taxes		25,676	32,305
	Other	manufacturing costs		235,444 26,688,592	84,435 23,228,898
	Work i	in process		DMMODS	
		ming balance	ſ	471,276	450,678
		sing balance		(597,562)	[471,276]
	Contract	5 ddd		[126,286] 26,562,306	(20,598) 23,208,300
		f goods manufactured		20,002,000	
		ed goods ening balance	1	1,484,177	1,120,718
		sing balance		(1,954,089)	(1,484,177)
			-	(469,912) 26,092,394	(363,459) 22,844,841
	Dut	y drawback		(568,787)	(850,604)
	Put	y diawodik		25,523,607	21,994,237
	32.1	Raw material consumed			
		Opening balance		3,166,265	1,994,485
		Purchases		16,222,599 19,388,864	14,484,409 16,478,894
		Closing balance		(3,730,840)	(3,166,265)
				15,658,024	13,312,629
	32,2	Stores and spares consumed			
		Opening balance		779,198	696,743
		Purchases		962,660	906,928
		Claring helenca		1,741,858 (887,659)	1,603,671 (779,198)
		Closing balance		854,199	824,473

32.3 Salaries, wages and benefits include Rs. 6.321 million (2018; Rs. 5.49 million) in respect of the provident fund contribution.

2019

15,886

58,257

2018

- Provision for deferred tax is not required as the Company is chargeable to tax under section 154 and 169 of the income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of presumptive taxation.
- 38.2 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of 5% on every public company other than a scheduled bank or Modaraba, that derives profits for a tax year but does not distribute at least 20% of accounting profit through cash dividend within six months of the end of said tax year,

The Company has distributed sufficient cash dividend, for the year ended June 30, 2018, which complies with the above stated requirements. Accordingly, no provision for tax on undistributed profits has been recognized in the financial statements for the year ended June 30, 2019.

39. EARNINGS PER SHARE - BASIC AND DILUTED

2019

2018

39.1 Earnings per share - Basic

Profit for the year (Rupces in '000)	5,194,767	3,885,809
Weighted average number of ordinary shares outstanding during the year (Numbers in '000)	770,750	189,993
Add: Bonus shares issued after the reporting period (Numbers in '000)	n	571,831
,	778,750	761,824
Earnings per share - basic (Rupees)	6.6706	5.1007

39.2 Earnings per share - Diluted

There is a dilutive effect on the basic earnings per share of the Company, after taking into the effect of options granted on Company's shares to employees of the Company under the Employee share option scheme (ESOS). Such dilution is based on the fair value of the Company's shares, which is higher than the respective exercise price of options granted during the year.

Profit for the year (Rupees in '000)	5,194,767	3,885,809
Weighted average number of ordinary shares outstanding during the year (Numbers '000)	778,750	189,993
Add: Weighted average adjustment for assumed conversion of employees' share options (Numbers '000)	-	49
Add: Bonus shares issued after the reporting period (Numbers in '000)		571,831
Weighted average number of shares for determination of diluted earnings per share	778,750	761,873
Earnings per share - diluted (Rupees)	6.6706	5.1003
Note	2019	2018

40. CASH AND CASH EQUIVALENTS

Cash and bank balances	19	1,538,564	193,687
Short term investments - Term Deposit Receipts (TDRs)	18	941,255	-
		2,479,819	193,687

41. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Balance as on July 01, 2018	Non Cash Changes	Cash Flows	Balance as on June 30, 2019
		Rupees in '00	0	
Long term financing	3,216,476	-	1,659,460	4,875,936
Liabilities against assets subject to finance lease	1,085	(238)	(847)	-
Short term borrowings	15,180,937		(3,454,937)	11,726,000
Dividend to ordinary shareholders	475,276	1,090,247	(1,434,588)	130,935
Issued, subscribed and paid up capital	. 1,901,104	5,718,313	1,102,558	8,721,975
Share premium net of transaction cost	30,255	(21,629)	3,782,976	3,791,602
•	20,805,133	6,786,693	1,654,622	29,246,448

42. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

		June 30, 2019	<u> </u>
	Chief Executive	Directors	Executives
	************	Rupees in '000	
Managerial remuneration	24,008	28,779	232,094
Medical allowance			5,912
Bonus	3,750	3,750	29,610
Superannuation fund		33,825	
Meetings fee		2,250	
Staff retirement gratuity			14,967
Other allowances			57,011
	27,758	68,604	339,594
Number of persons	1	6	60
		June 30, 2018	<u> </u>
	Chief Executive	Directors	Executives
		Rupees in '000	
Managerial remuneration	21,450	72,870	137,527
Medical allowance	-	-	3,589
Bonus	3,400	13,750	15,065
Staff retirement gratuity		_	7,732
Other allowances	-		16,200
	24,850	86,620	180,113
Number of persons	1	9	42

The chief executive officer and directors are provided with company maintained cars.

43. TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiary company, 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. Amounts due from and to related parties are shown under the relevant notes to the financial statements. Remuneration to directors and key management personnel is disclosed in note 42. 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	2019 Rupees in '	2018 000
IL Bangia Limited	Sale of asset	-	7,225
	Expenses paid on behalf of associate	*	7,452
	Interest on receivables from IL Bangla Limited	5,796	-
IL Appare! (Pvt) Limited	Expenses paid on behalf of subsidiary	-	8,017
	Yarn dyeing services provided	382	-
	Sale of yarn and spare parts	4,433	-
	Sale of assets	4,171 499,000	
	Investment in share capital	200,000	_
	Share deposit money paid ;	200,000	
Interloop Holdings (Pvt) Limited	Expenses paid on behalf of associate	200	1,295
	Finance management services received from Interloop	4	
	Holdings (Pvt) Ltd	7,500	-
	Sale of assets	22,323	-
	Loan obtained during the year	3,000,000	-
	Loan repaid during the year	1,600,000	
	Mark up expense on loan from Interloop Holdings (Pvt) Ltd	83,651	-
Interloop Limited ESOS Management Trust	Funds transfer for payment to withdrawal cases under ESOS Payment received on behalf of ESOS Management Trust - net	. 838	500
Interioop Welfare Trust	Sale of assets	1,214	-
Texlan Center (Pvt) Limited	Sale of assets	58,100	20,766
, committee in the state of	Sale of yarn	644,549	60,683
Global Vencer Trading Limited	Selling commission	884,278	282,630
Eurosox Pius BV	Sale of socks	693,658	15,863
	Reimbursement of expenses	5,129	3,234
Key management personnel and other	Sale of yehicle	5,551	-
related partles	House building finance loan	25,750	-
	Mark up on house building finance loan	923	-
	Repayment of loan	146,573	-
	Issuance of bonus shares	5,587,323	-
	Issuance of ordinary shares	3,000	-
	Dividend paid	1,400,733	-

Company Name	Basis of Relationship	Common Directorship / Percentage of shareholding	Address and Country	y of Incorporation
IL Bangla Limited	Associate	31.61%	House # 267, Road # 19 Mohakhali, Dhaka.	, New DOHS
IL Apparel (Pvt) Limited	Subsidiary	100.00%	Al-Sadiq Plaza, P-157, R Faisalabad, Pakistan	ailway Road,
Interloop Holdings (Pvt) Limited	Associate	Common Directors	Al-Sadiq Plaza, P-157, R Faisalabad, Pakistan	ailway Road,
Interloop Dairles Limited	Associate:	Common Directors	Al-Sadiq Plaza, P-157, R Faisalabad, Pakistan	ailway Road,
Momentum Logistics (Pvt) Limited	Associate	Subsidiary of Associate	Al-Sadiq Plaza, P-157, R Faisalabad, Pakistan	ailway Road,
Printkraft (Pvt) Limited	Associate	Subsidiary of Associate	Al-Sadiq Plaza, P∙157, R Paisalabad, Pakistan	ailway Road,
Texlan Center (Pvt) Limited	Associate	Common Directors	Dagonna Road, Minuwa	ngoda, sri lanka.
Global Veneer Trading Limited	Associate	N/A	Bahnhofasteasse22, 63	00 Zug, Switzerlan
Eurosox Plus BV	Associate	N/A	Constructieweg 1, 7451 Netherlands	PS Holten,
Interloop Welfare Trust	Trustee	N/A	Al-Sadiq Plaza, P-157, F Faisəlabad, Pakistan	tailway Road,
Interloop Limited ESOS Management Trust	Trustee	N/A	Al-Sadiq Plaza, P-157, I Faisalabad, Pakistan	kailway Road,
Interloop Provident Fund Trust	Trustee	N/A	Al-Sadiq Plaza, P-157, I Faisalabad, Pakistan	Railway Road,
MBER OF EMPLOYEES			2019	2018
rage number of employees during the year			16,402	15,373
mber of employees at end of the year			17,395	15,409

45. UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The Company planned for setting up two new projects.

- A socks knitting unit in Khurrianwala, Faisalabad, "Hosiery Division - $V^{\prime\prime}$

- A denim stitching unit in Lahore, "Denim Division".

Estimated cost of these two projects is as under;

Hosiery Division - V Denim Division 2019
-- Rupees in '000 -4,454,000
6,750,423
11,204,423

These projects are financed through issuance of share capital to general public and financing from banks. For this purpose, the Company carried out a successful IPO during the year and have secured islamic long term finance facilities from banks. Detail of the proceeds from IPO and financing required from banks is as under;

Proceeds from IPO Financing from banks 5,024,900 6,179,523 11,204,423

As on June 30, 2019 progress of both the projects is as under;

		Denim Division		Hoslery Division-V
	Amount Utilized	Outstanding LCs	PRs/POs Issued	Amount Utilized
		Rupees in '00	0	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	578,637	_	1,413,736	412,708
Land and building	339,803	912,123	265,892	40,744
Plant and machinery	83,288	_	426,445	10,168
Power and utilities	103,440	-	13,159	68,251
Miscellaneous expenses	789,124			
Advances to suppliers	1,894,292	912,123	2,119,232	531,871

46. 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 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) Hoslery

This segment relates to the sale of socks.

b) Spinning

This segment relates to the sale of yarn.

c) Other operating segments

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

46.1 Segment Information

Sales Construction Constructio		Hostery	Ţ,	Spinning	80	Others	10	Elimination of Intersegment Transactions	itersegment fons	Total Company	sany
State Stat		2019	2918	2019	2018	2019	8102	Z019	2018	2019	2018
State Stat		Rupees in	000.	Rupres în	000.	Rupees in	000,	Rupees In	000.	··· Rupees in	000
31,629,791 26,046,247 2,519,785 4,953,944 3,226,745 2,706,786 3,137,202 2,706,186 (5,706,817)	Sales										
2,647,665 990,842 2,564,765 2,047,665 2,047,665 (8,735,624) (5,806,617) (3,7478,321) 34,277,456 26,937,099 8,470,542 7,163,533 3,137,202 2,746,347 2,746,374 (5,806,617) 37,478,321 (23,184,918) (18,616,006) (7,893,280) (6,567,880) (3,181,033) (2,616,968) 8,735,624 5,806,617 37,478,321 (2,705,674) (2,578,206) (66,302) (5,567,880) (17,743) (11,741) - (1,584,714) (4,560,160) (4,109,681) (12,578,206) (66,302) (66,803) (17,743) (11,741) - (1,584,704) (4,560,160) (4,109,681) (12,578,206) (66,302) (17,743) (11,741) - (1,584,704) (4,560,160) (4,109,681) (12,578,204) (12,578,204) (12,66,981) (11,741) - (1,184,204) (4,560,160) (4,109,681) (12,1402) (12,1402) (12,1402) (12,1402) (12,1402) (12,1402) (12,1402) (12,1402) (External sale	31,629,791	26,046,247	5,519,785	4,953,944	328,745	138,545	,		37,478,321	31,138,736
34,277,456 26,937,089 8,470,542 7,163,533 3,465,947 2,844,731 (8,735,624) (5,806,617 37,478,321 (1,616,006) (7,893,280) (5,567,880) (3,181,033) (2,516,968) (3,181,033) (2,516,968) (3,181,033) (2,516,968) (3,181,033) (2,516,968) (3,181,033) (2,516,968) (3,181,033) (2,578,204) (3,181,032) (3,181,033)	Intersegment sale	2,647,665	890,842	2,950,757	2,209,589	3,137,202	2,706,186	(8,735,624)	(5,806,617)	,	
(23,184,918) (18,616,006) (7,893,280) (6,567,880) (3,181,033) (2,616,968) 8,735,624 5,806,617 (25,523,607) (6 (1,092,538) (3,1046) (1,7743) (1,7743) (1,7743) (1,7743) (1,7743) (1,7743) (1,7743) (1,531,475) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,541,61) (1,541,61) (1,541,61) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444) (1,544,444)		34,277,456	26,937,089	8,470,542	7,163,533	3,465,947	2,844,731	(8,735,624)	[5,806,617]	37,478,321	31,138,736
11,092,538 8,321,083 577,262 595,653 284,014 227,763 11,954,714 11,	Cost of sales	[23,184,918]	(18,616,006)	(7,893,280)	(6,567,880)	(3,181,033)	(2,616,968)	8,735,624	5,806,617	(25,523,607)	(21,994,237)
(2,705,674) (2,578,206) (68,302) (51,066) (17,743) (11,741) - (1,531,475) (1,984,209) (4,560,160) (4,109,681) (12,5445) (88,035) (78,233) (41,101) - (1,984,340) (4,560,160) (4,109,681) (129,545) (88,035) (78,233) (41,101) - (4,767,928) (5,332,378) (4,211,402) (447,717) 507,618 206,691 186,662 - 7,186,786 (995,707) (226,216) - (14,444) (995,707) (226,216)	Gross profit	11,092,538	8,321,083	577,262	595,653	284,914	227,763	-		11,954,714	9,144,499
(4,560,160) (1,531,475) (69,243) (78,223) (78,223) (41,101) (4,767,928) (4,560,160) (4,109,681) (129,545) (88,035) (78,223) (41,101) (47,77928) (5,532,378) (4,211,402) (44,7717) 507,618 206,691 186,662 7,186,786 (784,540) (784,540) (784,540) (784,540) (226,216) (305,707) (326,216)	Distribution cost	(2,705,674)	(2,578,206)	(66,302)	(51,066)	(17,743)	[11,741)	4	1	[2,783,719]	(2,641,013)
(4,560,160) (4,109,681) (129,545) (88,035) (78,223) (41,101) (4,767,928) (4,767,928) 6,532,378 4,211,402 447,717 507,618 206,691 136,662 7,186,786 4 14,444 (995,707) (226,215) (226,215) 3	Administrative expenses	(1,854,486)	(1,531,475)	[69,243]	(36,969)	(60,480)	(29,360)	1		[1,984,209]	(1,597,804)
6,532,378 4,211,402 447,717 507,518 206,691 186,662 - 7,186,786 4 (784,540) 14,444 (995,707) (226,216)		(4,560,160)	(4,109,681)	[129,545]	(88,035)	(78,223)	(41,101)			(4,767,928)	(4,238,817)
(784,540) 14,444 (995,707) (226,216)	Profit before taxation and unallocated income and expenses	6,532,378	4,211,402	447,717	507,618	206,691	186,662			7,186,786	4,905,682
(784,540) 14,444 (995,707) (226,216)	Unallocated fucome and expenses										
14,444 (995,707) (226,216)	Other operating expenses									(784,540)	(425,429)
(995,707) (226,216) 5,194,767	Other income		d*							14,444	9,164
(226,216)	Finance cost		<i>'</i> _							(692,707)	(483,654)
5,194,767	Taxation									(226,216)	(119,954)
	Profit after taxation									5,194,767	3,885,809

46.2 Reconciliation of reportable segment assets and liabilities

	Hosiery	y	Splnutng	18	Others	S	Total Company	any
	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees in '000	000.	Rupees in '000	000.	Rupees in '000	000.	Rupces in '000	000
Total assets for reportable segment	24,711,293	21,629,176	5,261,938	4,933,605	5,101,383	2,983,876	35,074,614	29,546,657
Unallocated assets:								
Long term investments							1,008,735	380,549
Long term deposits							28,019	25,055
Short term favestments							1,207,251	147,425
Tax refunds due from Government							1,925,439	2,451,806
Eash and bank balances							1,538,564	193,687
Other corporate assets							1	5,014
							5,708,008	3,203,536
Total assets as per balance sheet.							40,782,622	32,750,193
Total Habilliles for reportable segment	5,646,890	4,535,746	206,537	276,299	336,992	319,257	6,190,419	5,131,302
Implyonated Habilitetana								

23,667,656	22,902,838
18,536,354	16,712,419
137,856	110,483
969,010	1,247,191
15,180,937	11,726,000
615	,
2,247,936	3,628,745

2,704,548 14,129,141 10,177,458 307,116 3,820,473 31,138,736

3,940,407 16,976,208 12,488,901 333,885 3,738,920 37,478,321

Total liabilities as per balance sheet

Liabilities against assers subject to finance lease

Current portion of non current liabilities

Accrued mark up

Shart term borrowings Long term financing

46.3 Geographical Information

46.3.1 The Company's revenue from external customers by geographical locations is detailed below:

Asia Europe North America South America Pakistao

46.3.2 All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

46.4 The Company's revenue is earned from a large mix of customers.

PLANT CAPACITY AND ACTUAL PRODUCTION	[now]	2019 2018 Figures in '000	
Hosiery		_	
Installed capacity - knitting	[DZN]	57,871	51,289
Actual production - knitting	[DZN]	43,242	45,935
Spinning			
Installed capacity after conversion into 20/s	[LBS]	29,949	29,949
Actual production after conversion into 20/s	[LBS]	26,630	27,219
Yarn Dyeing			
Installed capacity	[KGs]	4,928	4,818
Actual production	[KGs]	4,324	4,440

Active Wear

47.

The plant capacity of this division is indeterminable due to multi product plans involving varying processes of manufacturing and run length of order lots.

47.1 Reasons for shortfall

The short fall in actual production during the year when compared with capacity is mainly on account of:

- The actual production is planned to meet the internal demand and orders in hand.

48. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value hierarchy

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.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1: Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

			i	2019				
		Carrying Amount	mount			Fair Value	alue	
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
				Rupces in '000				
On balance sheet financial instruments								
Financial assets measured at fair value								
Investments in mutual funds	130,896	•	1	130,896	130,896	•		130,896
Financial assets not measured at fair value								
Long term loans		65,762	ı	65,762	1			•
Long term deposits	4	28,019	,	28,019	ı	4	1	4
Trade debts	•	8,247,740	,	8,247,740	1	,		,
Loans and advances		66,343	1	66,343	ı	•	4	•
Other receivables	ı	94,421	•	94,421	1	ı	1	1
Short term investments		1,076,355	b	1,076,355	ř	1	1	1
Cash and bank balances	1	1,538,564	•	1,538,564	•			
1 11	130,896	11,117,204		11,248,100	130,896			130,896
Financial liabilities measured at fair value		•	ı		1	ı	1	
Financial Habilities not measured at fair value								
Long term financing		ı	4,875,936	4,875,936	•	•		
Trade and other payables	•		3,205,118	3,205,118	1	4	1	1
Dividend payable		•	130,935	130,935	•	•	,	,
Accrued mark up	•		110,483	110,483	1	•	,	ı
Short term borrowings	1	ř	11,726,000	11,726,000	1	ŀ	,	•
1 1		1	20,048,472	20,048,472		1		1

Fair Value Level 1	1				2018				
Pair value through	i I		Carrying A	mount			Fair Va	ilue	
rancial instruments Assured at fair al funds (b) 747 (c) measured at fair (d) measured at fair (e) measured at fair (f) measured at fair (f) measu		Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
assured at fair ces transcal instruments 147,425 tot measured at fair ces transcal instruments 147,425 ces 147,427 ces		4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4			Rupees in '000				
asturced at fair solutions 147,425	On halance sheet financial instruments								
al funds in the series at fair (60,747 - 60,747	Financial assets measured at fair value								
ces measured at fair 60.747 60.747 60.747 - 60.747 - 60.747 - 24.817 - 24.817 - 24.817 - 24.817 - 24.817 - 24.817 - 15.4.697 - 15.4.	Investments in mutual funds	147,425	ı	ı	147,425	147,425	,	,	147,425
ces	Financial assets not measured at fair value								
ces 154,817 152,83008 154,697 154,895,789 154,897 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,937 154,180,180 154,180,180 154,180,180 154,180,180 154,180,180 154,180,180 154,180	Long term loans	1	60,747		60,747	I	1	4	
ces 1154,697 1154,697 28 measured at fair 117,425 1184,697 29 measured at fair 20 month measured at fair 20 month measured at fair 20 month measured at fair 31,216,476 32,16,47	Long term deposits	1	24,817	4	24,817	1	1		
ees 154,697	Trade debts	•	7,293,008		7,293,008	,	•		ı
receivables 154,697 154,697 154,697 154,697 1 154,697 - 193,687 - 193,987 - 193,887 -	Loans and advances	ı	81,163		81,163	1	1	,	
rial liabilities measured at fair 147,425 7,808,119 - 7,955,544 147,425 - cial liabilities mot measured at fair cial liabilities not measured at fair 3,216,476 3,216,476 3,216,476 - - - erm financing - 847 847 -	Other receivables	Þ	154,697	ı	154,697	ì		,	1
tial liabilities measured at fair ial liabilities not measured at fair cial liabilities not measured at fair financing erm financing and other payables of mark up erm borrowings erm borrowings 147,425 3,216,476 3,216,476 3,216,476 3,216,476 3,216,476 3,216,476 475,276 475,276 475,276 137,856 137,856 147,957,181 21,497,181 21,497,181	Cash and bank balances		193,687	•	193,687	1	•	1	
cial liabilities measured at fair 3,216,476 3,216,476 3,216,476 erm financing - 3,216,476 - 847 - des against assets subject to finance - 2,485,789 2,485,789 - - and other payables - - 475,276 - - - id payable - - 137,856 - - - - ic mark up - - 15,180,937 15,180,937 -		147,425	7,808,119	, [7,955,544	147,425	4		147,425
cial liabilities not measured at fair 3,216,476 3,216,476 -	cial liabilities measured	,							4
subject to finance - 3,216,476 3,216,476	Financial liabilities not measured at fair value								
es subject to finance - 2,485,789 2,485,789 - 2,485,789 - 475,276 475,276 - 137,856 - 15,180,937 - 21,497,181 21,497,181 21,497,181	Long term financing	h	1	3,216,476	3,216,476	,		,	•
es 2,485,789 2,485,789 2,485,789 475,276 475,276 137,856 15,180,937 15,180,937 21,497,181 21,497,181	Liabilities against assets subject to finance	•		847	847	1	1	,	ı
475,276 475,276 - 137,856 - 137,856 - 15,180,937 15,180,937 - 21,497,181 21,497,181	Trade and other payables	1	1	2,485,789	2,485,789	1	1	h	í
137,856 137,856 - 15,180,937 15,180,937 - 21,497,181 21,497,181	Dividend payable	•	-	475,276	475,276	4	ı	4	Þ
15,180,937 15,180,937	Accrued mark up	1	1	137,856	137,856	1	1	,	ı
21,497,181 21,497,181	Short term borrowings		•	15,180,937	15,180,937	1	ı	1	
			· ·	21,497,181	21,497,181	1 11		l l	4

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 exposures to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidlty risk

49.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and other price risk such as equity risk. The sensitivity analysis in the following sections relate to the position as at June 30, 2019 and 2018.

49.1.1 Interest rate risk:

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from investments in term deposit receipts, long term and short term loans, short term borrowings, long term financing and liabilities against assets subject to finance lease.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2019	2018
Fixed rate instruments		
Short term investments (Rupees in '000)	1,076,355	_
Loan to Metis International (Pvt) Limited - Secured (Rupees in '000)	9,560	33,414
Long term financing - Secured (Rupees in '000)	2,639,611	814,286
Variable rate instruments		
Loan to director - Secured (Rupees in '000) Effective interest rate in percentage	25,750 6.07	-
Receivables from IL Bangla Limited (Rupees in '000) Effective interest rate in percentage	82,766 7.53	w
Long term financing from financial institutions - Secured (Rupees in '000) Effective interest rate in percentage	2,236,325 13.35	2,402,190 7.33
Liabilities against assets subject to finance lease - Secured (Rupees in '000) Effective interest rate in percentage	-	847 7.94
Short term borrowings from financial institutions - Secured (Rupees in '000) Effective interest rate in percentage	11,726,000 2.30	15,034,364 4.17

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect statement of profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on loan, receivables, long term financing, liabilities against assets subject to finance lease and short term borrowings from banks, at the year end date, fluctuate by 100 bps higher / lower with all other variables, in particularly foreign exchange rates held constant, profit before taxation for the year 2019 and 2018 would have been affected as follows:

reture taxation for the year 2017 and 2018 would have been uncerted distollows.	2019	2018
	Rupees in	.000
Effect on profit and loss of an increase in interest rate for loan to director	144	-
Effect on profit and loss of an increase in interest rate for receivables from IL Bangla Limited	786	
Effect on profit and loss of an increase in interest rate for long term financing	14,696	15,188
Effect on profit and loss of an increase in interest rate for liabilities against assets subject to finance lease		10
Effect on profit and loss of an increase in interest rate for short term borrowings	81,834	61,542
	97,460	76,740

Decrease in interest rates at June 30 would have had the equal but opposite effect of these amounts. Sensitivity analysis has been prepared on symmetric basis.

49.1.2 Currency risk / Foreign Exchange risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions.

Exposure to Currency Risk

The Company's exposure to currency risk is restricted to the amounts receivable from/payable to the foreign entities and bank balances which are denominated in currency other than the functional currency of the Company. The Company's exposure to currency risk is as follows:

		2019		2018		
Particulars	Currency	F.Currency	Rupees	F.Currency	Rupees	
			Amounts in	'000	4 6 4 4 - 4	
Foreign currency bank	us \$	390.39	64,024	261.55	31,752	
3	EUR€	38.84	7,239	4.71	666	
	_		71,263		32,418	
Frade debts	US \$	47,649.90	7,814,583	57,364.98	6,964,108	
Loans and advances	US\$	58.48	9,560	275.00	33,414	
Less: Payables - Creditors	us \$	332.28	54,661	467.42	56,744	
•	EUR €	152.36	28,490	89.78	12,688	
	CNY	0.93	23	-	-	
	CHF	0.45	75	0.35	43	
			83,249		69,475	
On Balance sheet Exposure		=	7,812,157	=	6,960,465	
17 1 1 1 1 C Pa	US \$	4.470.22	684,373	1,971.64	239,357	
Under letter of credit	EUR €	4,160.32 4,271.95	798,812	5,297.17	748,650	
	IPY ¥	21,776.31	33,285	3,100.00	3,402	
	-	27,770.31	5,628	3,100.00	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	GBP £ CHF	27.00	3,020	21.75	2,656	
Off Balance Sheet Exposure		-	1,522,098	_	994,065	

The following significant exchange rates were applied during the year:

	2019		20	18
Foreign Currency	Average Rate	Reporting Date Rate	Average Rate	Reporting Date Rate
	[R U P E	E S]	IR U P	E E S]
US\$	142.70	164.00	113.10	121,40
EUR €	163.85	186.37	130.62	141.33
GBP £	183.80	208.45	147.78	159.14
CHF	145.07	168.03	115.83	122.11
CNY	21.29	23.85	-	
JPY ¥	1.31	1.53	1.02	1.10

Currency rate sensitivity analysis

If the functional currency, at reporting date, had weakened by 10% against the foreign currencies with all other variables held constant, the profit before taxation would have increased for the year 2019 and 2018 by the following amounts:

	2019	2018
Foreign Currency	Rupees	in '000
US \$	744,183	662,390
EUR €	(2,019)	(1,142)
CNY	(2)	-
CHF	(7)	(4)
	742,155	661,244

A 10% strengthening of the functional currency against foreign currencies at June 30 would have had the equal but opposite effect of these amounts.

Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The analysis assumes that all other variables remained constant.

49.1.3 Other price risk:

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk, because of the investments held by the Company in money market mutual funds, and classified on the balance sheet as fair value through profit and loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Short term investments include fair value through profit and loss investments of Rs. 130.90 million (2018: Rs. 147.43 million) which were subject to price risk.

If redemption price on mutual funds, at the year end date, fluctuate by 5% higher / lower with all other variables held constant, profit after tax for the year would have been Rs. 6.22 million (2018: 7 million) higher / lower, mainly as a result of higher / lower redemption price on units of mutual funds.

49.2 Credit risk:

Credit risk is the risk representing accounting loss that would be recognized at the reporting date if one party to a financial instrument will fail to discharge an obligation or its failure to perform duties under the contract as contracted. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations that is susceptible to changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The maximum exposure to credit risk at the reporting date is as follows:

	2019	2018
	Rupees in	'000
Long term loans	65,762	60,747
Long term deposits	28,019	24,817
Trade debts	8,247,740	7,293,008
Loans and advances	66,343	81,163
Other receivables	94,421	154,697
Short term investments	1,207,251	147,425
Bank balances	1,512,211	181,636
	11,221,747	7,943,493

Loans and advances consist of loans to employees & director and Metis International (Pvt) Ltd. Loans to employees and director are secured against their retirement benefits and loan to Metis International is also secured through an irrevocable lien/charge on total assets of the Metis International (Pvt) Limited. Therefore, Company is not exposed to any significant credit risk on these loans.

Long term deposits have been mainly placed with suppliers of electricity, gas and telecommunication services. Considering the financial position and credit quality of the institutions, Company's exposure to credit risk is not significant.

Trade debts amounting to Rs. 4,251 million out of total debts are secured against letters of credit and insured contract. Furthermore, credit quality of customers is assessed taking into consideration their financial position and previous dealings and on that basis, individual credit limits are set. Moreover, the management regularly monitors and reviews customers' credit exposure. Accordingly, the company is not exposed to any significant credit risk.

Other receivables constitute mainly receivables from the related parties and mark up subsidy from banks. Considering the financial position of related parties and credit quality of banks and insurance company exposure to credit risk is not significant.

Short term investments are investments in mutual funds, TDRs and sales tax refund bonds. The credit risk on these investments is limited because counter parties are fund management Companies, banks and Government with reasonably high credit ratings. The credit quality of mutual funds can be assessed by reference to external credit ratings or to historical information about counter party default rate.

	[Credit Rati	ings]
Al Meezan Investment Management Limited	AM1	AM1
NBP Fund Management Limited	ΛM1	AM1
Alfalah GHP Investment Management Limited	AM2+	AM2+
UBL Fund Managers Limited	AM1	IMA

The credit quality of Company's bank balances can be assessed by reference to external credit ratings or to historical information about counterparty default

Name of Bank	Date	Long term	Short term	Outlook	Agency
Allied Bank Limited	27-Jun-19	AAA	A1+	Stable	PACRA
Askari Bank Limited	28-Jun-19	AA+	A1+	Stable	PACRA
Bank Alfalah Limited	28-jun-19	AA+	A1+	Stable .	PACRA
Burj Bank Limited	28-]un-19	A	A1	Stable	PACRA
Dubai Islamic Bank Pakistan Limited	28-Jun-19	AA	A-1+	Stable	JCR-V15
Faysal Bank Limited	27-Jun-19	AA	A1+	Stable	PACRA
Hab(b Bank Limited	28-Jun-19	ΑΛΑ	A-1+	Stable	JCR-VIS
Habib Metropolitan Bank Limited	27-Jun-19	AA+	A1+	Stable	PACRA
MCB Bank Limited	27-Jun-19	AAA	A1+	Stable	PACRA
MCB İslamic Bank Limited	27-Jun-19	A	A1	Stable	PACRA
Meezan Bank Limited	28-Jun-19	AA+	A-1+	Stable	JCR-VIS
National Bank of Pakistan	28-Jun-19	AAA	A1+	Stable	PACRA
Silk Bank Limited	27-jun-19	A-	A-2	Stable	JCR-VIS
Standard Chartered Bank Pakistan Limited	25-Jun-19	AAA	A1+	Stable	PACRA
The Bank of Punjab	28-Jun-18	AA	A1+	Stable	PACRA
United Bank Limited	28-Jun-18	AAA	A-1+	Stable	JCR-VIS

Due to Company's long standing relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the risk is minimal.

49.3 Liquidity risk

Liquidity risk is the risk that an ontity will encounter difficulty in meeting obligations associated with financial Habilities:

The company's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2019 the Company has Rs. 13,224 million (2018: Rs 4,381.56 million) unutilized borrowing limits available from financial institutions and Rs. 1,538.56 million (2018: Rs. 193.69 million) cash and bank balances. The management believes that the company is not exposed to any liquidity risk.

The following are the contractual maturity analysis of financial liabilities as at June 30, 2019 and 2018:

-	2019				
	Carrying amount	Contractual cash	Within 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years
			Rupees in '000 -		
Financial Liabilities :			'		
Long term financing	4,875,936	5,764,488	677,420	934,605	4,152,463
Trade and other payables	3,205,118	3.205.118	3.205,118	*	,
Dividend payable	130,935	130,935	130,935	-	
Accrued mark up	110,483	110,483	110,483		
Short term borrowings	11,726,000	11,811,478	11,811,478		
	20,048,472	21,022,502	15,935,434	934,605	4,152,463
	2018				
	Carrying amount	Contractua) cash flows	Within 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years
L	*****		Rupees in '000		
Financial Liabilities:					
Long term financing	3,216,476	3,652,002	550,166	594,099	2,507,737
Liabilities against assets subject to finance lease	847	1,168	260	519	389
Trade and other payables	2,485,789	2,485,789	2,485,789	-	•
Dividend payable	475,276	475,276	475,276	-	7
Accrued mark up	137,856	137,856	137,856	*	
Short term borrowings	15,180,937	15,329,105	15,329,105	_	-
•	21,497,181	22,081,196	18,978,452	594,618	2,508,126

The contractual cash flows relating to the above financial itabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 28 to these unconsolidated financial statements.

49.4 Capital risk management

The primary objective of the Company's capital management is to safeguard the company's ability to continue as a going concern, maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, so that it can continue to provide returns for shareholders thereby maximizing their wealth, benefits for other stakeholders and reduce the cost of capital.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of debt to equity ratio, calculated on the basis of total debt to equity.

	2019	2018
	Rupees in '000	
Long term financing	4,875,936	3,216,476
Liabilities against assets subject to finance lease	-	847
Short term borrowings	11,726,000	15,180,937
Debts	16,601,936	18,398,260
Equity	17,879,784	9,082,537
Total capital (equity + debt)	34,481,720	27,480,797
Gearing ratio (percentage)	48.15	66.95

50. EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on September 23, 2019 have proposed a final cash dividend for the year ended June 30, 2019 of Rs. 1,75 per share, amounting to Rs. 1,526.34 million for approval of the members at the Annual General Meeting of the Company.

51. DATE OF AUTHORIZATION FOR ISSUE

52. GENERAL

52,1 Corresponding figures

Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of better presentation. However, during the year following reclassifications are made in the corresponding figures.

Particulars	From	То	Rupces in '000
Operating fixed assets - Cost	Freehold	Building on freehold land	143
Operating fixed assets - Cost	Building on freehold land	Electric installations	1,290
Operating fixed assets - Cost	Plant and machinery	Tools and equipments	1,680
Operating fixed assets - Cost	Plant and machinery	Electric installations	22,157
Operating fixed assets - Cost	Tools and equipments	Building on freehold land	4,249
Operating fixed assets - Cost	Tools and equipments	Plant and machinery	14,782
Operating fixed assets - Cost	Tools and equipments	Furniture and fixtures	2,729
Operating fixed assets - Cost	Tools and equipments	Electric installations	4,871
Operating fixed assets - Cost	Office equipments	Furniture and fixtures	6,225
Operating fixed assets - Cost	Office equipments	Vehicles	11
Operating fixed assets - Cost	Electric installations	Building on freehold land	5,999

Particulars	From	7'0	Rupees In '000
Operating fixed assets - Cost	Electric installations	Tools and equipments	2,894
Operating fixed assets - Cost	Electric installations	Plant and machinery	2,529
Operating fixed assets - Cost	Furniture and fixtures	Building on freehold land	105
Operating fixed assets - Cost	Furniture and fixtures	Tools and equipments	2,731
Operating fixed assets - Cost	Furniture and fixtures	Electric installations	134,836
Operating fixed assets - Cost	Furniture and fixtures	Plant and machinery	10,339
Operating fixed assets - Cost	Vehicles	Tools and equipments	102,813
Operating fixed assets - Accumulated depreciation	Building on freehold land	Electric installations	5,316
Operating fixed assets - Accumulated depreciation	Plant and machinery	Tools and equipments	474
Operating fixed assets - Accumulated depreciation	Tools and equipments	Building on freehold land	1,460
Operating fixed assets - Accumulated depreciation	Tools and equipments	Plant and machinery	10,941
Operating fixed assets - Accumulated depreciation	Tools and equipments	Furniture and fixtures	161
Operating fixed assets - Accumulated depreciation	Tools and equipments	Electric installations	312
Operating fixed assets - Accumulated depreciation	Office equipments	Furniture and fixtures	4,831
Operating fixed assets - Accumulated depreciation	Office equipments	Vehicles	11
Operating fixed assets - Accumulated depreciation	Electric Installations	Tools and equipments	2,326
Operating fixed assets - Accumulated depreciation	Electric Installations	Plant and machinery	2,644
Operating fixed assets - Accumulated depreciation	Furniture and fixtures	Tools and equipments	1,659
Operating fixed assets - Accumulated depreciation	Furniture and fixtures	Electric installations	54,925
Operating fixed assets - Accumulated depreciation	Furniture and flatures	Plant and machinery	1,562
Operating fixed assets - Accumulated depreciation	Vehicles	Tools and equipments	74,003
Depreciation expense	Administrative expenses	Cost of sales	17,470
Advortisement expense	Distribution cost	Administrative expense	4,379

52.2 Rounding

Figures have been rounded off to the nearest thousand.

MARIE

DIRECTOR

CHIEF FINANCIAL OFFICER

ether executive

INTERLOOP LIMITED AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019



Independent Auditor's Report To the members of Interloop Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Interloop Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the annexed consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2019 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matter(s):

S. No	Key Audit Matter(s)	How the Matter was addressed in audit		
1.	Adoption of IFRS 9 "Financial instruments":			
	(Refer notes 3.1 and 7.1 to the consolidated financial statements)			
	IFRS 9 'Financial Instruments' is effective We reviewed and understood the			
	for the Company for the first time during requirements of the IFRS 9. Our audit			
	the current year and replaces the	procedures included the following:		



financial instruments standard IAS 39 'Financial Instruments: Recognition and Measurement'.

In relation to financial assets, IFRS 9 requires the recognition of expected credit losses ('ECL') rather than incurred credit losses under IAS 39 and is therefore a fundamentally different approach. Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.

In accordance with IFRS 9. the measurement of ECL reflect a range of unbiased and probability-weighted outcomes, time value of money, reasonable and supportable information based on the consideration of historical events, current conditions and forecasts of future economic conditions. calculation of ECLs in accordance with IFRS 9 is therefore complex and involves a number of judgmental assumptions.

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.

- Considered the management's process to assess the impact of adoption of IFRS 9 on the Company's consolidated financial statements.
- Reviewed the appropriateness of the assumptions used (future and historical), the methodology and policies applied to assess the ECL in respect of consolidated financial assets of the Company.
- We reviewed and assessed the impact and disclosures made in the consolidated financial statements with regard to the effect of adoption of IFRS 9.

2. Adoption of IFRS 15 "Revenue from contracts with customers":

(Refer notes 3.1 and 7.2 to the consolidated financial statements)

The International Financial Reporting Standard 15 "Revenue from Contracts with Customers" (IFRS 15) became applicable for the first time for the preparation of the Company's annual consolidated financial statements for the year ended June 30, 2019.

We reviewed and understood the requirements of the IFRS 15. Our audit procedures included the following:

• Considering the appropriateness of revenue recognition policy, including



Under the aforesaid standard the revenue from sale of goods is recognized when the Company satisfies its performance obligation by transferring the promised goods to customer under the contract with customer.

Revenue from sale of goods is measured at transaction price net of trade discounts.

As a result of application of the aforesaid standard the management has performed extensive evaluation of its contractual arrangement with its customers,

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter. recognition and classification criteria for trade and other discounts and comparing it with the applicable accounting standards.

- Testing the effectiveness of Company's controls over the classification of trade discounts and correct timing of revenue recognition.
- Reviewing a sample of contractual arrangement entered into by the Company with its customers and checked the appropriateness of classification of trade discounts.
- Reviewing the adequacy of disclosure as required under applicable financial reporting framework.

3. Listing on Pakistan Stock Exchange (PSX)

(Refer note 1.1.2 and 47 to the consolidated financial statements)

During the year, the Company gets itself listed on Pakistan Stock Exchange (PSX) and issued 109 million ordinary shares of Rs. 10 each.

We considered this as key audit matter due to the significant amount involved, requirements to disclose utilization of proceeds from IPO and disclosure requirements of 4th Schedule of the Companies Act, 2017.

Our audit procedures in relation to listing of Company is Pakistan Stock Exchange (PSX) included the following:

- Reviewed the management working of utilization of proceeds from IPO.
- Reviewing the adequacy of disclosure as required under applicable financial reporting framework and requirements of the Companies Act, 2017.

4. Property, plant and equipment

The Company has made significant expenditure on expansion of manufacturing facilities and new projects.

During the year, the Company has also reclassified some categories of its

Our audit procedures in relation to capitalization of property, plant and equipment, amongst others included the following:



operating fixed assets and resultantly comparative figures of those categories of assets are also reclassified to reflect better presentation.

We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year and reclassification of categories of assets.

- Understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system.
- Testing, on sample basis, the costs incurred on projects with supporting documents and contracts.
- Assessing the nature of costs incurred for capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting standards.
- Checked the reasonableness of management's assessment of categories of assets and working of reclassification in categories of assets including impact of reclassification on both cost of assets and accumulated depreciation in each category.
- Inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.



5. Inventories

The company has significant levels of inventories amounting to Rs. 7,188.38 million as at the reporting date, being 18% of the total assets of the company.

There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or obsolete.

The Company's principal accounting policy on stores and spares and stock in trade are disclosed in notes – 6.6 and 6.7 to the financial statements

The significance of the balance coupled with the judgments and estimates involved on their valuation has resulted in the inventories being considered as a key audit matter.

Our audit focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgments taken regarding obsolescence and net realizable value provisions.

We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventories by:

- Attending the year end stock take to gain comfort over the existence and condition of inventories and internal controls designed by the company.
- Obtaining the final valuation sheets of the inventories and tracing quantities from working papers of observation of physical stock taking.
- Obtaining understanding of internal controls designed by the company over recording of purchases and valuation of the inventories, and testing their operating effectiveness on sample basis.
- Assessing historical costs recorded in the inventory valuation by performing test of details on purchases. Evaluating that the valuation basis used are appropriate and consistent, including analysis of costing of different items on sample basis.
- Assessing the management's determination of the net realizable values and intended use of the inventories including performing tests



on the sales prices fetched by the company before and after year end.
 Performing analytical and other relevant audit procedures.
 Considering the adequacy of the company's disclosures in respect of inventories.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated financial statements in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Khan Muhammad.

Date: September 23, 2019

Place: Faisalabad

KRESTON HYDER BHIMJI & CO. CHARTERED ACCOUNTANTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

		2019	2018
	Note	Rupees in '	000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	18,899,292	15,456,596
Intangible asset	9	70,083	42,411
Long term investment	10	93,540	115,456
Long term loans	11	73,262	60,747
Long term deposits	12	33,120	25,055
CURRENT ASSETS		19,169,297	15,700,265
Stores and spares	13	890,404	779,198
Stock in trade	14	6,297,975	5,121,718
Trade debts	15	8,274,062	7,293,008
Loans and advances	16	1,076,724	617,743
Deposit, prepayment and other receivables	17	208,238	171,891
Short term investment	18	1,207,251	147,425
Tax refunds due from government	19	1,949,118	2,451,812
Deferred employee share option compensation expense	23.2	-	5,014
Cash and bank balances	20	1,542,907	195,939
		21,446,679	16,783,748
			22.404.012
TOTAL ASSETS		40,615,976	32,484,013
FOTAL ASSETS EQUITY AND LIABILITIES		40,615,976	32,484,013
EQUITY AND LIABILITIES		40,615,976	32,484,013
	21	10,000,000	
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES	21		3,000,000
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital		10,000,000	3,000,000 1,901,104
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital	22	10,000,000 8,721,975	3,000,000 1,901,104 54,914
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves	22	10,000,000 8,721,975 3,844,223	3,000,000 1,901,104 54,914 6,860,264
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company	22	10,000,000 8,721,975 3,844,223 4,949,685	3,000,000 1,901,104 54,914 6,860,264
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit	22	10,000,000 8,721,975 3,844,223 4,949,685	3,000,000 1,901,104 54,914 6,860,264 8,816,282
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing	22 23	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883	3,000,000 1,901,104 54,914 6,860,264 8,816,282
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company	22 23 —	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing Liabilities against assets subject to finance lease	22 23 —————————————————————————————————	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883 3,628,745	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615 1,925,612
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing Liabilities against assets subject to finance lease Deferred liabilities	22 23 —————————————————————————————————	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883 3,628,745 2,497,894	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615 1,925,612
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing Liabilities against assets subject to finance lease	22 23 —————————————————————————————————	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883 3,628,745 - 2,497,894 6,126,639	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615 1,925,612 4,174,163
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing Liabilities against assets subject to finance lease Deferred liabilities CURRENT LIABILITIES	22 23 24 25 26	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883 3,628,745 2,497,894 6,126,639 3,625,644 130,935	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615 1,925,612 4,174,163
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing Liabilities against assets subject to finance lease Deferred liabilities CURRENT LIABILITIES Trade and other payables	22 23 24 25 26	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883 3,628,745 - 2,497,894 6,126,639 3,625,644	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615 1,925,612 4,174,163 2,730,489 475,276
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing Liabilities against assets subject to finance lease Deferred liabilities CURRENT LIABILITIES Trade and other payables Dividend payable	22 23 24 25 26	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883 3,628,745 2,497,894 6,126,639 3,625,644 130,935	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615 1,925,612 4,174,163 2,730,489 475,276 137,856
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing Liabilities against assets subject to finance lease Deferred liabilities CURRENT LIABILITIES Trade and other payables Dividend payable Accrued mark up	22 23 24 25 26	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883 3,628,745 2,497,894 6,126,639 3,625,644 130,935 113,942	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615 1,925,612 4,174,163 2,730,489 475,276 137,856 15,180,937 969,010
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing Liabilities against assets subject to finance lease Deferred liabilities CURRENT LIABILITIES Trade and other payables Dividend payable Accrued mark up Short term borrowings	22 23 24 25 26 27 28 29	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883 3,628,745 2,497,894 6,126,639 3,625,644 130,935 113,942 11,855,742	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615 1,925,612 4,174,163 2,730,489 475,276 137,856 15,180,937 969,010
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital Issued, subscribed and paid up capital Reserves Unappropriated profit Equity attributable to holders of parent company NON CURRENT LIABILITIES Long term financing Liabilities against assets subject to finance lease Deferred liabilities CURRENT LIABILITIES Trade and other payables Dividend payable Accrued mark up Short term borrowings	22 23 24 25 26 27 28 29	10,000,000 8,721,975 3,844,223 4,949,685 17,515,883 3,628,745 2,497,894 6,126,639 3,625,644 130,935 113,942 11,855,742 1,247,191	3,000,000 1,901,104 54,914 6,860,264 8,816,282 2,247,936 615 1,925,612 4,174,163 2,730,489 475,276 137,856 15,180,937 969,010

The annexed notes 1 to 54 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

GAMEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees in '	000
Sales - net	32	37,511,062	32,141,958
Cost of sales	33	(25,643,715)	(22,883,089)
Gross profit	-	11,867,347	9,258,869
Operating expenses			
Distribution cost	34	(2,794,393)	(2,641,013)
Administrative expenses	35	(2,028,640)	(1,639,210)
Other operating expenses	36	(714,202)	(603,026)
Other income	37	14,444	55,087
	-	(5,522,791)	(4,828,162)
Profit from operations	-	6,344,556	4,430,707
Finance cost	38	(999,260)	(498,956)
Gain from changes in fair value less costs to sell of biological assets	39	-	. 9,245
Share of loss from associate	10.1	(58,485)	(53,032)
Profit before taxation	-	5,286,811	3,887,964
Taxation	40	(226,260)	(153,248)
Profit for the year	=	5,060,551	3,734,716
Attributable to:			
Shareholders of parent company		5,060,551	3,718,765
Non- controlling interest		-	15,951
	=	5,060,551	3,734,716
Farnings nor chara hasis (Dunoss)	41.1	6.4983	4.8814
Earnings per share - basic (Rupees)	-		
Earnings per share - diluted (Rupees)	41.2	6.4983	4.8811

The annexed notes 1 to 54 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

2019

2018

--- Rupees in '000 ---

Profit for the year	5,060,551	3,734,716
Other comprehensive income/(loss):		
Items that will be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	36,569	16,051
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of post retirement benefits obligation - net of tax	(192,825)	(91,599)
Total comprehensive income for the year	4,904,295	3;659,168
Attributable to:		
Shareholders of parent company	4,904,295	3,643,309
Non- controlling interest	-	15,859
	4,904,295	3,659,168

The annexed notes 1 to 54 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

1					THE CHIE				
1		Capital Reserve	Re	Revenue Reserves				Non Controlling	
	Share Capital	Share Premium	Employee Share Option Compensation Reserve	Unappropriated Profit	Translation Reserves	Sub-total	Total	Interest	Total
2000 000 000 000 000 000 000 000 000 00				R	-Rupees in '000-			4 4 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	
D=[-0.5 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -									
balance as at July 01, 2017	1,899,385	19,424	1,629	12,407,930		12,428,983	14,328,368	671,560	14,999,928
Profit for the year		,	E	3,718,765	1	3,718,765	3,718,765	15,951	3,734,716
Other comprehensive income/(loss)	ı	1		(91,507)	16,051	(75,456)	(75,456)	(92)	(75,548)
Total comprehensive income for the year	1	,		3,627,258	16,051	3,643,309	3,643,309	15,859	3,659,168
Transactions with owners:									
Issuance of shares of subsidiary	1							3,000	3,000
Dividend to ordinary shareholders			•	(950,552)	1	(950,552)	(950,552)	Ŧ	(950,552)
	1		1	(950,552)		(950,552)	(950,552)	3,000	(947,552)
Transferred to Interloop Holdings (Pvt) Ltd pursuant to Scheme of Arrangement		,		(1276 1176 10)		(070 1000)	(0000000)		
Dienacal Affatas national imited			,	(7/6/4776)	ı	(0,224,372)	(0,224,372)	1 - 4	(8,224,372)
Disposal of intertoop patries billited	1	,			1			(690,419)	(690,419)
Employees share option scheme	1	1	8,234	1	1	8,234	8,234	т	8,234
Shares issued under the ESOS	1,719	10,831	(1,255)	ı		9,576	11,295	+	11,295
Balance as at June 30, 2018	1,901,104	30,255	8)9'8	6,860,264	16,051	6,915,178	8,816,282		8,816,282
Profit for the year				4 060 551		5 060 551	ב ספט מביז		1 0 0 0 T
Other comprehensive income (Class)		,		(102,035)	007.00	2,000,001	2,000,000		Techonic
Total comprehensive income for the year				4,867,726	36,569	4,904,295	4,904,295	1-1-1-	4,904,295
Transactions with owners:									
Dividend to ordinary shareholders	,	ē	1	(1,090,247)		(1,090,247)	(1,090,247)	r	(1,090,247)
	,		i.	(1,090,247)		(1,090,247)	(1,090,247)	y	(1,090,247)
Employees share option scheme		,	. 18		•	18	18	ì'	18
Shares issued under the ESOS	7,558	27,523	(8,626)	,	ı	18,897	26,455	,	26,455
Issuance of ordinary shares	1,095,000	3,934,900		•	٠	3,934,900	5,029,900		5,029,900
Transaction cost on issuance of shares	1	(170,820)				(170,820)	(170,820)	4-	(170,820)
Issuance of bonus shares	5,718,313	(30,255)	•	(5,688,058)	ı	(5,718,313)			ž
Balance as at June 30, 2019	8,721,975	3,791,603	1	4,949,685	52,620	8,793,908	17,515,883		17,515,883

The annexed notes 1 to 54 form an integral part of these financial statements.

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CHICKEINANGIAL OFFICEI

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

2019

2018

	2019	2010
	Rupees in 'C	000
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,286,811	3,887,964
Adjustments for:		
Depreciation	1,653,053	1,541,946
Amortization	9,182	10,427
Employee share option compensation expense	5,031	4,188
Workers' profit participation fund	285,315	215,040
Staff retirement gratuity	527,598	417,798
Loss on disposal of property, plant and equipment	47,553	39,145
Loss on disposal of biological assets		25,871
Interest income on long term loan to SNGPL	-	(16)
Interest on loan to Metis International (Pvt) Ltd	(7,211)	(8,923)
Gain from changes in fair value less costs to sell of biological assets	-	(9,245)
Profit on TDR's	(182)	(225)
Remeasurement loss on investment in mutual funds	20,787	10,908
Share of loss from associate	58,485 .	53,032
Loss on disposal/loss of control of subsidiary	-	147,065
Interest on receivables from IL Bangla Limited	(5,796)	-
Finance cost	999,260	498,956
Operating cash flows before working capital changes	8,879,886	6,833,931
Changes in working capital		
(Increase)/decrease in current assets		
Feed, health and breeding	-	(5,674)
Stores and spares	(111,206)	(87,590)
Stock in trade	(1,176,257)	(1,555,837)
Trade debts	(981,054)	(2,479,990)
Loan and advances	(449,947)	307,444
Deposit, prepayment and other receivables	(23,340)	328,537
Tax refunds due from government	385,675	(309,415)
Short term investment in mutual funds - net	(4,258)	(5,447,852)
(Decrease)/Increase in current liabilities	000.000	060.760
Trade and other payables	803,363	860,769
Cash generated from/(used in) operations	(1,557,024)	(8,389,608)
cash generated from/(used in) operations	7,322,862	(1,333,077)
Finance cost paid	(1,001,749)	(444,189)
Income tax paid	(244,341)	(296,412)
Staff retirement gratuity paid	(131,021)	(153,266)
Workers' profit participation fund paid	(232,068)	(163,041)
Long term loans paid	(21,549)	(13,875)
Long term deposits (paid)/received	(8,303)	. 3,880
Profit on TDRs received	182	225
Interest on loan to Metis International (Pvt) Ltd received	-	6,521
Interest income received on long term loan to SNGPL	•	16
Net cash generated from/(used in) operating activities	5,684,013	(2,615,818)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(5,278,596)	(3,492,545)
Intangible asset	(36,854)	(5,899)
Advance for purchase of land	-	(23,897)
Proceeds from disposal of property, plant and equipment	135,295	66,452
Proceeds from deaths/disposal of biological assets	-	62,987
Net cash disposed on disposal/loss of control of subsidiary	-	(1,212,779)
Long term investments	-	(83,864)
	(5,180,155)	(4,689,545)
Net cash used in investing activities	(3,100,133)	(1,007,040)

2019

2018

Note

--- Rupees in '000 ---

c) CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing obtained		4,228,002	1,300,000
Repayment of long term financing		(2,568,542)	(1,112,483)
Payment of liabilities against assets subject to finance lease		(847)	(1,645)
Short term borrowings - net		(3,325,195)	7,544,364
Share capital issued		1,102,558	4,719
Share premium net of transaction cost		3,782,977	9,576
Dividend paid		(1,434,588)	(475,276)
Net cash generated from financing activities		1,784,365	7,269,255
Net increase/(decrease) in cash and cash equivalents	(a+b+c)	2,288,223	(36,108)
Cash and cash equivalents at the beginning of the year		195,939	232,047
Cash and cash equivalents at the end of the year	42	2,484,162	195,939

The annexed notes 1 to 54 form an integral part of these financial statements.

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DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

1.1 Interloop Limited- The Holding Company

1.1.1 Interloop Limited (the Company) was incorporated in Pakistan on 25th April, 1992 as a private limited company and subsequently it was converted into public limited company on 18th July, 2008. The Company was listed on Pakistan Stock Exchange on 5th April, 2019. The Company is engaged in the business of manufacturing and selling of socks, leggies, denim and yarn, providing yarn dyeing services and to generate electricity for its own use.

The geographical locations and addresses of the Company's business units, including production facilities are as under:

Registered office: Al-Sadiq Plaza, P-157, Railway Road, Faisalabad.
 Corporate office & Plant 1: 1-KM, Khurrianwala – Jaranwala Road,
 Plant 2, Plant 4 & Spinning: 7-KM, Khurrianwala – Jaranwala Road,

Plant 5:
 Plant 3 & Denim:
 B-KM, Khurrianwala – Jaranwala Road,
 Plant 3 & Denim:
 8-KM, Manga- Raiwind Road, Raiwind, Dist. Kasur,

- Plant 3 & Denim: 8-KM, Manga- Raiwind Road, Raiwind, Dist. Kasur,

1.1.2 The Board of Directors of the Company decided to initiate the proceedings for enlisting of the Company on the Pakistan Stock Exchange Limited to finance hosiery division - V and denim projects. Hence, the Company issued the prospectus for Initial Public Offer (IPO) of 109 million ordinary shares of Rupees 10 each at a floor price of Rupees 45 per share including share premium of Rupees 35 per share as on 05 March 2019. Details regarding utilization of IPO proceeds for denim project and plant expansion have been fully explained in the prospectus. Before the date of the reporting period, 81.750 million ordinary shares were offered and successfully subscribed through book building process by Institutional Investors and High Net Worth Individuals (HNWI) at a strike price of Rupees 46.10 per share while the remaining 27.250 ordinary shares were offered to general public for subscription at strike price of Rupees 46.10 per share. Ordinary shares offered to general public were fully subscribed and shares have been duly allotted to all shareholders. As on 05 April 2019, Pakistan Stock Exchange Limited has approved the Company's application for formal listing and quotation of the shares on Pakistan Stock Exchange.

1.2 IL Apparel (Private) Limited - The Subsidiary (Holding- 100% (2018: 100%))

IL Apparel (Private) Limited was incorporated in Pakistan on 28th March, 2018 under the Companies Act, 2017. The registered office of the company is situated at Al-Sadiq Plaza, P-157, Railway Road, Faisalabad. The principal business activity of the company is manufacturing and sale of garments and allied products.

1.3 IL Bangla Limited - The Associate (Holding- 31.61% (2018: 43.75%))

IL Bangla Ltd. is a private limited company incorporated under the Companies Act 1994 as applicable in Bangladesh vide Registration No. C-77561/09 dated 21 May 2009 floated by foreign investors (Pakistan and West Indies) having its registered Office at House # 267, Road # 19, New DOHS Mohakhali, Dhaka, Bangladesh and factory at Dakkhin kongshadi Vatpara, Narsingdi Sadar, Narsingdi, Bangladesh. The company's main objective is to carry on the business of manufacturing and sale/export of socks and hosieries.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated in respective policy notes.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is also the Company's functional currency.

3. NEW AND REVISED STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

- Amendment to IAS 40 'Investment Property':

Transfers of investment property clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendment does not have any impact on Company's financial statements.

- Amendments to IFRS 2 'Share-based Payment' - Clarifying how to account for certain types of share-based payments:

The amendments are intended to eliminate diversity in practice in three main areas:

- The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- The classification of a share-based payment transaction with net settlement features for withholding tax obligations;
- The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

The amendment does not have a significant impact on these financial statements.

- Amendment to IFRS 4 'Insurance Contract'- Applying IFRS 9 'Financial Instruments' with IFRS 4:

The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new insurance contract standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The amendment does not have any impact on the Company's financial statements.

IFRS 9 'Financial instruments':

IFRS 9 is a replacement for IAS 39 'Financial Instruments' and covers three distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and liabilities. Phase 2 relates to the impairment of financial assets and requires the calculation of impairment on an expected loss basis rather than the current incurred loss basis. Phase 3 relates to less stringent requirements for general hedge accounting. Impact of adoption of IFRS 9 is disclosed in Note. 7.1 of the financial statements.

- IFRS 15, 'Revenue from Contracts with Customers':

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue', IAS 11 'Construction contracts' and IFRIC 13, 'Customer Loyalty Programmes'. Impact of adoption of IFRS 15 is disclosed in Note. 7.2 of the financial statements.

- IFRIC 22, 'Foreign currency transactions and advance consideration':

IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation does not have a significant impact on the these financial statements.

- Annual improvements to IFRS standards 2014-2016 cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures']:

Amendments to IAS 28 clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments do not have any impact on these financial statements.

The other amendments to published standards and interpretations that are mandatory for the financial year are considered not to be relevant or to have any significant impact on the Company's financial reporting and operations and are therefore not disclosed in these financial statements.

3.2 Standards, interpretations and amendments to approved accounting standards that are issued but not yet effective and have not been early adopted by the Company

 Amendment to IAS 19 'Employee Benefits, - Plan Amendment, Curtailment or Settlement' (effective for annual period beginning on or after January 01, 2019);

The amendments to IAS 19 specify that an entity must;

- (i) determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event and determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using:
 - (a) the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and
 - (b) the discount rate used to remeasure that net defined benefit liability (asset); and
- (ii) determine any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is to be recognized in profit or loss. An entity then determine the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in net interest, is recognized in other comprehensive income.

The Company is yet to assess the full impact of the amendment.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long term investment in Associates and Joint Ventures (effective for annual period beginning on or after January 01, 2019):

The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendment is not likely to have an impact on the Company's financial statements.

- Amendment to IFRS 9 'Financial Instrument'- prepayment Features with Negative Compensation and modifications of financial liabilities (effective for annual period beginning on or after January 01, 2019):

The amendment allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. The amendment also clarified that gains and losses arising on modifications of financial liabilities that do not result in derecognition should be recognized in profit or loss.

- IFRS 16, 'Leases' (effective for periods beginning on or after January 01, 2019):

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The full impact of the future adoption is currently under review.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019):

IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation is not expected to have significant impact on the Company's financial statements.

- Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors' (effective for the Company's annual period beginning on January 1, 2019):

These amendments and consequential amendments to other IFRSs:

- (i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
- (ii) clarify the explanation of the definition of material; and
- (iii) incorporate some of the guidance in IAS 1 about immaterial information.

These amendments are not expected to have a significant impact on the Company's future financial statements.

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020):

The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle. The new cycle of improvements addresses improvements to following approved accounting standards (effective for annual period beginning on or after January 1, 2019):
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements. The amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 Income Taxes. The amendment clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs. The amendment clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purposes of their applicability in Pakistan:

- IFRS 1 'First time adoption of International Financial Reporting Standards'.
- IFRS 14 'Regulatory Deferral Accounts'.
- IFRS 17 'Insurance Contracts'.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the approved accounting standards require 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- · Estimate of useful life of operating fixed assets note 6.1
- · Impairment of non financial assets note 6.5
- Stores and spares note 6.6
- Stock-in-trade note 6.7
- Staff retirement benefits note 6.10
- Provisions note 6.13
- Contingencies note 6.14
- Taxation note 6.15

5. BASIS OF CONSOLIDATION

Subsidiary

Subsidiary is an entity 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. Subsidiary is 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 Company 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 Company.

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 Company attributable to interest which are not owned by the Holding Company. Non-controlling interests are presented as separate item in the consolidated financial statements.

Associate

Associates is an entity in which the Group has significant influence, but not control, over the financial and operating policies. Interests in associate is accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investee, until the date on which significant influence ceases.

Unrealized gains arising from transactions with equity accounted investee are eliminated against the investment to the extent of the Group companies' interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1 Operating fixed assets and depreciation

Operating fixed assets, except freehold land which is stated at cost, are stated at cost less accumulated depreciation and any identified accumulated impairment loss.

Depreciation is charged to statement of profit or loss, unless it is included in the carrying amount of another asset, at the rates stated in note 8.1 applying reducing balance method. The useful life and residual value of major components of fixed assets are reviewed annually to determine that expectations are not significantly different from the previous estimates. Adjustment in depreciation rate for current and future periods is made if expectations are significantly different from the previous estimates. Depreciation is charged from the month when an asset becomes available for use, whereas no depreciation is charged in the month of its disposal. Gain/loss on disposal of fixed assets is included in statement of profit or loss.

Expenditure, which enhances or extends the performance of operating fixed assets beyond its original specification and its useful life, is recognized as a capital expenditure and is added to the cost of the operating fixed assets. These are depreciated on reducing balance method at the rate mentioned in the relevant note.

6.2 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss and represents direct cost of material, labour, applicable overheads and borrowing costs on qualifying assets. Transfers are made to relevant property, plant and equipment category as and when assets are available for its intended use.

6.3 Leases

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of lease.

Finance leases

Leases in terms of which the Company has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets, less accumulated depreciation and any identified impairment loss.

The related rental obligations, net of finance costs are classified as current and long term liability depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to statement of profit or loss over the lease term.

Assets acquired under a finance lease are depreciated over the estimated useful life of the asset on a reducing balance method at the rates given in note 8.1. Depreciation of leased assets is charged to statement of profit or loss.

Residual value and the useful life of an asset are reviewed at least at each financial year-end.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired, while no depreciation is charged for the month in which the asset is disposed off.

6.4 Intangible asset - Computer software

Intangible assets are stated at cost less accumulated amortization and any identified accumulated impairment loss. These are amortized using the reducing balance method at the rates given in note 9. Amortization on additions is charged from the month in which an intangible asset is acquired, while no amortization is charged for the month in which intangible asset is disposed off.

Costs associated with maintaining computer software programme are recognized as an expense as and when incurred. Costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognized as an intangible asset at the time of initial recognition. Direct costs include the purchase cost of software and related overhead costs.

Expenditure, which enhances or extends the performance of computer software beyond its original specification and useful life, is recognized as a capital expenditure and added to the cost of the software. These are amortised on straight line method at the rate mentioned in the relevant note.

6.5 Impairment of non financial assets

Non financial assets

The carrying amounts of the Company's non-financial assets, other than stock in trade and stores and spares, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets of the unit on a pro-rata basis. Impairment losses on goodwill shall not be reversed.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

6.6 Stores and spares

Stores and spares are carried at moving average cost. Provision is made for slow moving and obsolete store items when so identified. Stores and spares held for capital expenditure are included in capital work in progress.

6.7 Stock-in-trade

These are stated at the lower of cost and net realizable value (NRV). The methods used for the calculation of cost are as follows:

Raw material - At factory

Moving average cost

- In transit

Invoice value plus direct charges in respect thereof.

Prime cost including a proportion of production overheads.

Work in process and finished goods

Wastes are valued at net realizable value.

Stock-in-trade is regularly reviewed by the management and any obsolete items are brought down to their net realizable value. Net realizable value signifies the selling price in the ordinary course of business less costs necessary to be incurred to affect such sale.

6.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, cheques in hand/cheques overdrawn, balances with banks and include short term highly liquid investments. The cash and cash equivalents are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

6.9 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurements are recognized in the statement of profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment, are no longer amortised or depreciated.

6.10 Staff retirement benefits

(a) Defined Benefit Plan

The Company operates an unfunded gratuity scheme for all employees according to the terms of employment, subject to a minimum qualifying period of service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of net defined benefit liability, which comprise of actuarial gains and losses i.e. experience adjustments and the effects of changes in actuarial assumptions, are recognised immediately in other comprehensive income. The Company determines net interest expense/(income) on the defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then-net defined benefit, taking into account any change in the net defined benefit obligation during the period as a result of contributions and benefit payments. Net interest expense and other expenses e.g. current service cost, related to defined benefit plans are recognised in profit and loss.

(b) Defined Contribution Plan

There is a contributory provident fund for executive staff of the Company for which contributions are charged to profit and loss as and when incurred.

The Company makes monthly contribution to the fund at the rate of 7.5% whereas employees of the Company make monthly contributions to the fund at the rates ranging form 7.5% to 12.5% of basic salary. The assets of the fund are held separately under the control of trustees.

(c) Employee's Share Option Scheme (ESOS)

The Company operates an equity settled stock option scheme to be called 'Interloop Limited - Employees Stock Option Scheme, 2016'. The compensation committee ("committee") of the Board of directors ("Board") evaluates the performance and other criteria of employees and recommends to the Board for grant of options. The Board on the recommendation of the committee, on its discretion, grants recommended options to employees. These options vest after a specified period subject to fulfillment of certain conditions as defined in the scheme. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a pre-determined price on the date of grant of options.

The fair value of the grant of share options is measured at grant date and difference of fair value and exercise price is recognized as an employee compensation expense, with a corresponding increase in equity, on the straight line basis over the vesting period. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

6.11 Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently at amortized cost using effective interest rate method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

6.12 Ijarah

Ijarah payments under an Ijarah are recognized as an expense in the statement of profit or loss on a straight-line basis over the Ijarah term.

6.13 Provisions

Provisions are recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

6.14 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

6.15 Taxation

Current

The charge for current taxation is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any. However income covered under Final Taxation Regime (FTR), taxation is based on the applicable tax rates under such Regime after taking into account tax credits, rebates and exemptions, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the balance sheet date. In this regard, the effect on deferred taxation of the portion of income subjected to Final Tax Regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and unused tax credits, if any, to the extent that it is probable that future taxable profit will be available against which these can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

6.16 Foreign currency translation

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the statement of profit or loss immediately.

6.17 Government grants

Government grants are recognised when there is reasonable assurance that entity will comply with the conditions attached to it and grant will be received.

6.18 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time when the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to statement of profit or loss as and when incurred.

6.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit by weighted average number of shares outstanding during the period. Diluted EPS is calculated by adjusting for the effects of all dilutive potential ordinary shares.

6.20 Share capital

Ordinary shares are classified as equity and recognised at their face value.

6.21 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which dividends are approved.

6.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes the strategic decisions.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

Transaction among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

6.23 Related party transactions

All transactions with related parties are carried out at agreed terms and conditions and on arm's length basis.

7. CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

7.1 IFRS 9, 'Financial Instruments':

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

7.1.1 Financial assets

The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortized cost if it is held in order to collect contractual cash flows which arise on specified dates and that are 'solely payment of principal and interest (SPPI)' on the principal amount outstanding. A debt investment shall be measured at fair value through other comprehensive income if it is held in order to collect contractual cash flows which arise on specified dates that are solely principal and interest and as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

Key changes in accounting policies resulting from application of IFRS 9

A. Classification and measurement of financial instruments

a) Investments and other financial assets

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
 - those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

i) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Not with standing the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

B. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

C. Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

D. Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these consolidated financial statements as there is no hedge activity carried on by the Company during the year ended June 30, 2019.

7.1.2 Financial liabilities

A. Classification and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the unconsolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

ii) Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR (effective interest rate) method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

B. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the unconsolidated statement of profit or loss.

7.1.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

7.1.4 Impacts of adoption of IFRS 9 on these financial statements

At transition date to IFRS 9, the Company has financial assets measured at amortized cost and investments in mutual funds at fair value through profit or loss. The new classification and measurement of the Company's financial assets are, as follows:

Debt instruments at amortized cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.

Investments in mutual funds that are held for trading in near term and has recognized initially and subsequently at fair value through profit or loss. On application of IFRS - 9 the Company has not opted to recognize investments in mutual funds at fair value through other comprehensive income (FVTOCI). These are recognized as fair value through profit or loss.

Further all financial assets previously classified under the head 'loans and receivables' are now classified as 'amortised cost'.

The accounting for the Company's financial liabilities remains largely the same as it was under IAS 39.

Accordingly, the adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial assets and liabilities.

7.2 IFRS 15, 'Revenue from Contracts with Customers':

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results.

Key changes in accounting policies resulting from application of IFRS 15

7.2.1 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Otherwise, control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates and enhances an asset that the customer controls as the Company performs; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

b) Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered.

c) Interest income

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

e) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

7.2.2 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

7.2.3 Impacts of adoption of IFRS 15 on these financial statements

The Company has concluded that revenue from sale of goods should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition and the amount of revenue recognized.

The Company provides sales discounts to certain customers which is not in the nature of volume rebates (discounts). The Company estimates provision for discounts and revenue is reduced by the amount of provision. This is also in alignment with the requirements of IFRS 15 and did not have an impact on the revenue of the Company. Therefore, the application of the constraint on variable consideration did not have any further impact on the revenue recognized by the Company.

2018	000,	
2019	Rupees in '000	
	Note	

8.1 17,644,588 15,154,365 8.2 1,254,704 302,231 18,899,292 15,456,596

8.1 Operating fixed assets

8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets Capital work-in-progress

					2019						
		COST	Т				DEPRECIATION			W.D.V	
DESCRIPTION	As on July 1, 2018	Additions	Deletions	As on June 30, 2019	As on July 1, 2018	For the year	Trial Production Capitalization	Adjustments	As on June 30, 2019	As on June 30, 2019	Rate %
					Rupees in	000,					
0wned											
Freehold land	929,470	871,689	1	1,801,159	1			,		1,801,159	•
Buildings on freehold land	4,730,350	578,239	(17,251)	5,291,338	1,768,810	331,085	273	(7,174)	2,092,994	3,198,344	10
Plant and machinery	15,337,893	2,158,422	(298,702)	17,197,613	6,209,372	1,009,899	3,395	(193,303)	7,029,363	10,168,250	10
Tools and equipments	853,507	185,194	(6,971)	1,031,730	332,256	61,223	175	(3,568)	390,086	641,644	10
Office equipments	363,401	76,918	(069'6)	430,629	176,388	45,653	173	(5,313)	216,901	213,728	20
Electric installations	1,314,055	155,075	(32)	1,469,095	426,792	95,518	268	(20)	522,558	946,537	10
Furniture and fixtures	313,807	982'36	(3,890)	405,703	123,857	25,466	38	(2,270)	147,091	258,612	10
Vehicles	520,799	209,123	(119,887)	610,035	172,608	84,131	1	(63,018)	193,721	416,314	20
Sub total	24,363,282	4,330,446	(456,426)	28,237,302	9,210,083	1,652,975	4,322	(274,666)	10,592,714	17,644,588	
Leasehold			*								
Vehicles	2,439	1	(2,439)		1,273	78	•	(1,351)		,	20
Sub total	2,439		(2,439)		1,273	78	•	(1,351)		4	
Grand total	24,365,721	4,330,446	(458,865)	28,237,302	9,211,356	1,653,053	4,322	(276,017)	10,592,714	17,644,588	

			COST					DEPRECIATION	N.		W.D.V	
Description	As on July 1, 2017	Additions	Deletions	Transferred to Interloop Holdings (Pvt) Ltd	As on June 30, 2018	As on July 1, 2017	For the year	Adjustments	Transferred to Interloop Holdings (Pvt) Ltd	As on June 30, 2018	As on June 30, 2018	Rate
						Rupees in '000						
Оwned												
Freehold land	1,172,655	43,746	(263,919)	(23,012)	929,470	•	,	•	,	1	929,470	ť
Buildings on freehold land	4,850,502	626,968	(747,120)	,	4,730,350	1,661,266	324,386	(216,842)	ı	1,768,810	2,961,540	10
Plant and machinery	13,787,025	1,982,512	(431,644)	٠	15,337,893	5,456,668	928,874	(176,170)	,	6,209,372	9,128,521	10
Tools and equipment	704,066	171,851	(22,410)	,	853,507	280,220	57,991	(5,955)	•	332,256	521,251	10
Office equipment	284,612	88,651	(9,862)		363,401	142,830	40,950	(7,392)	•	176,388	187,013	20
Electric installations	1,137,094	246,103	(69,142)		1,314,055	354,345	93,031	(20,584)		426,792	887,263	10
Furniture and fixtures	289,650	29,799	(5,642)		313,807	105,991	20,316	(2,450)		123,857	189,950	10
Vehicles	450,490	175,108	(98'692)	(9,104)	520,799	147,122	75,726	(48,671)	(1,569)	172,608	348,191	20
Sub total	22,676,094	3,364,738	(1,645,434)	(32,116)	24,363,282	8,148,442	1,541,274	(478,064)	(1,569)	9,210,083	15,153,199	
Leasehold												
Vehicles	9,254	1	(6,815)	•	2,439	5,037	672	(4,436)		1,273	1,166	20
Sub total	9,254		(6,815)		2,439	5,037	672	(4,436)		1,273	1,166	1 1
Grand total	22.685.348	3,364,738	(1,652,249)	(32,116)	24,365,721	8,153,479	1,541,946	(482,500)	(1,569)	9,211,356	15,154,365	

8.1.1 The detail of operating fixed assets disposed / written off during the year are as follows:

Assets having book value exceeding Rs. 500,000 each		Depreciation				4	
Assets having book value exceeding Rs. 500,000 each Buildings			Rupees in '000	00	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Buildings			4				
Civil Works - Satellite Unit	3,347	1,242	2,105	1	(2,105)	Rented Building Vacated	
Civil Works - Satellite Unit	2,709	1,006	1,703		(1,703)	Rented Building Vacated	
Civil Works - Chawla Store Expansion	5,071	2,074	2,997	٠	(2,997)	Rented Building Vacated	
Fabrication of Finished Goods Store	3,646	1,869	1,777	•	(1,777)	Rented Building Vacated	
Sub Total	14,773	6,191	8,582	1	(8,582)		
Plant and Machinery							
Dyeing Machine - Tupesa	2,503	1,972	531	344	(187)	Negotiation	Mian Rashid - Nisar Colony, Faisalabad.
Dryer - Tupesa - Sc2	4,861	3,677	1,184	143	(1,041)	Negotiation	Mian Rashid - Nisar Colony, Faisalabad.
Dryer - Tupesa - Sc	3,539	2,668	871	143	(728)	Negotiation	Mian Rashid - Nisar Colony, Faisalabad.
Suction Blower System	3,179	1,671	1,508	53	(1,479)	Negotiation	Mian Rashid - Nisar Colony, Faisalabad.
Bleaching Machine - Polycraft	992	460	532	29	(203)	Negotiation	Mian Rashid - Nisar Colony, Faisalabad.
Knitting Machine - Lonati - L454J	2,612	2,060	552	182	(370)	Negotiation	Nawab Spinning Mills (Pvt) Ltd, Chak No. 61 R.B, Near Sitara Energy, Sheikhupura Road , Faisalabad.
Knitting Machine - Santoni	2,505	1,965	540	13	(527)	Negotiation	Mian Maqsood - Sir Syed Town, Dajkot Road, Faisalabad.
Knitting Machine - Santoni	2,505	1,965	540	13	(527)	Negotiation	Mian Maqsood - Sir Syed Town, Dajkot Road, Faisalabad.
Knitting Machine - Sangiacomo	3,045	2,227	818	13	(802)	Negotiation	Mian Maqsood - Sir Syed Town, Dajkot Road, Faisalabad.
Automatic Boarding Machine - Techopea	2,125	1,141	984	80	(904)	Negotiation	Muhammad Sarfraz - Chak No. 61, Sheikhupura Road, Faisalabad.
Suction System Complete	3,780	633	3,147	53	(3,094)	Negotiation	Muhammad Safdar - Zulifqar Colony, Faisalabad.
Diesel Generator - CMD38 Rating 35Kva / 28Kw Prime 1500Rpm	1,100	450	650	195	(455)	Negotiation	Muhammad Umer Farooq - Zulifqar Colony, Faisalabad.
Gas Genset - Ge Jenbacher - J 620 GSE01 (Old Parts Scraped due to Overhauling of Generator)	19,241	13,757	5,484	'	(5,484)	Scraped	Mr. Abdul Aziz
Sub Total	51,987	34,646	17,341	1,237	(16,104)		
Tools and Equipments		4° _					
Fire Alarm System - Chawla Warehouse	1,439	602	837	•	(837)	Rented Building Vacated	
Fire Alarm System - Finished Goods Warehouses	4,329	2,257	2,072	91	(1,981)	Negotiation	Muhammad Safdar - Zulifqar Colony, Faisalabad.
Sub Total	5,768	2,859	2,909	91	(2,818)		

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
			Rupees in '000	00	4 4 9 9 9 9 9 9 9 9 9		
Furniture and Fixtures							
, Palletizing and Racking System	1,550	876	674		(674)	Negotiation	Mr. Tariq - Darul Ehsan Town near Rasheed Kanda, Samnundri Road, Faisalabad.
Sub Total	1,550	876	674		(674)		
Vehicles							
Toyota Land Cruiser Parado	18,151	12,600	5,551	5,551	,	Negotiation	Mrs. Nazia Navid - Wife of Chief Executive Officer
Honda Civic Vti Prosmatic	2,285	1,330	955	860	(62)	Company Policy	Mr. Muhammad Arshad - Company Employee
Honda Civic Vti Pm	2,274	1,313	961	708	(253)	Company Policy	Mr. Shahid Hameed - Company Employee
Honda City	1,752	281	1,471	1,472	1	Company Policy	Ms. Sadia Rashid - Company Employee
Honda Civic Orial Pm	2,511	1,451	1,060	860	(200)	Company Policy	Mr. Muhammad Shahzad - Company Employee
Honda Givic Vti Prosmatic	2,205	1,273	932	708	(224)	Company Policy	Mr. Naseer Ahmad - Company Employee
Suzuki Swift Dlx	1,302	782	520	302	(215)	Company Policy	Mr. Raza Mohay Ud Din - Company Employee
Toyota Corolla XIi Le	1,626	927	669	644	(22)	Company Policy	Mr. Kamran Akhtar - Company Employee
Suzuki Swift Dix	1,282	731	551	424	(127)	Company Policy	Mr. Kamran Sani - Company Employee
Honda City Aspire Mt	1,566	892	674	624	(20)	Company Policy	Mr. Umer Javed - Company Employee
Honda City Ivtec	1,555	934	621	305	(316)	Company Policy	Mr. Muhammad Rizwan Mohsin - Company Employee
Honda City Aspire Mt	1,695	1,017	829	1,300	622	Company Policy	Mr. Hasnain Abbas - Company Employee
Suzuki Swift Dlx	1,316	780	536	416	(120)	Company Policy	Mr. Muhammad Atif Saleem - Company Employee
Toyota Corolla Gli	1,811	1,101	710	658	(52)	Company Policy	Mr. Aamer Tanveer - Company Employee
Honda Civic Vti Prosmatic	2,167	1,126	1,041	1,062	21	Company Policy	Mr. Dr Nabeel - Company Employee
Honda City Aspire Mt	1,556	902	654	488	(166)	Company Policy	Mr. Adeel Asghar - Company Employee
Toyota Corolla Gli	1,811	1,090	721	658	(63)	Company Policy	Mr. Rashid Hussain - Company Employee
Toyota Corolla XIi	1,685	1,025	099	658	(2)	Company Policy	Mr. Zubair Masud - Company Employee
Toyota Corolla Gli	1,811	1,036	775	488	(287)	Company Policy	Mr. Arif Butt - Company Employee
Suzuki Swift Dlx	1,297	751	546	488	(28)	Company Policy	Mr. Waheed Ahmad - Company Employee
Honda Civic	2,028	1,249	779	438	(341)	Company Policy	Mr. Yasir Riaz - Company Employee
Toyota Corolla Gli	1,809	1,129	089	658	(22)	Company Policy	Mr. Muhammad Naseer Ud Din - Company Employee
Toyota Corolla Gli	1,771	1,030	741	488	(253)	Company Policy	Mr. Javed Iqbal - Company Employee
Toyota Corolla Gli	1,810	1,103	707	859	(49)	Company Policy	Mr. Zahid Hussain - Company Employee
Honda City Pts F/L	1,848	414	1,434	1,435	1	Negotiation	Mr. Sheraz, Saeed Autos, 22C - Model Town, Jail Road, Faisalabad.
Suzuki Swift Dlx	1,316	719	262	603	9	Negotiation	Mr. Sheraz, Saeed Autos, 22C - Model Town, Jail Road, Faisalabad.
Faw V-2 M/T	1,076	380	969	703	7	Negotiation	Mr. Sheraz, Saeed Autos, 22C - Model Town, Jail Road, Faisalabad.
Suzuki Cultus Vxr	1,277	425	852	853	1	Negotiation	Mr. Sheraz, Saeed Autos, 22C - Model Town, Jail Road, Faisalabad.
	***	7.0	007	0 7 7	(40)		

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
			Rupees in '000	00			
Honda City	1,769	888	881	881		Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Toyota Corolla Altis	2,088	951	1,137	1,137	1	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Suzuki Wagon-R Vxl	1,074	453	621	626	S	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Suzuki Cultus Vxl	1,566	78	1,488	1,488		Transferred	Interloop Holdings (Pvt) Limited - Associated Gompany
Honda City	1,688	731	957	256	٠	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Suzuki Cultus Vxr	1,124	564	260	529	(1)	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Suzuki Cultus Vxr	1,099	501	598	298		Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Toyota Hilux 4X2 S/G	2,027	857	1,170	1,171		Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Mercedes - Benz E300	14,195	6,700	7,495	7,495		Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Honda Civic	2,666	68	2,577	2,577	,	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Honda Civic Oriel	2,988	149	2,839	2,838	(1)	Transferred	Interloop Holdings (Pvt) Limited - Associated Company
Toyota Corolla Gli	1,849	702	1,147	1,147	٠	Negotiation	Interloop Welfare Trust
Sub Total	100,170	50,478	49,692	47,397	(2,295)		
Other assets having book value below Rs. 500,000 each	284,617	180,967	103,650	86,570	(17,080)		
Total - 2019	458,865	276,017	182,848	135,295	(47,553)		
Total - 2018	245,558	139,961	105,597	66,452	(39,145)		

			2019	2018
		Note	Rupees i	n '000
8.1.2	Depreciation charge for the year has been allocated as under;			
	Cost of sales		1,497,725	1,404,282
	Administrative expenses		155,328	137,664
			1,653,053	1,541,946
8.2	Capital work-in-progress			
	Civil works	8.2.1	654,768	178,203
	Plant and machinery	8.2.2	151,000	32,696
	Capital stores	8.2.3	20,792	87,201
	Advances to suppliers		428,144	4,131
			1,254,704	302,231

- $\textbf{8.2.1} \quad \text{Civil works include borrowing cost amounting to Rs. } 16.005 \text{ million calculated at the rates ranging from } 2.33\% \text{ to } 4.92\% \text{ per annum.} \\$
- 8.2.2 Plant and machinery includes amount of Rs. 124.68 million in respect of trial production cost of denim sampling unit.
- **8.2.3** 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.

$8.3 \qquad \text{Details of immovable property in the name of the Company:} \\$

Usage	Location	Area
Plant 1	Chak # 76 RB. 1 - KM, Jaranwala Road, Khurrianwala, Faisalabad.	19 Acres 7 Kanals 12 Marlas
	Chak # 194 RB. 1 - KM, Jaranwala Road, Khurrianwala, Faisalabad.	2 Acres 8 Kanals 13 Marlas
	Chak # 108 RB. 1 - KM, Jaranwala Road, Khurrianwala, Faisalabad.	9 Marlas
Interloop Industrial	┌ Chak # 103 RB, 7 - KM, Jaranwala Road, Khurrianwala, Faisalabad.	97 Acres 19 Kanals 9 Marlas 5 Sarsai
Park - (Plant 2, Plant 4	Chak # 106 RB, 6 - KM, By Pass Road, Khurrianwala, Faisalabad.	14 Acres 3 Kanals 12 Marlas
& Spinning)	Chak # 103 RB, 7 - KM, Jaranwala Road, Khurrianwala, Faisalabad.	38 Acres 15 Kanals 15 Marlas
Plant 3	8 - KM, Manga Raiwind Road, Distt. Kasur, Lahore.	41 Acres 3 Kanals 8 Marlas
Denim Division	8 - KM, Manga Raiwind Road, Distt. Kasur, Lahore.	26 Acres 7 Kanals 14 Marlas
Plant 5	Chak # 106 RB, 6 - KM, By Pass Road, Khurrianwala, Faisalabad.	75 Acres 13 Kanals 13 Marlas
Apparel Unit	Chak # 106 RB, 6 - KM, By Pass Road, Khurrianwala, Faisalabad.	28 Acres 3 Kanals 16 Marlas
Office Block	Chak # 200 RB, Near Toll Plaza Gatwala, Lathianwala, Faisalabad.	2 Acres 13 Marlas 5 Sarsai

		Apparel Unit	Chak # 106 RB, 6 - KM, By Pass Road, Khurrianwala, Faisalabad.	28 Acres 3 Ka	anals 16 Marlas	
		Office Block	Chak # 200 RB, Near Toll Plaza Gatwala, Lathianwala, Faisalabad.	2 Acres 13 M	arlas 5 Sarsai	
9,	INTAN	NGIBLE ASSET		Note	2019 Rupees in	2018 '000
,		uter Software				
	-	uter software	1			
	Cost: Openia	ng balance			98,196	92,619
	-	on during the year		J*_	36,854	5,899
		on during the year			-	(322)
					135,050	98,196
	Amor	tization:		_		
		ng balance			55,785	45,415
		e year amortization			9,182	10,427
	Adjust	ment on disposal		L	64,967	55,785
	Net bo	ook value		_	70,083	42,411
	Amor	tization rate		=	20%	20%
10.	LONG	TERM INVESTMENT				
	Un-qu	oted associate - at equity	method			
	IL Bar	ngla Limited		10.1	93,540	115,456
	10.1	Investment in associate	ed company - under equity method			
		Opening balance			115,456	152,437
		Share of (loss)/profit for	the year	Γ	(58,485)	(53,032
		Exchange gain			36,569	16,051
					(21,916)	(36,981
		Closing balance			93,540	115,456

15.2 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 1,052.51 million (2018: Rs. 319.60 million).

Eurosox Plus BV

15.3 At June 30, 2019, trade debts due from related parties aggregating to Rs. 298.17 million (2018: Rs. 163.99 million) were past due but not impaired. The ageing analysis of these trade debts is as follows:

Not yet due	392,170	73,828
Upto 1 month	119,452	108,536
More than 1 month	178,716	55,457
	 690,338	237,821

293,422

690,338

112,511

237,821

1,076,724

617,743

		Note	Rupees in '0	00
16.	LOANS AND ADVANCES			
	Considered good:			
	Loans			
	Current portion of loans to employees - Secured	11.1	53,683	47,749
	Current portion of loan to director - Secured	11.2	3,100	4
	Metis international (Pvt) Limited - Secured	16.1	9,560	33,414
	Advances			
	Advances to suppliers		1,002,980	536,580
	Advances to employees	16.2	7,401	-

- 16.1 This loan was given in foreign currency amounting to US\$ 275,000 at rate of 15% per annum. Upon lapse of payment date, additional mark up at the rate of 2.5% will be charged on monthly mark up installment due for each day of delay upto a maximum of 20%. The loan is secured through an irrevocable lien/charge on total assets of the Metis International (Pvt) Limited.
- 16.2 Advances to employees are given to meet business expenses and are settled as and when expenses are incurred.

17. DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES

Depos	it			
L/C	margin		73,295	-
Prepa	yment			
	ırance premium		40,522	25,211
Other	receivables			
Rec	eivables from related parties	17.1	83,980	78,743
Acc	rued interest on loan to Metis International (Pvt) Ltd		10,441	2,401
Oth	ers	_		65,536
		=	208,238	171,891
17.1	Receivables from related parties include receivables from:			
	IL Bangla Limited - Unquoted associate	17.4	82,766	76,970
	Interloop Holdings (Pvt) Ltd - an associated undertaking			1,273
	Interloop Welfare Trust		1,214	-
	Interloop Limited ESOS Management Trust		-	500
			83,980	78,743
		=		

- 17.2 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 83.98 million (2018: Rs. 78.74 million).
- 17.3 At June 30, 2019, receivables aggregating to Rs. 83.98 million (2018: Rs. 78.74 million) were past due but not impaired. The ageing analysis of these receivables is as follows:

Upto 1 month	7,154	1,773
More than 1 month	76,826_	76,970
	83,980	78,743

17.4 This represents balance receivable against payments made on behalf of IL Bangla Limited. Interest is charged at effective rate of 7.53% per annum.

18. SHORT TERM INVESTMENT

Mutual Funds - Fair value through profit or loss:	18.1 & 18.2		
Alfalah GHP Income Multiplier Fund		-	56,657
Alfalah GHP Alfa Fund		17,306	20,740
Alfalah GHP Sovereign Fund		58,944	-
Meezan Islamic Fund		34,795	45,978
Meezan Sovereign Fund		7	. 7
NAFA Financial Sector Income Fund		909	-
NAFA Islamic Energy Fund		-	24,040
NAFA Stock Fund		16,986	-
NAFA Money Market Fund		1,555	-
UBL Growth And Income Fund		-	3
UBL Government Securities Fund		394	-
		130,896	147,425
Term Deposit Receipts (TDRs) - Amortized cost:	18.3		
The Bank of Punjab		150,347	-
National Bank of Pakistan		790,908	-
	_	941,255	
Sales Tax Refund Bonds - Amortized cost:	18.4		
FBR Refund Settlement Company (Private) Limited		135,100	-
		1,207,251	147,425

18.1 Detail of Investment in Mutual Funds

Opening balance

Issued during the year

Name of the investee	Number of shares / units as at June 30, 2019	Average Cost as at June 30, 2019	Fair value as at June 30, 2019	Remeasurement loss as at June 30, 2019
	No. of units '000		Rupees in '000	
Alfalah GHP Alfa Fund	308.8077	22,272	17,306	(4,966)
Alfalah GHP Sovereign Fund	554.0604	61,221	58,944	(2,277)
Meezan Islamic Fund	725.9510	45,978	34,795	(11,183)
Meezan Sovereign Fund	0.1371	7	7	-
NAFA Financial Sector Income Fund	86.5028	924	909	(15)
NAFA Stock Fund	1,416.4747	19,307	16,986	(2,321)
NAFA Money Market Fund	157.5662	1,563	1,555	(8)
UBL Government Securities Fund	3.7222	411	394	(17)
Total	3,253.2220	151,683	130,896	(20,787)

- 18.2 Fair values of these investments are determined using quoted market / repurchase price.
- 18.3 Short term investment in TDRs earned interest at effective rate of 11.55% to 12.05% per annum.
- 18.4 By virtue of enactment of section 67A in the Sales Tax Act, 1990, Sales Tax Refunds claimant have been given option to receive their refunds in shape of Sales Tax Refund Bonds which have been directly credited to the Corporate Investor Account maintained with CDC (Central Depository Company of Pakistan Limited).

The bonds so issued have a maturity period of three (3) years and shall bear simple profit at the rate of 10% per annum. The bonds are freely tradable in Pakistan's secondary markets and shall be approved security for calculating the statutory liquidity reserve and shall be acceptable by the banks as collateral security. After period of maturity, the Company shall return the bonds to the Board and the Board shall make the payment of amount due under the bonds, along with profit due, to the bond holders.

The bonds shall be redeemable before maturity only at the option of the Board along with simple profit payable at the time of redemption in the light of general or specific policy to be formulated by the Board.

The management intend to trade and redeem these bonds in near future, therefore, these are grouped in short term investments.

				2019 Rupees in '	2018
L 9.	TAX REFUNDS DUE FI	ROM GOVERNM	IENT	Rupees in	000
	Duty drawback			647,238	1,054,370
	Sales tax refundable			418,427	532,070
	Income tax refundable			883,453	865,37
				1,949,118	2,451,81
	CASH AND BANK BAL	ANCES			
	Cash in hand Cash at banks			27,837	12,05
	In current accounts			1,443,807	151,47
	In foreign currency	accounts		71,263	32,41
				1,515,070	183,88
				1,542,907	195,93
. 9	AUTHORIZED SHARE	CAPITAL	A.		
	2019 Number of share	2018 es in '000			
				4°	
	965,000	265,000	Ordinary shares of Rs. 10 each	9,650,000	2,650,00
	35,000	35,000	Non-voting ordinary shares of Rs. 10 each	350,000	350,00
	1,000,000	300,000		10,000,000	3,000,00
2.	ISSUED, SUBSCRIBED	AND PAID UP	CAPITAL		
	2019 Number of share	2018 es in '000			•
	130,900	21,400	Ordinary shares of Rs. 10 each fully paid in cash	1,309,000	214,00
	738,500	168,200	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	7,385,000	1,682,00
	1,266	510	Non-voting ordinary shares of Rs. 10 each fully paid in cash	12,662	5,10
	1,531	_	Non-voting ordinary shares of Rs. 10 each issued as fully paid bonus shares	15,313	-
	872,197	190,110	-	8,721,975	1,901,10

Voting

21,400

109,500

Ordinary Shares of Rs. 10 each fully paid in cash

Non-Voting

510

756

Ordinary Shares of Rs. 10 each fully paid

bonus shares

Voting

168,200

570,300

Non-Voting

1,531

23.1 This represents premium received over and above face value of the shares issued to institutional investors, high net worth individuals and general public through initial public offering (IPO) and employees of the Company through employees stock option scheme (ESOS). This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

23.2 EMPLOYEES SHARE OPTION SCHEME (ESOS)

The shareholders of the Company has approved Interloop Limited - Employee Stock Options Scheme, 2016 ("the scheme") for grant of options to certain eligible employees to purchase ordinary shares (non-voting) of the Company, to be determined by the Compensation Committee constituted by the Board of directors of the Company.

Under the Scheme, the Company may grant options to eligible employees selected by the Compensation Committee, from time to time, which shall not at any time exceed 15% of the paid up capital (ordinary and voting) of the Company (as increased from time to time). The option entitles an employee to purchase shares at an exercise price determined in accordance with the mechanism defined in the scheme at the date of grant. The aggregate number of shares for all options to be granted under the scheme to any single eligible employee shall not, at any time, exceed 3% of the paid up capital (ordinary and voting) of the Company (as increased from time to time). Further the grant of options in any one calendar year exceeding 3% of the paid up capital (ordinary and voting) shall require approval of the shareholders. However, once the number of shares issued under this scheme equal fifteen percent (15%) of the paid up capital (ordinary and voting) of the Company, the entitlement pool shall be exhausted and this Scheme shall cease to operate, notwithstanding any subsequent increase in the paid up capital.

The options will have a vesting period of one year and an exercise period of one year from the date options are vested as laid down in the scheme. Option price shall be payable by the employee on the exercise of options in full or part. The options will lapse after completion of one year from the date options are vested if not exercised.

Shares issued in response to exercise of options shall be Non-Voting Ordinary Shares, hereinafter called "Class B Shares" and shall not;

- (i) have voting rights or right to receive notice, attend and vote at the general meeting of the Company, except and otherwise provided by the Companies Act, 2017; and
- (ii) be entitled for right shares (Ordinary and Voting).

Shares issues under this scheme will convert into ordinary shares after 3 years from the date of listing of the Company or after completion of 3 years from the date of issue, whichever is later. The Company will not be obliged to buy back the shares. However, if the employees wishes to sell the shares, the Company may buy back the shares at the lesser of the prevailing price on the securities exchange or at the break up value of the shares determined as per the latest audited financial statements of the Company.

Before listing of the Company fair value of the options was determined based on the break up value of shares and exercise price at the date of each grant of options. Exercise price was determined based on latest available audited financial statements of the Company. After listing of the Company the exercise price shall be the weighted average of the closing market price of shares of the Company for the last 30 days prior to the date of grant of options.

Due to issuance of bonus shares of 300% of the existing paid up capital of the Company in current year and demerger of the investment segment of the Company into Interloop Holdings (Pvt) Limited in last year, the break up value of the shares had been reduced to Rs. 11.91 per share. This necessitated the repricing of the existing options outstanding during the year. Moreover, the existing exercise price of Rs. 76.04 per share was also not attractive at the moment due to the floor price of Rs. 45 per share set in the draft prospectus for the proposed IPO duly approved by the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX) till date. Accordingly it was proposed to offer exercise price for outstanding options at Rs. 35 per share to make it more lucrative for the proposed eligible employees.

The shareholders of the Company in their meeting held on March 5, 2019 resolved to reprice the options already granted and pending for exercise under the Company's Employees Stock Option Scheme, from initial exercise price of Rs. 76.04 per share to the revised price of Rs. 35 per share, without any change or modification in any other specific terms and conditions under which such options have been granted in accordance with rule 7(ii) of the Public Companies (Employees Stock Option Scheme) Rules, 2001 read with sub clause 3 of clause 6 of Chapter III of the Guidelines for Structuring and Offering of the Employees Stock Option Schemes approved by Securities and Exchange Commission of Pakistan.

Information about outstanding number of options at the end of the year is as follows:

	2019 No. of options	2018 '000
Options outstanding at the beginning of the year	1,399	1,341
Options granted during the year	-	933
Options declined/lapsed but subsequently offered	426	-
Options exercised during the year	(790)	(172)
Options expired/lapsed during the year	(465)	(703)
Options expired/lapsed during the year Options outstanding at the end of the year	570	1,399
options outstanding at the state of the year		

The Company's management is of the view that no further options would be exercised from the outstanding balance as the same has already been declined by the eligible employees and management does not intend to reoffer the same. Therefore, no further expense or employee share option compensation reserve is created in these financial statements.

Further, it is pertinent to mention here that the scheme is not in operation since listing of the Company on PSX primarily due to the fact that the terms of the scheme require to be consistent with the increased legal compliance for a listed entity. The proposal for subject updation in the Existing scheme is under review and pending approval from shareholders of the Company and SECP respectively.

	2019	2018
Note	Rupees	in '000
24.1	2,140,117	2,263,222
24.2	542,857	814,286
24.3	96,208	138,968
24.4	696,754	~
	3,475,936	3,216,476
24.5	1,400,000	-
	4,875,936	3,216,476
	(1,247,191)	(968,540)
	3,628,745	2,247,936
	24.1 24.2 24.3 24.4	Note Rupees 24.1

- 24.1 These loans have been obtained under diminishing musharika arrangements and are repayable in quarterly installments. These are secured against 1st joint pari passu charge JPP of Rs. 6,468 million (2018: 1,474 million) over fixed assets, specific/exclusive charge of Rs. 1,992 million (2018: 3,015 million) on fixed assets (plant and machinery) and ranking charge of Rs. 718 million (2018: 1,978 million) on fixed assets of the Company. Mark up is charged at the rate of 3 months KIBOR plus 0.10% to 0.50% per annum (2018: 3 months KIBOR plus 0.10% to 0.75% per annum).
- 24.2 The company has entered into a syndicated long term finance facility arrangement for Rs. 1,900 million with a consortium of local banks for acquisition of certain assets from Kohinoor Mills Limited. The repayment of this loan is to be made in quarterly installments and the loan is secured against the 1st specific charge of Rs. 2,933.34 million (2018: 2,933.34 million) over the fixed assets of Interloop Limited (Hosiery Division III). The mark up is charged at the fixed rate of 5% per annum (2018: 5% per annum).
- 24.3 The Company has also entered into syndicated long term finance facility arrangement for Rs. 300 million with a consortium of local banks for Balancing, Modernization and Replacement (BMR) of assets purchased from Kohinoor Mills Limited. The repayment of loan is to be made in quarterly installments and securities are same as mentioned in note 24.2 above. Markup is charged at the rate of 03 months KIBOR plus 1.3% per annum (2018: 03 months KIBOR plus 1.3% per annum).
- 24.4 The Company has obtained Islamic Long Term Finance Facility ILTFF of Rs. 1,500 million for purchase of plant and machinery for a period of 10 years including 2 year grace period. Repayment of loan is to be made in quarterly installments and is secured against 1st JPP charge of Rs. 3,734 million (2018: nil) over land, building and plant and machinery of the Company. This 1st JPP charge of Rs. 3,734 million is same on both ILTFF and diminishing musharika facilities from HBL and is included in aggregate charge mentioned in note 23.1 above. Markup is charged at SBP ILTFF rate plus 0.75% per annum (2018: nil).
- The Company "Interloop Limited" has entered into loan agreement with Interloop Holdings (Pvt) Limited upto an amount of Rs. 3 billion for period of three years including one year grace period. Mark up is charged at the rate of 5% per annum and will be paid till 15th of every month, following the end of every quarter. Upon lapse of payment date, the Company shall pay late payment charges equivalent to 2% of the monthly mark up installment due for each day of late payment, which may be considered to waive off at the discretion of management of Interloop Holdings (Pvt) Limited. The loan is unsecured but is made with full recourse against the Company and its successors.

		2019	2018
25. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			es in '000
Future minimum lease payments Less: Un-amortized finance charges		·	1,146 (61)
Present value of future minimum lease pa	ayments	•	1,085
Less: Current portion shown under curre	nt liabilities		(470) 615

25.1 During the year the Company has paid off all its lease liability.

24.

25.2 The amount of future payments of the lease and the period in which these payments will become due are as follows:

	2	2018 Later than one year	
	Not later than one year	Later than one year and not later than five years	
	Rupe	es in '000	
nents	519	627	
rtized finance charges	(49)	(12)	
m lease payments	470	615	

DEFER	RED LIABILITIES	Note	Rupees ii	n '000
	tirement benefits	26.1	2,497,894	1,925,612
		20.1	2,177,031	1,723,012
26.1	Staff retirement benefits			
	Gratuity	26.1.2	2,497,894	1,925,612
26.1.1	General description			
	This represents an unfunded gratuity scheme which provides termination qualifying period. The latest actuarial valuation of the defined benefit plan (PUC) Actuarial Cost Method. Details of the defined benefit plan are as follows:	n was carried out as		
26.1.2	Movement in the present value of defined benefit obligation			
	Opening balance		1,925,612	1,580,325
	Expenses recognized in the statement of profit or loss	26.1.3	527,598	417,798
	Remeasurement changes chargeable to other comprehensive income	26.1.5	192,825	91,719
	Paid during the year		(131,021)	(153,266)
	Balance transferred to Interloop Holdings (Pvt) Limited		(17,120)	(503)
	Disposal of Interloop Dairies Limited		-	(10,461)
	Closing balance		2,497,894	1,925,612
26.1.3	Expenses recognized in the statement of profit or loss			
	Current service cost		341,588	301,334
	Interest cost		186,010	116,464
			527,598	417,798
26.1.4	Amounts charged in the statement of profit or loss are as follows:			
	Cost of sales		444,633	354,187
	Distribution expenses		14,787	11,498
	Administrative expenses		68,178 527,598	52,113 417,798
0.4 #			327,370	117,770
26.1.5	Total remeasurement chargeable to other comprehensive income			
	Remeasurement of plan obligation:			(75 521)
	Actuarial gain from changes in demographic assumptions Actuarial losses from changes in financial assumptions		97,569	(75,521) 67,823
	Experience adjustments		95,256	99,417
	Experience adjustments		192,825	91,719
26.1.6	Principal actuarial assumptions used		2019	2018
	Discount rate used for profit and loss charge		10.00%	7.75%
	Discount rate for year end obligation		14.50%	10.00%
	Salary increase used for year end obligation			
	Salary increase for FY 2019		N/A	9.25%
	Salary increase for FY 2020		14.00%	9.25%
	Salary increase for FY 2021		14.00%	9.25%
	Salary increase for FY 2022		14.00%	9.25%
	Salary increase for FY 2023		14.00%	9.25%
	Salary increase for FY 2024		14.00%	9.25%
	Salary increase for FY 2025 onward		14.00%	9.25%
	Demographic assumption			
	Mortality rates (for deaths in service)		SLIC	SLIC
			2001-2005 Setback 1 year	2001-2005 Setback 1 year
	Detironment			
	Retirement assumption		60 Years	60 Years

2019

Note

2018

--- Rupees in '000 ---

 $26.1.7 \quad \text{The expected contribution to defined benefit obligation for the year ending June 30, 2020 will be Rs. } 746.576 \ \text{million}.$

26.1.8 Sensitivity analysis

26.

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by 100 bps.

	Note	Rupees in '000	
Discount rate + 100 bps		(2,246,150)	(1,728,390)
Discount rate - 100 bps		2,799,035	2,165,469
Salary change + 100 bps		2,802,607	2,169,128
Salary change - 100 bps		(2,238,597)	(1,721,659)

2018

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

26.1.9 The average duration of defined benefit obligation for the year ended 2019 is 11 years (2018: 11 years).

27. TRADE AND OTHER PAYABLES

Trade creditors		848,521	889,974
Accrued liabilities	27.1	2,240,530	1,464,173
Advances from customers		7,397	13,510
Other payables	27.2	154,457	127,403
Employees provident fund trust		5,059	4,315
Withholding tax payable		84,180	20,286
Workers' profit participation fund	27.3	285,500	210,828
		3,625,644	2,730,489

27.1 It includes an amount of Rs. 209.855 million (2018: Rs. 188.219 million) relating to infrastructure cess payable.

Honourable Sindh High Court in its decision dated 17 September, 2008 declared the imposition of infrastructure cess before December 28, 2006 as void and invalid. However, the Excise and Taxation Department filed an appeal before the Honourable Supreme Court of Pakistan. The Honourable Supreme court of Pakistan had disposed off the appeal with a joint statement of the parties that during the pendency of the appeal, another law i.e. fifth version came into existence which was not the subject matter of the appeal hence the case was referred back to High Court of Sindh with right to appeal to Supreme Court. On May 31, 2011, the High Court of Sindh had granted an interim relief on an application of petitioners on certain terms including discharge and return of bank guarantees / security furnished on consignment released up to December 27, 2006 and any bank guarantee / security furnished on consignment released after December 27, 2006 shall be encashed to extent of 50% of the guaranteed or secured amount only with balance kept intact till the disposal of petition. In case the High Court upholds the applicability fifth version of law and its retrospective application, the authorities are entitled to claim the amounts due under the said law with the right to appeal available to petitioner. In the light of interim relief the Company has paid 50% of the amount of Infrastructure cess. Imports of the Company are being released against 50% payment of Infrastructure cess to Excise and Taxation Department and furnishing of bank guarantee of balance amount.

The Government of Punjab imposed Punjab Infrastructure Development Levy in terms of the Punjab Infrastructure Development Cess Act, 2015 (the Act) read with PRA Notification No.PRA/IDC/2015 dated 16.05.2016 and PRA order No.PRA/Orders.08/2015 dated 23.05.2016. The Company being aggrieved filed writ petition vide WP No.24536 of 2016 before Honorable Lahore High Court challenging the constitutionality of the Act . The Lahore High Court on 28.07.2016 granted interim relief for clearance of goods subject to payment of 50% of the disputed amount and upon furnishing of a bank guarantee for the balance of 50% of the amount.

Both the above referred cases are pending litigation before respective Honorable High Courts. The case of Sindh High Court is pending adjudication, whereas case preferred before Honorable Lahore High Court has been fixed for 24.09.2019.

However the full amount of Infrastructure Cess forms component of cost of imported items and provision recorded in books. Bank guarantees furnished ragarding imposition of infrastructure cess have been disclosed in note - 31.1 to these financial statements.

27.2 This includes amount of Rs. 337,814/- payable to ESOS Management Trust for payments received against issuance of shares to employees under ESOS.

27.3 Workers' profit participation fund

Balance as on July 01,	210,828	168,111
Interest on funds utilized in the Company's business	21,425	7,403
	232,253	175,514
Less: paid during the year	(232,068)	(163,041)
	185	12,473
Add; allocation for the year	285,315	215,040
·	285,500	227,513
Less: Disposal of Interloop Dairies Limited		(16,685)
	285,500	210,828

28. ACCRUED MARK UP

Mark up on:		
Long term financing	46,259	36,228
Short term borrowings	67,683	101,628
	113,942	137,856

	Note	Rupees in 'C	000
29. SHORT TERM BORROWINGS			
From banking companies - secured			
Under mark up arrangements			
ERF - 11		11,726,000	11,021,000
FAPC - own source	29.1	-	2,750,000
Running finance		129,742	1,263,364
From related parties - Unsecured			
Chief executive and directors			146,573
		11,855,742	15,180,937

29.1 These are secured against first Joint Pari Passu (JPP) charge of Rs. 27,351.83 million (2018: 26,083.33 million), ranking charge of Rs. 2,632 million (2018: Nil) by all the lending banks over all present and future current assets of the Company and lien over import/export documents. The total limits available to the Company for short term borrowings from all the banks are amounting to Rs. 25,250 million (2018: 19,562.5 million).

Mark up is charged as;

ERF - II

SBP rate + 0.25 to 0.30% p.a (2018: SBP rate + 0.25% to 0.40% p.a).

FAPC - own source

3 months Kibor + 0.25 to 0.50% p.a (2018: 3 to 6 months Kibor + 0.25 to 1.00% p.a)

Running finance

1 to 3 months Kibor + 0.20 to 1.00% p.a (2018: 1 to 3 months Kibor + 0.20 to 1.00% p.a)

30. CURRENT PORTION OF NON CURRENT LIABILITIES

	term financing	24 25	1,247,191	968,540 470
Liabi	llities against assets subject to finance lease	25 _	1,247,191	969,010
31. CON	TINGENCIES AND COMMITMENTS			
31.1	Contingencies			
31.1	.1 Bank guarantees issued by various banks on behalf of the company in	favour of:		
	Sui Northern Gas Pipelines limited against supply of gas.		547,069	386,804
	The Director, Excise and Taxation, Karachi against imposition of in	frastructure cess	198,853	172,853
	Faisalabad Electric Supply Company (FESCO) against supply of ele		70,414	70,414
	Punjab Revenue Authority		8,033	4,335
	State Bank of Pakistan		127,551	25,000
		-	951,920	659,406
31.1	.2 Post dated cheques issued in favour of custom authorities for release	of imported goods	3,291,613	2,643,166_
31.2	Commitments		"J*	
	Under letters of credit for:			
	Capital expenditure		1,275,725	747,706
	Raw material		109,974	209,206
	Stores and spares		136,399	37,153
		:	1,522,098	994,065
32. SAL	ES - NET			
Evn	ort sales	32.1	33,978,768	27,518,696
	al sales		3,770,209	4,850,087
	ss sales		37,748,977	32,368,783
Less	s: ales discount	1	(206,793)	(206,052)
	ales discount ales tax		(31,122)	(20,773)
30	aics tax	l	(237,915)	(226,825)
			37,511,062	32,141,958

^{32.1} It includes exchange gain amounting to Rs. 2,259.977 million (2018: Rs. 890.620 million).

	•	2040	2040
	Note	2019 Rupees in '0	2018
33. COST OF SALES	Note		
Raw material consumed	33.1	15,707,302	13,312,629
Stores and spares consumed	33.2	859,712	836,747
Feed, health and breeding expenses	25.2		674,172
Knitting charges		18,930	192,135
Salaries, wages and benefits	33.3	5,574,179	5,068,623
Staff retirement gratuity	26.1.4	444,633	354,187
Fuel and power		2,264,744	1,926,612
Repairs and maintenance		129,769	144,389
Insurance	0.4.2	52,485 1,497,725	85,903 1,404,282
Depreciation Rent, rate and taxes	8.1.2	32,900	32,305
Other manufacturing costs		238,042	85,766
other manuacturing costs		26,820,421	24,117,750
Work in process			
Opening balance		471,276	450,678
Closing balance		(597,562)	(471,276)
		(126,286)	(20,598)
Cost of goods manufactured		26,694,135	24,097,152
Finished goods Opening balance		1,484,177	1,120,718
Closing balance		(1,965,058)	(1,484,177)
dioonig buttine		(480,881)	(363,459)
Drawback		(569,539)	(850,604)
Diawback		25,643,715	22,883,089
22.4 Parameterial accommod			
33.1 Raw material consumed			
Opening balance		3,166,265	1,994,485
Purchases		16,276,392 19,442,657	14,484,409
Closing balance		(3,735,355)	(3,166,265)
Closing balance		15,707,302	13,312,629
33.2 Stores and spares consumed			
Opening balance		779,198	702,029
Purchases		970,918	913,916
		1,750,116	1,615,945
Closing balance		(890,404)	(779,198)
		859,712	836,747
33.3 Salaries, wages and benefits include Rs. 6.321 million (2018: F	Rs. 5.489 million) in respect of the provider	nt fund contribution.	
34. DISTRIBUTION COST			
Con and air fraight		50,165	47,672
Sea and air freight Shipping expenses		623,897	660,682
Selling commission		1,757,956	1,621,212
Export development surcharge		83,310	66,600
Marketing and advertisement		61,492	77,900
Staff salaries and benefits	34.1	201,868	154,966
Staff retirement gratuity	26.1.4	14,787	11,498
Others		2,794,393	2,641,013
			2,041,013
34.1 Staff salaries and benefits include Rs. 0.961 million (2018: Rs.	0.715 million) in respect of the provident	fund contribution.	
35. ADMINISTRATIVE EXPENSES			
Directors' remuneration		111,952	111,470
Staff salaries and benefits	35.1 & 35.2	1,066,010	845,765
Staff retirement gratuity	26.1.4	68,178	52,113
Postage and communication		39,254	35,157 19,766
Electricity, gas and water		22,135 122,419	71,842
Rent, rates and taxes		63,218	53,388
Printing and stationery Travelling and conveyance		114,820	100,491
Vehicles running and maintenance		24,491	20,989
Legal and professional		74,578	41,010
Repairs and maintenance		46,548	50,283
Auditors' remuneration	35.4	3,000	1,786
Insurance		18,221	17,359
Entertainment		52,221	51,113
Advertisement		17,576 1,190	4,379 656
Newspapers and periodicals	8.1.2	155,328	137,664
Depreciation Amortization	9	9,182	10,427
Others		18,319	13,552
,		2,028,640	1,639,210

- 35.1 Staff salaries and benefits include Rs. 4.746 million (2018: Rs. 3.804 million) in respect of the provident fund contribution.
- 35.2 Staff salaries and benefits include Rs. 5.031 million (2018: Rs. 4.188 million) in respect of employees' share option compensation expense.
- 35.3 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder.

		Note	2019 Rupees in '00	2018 0
35.	4 Auditors' remuneration			
	Annual audit fee		1,950	1,376
	Other certification		400	260
	Half yearly review		500	450
	Out of pocket expenses		3,000	150 1,786
0.C OT	HIPD ODEDATING EVDENICE		3,000	1,700
	HER OPERATING EXPENSES		4 = 0 = 0	12.001
	change loss - net ss on disposal of biological assets		15,272	12,801 25,871
	ss on disposal of property, plant and equipment	8.1.1	47,553	39,145
	ss on disposal of subsidiary			147,065
	arity and donations	36.1	350,176	104,847
	orkers' profit participation fund	27.3	285,315	215,040
Los	ss on mutual funds measured at fair value through profit or loss	36.2	15,886 714,202	58,257 603,026
36.	.1 Charity and donations		714,202	003,020
	Donations include the following in which a director or his spouse has an inter	est;		
	Name of Donee Interest in Donee Name of Director			
	Interloop Welfare Trust Trustees Mr. Navid Fazal		99,223	21,766
	Mr. Musadaq Zulqarnai	n	•	
	Mrs. Sheren Aftab			
	Mr. Jahanzeb Khan Ban Mr. Muhammad Magso			
36.	.2 Loss on mutual funds measured at fair value through profit or loss;			
001	Remeasurement loss on investment in mutual funds - fair value through			40.000
	profit or loss	18.1	20,787	10,908
	Realised loss on investment in mutual funds - fair value through profit		915	49,177
	or loss			
	Dividend income on investment in mutual funds - fair value through profit or loss		(5,816)	(1,828)
	•		15,886	58,257
37. OT	THER INCOME			
Inc	come from financial assets			
	Interest on long term loan to SNGPL		-	16
	Interest on loan to Metis International (Pvt) Ltd		7,211	8,923
	Profit on TDR's		1,437	43,198
	Interest on receivables from IL Bangla Limited		5,796	2,821
	Profit on deposit accounts		-	2,021
Inc	come from non-financial assets		"AF	
	Miscellaneous			129
			14,444	55,087
38. FI	NANCE COST			
Ма	ark up on:			
	Short term borrowings		555,942	269,986
	Long term financing		315,730	153,931
Int	terest on workers' profit participation fund	27.3	21,425	7,403
	ase finance charges		14	129
Ва	ank charges and commission		106,149 999,260	67,507 498,956
	AND THE AND			
	AIN FROM CHANGES IN FAIR VALUE LESS COSTS O SELL OF BIOLOGICAL ASSETS			
Ga	ain from changes in fair value less costs to sell of biological assets			9,245
	AXATION			
	urrent	40.1	226,260	132,737
Pr	rior years		•	6,599
De	eferred			16,102
	Origination and reversal of temporary differences Impact of change in tax rate		-	(2,190)
	7		-	13,912
			226,260	153,248

- 40.1 The Company is chargeable to tax under section 154 and 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future. Therefore, provision for deferred tax is not required. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is also not required in view of presumptive taxation.
- 40.2 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of 5% on every public company other than a scheduled bank or Modaraba, that derives profits for a tax year but does not distribute at least 20% of accounting profit through cash dividend within six months of the end of said tax year.

The Company has distributed sufficient cash dividend, for the year ended June 30, 2018, which complies with the above stated requirements. Accordingly, no provision for tax on undistributed profits has been recognized in the financial statements for the year ended June 30, 2019.

41. EARNINGS PER SHARE - BASIC AND DILUTED

2019

2018

41.1 Earnings per share - basic

Profit for the year (Rupees in '000)	5,060,551	3,718,765
Weighted average number of ordinary shares outstanding during the year (Numbers in '000)	778,750	189,993
Add: Bonus shares issued after the reporting period (Numbers in '000)	-	571,831
	778,750	761,824
Earnings per share - basic (Rupees)	6.4983	4.8814

41.2 Earnings per share - diluted

There is a dilutive effect on the basic earnings per share of the Company, after taking into the effect of options granted on Company's shares to employees of the Company under the Employee share option scheme (ESOS). Such dilution is based on the fair value of the Company's shares, which is higher than the respective exercise price of options granted during the year.

	Profit for the year (Rupees in '000)		5,060,551	3,718,765
	Weighted average number of ordinary shares outstanding during the year (Numbers in '000) $$		778,750	189,993
	Add: Weighted average adjustment for assumed conversion of employees' share options (Numbers in '000)		-	49
	Add: Bonus shares issued after the reporting period (Numbers in '000) $$		-	571,831
	Weighted average number of shares for determination of diluted earnings per share (Numbers in '000)		778,750	761,873
	Earnings per share - diluted (Rupees)		6,4983	4.8811
		Note	2019 Rupees in '	2018 000
42. C	ASH AND CASH EQUIVALENTS			
Ca	ish and bank balances	20	1,542,907	195,939
Sł	ort term investments - Term Deposit Receipts (TDRs)	18	_{P.} 941,255	
			2,484,162	195,939

43. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Balance as on July 01, 2018	Non Cash Changes	Cash Flows	Balance as on June 30, 2019
		Rupees in '	000	
Long term financing	3,216,476	~	1,659,460	4,875,936
Liabilities against assets subject to finance lease	1,085	(238)	(847)	-
Short term borrowings	15,180,937	-	(3,325,195)	11,855,742
Dividend to ordinary shareholders	475,276	1,090,247	(1,434,588)	130,935
Issued, subscribed and paid up capital	1,901,104	5,718,313	1,102,558	8,721,975
Share premium net of transaction cost	30,255	(21,629)	3,782,977	3,791,603
	20,805,133	6,786,693	1,784,365	29,376,191

44. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2019	
Chief Executive	Directors	Executives
]	Rupees in '000	
24,008	43,442	240,236
	170	6,060
3,750	4,300	29,924
-	33,825	
-	2,250	•
	-	14,967
	207	57,356
27,758	84,194_	348,543
1	8	63
	2018	
Chief Executive	Directors	Executives
]	Rupees in '000	
21.450	72,870	145,244
		3,589
3,400	13,750	16,003
_	-	7,732
-	<u> </u>	21,345
24,850	86,620	193,913
		45
	24,008 3,750	Chief Executive Directors

The chief executive officer and directors are provided with company maintained cars.

45. 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 these related parties. Amounts due from and to related parties are shown under the relevant notes to the financial statements. Remuneration to directors and key management personnel is disclosed in note 44. 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	2019	2018
		Rupees in	'000
IL Bangla Limited	Sale of asset	_	7,225
	Expenses paid on behalf of associate	-	7,452
	Interest on receivables from IL Bangla Limited	5,796	-
Interloop Holdings (Pvt) Limited	Expenses paid on behalf of associate	200	1,295
	Finance management services received from Interloop Holdings		
	(Pvt) Ltd	7,500	-
	Sale of assets	22,323	-
	Loan obtained during the year	3,000,000	-
	Loan repaid during the year	1,600,000	-
	Mark up expense on loan from Interloop Holdings (Pvt) Ltd	83,651	-
Interloop Limited ESOS	Funds transfer for payment to withdrawal cases under ESOS	-	500
•	Payment received on behalf of ESOS Management Trust - net	838	-
Interloop Welfare Trust	Sale of assets	1,214	-
Texlan Center (Pvt) Limited	Sale of assets	58,100	20,766
(, ,	Sale of yarn	644,549	60,683
Global Veneer Trading Limited	Selling commission	884,278	282,630
Eurosox Plus BV	Sale of socks	693,658	15,863
	Reimbursement of expenses	5,129	3,234
Key management	Sale of vehicle	5,551	-
personnel and other	House building finance loan	33,250	
related parties	Mark up on house building finance loan	923	-
	Repayment of loan	146,573	-
	Issuance of bonus shares	5,587,323	-
	Issuance of ordinary shares	3,000	-
	Dividend paid	1,400,733	-

Company Name	Basis of Relationship	Common Directorship / Percentage of shareholding	Address and Country of Incorporation
IL Bangla Limited	Associate	31.61%	House # 267, Road # 19, New DOHS Mohakhali, Dhaka, Bangladesh
Interloop Holdings (Pvt) Limited	Associate	Common Directors	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan
Interloop Dairies Limited	Associate	Common Directors	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan
Momentum Logistics (Pvt) Limited	Associate	Subsidiary of Associate	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan
Printkraft (Pvt) Limited	Associate	Subsidiary of Associate	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan
Texlan Center (Pvt) Limited	Associate	Common Directors	Dagonna Road, Minuwangoda, Sri Lanka.
Global Veneer Trading Limited	Associate	N/A	Bahnhofasteasse22, 6300 Zug, Switzerla
Eurosox Plus BV	Associate	N/A	Constructieweg 1, 7451 PS Holten, Netherlands
Interloop Welfare Trust	Trustee	N/A	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan
Interloop Limited ESOS Management Trust	Trustee	N/A	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan
Interloop Provident Fund Trust	Trustee	N/A	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan
BER OF EMPLOYEES	70		2019 2018
age number of employees during the year			16,579 15,434
ber of employees at end of the year			17,953 15,409

47. UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The Company planned for setting up two new projects.

- A socks knitting unit in Khurrianwala, Faisalabad, "Hosiery Division V".
- A denim stitching unit in Lahore, "Denim Division".

Estimated cost of these two projects is as under;

2019 -- Rupees in '000 --

Hosiery Division - V Denim Division

4,454,000 6,750,423 11,204,423

These projects are financed through issuance of share capital to general public and financing from banks. For this purpose the Company carried out a successful IPO during the year and have secured islamic long term finance facilities from banks. Detail of the proceeds from IPO and financing required from banks is as under;

Proceeds from IPO Financing from banks

5,024,900 6,179,523

11,204,423

As on June 30, 2019 progress of both the projects is as under;

		Denim Division		Hosiery Division-V
	Amount Utilized	Outstanding LCs	PRs/POs Issued	Amount Utilized
		Rupees in '(000	
Land and building	578,637	-	1,413,736	412,708
Plant and machinery	339,803	912,123	265,892	40,744
Power and utilities	83,288		426,445	10,168
Miscellaneous expenses	103,440	_	13,159	68,251
Advances to suppliers	789,124	_	_	-
	1,894,292	912,123	2,119,232	531,871

48. 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.

Spinning p)

This segment relates to the sale of yarn.

Apparel Ç This segment relates to the sale of apparels.

Dairies Ð

This segment relates to the sale of milk.

Other operating segments e)

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

48.1 Segment information

Sales	Hosiery Spinning	Apparel	el	Dairies	s	Others		Elimination of Intersegment Transactions	Intersegment	Total Company	npany
31,629,311 26,046,247 5,515,451 4,953,944 2,647,665 890,842 2,505,757 2,209,589 2,204,583 2,204,583 2,204,589 2,204,589 2,204,589 2,204,589 2,204,589 2,204,589 2,204,589 2,204,589 2,204,289 2,204,289 2,204,289 2,204,289 2,204,289 2,204,289 2,210,83 2,204,289 2,210,402 2,243,383 2,204,218 2,211,402 443,383 5,07,618 2,231,898 4,211,402 2,243,383 2,07,618 2,211,402 2,243,383 2,07,618 2,231,898 2,211,402 2,243,383 2,07,618 2,211,402 2,243,383 2,07,618 2,211,402 2,243,383 2,07,618 2,211,402 2	3 2019 Rupees in '0	'	2018	2019 2018 Rupees in '000	2018	2019 2018 Rupees in '000	2018	2019 2018 Rupees in '000	Z018 In '000	2019 20 Rupees in '000	2018
31,629,311 26,046,247 5,515,451 4,953,944 2,647,665 3,427,6976 2,937,089 8,466,208 7,163,533 11,092,058 8,321,083 572,928 595,653 11,092,058 8,321,083 572,928 595,653 (1,854,486) (1,531,475) (69,243) (36,969) (4,560,160) (4,109,681) (129,545) (88,035) (6,531,898 4,211,402 443,383 507,618 (2,631,898 4,211,402 443,383 507,618 (2,631,898 4,211,402 443,383 507,618 (2,631,898 4,211,402 443,383 507,618 (2,631,898 4,211,402 443,383 (2,631,898 4,211,402 443,383 (2,631,898 4,211,402 (2,631,898 4,211,402 (2,631,898 4,211,402 (2,631,898 4,211,402 (2,631,898 4,211,402 (2,631,898 4,211,402 (2,631,898 4,211,402 (2,631,898 (2,631,898 4,211,402 (2,631,898 (2,63											
34,276,976 26,937,089 8,466,208 7,163,533 (23,184,918) (18,616,006) (7,893,280) (6,567,880) 11,092,058 8,321,083 572,928 595,653 (1,854,486) (1,531,475) (69,243) (36,969) (4,560,160) (4,109,681) (129,545) (88,035) ited 6,531,898 4,211,402 443,383 507,618	26,046,247 5,515,451 890,842 2,950,757		1 1	1,1	1,003,222	328,745	138,545	(8,735,624)	(5,806,617)	37,511,062	32,141,958
(2,73,184,918) (18,616,006) (7,893,280) (6,567,880) 11,092,058 8,321,083 572,928 595,653 (1,854,486) (1,531,475) (69,243) (36,969) (4,560,160) (4,109,681) (129,545) (88,035) (6,531,898 4,211,402 443,383 507,618	26,937,089 8,466,208			11,	1,003,222	3,465,947	2,844,731	(8,735,624)	(5,806,617)	37,511,062	32,141,958
11,092,058 8,321,083 572,928 595,653 (2,705,674) (2,578,206) (1,854,486) (1,531,475) (69,243) (36,969) (4,560,160) (4,109,681) (129,545) (88,035) (164,560,1898 4,211,402 443,383 507,618 (194,683) (1,531,402 443,383 507,618 (1,531,402 443	(18,616,006) (7,893,280)		•		(888,852)	(3,181,033)	(2,616,968)	8,735,624	5,806,617	(25,643,715)	(22,883,089)
(1,854,486) (2,578,206) (60,302) (51,066) (51,066) (1,854,486) (1,531,475) (69,243) (36,969) (4,560,160) (4,109,681) (129,545) (88,035) (164,660,180) (4,109,681) (129,545) (129	8,321,083 572,928		,		114,370	284,914	227,763	,		11,867,347	9,258,869
(4,560,160) (1,531,475) (69,243) (36,969) (4,560,160) (4,109,681) (129,545) (38,035) (4,531,898 4,211,402 443,383 507,618	(2,578,206) (60,302)		1		,	(17,743)	(11,741)			(2,794,393)	(2,641,013)
tted (4,560,160) (4,109,681) (129,545) (88,035)	(1,531,475) (69,243)		(2,162)		(39,244)	(60,480)	(29,360)	1		(2,028,640)	(1,639,210)
(4,560,160) (4,109,681) (129,545) (88,035) 6,531,898 4,211,402 443,383 507,618			,		9,245		1	,		4	9,245
6,531,898 4,211,402 443,383 507,618	(4,109,681) (129,545)		(2,162)	1	(566'62)	(78,223)	(41,101)] 	(4,823,033)	(4,270,978)
	4,211,402 443,383		(2,162)		84,371	206,691	186,662	3		7,044,314	4,987,891
Share of loss from associate Taxation	Sec.									(714,202) 14,444 (999,260) (58,485) (226,260)	(603,026) 55,087 (498,956) (53,032) (153,248)

3,734,716

5,060,551

Profit after taxation

48.2 Reconciliation of reportable segment assets and liabilities

	Hosiery		Spinning	ing	Apparel	rel	Dairies	Others	ers	Total Company	прапу
	2019	2018	2019	2018	2019	2018	2019 2018	2019	2018	2019	2018
	Rupees in '000	00	Rupees in '000	000, u	Rupees in '000	000, и	Rupees in '000	Rupees in '000	000, ui	Rupees in '000	000, u
Total assets for reportable segment	24,710,831 21,6	621,160	21,621,160 5,261,938 4,933,605 715,888	4,933,605	715,888	4,671	,	5,101,383	2,983,876	35,790,040	29,543,312
Unallocated assets:										4	
Long term investments										93.540	115.456
Long term deposits										33,120	25,055
Short term investments										1,207,251	147,425
Tax refunds due from Government										1,949,118	2,451,812
Cash and bank balances										1,542,907	195,939
Other corporate assets											5,014
										4,825,936	2,940,701
Total assets as per balance sheet										40,615,976	32,484,013
									II		
Total liabilities for reportable segment	5,646,890 4,5	4,535,746	206,537	276,299	64,058	75		336,988	319,257	6,254,473	5,131,377

2,247,936	615	15,180,937	969,010	137,856	18,536,354	23,667,731	
3,628,745		11,855,742	1,247,191	113,942	16,845,620	23,100,093	

2,704,549 14,129,141 10,177,458 307,116 4,823,694 32,141,958

3,940,408 17,013,762 12,488,901 333,885 3,734,106 37,511,062

Total liabilities as per balance sheet

Long term financing
Liabilities against assets subject to finance lease
Short term borrowings
Current portion of non current liabilities
Accrued mark up

Unallocated liabilities:

48.3 Geographical information

48.3.1 The Company's revenue from external customers by geographical locations is detailed below:

Asia Europe North America South America Pakistan 48.3.2 All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

48.4 The Company's revenue is earned from a large mix of customers.

PLANT CAPACITY AND ACTUAL PRODUCTION		2019	2018
Hosiery	[MON]	Figures in	'000
Installed capacity - knitting	[DZN]	57,871	51,289
Actual production - knitting	[DZN]	43,242	45,935
Spinning			
Installed capacity after conversion into 20/s	[LBS]	29,949	29,949
Actual production after conversion into 20/s	[LBS]	26,630	27,219
Yarn Dyeing			
Installed capacity	[KGs]	4,928	4,818
Actual production	[KGs]	4,324	4,440

Active Wear & Apparel

49.

The plant capacity of these divisions is indeterminable due to multi product plans involving varying processes of manufacturing and run length of order lots.

49.1 Reasons for shortfall

The short fall in actual production during the year when compared with capacity is mainly on account of:

- The actual production is planned to meet the internal demand and orders in hand.

50. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value hierarchy

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.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1: Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

ı				2019				
. !		Carrying Amount	mount			Fair Value	ilue	
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
				Rupees in '000				
On balance sheet financial instruments								
Financial assets measured at fair value							3	
Investments in mutual funds	130,896	,		130,896	130,896	ı	,	130,896
Financial assets not measured at fair value								
Long term loans	ī	73,262	•	73,262	•	٠	1	
Long term deposits		33,120		33,120	ı	•	ŀ	
Trade debts	,	8,274,062	r	8,274,062	ı			
Loans and advances	1	66,343	1	66,343	1	t		1
Other receivables	4	94,421	1	94,421	1			ı
Short term investments		1,076,355	1	1,076,355	•		1	
Cash and bank balances	8	1,542,907	3	1,542,907	1		1	1
ı II	130,896	11,160,470	r	11,291,366	130,896	ı		130,896
Financial liabilities measured at fair value	•	,	1			•		,
Financial liabilities not measured at fair value								
Long term financing		ı	4,875,936	4,875,936	ı		1	1
Trade and other payables		1	3,248,567	3,248,567	ľ	,	ŧ	ı
Dividend payable	1		130,935	130,935	1	,	ŧ	ı
Accrued mark up	8	1	113,942	113,942	•	,	ı	ı
Short term borrowings		ı	11,855,742	11,855,742			d	
1	я	1.27	20,225,122	20,225,122		3		

.

				2018				
		Carrying Amount	mount			Fair Value	alue	
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
'				Rupees in '000		:		
On balance sheet financial instruments								
Financial assets measured at fair value							3	
Investments in mutual funds	147,425	,		147,425	147,425	,	+	147,425
Financial assets not measured at fair value								
Long term loans	1	60,747	1	60,747	1	•		i
Long term deposits		24,817	,	24,817	•			1
Trade debts	·	7,293,008		7,293,008	1	ı	1	
Loans and advances	1	81,163	ı	81,163	ı	1		1
Other receivables	•	146,680	1	146,680	4		ı	1
Cash and bank balances	1	195,939		195,939		•	•	
1 11	147,425	7,802,354	1	7,949,779	147,425			147,425
Financial liabilities measured at fair value	ı		,	1	1	,		
Financial liabilities not measured at fair value								
Long term financing	ı	•	3,216,476	3,216,476	1		1	
Liabilities against assets subject to finance		1	847	847	1			1
Trade and other payables	•	1	2,485,865	2,485,865	1	1	,	,
Dividend payable	•		475,276	475,276	ţ	,		
Accrued mark up	•	1	137,856	137,856	ī	,		,
Short term borrowings	٠	1	15,180,937	15,180,937	•	,	,	
1	ı	4	21,497,257	21,497,257	Ε	8		

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 exposures to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

51.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and other price risk such as equity risk. The sensitivity analysis in the following sections relate to the position as at June 30, 2019 and 2018.

51.1.1 Interest rate risk:

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from investments in term deposit receipts, long term and short term loans, short term borrowings, long term financing and liabilities against assets subject to finance lease.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2019	2018
Fixed rate instruments		
Short term investments (Rupees in '000)	1,076,355 ,	-
Loan to Metis International (Pvt) Limited - Secured (Rupees in '000)	9,560	33,414
Long term financing - Secured (Rupees in '000)	2,639,611	814,286
Variable rate instruments		
Loan to director - Secured (Rupees in '000) Effective interest rate in percentage	33,250 6.07	-
Receivables from IL Bangla Limited (Rupees in '000) Effective interest rate in percentage	82,766 7.53	-
Long term financing from financial institutions - Secured (Rupees in '000) Effective interest rate in percentage	2,236,325 13.35	2,402,190 7.33
Liabilities against assets subject to finance lease - Secured (Rupees in '000) Effective interest rate in percentage	-	847 7.94
Short term borrowings from financial institutions - Secured (Rupees in '000) Effective interest rate in percentage	11,855,742 3.03	15,034,364 4.17

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect statement of profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on loan, receivables, long term financing, liabilities against assets subject to finance lease and short term borrowings from banks, at the year end date, fluctuate by 100 bps higher / lower with all other variables, in particularly foreign exchange rates held constant, profit before taxation for the year 2019 and 2018 would have been affected as follows:

belove taxation for the year 2017 and 2010 would have seen another as follows.	2019 Rupees in	2018 '000
Effect on profit and loss of an increase in interest rate for loan to director	144	-
Effect on profit and loss of an increase in interest rate for receivables from IL Bangla Limited	786	-
Effect on profit and loss of an increase in interest rate for long term financing	14,696	15,188
Effect on profit and loss of an increase in interest rate for liabilities against assets subject to finance lease	_	10
Effect on profit and loss of an increase in interest rate for short term borrowings	63,191	61,542
	78,817	76,740

Decrease in interest rates at June 30 would have had the equal but opposite effect of these amounts. Sensitivity analysis has been prepared on symmetric basis.

51.1.2 Currency risk / Foreign Exchange risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions.

Exposure to Currency Risk

The Company's exposure to currency risk is restricted to the amounts receivable from/payable to the foreign entities and bank balances which are denominated in currency other than the functional currency of the Company. The Company's exposure to currency risk is as follows:

		2019)	20	18
Particulars	Currency	F.Currency '000	Rupees in '000	F.Currency '000	Rupees in '000
Foreign currency bank	us \$	390.39	64,024	261.55	31,752
·	EUR €	38.84	7,239	4.71	666
			71,263		32,418
Trade debts	US\$	47,810.39	7,840,904	57,364.98	6,964,108
Loans and advances	US\$	58.48	9,560	275.00	33,414
Less: Payables - Creditors	us \$	345.28	54,661	467.42	56,744
	EUR €	152.36	28,490	89.78	12,688
	CNY	0.93	23	-	-
	CHF	0.45	75	0.35	43
			83,249		69,475
On Balance sheet Exposure			7,838,479		6,960,465
Under letter of credit	US \$	4,160.32	684,373	1,971.64	239,357
Under letter of credit	US \$ EUR €	4,160.32	798,812	5,297.17	748,650
	IPY ¥	21,776.31	33,285	3,100.00	·
	GBP £	27,76.31	5,628	3,100.00	5,402
	CHF	27.00	5,020	21.75	2,656
Off Balance Sheet Exposure			1,522,098		994,065

The following significant exchange rates were applied during the year:

	2019		20	18
Foreign Currency	Average Rate	Reporting Date Rate	Average Rate	Reporting Date Rate
	[R U P E	E S]	[R U P	E E S]
US\$	142.70	164.00	113.10	121.40
EUR €	163.85	186.37	130.62	141.33
GBP £	183.80	208.45	147.78	159.14
CHF	145.07	168.03	115.83	122.11
CNY	21.29	23.85	-	-
JPY ¥	1.31	1.53	1.02	1.10

Currency rate sensitivity analysis

If the functional currency, at reporting date, had weakened by 10% against the foreign currencies with all other variables held constant, the profit before taxation would have increased for the year 2019 and 2018 by the following amounts:

	2019	2018
Foreign Currency	Rupees i	n '000
US\$	746,684	662,390
EUR €	(2,019)	(1,142)
CNY	(2)	-
CHF	(7)	(4)
	744,655	661,244

A 10% strengthening of the functional currency against foreign currencies at June 30 would have had the equal but opposite effect of these amounts.

Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The analysis assumes that all other variables remained constant.

51.1.3 Other price risk:

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk, because of the investments held by the Company in money market mutual funds, and classified on the balance sheet as fair value through profit and loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Short term investments include fair value through profit and loss investments of Rs. 130.90 million (2018: Rs. 147.43 million) which were subject to price risk.

If redemption price on mutual funds, at the year end date, fluctuate by 5% higher / lower with all other variables held constant, profit after tax for the year would have been Rs. 6,218 thousand (2018: 7,003 thousand) higher / lower, mainly as a result of higher / lower redemption price on units of mutual funds.

51.2 Credit risk:

Credit risk is the risk representing accounting loss that would be recognized at the reporting date if one party to a financial instrument will fail to discharge an obligation or its failure to perform duties under the contract as contracted. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations that is susceptible to changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The maximum exposure to credit risk at the reporting date is as follows:

	2019	2018
	Rupees in	000
Long term loans	73,262	60,747
Long term deposits	33,120	24,817
Trade debts	8,274,062	7,293,008
Loans and advances	66,343	81,163
Other receivables	94,421	146,680
Short term investments	1,207,251	147,425
Bank balances	1,515,070	183,888
	11,263,529	7,937,728

Loans and advances consist of loans to employees & director and Metis International (Pvt) Ltd. Loans to employees and director are secured against their retirement benefits and loan to Metis International is also secured through an irrevocable lien/charge on total assets of the Metis International (Pvt) Limited. Therefore, Company is not exposed to any significant credit risk on these loans.

Long term deposits have been mainly placed with suppliers of electricity, gas and telecommunication services and against rent of factory building. Considering the financial position and credit quality of the institutions and counter parties, Company's exposure to credit risk is not significant.

Trade debts amounting to Rs. 4,277 million out of total debts are secured against letters of credit and insured contract. Furthermore, credit quality of customers is assessed taking into consideration their financial position and previous dealings and on that basis, individual credit limits are set. Moreover, the management regularly monitors and reviews customers' credit exposure. Accordingly, the company is not exposed to any significant credit risk.

Other receivables constitute mainly receivables from the related parties and mark up subsidy from banks. Considering the financial position of related parties and credit quality of banks and insurance company exposure to credit risk is not significant.

Short term investments are investments in mutual funds, TDRs and sales tax refund bonds. The credit risk on these investments is limited because counter parties are fund management Companies, banks and Government with reasonably high credit ratings. The credit quality of mutual funds can be assessed by reference to external credit ratings or to historical information about counter party default rate.

	2019		2018
	[Credit Ratings]
Al Meezan Investment Management Limited	AM1		AM1
NBP Fund Management Limited	AM1		AM1
Alfalah GHP Investment Management Limited	AM2+		AM2+
UBL Fund Managers Limited	AM1		AM1

The credit quality of Company's bank balances can be assessed by reference to external credit ratings or to historical information about counterparty default

Name of Bank	Date	Long term	Short term	Outlook	Agency
Allied Bank Limited	27-Jun-19	AAA	A1+	Stable	PACRA
Askari Bank Limited	28-Jun-19	AA+	A1+	Stable	PACRA
Bank Alfalah Limited	28-Jun-19	AA+	A1+	Stable	PACRA
Burj Bank Limited	28-Jun-19	A	A1	Stable	PACRA
Dubai Islamic Bank Pakistan Limited	28-Jun-19	AA	A-1+	Stable	JCR-VIS
Faysal Bank Limited	27-Jun-19	AA	A1+	Stable	PACRA
Habib Bank Limited	28-Jun-19	AAA	A-1+	Stable	JCR-VIS
Habib Metropolitan Bank Limited	27-Jun-19	AA+	A1+	Stable	PACRA
MCB Bank Limited	27-Jun-19	AAA	A1+	Stable	PACRA
MCB Islamic Bank Limited	27-Jun-19	A	A1	Stable	PACRA
Meezan Bank Limited	28-Jun-19	AA+	A-1+	Stable	JCR-VIS
National Bank of Pakistan	28-Jun-19	AAA	A1+	Stable	PACRA
Silk Bank Limited	27-Jun-19	A-	A-2	Stable	JCR-VIS
Standard Chartered Bank Pakistan Limited	25-Jun-19	AAA	A1+	Stable	PACRA
The Bank of Punjab	28-Jun-18	AA	A1+	Stable	PACRA
United Bank Limited	28-Jun-18	AAA	A-1+	Stable	JCR-VIS

Due to Company's long standing relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the risk is minimal.

51.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2019 the Company has Rs. 13,394.26 million (2018: Rs 4,381.563 million) unutilized borrowing limits available from financial institutions and Rs. 1,544.674 million (2018: Rs. 195.939 million) cash and bank balances. The management believes that the company is not exposed to any liquidity risk.

The following are the contractual maturity analysis of financial liabilities as at June 30, 2019 and 2018:

-			2040		
2			2019		
	Carrying amount	Contractual cash flows	Within 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years
			Rupees in '000		
Financial Liabilities :					
Long term financing	4,875,936	5,764,488	677,420	934,605	4,152,463
Trade and other payables	3,248,567	3,248,567	3,248,567	-	-
Dividend payable	130,935	130,935	130,935		
Accrued mark up	113,942	113,942	113,942	-	н.
Short term borrowings	11,855,742	11,941,219	11,941,219		
	20,225,122	21,199,151	16,112,083	934,605	4,152,463
			2018		
1	Carrying amount	Contractual cash flows	Within 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years
			Rupees in '000)	
Financial Liabilities :					
Long term financing	3,216,476	3,652,002	550,166	594,099	2,507,737
Liabilities against assets subject to finance lease	847	1,168	260	519	389
Trade and other payables	2,485,865	2,485,865	2,485,865	-	-
Dividend payable	475,276	475,276	475,276	-	-
Accrued mark up	137,856	137,856	137,856		-
Short term borrowings	15,180,937	15,329,105	15,329,105		-
	21,497,257	22,081,272	18,978,528	594,618	2,508,126

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 24 and note 29 to these financial statements.

51.4 Capital risk management

The primary objective of the Company's capital management is to safeguard the company's ability to continue as a going concern, maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, so that it can continue to provide returns for shareholders thereby maximizing their wealth, benefits for other stakeholders and reduce the cost of capital.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of debt to equity ratio, calculated on the basis of total debt to equity.

	2019	2018
	Rupees in '	000
Long term financing	4,875,936	3,216,476
Liabilities against assets subject to finance lease	-	847
Short term borrowings	11,855,742	15,180,937
Debts	16,731,678	18,398,260
Equity	17,515,883	8,816,282
Total capital (equity + debt)	34,247,561	27,214,542
Gearing ratio (Percentage)	48.86	67.60

52. EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on September 23, 2019 have proposed a final cash dividend for the year ended June 30, 2019 of Rs. 1.75 per share, amounting to Rs. 1,526.34 million for approval of the members at the Annual General Meeting of the holding Company.

53. DATE OF AUTHORIZATION FOR ISSUE

2 3 SEP 2019

54. GENERAL

54.1 Corresponding figures

Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of better presentation. However, during the year following reclassifications are made in the corresponding figures.

Particulars	From	То	Rupees in '000
Operating fixed assets - Cost	Freehold	Building on freehold land	143
Operating fixed assets - Cost	Building on freehold land	Electric installations	1,290
Operating fixed assets - Cost	Plant and machinery	Tools and equipments	1,680
Operating fixed assets - Cost	Plant and machinery	Electric installations	22,157
Operating fixed assets - Cost	Tools and equipments	Building on freehold land	4,249
Operating fixed assets - Cost	Tools and equipments	Plant and machinery	14,782
Operating fixed assets - Cost	Tools and equipments	Furniture and fixtures	2,729
Operating fixed assets - Cost	Tools and equipments	Electric installations	4,871
Operating fixed assets - Cost	Office equipments	Furniture and fixtures	6,225
Operating fixed assets - Cost	Office equipments	Vehicles	11
Operating fixed assets - Cost	Electric installations	Building on freehold land	5,999

Particulars	From	То	Rupees in '000
Operating fixed assets - Cost	Electric installations	Tools and equipments	2.894
Operating fixed assets - Cost	Electric installations	Plant and machinery	2,529
Operating fixed assets - Cost	Furniture and fixtures	Building on freehold land	105
Operating fixed assets - Cost	Furniture and fixtures	Tools and equipments	2,731
Operating fixed assets - Cost	Furniture and fixtures	Electric installations	134,836
Operating fixed assets - Cost	Furniture and fixtures	Plant and machinery	10,339
Operating fixed assets - Cost	Vehicles	Tools and equipments	102,813
Operating fixed assets - Accumulated depreciation	Building on freehold land	Electric installations	5,316
Operating fixed assets - Accumulated depreciation	Plant and machinery	Tools and equipments	474
Operating fixed assets - Accumulated depreciation	Tools and equipments	Building on freehold land	1,460
Operating fixed assets - Accumulated depreciation	Tools and equipments	Plant and machinery	10,941
Operating fixed assets - Accumulated depreciation	Tools and equipments	Furniture and fixtures	161
Operating fixed assets - Accumulated depreciation	Tools and equipments	Electric installations	312
Operating fixed assets - Accumulated depreciation	Office equipments	Furniture and fixtures	4,831
Operating fixed assets - Accumulated depreciation	Office equipments	Vehicles	11
Operating fixed assets - Accumulated depreciation	Electric installations	Tools and equipments	2,326
Operating fixed assets - Accumulated depreciation	Electric installations	Plant and machinery	2,644
Operating fixed assets - Accumulated depreciation	Furniture and fixtures	Tools and equipments	1,659
Operating fixed assets - Accumulated depreciation	Furniture and fixtures	Electric installations	54,925
Operating fixed assets - Accumulated depreciation	Furniture and fixtures	Plant and machinery	1,562
Operating fixed assets - Accumulated depreciation	Vehicles	Tools and equipments	74,003
Depreciation expense	Administrative expenses	Cost of sales	17,470
Advertisement expense	Distribution cost	Administrative expense	4,379

54.2 Rounding

Figures have been rounded off to the nearest thousand.

Jahan Zul DIRECTOR

CHIEF FWANCIAL OFFICER

THIE EXECUTIVE