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# PROGRESS REPORT

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## INTERLOOP LIMITED QUARTERLY PROGRESS REPORT

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FOR QUARTER ENDED ON MARCH 31, 2020

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# PROGRESS REPORT

## Projects

This Progress report is being submitted as per Regulation 5 (6) (iv) of the Public Offering Regulations, 2017 & in compliance of the requirement of the Pakistan Stock Exchange Letter # PSX/Gen-5311, Dated November 20, 2018 and in compliance with the Securities & Exchange Commission of Pakistan's Letter # SMD/CIW/SA-88/06/2018 dated December 21, 2018.

**Interloop Limited carried out a successful IPO in March 2019 to finance the following two projects:**

- Denim Unit in Lahore; Denim stitching unit
- Hosiery Division V in Faisalabad, Khurrianwala; A Socks knitting unit

**We are pleased to share the implementation report of the projects mentioned above.**

## Interloop Denim — Implementation Update

The denim division is located at 8 km Manga Raiwind Road, Lahore and has been functional since November 2019 as originally planned.

**First Phase:** First phase is completed with an installed capacity of 500,000 units a month (20,000 units per day) has been commissioned. The plant has shipped 585,553 units during the period from Jan ~ Mar 2020 to customers in Europe and North America. Production during the quarter was 921,150 units, which stands at approximately 14,000 units per day.

**Second Phase:** Second phase has been planned to enhance the total capacity to 40,000 units per day. It comes at a time when the world is dealing with the outbreak of COVID-19 Pandemic. Due to these unforeseen circumstances, the completion of second phase is suspended until further notice. We are continuously analyzing the situation and the BOD will take decision about its revised timing keeping in view the prevailing circumstances.

**Operational Standpoint:** From an operational perspective, work force has been upskilled with productivity improving each month. All 12 sewing lines are operational and ancillary machinery in the laundry has been commissioned.

*Pictures of Denim plant can be seen in Annexure I.*

Initially, we allocated the budget of PKR 6.75 billion for Denim. It has been enhanced to PKR 7.7 billion due to the depreciation in PKR and some cost overruns including preproduction expenses / trial run losses. Budget for plant & machinery was further enhanced by PKR 400 million on account of addition of water recycling facilities at the plant. The increase in cost is being financed by internal cash generation.

*Annexure II depicts the details of the category wise budget utilization*

## **Hosiery Division V — Implementation Update**

**Phase 2** of pilot unit of Plant 5 has been completed successfully within the existing infrastructure for the time being to cater for the demand of the buyers. The unit is currently operating with 210 knitting machines, 726 personnel with production capacity of 6,000 dozen per day and produced 413,438 dozen during Q3 of financial year 2019-2020. Another 120 knitting machines had been ordered and hiring was underway to strengthen the team further but due spread of COVID-19 and lockdown condition its completion has been delayed for the time being.

Building layout for main Plant has been prepared. It will house 1,200 knitting machines with daily production capacity of approximately 42,000 dozen. Main project is under civil work and structural planning phase.

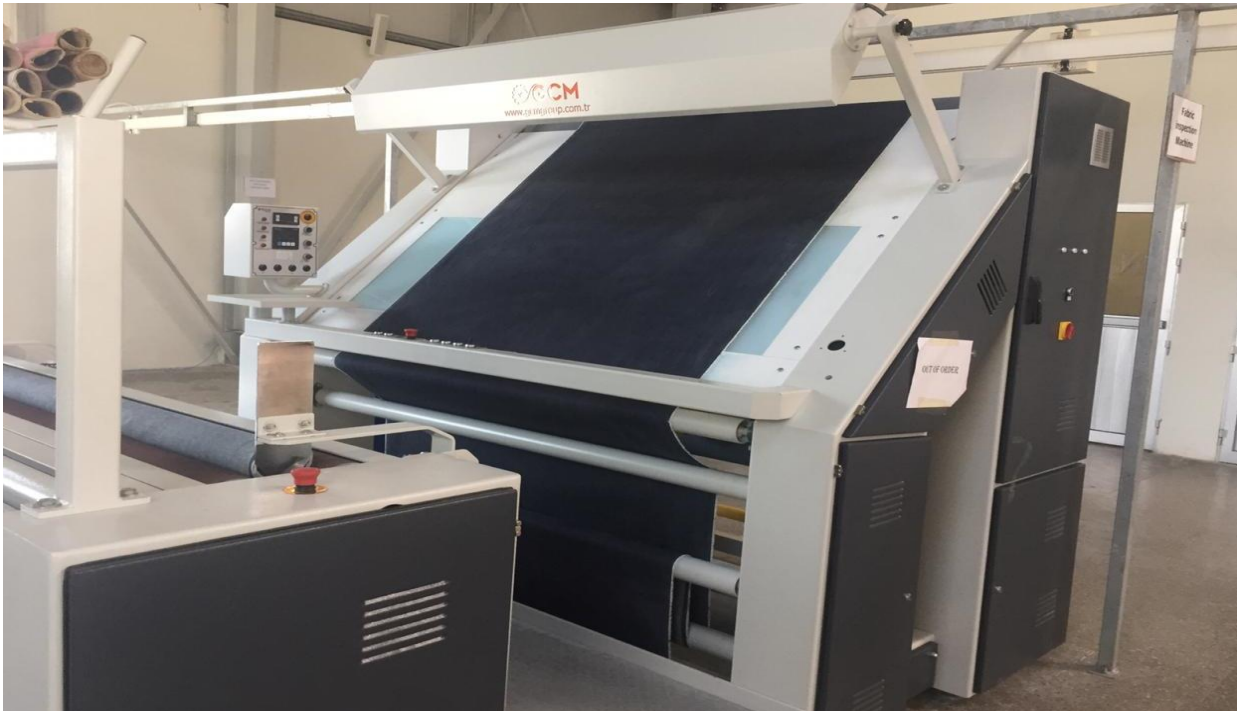
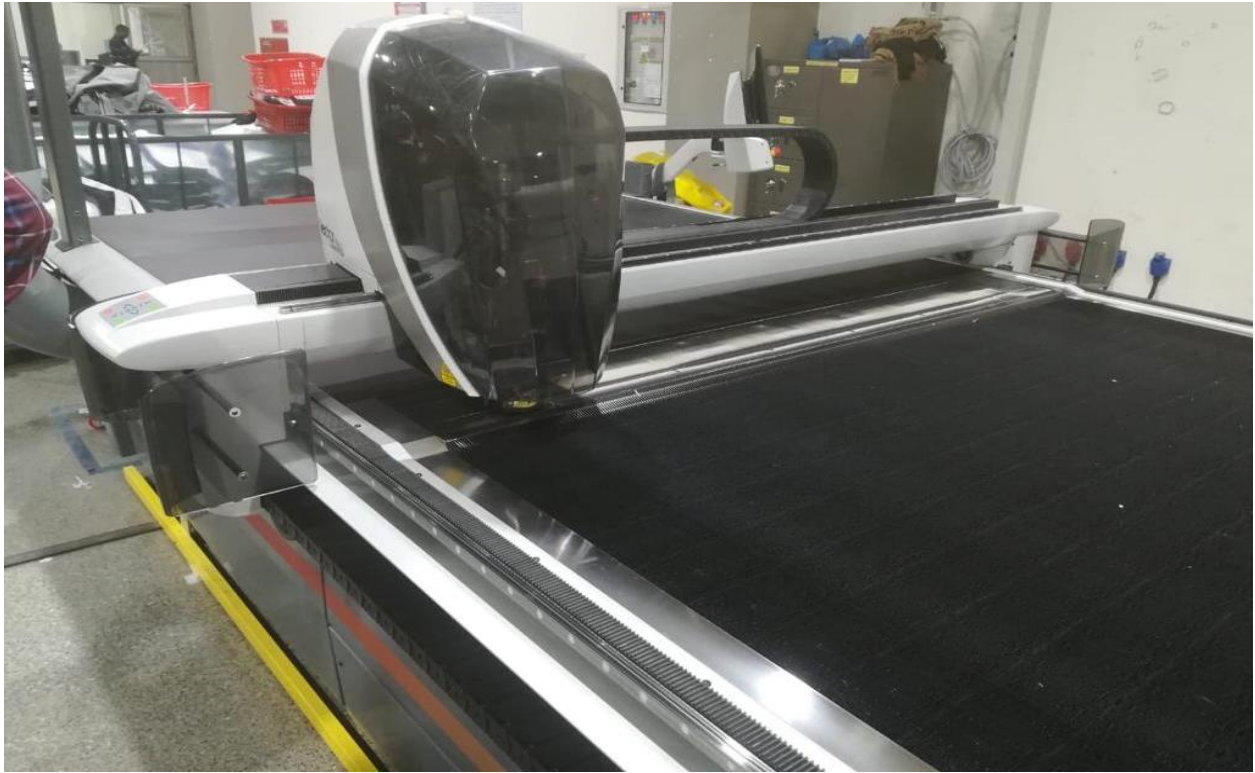
*Annexure III (Pictures) depicts the progress of pilot phase of plant V.*

**Sd/-**  
**(Muhammad Maqsood)**  
**President / Group CFO**

**Sd/-**  
**(Rana Ali Raza)**  
**Company Secretary**

## Annexures

### Annexure I











## Annexure II (PKR)

Budget Description	Final Approved	PO Issued/LC Established	Actual Payment to Suppliers/Vendors	Available Balance	% age Consumed based on PO
Denim - Construction of Building Setup	2,460,852,632	2,384,922,779	2,015,338,199	75,929,853	96.91%
Denim - Procurement of Machinery	3,342,771,114	2,680,059,300	1,940,243,869	662,711,814	80.17%
Denim - Power & Utilities	1,322,750,505	831,991,496	712,275,985	490,759,009	62.90%
Denim - Manufacturing System, Computers and IT Equipment	303,295,870	160,084,150	140,448,267	143,211,720	52.78%
Denim - Miscellaneous Expenses	225,144,068	131,351,348	117,869,963	93,792,720	58.34%
Pre Commencement Expenses / Trial run losses	449,926,780	449,926,780	449,926,780	-	100.00%
<b>TOTAL</b>	<b>8,104,740,969</b>	<b>6,638,335,853</b>	<b>5,376,103,063</b>	<b>1,466,405,116</b>	<b>81.91%</b>

*Note: Initially the estimated cost of the project was PKR 6.75 billion. Pre commencement expenses / trial run losses, cost over-run and Exchange loss are being financed through internally generated cash flows*



## Annexure III



