
PROGRESS REPORT

INTERLOOP LIMITED QUARTERLY PROGRESS REPORT

FOR QUARTER ENDED ON JUNE 30th, 2021



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PROGRESS REPORT

Projects

This Progress report is being submitted in compliance with the requirement of the Pakistan Stock Exchange Letter # PSX/Gen-5311, Dated November 20, 2018 and 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.

Denim Division — Implementation Update

The denim division is located at 8 KM Manga Raiwind Road, Lahore and has been functional since November 2019 as originally planned. Building & Infrastructure for the entire project is nearly fully complete.

Phase 1:

We have successfully completed first phase of the project by installing capacity of 20,000 units per day. The project started its commercial operation since Second Quarter FY2020. COVID-19 Pandemic has effected the marketing activity and our ramp-up plans. However, the project is gradually making its place in European and North American markets.

Phase 2:

In second phase, it is planned to enhance the capacity to 40,000 units per day. The project is completed in terms of infrastructure since nearly 83% of the budget has already been consumed. However, considering the impact of COVID-19 which has adversely affected the economies and demand all across the globe, the project activities has been slow down. *(Progress related to Denim project has been detailed in Annexure I)*

The management is striving to bring the first phase into profit before going in to second phase of the Denim Project.

Project cost has been enhanced to PKR 8.325 billion from initial estimate of PKR 6.75 billion for Denim project due to the devaluation in PKR and trial run losses. The increase in cost will be financed by internal cash generation. *Utilization of project cost is given in detail in Annexure II.*



Hosiery Division V — Implementation Update

Phase 2 of Pilot Unit for Plant 5 had been completed successfully and the unit is currently operating with 430 knitting machines utilizing existing infrastructure. The production capacity is 12,000 dozen per day, which equates to roughly 29% capacity of the main plant designed to produce 42,000 dozen per day.

During the quarter under consideration, Company established LC's to import further 191 knitting machines. LC for 580 knitting machines along with necessary axillary equipment already established in March 2021 quarter.

The Land for the project had already been procured. Construction activities are paced up and the foundation of Building completed up to plinth level and now PEB structure is in commissioning phase. Furthermore, the excavation of unit # 1 was completed and PCC work is in progress.

Working on power and utilities related works also been executed. *(Progress related to project can see in Annexure III)*

The management is now aggressively working to complete the project to cater market demand.

Project cost has been enhanced to PKR 5.9 billion from initial estimate of PKR 4.5 billion for the project due to the devaluation in PKR and trial run losses. The increase in cost will be finance by internal cash generation. Utilization of project cost is given in detail in Annexure IV.


Muhammad Maqsood
President / Group CFO




Rana Ali Raza
Company Secretary

Annexures

Progress related to Denim Project Annexure I

WASHING MACHINES & DRYERS



LASER MACHINES



DISTRESS AREA & OVEN



Robotic Spray Booth & Ozone Machines



Utilization of Denim Project Cost 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	2,444,354,329	2,337,291,706	16,498,303	99.33%
Denim - Procurement of Machinery	3,342,771,114	2,680,059,300	2,516,186,149	662,711,814	80.17%
Denim - Power & Utilities	1,322,750,505	949,248,914	898,595,550	373,501,591	71.76%
Denim - Manufacturing System, Computers and IT Equipment	303,295,870	213,383,098	193,988,588	89,912,772	70.35%
Denim - Miscellaneous Expenses	249,053,099	144,879,225	133,739,375	104,173,874	58.17%
Pre Commencement Expenses / Trial run losses	646,276,780	449,926,780	449,926,780	196,350,000	69.62%
TOTAL	8,325,000,000	6,881,851,646	6,529,728,148	1,443,148,354	82.66%

Project cost has been enhanced to PKR 8.325 billion from initial estimate of PKR 6.75 billion for Denim project due to the devaluation in PKR and trial run losses. The increase in cost will be financed by internal cash generation.



Progress related to Plant V Annexure III



Utilization of Project Cost of Plant V Annexure IV (PKR)

Budget Description	Final Approved	PO Issued/LC Established	Actual Payment to Suppliers/Vendors	Available Balance	% age Consumed based on PO
Plant V - Construction of Building Setup	1,289,000,000	1,167,999,264	784,776,497	121,000,736	90.61%
Plant V - Procurement of Machinery	2,956,000,000	2,649,370,305	1,206,275,249	306,629,695	89.63%
Plant V - Power & Utilities	1,286,000,000	993,025,151	281,461,976	292,974,849	77.22%
Plant V - Computers and IT Equipment	43,000,000	36,959,268	1,315,140	6,040,732	85.95%
Plant V - Miscellaneous Expenses	135,000,000	-	-	135,000,000	0.00%
Pre Commencement Expenses / Trial run losses	200,000,000	2,987,785	2,987,785	197,012,215	1.49%
TOTAL	5,909,000,000	4,850,341,773	2,276,816,647	1,058,658,227	82.08%

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