
PROGRESS REPORT

INTERLOOP LIMITED QUARTERLY PROGRESS REPORT

FOR QUARTER ENDED ON SEPTEMBER 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

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.

Ordering of all 1,200 machines are completed. Letter of Credit for 771 knitting machines along with necessary axillary equipment already established in last quarter.

The Land for the project have already been procured. 70% of Construction work is completed. One production hall is fully completed and ready for production activities. Installation of 600 machine is started under this new hall, these machine will be available for commercial production in 2nd quarter FY2022. Whereas remaining production facilities will be completed by end of 2nd quarter FY 2022.

Work related to MEP and utilities is 90% completed and these activities are in line with the plan. *(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.

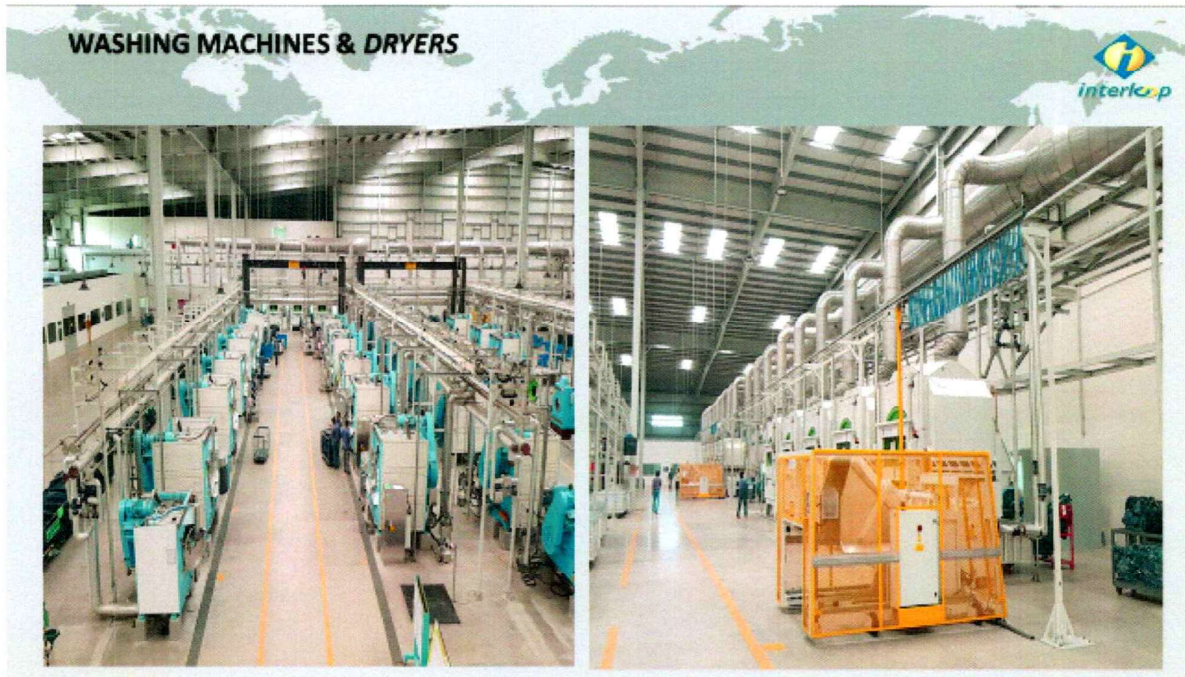

Muhammad Maqsood
President / Group CFO




Rana Ali Raza
Company Secretary

Annexures

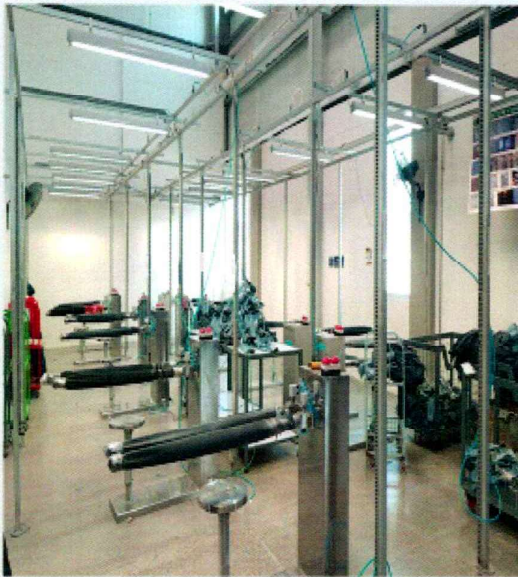
Progress related to Denim Project Annexure I



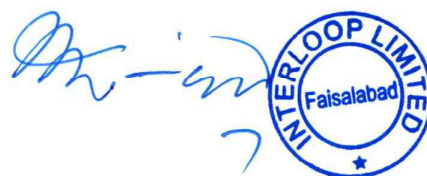
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INTERLOOP LIMITED
Faisalabad

DISTRESS AREA & OVEN



Robotic Spray Booth & Ozone Machines



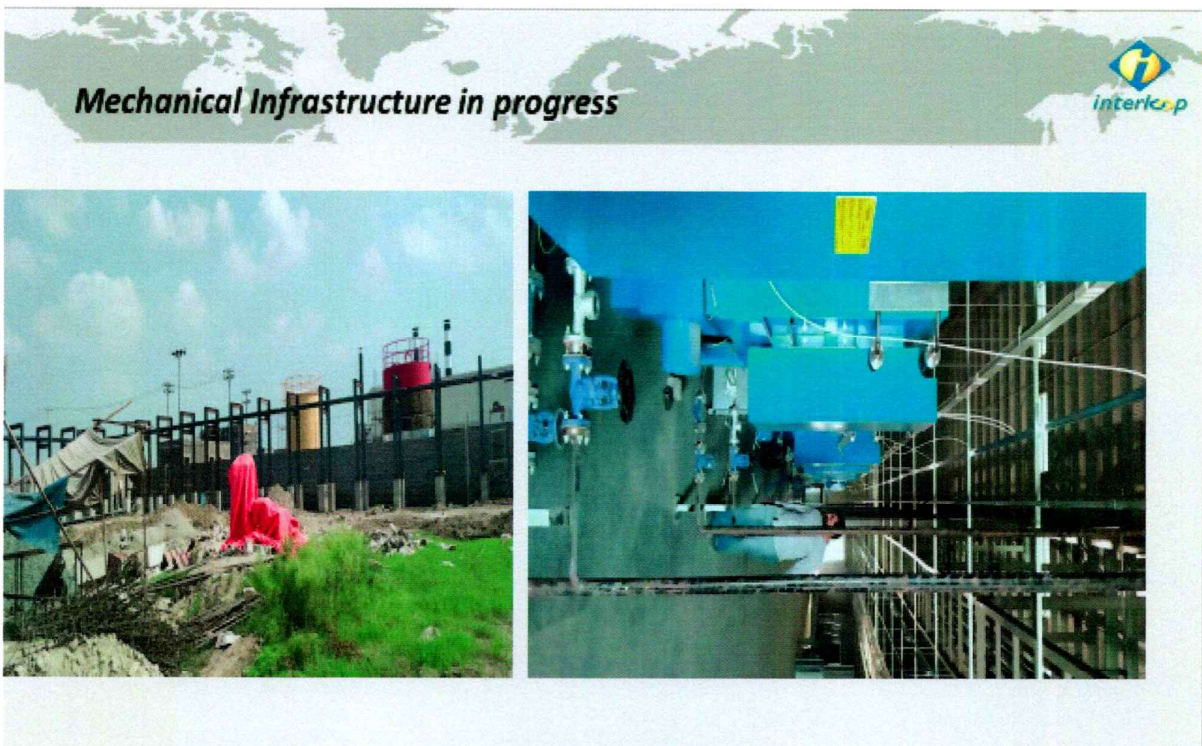
Utilization of Denim Project Cost Annexure II (PKR)

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	2,461,367,773	2,374,144,685	(515,141)	100.02%
Denim - Procurement of Machinery	3,342,771,114	2,680,059,300	2,621,582,808	662,711,814	80.17%
Denim - Power & Utilities	1,322,750,505	951,977,923	919,476,642	370,772,582	71.97%
Denim - Manufacturing System, Computers and IT Equipment	303,295,870	235,840,919	212,031,105	67,454,951	77.76%
Denim - Miscellaneous Expenses	249,053,099	144,879,225	134,734,875	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	6,924,051,919	6,711,896,895	1,400,948,081	83.17%

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.



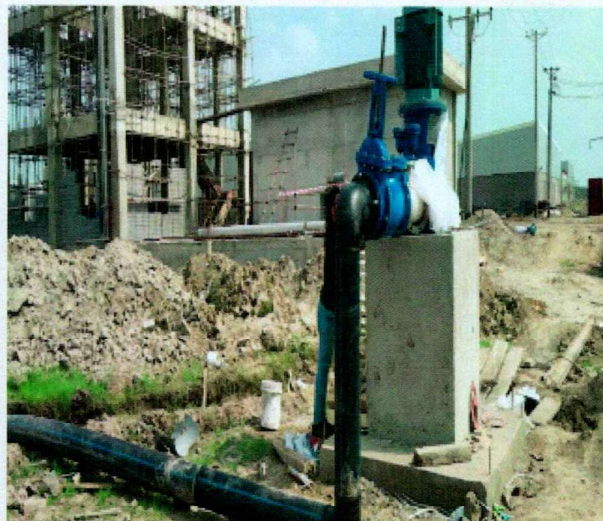
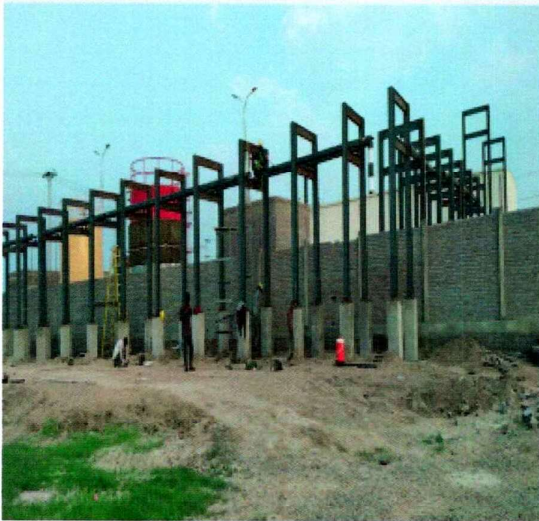
Progress related to Plant V Annexure III



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Mechanical Infrastructure in progress



Processing Area in progress



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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	1,265,839,618	894,803,551	23,160,382	98.20%
Plant V - Procurement of Machinery	2,956,000,000	2,740,351,778	1,504,592,106	215,648,222	92.70%
Plant V - Power & Utilities	1,286,000,000	1,180,733,966	886,833,264	105,266,034	91.81%
Plant V - Computers and IT Equipment	43,000,000	38,148,886	19,760,115	4,851,114	88.72%
Plant V - Miscellaneous Expenses	135,000,000	-	-	135,000,000	0.00%
Pre Commencement Expenses / Trial run losses	200,000,000	38,075,418	38,075,418	161,924,582	19.04%
TOTAL	5,909,000,000	5,263,149,666	3,344,064,453	645,850,334	89.07%

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